

Riverplus Fund

MONTHLY INVESTMENT REPORT November 2009

SHARE PRICE (per Nov 30, 2009): 99.71
NAV (per Nov 30, 2009): CHF 57.5m

Riverplus Fund is a long-short Delta, Gamma, and Vega fund incorporated in the Cayman Islands. The inception date was **October 1st, 2009**. The fund's objective is to generate a stable source of return by actively trading in listed Swiss stocks, options on Swiss stocks, and Index Futures. Investment advisor of Riverplus Fund is lambda Capital Group.

Monthly Net Return

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009										0.02%	-0.31%		-0.29%

Daily Trading Activity

Riverplus is committed to a highly active trading strategy. For an overview, Figure 1 reports the number of trades made for each trading day in November and Figure 2 plots the daily values of the buy and sell trades (in millions of CHF).

Figure 1: Number of Trades

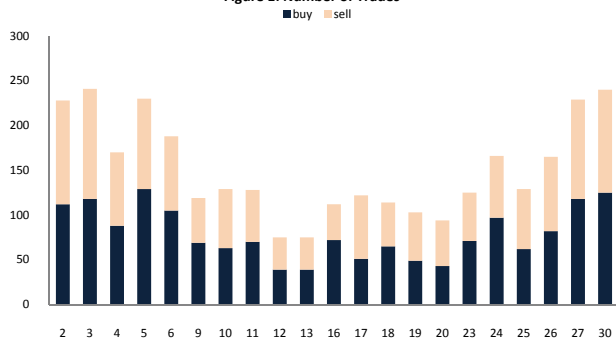
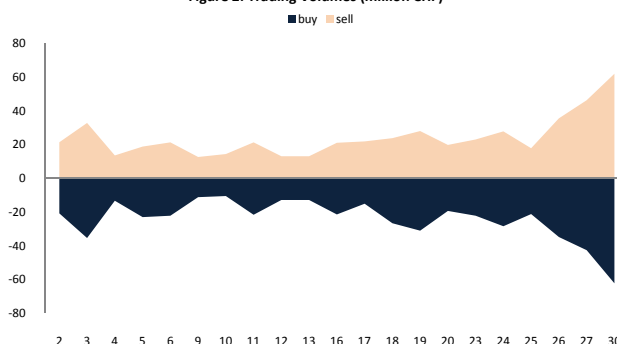


Figure 2: Trading Volumes (million CHF)



For the whole month of November, our trading activity averaged 75 trades and a volume of CHF 48 million per day, compared to an average of 126 trades and an average volume of CHF 27.6 million in the previous month.

Delta Exposure

Figure 3 shows the long and short Delta positions as well as the net Delta position, expressed in millions of CHF. Figure 4 illustrates the Delta exposures for our index positions (SMI and GDAX) and for the positions in SMI and SMIM stocks.

Figure 3: Delta Exposure on the Long and Short Side (million CHF)

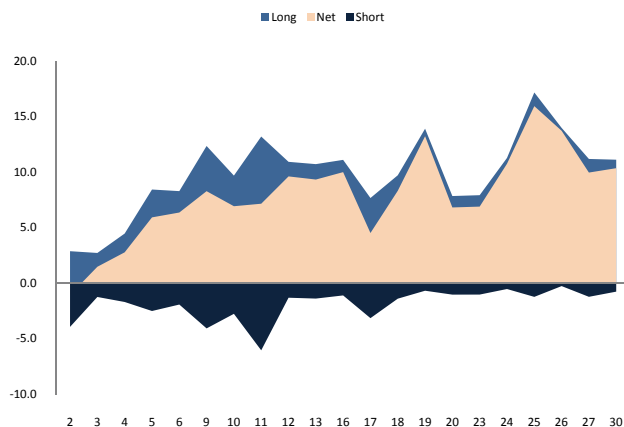
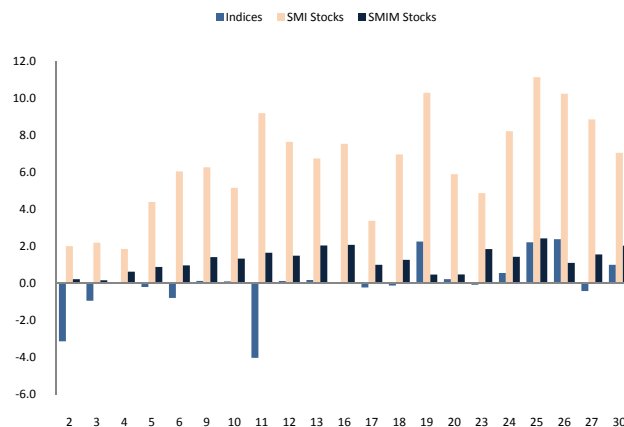


Figure 4: Delta Exposure per Indices, SMI and SMIM Stocks (million CHF)



Disclaimer: Past performance is not necessarily indicative to future performance. The information contained in this letter represents neither an offer to sell nor a solicitation of an offer to buy any securities. Securities in this fund will only be offered through a current offering memorandum and appropriate subscription documents. The material provided herein is for informational purposes only. Investments in Alternative Investment Strategies are suitable only for sophisticated and qualified investors who fully understand and are willing to assume the risks involved. Alternative Investments by their nature involve a substantial degree of risk and performance may be volatile.

