

RHO ASSET MANAGEMENT MONTHLY REPORT

Rho Altius 1XL € Program – January 2012

■ **THE TRADING ENVIRONMENT** January began with an optimistic tone, with the equity markets breaking out from triangular consolidations, as the problems of 2011 seemed behind us, and new economic data pointed toward strength. The bond markets followed suit by breaking out to new multi-month highs not seen since September, 2010. Mid-month, there was a brief sell-off in bonds, but by month end, the rally resumed, and even the Euro and Japanese Yen joined in the fun.

The trend-barometer was relatively unmoved by all this optimism. The number of markets in neutral-mode bounced on either side of 30 all month long, showing there were few long-term trends. There were fewer than 5 strong trends all month, and medium-strength trends made a low near 5 markets mid-month, then thrashed around with an upward drift. We ended the month with about 32% of the markets trending, which is below the 45% break-even threshold.

The relative lack of trends was confirmed by the negative performance from our Group#1 trend-following systems. We had positive returns from Group#2, and the counter-trend Group#3 was strongest of all. Altogether, we ended the month +1.85 percent.

Stock indexes were the best sector, as stocks moved higher all month long. Our weakest sector was currencies, whereas energies and precious metals checked in with about a third of the losses from currencies.

Looking ahead, we await strong trends as measured by the Rho Trend Barometer, hoping that equities will show some staying power, and inspire other groups.

The Rho Altius 1XL Program gained an estimated **+1.85%** for the month. The compound annual average rate of return since inception (November 2007) for the Altius 1XL Program is **7.95%**, compared to 2.61% of its benchmark, the Barclay Top50 Index in the same period.

The **RETURN EFFICIENCY** (ρ) of the Altius 1XL Program since inception is **0.14**.

Margin utilization was between 10.06% and 14.62% with an average of **12.53%**.

Total assets managed by Rho Asset Management stands at **\$72million**.

NIELS KAASTRUP-LARSEN

Chairman & CEO

Monthly Report: January 2012

Program Description

Altius is a medium-term, break-out style, trend-following program. Our clients wanted a program that was different, *but not too different*. We accomplish this by using three groups of trend-following and counter-trend systems, which provide differentiation by varying speeds of entry and amount of initial risk, applying nimble, non-sticky, exit strategies to a well-diversified portfolio via atypical portfolio weights.

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Since inception, 24/51 or 47% of the months have seen negative returns for our benchmark, the Barclay Top50 CTA Index (BTop50), and of 3/25 years with negative BTop50 index returns, two have occurred since 2007. Despite these challenges, the Altius Program has delivered competitive absolute and risk adjusted returns, good down-side protection during equity market declines, and an outstanding Offense/Defense ratio versus leading managers.

Monthly net returns

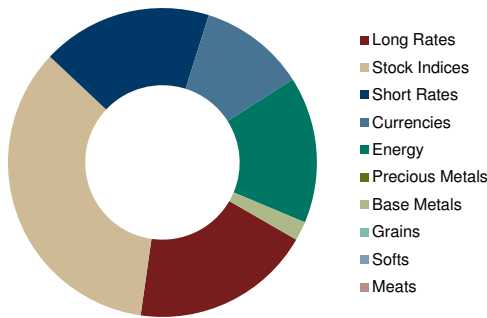
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	1.85%												1.85%
2011	-5.19%	7.35%	-8.51%	12.22%	-9.06%	-4.07%	4.88%	14.13%	-0.25%	-3.31%	-5.30%	0.05%	-0.27%
2010	-5.02%	-1.25%	10.77%	0.05%	-0.42%	2.12%	-3.57%	6.54%	-1.31%	4.91%	-6.66%	9.55%	14.99%
2009	-2.44%	-0.10%	-2.59%	-1.84%	2.16%	-4.18%	1.18%	1.28%	-1.20%	-4.75%	4.46%	-5.99%	-13.61%
2008	5.24%	18.87%	-0.43%	3.93%	3.51%	2.97%	-11.42%	-0.81%	-1.37%	4.80%	3.15%	1.96%	31.79%
2007											-0.20%	4.31%	4.10%

