

MAAP June Review

July 2, 2009

During June, MAAP gave back a portion of the gains earned during a very strong May, as the commodity markets experienced minor corrections. Corrections in grains, metals, and currencies more than offset a gain in energy. In addition, a small positive gain was achieved in the partial (10% of maximum) long position taken in the S&P 500 very late in the month.

Our research continues to point to a resumption of the secular (long-term) commodity bull market and for a cyclical advance in equities, both fueled by the massive injections of liquidity beginning in mid-September 2008. In addition, the stronger relative economic conditions in the developing world should be an important factor driving commodity prices higher. While we believe that commodities have emerged from a significant base, equities still appear to be completing a basing process.

New Risk Management Process

In the past six months we have alluded to our ongoing research targeting an improvement in our risk management, and in particular, our management of leverage. We have completed that work and will now include this process in our management of the overall leverage of our three physical commodity sectors. The commodity sectors have contributed the greatest gains in the past decade and also the majority of the volatility in the MAAP portfolio. Our basic decision making will continue to be discretionary, using both fundamental and technical/quantitative information. However, we will overlay those decisions with a systematic process to determine maximum leverage in the commodity sectors. If our system turns negative and we have maximum long positions in the commodity sectors, we will be required to reduce leverage by half. We could lower our leverage further but will continue to use discretion in that decision. Further discussion of the rationale for partial systematic, and partial discretion follows below.

The process we will employ is one which we have used informally for several years in our equity strategies to assist in identifying major tops and bottoms. The system is straightforward and not subject to interpretation. It will assign positive or negative points to each of the twelve commodity markets traded in MAAP. The point system is based on where the daily price is in relationship to average prices for that market over different time periods. A composite point level is then computed for the twelve commodity markets. If the composite reading for the twelve markets drops below the predetermined minimum level, leverage must be reduced to a maximum of 50 percent of our potential leverage on the long side. Leverage on commodity long positions can only be brought back to maximum when the portfolio point system rises to a predetermined positive level.

The system is designed to be long-term, with infrequent signals. During the 17 years that MAAP has been traded, from 1992 through mid-2009, there were only seven negative signals. Three of those would have avoided significant commodity market declines, while two signals would have added minimal value, and two would have modestly reduced upside gains as commodity prices continued to rise. This highlights the fact that no system or approach is without its limitations. It is precisely for this reason that we will employ it to reduce, rather than to eliminate, discretionary positions. However, the long-term nature of the approach should avoid the problem of frequent whipsaws that many systematic traders are subjected to.

As a further confirmation of our fundamental view that commodity markets have resumed their secular bull market, this risk management system signaled a new uptrend reading in early April. Since the commodity bull market commenced early in this decade, the system gave three positive signals lasting

on average approximately 15 months each. While we believe the addition of this risk management process should assist in avoiding major declines like the second half of 2008, it is important to understand that MAAP will still be subject to significant monthly volatility. In order to participate in major long-term trends, the investor must be willing to accept a degree of volatility. In summary we believe that with the addition of our new risk process we have enhanced the reward to risk opportunity that MAAP will generate for investors.

Markets

Commodity markets and developing country stock markets appear to reflect the relative strength of developing economies and their relatively greater demand for commodities. Focusing only on the U.S., Europe, and Japan would fail to identify the relative importance developing country economies will have on commodity demand growth now and in the years ahead. This is also an important factor in the debate over future inflation rates. While there is an excess of end user production capacity (e.g. auto assembly plants), and labor, raw materials will quickly return to tight supply conditions as the global economy recovers. Therefore the U.S., and other economies, should experience much higher rates of producer price inflation than consumer price inflation. With this in mind, investments such as MAAP, with exposure to currencies, precious metals, and industrial commodities, should benefit more from price trends than investments which are linked to the consumer price index (e.g. U.S. Treasury Tips).

An important inflection point should be occurring in the next several weeks for the both the U.S. economy and equity markets. Based on prior cycles, the expansive monetary and fiscal stimulus initiated in September of 2008 should begin to have a positive impact in both the economy and equity prices, as well as for commodity prices. Admittedly, this recession has had very unique characteristics, but the excessive degree of stimulus should begin to be apparent in renewed economic growth. As stated earlier, it is our conclusion that we are in the early stages of a resumption of the secular commodity bull market and the late stages of a U.S. equity market base.

