

MAIN | MANAGEMENT LLC

When evaluating separate account, mutual fund and hedge fund investment options, investors have a natural tendency to be seduced by the largest number, the gross returns. Not only is the gross number very misleading, but even the NET AFTER FEES number doesn't tell the full story.

The following table compares returns, **after fees and after taxes**, for Main Management and the averages of two Morningstar mutual fund categories. This is the number that **you, the investor, actually retain** [the amount of 'capture'] and is the true return that you should care about. Because of the complexity of hedge fund tax returns, investors rarely take a closer look at how much of their return they actually keep. Accordingly, the following **after tax capture** percentages are very revealing –

<u>Inception Date</u>	<u>Product</u>	<u>Main Gross Return</u>	<u>Gross Benchmark Return</u> ¹	<u>Main Net After Fees</u>	<u>Main Net After Fees & Taxes</u> ²	<u>Competitor Net After Fees & Taxes</u> ³	<u>Main After Tax Capture %</u> ⁴	<u>Differential %</u> ⁵
11/06	Main All Asset	9.8%	7.6%	9.3%	9.0%	6.8% ⁶	92%	+32%
8/02	Main CORE	12.7%	11.1%	12.2%	11.5%	9.7% ⁷	91%	+19%
9/02	Main ACTIVE	17.7%	13.9%	17.2%	16.3%	12.1% ⁷	92%	+35%
9/04	Main Buy-Write ⁸	10.9%	9.2%	10.4%	10.4%	8.7% ⁹	95%	+20%
12/07	Main International ¹⁰	NA	NA	NA	NA	NA	NA	NA

***All returns are compounded annualized growth returns (CAGR) through 12-31-07**

Our **alpha generation** includes: asset allocation, asset class product selection, option overlay, tactical rebalancing, and tax efficiency.

For more information on the above strategies please call us or visit www.mainmgt.com

Please feel free to contact us and discuss any of the above or what Main Management can do for your wealth management strategy. 415-217-5801

¹ Main All Asset benchmark is 60% S&P 500 40% Lehman Aggregate, Main Core and Active benchmark is S&P 500, Main Buy-Write benchmark is CBOE BXM

² Long term federal tax rate 15%, short term federal tax rate 35%

³ Main Management & Morningstar – determined that capture rate of benchmarks is between 81% and 83%

⁴ Capture rate is the percent of a managers gross return that you the investor get to keep after all fees and all taxes are paid

⁵ The Differential is the percentage of out performance each product has, net after fees & taxes, relative to it's benchmark

⁶ Morningstar average Global Moderate Allocation

⁷ Morningstar average US Large Blend

⁸ Main's Buy-Write generates current income from selling covered calls that are taxed at 35% and is intended for non-taxable accounts

⁹ CBOE BXM index and 50bps deducted for fees

¹⁰ Main International was launched 12/07 and has a limited history. Please contact us for information on this product.

*No representation is made that the performance shown in this presentation is indicative of future performance. An account could incur losses as well as gains. Performance returns for each account are calculated monthly using trade-date accounting. Performance results are reported on a total-return basis, which includes all income from dividends and interest, realized and unrealized gains and losses.