Performance statistics net of fees

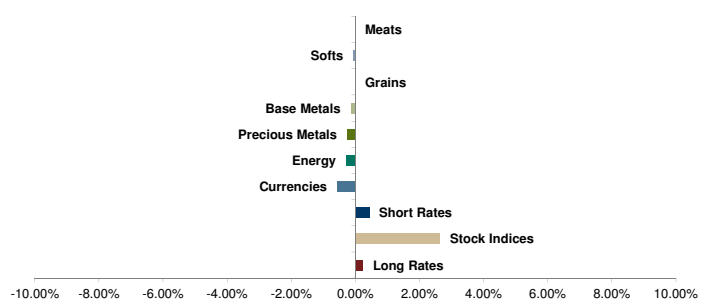
Total Return Since Inception	38.43%
Compound annual return	7.95%
Average monthly return	0.80%
Largest monthly return	18.87%
Largest monthly loss	-11.42%

Correlation to S&P 500 (All Months)	(0.07)
Correlation to HFR FoF (All Months)	0.14
Correlation to BTop50 (Neg. Months)	0.45
Return Efficiency ρ	0.14
Avg. Win/Avg. Loss = ODR	1.51

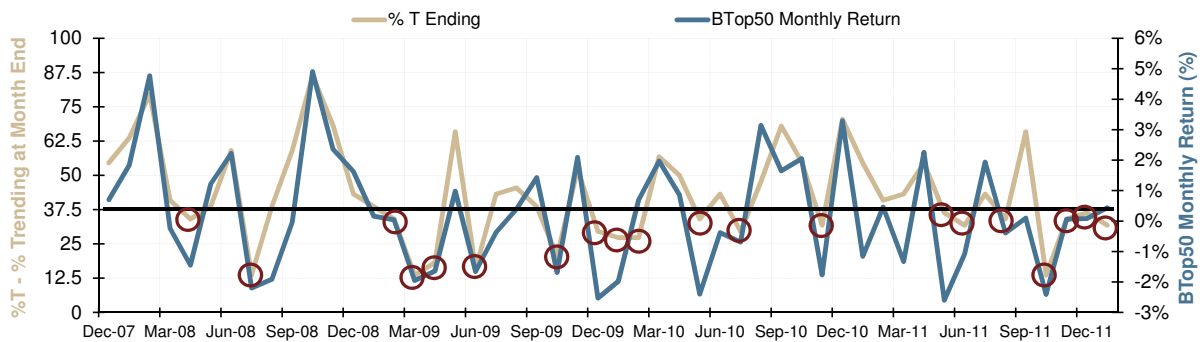
Month-end exposure based on VaR of Total Exposure



Performance by sector (Gross)



Rho Trend Barometer confirms the difficult trading conditions in 2009 and 2011 - 2 of only 3 negative years for the BTop50 index in 25 years



RHO Altius 1XL SPC Ltd (BVI)

Currency Denomination	Euro & USD
Markets	44 exchange listed futures
Target Return	20% p.a.
Target Volatility	18% p.a.
Target Return Efficiency ρ	> 0.35
Subscriptions (notice)	Monthly (5 business days)
Redemptions (notice)	Monthly (5 business days)
Lockup	None
Minimum Investment	Euro 100,000 or USD 100,000
Fees	Mgmt: 2% Perf: 20%

Domicile	British Virgin Island
ISIN (€)	VGG 754981089
Bloomberg (€)	RHAL 1XL VI
Valoren (€)	CH 3493784
NAV/Risk Reporting	Daily
Administrator	Circle Partners
Auditor	Kinetic Partners
Brokers	Newedge
Banks	ABN AMRO Bank
Risk Reporting Agent	NAV Consulting

Managed Accounts

Minimum Investment	USD10,000,000
Fees	Mgmt: 2% Perf: 20%

Altius 1XL Program Assets	USD42,000,000
Firm Assets	USD72,000,000

Past performance is not necessarily indicative of future results. There is significant risk of loss in trading derivative products.

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