

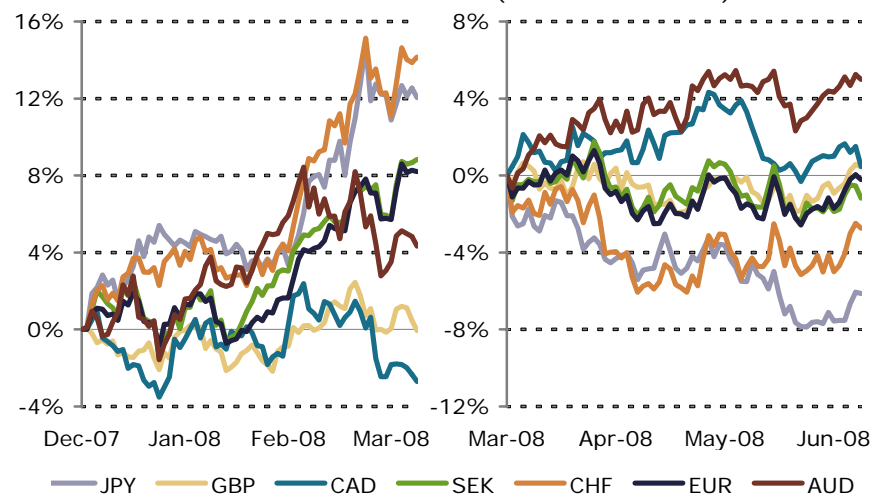
Samson Multicurrency Plus

Period Summary

During the second quarter of 2008, the U.S. dollar appeared to stabilize as signs of crisis abated and markets appeared to calm. In this environment, the modest dollar rally, muted as it turned out to be, led to a negative total return for our benchmark. While we outperformed the benchmark by a modest amount net of fees, this benchmark-like performance masked the shifts in currency strategy that occurred as we began to position our portfolios for an environment where financial markets were healing, and the Fed's easing cycle began to support domestic and foreign growth.

As the charts below show, there was a significant change in currency leadership between the first and second quarter:

Relative Performance of Currencies (12/31/07 – 6/30/08)

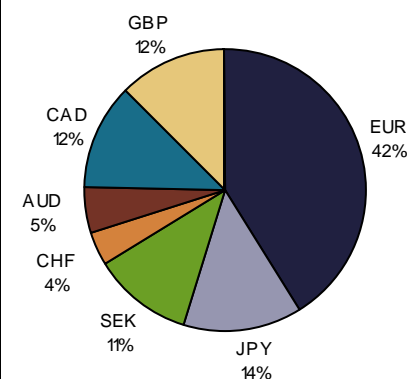


As we noted in our first quarter commentary, safe haven currencies led the way higher at the start of the year as investors concerned with safety flocked to the Swiss Franc and the Japanese Yen. Our own analysis suggested that the flight to quality move was unsustainable and in the first weeks of the second quarter we began to reduce safe haven exposures. Furthermore, our analysis of global growth outside of the United States suggested that the industrializing economies of the emerging world remained healthy, if modestly decelerating, and that demand for commodities (exported by countries like Canada and Australia) would remain buoyant. In this environment we maintained healthy commodity currency exposure to the Australia dollar and increased our exposure to the Canadian dollar. The decision to increase exposure to the Canadian dollar was supported by firming data in that country, and the likelihood that its central bank would not embark on a significant easing cycle. Needless to say, these moves were important as the best performing currencies for the second quarter were the Australian and Canadian dollars, and the worst performing was the Yen.

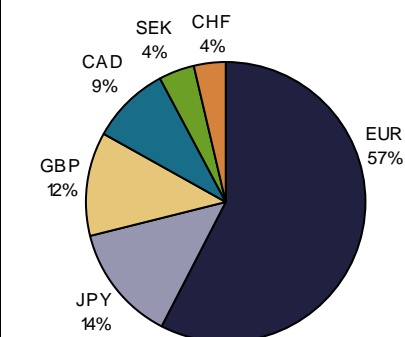
Period Highlights

- Modest dollar rally as markets stabilize
- Safe haven currencies such as Swiss Franc (CHF) and Japanese Yen (JPY) underperform
- Australian Dollar (AUD) and Canadian Dollar (CAD) outperform

SMP Currency Exposure As of 6/30/2008



USD[®] Currency Exposure



Had we been more aggressive in our moves, we may have done even better relative to the benchmark as it appears that we had identified the correct themes. Nonetheless, as loyal readers of these letters know, we make our moves in a deliberate and step-wise fashion. In this way, we hope to consistently add value by hitting singles, as opposed to taking big swings and risking a strike-out. As a result, while we believe our transition from safe haven currencies to the Canadian dollar was the right move, our incremental approach meant that we did not harvest any meaningful currency related alpha during this period of portfolio restructuring. As a result, excess returns net of fees were essentially generated by the short duration fixed income component of the portfolio.

