



K&A Asset Management LLC (K&A) Announces 2007 Model Portfolio Investment Results

K&A, a Registered Investment Advisor, in Napa, California announces today that all of its model portfolios provided investors with superior returns in 2007 and that all models outperformed their respective benchmark indexes for the calendar year.



"We are delighted that all six of our models outperformed the S&P 500 and Lehman Brothers Aggregate Bond Index in 2007, with our two newest models doing particularly well," stated Paul Krsek, Chief Investment Officer of K&A Asset Management, LLC. "We have now completed six years of reporting our investment results in compliance with CFA Institute Global Investment Performance Standards. Our 2007 performance demonstrates that we continue to produce compelling returns in all our models compared to our benchmarks."

During 2007 K&A strengthened the investment management team by hiring Lee O'Dwyer as a portfolio manager. Lee came to K&A after completing over 11 years of service at a Florida based hedge fund.

Model	2007 Return
HATTERAS	11.27%
MENDOCINO	10.44%
HALIFAX	11.04%
BONAVISTA	7.12%
FRESNEL	13.82%
THE NEW WORLD	23.67%
S&P 500	3.53%
Lehman Brothers Aggregate Bond Index	6.97%

All results are net of fees and expenses. For complete description of the models and calculation of the returns stated herein, please refer to the attached profile of model performance.



Mr. O'Dwyer has found his transition to K&A to be an easy one and has easily integrated himself into K&A's traditional management style. "We have many of the finest research, data mining, technical analysis, and quantitative analysis tools available to us at K&A. As far as I am concerned our research capabilities are equal to or superior to any asset management firm", says O'Dwyer. "What makes us different and our results compelling is that we have found ways to integrate all the data from various services to make superior short term and long term investment decisions."

K&A's complete six year TWR performance record is attached. The individual model profiles are available on our website at www.kaassets.com or by request to K&A.



Rob Andreae, Member of K&A and Chief Compliance Officer, likes to remind investors and centers of influence with whom we work, that our mission statement drives all our work and investment results at K&A,

"[t]o be the trusted primary investment manager for individuals, families and institutions who are seeking long term financial security and wish to use their personal and financial resources to make their lives more meaningful and productive for themselves and their community. K&A is known and highly regarded for its investment results and level of commitment to its clients. Our clients understand that we manage their money like it was our own and that we care for them like they were members of our family."

For additional information, please call or email any of us at K&A

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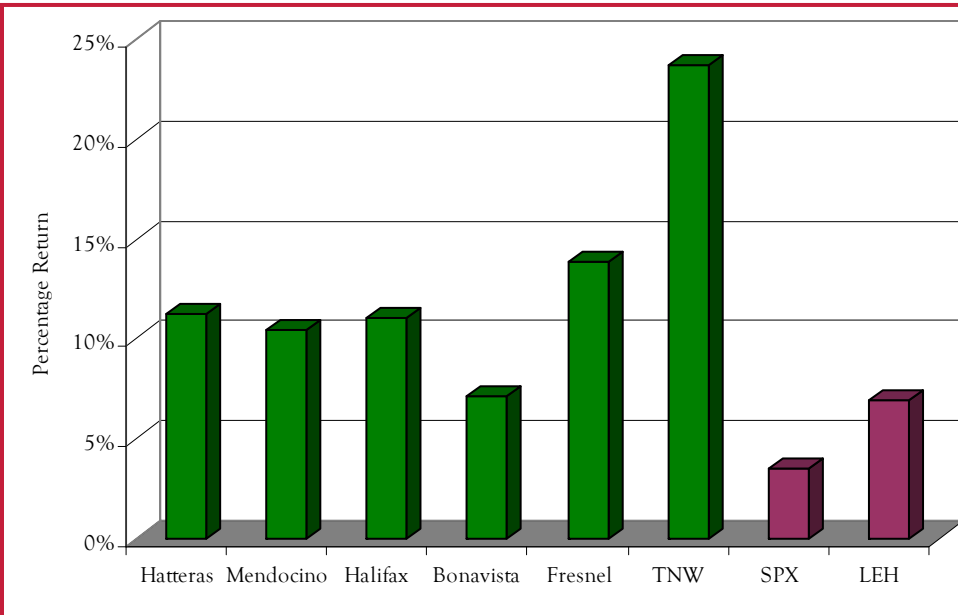
K&A ASSET MANAGEMENT, LLC

