



APPLETON

Appleton Protected Currency Fund Limited
Series 2



Company Details

- ACMP Limited trading as Appleton Capital Management
- 100% owned by partners
- Republic of Ireland corporation
- Founded in 1992
- Based in IFSC, Dublin, Ireland
- Registered CTA / CPO with NFA & CFTC in the US
- Authorised locally by IFSRA



Client List (partial)

- Prudential Securities, New York
- Citigroup, New York
- Deutsche Bank, New York
- Lyxor Asset Management, Paris, France
- MSCI Hedge Invest Index
- Merrill Lynch FuturesAccess platform



Fund Details

- AA-rated capital protection (Deutsche Bank or similar rating)
- Minimum investment - 10,000 euro
- Monthly liquidity
- Cayman Islands domiciled
- KPMG - Auditors
- Trinity Fund Administration - Administrators
- Bank of Ireland - Custodians

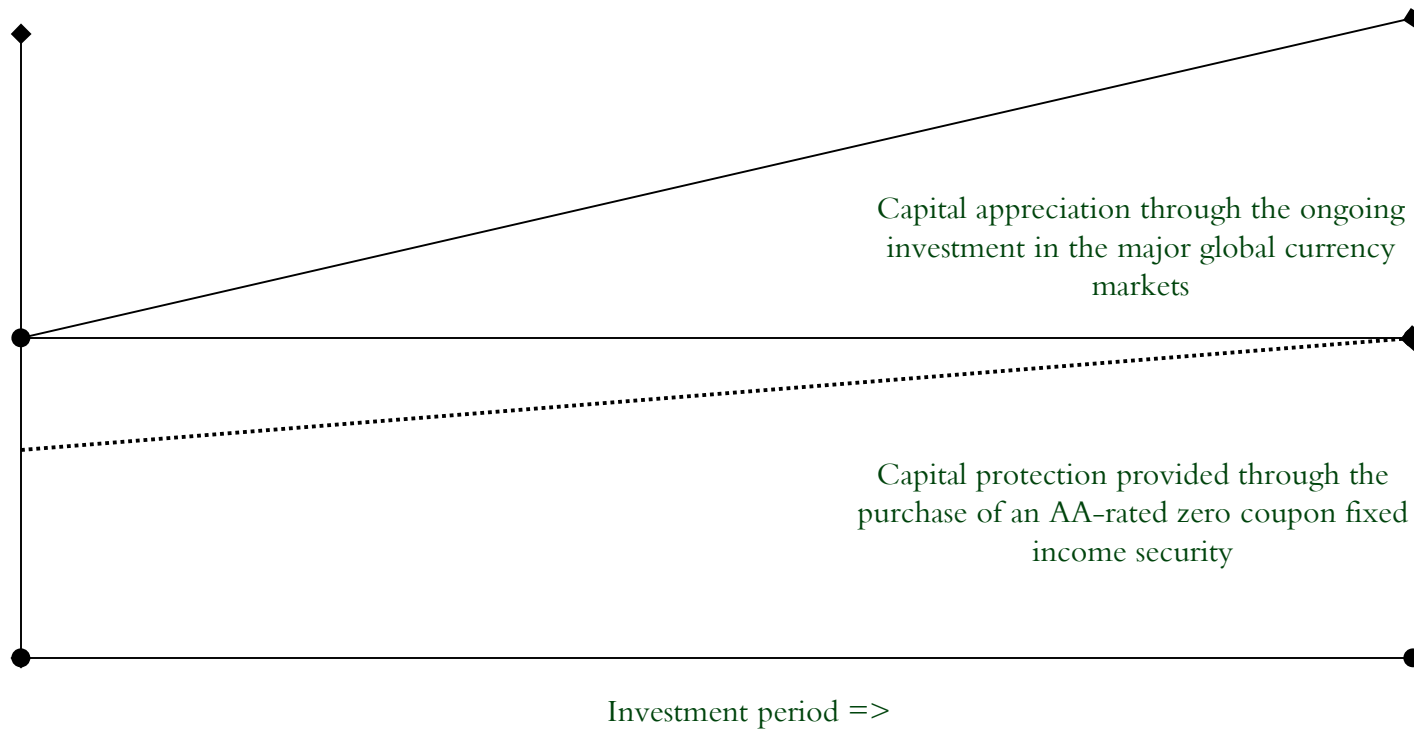


Investment Objectives

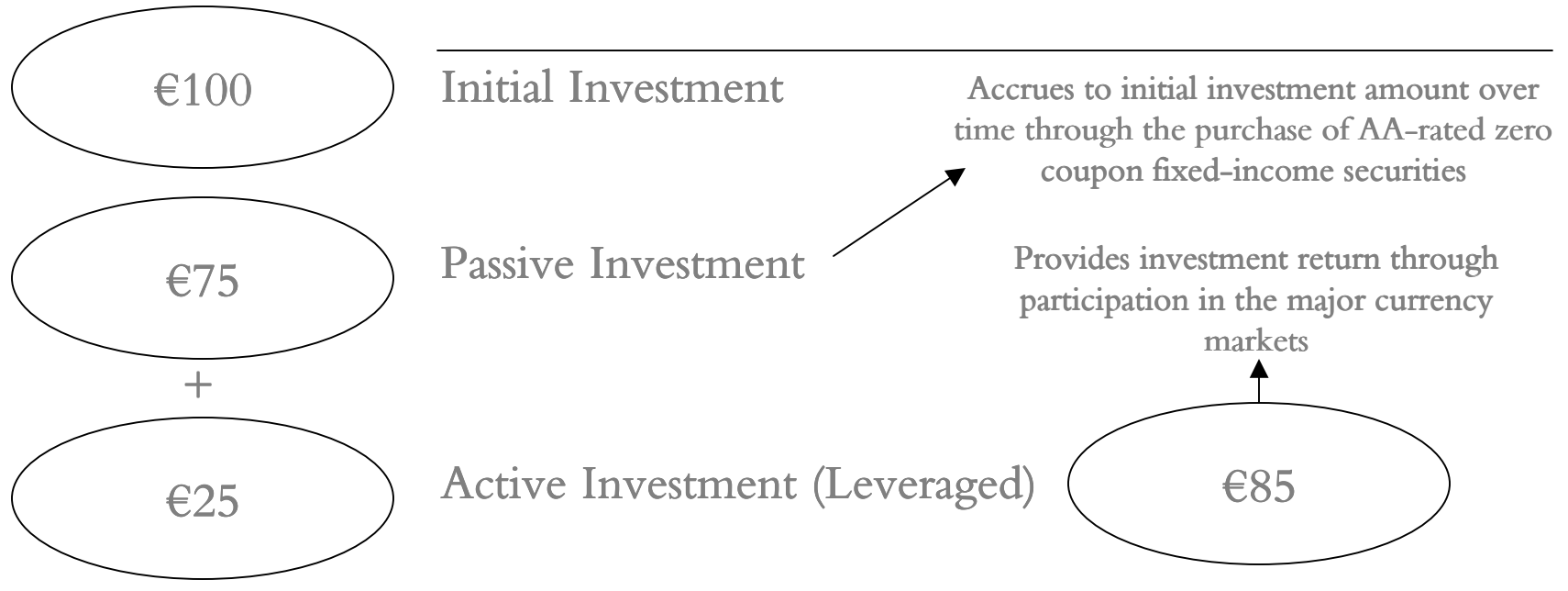
- Long term capital appreciation
- 100% capital protection
- Low correlation to bond and equity benchmarks
- Unique fee structure



Capital Protection



Investment Structure



Total Return = €100 + Return on Active Management of €85

The figures above are indicative only based on the live experience of the earlier tranche of the Fund. Different interest rate environments and market conditions mean that there is no guarantee that the current Fund will experience similar returns



Low Correlation

Correlation Statistics

S&P 500	(0.01)
Nasdaq	(0.09)
MSCI World Index	(0.02)
Lehman Bond Index	0.10
NAREIT	0.08
GSCI	(0.03)
CSFB Hedge Fund Index	0.32
ITR Premier 40 Index	0.30

The figures above relate to the correlation of the indices with the Appleton 25% Risk Program for the period 1/1/95 through 31/12/04. The Appleton Protected Currency Fund Limited - Series 2 will feed into a deleveraged version of this program.



