

JEFFERIES UMBRELLA FUND

Monthly Report: January 2010

Market Conditions

For January a promising opening turned into an ugly ending. The strong rallies in both equity and credit up to year-end continued for the first part of the month, then faltered, then fell back sharply to end the month lower than they started. Three more or less simultaneous events conspired to unnerve investors: monetary tightening in China and India calling into question their ability to support the global economy, a financial crisis in Greece calling into question the stability of the Euro-zone and a political shock in the US pitching the President into a populist, anti-finance campaign. With year-on-year gains for credit and equity already spectacular, it did not take long for hesitancy to turn into profit-taking to turn into the threat of a trend reversal. On that note the month ended, although sentiment has stabilized since then.

Convertible pricing was also under pressure. Many of the hedge fund gates were lifted at year-end and many investors took the opportunity to redeem. Hedge fund out-flows added to the profit-taking from long-only funds to depress convertible valuations. In this environment new issue activity was lower than we expected but still managed 27 issuers, raising just short of \$6bn.

Investment Strategy

While we took profits in the in-the-money names during the first part of the month and consequently reduced delta, when the market reversed we saw the fund performance come back at almost the same rate as equities, notwithstanding a theoretical delta that would indicate half that rate. Premium compression was a partial cause but the greater impact came from the performance of the stocks underlying our holdings. For the Global fund, collectively these stocks were moving at double the rate of the broad indices, rising 6.0% up to Jan 11 (MSCI World +2.6%) and then falling 11.5% to month-end (MSCI World -6.1%). The fund rose 3.4% and then fell 6.7%, close to the MSCI movements but at less than 60% delta to the underlying stocks.

The high relative volatility of our holdings is not something we aim for but it is perhaps implicit in our desire to avoid holding "dead wood" in the portfolio. For most of the past year this has been beneficial to performance: last month it was not but strategically we believe it is important that the portfolio has enough vitality to capture performance when it is available.

Performance Outlook

We regard the latest economic news as being positive - the recovery in manufacturing and spending seems to be gathering pace and corporate earnings are good with 80% of companies reporting above expectations, (for our holdings specifically that record has been 100%). This however has been insufficient to support their equity prices, which in some cases have fallen heavily even after strong results, possibly signaling that our individual investment opinions are collectively founded on unrealistic assumptions.

Geo-political perspectives do give cause for concern. If China and India growth slows, if the deficits in the US and Europe force rapid government cuts and if unemployment remains high, the sustainability of the recovery is called into question. Indeed it is these concerns which have coloured the mood of investors, causing them to take profits.

Nevertheless we are at the stage in the recovery when such concerns are usual: deficits do bulge in recessions and unemployment only abates some time after recovery begins. There is nothing unique about this cycle. Furthermore, as the recovery in developed economies gathers steam, and the economic data indicates that it is doing so, dependence on India and China declines. In fact a moderation in their growth rates now makes one feel more secure about their long-term prospects.

For all these reasons we see no need to lose faith in our investment selections. Though recent performance has been disappointing, it has only been over a very short time-frame.

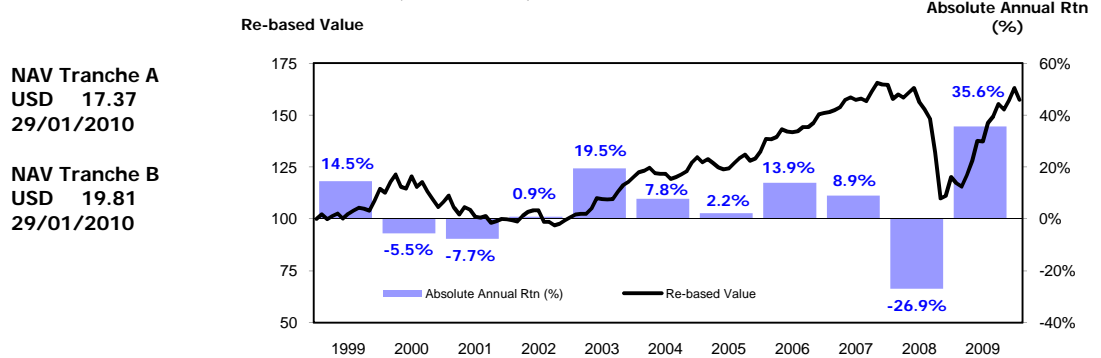
Performance Overview of the Jefferies Umbrella Fund 2010

