



A Registered Investment Adviser

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February 14, 2007

Dear Client,

Please find your complete 2006 performance report enclosed. Since most of our communication is electronic, I wanted to produce a hard copy for you at year-end.

The equity markets finished 2006 with an incredibly strong fourth quarter. While our accounts certainly lagged the indexes, we nonetheless produced positive returns. The average account was up 1.3% net of fees in the fourth quarter – and up 5.16% annualized since we began in June 2006. Both figures are below our internal targets and we are working hard to produce improved results in 2007 – regardless how the overall market fares. Six weeks into the year, your assets have experienced several new “peaks” in value.

#### Expanded Advisory Services

I am also pleased to announce that Teewinot has expanded the breadth of our services to include portfolios with longer-term time horizons. We now advise clients on asset allocation and help select specific securities and outside managers in what we call the Traditional Account. Teewinot would generally not serve as the end money manager, but will advise on asset class and sector weightings. We will also supervise and evaluate other managers' performance.

Traditional Accounts offer fixed-income, equity, and low-cost annuities, tailored to each client's objectives and risk tolerance. They will be managed in a tax-friendly manner, be invested long only, and have a goal of outperforming market indices over time. They can be arranged with either the client or Teewinot having investment discretion. As with your current account, Traditional clients receive the highest standard of care in the investment industry – our fiduciary obligation to act 100% in your best interests.

#### Different Accounts with Different Goals

To clarify our two primary services, we must give a specific label to the account that you currently hold. That strategy – in which Teewinot serves as the actual money manager and allocates the same investments to all clients, is called the ManyPeaks Absolute Return Account. The name reflects its performance goals and helps to distinguish our two services.

While always seeking the highest total returns possible, Teewinot has three distinct goals for your ManyPeaks Absolute Return account. All refer to net returns after advisory fees. In order of importance:

1. Positive annual returns every year.
2. Double digit annual returns.
3. Returns higher than the market indexes. (S&P 500 and Russell 2000)

We believe that allocating to both pure equity market exposure and absolute return strategies creates the optimal allocation for high net worth investors. The combination should provide both solid performance and greater portfolio stability during the inevitable rocky periods for the US economy and stock market. During a down year for the markets, a negative return in the ManyPeaks account would not be considered a success, *even if it were down less than the indexes.*

If these performance goals do not describe what you are seeking in your current investment with us, please let me know and I'd be happy to discuss alternatives.

### Tax Reporting

Tax information is now available for your Teewinot account. To access it, either you or your tax advisor should visit [www.teewinot.us](http://www.teewinot.us) and click "Client Login" to access Interactive Brokers' site. Input your login & password, then select "Report Management" and several options become available.

You can view your 2006 realized Gain/Loss report in PDF format after clicking on "Tax Forms". If you like, you may print it but it could be many pages. In the past I have personally sent my trades to the IRS on a disk simply to conserve paper.

Fees paid to Teewinot are always tax deductible if one itemizes deductions. You will find this figure on your Yearly Statement. Click on "Statements" in the left sidebar and you'll see an option to view this report. Your total fees for the year are listed there under "Other Fees" near the bottom of the statement.

As you know, I cannot dispense specific tax advice but am happy to point you toward the meaningful figures regarding your investment with Teewinot. We are excited to serve you in 2007. As always, feel free to contact Elizabeth or myself with any questions or concerns.

My best,

Buckner Woodford V, CFA