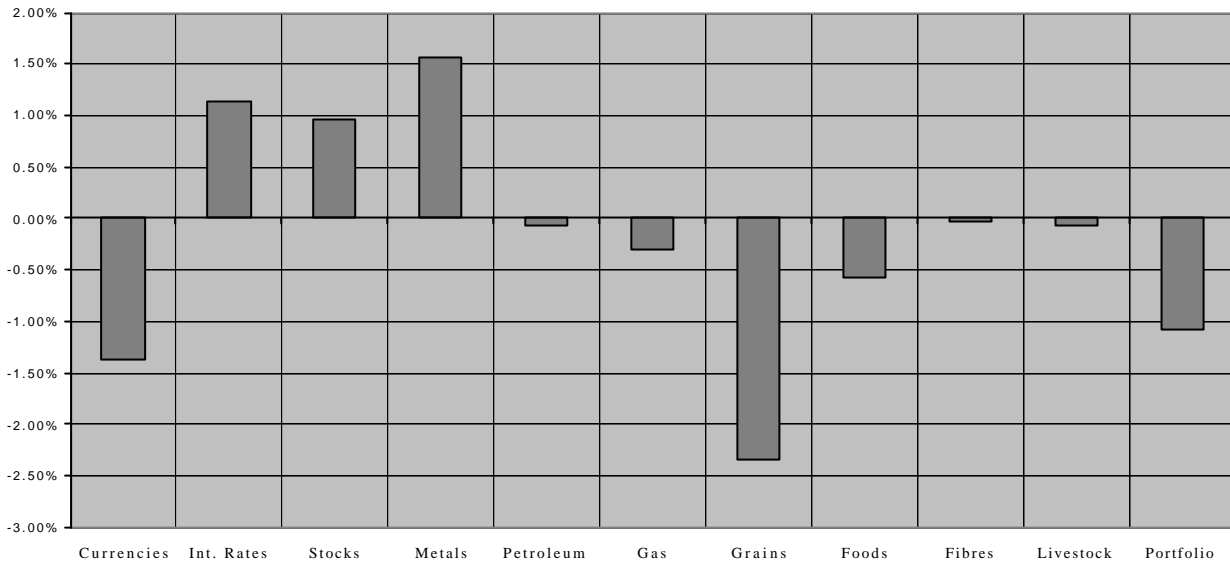




**Mulvaney Capital Management – Gross Returns by Market Sector – July 2001**



July Gross %	-1.36	1.14	0.97	1.56	-0.06	-0.30	-2.35	-0.58	-0.03	-0.08	-1.09
Ytd Gross %	4.59	14.02	3.13	4.42	-2.08	-11.6	-2.52	-2.65	9.57	-2.69	14.19

Net RoR Ytd 2001: 14.01% est.      6.70% est.      Net annualised RoR since inception (May 1999):

July proved to be a relatively quiet month with the Financial portfolio gaining 0.75% (winners: interest rates and stock indices; losers: currencies) and the Tangible commodity sector losing 1.84% (winners: metals; losers: grains).

**Financials:**

A slew of weak economic data emanated from the US in July. Alan Greenspan testified that “the risks would seem to remain mostly tilted towards weakness in the economy”. Markets reacted accordingly.

- The US Dollar Index peaked on July 5<sup>th</sup>. Thereafter the Dollar reversed sharply against European currencies in particular, hurting short positions we had held for several months.
- Interest rates ex-Japan continued the march lower: we maintain core long positions in these markets
- Asian stock indices fell significantly, contributing most of the nearly 1% gain in the equity sector

**Tangibles:**

- In July, silver prices fell to the lowest levels since late 1993. Copper also came under renewed selling pressure during the month, as traders digested the latest dire economic warnings. We remain short industrial metals.
- Grains surged as hot, dry conditions intensified in the Midwest, threatening early crop development. With non-US producers also being affected by adverse weather, these markets are now extremely nervous. Demand for soybean oil was also buoyed by declines in production of competing vegetable oils. We entered the month with a moderate net short position in the sector and posted a loss of 2.35%.

Cannon Bridge House, 25 Dowgate Hill, London EC4R 2GNTel: (020) 7173 8072  
Email: [info@mulvaneycapital.com](mailto:info@mulvaneycapital.com) Web: [www.mulvaneycapital.com](http://www.mulvaneycapital.com) Regulated by SFA

Past performance is not necessarily indicative of future results. Futures trading is speculative and involves substantial risk of loss. This report is for use by persons who have received a current Mulvaney Capital disclosure document.