	<i>Performance</i>	
	<i>ytd</i>	<i>mtd</i>
Global Convertible Bonds (USD)	-3.5%	-3.5%
Global Convertible Bonds (EUR, hedged)	-3.6%	-3.6%
Global Convertible Bonds (CHF, hedged)	-3.2%	-3.2%
Global Convertible Bonds (USD, hedged)	-3.0%	-3.0%
Global Convertible Bonds (GBP, hedged)	-3.1%	-3.1%
Europe Convertible Bonds (EUR)	0.1%	0.1%

All data provided or processed by Jefferies International Ltd and Jefferies (Switzerland) Ltd, except the NAVs which are provided by European Fund Administration.

This document does not constitute an offer to sell or the solicitation of an offer to buy securities. The information contained in this document therefore is neither complete nor definitive. The decision of any investor to invest in shares of the sub-funds of the Jefferies Umbrella Fund may only be made on the basis of all the relevant investment information as contained in the Prospectus as and when delivered. To the best of the knowledge and belief of the Directors of the Company, the information contained in this document was obtained from sources believed to be reliable, but is not guaranteed. Additional and supporting information is available upon request. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation and is subject to change without notice. This document has been prepared by Jefferies (Switzerland) Ltd. The distribution of this document and the offering of Shares may be restricted by law in certain jurisdictions. It is the responsibility of any person in possession of this document and of any person wishing to make an application for Shares to inform himself and to observe all applicable laws and regulations of any relevant jurisdiction. This document may not be considered as either an offer or a solicitation in any jurisdiction in which such offer or solicitation would be unlawful. Past Performance is no indicator or guarantee for any future developments. Jefferies (Switzerland) Ltd. disclaims any liability for loss or damage, which may occur of any nature whatsoever, which may arise directly or indirectly from the use of this documentation and/or information, texts, graphics or other material contained therein.

Performance (USD-Basis)



NAV Tranche A
USD 17.37
29/01/2010

NAV Tranche B
USD 19.81
29/01/2010

Past Performance is no indicator or guarantee of future performance.

Fund Portrait

The fund invests in global convertible bonds across all regions, sectors and currencies. The fund aims to add value over a typical, global, balanced equity-and-bond portfolio. Investments are selected for their risk-reward profile, defined as participation in an upward equity move relative to their participation in an equal downward move. The fund only invests in convertible bonds, the majority of which will be investment-grade. The fund aims for broad diversification across sectors, regions, countries and currencies.

Performance & Risk Figures: Tranche B (USD-based)

	returns p.a.		returns p.a.			
	mtd	ytd	1 year	3 years	5 years	since inc.
USD	-3.5%	-3.5%	34.3%	1.3%	4.3%	4.1%
Benchmark ¹	-1.3%	-1.3%	37.4%	3.3%	5.8%	4.3%
Risk Fund			10.4%	9.8%	8.3%	7.4%

The performance data do not take account of the commissions and costs incurred on the issue of units

Fund Characteristics

	Jan-10	Dec-09
*Equity content ²	47.5%	51.3%
*Delta ²	58.0%	62.2%
*Average Premium ²	30.1%	29.1%
*Average Premium to bond floor ²	21.5%	27.3%
*Current yield ²	2.7%	2.6%
*Duration ²	1.83	1.69
Average Life to Redemption ²	4.4	4.6
Investment Grade	34.5%	35.1%
Number of holdings	49	45

*see glossary for terminology

Best Performers on the month

Sterling Biotech 0.000% 16-May-12	14.8%
Gilead Sciences 0.500% 01-May-11	7.0%
Petroleum Geo-Services 2.700% 3-Dec-12	4.5%
Mol Magyar Olag/Magnolia 4.000% Perp	4.1%
Michelin 0.000% 1-Jan-17	2.2%

