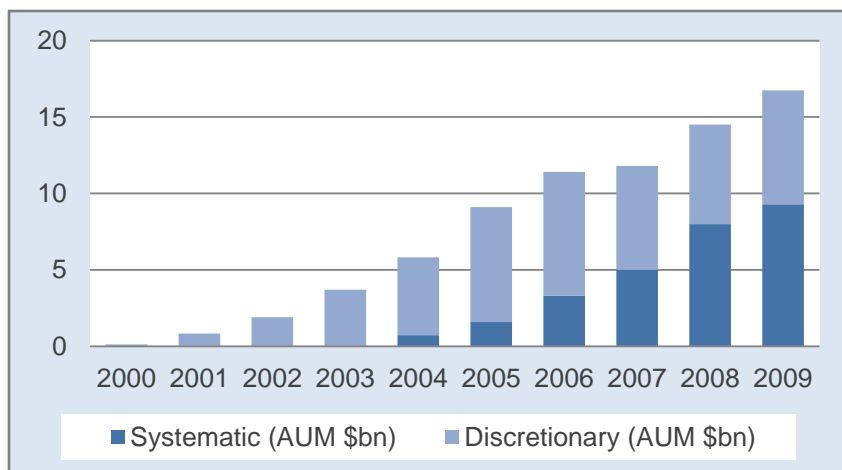


Integrating Investment Boundaries

A systematic approach to automated
cross asset, multi-frequency trading

BlueCrest Overview

- Founded in 2000 by Michael Platt and William Reeves (ex JP Morgan). Leda Braga joined Oct 2001.
- Business defined by:
 - Tight stop loss rules
 - Focus on specialisation in trading expertise and excellence in technology
- Flagship Products*
 - BC1 (launched Dec 2000):** AUM \$5.0bn, Ann. Ret. SI 14.78%
 - BlueTrend (launched Apr 2004):** AUM \$8.7bn, Ann. Ret. SI 19.72%
 - AllBlue (launched Sep 2005):** AUM \$3.3bn, Ann. Ret. SI 12.29%
- 336 employees in London, Geneva, New York, Boston and Singapore with a current AUM of \$16.75bn
- Owned 75% by Partners, 25% by Man Group plc



EuroHedge Awards

(Nominations, **Winners** in Bold)

- 2009 **Management Firm of the Year**
9 Nominations
- 2008 **Management Firm of the Year**
Best Managed Futures Fund – BlueTrend
Best Mixed Arbitrage & Multi-Strategy Fund – BlueCrest Capital International
Best Mixed Arbitrage & Multi-Strategy Fund – AllBlue
Best Credit & Distressed Fund – BlueCrest Multi-Strategy Credit
Best Equity Market Neutral & Quant Strategies Fund – BlueMatrix
Fund of the Year – BlueTrend
- 2007 **Best Managed Futures Fund – BlueTrend**
Best Mixed Arbitrage & Multi-Strategy Fund – BlueCrest Capital International
- 2006 Best Macro Fund – BlueCrest Strategic
Best Managed Futures Fund – BlueTrend
- 2005 Management Firm of the Year
Best Macro Fund – BlueCrest Strategic
Best Managed Futures Fund – BlueTrend
- 2004 **Management Firm of the Year**
Best Mixed Arbitrage & Multi-Strategy Fund – BlueCrest Capital International
Best Macro Fund – BlueCrest Strategic
Best Managed Futures Fund – BlueTrend
- 2002 Best Mixed Arbitrage Fund – BlueCrest Capital International
- 2001 **Best Mixed Arbitrage Fund – BlueCrest Capital International**
Fund of the Year – BlueCrest Capital International



BlueCrest

Cross Asset Investment

Business Background

Cross/Style Cross Asset Investment

- Business Strategy
 - Business Strategy and Investment Process
- Market Opportunity
 - Availability and Investment Opportunity
- Implementation Approach
 - Technology, Team, Partners and Operations

