



SADDLE PEAK

ASSET MANAGEMENT, LLC

Hedge & Long-Only Strategy

Prepared for:

Date:

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Firmwide Overview



- Saddle Peak Asset Management, a SEC Registered Investment Advisor, founded by Douglas Grey in 2005
 - Previously at Pacific Financial Research, Mr. Grey managed over \$17 billion and was named Morningstar Fund Manager of the Year in 2000 along with the Clipper Fund's portfolio managers.
- Substantial majority of Portfolio Manager's net worth (over \$25 million) invested in the Fund
- Hedge Fund
 - Classic Value Equity Style
 - Buy with a margin of safety
 - Sell at Intrinsic Value
 - Concentrate on Best Ideas
- Four-year track record with annualized net return of 11.56%
 - vs. same period S&P 500 annualized return of -1.18%

Biography



Douglas W. Grey

Founder / Partner

Before founding Saddle Peak Asset Management, LLC, Mr. Grey was a Portfolio Manager at Pacific Financial Research. He was one of the co-managers of the Clipper Focus Fund with the responsibility for rebalancing the portfolio. At his departure the fund had grown to \$17.7 billion. In the year 2000, he shared Morningstar Manager of the Year honors with the other Clipper Fund's portfolio managers. His institutional accounts varied from major US corporations to college endowments to private families. The accounts had a long duration with Pacific Financial Research and inception dates back to 1990 and the late eighties. The accounts varied from discretionary balanced accounts to fully invested all equity accounts. Mr. Grey is known for his passion for value investing and has taught the Investment course at Pepperdine University. From his start at Pacific Financial Research in 1986 until his departure in 2005, Pacific Financial Research had grown from just over \$1 billion to \$17.7 billion. He believes client's absolute return is the foundation of success. Mr. Grey's educational background includes an MBA from the University of Chicago and undergraduate majors in Mechanical and Materials Engineering and Economics (Vanderbilt University).

Hedge Summary

As of December 31, 2009



INVESTMENT OBJECTIVE

Saddle Peak Asset Management, LLC seeks absolute returns through a focused portfolio of investments in which we place time on our side through patience and quality research. The investment process is value-oriented and biased toward long positions. The objective is to acquire positions in undervalued companies where the value of the company's assets and/or earning power are not accurately reflected by the company's current market price.

PORTFOLIO MANAGER

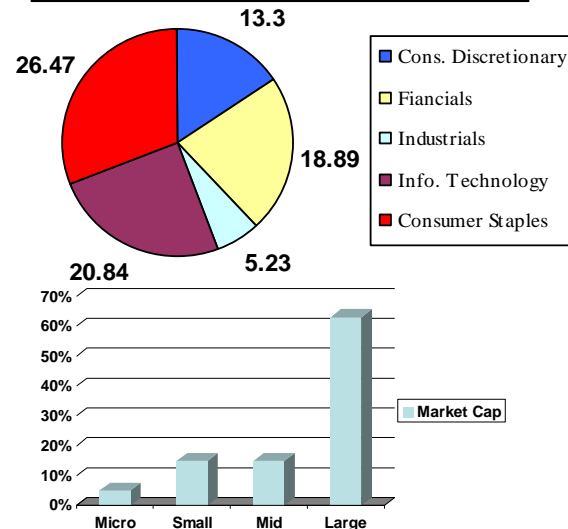
Douglas W. Grey

HEDGE PERFORMANCE HISTORY

	Percent Return (Gross of fees)	Percent Return (Net of fees)	S&P 500 (Dividend)
2006	17.35	12.05	15.81
2007	(1.33)	(3.29)	5.49
2008	(28.14)	(28.86)	(37.00)
2009	111.96	96.80	26.46
Since Inception Jan.3 2006 (Annualized)	15.22	11.32	(0.68)

*Performance is based on total return. Which includes the reinvestment of all income.

