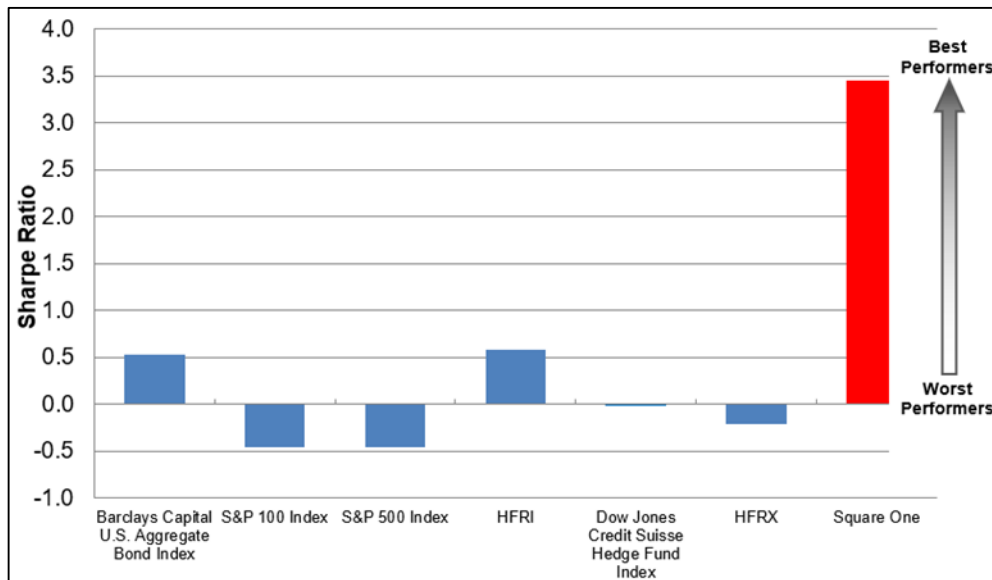


## **Appendix IX: Index and Benchmark Schedules**

### Schedule 39: Market Indices Sharpe Ratios

**Square One BLMIS Account's Sharpe Ratio far exceeds the Sharpe Ratios of common market indices**

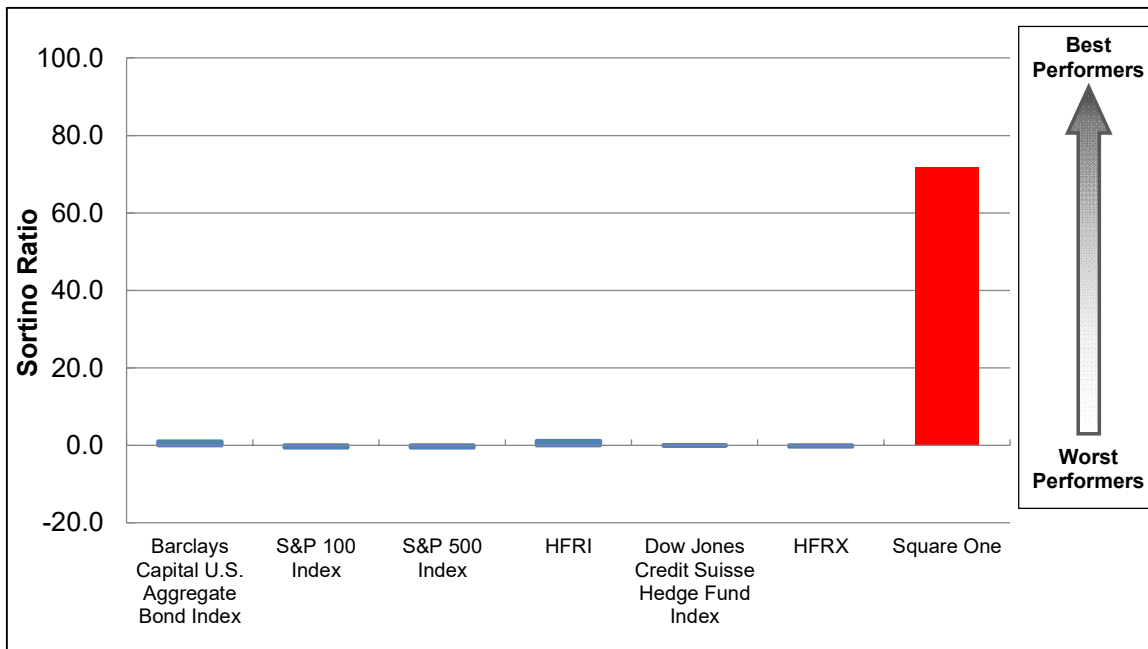


### **Market Indices v. Square One BLMIS Account Sharpe Ratio** **(February 1999-November 2008)**

- The chart shows the Sharpe Ratio for the Square One BLMIS Account and the Market Indices from February 1999 to November 2008.
- The Sharpe Ratio measures the amount of return per unit of risk. It is calculated as the mean return less a risk-free return, divided by the standard deviation of the returns. A *higher* Sharpe Ratio indicates that the investment is generating *more* return for *less* risk. Sharpe Ratio is a common statistic used to compare performance between two or more funds.
- The indices used are the most common indices representing the major asset classes.
- HFRI reflects HFRI EH: Equity Market Neutral Index; HFRX reflects the HFRX EH: Equity Market Neutral Index; Dow Jones Credit Suisse Hedge Fund Index reflects the Equity Market Neutral subset of the Dow Jones Credit Suisse Hedge Fund Index which uses the Credit Suisse Hedge Fund Database (formerly known as the Credit Suisse/Tremont Hedge Fund Database).

**Schedule 40: Market Indices Sortino Ratios**

**The Square One BLMIS Account Sortino Ratio far exceeds the Sortino Ratios of common market indices**

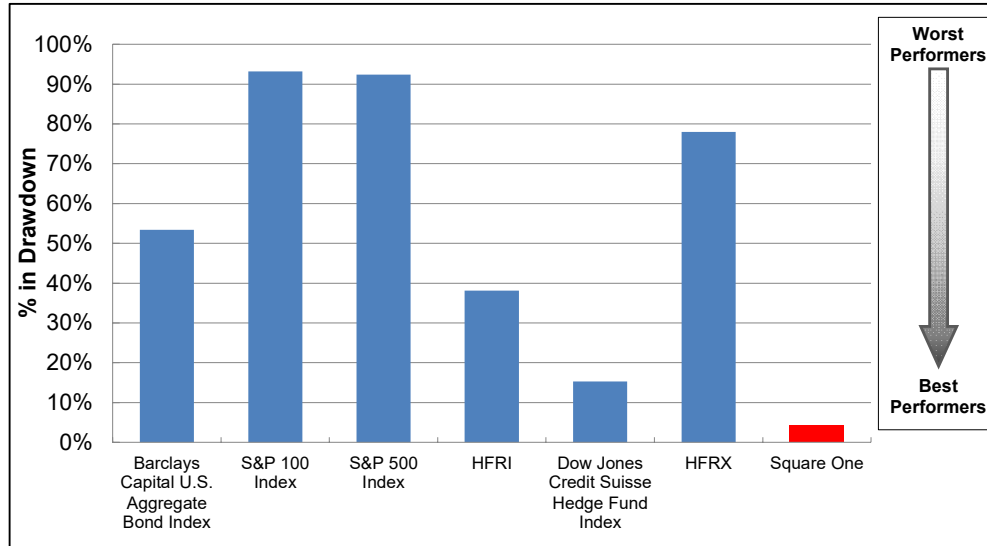


**Market Indices v. Square One BLMIS Account  
Sortino Ratio (February 1999 -November 2008)**

- The chart shows the Sortino Ratio for the Square One BLMIS Account and the Market Indices.