Largest Holdings

Micron Technology 1.875% 01-Jun-14	3.1%
Alpha Natural Resources 2.375% 15-Apr-15	3.0%
Seadrill 4.875% 29-Sep-14	3.0%
BorgWarner 3.500% 15-Apr-12	3.0%
ArcelorMittal 5.000% 15-May-14	3.0%

Breakdowns

Region	Currency	Sector	Credit				
America	46.1%	USD	77.4%	Energy	22.2%	AAA	2.1%
Europe	31.0%	EUR	12.2%	Basic Materials	19.7%	AA	0.0%
Asia x-Japan	18.9%	CHF	4.0%	Technology	15.1%	A	8.4%
Japan	3.7%	JPY	2.8%	Industrial	11.8%	BBB	24.1%
Cash	0.3%	CNY	1.9%	Consumer Cyclical	10.4%	BB	36.0%
		GBP	1.3%	Consumer Non-cyclical	8.8%	B	27.5%
		HKD	0.5%	Communications	7.4%		
				Utilities	2.9%	CCC	1.9%

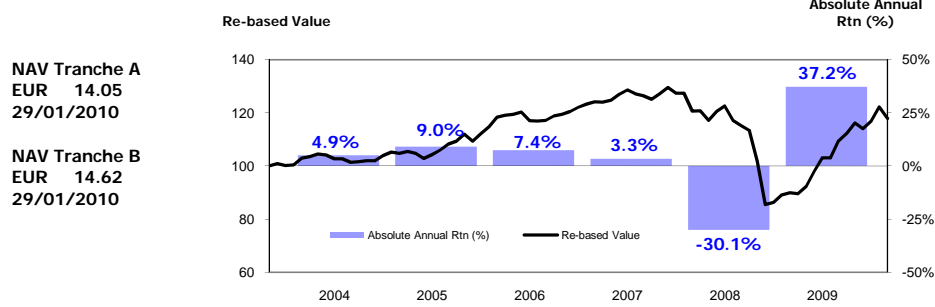
Fund features

Master Fund (Mio USD)	550	Fund type	open end	Inception date	January 5, 1998
Fund currency	USD	Issue / redemption	daily	Next distribution month	January 2011
Benchmark ¹	JACI Global	Domicile of fund	Luxembourg	End financial year	September
VN	CH234604	Investment Adviser	Jefferies	Management Fee	1.2%
ISIN	LU0050621282	Distributor	Jefferies	Performance Fee	20 % upon 10 % performance

¹ Benchmark: Balanced Equity & Bonds prior to 1 Aug 2003 and JACI Global Convertible Bonds thereafter (without costs)

² All figures calculated using weighted average

Performance (EUR-Basis)



Past Performance is no indicator or guarantee of future performance.

Fund Portrait

We hedge into EUR the portion of non-EUR denominated holdings in the portfolio attributable to the EUR-hedged class. The attributed portion of each holding is given by the ratio of EUR-hedged shares to the total number of shares outstanding.

Performance & Risk Figures: Tranche B (EUR-based)

	mtd	ytd		returns p.a.			
				1 year	3 years	5 years	since inc.
EUR	-3.6%	-3.6%	EUR	31.2%	-1.7%	2.4%	2.6%
Benchmark ¹	-0.3%	-0.3%	Benchmark ¹	33.3%	1.2%	NA	NA
			Risk Fund	8.9%	8.8%	7.2%	6.7%

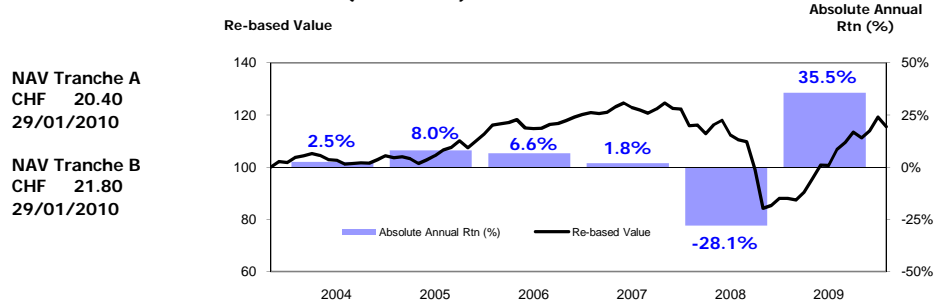
The performance data do not take account of the commissions and costs incurred on the issue of units