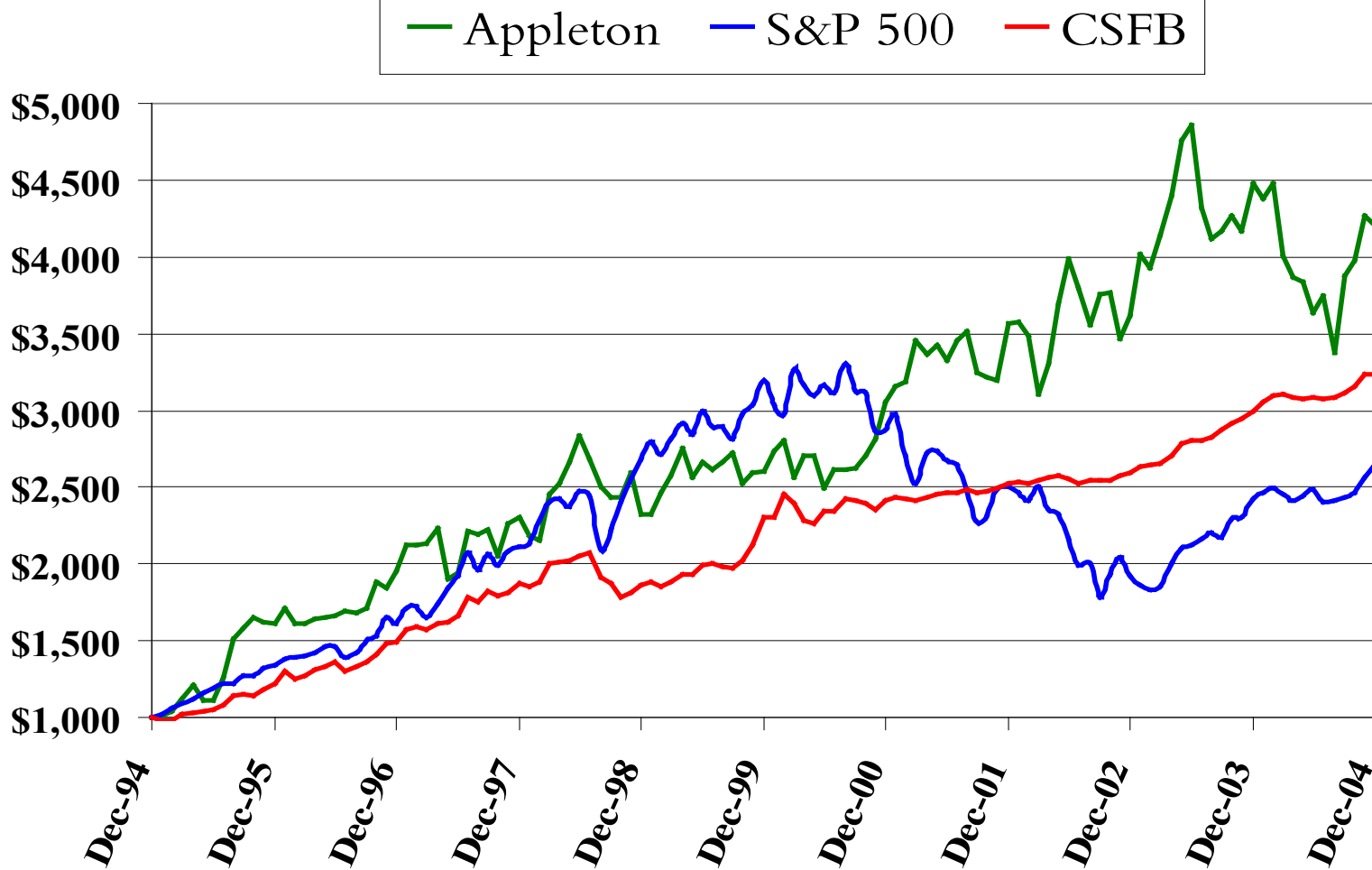
Historical Performance

Appleton Protected Currency Fund Limited - Series 1

Compounded Annualised Return	9.65%
Annualised Volatility	6.81%
Sharpe Ratio	1.42
Correlation to S&P 500	0.02
Correlation to MSCI	0.03
Correlation to Lehman Bond Index	0.15

The figures above relate to the live performance of the prior tranche of the Fund from inception on 1/7/04 through 30/6/05. The latest tranche will be managed using the same investment methodology. However, PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Market conditions vary between investment periods. This variation may adversely affect the performance of similar investment products.