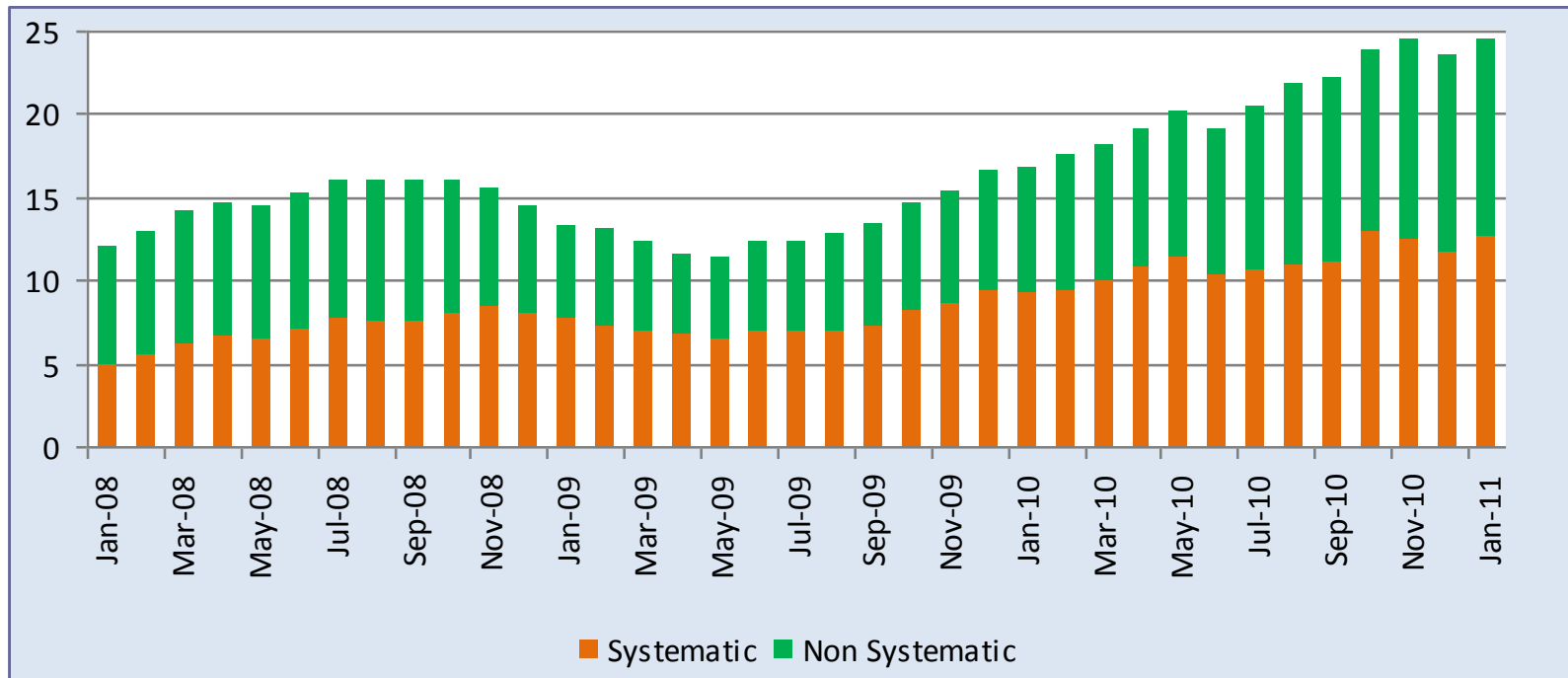
Discretionary Business Goals

- To create wealth by applying human trading expertise to the investment process
- To operate a business diversified across both products and trading and research styles
- To deliver a best of breed combination of investment capacity and returns

Systematic Business Goals

- To create wealth by applying science and technology to the investment process
- To operate a business diversified across both products and trading, modelling and research styles
- To deliver a best of breed combination of investment capacity and returns

AUM Breakdown



Primary Asset Breakdown

- *Discretionary Trading*
 - Interest Rate Derivatives
 - FX Derivatives
 - Credit Derivatives
 - Equity Derivatives
- *Systematic Trading*
 - *Futures*
 - *Commodities*
 - *Interest Rates*
 - *FX Spot/Forwards*
 - *Equity Cash*
 - *Equity Swaps*
 - *CFD*
 - *Sectors*



Different approaches, Common Values ?

Systematic vs Discretionary Trading Style Assessment

Price Focussed Technical Research

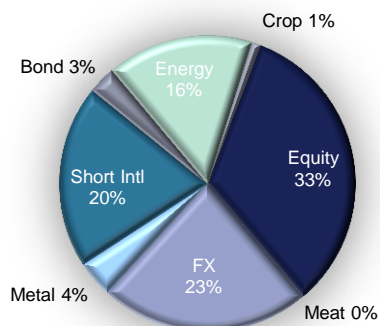
	Trend-Following	Reversion
Auto-correlation	Positive	Negative
Time-horizon	Ultra-short or medium to large	Short
Trading style	Directional	Relative value
Statistical magnitude	Medium	Big
Economic magnitude	Big	Medium

Market Information

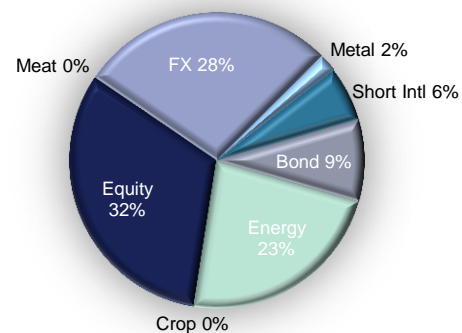
	Technical	Fundamental	Recommendations
Examples	<ul style="list-style-type: none">• Information shock	<ul style="list-style-type: none">• Estimate revision• Valuation surprise• Etc.	<ul style="list-style-type: none">• Analyst recommendation• Broker recommendation
Alpha-source	<ul style="list-style-type: none">• Liquidity shocks (Shleifer 99)• Time-varying risk aversion (Gabaix 08)	<ul style="list-style-type: none">• Time-varying risk aversion (Gabaix 08)	<ul style="list-style-type: none">• Private information• Herding
Provider	Exchange	Analysts	Brokers & Analysts
Availability	public	public	private

Risk Management

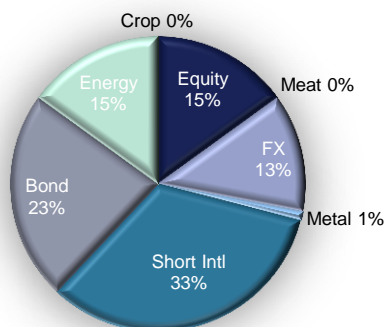
5 January 2007
Margin to Equity 14.6



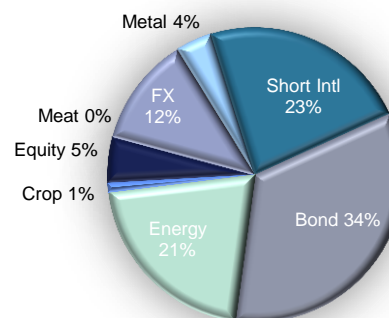
27 July 2007 (Before Reversal)
Margin to Equity 10.6