Fund features

Master Fund (Mio EUR)	397	Fund type	open end	Inception date	September 23, 2003
Fund currency	EUR	Issue / redemption	daily	Next distribution month	January 2011
Benchmark ¹	JACI Global	Domicile of fund	Luxembourg	End financial year	September
VN	CH1631510	Investment Adviser	Jefferies	Management Fee	1.2%
ISIN	LU0172460114	Distributor	Jefferies	Performance Fee	20 % upon 10 % performance

¹ Benchmark: JACI Global Convertible Bonds EUR Based Hedged

Performance (CHF-Basis)



Past Performance is no indicator or guarantee of future performance.

Fund Portrait

We hedge into CHF the portion of non-CHF denominated holdings in the portfolio attributable to the CHF-hedged class. The attributed portion of each holding is given by the ratio of CHF-hedged shares to the total number of shares outstanding.

Performance & Risk Figures: Tranche B (CHF-based)

	mtd	ytd		returns p.a.			
				1 year	3 years	5 years	since inc.
CHF	-3.2%	-3.2%	CHF	31.3%	-1.5%	2.2%	2.0%
Benchmark ¹	-0.4%	-0.4%	Benchmark ¹	31.5%	-0.4%	NA	NA
			Risk Fund	8.9%	8.7%	7.2%	6.7%

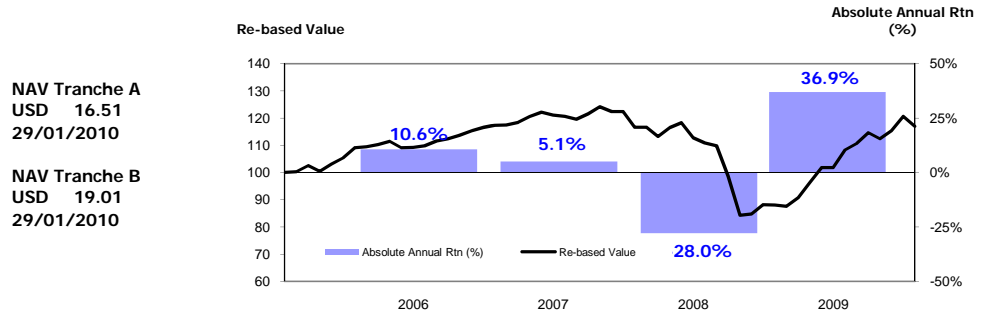
The performance data do not take account of the commissions and costs incurred on the issue of units

Fund features

Master Fund (Mio CHF)	583	Fund type	open end	Inception date	October 2, 2003
Fund currency	CHF	Issue / redemption	daily	Next distribution month	January 2011
Benchmark ¹	JACI Global	Domicile of fund	Luxembourg	End financial year	September
VN	CH1631518	Investment Adviser	Jefferies	Management Fee	1.2%
ISIN	LU0172460973	Distributor	Jefferies	Performance Fee	20 % upon 10 % performance

¹ Benchmark: JACI Global Convertible Bonds CHF Based Hedged

Performance (USD-Basis)



Past Performance is no indicator or guarantee of future performance.

Fund Portrait

We hedge into USD the portion of non-USD denominated holdings in the portfolio attributable to the USD-hedged class. The attributed portion of each holding is given by the ratio of USD-hedged shares to the total number of shares outstanding.

Performance & Risk Figures: Tranche B (USD-based)

	mtd	ytd	returns p.a.			
			1 year	3 years	5 years	since inc.
USD	-3.0%	-3.0%	32.9%	-0.1%	NA	3.6%
Benchmark ¹	-0.2%	-0.2%	34.8%	1.7%	NA	NA
Risk Fund			9.0%	8.7%	NA	7.5%