BENCHMARK COMPARISON - The performance above relates to the live performance of the Appleton 25% Risk Program. The Fund will feed into a deleveraged version of this Program



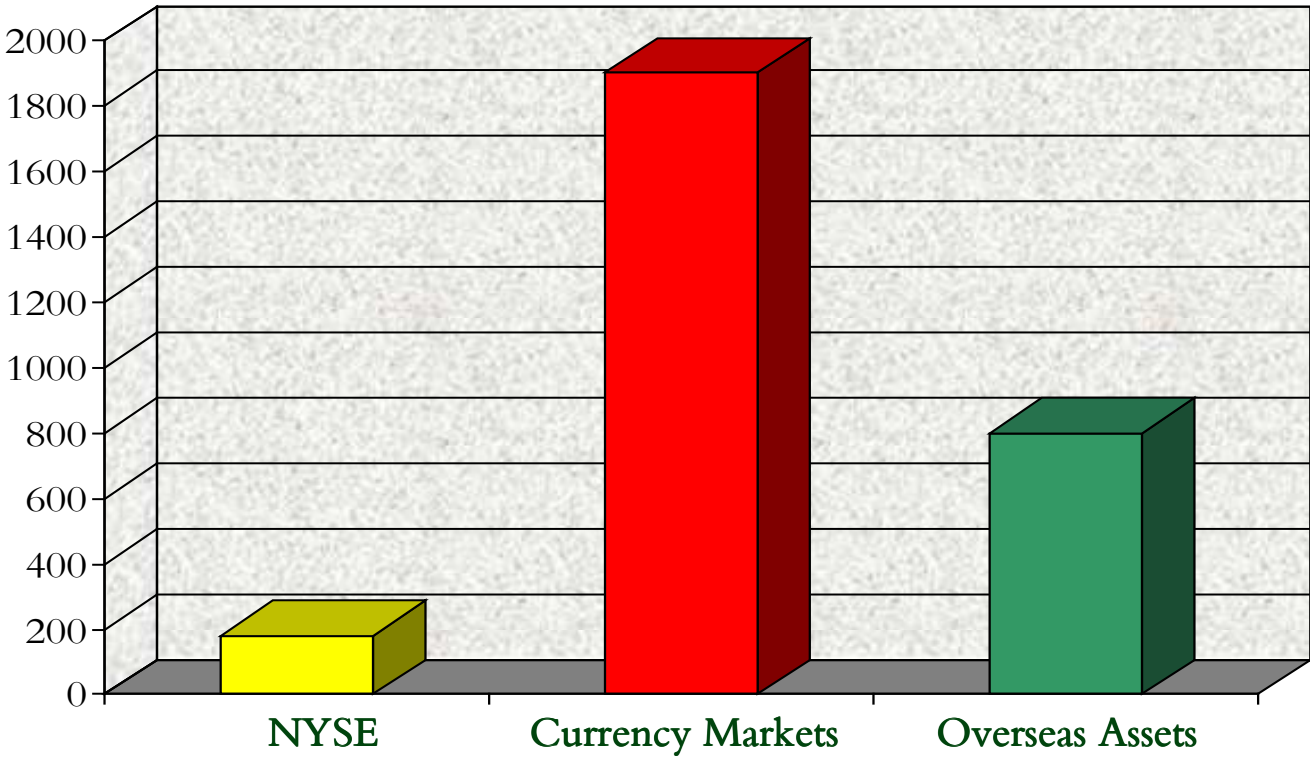
Currency Market Overview

- Liquidity - Currency markets dwarf the equity and bond markets, allowing for the management of large amounts of assets
- Volatility - Major currencies move on average 10-15% against each other in any given year. Advanced risk management systems required
- Persistence - The major currency markets display persistence, or trend, relative to one another, lending themselves to a momentum approach
- Irrationality - Several participants display irrational behaviour, by not choosing to maximise profit



