



ASTOR
CAPITAL
MANAGEMENT

An Alternative Investment Company



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Astor Capital Management
UPDATE
Month ending
March '10

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Index Definitions

S&P 500 Index - A stock market index containing the stocks of 500 Large-Cap corporations, most of which are American U.S. domiciled. The Index is owned and maintained by Standard & Poor's, a division of McGraw-Hill.

DJIA Index - The Dow Jones Industrial Average is a stock market index, to gauge the performance of the industrial sector of the U.S. stock market. The average consists of 30 of

Astor Capital Management Update

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Summary

Index	March 2010	YTD
S&P 500	†5.9%	†4.9%
DJIA	†5.2%	†4.1%
NASDAQ	†7.1%	†5.7%
FTSE 100	†6.1%	†4.9%
GSCI Index	†1.9%	-0.9%
MSCI EAFE Index	†5.8%	†0.2%
CMT 10 yr US Treasury	-6.4%	†0.3%
Barclay CTA Index	†0.4%	-1.3%

Past performance is not necessarily indicative of future results. An investment in alternative investments, including Managed Forex is subject to a substantial risk of loss and may not be suitable for all investors. The material contained herein is for informational purposes only and is not a solicitation for investing. Investors should consult financial advisors before investing.

Trading Activity of the Hudson FX Program*

Trading activity on the *Hudson FX Program* was halted this month, while a new clearing broker relationship was set up. With the research on the trading systems' connectivity completed, we expect the *Hudson FX Program* to be trading in early April.

**= Astor Capital is the designer and Advisor of Hudson FX Program. It is traded in conjunction with CIML, the appointed Sub-Advisor. See the National Futures Association ("NFA") reviewed and accepted Disclosure Document (Nov 30, 2009) for details.*

Trading Activity of the Gibraltar FX Program**

Trading activity on the *Gibraltar FX Program* was light. As the commodity markets were active, the trading in commodity based currencies constituted most of the activity. The

the largest and most widely held public companies in the U.S. The average is price-weighted, which gives higher priced stocks more influence over the value of the index.

Nasdaq Composite Index - A stock market index of all of the common stocks and similar securities (e.g. ADRs, tracking stocks, limited partnership interests) listed on the NASDAQ stock market, meaning that it has over 3,000 components. It is highly followed in the U.S. as an indicator of the performance of stocks of technology companies and growth companies. Since both U.S. and non-U.S. companies are listed on the NASDAQ stock market, the index is not an exclusively U.S. index. It is a broad based index which is calculated under a market capitalization weighted methodology.

FTSE 100 Index - The Financial Times Stock Exchange Index is a share index of the 100 most highly capitalized companies listed on the London Stock Exchange. FTSE 100 companies represent about 80% of the market capitalization of the whole London Stock Exchange. Even though the FTSE All-Share Index is more comprehensive, the FTSE 100 is the most widely used UK stock market indicator.

Goldman Sachs Commodity Index - The GSCI is a world-production weighted index composed of 24 commodity futures contracts. The index is a composite index of commodity sector returns and represents an unleveraged investment through broadly diversified long positions in commodity futures. The GSCI primarily serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time.

MSCI EAFE Index - A stock

commodity currencies included the Australian dollar ("AUD"), the New Zealand dollar ("NZD") and the Canadian dollar ("CAD"). Toward the end of the month, trading of the *Gibraltar FX Program* had slowed dramatically, as we were reviewing how the trading models and the backtesting could be improved.

***= FKA Strategy II and Aurora. Astor Capital is the designer and Advisor of Gibraltar FX Program. It is traded in conjunction with Trillian Advisors, LLC, the appointed Sub-Advisor. See the National Futures Association ("NFA") reviewed and accepted Disclosure Document (Oct 20, 2009) for details.*

Astor Capital, through its managed FX programs, is actively involved in trading off-exchange spot foreign exchange ('forex') currency pairs as an asset class with the goal of capital appreciation. Astor Capital offers investors professionally managed accounts that offer one day liquidity and redemption. There are no lock-ups, gates or other penalties to get your funds back.

Market Activity

With the first quarter now in the rear view mirror, it is interesting to note that 376 of the stocks that make up the S & P 500 were up for the quarter, while the remaining 124 turned in a negative performance.