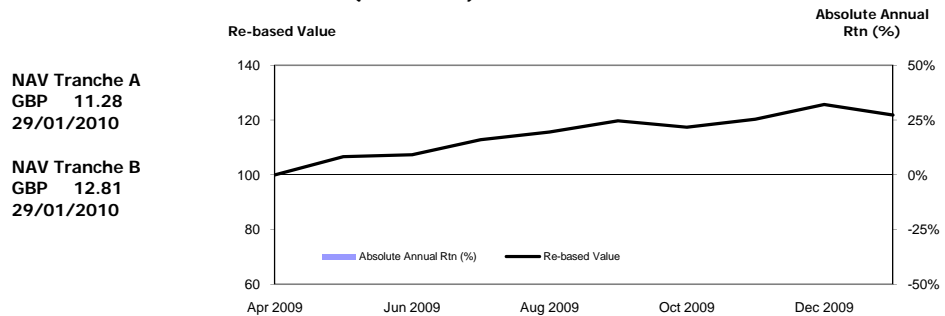
The performance data do not take account of the commissions and costs incurred on the issue of units

Fund features

Master Fund (Mio USD)	550	Fund type	open end	Inception date	August 16, 2005
Fund currency	USD	Issue / redemption	daily	Next distribution month	January 2011
Benchmark ¹	JACI Global	Domicile of fund	Luxembourg	End financial year	September
VN	CH2167500	Investment Adviser	Jefferies	Management Fee	1.2%
ISIN	LU0220769904	Distributor	Jefferies	Performance Fee	20 % upon 10 % performance

¹ Benchmark: JACI Global Convertible Bonds USD Based Hedged

Performance (GBP-Basis)



Past Performance is no indicator or guarantee of future performance.

Fund Portrait

We hedge into GBP the portion of non-GBP denominated holdings in the portfolio attributable to the GBP-hedged class. The attributed portion of each holding is given by the ratio of GBP-hedged shares to the total number of shares outstanding.

Performance & Risk Figures: Tranche B (GBP-based)

	mtd	ytd	returns p.a.			
			1 year	3 years	5 years	since inc.
GBP	-3.1%	-3.1%	NA	NA	NA	NA
Benchmark	NA	NA	NA	NA	NA	NA
Risk Fund			NA	NA	NA	NA

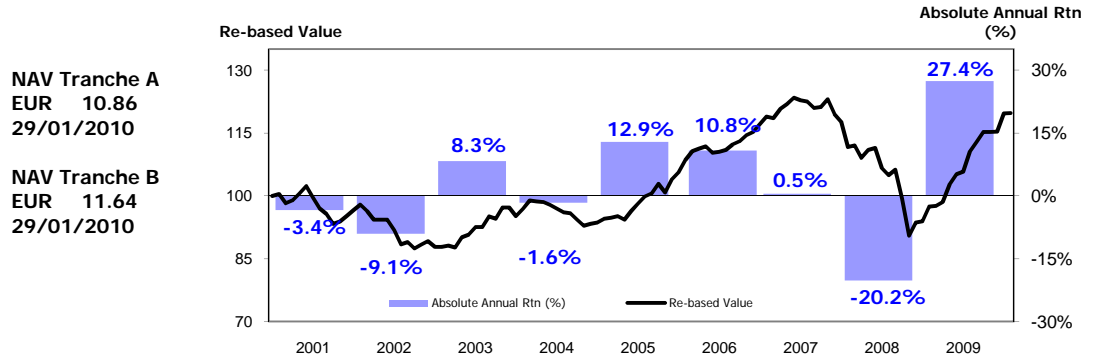
The performance data do not take account of the commissions and costs incurred on the issue of units

Fund features

Master Fund (Mio GBP)	344	Fund type	open end	Inception date	April 16, 2009
Fund currency	GBP	Issue / redemption	daily	Next distribution month	January 2011
Benchmark	NA	Domicile of fund	Luxembourg	End financial year	September
VN	CH4736013	Investment Adviser	Jefferies	Management Fee	1.2%
ISIN	LU0417090817	Distributor	Jefferies	Performance Fee	20 % upon 10 % performance

¹ since inception date 16/04/2009

Performance (EUR-Basis)



NAV Tranche A
EUR 10.86
29/01/2010

NAV Tranche B
EUR 11.64
29/01/2010

Past Performance is no indicator or guarantee of future performance.

Fund Portrait

The fund invests in European convertible bonds across all countries, sectors and currencies. The fund aims to add value over a typical, balanced equity-and-bond portfolio. Investments are selected for their risk-reward profile, defined as participation in an upward equity move relative to their participation in an equal downward move. The fund only invests in convertible bonds, the majority of which will be investment-grade. The fund aims for broad diversification across sectors and currencies.