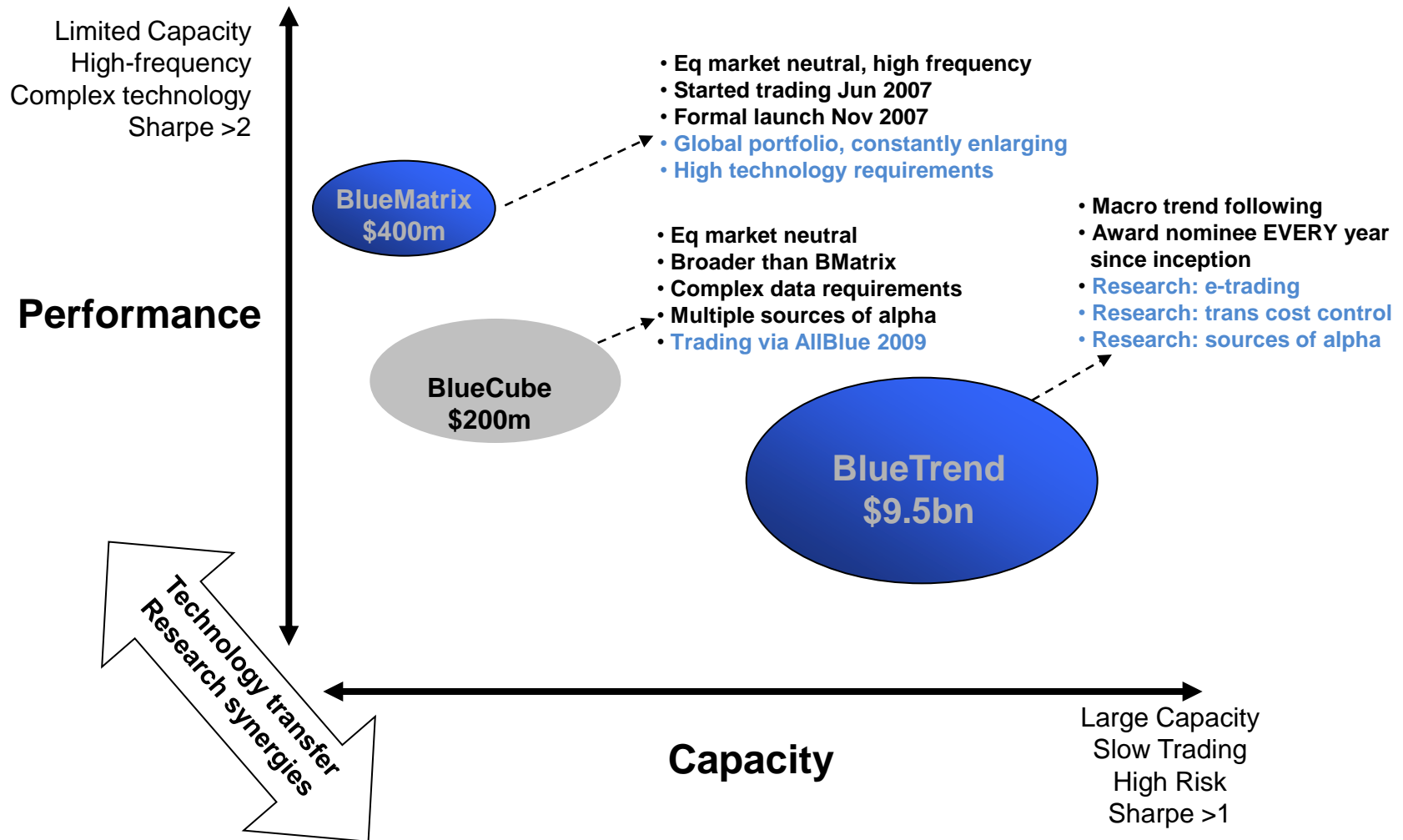
17 August 2007 (During Reversal)
Margin to Equity 7.5



31 December 2007
Margin to Equity 9.4



Relative Capacity/Complexity

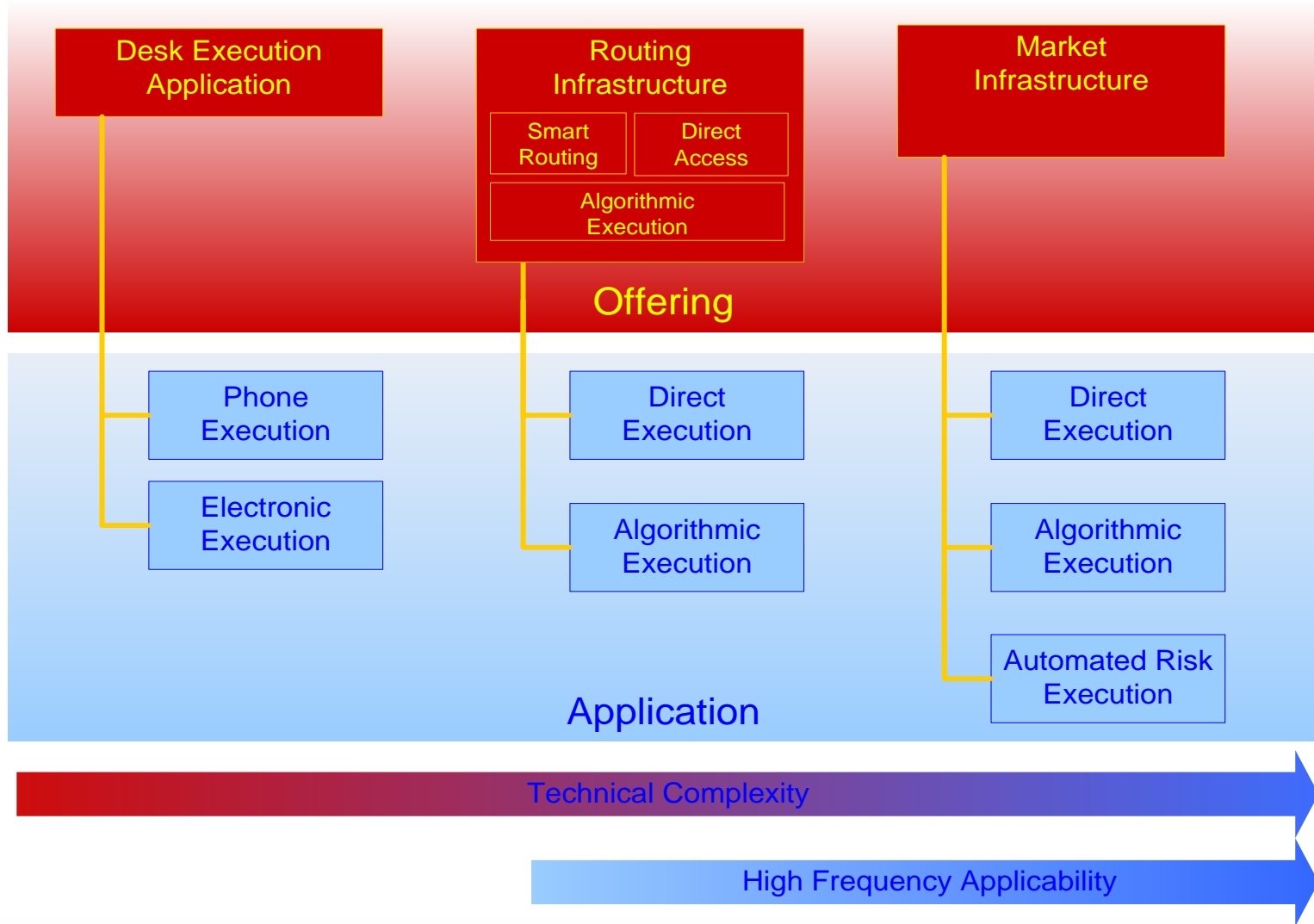




Man vs Machine ?