SECTOR & MARKET CAP WEIGHTS



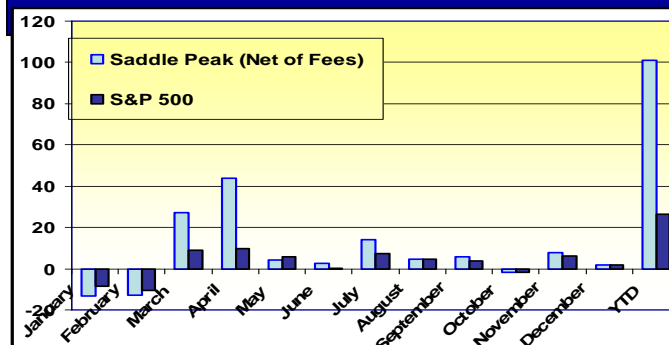
MAJORITY HOLDINGS

Cymer Inc. (CYMI)	13.87%
American Express (AXP)	9.82%
Wal-Mart (WMT)	8.58%
Pepsi (PEP)	8.56%
Coca-Cola (KO)	7.61%
Intel (INTC)	6.27%
Starbucks (SBUX)	5.96%
Speedway Motorsports (TRK)	4.55%
Ducommun (DCO)	4.36%
Goldman Sachs (GS)	4.27%

CHARACTERISTICS

Number of Holdings	19
Median Cap.	37.77B
Weighted Avg. Cap.	331.07B
P/E (TTM)	125.35x
P/B	3.33x
Earnings Growth Past 5 yrs	4.37%
5 yr ROE	18.34%
Dividend Yield	2.10%

PERFORMANCE



The S&P 500 Index is an unmanaged, capitalization-weighted index of the common stocks of 500 major US corporations. The performance information provided herein is historic and should not be taken as any indication of future performance. Future investments will be made under different economic conditions and may be made in different securities using different investment strategies.

Statistics



CogentHedge

Intelligent Tools for Informed Decisions

Saddle Peak Investments L.P.

Data current as of: 31.Dec.2009

Monthly Performance (% change)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	-13.444	-12.820	27.101	43.840	4.390	2.855	16.310	5.270	6.330	-1.990	8.770	2.130	109.960
2008	-3.267	0.642	-9.880	3.338	8.104	-10.016	12.861	9.247	-8.419	-17.395	-13.165	-0.299	-28.780
2007	0.021	1.041	0.988	3.944	-1.085	-0.256	2.721	0.640	3.524	1.089	-5.582	-8.323	-3.276
2006	1.493	0.098	-0.250	-0.262	0.203	-0.628	0.594	0.675	3.524	1.174	1.698	0.082	15.076

Risk/Return Analysis			Time Window Analysis							
	Month	Annual	1 Month	3 Month	6 Month	12 Month	24 Month	36 Month	60 Month	
Compound ROR	1.067%	13.583%	2.130%	8.876%	41.746%	109.960%	49.534%	44.635%		
Arithmetic Mean	1.505%	N/A				109.960%	22.284%	13.090%		
Standard Deviation	9.922%	34.370%	48	46	43	37	25	13		
Semi Deviation	7.510%	26.016%	1.505%	4.966%	10.590%	7.935%	-0.713%	12.174%		
Gain Deviation	9.113%	31.567%	9.922%	21.788%	35.841%	33.061%	23.321%	31.744%		
Loss Deviation	5.766%	19.975%	31	31	29	21	13	9		
Down Deviation @10%	5.382%	18.644%	64.583%	67.391%	67.442%	56.757%	52.000%	69.231%		
Down Deviation @5%	5.199%	18.009%	5.785%	13.691%	25.217%	28.257%	16.280%	30.831%		
Down Deviation @0%	5.014%	17.369%	43.840%	90.848%	140.345%	109.960%	49.534%	44.910%		
Sharpe Ratio @10%	0.071	0.247	9.113%	20.335%	34.076%	29.036%	12.746%	14.451%		
Sharpe Ratio @5%	0.111	0.383	0.071	0.117	0.159	-0.062	-0.931	-0.659		
Sharpe Ratio @0%	0.152	0.525	0.111	0.172	0.227	0.089	-0.470	-0.113		
Sortino Ratio @10%	0.131	0.455	0.152	0.228	0.295	0.240	-0.031	0.384		
Sortino Ratio @5%	0.211	0.731	17	15	14	16	12	4		
Sortino Ratio @0%	0.300	1.040	35.417%	32.609%	32.558%	43.243%	48.000%	30.769%		
Skewness	1.755		-6.300%	-13.066%	-19.709%	-18.737%	-19.121%	-29.804%		
Kurtosis	6.875		-17.395%	-34.309%	-50.578%	-44.797%	-48.565%	-41.119%		
Sterling Ratio	0.383		5.766%	11.084%	13.533%	12.736%	17.276%	8.953%		
Calmar Ratio	0.245		5.382%	10.767%	15.927%	20.597%	30.886%	36.554%		
			5.199%	10.201%	14.690%	17.590%	23.408%	25.738%		
			5.014%	9.647%	13.485%	14.750%	17.516%	17.082%		
			0.131	0.237	0.358	-0.100	-0.703	-0.572		
			0.211	0.367	0.553	0.167	-0.468	-0.139		
			0.300	0.515	0.785	0.538	-0.041	0.713		
			0.918	1.048	1.279	1.508	0.851	1.034		
			1.674	2.166	2.650	1.979	0.922	2.328		

