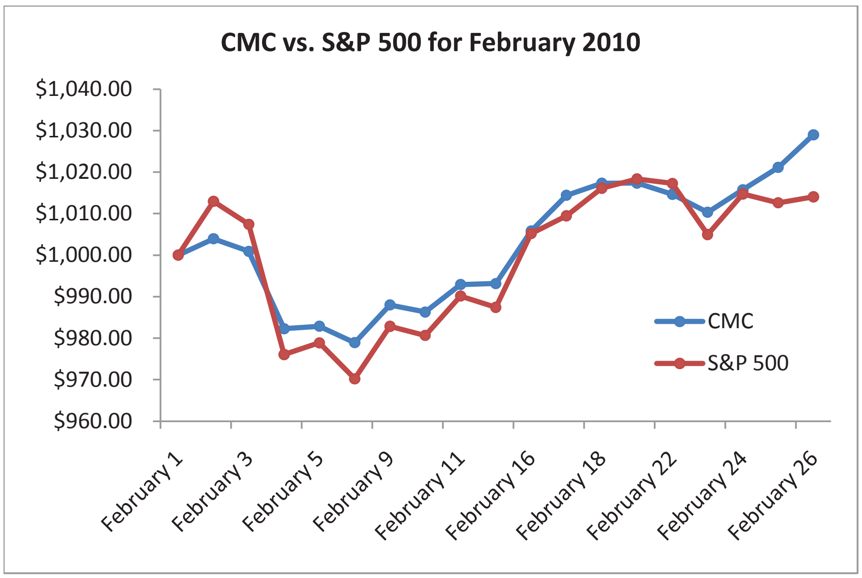
CAPITAL MANAGEMENT CLUB

March 5, 2010

Dear Members and Friends,

The Capital Management Club has taken the month of February to make strategic acquisitions as we navigate an increasingly volatile market. Our analysts have produced a fresh set of ideas for our Portfolio Managers to consider, who have patiently waited to enter a market that is desperate to reclaim January's losses. We are proud to underscore our portfolio's outperformance: while the S&P has lost 0.02% since portfolio inception, our fund has realized gains of 3.37% for its members. Our Portfolio Managers actively probe the group's market forecast and analysts' outlook for the stocks they cover. A few of our positions have seen substantial market outperformance, yet we continue to scrutinize our top picks for risks and exposures. We are happy to inform you that we have continued to beat the market in the month of February, with our performance illustrated to the left.



Our best performers since inception have been Whole Foods Markets (WFMI) with returns of 36.45% and Green Mountain Coffee Roasters (GMCR) with returns of 34.76%. Whole Foods' impressive returns can be attributed to positive earnings surprise this past quarter where the company reported increased sales, better margins, and good cost control. Green Mountain Coffee Roasters outperformed after handily beating estimates as the story of its growth plays out, as Analyst Montelbano expected.

Best Performers Since Inception						
Name	Cost per Share	Total Cost Basis	Price (2/26 Close)	Market Value	Unrealized Gain/(Loss)	% Return
Green Mountain Coffee Roasters	$ 62.16	$ 994.56	$ 84.39	$ 1,350.24	$ 355.68	35.76%
Whole Foods Market	$ 26.01	$ 780.30	$ 35.49	$ 1,064.70	$ 284.40	36.45%
Waterstone Financial	$ 1.98	$ 566.25	$ 2.42	$ 692.12	$ 125.87	22.23%
United States Natural Gas Fund	$ 10.10	$ (807.97)	$ 8.70	$ (696.00)	$ 111.97	13.86%
Iron Mountain Inc.	$ 23.20	$ 765.60	$ 25.88	$ 854.04	$ 88.44	11.55%

Our worst performers since inception have been the RPM International (RPM)/OM Group (OMG) pair, losing 15.71%, and KLA-Tencor (KLAC), losing 12.42%. We expect the chemicals pair trade to turn around as RPM recovers and Analyst Pollock's thesis regarding OM Group's poor acquisitions and input pricing begins to materialize in the market. KLA-Tencor has been beaten down to the volatility implicit within semiconductors, and we are still very bullish on the industry and have seen some recovery lately. Overall, we still have a positive outlook for these underperforming trades.