Currency Markets

Liquidity



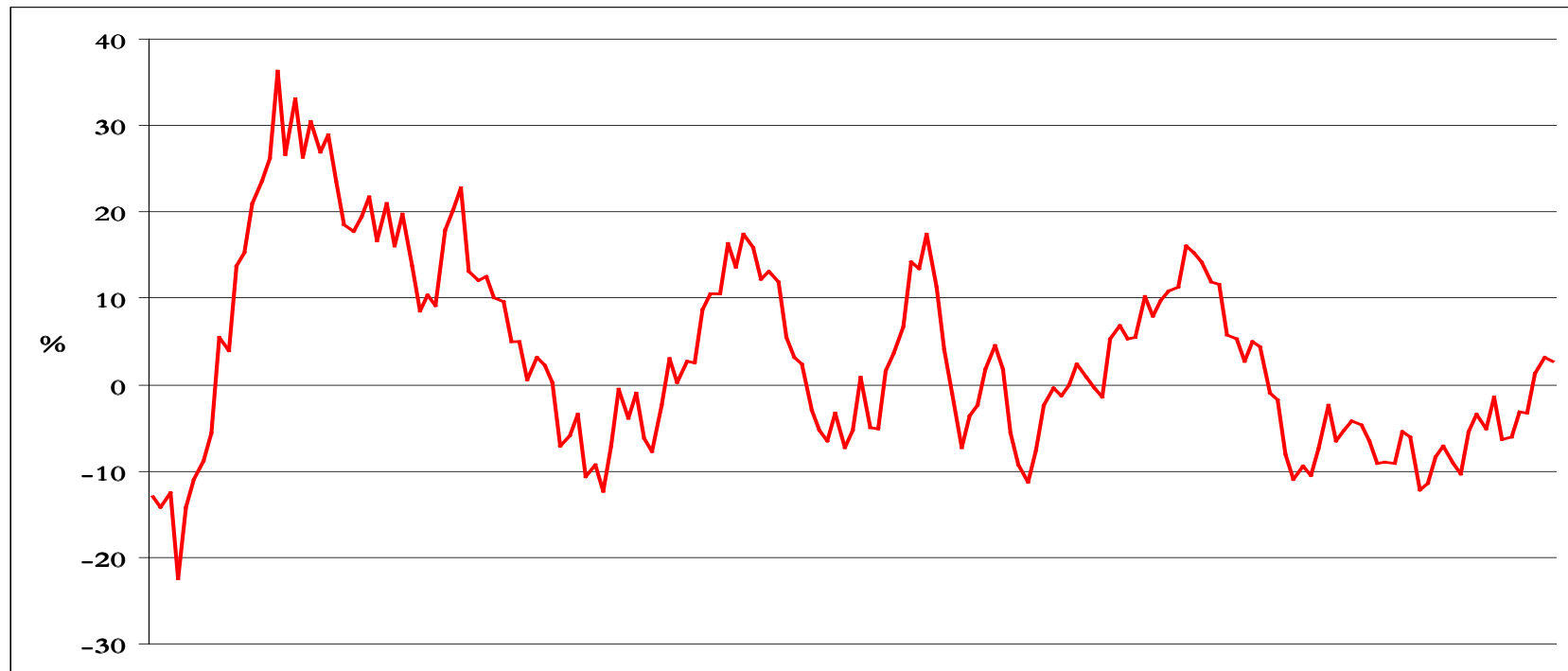
Turnover per day \$bn

Source : NYSE and BIS Triennial Survey



Currency Markets

Volatility

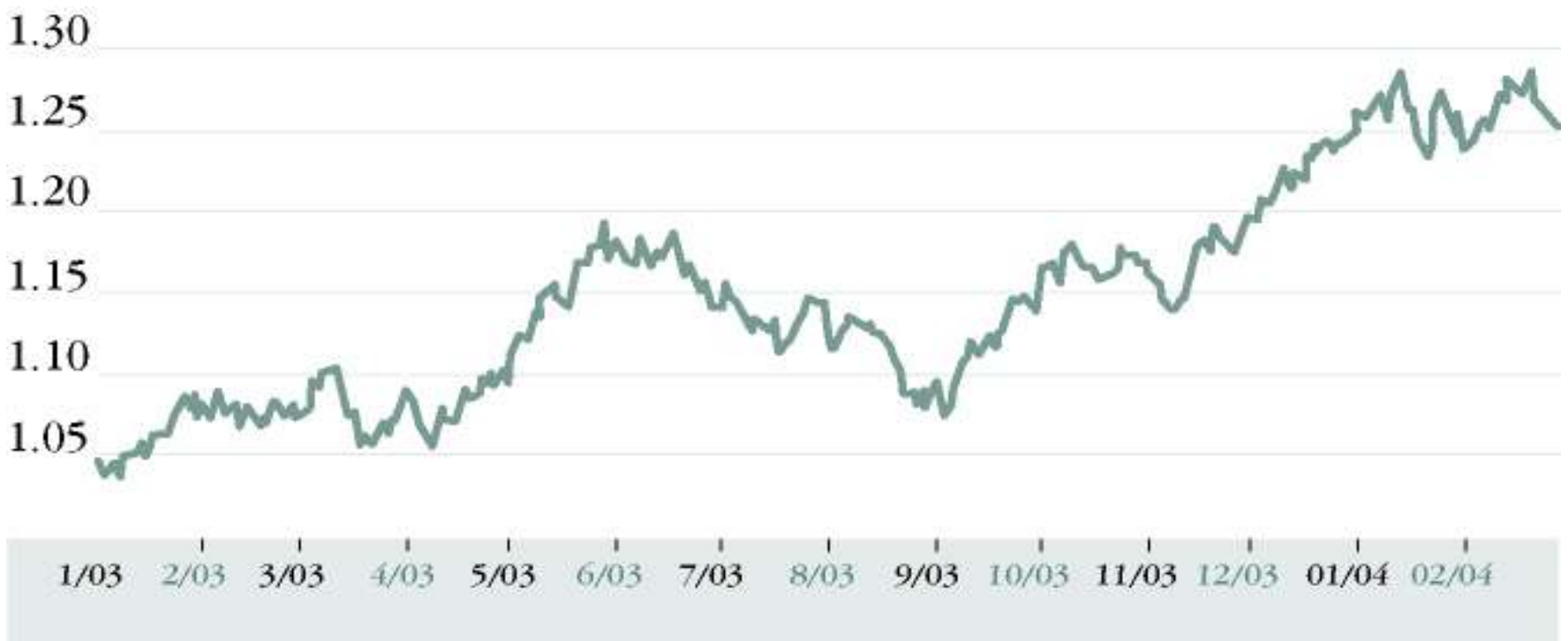


Currency Effect on EAFE 1 Year Rolling Returns
USD denominated, 1986 - 1999



Currency Markets

Persistence



EUR/USD 2003 - 2004



Currency Markets

Irrationality

CENTRAL BANKS

May choose to support or weaken local currency for reasons of broader public policy

CORPORATE TREASURY

May choose to buy or sell a currency for reasons related to underlying commercial needs

TOURISTS

Will buy or sell currency according to upcoming travel needs



Investment Strategy

- Market Selection - Currencies will only be traded in compliance with stringent inclusion criteria
- Return Forecast - Both relative and absolute value forecasts made based on recent price data only
- Risk Management - Risk is kept constant, as measured by portfolio volatility. This in turn is scaled using proprietary forecasts of volatility
- Portfolio Optimisation - Proprietary process used to determine optimal portfolio on a daily basis



Investment Process

Market Selection Criteria

Political Stability - the underlying political context must be stable over the long term

Low Correlation - currencies within the portfolio must display a low to negative correlation to one another

Persistence - currencies must show a tendency to persist in one direction, or trend

Candidate Currencies

USD	CAD
JPY	NOK
EUR	SEK
SGD	ZAR
CHF	NZD
GBP	AUD





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