Data as of Dec.2009

Firm assets	USD	34.039
Fund assets	USD	34.039
Strategy assets	USD	34.039

Benchmark Analysis											
	Alpha	Annualized Alpha	Beta	R	R Squared	Tracking Error	Up Capture Ratio	Down Capture Ratio	Rising Mkt Ratio	Falling Mkt Ratio	Profitable Ratio
S&P 500 Index	1.392%	18.048%	1.520	0.777	0.603	24.031%	230.040%	102.064%	38.710%	47.059%	100.000%
CHDA Opportunistic equity hedged	0.429%	5.276%	2.212	0.639	0.408	29.272%	315.637%	160.541%	46.875%	43.750%	96.875%

Drawdown Analysis				Consecutive Profitable Months				Consecutive Losing Months				
Depth	Length	Recovery	Peak	Valley	Run-up	Length	Start Date	End Date	Run-down	Length	Start Date	End Date
-53.481%	16	5	10.2007	02.2009	155.559%	7	03.2009	09.2009	-50.578%	6	09.2008	02.2009
-1.990%	1	1	09.2009	10.2009	23.297%	2	07.2008	08.2008	-16.268%	3	11.2007	01.2008
-1.338%	2	1	04.2007	06.2007	21.205%	10	07.2006	04.2007	-10.016%	1	06.2008	06.2008
-0.955%	4	2	02.2006	06.2006	11.713%	2	04.2008	05.2008	-9.880%	1	03.2008	03.2008
					11.087%	2	11.2009	12.2009	-1.990%	1	10.2009	10.2009

NOTICE: The charts, tables, performance and other information ("Information") shown are provided to you for your informational purposes only and are not intended to be and do not constitute investment or tax advice, nor an opinion or recommendation regarding the appropriateness of any investment. The information is not intended to be and should not be relied or acted upon without consulting with and obtaining specific advice from your financial or tax advisor. The information is based on data provided by the advisors to the Funds. CogentHedge (as defined in the Terms of Use) has not independently verified this data and does not represent it as accurate, timely or complete, nor does CogentHedge make any express or implied warranties regarding the information. CogentHedge shall not be liable for any losses, costs, expenses or damages relating to the adequacy, accuracy, completeness, timeliness or validity of the information or relating to any investment decision made based upon the information. Performance is net of fees, unless otherwise indicated. Past performance is no guarantee of future returns, particularly with respect to short-term performance. No representation is made that any investor in a Fund will or is likely to achieve results comparable to those shown or will make any profit at all or will be able to avoid incurring substantial losses. Net asset value and return on an annual investment will fluctuate, and an investor may have a gain or loss upon disposition of his or her investment. The information does not constitute an offer to sell, or a solicitation of an offer to buy, an interest in any Fund. No such offer or solicitation may be made prior to the delivery of a Fund's confidential offering materials.