Although we played both the long and the short side, we kept some overnight positions in the stocks which were delta long. The net delta long position peaked on November 25 with a value of around CHF 17 million.

Gamma and Vega Exposure

A large part of the risk capital is allocated to active option-based strategies. Therefore, Gamma and Vega exposures play a prominent role in our risk management and need to be monitored carefully. Figure 5 and Figure 6 plot the daily net Gamma and Vega exposures during the month of October. On an aggregate level, Riverplus was mostly short Vega and Gamma risks, with some long exposures at the end of the month. We decreased these exposures to reduce potentially adverse effects from the uncertainty surrounding the situation in Dubai, which was felt particularly in European markets.

Figure 5: Gamma Exposure (in CHF)

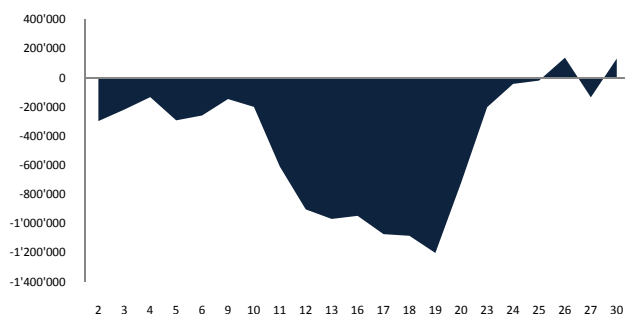


Figure 6: Vega Exposure (in CHF)

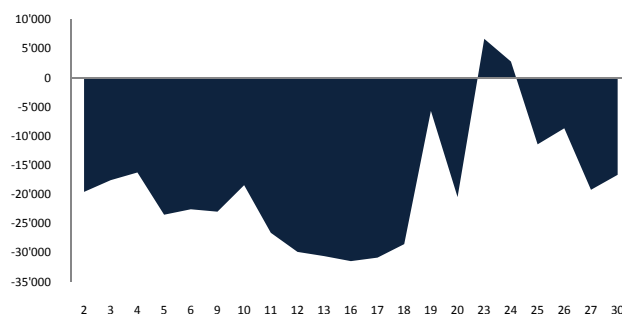


Figure 7 and Figure 8 show the average daily Gamma and Vega positions for the maturity buckets, for which we ran some risk exposures. For each bucket, we also show the long and short position, illustrating that we play both sides of volatility risk.

Figure 7: Average Gamma per Maturity (in CHF)

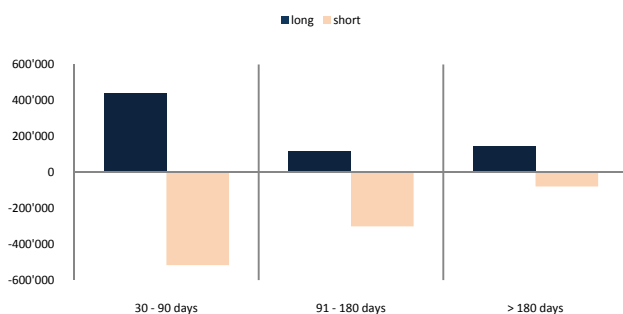


Figure 8: Average Vega per Maturity (in CHF)

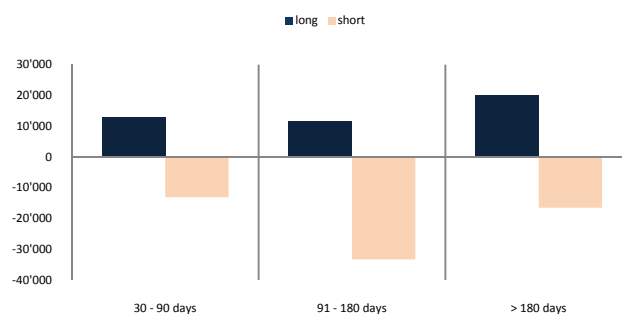


Figure 9 and Figure 10 show the average daily Gamma and Vega positions for different moneyness buckets, again split up into long and short positions.

