

## December 2004

## Managed Forex Account Review

### Overview

GAIN Capital's Managed Account (MAC) Program accommodates those investors who wish to allocate a portion of their risk capital to the foreign exchange markets but are either unable to watch the markets 24 hours a day or prefer to have their risk capital managed by professionals. Established in October 2000, the MAC program focuses solely on spot trading in the Foreign Exchange (Forex) market. Only the most liquid G7 currencies are traded - including the US Dollar, Japanese Yen, Euro, British Pound, Swiss Franc, Canadian Dollar and Australian Dollar.

### Why Consider Managed Foreign Exchange?

Depending on a managed forex program's trading strategy and leverage use, studies of published professionally managed forex programs show uncorrelated returns compared to most other asset classes, including the major equity indices. Such uncorrelated returns mean a partial allocation to managed currencies can reduce a portfolio's total return volatility and provide for better total return consistency over time.

### Benefits of GAIN's MAC Program

- Asset diversification and the possible risk reduction associated with adding low to slightly negative correlation to the equity investments in your portfolio
- A good alternative to low-yielding bonds and deposits
- Professional account management from a well-capitalized firm
- Profit potential in both rising and falling markets
- 24-hour account access
- Liquidity of assets - redemptions may take place on a monthly basis, with no fee or penalty

### Performance

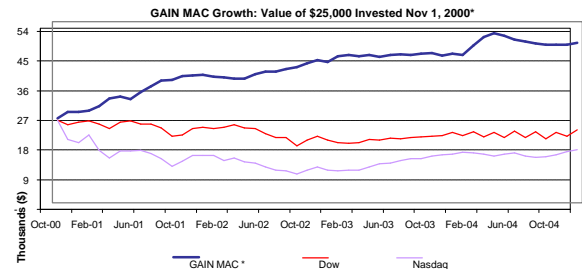
#### GAIN MAC

Inception Date: October 2000

Utilizes discretionary and technical trading disciplines combined with moderate leverage (typically between 1:1 and 5:1) to minimize return volatility. Ideal for those seeking a moderate risk, modest return investment strategy.

RISK LEVEL: MODERATE

GAIN MAC Growth Performance Summary*					as of 12/31/2004
YTD	1 YR	2 YR	Since Inception	Max Monthly Drawdown	
7.05%	7.05%	13.26%	94.02%	-2.49% (Jun '04)	



#### MONTHLY RETURNS

	2001	2002	2003	2004
JAN	0.90%	-1.60%	3.73%	-0.87%
FEB	4.99%	-0.77%	0.89%	6.49%
MAR	7.79%	-1.01%	-0.54%	5.09%
APR	1.89%	0.25%	0.81%	2.34%
MAY	-1.99%	3.70%	-1.32%	-1.29%
JUN	6.72%	1.78%	1.20%	-2.49%
JUL	5.20%	0.12%	0.56%	-1.21%
AUG	4.93%	2.16%	-0.61%	-1.18%
SEP	0.60%	1.10%	0.99%	-0.86%
OCT	2.62%	3.10%	0.43%	0.20%
NOV	0.72%	2.36%	-1.62%	0.14%
DEC	0.64%	-1.39%	1.24%	0.87%

#### GAIN MAC Aggressive

Inception Date: June 2003

Based on the success of GAIN MAC, GAIN launched GAIN Aggressive as a higher risk/higher reward alternative for investors seeking capital appreciation. GAIN MAC Aggressive appropriates higher leverage (typically between 1:1 and 10:1) and advanced short-term trading practices to capitalize on both market volatility and fundamental-based trends.

RISK LEVEL: MODERATE-HIGH

GAIN MAC Aggressive Performance Summary*					as of 12/31/2004
YTD	1 YR	2 YR	Since Inception	Max Monthly Drawdown	
15.66%	15.66%	20.24%	20.24%	-4.93 (Jun '04)	

#### MONTHLY RETURNS

	2003	2004
JAN	-	-1.75%
FEB	-	13.70%
MAR	-	10.42%
APR	-	5.54%
MAY	-	-2.57%
JUN	2.38%	-4.93%
JUL	0.91%	-2.42%
AUG	-1.33%	-2.35%
SEP	1.94%	-1.72%
OCT	0.87%	0.40%
NOV	-3.22%	0.28%
DEC	2.48%	1.73%

### Details

#### Program Details

Minimum Investment	\$50,000.00
Management Fee	2%
Performance Fee	20%
Additions	Monthly
Withdrawals	Monthly
GAIN MAC Program Manager	Glenn Stevens

#### Performance Details

	GAIN MAC	GAIN MAC Aggressive
Sharpe Ratio	2.13	N/A
Trailing 12 Month Return	7.05%	15.66%
Highest Monthly Return	7.79%	13.70%
Lowest Monthly Return	-2.49%	-4.93%

### Disclosure

Past performance is not necessarily indicative of future results and individual returns may vary amongst participants. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. All performance figures assume the reinvestment of realized gains and capital gains. There is considerable exposure to risk in any foreign exchange transaction, including, but not limited to, the potential for changing political and/or economic conditions that may substantially affect the price or liquidity of a currency. This is not a solicitation to invest. Please consult your investment advisor and read all risk warnings before committing funds. (\*) GAIN returns do not include fees.