Past results are not necessarily indicative of future performance. Actual trading for 3X-6X commenced on 7/8/92 and 2X-4X commenced on 10/15/92. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. For a complete disclosure document of AIS Futures Management LLC's MAAP Program, contact AIS Futures Management LLC, 187 Danbury Rd. Wilton, CT 06897 (203) 563-1180.



July 7, 2009

TAAP Investment Strategy
(The Asset Allocation Portfolio)

Current Portfolio Weighting

| | |
|--------|-------|
| Stocks | 20.4% |
| Bonds | 0.0% |
| Gold | 78.6% |
| Cash | 1.0 % |

Portfolio Review

The TAAP strategy continued to produce above average returns with a gain of 5.73% for the first six months of 2009 vs. 3.16% for the S&P500. For the past twelve months it returned -9.89% vs. -26.22% for the S&P500. For three years, five years and, since inception, TAAP's compound annual return was 10.32%, 15.05%, and 9.57% vs. the S&P500 return of -8.22%, -2.24%, and 6.98% percent.

Investment Outlook:

This quarter's Investment Strategy will be brief due to the lengthy commentary on June 2, 2009 entitled An Investment Blueprint for 2009 and Beyond (<http://aisgroup.com/InvestmentBlueprint2009.pdf>). The TAAP Strategy continues to overweight gold, with the remainder of the portfolio allocated to selected equities.

Gold has outperformed the stock market since the early part of this decade and we believe that it will continue to do so. This expectation is based on several factors. Gold production is only increasing approximately 1.5 percent annually while monetary aggregates and financial liabilities have been increasing by six to ten percent annually. With central banks pursuing aggressive monetary expansion and with the U.S. dollar coming under increasing skepticism as the international reserve currency, gold is likely to take on a larger role as an alternative store of value.

With regard to the stock market, we continue to believe that stocks have been completing a base building process that began last fall. Out of this base there should be a cyclical recovery. While U.S. economic conditions are not in the best of health, a troughing process does appear to be occurring, and the massive monetary stimulus of the past year should lead to a recovery. Since we are much more positive on developing country economies, our stock selection is oriented towards sectors which will benefit most from their expected growth. Within the U.S., spending is likely to be focused on infrastructure, alternative energy, and niche technology sectors.

During the second quarter two Brazilian iron ore and steel companies were added, Vale and Companhia Siderurgica, and Petrobras, the giant Brazilian energy company. Also added were two agricultural companies, Monsanto, and Sociedad Quimica y Minera, the large Chilean fertilizer and lithium miner. The last addition is Transocean Ltd., a major deep offshore drilling company.

We continue to believe that the ongoing financial and economic environment will favor a strategy such as TAAP's, because of its flexibility to shift asset classes, and its ability to include gold as an investment. As stated above, we refer you to the June 2nd commentary for a more detailed discussion of factors relevant to the current and expected investment climate.



AIS Capital Growth Fund Quarterly Review

July 6, 2009

The portfolio of the AIS Capital Growth Fund continued to increase its positioning in sectors that would benefit from a global economic expansion led by developing world economies and infrastructure and capital goods spending in the developed economies.

The Fund now holds forty issues in six broad sectors. The six sectors are infrastructure/energy service, energy, alternative energy, basic materials, agriculture, and niche technology. During the second quarter eight additional companies were added to the portfolio (which are reflected in the attached portfolio appraisal) and three companies were sold. In addition, three additional companies were added in the first week of July, Michael Baker Corp., Cerner Corp., and Compellent Technologies, Inc.

The fund employs several independent methods geared to identify companies which have the potential to outperform the market on a 12 to 18 month time frame. Our global macro economic analysis is employed to identify sectors which could benefit from strong economic tailwinds. Favorable demand and pricing trends are significant factors, since no business operates in a vacuum. Next our weekly technical screens of over 2000 companies assist in identifying emerging market leadership. Finally, individual company fundamental analysis can identify important management, product and balance sheet issues that will impact a company's performance.

