

Druckenmiller August 2010 Letter to Investors (Duquesne Capital fund-closing letter)

As many of you may be aware, this is Duquesne Capital Management's 30

th

year of doing business. During that time, I have often marveled that there can hardly have been a luckier person in the world: I have gotten to do what I love, I have had the pleasure of delivering favorable results to clients (who have become dear friends) which has helped them to achieve their goals, and both Duquesne and its clients have been well rewarded in the process. While I knew from the outset how much I enjoyed what I was doing, I had no idea that the biggest reward for me would come from the experience of meeting and getting to know so many wonderful people who became clients and friends. The biggest surprise was that I would be well compensated for doing something that has been so rewarding in other respects. I need to express to you my gratitude for the trust you placed in me, and for the joy and satisfaction I have had from helping so many clients achieve their aspirations – this has simply yielded a pleasure for me that I am not sure any person deserves, and which easily transcends monetary compensation. After much self reflection, I have decided to retire from managing client funds and I wanted to give you prompt notice of my intentions and explain the reasons for this. I have had to recognize that competing in the markets over such a long timeframe imposes heavy personal costs. While the joy of winning for clients is immense, for me the disappointment of each interim drawdown over the years has taken a cumulative toll that I cannot continue to sustain. This is true even though to date we have delivered an unbroken record of positive annual performance which I hope will continue for 2010 as well. And while our clients were certainly pleased that we achieved positive results for 2008 and 2009 in a challenging environment, as you may have surmised I was dissatisfied with those results because they did not match my own, internal long-term standard. You may remember that I chose to leave Soros Fund Management ten years ago because the challenge of managing an enormous amount of capital was having a clear impact on my ability to perform, as well as my state of being. Unfortunately, as Duquesne has grown, these factors have again emerged. I continue to care deeply about performing for our clients, and the stress of performing in a way that I consider to be disappointing – even if you do not share that view – persists in exacting a high emotional toll, with the result that I have concluded that this change is necessary. We will be providing you with further information as to the timing and other details of this process. I will also be hosting meetings in Pittsburgh and New York in the upcoming weeks to express my gratitude to you face to face, and to answer any questions you may have, and I will be forwarding to you shortly the schedule for those meetings. It has been a wonderful experience and I am deeply grateful for your trust over the years. I look forward to this change in my activities with excitement and anticipation and to continuing our relationship in a more personal way. With very warm regards, Stanley F. Druckenmiller