



5T Wealth
MANAGEMENT
TIME | TEMPERAMENT | TALENT | TECHNOLOGY | TEAM

Elimination Newsletter

"Separating fact from fiction since 1998. The antidote to Wall Street."

When You Need a Lift, Look at the Facts

September 1, 2009

We just put another month of data into the record books as we close out August. The truth is that it was not a spectacular month for our models. Five advanced, but not as much as the market. Two actually lost a bit. Having two down, even nominally, was not fun during a month in which the market "ramped again". The S&P 500 was up 3.4% for the month.

I sat here on Friday, and again on Monday and got very critical of myself. Lee has been on vacation so he got to miss this self whipping ritual.

I was feeling pretty down as we headed into the close on Monday afternoon. Then I logged onto Morningstar's website and started to look at the performance of hedge fund managers who report their results to Morningstar. They currently track 8219 hedge funds that work within in all category styles of the investment world.

Something became pretty clear, pretty quick. When I compare our models performance to those of this hedge fund universe we look GREAT.

Bear in mind that our models are not hedge funds, but we calculate returns exactly the same way they do. If you compare our performance to the hedge funds, through July 31, 2009, it looks like this for our models that are more than three years old:

Hatteras would rank #76 of 8219 funds for total return over the past 5 years.

Mendocino would rank #95 of 8219 funds for total return over the past 5 years.

Halifax would rank #98 of 8219 funds for total return over the past 5 years.

That puts all three models within the top 1.2% of the universe over the past 5 years.

THAT IS IMPRESSIVE.

Fresnel is only three years old, but it would rank #232 of 8219 funds for total return over the past 3 years. When comparing Fresnel to the universe of 345 U.S. equity hedge funds we would rank #21 out of 345 over the past 3 years.

This puts Fresnel within the top 4% of the total universe as well as the universe of U.S. equity funds.

THAT IS IMPRESSIVE.

So here is the bottom line-and I am telling myself this more than I am telling you. Over any one month, or even few months we may not "outperform". But the investment performance of a universe of 8219 hedge

funds confirmed something for me that I thought I already knew. Over the longer haul we are "top shelf". I went home feeling a whole lot better! I hope you do to.

P.S. It is now September 1st and the market has given up 55% of what it gained in August. I guess I don't feel so bad after all.

All the best,



Paul Krsek
MANAGING MEMBER & CHIEF INVESTMENT OFFICER
5T Wealth Management
(707) 603-2672 Office
(707) 486-7333 Cell
paul@5twealth.com
www.5twealth.com

5T Wealth Management, LLC

Registered Investment Advisors
702 Trancas St, Ste 200, Napa, CA 94558
(707) 224-1340 www.5TWealth.com

Disclosure and Disclaimer - Updated last on August 13, 2007 by Paul Krsek:
ELLUMINATION is the proprietary newsletter written for clients, friends, and affiliates of 5T WEALTH MANAGEMENT .

Paul Krsek is the sole author of ELLUMINATION. While the views and representations found in the newsletter generally reflect the attitudes and opinions of the 5T WEALTH MANAGEMENT members and staff, Krsek writes without editing and therefore is solely responsible for the content and opinions contained in ELLUMINATION.

ELLUMINATION does not represent the opinions of Fidelity, Fidelity Institutional Brokerage Group, NFS or anyone employed by Fidelity in any capacity. Neither Fidelity, Fidelity Institutional Brokerage Group, nor NFS, nor anyone employed by Fidelity in any capacity has participated in the creation of ELLUMINATION and they are not responsible for the contents or distribution of ELLUMINATION.

ELLUMINATION is written to provide general information to clients, friends, and affiliates. The contents of ELLUMINATION are not to be taken as individual investment advice. No investment decisions should be made based on the opinions or information offered in ELLUMINATION.

5T WEALTH MANAGEMENT does not represent that the information in ELLUMINATION is accurate or complete and it should not be relied upon as such. Opinions expressed herein are subject to change or modification without notice.

The investment portfolio models or management services mentioned in ELLUMINATION may or may not be available in some states, and they may not be suitable for all types of investors.

5T WEALTH MANAGEMENT manages accounts with various histories and investment objectives. Various accounts may be managed differently from time to time.

Krsek makes frequent reference to the model portfolios called Hatteras, Mendocino, Halifax, Bonavista, Fresnel and The New World. During 2005 Paul Krsek was appointed Chief Investment Officer of 5T WEALTH MANAGEMENT, and as such is responsible to make all trading and management decisions for all client accounts which are being managed according to a specific portfolio model. A description of each of our models can be found on our website at <http://www.kaassets.com/choices.htm>.

Not all accounts managed by 5T WEALTH MANAGEMENT are "modeled" accounts. We strongly urge our clients to understand which model, if any, are being used to manage their accounts.

As of July 3, 2007 Lee O'Dwyer joined 5T WEALTH MANAGEMENT as a portfolio manager. Paul Krsek and Lee O'Dwyer frequently discuss investment ideas, model portfolio strategies and the investment policies of 5T WEALTH MANAGEMENT. But when it comes to the

implementation of those policies Krsek is primarily responsible to manage the accounts that fit into each model portfolio description. He generally makes all final investment and trading decisions relative to those accounts that are considered to be "modeled." However, in Krsek's absence O'Dwyer does have the authority to trade all client accounts. He has been actively trading accounts in the various models since joining 5T WEALTH MANAGEMENT.

From time to time 5T WEALTH MANAGEMENT receives requests from clients to purchase securities that are not included in the model portfolio to which they are assigned. Effective May 24, 2006, 5T WEALTH MANAGEMENT has encouraged clients to hold such securities in a separate account for the client. Because 5T WEALTH MANAGEMENT is a "fee only" registered investment advisor" it charges its normal management fee for monitoring such securities in the separate accounts in which they are held.

5T WEALTH MANAGEMENT makes every effort to exclude securities that are 'requested by the client' from the modeled portfolio accounts.

The investment objectives of various accounts and models may be substantially different from one another. Therefore topics or investments mentioned in E-Illumination may or may not apply to specific managed accounts and/or models.

Trades or adjustments to accounts mentioned in ELLUMINATION may or may not happen in every account managed by portfolio managers at 5T WEALTH MANAGEMENT.

If you are not satisfied with the investment results in your account it is your responsibility to inform Krsek or O'Dwyer and to discuss possible changes that can be made to the account to accommodate and satisfy your needs.

The assets held in managed accounts at 5T WEALTH MANAGEMENT may include stocks, bonds, cash, commodities, foreign exchange or mutual funds or exchange traded funds (ETF's), money market accounts or limited partnerships that represent the same. They are subject to market fluctuation and the potential for losses. The assets are not insured. The value and income produced by these investment products may fluctuate, so that an investor may get back less than they initially invested.

The portfolio managers at 5T WEALTH MANAGEMENT do not guarantee results.

Past performance should not be considered an indicator of potential future performance. If you do not consider yourself suitable, either emotionally or financially, to experience volatility and/or losses in financial markets, you should not invest.

From time to time Krsek lists the simple annual returns of the six model accounts in this newsletter. These accounts are "models" and do not represent the actual results accruing to individual accounts. Simple annual return does not represent "time weighted return" as reported individually to clients in their quarterly reports prepared using Centerpiece.

This document is for information purposes only and it should not be regarded as an offer to sell or as a solicitation of an offer to buy any securities or other instruments mentioned in it.