2007 PERFORMANCE

**K&A Asset Management is pleased to announce the
2007 performance results for its six model portfolios**

<u>Model</u>	<u>2007</u>
HATTERAS	11.27%
MENDOCINO	10.44%
HALIFAX	11.04%
BONAVISTA	7.12%
FRESNEL	13.82%
THE NEW WORLD	23.67%
S&P 500	3.53%
Lehman Brothers Aggregate Bond Index	6.97%

All results are net of fees and expenses



Historical Time Weighted Returns ¹

<u>Model</u>	<u>Time Weighted</u>		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
	<u>Return</u>	<u>Annualized</u>						
HATTERAS	45.68%	6.47%	(10.46%)	12.72%	8.67%	3.05%	15.84%	11.27%
MENDOCINO	43.35%	6.19%	(10.02%)	11.69%	7.04%	4.25%	15.74%	10.44%
HALIFAX	47.55%	6.70%	(12.28%)	17.21%	6.49%	4.45%	16.19%	11.04%
BONAVISTA	33.54%	4.94%	(13.84%)	14.53%	7.00%	4.76%	12.70%	7.12%
FRESNEL	36.35%	16.77%	n/a	n/a	n/a	n/a	19.79%	13.82%
THE NEW WORLD	23.67%	23.67%	n/a	n/a	n/a	n/a	n/a	23.67%
S&P 500	27.89%	4.18%	(23.37%)	26.38%	8.99%	3.00%	13.62%	3.53%
Lehman Brother Aggregate Bond Index	36.89%	5.37%	10.25%	4.10%	4.34%	2.43%	4.33%	6.97%

All results are net of fees and expenses

All performance results are calculated on a time-weighted rate of return in accordance to the Global Investment Performance Standards of the CFA Institute. See reverse side of this page for complete description of the models, the investment objectives, and the methodology employed in the investment process.

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ABOUT THE MODELS

The **Hatteras** model is for taxable accounts in excess of \$500,000. The **Mendocino** model is primarily for non-taxable accounts in excess of \$500,000 established under ERISA (retirement plans, pension and profit-sharing, or Individual Retirement Accounts (IRAs), which by law or policy, can not establish margin or short positions. For accounts below these minimums the **Bonavista** model is for taxable accounts and the **Halifax** model is for tax-deferred portfolios. The minimum new account size for **Bonavista** and **Halifax** is \$250,000. All of these models may use a broad spectrum of asset types and classes to achieve their stated objectives. The stated objective for **Hatteras, Mendocino, Halifax and Bonavista** is “competitive total return with below average portfolio volatility”. They would all be considered “balanced” portfolios and could easily be the entire investment program for a prudent investor.

The **Fresnel** model is available to taxable or non-taxable accounts in excess of \$750,000. It is a more focused investment portfolio than the other models mentioned above and features a performance fee for the advisor. The stated objective for **Fresnel** is to significantly outperform the S&P500 over any rolling three year period. The model tends to be much more concentrated in fewer positions and assets classes than the other four, and therefore may experience higher volatility.

The **New World** model is available to taxable or non-taxable accounts in excess of \$250,000 with the objective of principally investing in companies and technologies that are on the leading edge of developing sustainable and alternative energy technologies and companies that are leaders in the development of new technologies including biotechnology.

Complete profiles of each model are available upon request or at www.kaassets.com

¹*None of the referenced portfolios are mutual funds or a traded securities.* Returns illustrated are calculated using Centerpiece software. They are net of actual management fees, custodial fees, underlying mutual fund management fees, and other fund expenses such as short term redemption fees. All dividends and capital gains were reinvested. The performance numbers presented here represent the composite performance of all client accounts managed by K&A that are included in each model group. Individual account results may vary from the blended performance for a variety of reasons, including the cash flow requirements of individual account holders. No adjustment has been made for income tax liability.

Accounts managed according to the models by K&A do not carry deposit insurance, and do involve risk of loss. The results shown are for limited time periods and may not be representative of the results that would be achieved over different time periods or in different economic and market environments. This data used to calculate these returns is provided by an independent data provider believed to be reliable. However, K&A Asset Management, LLC does not guarantee the accuracy of this data. The performance of an index is not an exact representation of any particular investment, and is provided only for comparison purposes. Securities in these models are frequently traded and rebalanced. Allocations are subject to change without the knowledge of the account holder. All returns reflected herein are calculated by using Time-Weighted Rate of Return. *Past performance does not indicate future results.*

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