



Absolute Return Strategy

Client Letter

1st Quarter 2009

Teewinot's client accounts lost 1.9% during the first quarter. While it's never enjoyable to report negative numbers, we held our ground in an extremely volatile market.

While high hopes abounded among market participants for the turning of the calendar and a new presidential administration, the benchmark S&P 500 proceeded to lose over 11% during the quarter. Equally important, it was down over 25% at one point – only *nine weeks* into the year!

Even with a recent bear market bounce, the S&P 500 is still down 30% over the last six months – one of the worst market periods in the last 70 years. In contrast, our methodology kept client accounts flat over this period.

As our firm's track record approaches three full years, we are proud of the performance we've established. Since inception, our original investors have earned 21% on their investment. Any account that tracked the S&P would have lost 32.4% over the same time frame. The performance difference in less than three years amounts to a staggering 53.4%.

To express this in absolute terms: a **\$1 million** account participating in our Absolute Return Strategy since June 2006 would now be worth over **\$1.2 million**. The same amount indexed to the S&P would now be worth only **\$676,000**. Indexing to the Russell 2000 fared even worse.

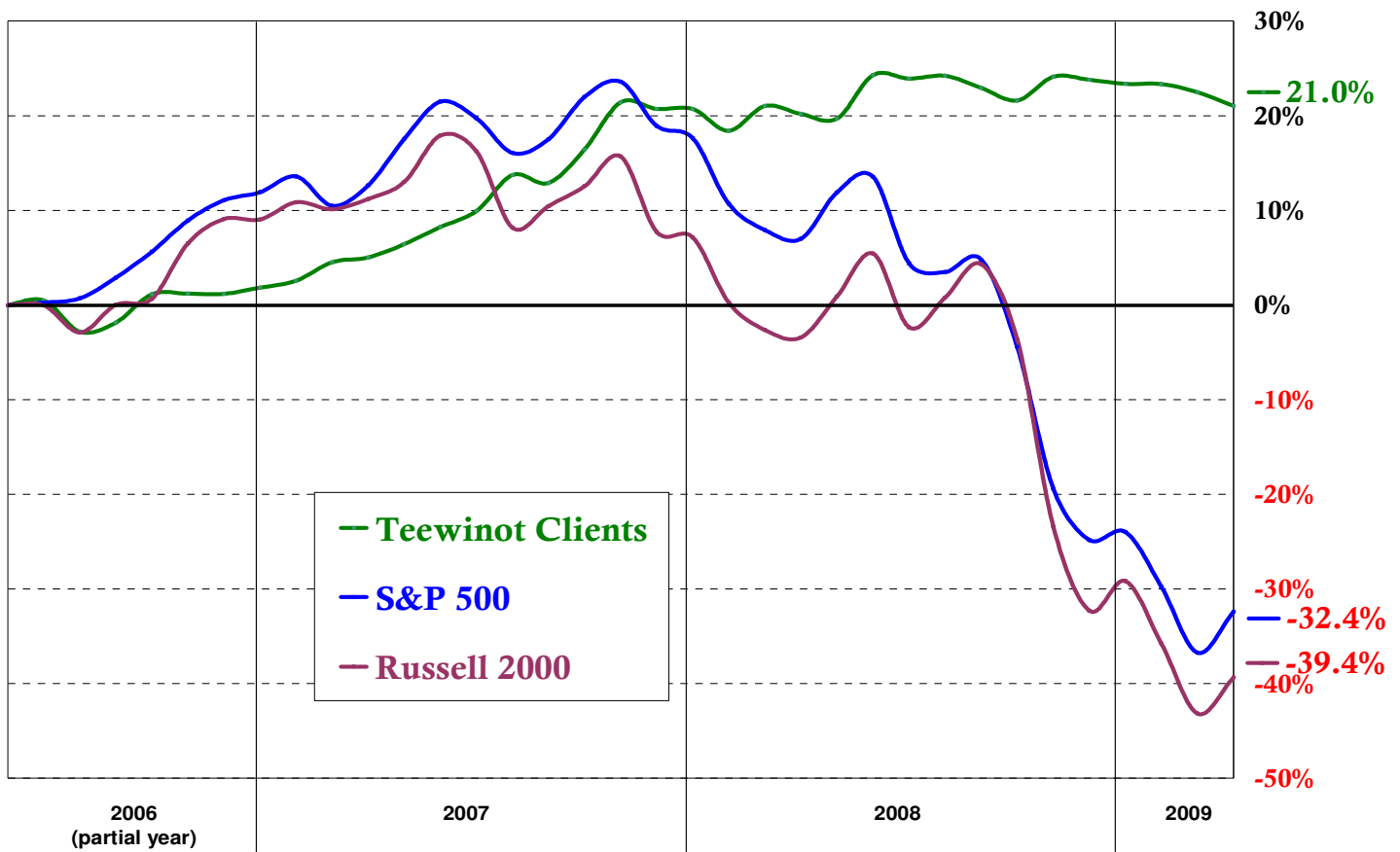
Our philosophy and risk management approach has proven to be successful in both strong and weak markets, creating this enormous performance gap. Yet our focus remains on the future.

The market has bounced from its March 2009 lows, and interestingly the stocks up the most are those with the least desirable business prospects. We noted in our letter one year ago (1st Quarter 2008) that we would avoid "trying to catch the bottom in laggard stocks with diminishing prospects" like financials. It's a risky strategy that rarely pays off. Instead, we seek investment situations in which the company is doing well and the share price is not trending down.

Teewinot Asset Management has the unwavering goal of maximizing the value of your portfolio. We will continue to navigate the markets with discipline, hunt for opportunity, and in all ways represent your best interests. Thank you for your continued confidence.

Bob Wood

<u>Q1 2009</u>		
Clients	S&P 500	Russell 2000
-1.9%	-11.1%	-14.4%
<u>Trailing Six Months</u>		
Clients	S&P 500	Russell 2000
-0.5%	-29.3%	-37.1%
<u>Since Inception (June 2006)</u>		
Clients	S&P 500	Russell 2000
+21.0%	-32.4%	-39.4%



Disclosures

1. Absolute Return Strategy calculations are derived from results of a single account following our Absolute Return Strategy. Because our block trades are allocated according to each account's Net Liquidation Value, we believe it closely represents the long-term performance that any account would have experienced over the given timeframe. We refer to this as a "Typical Account."

2. The specific account that represents our Typical Account was Teewinot's first under management.

3. Returns are time-weighted, measured monthly, and rounded to the nearest tenth of a percent for presentation.

4. Absolute Return Strategy performance is calculated net of Teewinot Asset Management's fees.

4. Index returns are derived from appropriate Exchange Traded Funds, and include all dividends. The indexes and ETF's used in calculations are: S&P 500 (SPY) and Russell 2000 (IWM).

5. Individual results may differ from the Typical Account for various reasons, including but not limited to: contributions or withdrawals of funds during reporting periods, the timing of such contributions or withdrawals, and imprecise share allocation of block trades across all accounts following Teewinot's Absolute Return Strategy.

6. Past performance is not necessarily indicative of future results.

7. The data herein is for informational purposes only, and gathered from sources deemed reliable; however, are not represented to be error free.

Absolute Return Strategy Quarterly Record	
2Q 2006	0.5%
3Q 2006	0.6%
4Q 2006	0.7%
1Q 2007	3.1%
2Q 2007	4.7%
3Q 2007	5.9%
4Q 2007	3.7%
1Q 2008	-3.6%
2Q 2008	3.1%
3Q 2008	-1.9%
4Q 2008	1.4%
1Q 2009	-1.9%