- The month started out with Warren Buffet stating that he believes the real estate slump will end by 2011. He went on to say that he believes prices will remain "far below bubble levels" for some time;
- Based on concerns over a split June 10 election results in the U.K. Parliament, the British pound ("GBP") weakened nearly 3% against the US dollar ("USD") early in the month;
- Moody's, the credit rating agency, announced that "the U.S. government indebtedness will approach levels in the latter half of the decade that will bring pressure to bear on the AAA status". Moody's went on to make similar comments about the situation in the U.K.;
- Following the earthquake in Chile, the world's largest producer of copper, copper prices globally rose sharply;
- Gold touched a six week high to around \$1,150/oz, following a weaker USD. Crude oil (WTI) traded over \$82/bbl;
- Greece, the "G" in the now popular term "PIIGS", continued to make headlines:
 - Greek Prime Minister Panandreu met with German Chancellor Merkel,
 - PM Panandreu announced a revised plan for reducing the country's deficit. The cuts total EUR 4.8 Billion, which are a combination of spending cuts and revenue increases-taxes and government employee bonus reductions,
 - PM Panandreu met with U.S. President Obama, where he pushed for a unified global credit default swaps ("CDS") regulation (earlier, German Chancellor Merkel stressed the need for quick regulation against speculative CDS),

market index of foreign stocks, from the perspective of a North American investor. The index is market capitalization weighted (meaning that the weight of securities is determined based on their respective market capitalizations.) It first ranks each stock in the investable universe from largest to smallest by market capitalization. It is maintained by Morgan Stanley Capital International; the EAFE acronym stands for "Europe, Australasia, and Far East". The index includes a selection of stocks from 21 developed markets, but excludes those from the U.S. and Canada.

The 10 year US Treasury Constant Maturity

Treasury Index ("CMT") - An index published by the Federal Reserve Board based on the average yield of a range of US Treasury securities, all adjusted to the equivalent of a 10-year maturity. Yields on US Treasury securities at constant maturity are determined by the US Treasury from the daily yield curve. That is based on the closing market-bid yields on actively traded US Treasury securities in the over-the-counter market. This figure is used as a reference point to establish the price of other securities such as corporate bonds. US Treasury securities are considered risk-free since they are backed by the US government. This figure, and an added margin based upon the risk involved, is used in pricing various debt securities.

BarclayHedge CTA Index - A measure of the average return of CTA's providing BarclayHedge with their unaudited returns. There are currently over 400 CTA's reporting. It is unweighted and rebalanced at the end of the year.

- Greece sold 7 and 10 year Notes. At month's end, Greece announced it may bring an additional EUR 11.6 Billion in new USD denominated debt to the market as soon as May,
- The European Union pledged some type of coordinated aid pledge for Greece – details were not provided,
- By mid-month, German Chancellor Merkel said that she preferred to defer any would-be bailout package to the IMF, while French President Sarkozy said he was in favor of a coordinated EU solution,
- The EUR reached 10 month lows against the USD;
- Portugal, the "P" in the now popular term "PIIGS", had its government debt downgraded by Fitch, a credit rating agency, one step to AA-, with a negative credit watch on concerns that the country will struggle with its debt commitments. Finance Minister Fernando Teixeira dos Santos responded to the downgrade by announcing that Portugal aims to raise EUR 6 Billion (approximately USD 8.2 Billion) from privatizations, trim welfare benefits and slash other government expenditures as part of a 4 year austerity plan. Portugal's public debt is expected to climb to 85.4% of GDP this year, up from 76.6% in 2009;
- The Canadian dollar ("CAD") continues to strengthen against its trading partners' currencies, including the USD and is near "parity" (i.e. US\$ 1 = C\$ 1);
- Market related events in the U.S. included:
 - U.S. Nonfarm payrolls ("NFP") for February fell by 36,000, vs. the market expectation of falling by 68,000 jobs. The Unemployment rate for February remained at 9.7%. The market had a muted positive reaction following the positive NFP news,
 - The U.S. Treasury auctioned \$74 Billion in new debt this month,
 - Federal Reserve Vice Chair Donald Kohn announced he will resign when his four year term ends in June. The search for Kohn's replacement is said to be led by Treasury Secretary Tim Geithner,
 - At mid-month, the FOMC announced that it was again holding rates steady. KC Fed President Thomas Hoenig dissented for the second consecutive time,
 - The Postal Service, which is forecasting a \$238 Billion budget deficit by 2020, is seeking permission from the U.S. Congress to eliminate Saturday mail delivery service. The move is estimated to save about \$3 Billion in the first year and \$5.1 Billion thereafter each year thru 2020 and would likely eliminate the equivalent of 40,000 full time jobs;
- Chinese inflation hit a 16 month high, as industrial output climbs and new loans exceed forecast. Market concerns that China will continue to tighten fiscal policy, which may negatively impact global economic recovery;

