

Samson Multicurrency Plus

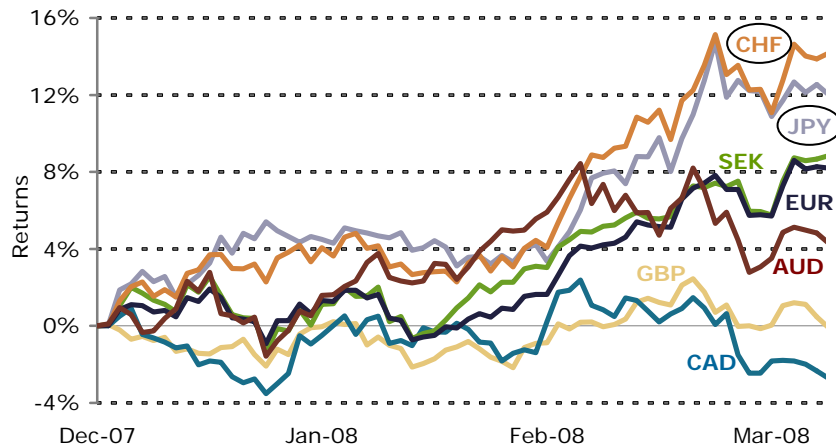
Period Summary

During the first three months of 2008, the U.S. dollar fell sharply as the deteriorating housing market, a domestic credit market crisis, and falling domestic equity prices all contributed to a flight of capital away from the greenback. An aggressive easing campaign by the Federal Reserve to stabilize markets and the economy only reduced support for the dollar.

We have long offered that currencies should be viewed as an asset class and that an allocation to high quality currencies should be included in an investor's portfolio as a prudent diversification measure. The three month period ending March 31st was an instructive reminder of this point. While many asset classes and sectors experienced negative returns, the Samson Multicurrency Plus Strategy, achieved healthy returns and considerable outperformance versus the calculated inverse of the USD^X. Our active currency selection process played a critical role in outperformance versus the benchmark and accounted for most of our excess returns.

In our last quarterly letter we reviewed our strategic decision, initiated during the second half of 2007, to increase our allocation to the safe haven currencies – namely the Japanese Yen and the Swiss Franc. As we had explained throughout the second half of 2007, we believed currency markets were caught in a tug of war between a weakening U.S. economy and healthy growth abroad, particularly in Asia. As a result, we entered the 1st Quarter of 2008 with a 34% allocation to the safe haven currencies, which represented a considerable overweight versus the benchmark allocation of 17% to these currencies. The chart below on comparative currency returns shows the best performing currencies during the quarter were indeed the Japanese Yen and the Swiss Franc. Our overweight to the Yen and Swiss Franc was an important contributor to outperformance.

Relative Performance of Currencies (12/31/07 – 3/31/08)

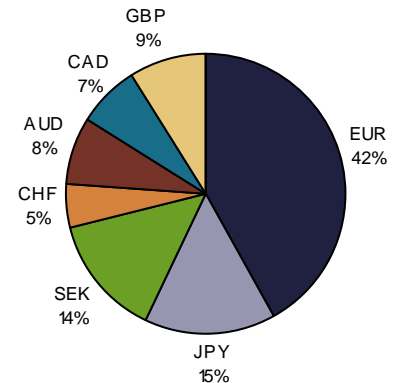


Period Highlights

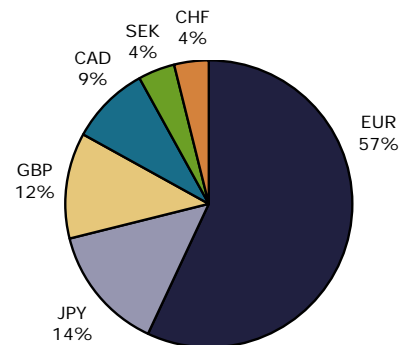
- Aggressive easing campaign by Fed reduces support for U.S. Dollar
- Safe haven currencies such as Swiss Franc (CHF) and Japanese Yen (JPY) outperform
- Active currency selection strategy important contributor to outperformance

