MPIC Fund I, LP

Annual Report
2007

"…Over time, markets will do extraordinary, even bizarre, things. A single, big mistake could wipe out a long string of successes. We therefore need someone genetically programmed to recognize and avoid serious risks, including those never before encountered. Certain perils that lurk in investment strategies cannot be spotted by use of the models commonly employed today by financial institutions.

Temperament is also important. Independent thinking, emotional stability, and a keen understanding of both human and institutional behavior is vital to long-term investment success. I've seen a lot of very smart people who have lacked these virtues…"

- Warren Buffett
Berkshire Hathaway 2006 Annual Letter to Shareholders

MPIC Fund I, LP

Annual Report
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MPIC Fund I, LP's Performance vs. the S&P 500

Year	Annual Percent Change in Net Asset Value Per Share Of MPIC Fund I (1)	in S&P 500 with Dividends Included (2)	Relative Results (1)-(2)
2006 ………………………………………………	8.5%	9.6%	(1.1%)
2007 ………………………………………………	26.8%	5.5%	21.3%
Compounded Annual Gain – 2006-2007	21.1%	9.1%	12.0%
Overall Gain – 2006-2007	37.6%	15.6%	22.0%

Notes: Data are for calendar years with these exceptions: 2006, eight months ended 12/31

Both, the S&P 500 and MPIC Fund I, LP, performances are pre-tax. MPIC Fund I, LP results are audited and after all expenses, including incentive allocation.

<u>MPIC Fund I, LP</u>

To the Partners of the MPIC Fund I, LP:

Our net return to partners for 2007 was +26.8%, while the S&P 500 Total Return gained +5.5%. Since inception on May 1, 2006, the MPIC Fund I, LP's net return to partners was +37.6%, while the S&P 500 Total Return finished up +15.6%.

Our unconditional duty to you, our partners, is to ***grow investment capital at an above average rate*** while ***avoiding any permanent loss***.

Commentary

Through most of 2006 and the first half of 2007, we held significant cash in the portfolio. In fact, the average cash holding was roughly 40% over the first 14 months of operation. Below are excerpts from last year's annual report written in February 2007, on why we held so much cash:

"…For investment managers who practice a deep-discount, margin of safety philosophy, discipline and temperament are the most crucial characteristics. Why? Because it is very easy to be swayed by the popular vote. When your peers are hitting nothing but homeruns, it's very comfortable to join the herd. To outperform the consensus, you will often be running against the grain. We are not satisfied with paying 75 cents on the dollar for investments. We are only interested in paying 30-50 cents. In other words, we don't look for cheap…we look for absurd!

Those absurd ideas are few and far between in the type of market we are in. You have large private equity firms and hedge funds competing for businesses, bidding up prices, and then subsequently selling them to another firm. As the bids rise, the yield to investors shrinks. Thus reducing the margin of safety available relative to the risk free rate found in treasury bills.

Normally, when equities start to become expensive, you could find good returns on the fixed income side. But surprisingly, the spread between corporate bonds and government bonds has narrowed considerably. Usually, you have a 50-100 point spread on short-term bonds, and 100-300 point spread between long-term bonds depending on the ratings. This has decreased to virtually no premium for short-term bonds…

…Our investment process is to dig out opportunity regardless of market conditions, but even undervalued opportunities can suffer when inflated markets correct. We are patiently biding our time, waiting for the markets to severely correct in a specific sector, like the property/casualty insurance industry provided us earlier last year. We think that the financial sector will provide some opportunity in the next few months, as we are currently in the midst of growing loan losses in the mortgage and subprime area.

As we continue to scour the markets for individual ideas, we believe that very short-term government bonds provide the best opportunity when looking at return and preservation of capital. We have no predictive ability about macroeconomic events, but have taken the extra precaution (the first time in my investing life) of buying some market puts. We hear the same music as everyone else, the song keeps changing, but we only know one dance step and that the party always does end!"

Well, the party did end in 2007. Not with a cheerful wave good-bye, but as an angry, menacing drunk! The credit bubble the U.S. Federal Reserve helped inflate, combined with Wall Street's chronic ability to lower their standards, left one hell of a mess that taxpayers and shareholders around the world will now have to clean up.

