



September 2, 2010

To LJM Clients:

I am happy to report again that despite the sell-off in the broader equity markets in August, LJM had a very strong month with excellent trading gains across the three primary trading strategies. In fact, as the S&P now trades below levels seen at the beginning of the year, LJM's performance now stands out quite favorably in YTD performance comparisons as summarized in the following table:

PERFORMANCE OF LJM PRODUCTS AGAINST THE S&P INDEX

	LJM Aggressive	LJM Moderately Aggressive	LJM P&G	S&P 500
1998	-10.16% ¹	n/a	n/a	9.23% ¹
1999	60.52%	n/a	n/a	21.04%
2000	-3.07%	n/a	n/a	-9.10%
2001	21.02%	n/a	n/a	-11.89%
2002	-4.24%	n/a	n/a	-22.10%
2003	68.20%	22.14% ²	n/a	28.68%
2004	53.83%	34.03%	n/a	10.88%
2005	42.21%	30.59%	n/a	4.91%
2006	37.72%	30.50%	4.33% ³	15.79%
2007	21.25%	25.89%	9.02%	5.49%
2008	-48.47%	-17.45%	8.87%	-37.00%
2009	50.02%	28.84%	8.74%	26.46%
2010	22.75%	13.80%	7.80%	-4.62%
Total Return	841.80%¹	325.10%²	46.00%³	14.63%¹
Ave. Annual Return	19.70%	21.11%	8.86%	1.13%
Correlation	0.34285	0.36993	0.06845	1.00000

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. August 2010 returns are estimated.

Note 1: LJM Aggressive Strategy opened in July 1998, hence 6 months performance in 1998.

Note 2: LJM Moderately Aggressive Strategy opened in April 2003, hence 9 months performance in 2003.

Note 3: LJM P&G Strategy opened in May 2006, hence 8 months performance in 2006

LJM continues to receive industry recognition through the BarclayHedge performance awards – the following awards pertain to June performance for both the Aggressive Strategy and LJM Fund, L.P. (Moderately Aggressive Strategy). At this point I'm pretty confident we'll be receiving additional awards including performance in August!



*This fund was ranked based on Barclays CTA database



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The recently introduced Implied Volatility Signal Strategy (“IVS Strategy”) is designed to generate profits during periods of higher volatility and therefore negative correlation with the three option writing strategies featured above. Given its negative correlation, the IVS Strategy offers clients the chance to build greater portfolio diversification. Recent market conditions have been optimal for option writing strategies and the good news is that despite lower levels of volatility, IVS has still generated small trading gains as follows. In addition, September is off to a strong start as IVS returned over 3% during yesterday’s rally.

LJM IMPLIED VOLATILITY SIGNAL STRATEGY

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2010	n/a	n/a	n/a	n/a	n/a	0.34	1.04	-0.72					0.65%

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Finally, growth of assets in the LJM Fund, L.P. means that we plan on increasing the limit of acceptable subscriptions beyond what was envisioned when the fund was established in 2003.

The following regulatory notice states the General Partner’s intent to raise the limit of client assets:

“As provided in Section 5(e) of the limited partnership agreement of the LJM Fund, L.P., LJM as general partner may elect to offer additional units in the partnership “in an aggregate amount not to exceed \$100,000,000 per Series, or such higher amount as the General Partner shall determined upon notice thereof to the Limited Partners of the relevant Series.” This serves as notice that LJM has determined to raise the aggregate amount for the Asset Class I series to \$200,000,000.”

Regards,

Scott