SMP Currency Exposure

As of 3/31/2008



USD^X Currency Exposure



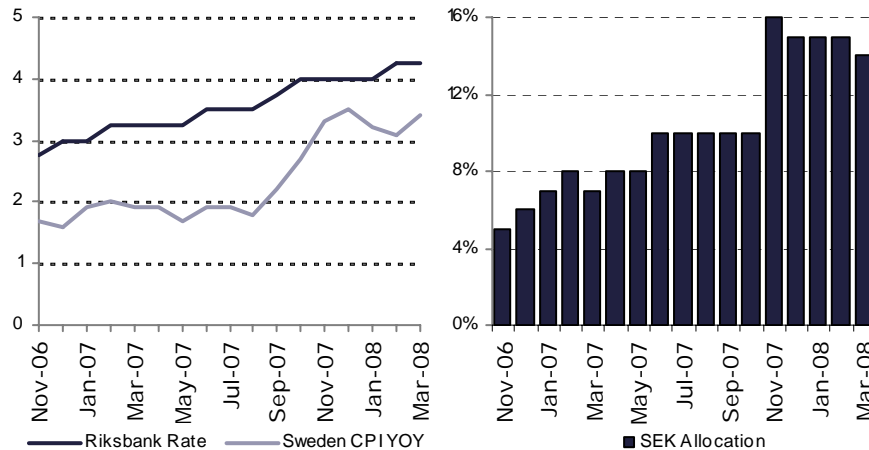
Yet, the currencies we chose *not* to own at the start of the quarter also played a key role in our ability to generate excess returns versus the benchmark. Due to our concerns that a U.S. slowdown would have a negative impact on the performance of the Canadian dollar, we entered the period with no exposure to that currency. This was consistent with our view that a U.S. slowdown would increase the probability that Canada's central bank would initiate an easing cycle – a catalyst for our reconsideration of our exposure to a currency. Furthermore, as we have outlined in prior letters, we believe the Bank of England is more likely to lower rates in the future due to the character of the deteriorating U.K. economy and we entered the period with no exposure to that currency as well. As the chart on comparative currency returns shows, the Canadian Dollar and the British Pound were the two worst performing currencies during the period, and while we rebuilt our positions in these currencies later in the quarter, we maintain defensive positions on these currencies versus the benchmark weightings. We will discuss our reasons for rebuilding positions in these currencies in the strategy review below.

Strategy Review and Outlook

By the end of the quarter we reduced our exposure to the safe haven currencies from a combined total of 34% to 20%. We reduced our exposure to the Swiss Franc gradually throughout the quarter, and reduced our exposure to the Japanese Yen at the end of the quarter. We made these decisions because of our belief that the Fed's aggressive easing, combined with its role in engineering JPMorgan's takeover of Bear Stearns, had in essence placed a floor on the size and scope of the U.S. financial system crisis, and thus on the continued sensibility of maintaining such significant overweights to these currencies.

As investors may recall, one of the key inputs to our investment process is our analysis of relative central bank policy. For example, we are more inclined to favor currencies whose central banks are raising rates to combat inflation. Among the central banks that continue to increase interest rates is Sweden's Riksbank. The chart below on the left shows the Riksbank official rate and compares it to Sweden's CPI from the end of 2006 through March 31st 2008. The chart to the right shows how our allocation the Swedish Krona has changed over the same period.

Sweden Riksbank Rates and Allocation to Swedish Krona



Strategy Review and Outlook

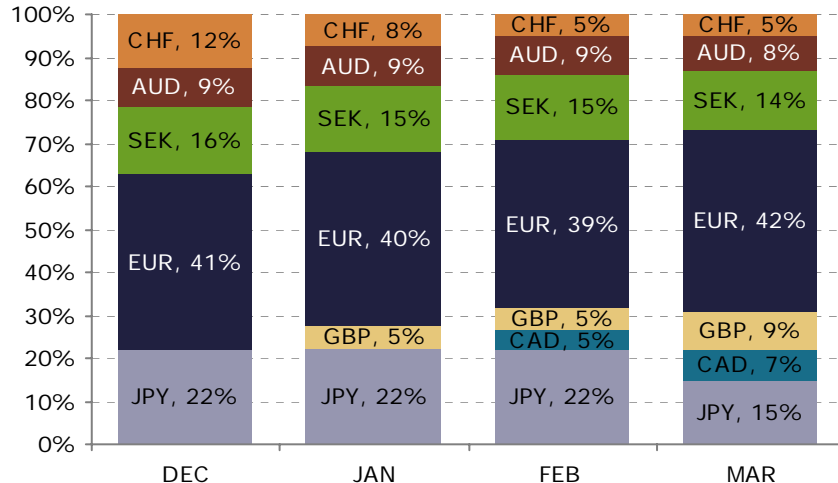
- Reduced allocation to safe haven currencies
- Overweight to Swedish Krona

