



ManyPeaks Absolute Return Strategy

February 2008 Client Update

Through February, our Absolute Return accounts have gained .3% this year, net of all fees. Meanwhile, stock market indices have fared very poorly.

2008 YTD

| <u>Clients</u> | <u>S&P 500</u> | <u>Russell 2000</u> |
|----------------|--------------------|---------------------|
| +3% | -8.2% | -11.8% |

Our widely recognized benchmarks have fallen even further from their high points of 2007. The S&P 500 is down 15% from its high, while the Russell 2000 sits 19.2% below its peak value.

Your accounts, on the other hand, have benefited from our risk-averse approach to the market. In late 2007, we anticipated trouble and tightened parameters for selling our existing stock positions. This year, your accounts have remained heavily in cash, while we made very few (and selective) new buys. The net result: Client accounts just made new all-time highs in their values at the end of February. We feel well-positioned to produce new gains when conditions improve.

Our updated Fact Sheet is attached, which covers all returns since inception.

We're especially proud of the stability with which we have produced these cumulative results. The standard deviation of our monthly returns – a common indicator of volatility – shows that fluctuations in Client accounts have been 1/3 less volatile than the S&P 500 and only 1/2 as volatile as the Russell 2000. Further, Clients have been down (more than -1%) in only 2 of 21 months, far less than our benchmarks.

In the midst of this bear market, our opportunistic attitude and risk management discipline should continue to serve us well. My retirement assets remain 100% invested alongside you.

Thank you for empowering us to do what we love and for entrusting us with responsibility for your investment capital.

Buckner Woodford V, CFA