Strategy Review and Outlook

We believe that the Federal Reserve’s significant easing is stimulative and, though inflation pressures are building, the Fed will not likely raise rates aggressively any time soon. If U.S. inflation rates continue to rise at a level that exceeds other major economies, it will naturally lead to a further decline in the purchasing power of the dollar, and continued readjustments through currency markets could be expected.

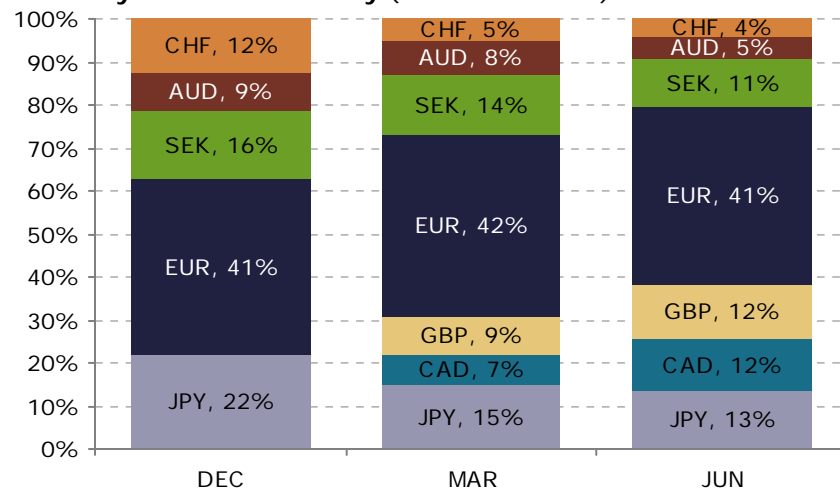
In an environment where the U.S. economy may be stabilizing and the world economy is at least growing, however moderately, the Canadian dollar is likely a beneficiary. In our solution set of two commodity currencies, the Canadian dollar has underperformed the Australian dollar on a relative basis in recent months – in part due to its proximity to the U.S. We may take advantage of this relative underperformance vs. the Australian dollar by increasing our exposure to the Canadian dollar further in the weeks ahead.

We are watching the soft economic data coming out of the Euro zone carefully and may make currency allocation adjustments accordingly if data continues to weaken.

Strategy Review and Outlook

- Commodity currencies may benefit from moderate global growth
- U.S. inflation to be monitored as it will guide outlook for purchasing power of U.S. Dollar

Currency Allocation History (12/2007-6/2008)



Major Currencies or Emerging Currencies?

Interestingly, while there has been much talk in recent years about the opportunities in Emerging Market currencies, the Major Currencies that we purchase have actually been a more reliable beneficiary thus far of the dollar's adjustment. For example, China's currency appreciated about 6.5% in the first half of the year while the much discussed Indian Rupee actually fell about 8.5%. While it is true the Brazilian Real surged 10.9% since the start of the year through June 30th, the Russian Ruble rose only 5%.

The table below shows the performance of some of the most frequently discussed Emerging Market currencies.

Emerging Market Currency Performance (12/2007-6/2008)

Brazilian Real	10.91%
Chinese Renminbi	6.46%
Mexican Peso	5.81%
Russian Ruble	5.07%
Indian Rupee	-8.45%
South Korean Won	-10.62%
Thai Baht	-10.89%
Equal-weighted Average	-0.24%

As the above table shows, there has been significant dispersion in performance in these currencies. If an investor purchased an equal weighted basket of these currencies the total return on a pure currency investment would have been -0.24% for the year through June 30th. In our next letter we will discuss some of the factors that have influenced these Emerging Market currency returns and how this group of currencies differs from Major Currencies within an asset allocation framework.

Conclusion

While currencies generated somewhat flat returns for the quarter, they nonetheless played a stabilizing role within a client's broader asset allocation strategy during the period. During a quarter when stocks were down sharply and many fixed income sectors generated modest negative returns at best, currencies proved their worth again as useful diversification tools. In this context, while our strategy's modest negative return may have been less satisfying than the prior quarter's stellar performance; it produced returns better than many traditional alternatives.

Jonathan E. Lewis
Principal

July 25, 2008

- Emerging Market currencies have mixed performance

- Currencies provide diversification in market downturn

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.