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Asset Allocation



Saddle Peak (the "Fund")

Quarterly Asset Allocation (December 31, 2009)

<u>As of Date</u>	<u>Cash</u>	<u>Equity</u>	<u>**Calls</u>	<u>Puts</u>	<u>Net Exposure</u>	<u>Total</u>
3/31/2006	13.1%	84.5%	0.0%	2.5%	81.9%	100%
6/30/2006	7.9%	89.4%	0.0%	2.7%	86.7%	100%
9/30/2006	4.7%	83.3%	9.6%	2.4%	90.5%	100%
12/31/2006	14.6%	71.4%	10.8%	3.2%	79.0%	100%
3/31/2007	13.2%	70.2%	9.2%	7.4%	72.0%	100%
6/30/2007	19.1%	59.4%	16.7%	4.8%	71.3%	100%
9/30/2007	13.4%	65.2%	17.7%	3.8%	79.0%	100%
12/31/2007	17.8%	68.7%	9.6%	3.9%	74.4%	100%
3/31/2008	13.5%	71.4%	12.6%	2.5%	81.5%	100%
6/30/2008	15.4%	60.2%	21.3%	3.1%	78.5%	100%
9/30/2008	2.7%	65.2%	32.1%	0%	97.3%	100%
12/31/2008	0.9%	62.3%	36.8%	0%	99.1%	100%
3/31/2009	*(14.9%)	63.6%	52.6%	0%	114.7%	131%
6/30/2009	12.7%	39.3%	48.0%	0%	87.3%	100%
9/30/2009	19.62%	33.51%	46.87%	0%	80.38%	100%
12/31/2009	15.18%	36.11%	47.25%	1.45%	81.91%	100%

*Note: "()" states we were on margin

****Calls are generally In The Money. They are contracts that have one or more years until expiration at purchase.**

Saddle Peak (the "Fund") is a separately managed fund of Saddle Peak Asset Management, LLC.

Long-Only Summary

As of December 31, 2009



INVESTMENT OBJECTIVE

Saddle Peak Asset Management, LLC seeks absolute returns through a focused portfolio of investments in which we place time on our side through patience and quality research. The investment process is value-oriented and biased toward long positions. The objective is to acquire positions in undervalued companies where the value of the company's assets and/or earning power are not accurately reflected by the company's current market price.

PORTFOLIO MANAGER

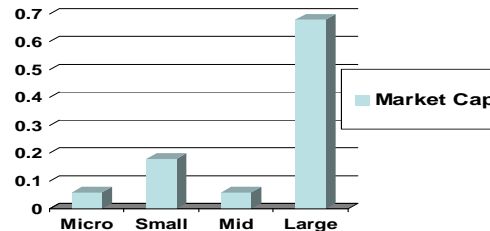
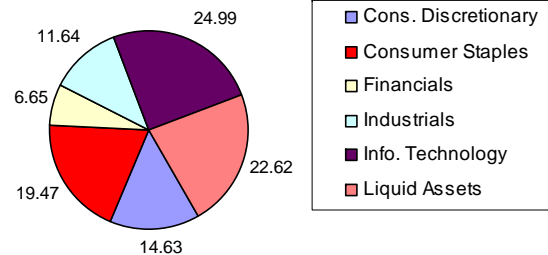
Douglas W. Grey

LONG ONLY PERFORMANCE HISTORY

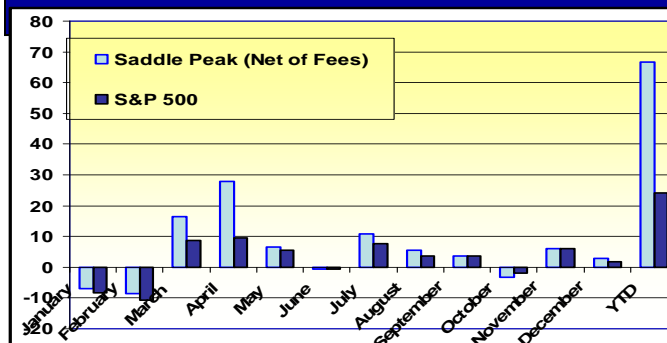
	Percent Return (Gross of fees)	Percent Return (Net of fees)	S&P 500 (with Dividend)
2006	17.39	16.33	12.82
2007	(5.62)	(6.50)	5.49
2008	(23.85)	(24.62)	(37.00)
2009	73.22	71.49	26.45
Since Inception Feb. 1, 2006 (Annualized)	10.17	9.09	(1.35)