Figure 9: Average Gamma per Moneyness (in CHF)

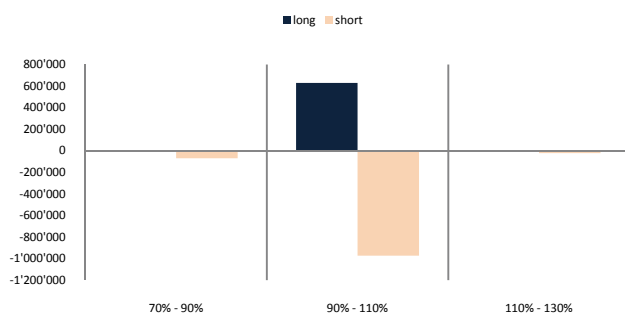
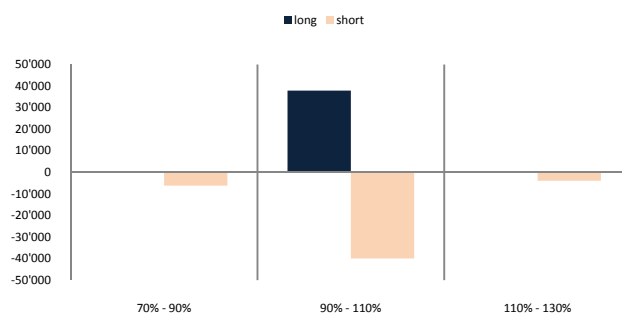


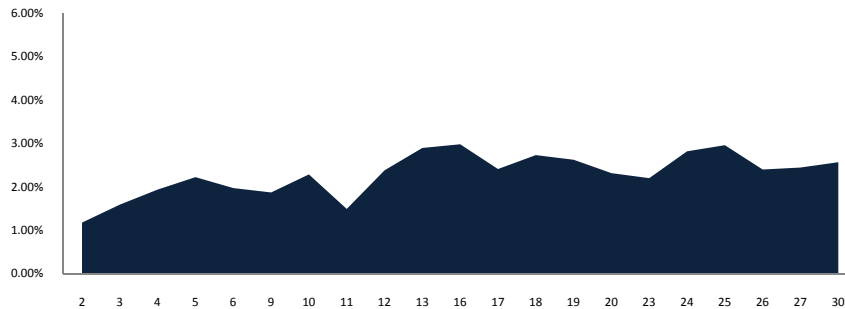
Figure 10: Average Vega per Moneyness (CHF)



Risk Exposure

Our risk allocation for the different strategies within Riverplus is based on the maximum loss principle. Maximum loss, in contrast to the commonly used Value-at-Risk concept, is a coherent risk measure. The principle of maximum loss is based, in a first step, on the definition of the trust region, which can be interpreted as a probability-weighted scenario analysis. These scenarios are then used to define the maximum loss on the portfolio level. For intraday risk measurement, we use a second order approximation for the maximum loss, which is based on the Delta, Gamma, and Vega exposure. For the end-of-day risk figures we use a full-valuation method, which takes into account the whole covariance matrix defined by the price and volatility risks.

Figure 11: Maximum Loss Level (in % of NAV)



As an overall acceptable risk level, we fix a monthly maximum loss of 5% at the 95% confidence level. Figure 11 shows the evolution of the fund's maximum loss for each trading day in November. Our maximum loss exposure has peaked at the level slightly below 3%.

Riverplus Fund – Additional Information

Strategy	Long-Short Delta Gamma Vega	Assets under Management (November 30, 2009)	CHF 57.5 million
NAV per Unit	99.71	Redemption	monthly/30 days notice
Management Fee	2%	Performance Fee	20%
Fund Structure	single fund, open-end	Prime Broker/Custodian	Credit Suisse
Equalisation	yes	High-Water-Mark	yes
Investment Advisor	lambda Capital Group	Investment Manager	Riverplus Management Company
Domicile	Cayman Island	Auditor	KPMG
Stock Exchange Listing	Irish Stock Exchange	Valor/ISIN	10263523/KYG759421053
Day of Inception	October 1 st , 2009	Share Class	CHF

For further details or for more information, please contact us at info@lambdacapital.ch

Disclaimer: Past performance is not necessarily indicative to future performance. The information contained in this letter represents neither an offer to sell nor a solicitation of an offer to buy any securities. Securities in this fund will only be offered through a current offering memorandum and appropriate subscription documents. The material provided herein is for informational purposes only. Investments in Alternative Investment Strategies are suitable only for sophisticated and qualified investors who fully understand and are willing to assume the risks involved. Alternative Investments by their nature involve a substantial degree of risk and performance may be volatile.