



ACI PARTNERSHIP FUND, LP

A GLOBAL VALUE PROCESS

Fund Description

The ACI Partnership Fund, LP adheres to both a disciplined and fundamental value approach to investing. The fund utilizes an investment process that analyzes companies from the bottom up with a focus on balance sheet analysis first and potential market dislocations second. Our partnership seeks absolute returns for our limited partners over the long term, versus a relative return to a benchmark, while minimizing investment risk.

Our approach to both the balance sheet analysis and a company's demonstrated managerial capabilities concentrates on "what does it mean" in terms of understanding a business, in contrast to "what does the crowd think." For investment execution, since stock market prices do not determine business value, we do and will take market risk, but constantly challenge ideas to limit investment risk. Investment risk is further limited by seeking companies with very strong financial positions whose securities are priced at significant discounts to intrinsic value.

The ACI Partnership Fund, LP believes the more inexpensive you buy something for, the greater the potential investment reward, and more so, the more inexpensive you buy, less the inherent risk. The low price paid provides a margin of safety, which reduces the downside market risk and increases appreciation potential.

The fund's investment philosophy rests on the foundational principals of value investing illustrated and championed by the written works of Benjamin Graham and practiced by both Warren Buffett and Marty Whitman, among others, as guides.

Chief Investment Officer

James East has managed the ACI Partnership Fund, LP since inception in 2007. He is a graduate from the Georgia Institute of Technology with a degree in Aerospace Engineering. Prior to his current investment management duties, he spent several years working at both United Technologies' Pratt & Whitney aircraft division and with Siemens' power plant generation division. He currently lives in Charlotte, NC.

Yearly Returns

Year	ACI Partnership Gross Annual Return	ACI Partnership Gross Compounded 5-Year Return ⁽¹⁾	ACI Partnership NET Compounded 5-Year Return ⁽¹⁾
2016	15.38%	9.55%	8.17%
2015	-11.90%	7.64%	6.28%
2014	9.60%	13.49%	11.47%
2013	27.80%	17.02%	14.13%
2012	12.80%	13.05%	11.35%
2011	5.60%	20.31%	16.97%
2010	12.90%	35.72%	28.83%
2009	26.10%	33.01%	26.96%
2008	8.90%	27.76%	22.74%
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2007 ⁽²⁾	53.90%	38.49%	30.64%
2006	92.90%	28.75%	23.63%
2005	2.10%	14.66%	12.44%
2004	3.10%	21.70%	18.47%
2003	63.00%	17.93%	14.81%
2002	6.90%	4.58%	3.69%
2001	8.10%	7.27%	5.72%
2000	37.50%	8.99%	7.00%
1999	-11.90%	14.81%	11.54%
1998	-10.60%	15.53%	12.24%
1997	21.40%	17.86%	14.51%
1996	17.00%	15.58%	12.81%
1995	78.30%	18.73%	15.46%
1994	-9.10%	2.06%	1.03%
1993	-1.20%		
1992	10.10%	See notes	See notes
1991	33.80%	below	below
1990	-16.30%		

(1) It is ACI Partnership Fund's belief that a rolling 5-year compounded total return best defines the investment style incorporated by the partnership as any one-year is somewhat unpredictable and too short a time frame for investment ideas to play out. Our annual returns are provided for reference.

(2) Numbers preceding 2008 are the managing partner's unaudited returns prior the Partnership formation with the same investment process and framework. Current fund was formed on December 17, 2007.

(3) NET Returns are after all expenses and would be what a limited partner's return is estimated if the partnership's performance allocation was earned.

Fund Abstract

General Partner: Mercertus Capital, LLC
 Manager Partner: James East
 Minimum Investment: \$250,000
 Advisory Fee: 0.30% of AUM
 Hurdle Rate: 6.3% – Calculated Quarterly
 Performance Allocation: 25% above 6.3%

Auditor: Patke & Associates, Ltd.
 Counsel: Kilpatrick Townsend & Stockton
 TPA: Ladd, McCall & Associates
 IRA/401K Rollover Custodians:
Fidelity — CUSIP-004990206
TD Ameritrade — CUSIP-004990206

- Partner Bonus: Limited Partner's allocation is increased to 80% after an LP holding of 36 months