The catalyst for much of the grief was due to the securitization and sale of subprime loans to institutions that were attempting to increase their investment yield. As interest rates rose, borrowers could not afford the rising payments for the underlying loans, and many of these high-yield bonds or collateralized debt obligations (CDO's) became worthless. Businesses from every corner of the world were affected, as balance sheets became suspect and CEO's scrambled to raise funds to support their operations. If there is any lesson to be learned by investors, it would be that the most unlikely of scenarios often do unfold. If you don't believe us, just ask the New England Patriots!

Through much of 2006 and the first half of 2007, we really had to work our large cash holdings to generate significant investment yield for partners. There was considerable turnover, as we ran through a number of smaller strategies to generate gains. While we were able to offset much of the gains with year-end realized losses, this type of behaviour is not our preference.

Into early 2008, the portfolio now has about 90% of assets in the five core holdings we discuss below. This is ideally how we like to operate…good businesses at good prices, operated by excellent managers, where we can generate significant long-term unrealized capital gains. It is very efficient, economical and far more effective.

We expect considerable volatility in the fund, as much of the assets are concentrated in a few ideas. Volatility is simply quotational variations…sometimes up, and sometimes down. Imagine various real estate agents coming to your home everyday, and each offering different appraisals of your property, and how much they could sell it for. Some days they may offer 5-10% more, and some days they may offer 5-10% less…on occasion they may even offer you 30-50% less or 30-50% more! Can you imagine that?

You would be absolutely foolish to sell at a price they offered on any given day, but would realistically assess the price of your home based on the market rent you could attain, the quality of the structure, the size of the property, and intangibles such as the view, a park across the street, or good schools in the neighbourhood. Yet, each and everyday investors buy or sell foolishly. They let market volatility influence their emotions, causing them to behave in an irrational manner.

Due to our concentrated portfolio, we will experience market volatility on a regular basis. We embrace it fully, since it is what gives us the opportunity to buy, when others are being foolish. Market quotations are irrelevant on a day to day basis, but over the long-run, they usually reflect the intrinsic value of an investment. Therefore our goal is to always avoid impairment of a company's intrinsic value, or its ability to operate and generate cash.

In that respect, the MPIC Fund I, LP and the investments we have allocated capital to have done very well. Our five core holdings have all increased their intrinsic value significantly over the last few months, as their competitors have lost ground. We think all five are tremendous operations, with wonderful and talented management, that will grow investor capital for years to come.

Unrealized Investments

When we began the MPIC Fund I, LP in 2006, the insurance industry had just gone through their greatest year of natural losses as a result of the 2005 Gulf Hurricanes. We had the opportunity to buy two excellent insurance-related companies - Berkshire Hathaway & Fairfax Financial. It was fitting that these two companies would make a significant portion of our initial investments, as both businesses had an enormous influence upon us.

Berkshire Hathaway Inc.

No one has influenced our thought process more than Warren Buffett, Chairman of Berkshire Hathaway. His ability to explain the complexities of the financial industry in simple, but rational, terms has inspired thousands of private investors and professional managers. For your Chairman, Mr. Buffett's Letters to Shareholders illuminated a mind that had become quite inactive many years ago.

Berkshire's primary business is property & casualty insurance. With the catastrophic losses in 2005, like all insurers, Berkshire's price fell when the outlook was gloomy. In our opinion, there is no insurance company better positioned to benefit when the rest of the industry is struggling. In fact, in such an environment, Berkshire's competitive advantages over its peers widens significantly.

Outside of insurance, Berkshire has some seventy operating subsidiaries that generate steady cash flow, which is utilized to acquire other businesses. This diversified book of business, along with a rock-solid balance sheet, results in arguably the sturdiest of "Bluechip" companies.

In 2006, Mr. Buffett announced that he would bequeath most of his net worth to a handful of charitable trusts. Other than perhaps Bill Gates and Sam Walton, no individual has created more wealth for shareholders than Mr. Buffett, and at the end of the day, no individual has given away as much either!

Fairfax Financial Holdings Ltd.

The MPIC Fund I, LP would never have existed if we had not met Prem Watsa, CEO of Fairfax Financial. A 2005 lunch with Mr. Watsa arranged by Francis Chou, and Mr. Watsa's assistant Jo Ann Butler, was a seminal moment that provided us the courage to start this partnership. While we were pleased with how the MPIC Fund I, LP did in 2007, we were far more delighted for Mr. Watsa last year.