Worst Performers Since Inception						
Name	Cost per Share	Total Cost Basis	Price (Feb. 26 Close)	Market Value	Unrealized Gain/(Loss)	% Return
KLA-Tencor Corp.	$ 33.26	$ 764.98	$ 29.13	$ 669.99	$ (94.99)	-12.42%
Exelon Corp.	$ 49.00	$ 784.00	$ 43.30	$ 692.80	$ (91.20)	-11.63%
OM Group Inc.	$ 30.85	$ (616.98)	$ 34.42	$ (688.40)	$ (71.42)	-11.58%
Public Service Enterprise Group	$ 32.41	$ 777.84	$ 29.72	$ 713.28	$ (64.56)	-8.30%
Verizon Comm.	$ 31.05	$ 776.25	$ 28.93	$ 723.25	$ (53.00)	-6.83%

As we look at the economy and equity markets, we are concerned about where sustainable industry growth will come from in the US. We wonder whether our consumer has the ability to attain purchasing power that meets market expectations for long term US consumer spending. In this sense, we have a slightly negative long term view, as we expect our next decade to be marked by lower growth rates, higher average unemployment and a threat of inflation. Nonetheless, fiscal and monetary authorities have done their best to kick the proverbial can down the road, and force serious debate upon these issues into 2011 at the earliest. For the mean time, low interest rates and stimulus are keeping stock prices, and most asset prices for that matter, inflated. Thus, we are looking to be fully invested, as we aggressively look to trim our cash position and put our money into a mix of income-paying and growth stocks. Federal Reserve liquidity policies as well as market momentum have US equity markets moving higher, and we do not want to be on the short side of this trade. Thus, although our fund looks to achieve absolute return through a long-short investment strategy, our portfolio stands net-long and will mostly likely remain that way for the foreseeable future.

Throughout February, we have approved entry of a diverse set of equities. We have added ctrip.com, a travel service provider for hotel accommodations, airline tickets and packaged tours in China. Consider ctrip.com to be comparable to priceline.com, the travel service provider common to most Americans. The cost structure of CTRP is excellent, and we believe that analysts have yet to properly price in the potential gains in travel services for the 2010 World Expo in Shanghai. Their advertising, bundle-packages and tourism guidance services are world class and we believe the shares deserve a premium to its competitors'. We have purchased shares in anticipation of highly correlated, semi-competitor, priceline.com. Overall, we are very bullish on the expanding market of China and consumer spending in the Asian economies.

We have approved entry for CSX into the portfolio. CSX operates in the rail and intermodal transportation industry. CSX provides the commodity, construction and steel exposure that our portfolio lacks. Continued weakness in coal, the companies' Achilles heel, is expected from the analysts, companies and the stock price. We have also approved Proctor and Gamble, a branded consumer packaged goods company. P&G does not fit our usual criteria of a stock in a growth industry with specific drivers unnoticed by market participants. Nonetheless, we find P&G to be an attractive alternative to the cash position in our portfolio. The company's extremely diversified product lines should dampen our portfolio's volatility, while its dividend will provide steady income as we hope to attain a fully invested portfolio.

Throughout the following months, we are looking to increase exposure to the industrial, agricultural, basic materials, and energy sectors. With regards to risk management, our exposures are mainly consumer spending and capital expenditures in technology products and equipment. The Portfolio Managers have communicated these suggestions and risks to our analysts as we embark upon, hopefully, another extremely successful month.

We want to thank all of our members, and future members, for carefully considering the fund's objectives, risks and potential sources of return. Our most significant organizational change this month has been a mandate that requires all meeting-attending members to be invested in the fund. Decisions such as this are made to ensure proper incentives in the stock selection and voting procedure. We implore you to continue reading our investment recaps, market commentary and letters to shareholders. Capital Management Club's metamorphosis into one of the most respected organizations within the Wisconsin School of Business' is quite an accomplishment given our relatively recent initiation. We are excited by the opportunity to take a hands-on approach to supplement our world-class coursework, and as always, are proud to represent the University of Wisconsin-Madison.

Sincerely,

Brandon Winikates
Porfolio Manager

Dean Bumbaca
Portfolio Manager

Sam Curley
Portfolio Manager