Infrastructural drivers of
systematic automated change

Non-Member Electronic Market Access

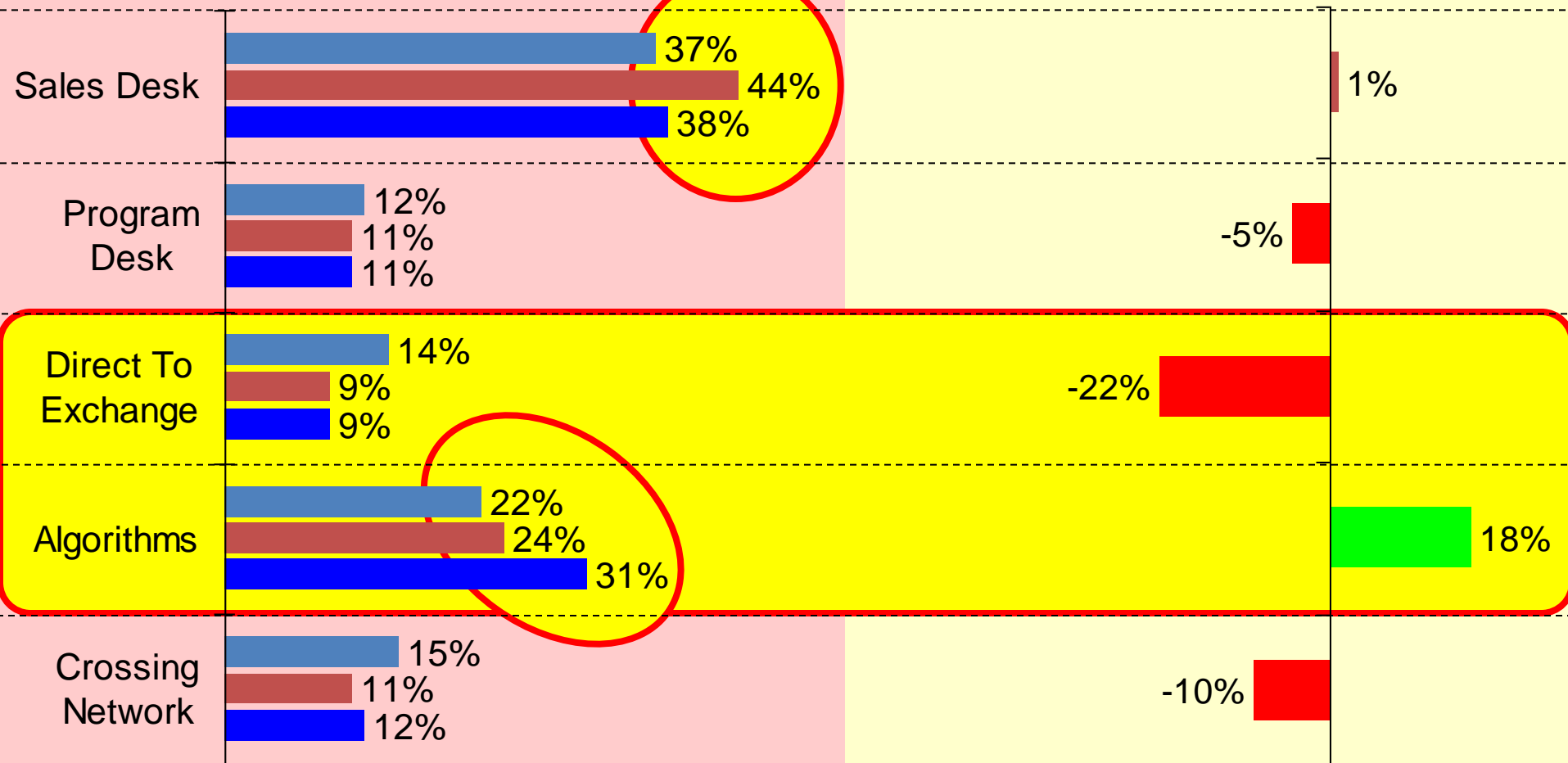


Market infrastructure change

(More than 50% of buy-side flow is direct & 40% is channeled through DMA or Algos)

Shares by Execution Venue (volume weighted)

2 Year CAGR
'07-'09



■ 2007 ■ 2008 ■ 2009

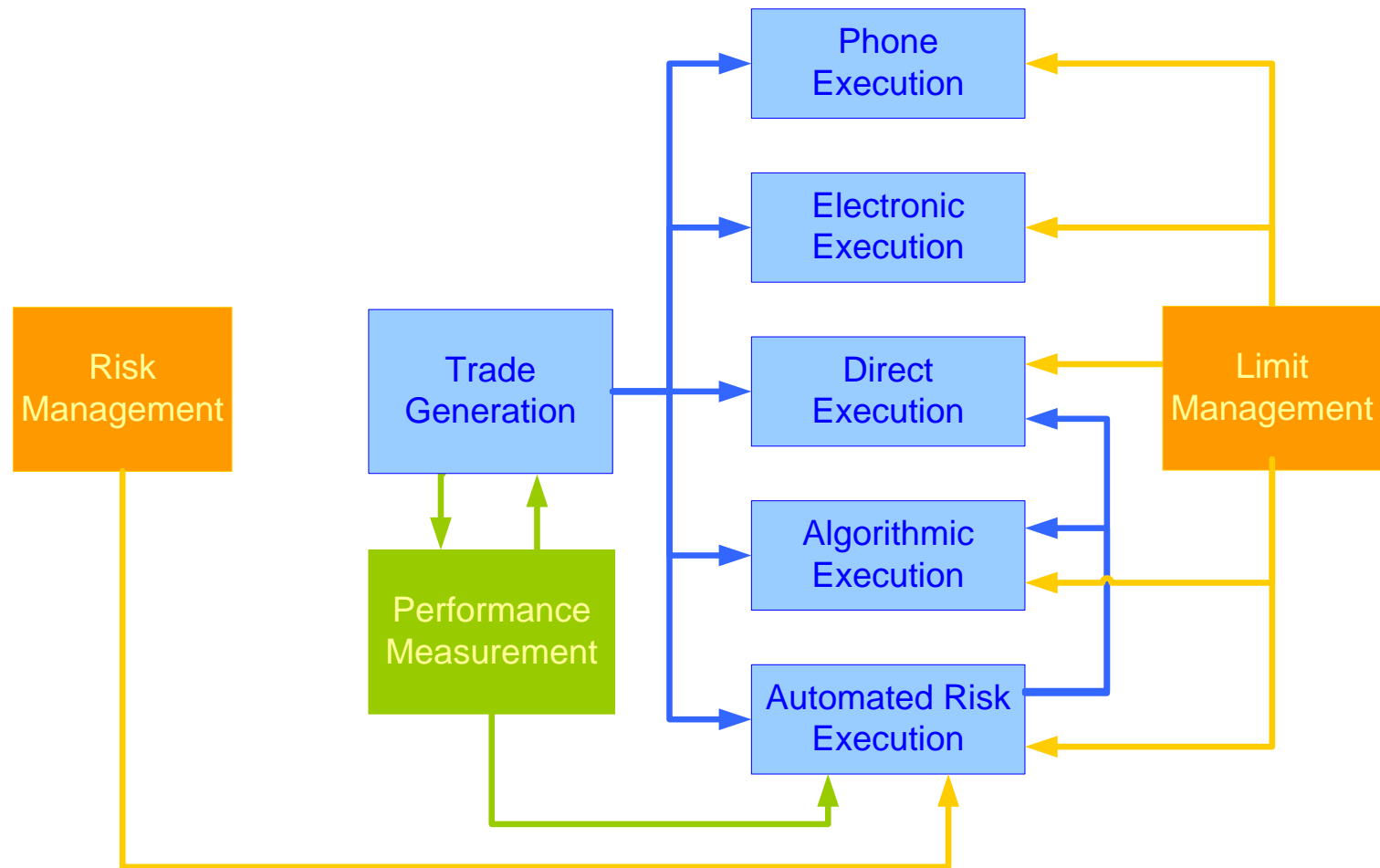
Source: TABB Group – Institutional Equity Trading in America '09/'10