Shortly after the acquisition of two insurance businesses, and the subsequent devastation of 9/11, Fairfax Financial found themselves in the most vulnerable of positions…almost the antithesis of Berkshire Hathaway. The stock had plummeted from a high of $610 in 1998 to $84 in 2003, and the sentiment around the company had changed from euphoria to disgust. Under tremendous pressure by large hedge funds shorting the stock, and a barrage of media reports pronouncing their demise, Fairfax began the long and arduous recovery process.

After restructuring the insurance business, restoring underwriting standards, and supporting cash flows with sound investment management at Hamblin-Watsa, Fairfax's balance sheet began to improve. They continued the process by reducing reinsurance recoverables, simplifying the organization, paying down debt, and extending remaining maturities.

During this period as shareholders, we witnessed one of the most brutal assaults in memory of a CEO and his company. One journalist in particular, wrote some 40 negative articles about Fairfax in a six-month period! The fact that Mr. Watsa had the courage, fortitude and resilience to endure this onslaught was impressive. The fact that he led his company with dignity and humility in such a trying period was extraordinary. During the entire episode, malicious innuendo and all, not a single executive left the company…a testament to his leadership!

Today, the company looks far different than just a few years ago, and recently reported record quarterly and annual profits for 2007, as the stock has risen into the $300 per share range. We hope that one day we may live up to the standards set by the likes of Mr. Buffett and Mr. Watsa.

Western Sizzlin Corporation

Two primary characteristics are critical to our core holdings: The first is we like to buy at a large margin of safety, and the second is we like good "jockeys" riding the horses we bet on.

The single largest holding in the MPIC Fund I, LP is Western Sizzlin Corporation. As we were influenced by Mr. Buffett, so was Sardar Biglari, CEO of Western Sizzlin. Back in 2000, Mr. Biglari started the Lion Fund, which is a limited partnership very much like the MPIC Fund I, LP. In 2006, after acquiring a large stake in Western Sizzlin Corporation, he became the company's Chairman and CEO.

Before Sardar arrived, an ill-conceived expansion by Western Sizzlin led to decreased same-store sales and a balance sheet in complete disarray. Franchisees forced change on the company, and Jim Verney, CEO of Western Sizzlin Franchise Corporation, was brought in to turn the ship around. He closed restaurants, sold property, paid down debt, ended poor franchise agreements, and added new franchises with better owners. All in all, he just did what you would consider to be common sense.

As Chairman, Sardar quickly put his talent for allocating capital to work. His first move was to take a large position in a beaten down restaurant chain called Friendly's, where he encouraged management to take action to either improve shareholder value or sell the company. Friendly's had been mismanaged by its incumbent Chairman, and the board of directors who received considerable director's fees, were only happy to oblige. Sardar's pressure quickly forced management into finding a buyer.

Recently, Western Sizzlin has been involved in two significant transactions. The first is to apply a similar strategy they utilized at Friendly's, against a company called Steak'n Shake (SNS). They recently won a proxy fight, where Sardar displaced the incumbent CEO and CFO of SNS from the board of directors. Now on the board, we believe Sardar will be able to gain increasing influence on company operations, and Steak'n Shake will begin their turnaround.

The second initiative is an attempt to acquire a company called Itex based in Bellevue, Washington. Itex runs a barter exchange for business services. They have a number of franchises around North America, and demand for their service is robust. We believe that Itex within Western Sizzlin would have certain competitive advantages going forward, that they would not have on their own…easier access to credit markets, better capital allocation of cash flows, decreased corporate overhead, and increased synergies to expand the business.

Not only is Sardar the largest shareholder of Western Sizzlin, he receives absolutely no compensation for his work as CEO. Western Sizzlin recently launched Western Acquisitions LP, an investment partnership for accredited investors, which will continue to leverage Sardar's capital allocation skills.

Wells Fargo & Co.

Our largest foray into the financial industry was our investment in Wells Fargo Bank (WFC). With their superior operational management, exceptional risk management, and diversified lines of business, WFC is very well-positioned to expand in what would be considered a horrible environment for its competition.

WFC is the fifth largest U.S. bank and has the highest credit rating of the group. Of the top five banks, they have the highest return on assets, the most efficient operations and the least amount of exposure to CDO's, securitized products and subprime loans. We were able to buy into the business at about 11 times current earnings, which pays a substantial dividend of 4.3% which we believe they can maintain.