Fund Comment

The rally during the first fortnight of January ended by escalating concerns over China's moves to curb lending, the state of the global recovery and sovereign credit risks. This all sent a chill through investors' sentiment and resulted in a decline of the European equity markets of around 3% over the month. The fund also endured a difficult second half of the month but nevertheless ended the first reporting period of the New Year in positive territory. Eight new issues found the way to the Convertible Bond market raising a total of EUR 2.5bn.

Performance & Risk Figures: Tranche B (EUR-based)

	mtd	ytd		returns p.a.			
				1 year	3 years	5 years	since inc.
EUR	0.1%	0.1%	EUR	23.0%	0.9%	4.9%	1.7%
Benchmark ¹	0.9%	0.9%	Benchmark ¹	33.1%	1.3%	5.4%	1.0%
			Risk Fund	5.2%	6.7%	5.9%	5.8%

The performance data do not take account of the commissions and costs incurred on the issue of units

Fund Characteristics

	Jan-10	Dec-09
*Equity content ²	33.2%	30.2%
*Delta ²	43.6%	42.3%
*Average Premium ²	67.1%	66.6%
*Average Premium to bond floor ²	15.4%	15.7%
*Current yield ²	3.0%	2.8%
*Duration ²	2.00	1.75
Average Life to Redemption ²	5.1	4.9
Investment Grade	40.7%	52.9%
Number of holdings	57	59

*see glossary for terminology

Best Performers on the month

Conwert Immobilien Invest 1.500% 12-Nov-14	8.5%
Fortis FRN Perp	6.7%
Aceryg 2.250% 11-Oct-13	4.9%
Mol Magyar Olag/Magnolia 4.000% Perp	4.1%
Kloeckner 1.500% 27-Jul-12	3.3%

Largest Holdings

ArcelorMittal 7.250% 1-Apr-14	3.5%
Peugeot 4.450% 1-Jan-17	3.3%
Inmarsat 1.750% 16-Nov-16	3.2%
Conwert Immobilien Invest 1.500% 12-Nov-14	3.2%
Cap Gemini 3.500% 1-Jan-14	3.2%

Breakdowns

Country	Currency	Sector	Credit
France	EUR	Basic Materials	16.5%
United Kingdom	USD	Financial	15.6%
Switzerland	CHF	Consumer, Cyclical	13.5%
Germany	GBP	Energy	12.3%
Netherlands		Consumer, Non-cyclical	11.4%
Norway		Communications	10.4%
Others		Industrial	8.5%
		Technology	7.1%
		Utilities	2.6%
		Diversified	0.8%

AAA	3.8%
AA	4.4%
A	7.5%
BBB	25.0%
BB	53.5%
B	5.3%
CCC	0.5%

Fund features

Master Fund (Mio EUR)	65	Fund type	open end	Inception date	November 1, 2000
Fund currency	EUR	Issue / redemption	daily	Next distribution month	January 2011
Benchmark ¹	JACI Europe	Domicile of fund	Luxembourg	End financial year	September
VN	CH1110918	Investment Adviser	Jefferies	Management Fee	1.2%
ISIN	LU0114353195	Distributor	Jefferies	Performance Fee	20 % upon 10 % performance

¹ Benchmark: Balanced Equity & Bonds prior to 1 Aug 2003 and JACI Europe Convertible Bonds thereafter (without costs)

² All figures calculated using weighted average

Glossary

Equity content

The equity content shows how sensitive the convertible bond fund is to changes in the value of the underlying stocks. The higher the equity content is, the stronger a convertible reacts to the stock moves and vice versa. For example with an equity content of 40% the fund would participate in 40% of the change in the equity market.

Delta

The delta is defined as the number of shares that a hedge investor needs to short to remain neutral to changes in the price of the underlying. It therefore measures the sensitivity of the convertible's price to changes in parity.

