

Investment Strategy

Advantage Finance European Futures Funds Ltd., is an investment company structured as an umbrella fund with 2 compartments: Annapurna and Bogadyno. While both are hedge funds invested in the same basket of 10 main contracts⁽¹⁾, Annapurna, the first compartment, is an aggressive optimum leveraged speculative instrument, whereas Bogadyno, the second compartment, is driven as a much smoother vehicle, with an 50% minimum floor protection objective.

Both hedge funds are powered by the same engine: an artificial intelligence structure built by 6 proprietary trading strategies tied together by a non-Markowitz method of dynamic daily hedging allocation.

⁽¹⁾ Eurex: Swiss SMI Stock Index, German 10y Bond, German 5y Bond, German Dax, EuroNext: Sugar, Cbot: Corn, UST: Note, CME: Euro FX, Nymex: Natural Gas, Crude Light Oil

Highlights

Annapurna

Very High Yield Program Objective
 Daily hedge ratio optimization
 Dynamic leverage and volatility
 Decision orientated, not selection orientated
 Objective trading strategies
 Marked to market daily. Immediate assets liquidity
 Visibility: Daily trades & NAV⁽²⁾ in our internet site⁽³⁾
 No correlation to U.S. Equity Markets
 High diversification

⁽²⁾ NAV: Net Asset Value. Daily estimation

Bogadyno

High Yield Program Objective
 Daily risk protection
 Progressive leverage and volatility
 Statistically orientated, not selection orientated
 Objective trading strategies
 Marked to market daily. Immediate assets liquidity
 Visibility: Daily trades & NAV⁽²⁾ in our internet site⁽³⁾
 No correlation to U.S. Equity Markets
 High diversification

⁽³⁾ www.advantage-finance.com

Key Statistics⁽⁴⁾

Annapurna

Monthly Net Return %

	2003	2004	2005	2006	2007	2008	2009
Jan	-2.2	-2.7	-13.2	26.21	1.63	7.95	-4.4
Feb	10.18	7.05	-1.2	-4.0	-3.0	7.72	1.90
Mar	-2.0	-1.0	2.51	-12.8	6.24	-9.4	-6.2
Apr	0.85	-5.3	-8.0	0.92	-6.5	4.62	-0.8
May	13.54	-3.4	26.71	-10.5	5.24	1.75	2.94
Jun	-8.3	-11.3	10.65	-3.0	11.99	18.74	-1.1
Jul	6.34	13.43	32.67	-6.8	4.30	-4.1	5.47
Aug	-1.0	-3.6	11.64	-15.5	-3.2	6.48	3.16
Sep	7.14	0.53	1.07	16.16	0.76	-8.4	
Oct	-3.1	7.33	-10.8	-6.6	-0.9	17.78	
Nov	-4.5	4.79	4.07	1.09	8.34	-9.1	
Dec	5.05	3.38	-7.9	6.69	-9.4	7.55	
YTD	22.12	9.325	48.206	-8.15	15.5	41.6	2.7

- (1) Avg. Annual. Return%⁽⁵⁾ 40.04
- (2) Annualized Std. Dev. 33.87
- (3) Annual Sharpe Ratio: 1.182
- (4) Avg. Monthly Return% 3.337
- (5) Monthly Std. Dev.: 10.03

⁽⁵⁾ since inception

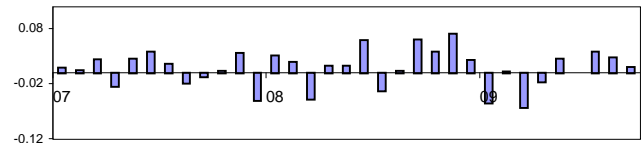
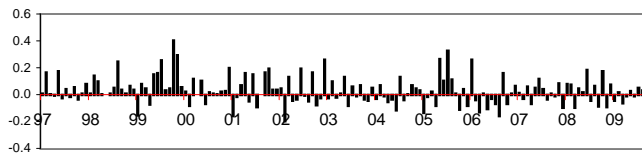
Bogadyno

Monthly Net Return %

	2007	2008	2009
Jan	0.90	3.12	-5.5
Feb	0.45	1.93	0.24
Mar	2.49	-4.8	-6.3
Apr	-2.5	1.32	-1.7
May	2.57	1.31	2.55
Jun	3.81	5.89	-
Jul	1.67	-3.3	3.82
Aug	-1.8	0.36	2.80
Sep	-0.7	6.03	1.01
Oct	0.37	3.88	
Nov	3.65	7.11	
Dec	-5.0	2.33	
YTD	5.896	25.2	-4.04

- (1) Avg. Annual. Return%⁽⁵⁾ 10.2
- (2) Annualized Std. Dev. 9.649
- (3) Annual Sharpe Ratio: 1.056
- (4) Avg. Monthly Return% 0.85
- (5) Monthly Std. Dev.: 3.262

⁽⁵⁾ since inception



⁽⁴⁾ These figures are reported on a real time pro-forma basis, trades having been posted, every day, before market opening. Fees and slippages deducted.

Terms and Structure

Annapurna

Minimum Investment: \$250,000
 Subscriptions: Monthly
 Redemptions: Monthly, 15 days notice
 Management fee: 1% annually, payable quarterly
 Performance fee: 30% of net profits, payable quart.
 Structure: B.V.I. International Business Company
 Investment Manager: Advantage European Mngmt. Ltd.
 Administrator: TMF FundAdministrators B.V.
 Custodian: Van Lanschot Bankiers N.V.
 Auditor: PricewaterhouseCoopers

Bogadyno

Minimum Investment: \$500,000
 Subscriptions: Monthly
 Redemptions: Monthly, 15 days notice
 Management fee: 1% annually, payable quarterly
 Performance fee: 25% of net profits, payable quart.
 Structure: B.V.I. International Business Company
 Investment Manager: Advantage Europ. Mngmt. Ltd.
 Administrator: TMF FundAdministrators B.V.
 Custodian: Van Lanschot Bankiers N.V.
 Auditor: PricewaterhouseCoopers