ACCUMULUS
CAPITAL MANAGEMENT, LLC

August 8, 2008

Accumulus Funds — Second Quarter 2008 Update

Dear Accumulus Investor,

Performance Review

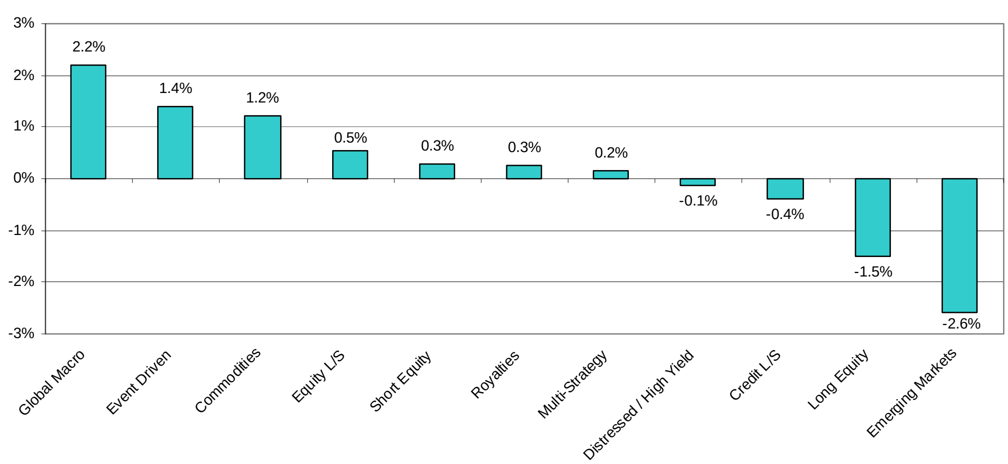
For the second quarter of 2008 the Accumulus Funds were up between 2.7% and 4.7% in the USD share classes, and 3.5% to 4.9% in the EUR hedged classes. Please see the table below for a detailed performance overview[1]:

	Apr-08	May-08	Jun-08	Q2 2008	YTD	12M	2007	2006	Ann LTD
Accumulus Fund Ltd. US$	-0.3%	2.6%	0.9%	**3.2%**	**1.1%**	**10.5%**	10.1%	11.8%	7.8%
Accumulus Fund Ltd. US$ (Levered)	-0.6%	3.9%	1.3%	**4.7%**	**1.1%**	**13.2%**	11.9%	16.7%	10.8%
Accumulus Fund Ltd. EUR	-0.3%	2.6%	1.1%	**3.5%**	**1.4%**	**10.0%**	8.4%	9.0%	6.8%
Accumulus Fund Ltd. EUR (Levered)	-0.5%	4.0%	1.4%	**4.9%**	**1.5%**	**12.9%**	10.5%	13.6%	9.7%
ACM Fund EUR (Levered) (2)	-0.5%	4.0%	1.4%	**4.9%**	**1.5%**	**12.9%**	10.3%	13.6%	8.6%
Accumulus Fund LP (US$)	-0.3%	4.4%	-1.4%	**2.7%**	**1.1%**	**11.8%**	10.2%	13.2%	9.2%
HFRX Investable Index	1.2%	1.4%	-0.8%	**1.8%**	**-1.0%**	**-3.0%**	4.2%	9.9%	5.1%
HFRI Fund of Funds Composite Index	1.0%	1.8%	-1.0%	**1.8%**	**-2.5%**	**-0.4%**	10.3%	9.0%	7.0%
CSFB Investable Hedge Fund Index	0.6%	1.9%	-1.1%	**1.4%**	**-1.0%**	**-0.1%**	7.3%	10.1%	6.7%

1 Please see the last page of this letter for important disclosure notes related to performance and applicable risks.
2 Performance for Accumulus Fund Ltd. Classes and HFRX Index from September 2003; Accumulus Fund LP from January 2003; and ACM Fund Share Class from February 2004.

In the second quarter the Accumulus Funds achieved positive returns and managed to earn back the losses of the first quarter, resulting in modestly positive performance for the first half. This performance, while low in absolute terms, puts us ahead of the indices by 2%-4% YTD. More meaningfully, our 12-month returns of 10% - 13% are attractive in absolute terms and comfortably ahead of the hedge fund indices, all of which posted slightly negative returns over this period. The table below shows the performance attribution for the second quarter. Gains came from Global Macro, Commodities and Event Driven (Short Credit), while losses came from any long exposures in equities and credit, especially emerging market equities, notably India.

Accumulus Master Fund Ltd. – 2008 Second Quarter Performance by Strategy (gross)



Unfortunately, as we write this letter, July has turned out as the worst month for Accumulus since our inception in 2001. Losses of -3.6% to -6.7% were even worse than the 3% drop in the hedge fund indices, itself the worst performance of hedge funds since the Russia default and LTCM Crisis almost exactly 10 years ago. Nothing worked in July, but particularly painful was our long-biased Russia manager that lost 20%. We feel that Russia is the cheapest global market with the very good growth prospects, irrespective of whether oil is at $140 or $100, or indeed at $80 per barrel; however many market participants see Russia as a pure commodity proxy and, combined with renewed noises of political intervention in the economy, led a sharp sell-off in the second half of July. This leaves the Accumulus Funds down 2.6% to 5.7% for the year, the unlevered shares barely ahead of the indices. Again, the July rolling twelve month performance of 1.1% to 2.2% is still respectable, but recent performance has still been quite a shocker!

Portfolio Changes

In the second quarter we focused on reducing portfolio market exposure. We completely redeemed from a Japan long-only fund, a structured credit manager, and a fund following an event driven / distressed strategy. We also dramatically reduced our position with a manager that has recently taken the firm public, as we feel there can be a conflict of interest between looking after fund investors and firm shareholders. We brought on board two new funds: a New York based global long/short equity fund that specializes in the financial sector, and an Australian based manager investing in equities in a market neutral strategy.

Outlook

Our world economic outlook continues to be negative in the short and intermediate term. Recent declines in shipping activity signal a sharp deceleration in global trade and growth. This will greatly affect low margin producers like many Asian public companies, which look cheap based on current earnings, but may appear less attractive when earnings decline meaningfully. We believe that the slowdown in China will be far more pronounced than current consensus projections, leading to a continued correction of most commodity prices.

In this environment it will be challenging for any managers to make money, but we still believe that well researched and executed long/short strategies have a better chance of protecting capital and delivering reasonable returns than traditional long-only investing.

Thank you for your continued trust and confidence in Accumulus Capital Management. If you have any questions, please do not hesitate to contact us at (212) 490-7570.

Yours sincerely,

Benjamin Schliemann