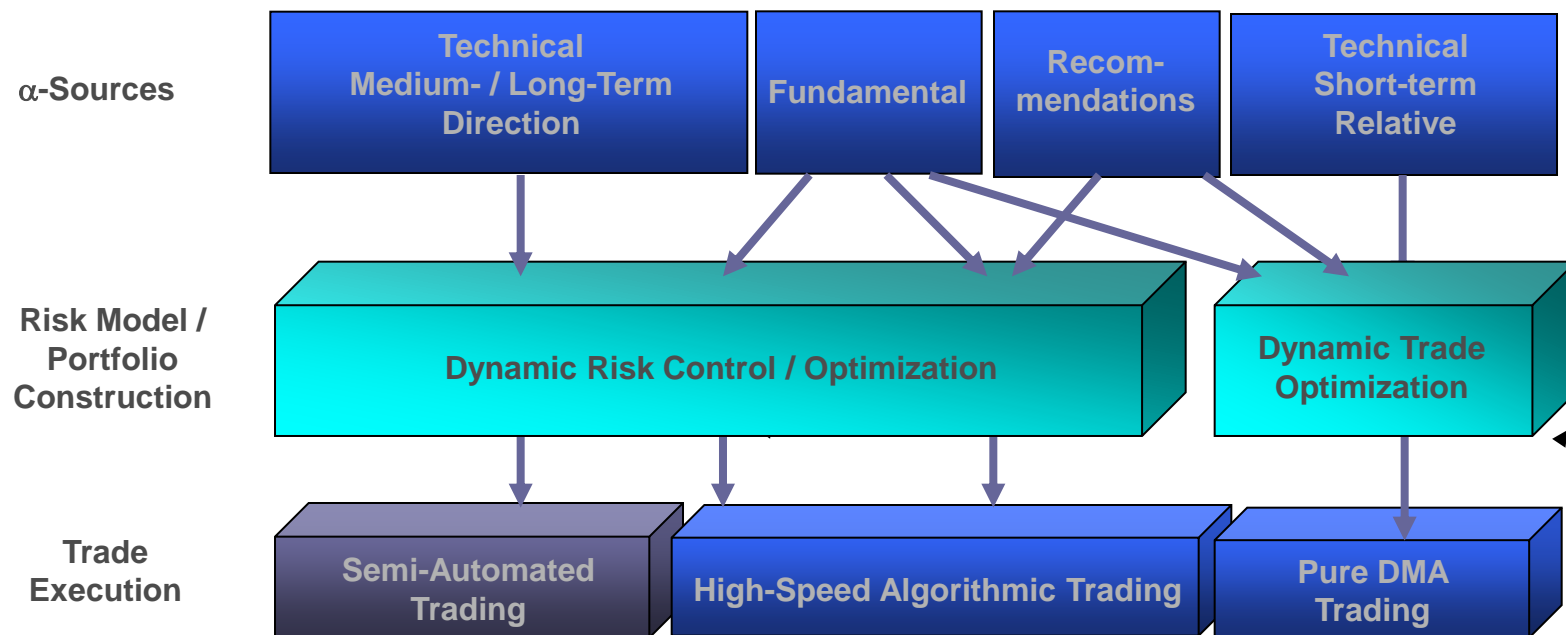
Man and Machine ?