Premium

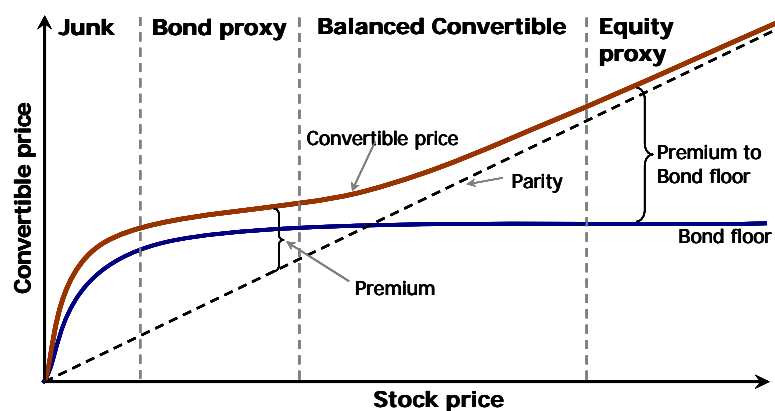
Difference between the value of the convertible bond and the current value of the shares it is convertible into (parity). Usually expressed as percentage of the parity.

Bond floor

Is the theoretical price of a convertible bond if only its straight bond part were to be priced, and the right to convert at certain conditions is valued at zero.

Premium to Bond floor

Is the difference between the convertible's market price and its bond floor, expressed as a percentage. This figure indicates approximately the level of downside risk.



Current yield

Is defined as the coupon divided by the convertible bond price. It gives an indication of the current coupon income of the bond.

Duration

Is the weighted average time to full recovery of principal and interest payments. It measures the change of the convertible price to interest rates movements.

Credit quality

Where available official rating from Moodys or S&P. For all other bonds we take the implied credit rating deducted from the bond valuation.

Price information and Publication of NAV

NZZ
Finanz und Wirtschaft
Financial Times
Börsen-Zeitung Frankfurt
Finanza Mercati
<http://www.convertiblebonds.ch>

**Bloomberg Tickers
(for Tranche B, Bearer Shares)**
Global USD JEFMCV1 LX
Global EUR, hedged JEFGCBE LX
Global CHF, hedged JEFGCBC LX
Global USD, hedged JEFGCHE LX
Global GBP, hedged JEFGCBP LX
Europe JEFECBB LX

**Telekurs
(for Tranche B, Bearer Shares)**
Global USD CH234604
Global EUR, hedged CH1631510
Global CHF, hedged CH1631518
Global USD, hedged CH2167500
Global GBP, hedged CH4736013
Europe CH1110918

Contact

Don't hesitate to contact us in case of questions.

Investment Advisor:
Jefferies (Switzerland) Ltd.
Asset Management
Uraniastrasse 12
CH-8021 Zurich
Telephone: +41 (0) 44 227 16 60
Facsimile: +41 (0) 44 227 16 80

Distributor:
Jefferies (Switzerland) Ltd.
Uraniastrasse 12
CH-8021 Zurich
Telephone: +41 (0) 44 227 16 30
Facsimile: +41 (0) 44 227 16 93

Further information on the fund is also available on the website www.convertiblebonds.ch

For us, it all begins with our clients

This document does not constitute an offer to sell or the solicitation of an offer to buy securities. The information contained in this document therefore is neither complete nor definitive. The decision of any investor to invest in shares of the sub-funds of the Jefferies Umbrella Fund may only be made on the basis of all the relevant investment information as contained in the Prospectus as and when delivered. To the best of the knowledge and belief of the Directors of the Company, the information contained in this document was obtained from sources believed to be reliable, but is not guaranteed. Additional and supporting information is available upon request. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation and is subject to change without notice. This document has been prepared by Jefferies (Switzerland) Ltd. The distribution of this document and the offering of Shares may be restricted by law in certain jurisdictions. It is the responsibility of any person in possession of this document and of any person wishing to make an application for Shares to inform himself and to observe all applicable laws and regulations of any relevant jurisdiction. This document may not be considered as either an offer or a solicitation in any jurisdiction in which such offer or solicitation would be unlawful. Past Performance is no indicator or guarantee for any future developments. Jefferies (Switzerland) Ltd. disclaims any liability for loss or damage, which may occur of any nature whatsoever, which may arise directly or indirectly from the use of this documentation and/or information, texts, graphics or other material contained therein.