



## PARKER GLOBAL STRATEGIES, LLC

**FOR IMMEDIATE RELEASE**

**July 27, 2005**

**PARKER FX INDEX UP 1.96% FOR THE MONTH OF JUNE**  
**Top Performer: John W. Henry: Dollar Program up 16.75%**

STAMFORD, CT – In June, the USD strengthened against the major currencies. The decreasing US trade deficit (from a high of USD 60 billion in February) and the Fed's tightening monetary policy are both major contributors to the USD strengthening. Since December of 2004, the Euro has depreciated 12% against the USD and the JPY has weakened despite strong Japanese economic data. Factors weighing on the JPY include the rising oil prices (since the Nippon economy is extremely dependent on oil imports), a contraction in their trade surplus, and news of large Japanese public pension funds looking to place large foreign allocations.

The Parker FX Index is reporting its monthly return up 1.96% for the month of June, bringing the YTD performance of the index to -0.78%. June marks the second month of positive performance in a row for the index in 2005, indicating a turnaround for many FX managers. Sixty-one programs in the index reported June results of which forty-nine reported positive results while twelve incurred losses. On a risk-adjusted basis, the index is up 0.64%. The median return for the month is 0.90% while the performance range for the month is between a high of 16.75% and a low of -5.70%.

The top three performing funds for the month of June, on a reported basis, were all John W. Henry programs: the Dollar Program (+16.75%), G-7 Currency Portfolio (+8.76%), and the Currency Strategic Asset Allocation Program (+8.30%). The top three performers in June, on a risk-adjusted basis, were: Stone Brook up 2.82%, John W. Henry: Dollar Program up 2.80%, and Aspect up 2.36%. Some notable strong performers for the month, on a reported basis, were the Appleton 25% Risk Program up 7.47%, the MSDW World Currency Fund up 5.44%, and Alder Capital (Global 20) up 4.82%.

Jules Staniewicz at John W. Henry states “JWH’s Dollar program was the top performer in the Parker FX Index for the month of June as JWH’s systematic trend following approach was able to profit as the U.S. currency posted its largest quarterly gain against the euro since 2001. Additionally, the program recorded its largest gains from the dollar’s strength against the yen as the market anticipated both the quarter point increase by the Federal Reserve on June 30<sup>th</sup> and the Fed’s reiteration of its intention to continue to raise rates at a “measured” pace. Also boosting the program’s performance during the month was the weakness in the British pound against the U.S. dollar. The British pound declined as speculation grew that the interest rate differential between the two countries would tighten, on signs that economic growth in Britain was slowing as compared to the U.S.”

The Parker FX Index is a performance-based benchmark that measures both the reported and the risk-adjusted returns of global currency managers. It is the first index used to analyze unleveraged (risk-adjusted) performance in order to calculate pure currency alpha, or manager skill. The 234-month compounded annual return since inception (January, 1986 through June, 2005) is up 14.64% on a reported basis and up 3.6% on a risk-adjusted basis.

In addition to the broad Parker FX Index, there are two style driven sub-indices: the Parker Systematic Index and the Parker Discretionary Index. The former tracks those managers whose decision process is rule based and the latter tracks managers whose decision process is judgmental. During June, systematic traders outperformed those using a discretionary approach on a reported basis. The Parker Systematic Index was up 2.51% while the Parker Discretionary Index was up only 0.42%. On a risk-adjusted basis, the Parker Systematic Index outperformed the Parker Discretionary Index, up 0.71% and up 0.10%, respectively.

From inception (January, 1986 through June, 2005) the compounded annual return for the Parker Systematic Index and the Parker Discretionary Index, on a reported basis, is 15.11% and 11.55%, respectively. On a risk-adjusted basis, from inception, the Parker Systematic Index and the Parker Discretionary Index returned 3.27% and 4.11%, respectively.

The Parker FX Index tracks the performance, or value-added, managers have generated from positioning long or short foreign currencies. The Index is equally weighted, as opposed to capitalization weighted, to preclude very large managers from swaying the performance in a direction that may not be representative of the currency manager universe. Parker Global Strategies applies its model to the performance of a representative currency portfolio or composite, net of fees, and excluding interest for each currency manager.

The Parker FX Index currently includes 63 programs managed by 45 firms located in the US, Canada, UK, Ireland, and Switzerland. The 63 programs include a combination of 46 programs that are systematic and 17 programs that are discretionary. The 63 programs manage over \$12.6 billion in currency assets. The Index also includes the performance of currency managers who are no longer trading in order to address survivorship bias. Disciplines include technical, fundamental, and quantitative.

Founded in 1995, Parker Global Strategies specializes in designing and managing multi-manager hedge fund strategies for institutional clients across the globe and providing risk management oversight. PGS also designs and manages niche fund of hedge funds including Currency, Japanese Equity Long/Short, and Energy. Since its inception, PGS has advised on the allocation of over \$1.75 billion to alternative investment strategies.

# Parker FX Index

Cumulative Performance as at June 2005



	Reported <sup>1</sup>			Risk-Adjusted <sup>2</sup>		
	Parker FX Index	Parker Systematic Index	Parker Discretionary Index	Parker FX Index	Parker Systematic Index	Parker Discretionary Index
<b>June 2005</b>	<b>1.96%</b>	<b>2.51%</b>	<b>0.42%</b>	<b>0.64%</b>	<b>0.71%</b>	<b>0.10%</b>
<b>Last 3 Months</b>	<b>3.47%</b>	<b>4.31%</b>	<b>1.18%</b>	<b>1.01%</b>	<b>1.12%</b>	<b>0.27%</b>
<b>Year-To-Date</b>	<b>-0.78%</b>	<b>-0.76%</b>	<b>-0.45%</b>	<b>-0.79%</b>	<b>-0.65%</b>	<b>-1.16%</b>
<b>Last 12 Months</b>	<b>4.26%</b>	<b>5.49%</b>	<b>1.18%</b>	<b>0.75%</b>	<b>1.03%</b>	<b>-0.71%</b>
<b>Last 24 Months</b>	<b>1.66%</b>	<b>1.81%</b>	<b>1.79%</b>	<b>-0.53%</b>	<b>-0.35%</b>	<b>-0.96%</b>
<b>Last 36 Months</b>	<b>7.27%</b>	<b>7.47%</b>	<b>7.77%</b>	<b>1.04%</b>	<b>1.01%</b>	<b>1.85%</b>

<sup>1</sup>Net of fees, including interest.

<sup>2</sup>Net of fees, excluding interest and scaled to a 5% volatility.