A healthy economy and a firm central bank policy of fighting inflation all contributed to the strength of the Swedish Krona in the first quarter and as the chart of comparative currency returns shows, the Krona was the third best performing currency in our investment universe. While our 14% allocation to the Krona represents a significant overweight versus the benchmark's 4% allocation, we chose to carefully balance the risks associated with large European exposures with offsetting measures. From our perspective, the source of funding for our overallocation to the Krona was the Euro. Our combined Krona and Euro allocation of 56% is just slightly underweight the benchmark's 61% combined allocation to those two currencies. As these two currencies are highly correlated, looking forward we believe our posture provides investors with the potential for enhanced returns by emphasizing a currency associated with a more hawkish central bank, while at the same time maintaining a ceiling on our overall exposure to these currencies. Among the factors that would cause us to revisit this posture would be if the ECB initiated a rate hike campaign against inflation, or the Swedish Riksbank become more dovish.

Finally, we mentioned at the start of this letter that we had entered the quarter with no allocation to the Canadian Dollar and the British Pound, but that we had begun to rebuild positions in those currencies as the quarter progressed. The chart below shows our month-end currency allocation for the period December 31, 2007 through March 31, 2008.

- Rebuilt positions in Canadian Dollar and British Pound

Currency Allocation History (12/2007-3/2008)



As the chart shows, we began to rebuild Pound exposure by the end of January and our Canadian Dollar exposure by the end of February. By the end of March, our allocations to these currencies had risen to a combined 16%, which remained underweight the combined benchmark weight of 21%. While we finished the quarter with an underweight to these currencies, reflecting our concerns about their economies and next moves by their respective central banks, our decision to rebuild positions reflected our view that the intermediate term prospects for both currencies on a relative performance basis had begun to improve. In the case of the Canadian Dollar, a major commodity exporter, healthy global growth outside of the U.S. and strong oil prices are important fundamental

supports to the economy and the currency. Furthermore, as we have noted before, Canada is sensitive to a U.S. slowdown. The aggressive Fed easing, which likely puts a floor on the degree to which the U.S. economy decelerates, reduces the long-term risks to the Canadian dollar. Furthermore, the Bank of Canada's own steady monetary policy serves as another support. With regard to the Pound, the Bank of England's continued vigilance against inflation pressures, and its measured response to a weakening economy, has impressed us. While we still believe the Bank of England is only at the start of an easing cycle, and thus we remain underweight the currency, we have reduced the size of our underweight as shown in the table.

Conclusion

Among the likely reasons for the dollar's sharp decline during the quarter was the Federal Reserve's decision to reduce rates sharply, while other central banks maintained comparatively more restrictive policies. While many factors can influence the future direction of the dollar, as long as the Fed remains so accommodative and other central banks remain more restrictive, the dollar may indeed continue to experience periods of selling pressure.

Jonathan E. Lewis, Principal

April 18, 2008

For Investor Relations questions, please contact Radiance S. Hill at 212-300-1600, or hill@samsonca.com.

* Pre-tax Equivalent (35%)

Calculated Inverse of USDX[®]: U.S. Dollar Index[®] and USDX[®] are trademarks and service marks of the New York Board of Trade[®]. Neither the New York Board of Trade[®] or its affiliates are connected with or express any opinion concerning the Samson Multicurrency Plus Strategy. Please contact Samson Capital Advisors for calculation methodology. Data Source: Lehman Brothers[®], Bloomberg[®]

No representation or assurance is made that Samson Multicurrency Plus Strategy (SMP) will or is likely to achieve its objectives, or will make a profit or will not sustain losses. Any statements regarding future events constitute only subjective views or beliefs, are not guarantees or projections of performance, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond our control. Future results could differ materially and no assurance is given that these statements are now or will prove to be accurate or complete in any way. Samson does not provide tax, accounting or regulatory advice. ANY TAX STATEMENT CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY PERSON, FOR THE PURPOSE OF AVOIDING TAX PENALTIES.

Past performance is not indicative of future results. Any benchmarks or indices shown are for illustrative purposes only, are unmanaged, assume reinvestment of income, and have limitations when used for comparison or other purposes because they may have volatility, credit or other material characteristics (such as number and types of securities) that are different from (SMP). Certain information is based on third-party sources and, although believed to be reliable, it has not been independently verified and its accuracy or completeness cannot be guaranteed. This information is confidential, is intended only for intended recipients and their authorized agents and may not be distributed to any other person without our prior written consent.

- Currency strategy generated positive returns during a period when other asset class and sector returns were negative