Our macro economic research suggests that the global economy is emerging from a severe recession, led by domestic demand in developing world economies. In addition the massive monetary and fiscal stimulus initiated in the U.S. and other developed nations will begin to have a positive impact by late in the third quarter or early in the fourth quarter. While the current recession has interrupted a long-term rise in commodity prices, we continue to believe that both global demand and supply trends will lead to a resumption of rising commodity prices as the global economy resumes growth. Although demand has been temporarily suppressed by the recession, it is our conclusion that the recession has taken an even larger toll on capital spending for increasing supplies. In addition the long-term supply situation in oil remains tenuous, even with massive capital expenditures. Since developing country economies experience much greater incremental demand growth for commodities than developed countries, the relative economic strength of developing countries will continue to strain global supplies of key commodities. Finally, developed countries' infrastructure has aged well past original life expectancies, and will also place increasing demands on infrastructure spending and basic materials.

Therefore our portfolio selections are heavily weighted in the sectors mentioned above, based on the expectation of very favorable economic tailwinds. Another trend apparent in reviewing the portfolio names is the increase in developing country companies. Four of the companies added in the second quarter are based in either Brazil or Chile, countries that we believe have a combination of factors that will benefit them long-term. Finally, we anticipate that the U.S. equity market is completing a several month base that should lead to the commencement of a new cyclical advance.

Past results are not necessarily indicative of future performance. Actual trading for the AIS Capital Growth Fund L.P. commenced in January 1997. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. For a complete offering memorandum of AIS Capital Growth Fund L.P., contact AIS Capital Management LLC, Wilton, CT 06897 (203) 563-1180.



AIS Gold Fund Quarterly Review

July 6, 2009

The AIS Gold Fund experienced strong gains for the second quarter and first half of 2009, even though a portion of those gains were given back during June. Gold has been in a trading range for 68 weeks since its all time high above 1030 in February 2008. Since that time, although it has been in this extended trading range, it has performed admirably relative to either equities or other commodity markets. Given the enormous expansion of financial liabilities resulting from central bank and fiscal stimulus policies by governments, gold should take on an increasing role as an alternative store of value for all types of investors. It is our belief that gold is in a secular bull market that is still in its early stages. While the price of gold could move sideways for a few more weeks, the next significant move should be a new intermediate advance.

As attractive as we believe the potential is for gold bullion, our research indicates that the greatest price appreciation opportunity is in the junior mining companies, whose deposits are in politically secure countries. Large gold producers face problems similar to the large international oil companies. They are finding it increasingly difficult to find new reserves of a sufficient size to replace their reserves currently being mined. In addition, the few new deposits being discovered are often in politically questionable areas. It is our opinion, that should the price of gold make a move of several fold above current levels, most third world governments will change the payout arrangements with the mining companies, much as they did with oil. While that risk also exists in Canada, Australia, and the U.S., the probabilities are much lower. While we have small exposures to third world mines, we are concentrating our research on mines in what might be defined as the most politically secure areas.

In this regard we have been building an extensive database of mines and potential deposits in Canada, the U.S. and Australia. Because of the AIS Gold Fund's moderate asset size, we are not limited only to the largest capitalization issues, as are many of the major public funds. In many cases the estimated price of gold reserves of the junior mining companies is only a third to a half of the price of larger company reserves based on current share prices. This is an opportunity resulting from the financial crisis in 2008 and the dearth of venture and speculative money currently available in the mining sector. We anticipate that as the price of gold, silver, and other minerals move higher a more normal financing environment will return, leading to a significant price advance in the junior miners.

During the second quarter, one new Canadian company, San Gold, was added, and positions were increased in eight of the existing junior mining portfolio holdings. Two companies were eliminated from the portfolio because of their holdings in what we consider less politically secure areas.

Monthly returns for the AIS Gold Fund will continue to be volatile. However, the long-term potential for the Fund appears to be quite positive, given the upside opportunity we envision for both gold and silver, in the present expansionary monetary environment. In addition the Fund's moderate size allows investments in the junior mining sector which we believe offer the best relative value at the present time.

Past results are not necessarily indicative of future performance. Actual trading for the AIS Gold Fund L.P. commenced in December 2002. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. For a complete offering memorandum of AIS Gold Fund L.P., contact AIS Capital Management LLC, Wilton, CT 06897-0806 (203) 563-1180.