The search for a complimentary
trading strategy anatomy

Investment Process



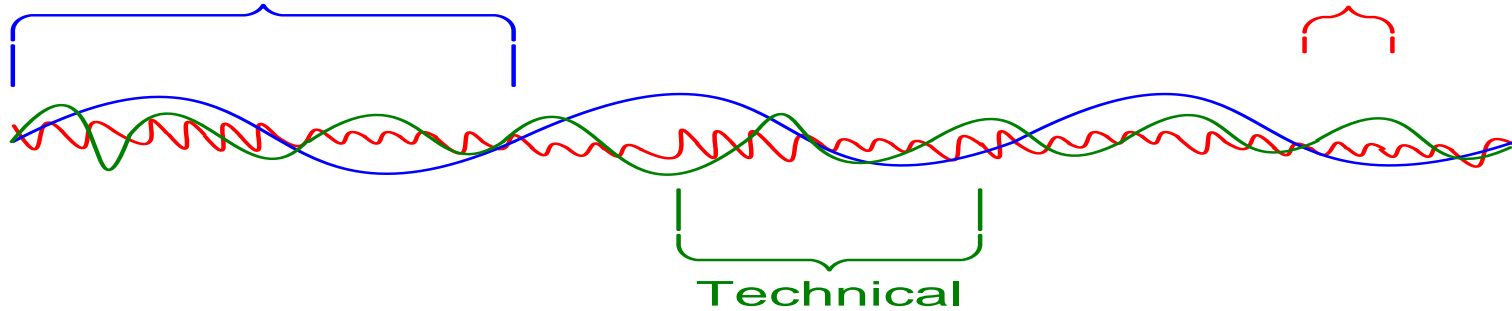
Investment Process Components



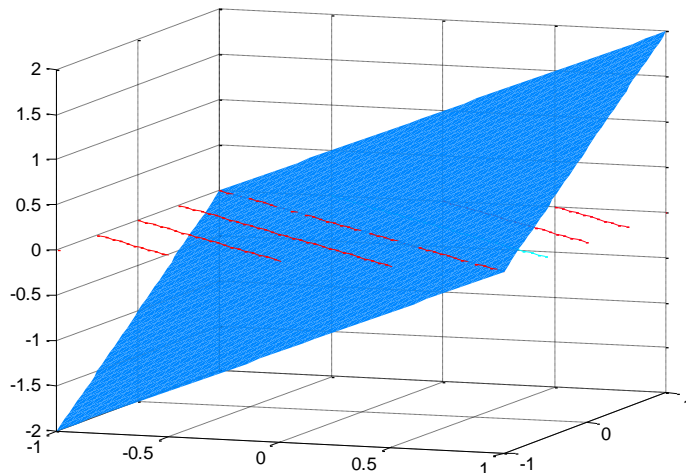
Combining Investment Horizons

Macro / Fundamental

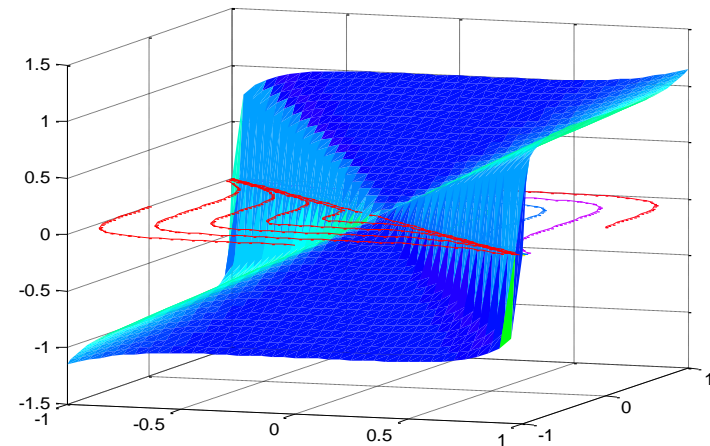
Micro / High Frequency



Linear Combination

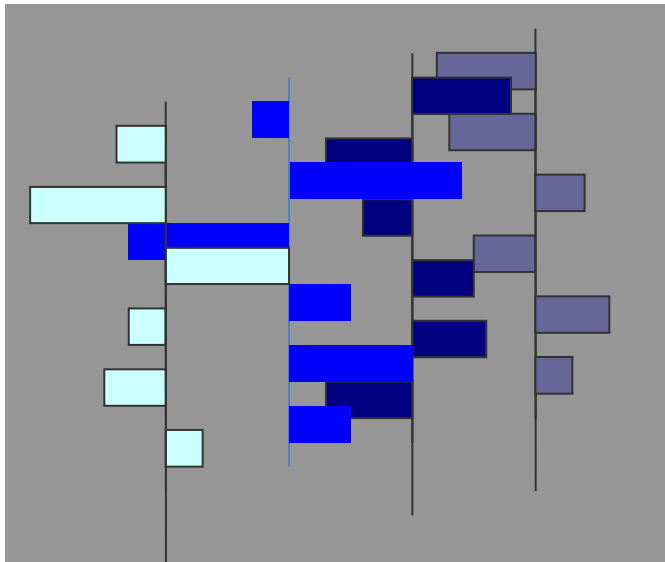


Non-Linear Combination

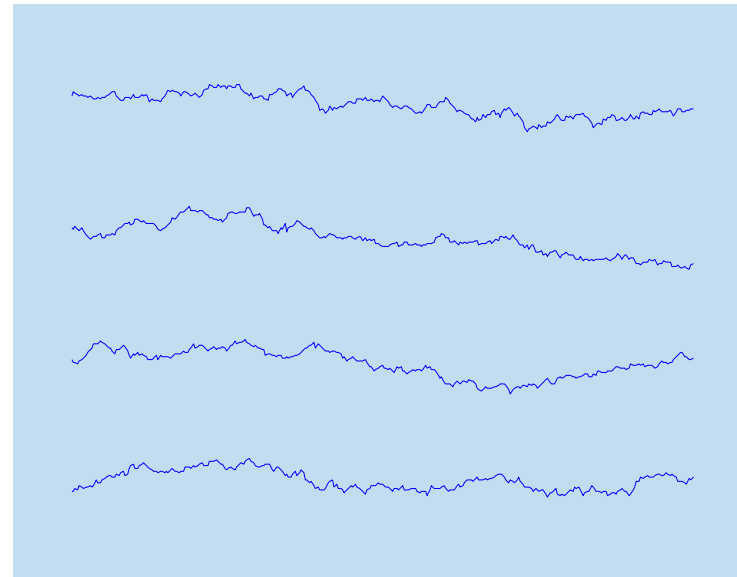


Portfolio Construction

Baskets



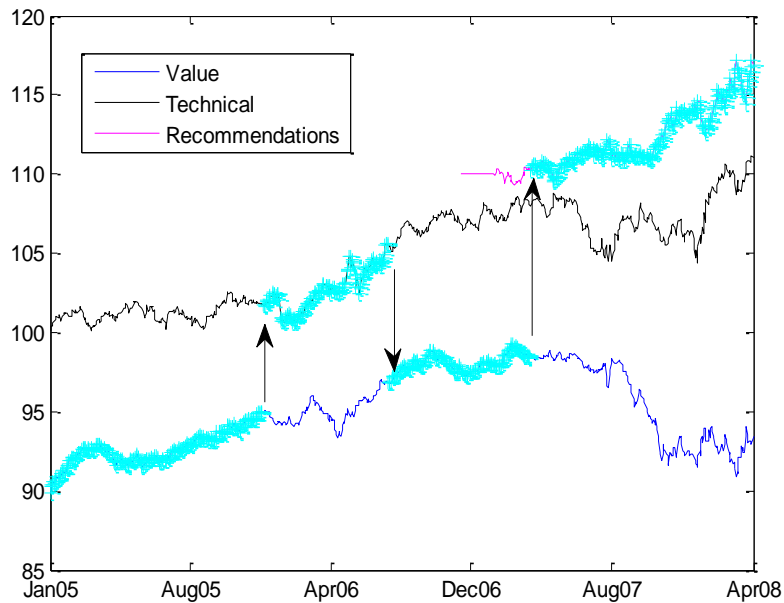
Basket Price Indices



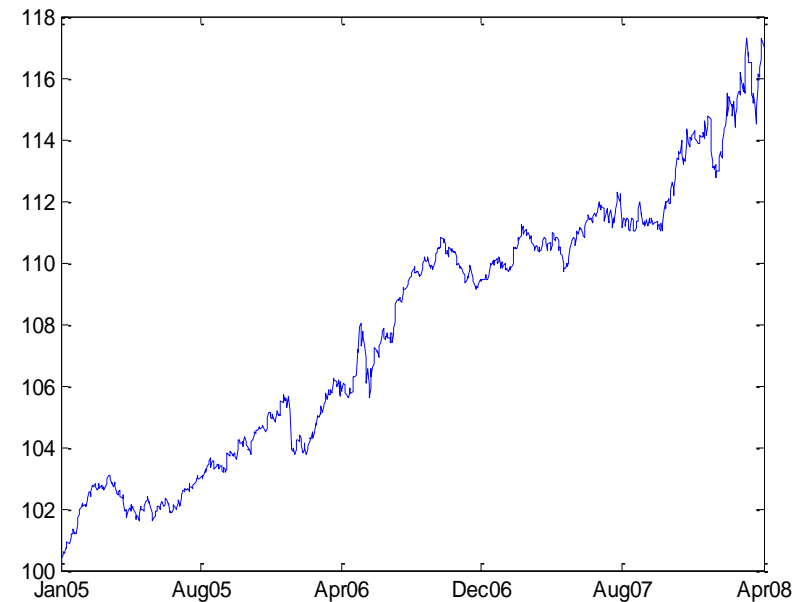
The traded **baskets** are

