

May 11, 2008

Accumulus Funds – First Quarter 2008 Update

Dear Accumulus Investor,

Performance Review

For the first quarter of 2008 the Accumulus Funds were down between -1.5% and -3.4% in the USD share classes, and -2.0% to -3.3% in the EUR hedged classes. Please see the table below for a detailed performance overview¹:

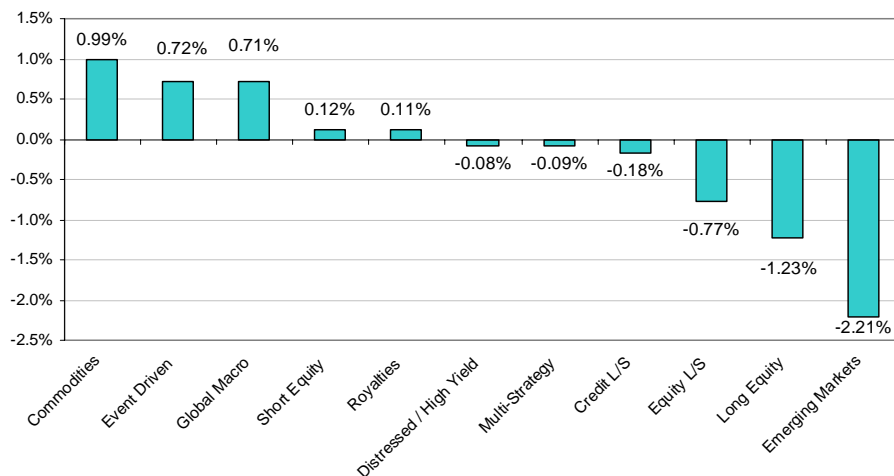
	Jan-08	Feb-08	Mar-08	Q1 2008	YTD	2007	2006	Ann LTD
Accumulus Fund Ltd. US\$	-3.0%	2.5%	-1.5%	-2.1%	-2.1%	10.1%	11.8%	7.5%
Accumulus Fund Ltd. US\$ (Levered)	-4.6%	3.9%	-2.5%	-3.4%	-3.4%	11.9%	16.7%	10.3%
Accumulus Fund Ltd. EUR	-3.1%	2.5%	-1.4%	-2.0%	-2.0%	8.4%	9.0%	6.4%
Accumulus Fund Ltd. EUR (Levered)	-4.7%	4.0%	-2.3%	-3.3%	-3.3%	10.5%	13.6%	9.2%
ACM Fund EUR (Levered) ⁽²⁾	-4.7%	4.0%	-2.3%	-3.3%	-3.3%	10.3%	13.6%	7.9%
Accumulus Fund LP (US\$)	-2.7%	2.3%	-1.2%	-1.5%	-1.5%	10.2%	13.2%	9.1%
HFRX Investable Index	-2.1%	1.8%	-2.5%	-2.8%	-2.8%	4.2%	9.9%	4.9%
HFR1 Fund of Funds Composite Index	-2.9%	1.4%	-2.3%	-3.9%	-3.9%	10.3%	9.0%	7.1%
CSFB Investable Hedge Fund Index	-1.0%	1.1%	-2.6%	-2.5%	-2.5%	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.

This was a difficult quarter for most assets and strategies, and many hedge funds were hit hard by market turmoil. While we had our worst quarter in a very long time, performance was respectable in that our unlevered funds outperformed our benchmark, the HFRX Investable Index. Rolling 12-month returns range from +6.3% to +8.1% in USD, and +6.2% to +7.4% in EUR, so we are well ahead of the indices' rolling 12 month returns of -0.2% (HFRX), 2.8% (HFR1), and 2.3% (CSFB).

Accumulus Master Fund Ltd. - 2008 First Quarter Performance by Strategy (gross)



Of course, we are not happy with a losing quarter. We were significantly impacted by the declines of equity markets in Asia, as well as a very tough environment for most long/short equity managers. Credit long/short, distressed, high yield, and convertible arbitrage had only a very small negative impact, due to their low weightings in the portfolio. Positive attribution came mainly from commodities, global macro and event driven.

Portfolio Changes

Changes in Accumulus Fund Ltd. during the first quarter were aimed at cutting exposures and positioning the fund for the market uncertainties we expect as we move into spring and summer. We trimmed or eliminated positions in three country specific funds and one sector specific fund. In prolonged periods of economic turmoil these managers may be hamstrung by the narrow focus of their mandate and unable to move capital to where it can perform. We increased and added positions with managers that have the proven ability to profit during market dislocations, including a manager with the longest short only trackrecord that we have ever come across.

Outlook

It will not come as a surprise to our investors that we continue to be very cautious in our outlook for the financial markets.

We believe that global deleveraging still has a long way to go and that the credit and liquidity contraction is only beginning to show up in the real economy. Levered i.e. western economies will be affected in particular, but few economies will entirely de-couple. We find it hard to see compelling values in any sectors, geographic areas or asset classes. We are researching Japan, which is very cheap, but even there we find it hard to buy as the country seems to be heading into a recession. We are, however, optimistic about Russia and some other economies with big surpluses.

This caution in our portfolio has prevented our funds from making money in April, but at this time we can already see the strong rallies in credit and equities since the Bear Stearns rescue in mid-March beginning to lose steam and, in some cases, reverse.

While always making small changes to the portfolio at the margin, we remain convinced that we are invested with a group of great managers that will responsibly deploy our capital to achieve attractive risk-adjusted performance in the future.

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

This document is provided for informational purposes only and is not an offer to sell or the solicitation of an offer to purchase an interest in any of the funds. Estimated returns are presented net of estimated fees and expenses, and are based on data provided by underlying managers. Estimates are subject to revision. Year-to-date returns are calculated based on an investment made on January 1. Indices and other financial benchmarks are shown for illustrative purposes only, are unmanaged, and do not reflect the impact of advisory fees. All data reflect reinvestment of any interest, dividends, and other applicable earnings. Past performance is not necessarily indicative of future results. This report is intended solely for current investors and certain prospective investors who have demonstrated eligibility and expressed an interest in the Fund. Reproducing or divulging the contents of this report without prior written consent from Accumulus Capital Management LLC is prohibited.