*Performance is based on total return. Which includes the reinvestment of all income.

SECTOR & MARKET CAP WEIGHTS



PERFORMANCE



MAJORITY HOLDINGS

Cymer Inc. (CYMI)	14.06%
Intel (INTC)	9.20%
Ducommun (DCO)	8.66%
Pepsi (PEP)	6.61%
Speedway Motorsports (TRK)	6.17%
Coca-Cola (KO)	5.28%
Wal-Mart Stores (WMT)	4.73%
McDonalds (MCD)	4.02%
MI Development Inc (MIM)	3.41%
Goldman Sachs (GS)	3.40%

CHARACTERISTICS

Number of Holdings	16
Median Cap.	38.60B
Weighted Avg. Cap.	61.06B
P/E (TTM)	22.70x
P/B	4.12x
Earnings Growth Past 5 yrs	3.99%
5 yr ROE	17.41%
Dividend Yield	2.19%

The S&P 500 Index is an unmanaged, capitalization-weighted index of the common stocks of 500 major US corporations. The performance information provided herein is historic and should not be taken as any indication of future performance. Future investments will be made under different economic conditions and may be made in different securities using different investment strategies.

Investment Philosophy



- We are long term fundamental value investors that seek good absolute returns through a focused portfolio of value-oriented, multi-capitalization investments.
- We seek undervalued companies whose intrinsic value is not accurately reflected in current share prices.
- The main focus is on those companies in which we can derive discounts to intrinsic value. Over a long duration, most if not all sectors and their industries will provide an opportunity for undervalued companies.
- In Summary: Saddle Peak is unique in the long-short world for its fundamental long term value investing. Our results to date show a glimpse of our value added.

- Saddle Peak will generally consider all companies with market caps of \$100 million or greater, both domestic and foreign.
- Intrinsic value of companies is derived through a variety of screening techniques; which includes:
 - Free Cash Flow
 - Dividend Discount Modeling
 - Earnings Predictability
 - Management Quality
 - P/E Ratio
- We only initiate a position if the company's current share price is at least 20% discounted to that intrinsic value
- Generally speaking, Saddle Peak will start selling a security when its share price achieves 90-95% of intrinsic value. At 100% of intrinsic value, we are disciplined in selling the entire position.

