



CAPITAL MANAGEMENT CLUB

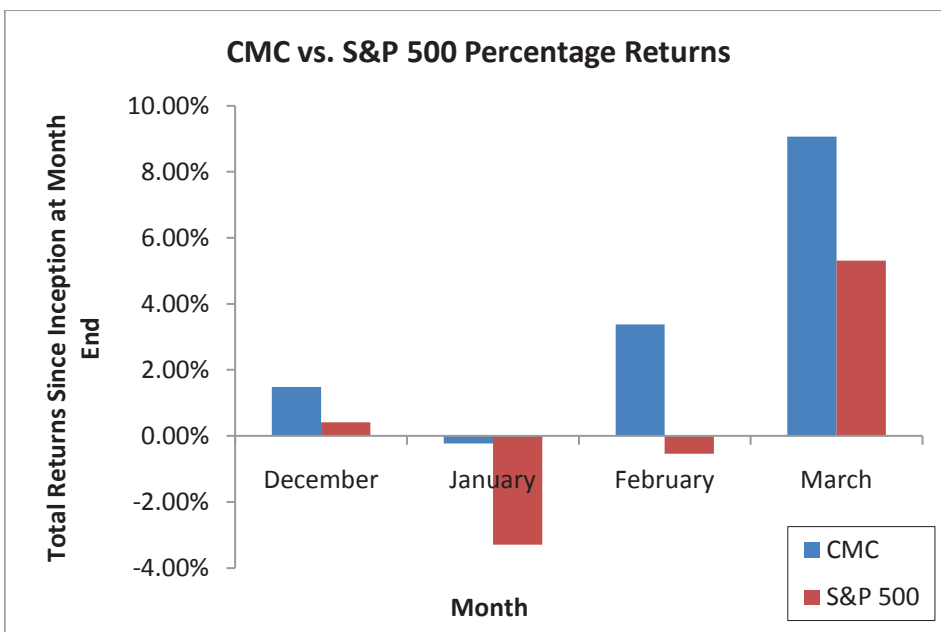
April 5, 2010

Dear Members and Friends,

It feels like a roller coaster, but you're only on the track's initial ascent. You heard about the last wild ride from previous riders; something about untamed risk-seeking, some screams, cheers, and a deflationary decent to end the ride. You strangely have an idea of how it's going to end, but you want to get on the ride and see how it happens. And you want to make money in the mean time to boot!

Steering through the market is the ultimate roller coaster, whipping you around, encountering jolts, jitters, and macroeconomic factors you could have never dreamt. It all too much resembles the sensation of your initial ascent these days, the market continually trades higher with assured momentum and infrequent pause for retracement. Most of us look back, consider where we came from and question whether we really want to take this uneasy journey once more. You consider your options with money market rates and CDs yields at abysmal lows and treasury prices that do not adequately protect you from inevitable interest rate movement. The crowded corporate bond fund trade isn't too attractive either – and you never want to wait in the longest line at the amusement park anyway. So, your money flows to one of the only places it can, the ever-enticing roller coaster of the market.

As your cart pulls upward you survey the land below. You've escaped from the depths of the lows and the money you have made thus far has been relatively easy. Virtually every class has performed well; everything from the bland, income producing Utilities (+ 19% y/y) to the questionably buoyant financials (up +81% y/y). You understand that volatility lies ahead; there will be twists and turns that you may see coming from miles away, or ones that completely catch you off guard. As the investor is hauled up the metaphorical wall of worry he knows one thing is for sure, that a mindset based on historic norms will leave him inflexible and underprepared for the economy that lies ahead.



The Capital Management Club LLC's Badger Absolute Return Fund enjoyed a scenic and spectacular ride in March, as did many funds with a long bias. The Fund significantly exceeded the returns of its benchmark index, the S&P 500. To date, the fund has enjoyed a 9.06% return compared to 5.31% in its comparable index, with much less volatility. The fund has maintained a very impressive 2.11 Sharpe ratio over the past four months due to excellent equity gains and a notable cash position.



Portfolio Managers seized on the opportunity to add Chinese chemical product maker Yongye International (YONG) to the fund in late March. Yongye produces a product that improves the quality of fertilizer and, in turn, generates substantial increases in crop yield. The product's impressive distribution network, along with its special corporate tax structure, and acquisitions along the vertical product pipeline have convinced the managers to acquire YONG shares. Less than a week after our purchase of YONG shares, management issued a statement guiding revenues significantly higher than street estimates and into a range predicted by our Chinese agriculture analyst. Shares have appreciated as a result, and we remain bullish on the long term thesis of agricultural products in developing countries.

Sticking with the theme of global growth and the equipment necessary to facilitate a global expansion, our mining equipment analyst has introduced an intriguing pair trade with Bucyrus International Inc. and Joy Global Inc. Analyst Lazarevic's research concluded that Bucyrus' execution and integration abilities will trump JOYG's attempt to grow in the Chinese market for mining equipment for the foreseeable future. Furthermore, we are bullish on Bucyrus' ability to cheaply finance the Terex mining acquisition at a rate that the market has not adequately priced. We expect increases in gross margin, aftermarket sales, and operating margins for Bucyrus due to acquisitions and their implementation. We do not expect Joy Global to perform as well as the market has anticipated in China, as the active Chinese Government will likely favor domestic companies to improve its mining capabilities. Our Portfolio Managers added a long position in BUCY in late March and have seen a 6.37% gain to date. A similar short position in JOYG will likely be added soon at the timing discretion of our analyst and PMs as they attempt to avoid event and "market momentum"-risk.

Lastly, we have recently added shares of CSX Corp to our portfolio. CSX Corp was discussed in our February Shareholder Letter after it was passed through our investment screening process. We were able to take advantage of a favorable entry point, and our fund has already realized gains from the position.

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%	

March was very kind to a few of our Fund's most economically sensitive positions. We have still enjoyed impressive gains from Green Mountain and Whole Foods. Our biggest gainer of the month was Waterstone Financial (WSBF), which posted a monthly return of nearly 46%. This is our fund's "wild-card" play as we continue to speculate on remutualization news regarding the firm. Our natural gas pair-trade, which consists of a short UNG position and long FCG position, made 14% gains due to UNGs poor performance this month.

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%	

Our month's biggest losers were Ameren Corporation and Abbott Laboratories, losing 4.15% and 2.97%, respectively. We still remain optimistic on the fundamental drivers that convinced us to enter into these trades. We continue to vigorously question our analysts covering these positions while continually challenging our thesis.

We want to thank you for being a member of the Capital Management Club LLC. While our performance in March was very impressive, our analysts and Portfolio Managers are not growing complacent. Every meeting, discussion, and trade is conducted with an eye toward improving return while decreasing portfolio variance. We continue to strive to position our portfolio at the precipice of tomorrow's global economic trends, and invest in companies that will be at the forefront of growth and innovation for the generation to come.

Sincerely,



Brandon Winikates
Portfolio Manager



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Portfolio Manager



Sam Curley
Portfolio Manager