- numerically optimized
- correspond to the strongest statistical signals
- keep the portfolio neutrally balanced

Multi Strategy Factor Rotation



Factor return streams



Aggregate return stream

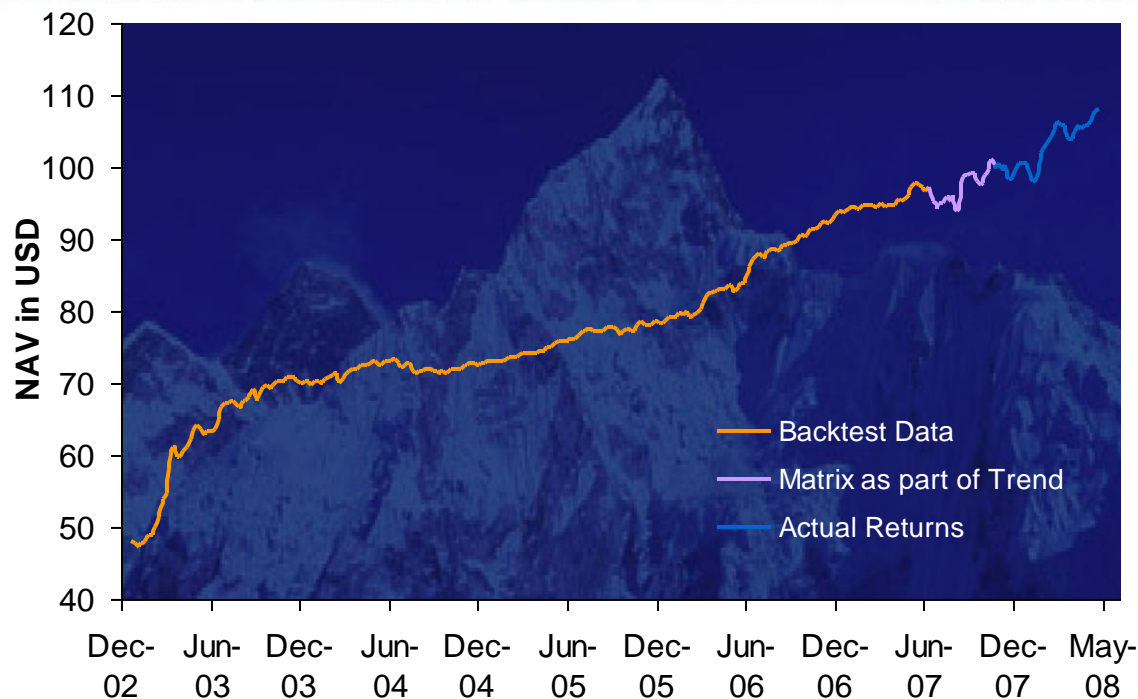
Long-Term Performance Evaluation

Performance and Risk

Annualized return	14.79
Annualized volatility	7.21%
Sharpe ratio	1.53

Data is aggregated over three periods:

1. Simulated results prior to June 15, 2007
2. Performance when traded within the BlueTrend fund until October 31, 2007
3. Actual results of BlueMatrix fund from November 1, 2007