Portfolio Construction

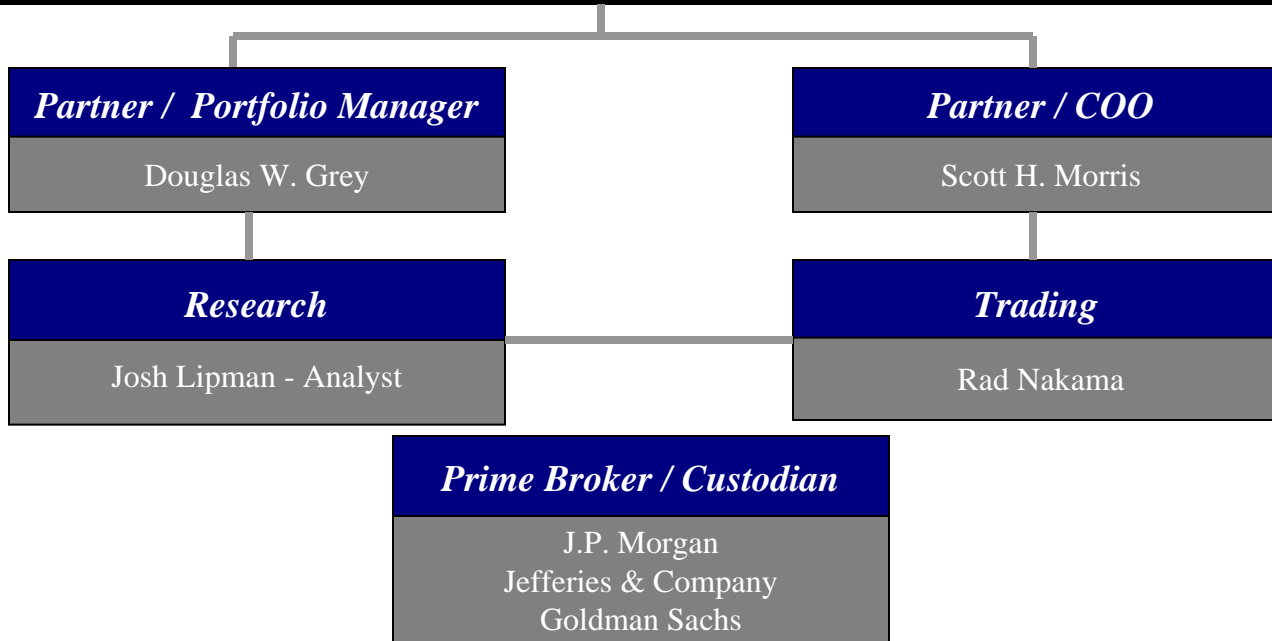
- Saddle Peak's individual weightings in any investment will vary from 1-15% of the overall portfolio. Its initial positions will vary depending on the discount to intrinsic value and the risk profile of the company.
- Oftentimes, we will initiate a position with a relatively small weighting and add to that weighting as the stock becomes progressively cheaper.
- We generally will not own more than 20-30 companies at any one time
- We may invest in any market capitalizations but generally will not go below \$100 million due to liquidity reasons.

Risk Management

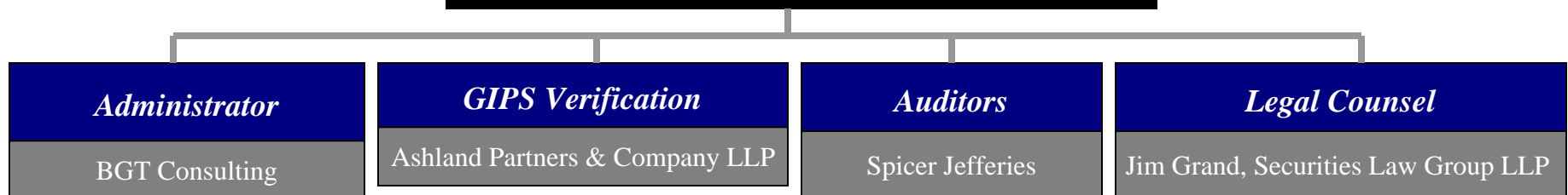
- Saddle Peak's goal is to generate an extremely low-risk portfolio
- By purchasing each investment 20% of its intrinsic value will create an effective "margin of safety"
- We do not use any stop losses. If any investment reduces exceptionally in price, the portfolio manager will re-evaluate its intrinsic value and determine the most efficient weighting for that position.
- We also focus on worst-case scenarios for each security analyzed and factor that into every stock purchase

Firm Organization

Saddle Peak Asset Management LLC – Executive Management



Independent Service Providers



SADDLE PEAK ASSET MANAGEMENT, LLC
LONG-SHORT COMPOSITE
FULL DISCLOSURE PRESENTATION



The **Long-Short Composite** is comprised of discretionary, fee paying, pool of assets. The principal investments for the Hedge strategy are U.S. common stocks, options and options on broad-based indices. The investment process is a concentrated multi-cap strategy. The strategy seeks to acquire positions in undervalued companies where, in the Adviser's opinion, the value of the company's assets and/or earning power are not accurately reflected by the company's current market price. In declining markets or as otherwise deemed appropriate by the General Partner, the Partnership may engage in short selling and purchase put options on individual stocks, market indices and industries to offset long equity positions. The fund is measured against the S&P 500 Index (Total Return).