- Earthquakes again made headlines globally. Some quakes included:
 - An earthquake in Okcular, Turkey measuring 6.0 magnitude (earthquakes are frequent in Turkey, as it lies on top of two main fault lines),
 - An earthquake in central Japan measuring 6.6 magnitude (Japan is also an earthquake prone area),
 - An earthquake aftershock in Chile measuring 6.7 magnitude,
 - An earthquake in southern California measuring 4.4 magnitude,
 - An earthquake south of Manila, The Philippines measured 6.0 magnitude,
 - On an average year, there are 134 earthquakes that have a magnitude between 6.0 and 6.9, according to the U.S. Geological Survey. So, no more accounts of earthquakes in the Update,
 - And on a related natural disaster topic, a volcano in southern Iceland erupted for the first time in almost 200 years. The eruption at the Eyjafjallajokull (pronounced AYA-feeyapla-yurkul - say *that three times*) volcano shot ash and molten lava into the air. None of Iceland's 320,000 people were reported injured;
- A moment of reflection for this month's passing of several notable people and events. They include:
 - Two of the oldest people in the world passed away on the same day. Mary Ray, certified as the oldest person living in the U.S. passed away at the age of 114 years, 294 days. Daisey Bailey, who was 113 years, 342 days passed away later that same day,
 - The world's shortest man passed away at the age of 21. China's He Pingping was just over 29 inches tall,
 - U.S. Actor Peter Graves passed away at age 83. He will be remembered for his portrayal of Jim Phelps, the leader of a gang of special agents in the TV series "Mission: Impossible", Marshall Matt Dillon in the TV series "Gunsmoke", and airline pilot Clarence Oveur in the disaster spoof movie, "Airplane". ... "Clearance Clarence, the mission, which you've decided to accept... has taken you on a new mission".

Please note: all known news has already been factored in the price of underlying foreign currency valuations.

Got Investing Plan?

In 2009, when the economy was emerging from the financial crisis, more than 90% of the stocks in the Standard & Poor's (S&P) 500 index moved higher. Every sector of the market participated in the move up.

In 2008, when the credit crisis was in full swing, more than 95% of the stocks in the S&P 500 index moved lower. Every sector of the market participated in the move down.

In 2010, the S&P 500 is up, but the underlying components are not in lock step as in the previous two years. In Q1, 376 of the stocks in the S&P 500 were up, while 124 of the stocks were down. Value stocks in the S&P 500 gained 7.4%, while growth stocks gained only 4%.

Investors once again face uncertainty. A diversified investment portfolio allows investors to weather some of the financial storms. A portfolio consisting of a mix of stocks, fixed income securities and managed accounts offers a diversified portfolio. Astor Capital offers investors managed FX accounts.

Got Green?

The number of U.S. households with a net worth of at least \$1 million jumped 16% in 2009. Households with a net worth of \$1 million or more, excluding their primary residence, totaled 7.8 million in 2009, vs. 6.7 million in 2008. The record was in 2007, with 9.2 million millionaire households.

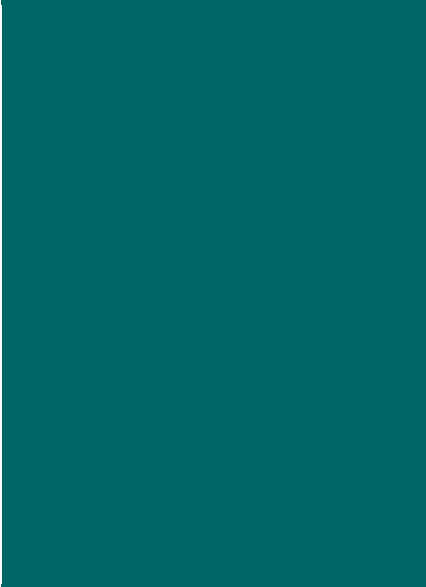
Ultra high net worth families, those households with a net worth of at least \$5 million, grew by 17% in 2009 to 980,000. Households with a net worth of at least \$500,000 grew by 12% to 12.7 million households.

Got Credentials?

The National Futures Association (“NFA”), which operates as the self regulatory organization for activities governed by the Commodity Futures Trading Commission (“CFTC”), requires that all firms trading exchange traded futures contracts be members of the NFA. It is not, however, a requirement for a firm engaged in trading off-exchange forex, also called cash, or spot or over-the-counter FX to be a member. As a NFA member, Astor Capital is required to adhere to the NFA’s rules and is subject to NFA on-site compliance audits, which go through all facets of the business activities. In February, the NFA concluded its periodic compliance audit with Astor Capital.

In addition to Astor Capital being registered with the CFTC and a member of the NFA, Astor Capital is a member of the Better Business Bureau (“BBB”) and has been awarded an A-Rating. The BBB uses a proprietary formula to determine the A through F rating – some variables include experience, time as a member of the BBB, if the member is an accredited business, whether it is operating in a trustworthy manner, complaints and government actions.

Astor Capital has been asked to speak at the FX Invest North America Summit in April. We will be a panelist on one discussion and a moderator on another discussion. Astor Capital has been invited to other investor speaking engagements planned for May.



We welcome the opportunity to discuss with you any aspect of what we do. You can contact us by calling **877-ASTOR 10**, or emailing us at info@astorcm.com. We offer two different managed FX programs for investors interested in diversifying their investment portfolio.

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