- The Sortino Ratio measures the amount of return per unit of downside risk. It is calculated as the mean return less a risk-free return, divided by the standard deviation of the returns (where each return greater than 0 is set to 0). A *higher* Sortino Ratio indicates that the investment is generating *more* return for *less* risk. Sortino Ratio is a common statistic used to compare performance between two or more funds.
- The indices used are the most common indices representing the major asset classes.
- HFRI reflects HFRI EH: Equity Market Neutral Index; HFRX reflects the HFRX EH: Equity Market Neutral Index; Dow Jones Credit Suisse Hedge Fund Index reflects the Equity Market Neutral subset of the Dow Jones Credit Suisse Hedge Fund Index which uses the Credit Suisse Hedge Fund Database (formerly known as the Credit Suisse/Tremont Hedge Fund Database).

**Schedule 41: Market Indices Percent of Months in Drawdown**

**Square One BLMIS Account had fewer months in drawdown than market indices**



**Market Indices v. Square One BLMIS Account**  
**Percent of Months in Drawdown**  
**(February 1999-November 2008)**

- The chart shows the percent of months in drawdown for the Square One BLMIS Account from February 1999 to November 2008 and for market indices.
- When calculated on a monthly basis, a drawdown occurs when a portfolio experiences a loss in the current month that brings the portfolio below its previous high. The maximum drawdown is the largest drop between peak to trough in the period.
- The indices used are the most common indices representing the major asset classes.
- HFRI reflects HFRI EH: Equity Market Neutral Index; HFRX reflects the HFRX EH: Equity Market Neutral Index; Dow Jones Credit Suisse Hedge Fund Index reflects the Equity Market Neutral subset of the Dow Jones Credit Suisse Hedge Fund Index which uses the Credit Suisse Hedge Fund Database (formerly known as the Credit Suisse/Tremont Hedge Fund Database).