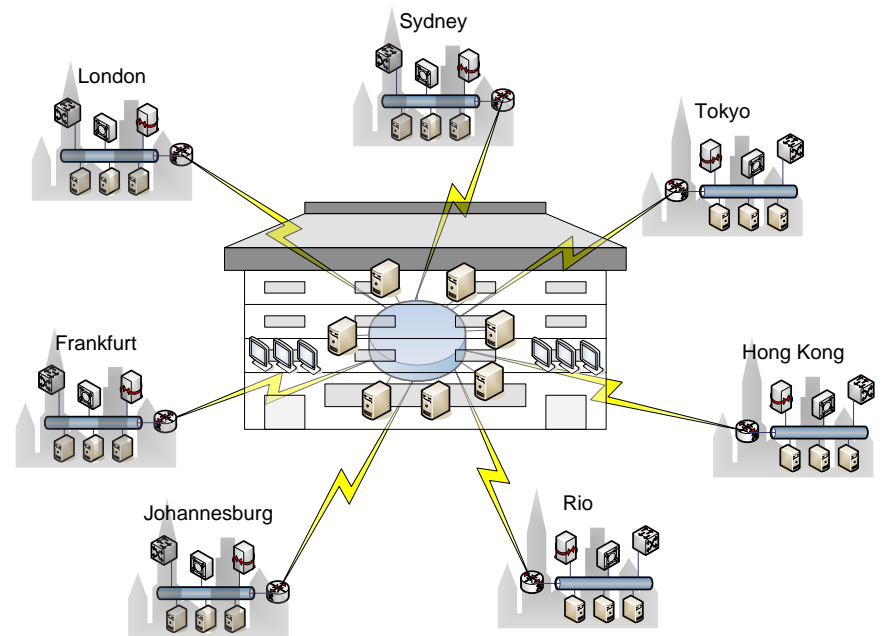
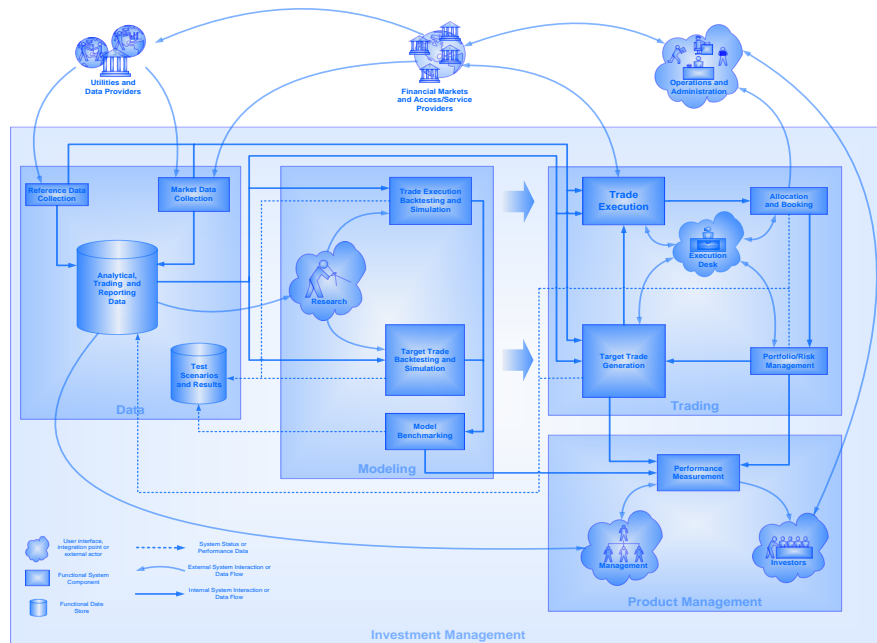
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003		3.18%	14.97%	8.14%	5.96%	-2.15%	7.19%	0.30%	0.16%	3.09%	1.35%	-0.83%	48.40%
2004	0.14%	1.19%	0.18%	1.63%	0.66%	0.52%	-0.82%	-1.31%	-0.32%	0.49%	0.99%	0.35%	3.58%
2005	0.18%	0.99%	0.64%	0.51%	1.76%	0.36%	1.70%	0.14%	-0.98%	1.09%	0.70%	0.49%	7.62%
2006	1.34%	0.04%	3.69%	0.73%	1.29%	3.88%	1.08%	0.74%	1.63%	1.03%	1.24%	1.54%	18.17%
2007	0.43%	-0.10%	0.36%	1.10%	1.74%	-3.24%	2.15%	2.79%	-0.90%	2.15%	-1.26%	1.83%	6.64%
2008	2.06%	3.61%	-2.19%	1.85%	1.58%	0.88%	1.26%	-0.34%	-4.31%	0.43%	0.39%	3.52%	8.81%
2009	-2.72%	-0.04%	3.90%	4.88%	3.11%	2.31%	-1.06%	2.37%					13.22%



Trading Platform Evolution

Technology, Data, People

Technology – Consistency and Resilience



Data – Consistency and Quality



People – Quality and Leadership

- Trading

- We are looking to retain traders with exceptional track records of market performance with trading styles which complement our existing areas of specialization. Typically we are looking for people with a preference for managing money and markets over managing trading organizations.

- Research

- We believe that sustainable investment performance depends critically on the ability to attract the world's smartest scientists and to provide an environment where they can deploy their full potential

- Technology

- We are looking to maintain a team with the connectivity expertise of an exchange, the execution processing and quantitative development experience of an investment bank, the data analysis know how of an internet search provider and the the creativity of a hedge fund.

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Certain of the performance results provided herein were not achieved from the actual management of the Fund, but are instead simulated results achieved by means of the retroactive application of the adviser's investment methodology, or the real-time application of a hypothetical capital allocation to such strategy. This approach has inherent limitations, including that results may not reflect the impact that material economic and market factors might have had on the adviser's decision-making if the adviser actually had been managing client money. Although the information in this communication is believed to be materially correct, no representation or warranty is given as to the accuracy of any of the information provided. Certain information included in this communication is based on information obtained from sources considered to be reliable. However, any projections or analysis provided to assist the recipient of this communication in evaluating the matters described herein may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results. Accordingly, any projections or analysis should not be viewed as factual and should not be relied upon as an accurate prediction of future results. Furthermore, to the extent permitted by law, neither the Funds nor any of their agents, service providers or professional advisers assumes any liability or responsibility nor owes any duty of care for any consequences of any person acting or refraining to act in reliance on the information contained in this communication or for any decision based on it. Past performance is not necessarily indicative of future results. The actual performance realised by any given investor will depend on, amongst other things, the Fund invested into, the class of shares/interests subscribed for the period during which such shares/interests are held and in what currency such shares/interests are held. This communication may include returns for various indices. These indices are not intended to be direct benchmarks for a particular Fund, nor are they intended to be indicative of the type of assets in which a particular Fund may invest. The assets invested in by the Funds will likely be materially different from the assets underlying these indices, and will likely have a significantly different risk profile. Target returns, volatility and Sharpe ratio figures quoted are targets only and are based over the long term on the performance projections of the investment strategy and market interest rates at time of modelling and therefore may change.

Among the risks we wish to call to the particular attention of prospective investors are the following: (1) each Fund's investment programme is speculative in nature and entails substantial risks; (2) the investments of each Fund may be subject to sudden and large falls in price or value and there could be a large loss upon realisation of a holder's investment, which could equal the total amount invested; (3) as there is no recognised market for many of the investments of the Funds, it may be difficult or impossible for a Fund to obtain complete and/or reliable information about the value of such investments or the extent of the risks to which such investments are exposed; (4) BCMLLP has total trading authority over the Funds, and the use of a single adviser could mean a lack of diversification and, consequently, higher risk, and BCMLLP is dependent upon the services of key personnel, and if certain or all of them become unavailable, the Funds may prematurely terminate; (5) an investment in a Fund is illiquid and there is no secondary market for the sale of interests in a Fund and none is expected to develop; (6) there are restrictions on transferring interests in a Fund; (7) BCMLLP will receive performance-based compensation, which may result in riskier investments, and the Funds' fees may offset trading profits; (8) the Funds are subject to certain conflicts of interest; (9) certain securities and instruments in which Funds may invest can be highly volatile; (10) the Funds may be leveraged; (11) a substantial portion of the trades executed for the Funds take place on non-U.S. exchanges; and (12) changes in rates of exchange may also have an adverse effect on the value, price or income of the investments of each Fund."