Saddle Peak Asset Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Saddle Peak Asset Management, LLC is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross-of-fees performance returns are presented before management and custodial fees but after all trading expenses. Net returns are reduced by all fees (including the investment management fee as detailed herein) and transaction cost incurred. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 1% on the first \$5,000,000, 0.90% on the next \$5,000,000, 0.80% on the next \$5,000,000, and 0.70% on the remainder. Additionally there is a 20% incentive fee above the high water mark. Actual investment advisory fees incurred by clients may vary.

The Hedge Fund was created January 3, 2006. Saddle Peak Asset Management, LLC's compliance with the GIPS standards has been verified for the period January 1, 2006 through June 30, 2009 by Ashland Partners & Company LLP. A copy of the verification report is available upon request.

Hedge Fund Assets

Annual Performance Returns

Year End	Total Firm Assets (millions)	USD (millions)	Number of Accounts	Composite Gross	Composite Net of Fees	S&P 500 (Total Return)
2006 ⁽¹⁾	94	25.8	1	17.35%	12.05%	15.81%
2007	117	24.9	1	-1.33%	-3.29%	5.49%
2008	18	16.2	1	-28.14%	-28.79%	-37.00%
2009	36.5	34.1	1	111.96%	96.80%	26.45%

(1) Results shown for the year 2006 represent partial period performance from January 3, 2006 through December 31, 2006.

SADDLE PEAK ASSET MANAGEMENT, LLC
LONG-ONLY COMPOSITE
FULL DISCLOSURE PRESENTATION



The **Long-Only Composite** is comprised of discretionary, fee paying, equity only accounts. The principal investments for the Long-Only strategy are U.S. common stocks. The investment process is a concentrated multi-cap strategy. The strategy seeks to acquire positions in undervalued companies where, in the Adviser's opinion, the value of the company's assets and/or earning power are not accurately reflected by the company's current market price. The composite is measured against the S&P 500 (Total Return) and the Russell 3000 Value Indices.

Saddle Peak Asset Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Saddle Peak Asset Management, LLC is an independent registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross-of-fees performance returns are presented before management and custodial fees but after all trading expenses. Prior to 06/30/08, gross returns are shown net of all wrap fees and gross of the investment management fee. Wrap fees are based upon assets under management in accordance with the respective wrap sponsor. In addition to brokerage commissions the wrap fee also includes portfolio monitoring, custodial and administrative services. Net returns are reduced by all fees (including the investment management fee as detailed herein) and transaction cost incurred. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request.

The investment management fee schedule for the composite is 1% on the first \$5,000,000, 0.90% on the next \$5,000,000, 0.80% on the next \$5,000,000, and 0.70% on the remainder. Actual investment advisory fees incurred by clients may vary.

The Long-Only Composite was created February 1, 2006. Saddle Peak Asset Management, LLC's compliance with the GIPS standards has been verified for the period January 1, 2006 through June 30, 2009 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Long-Only Composite beginning February 1, 2006. A copy of the verification report is available upon request.

Composite Assets

Annual Performance Returns

Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Returns				
		USD (millions)	% of Bundled Fees	Number of Accounts	Composite Gross	Composite Net	S&P 500 (Total Return)	Russell 3000 Value	Composite Dispersion
2006 ⁽¹⁾	94	60	97%	31	17.39%	16.33%	12.82%	17.34%	⁽²⁾
2007	117	11	87.5%	8	-5.62%	-6.50%	5.49%	-1.01%	0.35%
2008	18	1	0%	Five or Fewer	-23.85%	-24.62%	-37.00%	-36.25%	⁽²⁾
2009	36.5	2.5	0%	Five or Fewer	73.22%	71.49%	26.45%	19.76%	⁽²⁾

⁽¹⁾ Results shown for the year 2006 represent partial period performance from February 1, 2006 through December 31, 2006.

⁽²⁾ Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

SADDLE PEAK

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