One of WFC's greatest competitive advantages is their focus on cross-selling products to their customers. Their clients on average use twice as many company products as other bank customers. This is a win-win situation for both the client and bank, as customer service and costs are better for the client, while the bank builds a stronger and more profitable relationship with each customer.

Company "X"

There has been considerable change to the investment portfolio in the first two months of 2008, and it looks quite different than what you actually see in the audited financials. We invested a large amount of capital into a small investment company, which we now own just under five percent of. We cannot disclose which company it is just yet, as we'll most likely continue to buy more of it through the year. We can certainly see ourselves as 10% owners over the next six months, as we like both the price and the jockey involved!

The company is a small Business Development Company that utilizes a value investment approach. They are ardent disciples of Benjamin Graham, and provide both investment management and consulting services. We have followed the company for some time, but just weren't happy with the market price available to us…that is until the beginning of 2008!

The company isn't very liquid, so over the last two months we have slowly amassed a large position close to book value. We have also had discussions with its largest shareholder who would like to slowly liquidate their position. We are eager to lend them a hand in their goal, and as such, our first big "Accredited Investor Presentation" is going to be held next month in Toronto. Details are in the "Miscellaneous" section of the annual report.

Realized Investments

Our Losers

Progressive Corp.

Progressive is a wonderful auto insurer that has grown earnings per share at about 12.5% a year, over the last decade. They have excellent management and a sound business operation, with a model that is on par with anyone else…except Geico! Last year, we felt going forward that Progressive and Geico should be the large market players, along with mutual insurer State Farm. We still think that is the correct prognosis.

The problem is that in the short-term, as Progressive becomes competitive with their insurance rates to increase market share, they will continue to struggle with quarterly profits. What looked like a 12-18 month transition, may take over 24-36 months to get there. In the meantime, Geico is shooting the lights out with its direct platform, and is taking market share away from everyone including Progressive. To put it simply, they are unstoppable!

We still think that Progressive will do well going forward, but our opinion of the time required for its transition has lengthened, and there were better investments suddenly available in the markets. We took a loss of about 12% on that investment and moved the capital to greener pastures.

Handleman Co.

When good businesses at good prices are scarce, we often have to go in search of less desirable businesses that are trading well under book value, due to possible impairment of business operations. We buy them at a significant margin of safety, but they remain undesirable businesses. Handleman is a distributor of prerecorded music to retailers in the U.S., Canada and the U.K. They are in a dying industry, but to improve growth they recently acquired video game distributor & publisher Crave Entertainment.

We viewed Handleman as a net-net (purchase below liquidation value), where they had about $270M in cash and net receivables, and about 20M shares outstanding. After you deducted their liabilities, you were getting the business for free. Theoretically, that would be a sound investment, but unfortunately the business was struggling and as the current market price shows, there was a very good reason why it was free!

We paid on average about $8.70 for our shares, but fortunately realized that we didn't like the direction of the business and sold out the position at an average price of $6.83, for a loss of about 21.5%. With Handleman, the goodwill on the balance sheet literally was management's generosity with their acquisitions!

Quanta Capital Holdings Ltd.

Quanta is a Bermudan reinsurer that went into runoff in early 2006 after the Gulf Hurricanes. It was also a net-net investment for us, where the cash and investments on the books were worth far more than the stock was trading at. The price reflected investor's uncertainty of how the reserves would hold up as claims would be paid out going forward.

We believed that Quanta's management, and the team they brought on board to manage the runoff of the company, were very capable of doing so efficiently. So far in 2007, they have done just that, and we believe our analysis was correct.

We sold Quanta in 2007 for an average loss of 11.5%, simply because better ideas had come up. The current market price is about 50% above our original average entry price, which only should convince you that we struck out twice…once when buying and then again when selling! Perhaps, we should have had somebody pinch-hit for us on that one.

Our Winners

Overstock.com

Overstock.com (OSTK) is an online retailer of excess inventory, third-party affiliates and auction goods. They are in a very cut-throat and competitive market competing with the likes of Amazon.com and Ebay. Normally, we would not invest in companies with few competitive advantages. In this case, we were solely betting on OSTK's pugnacious CEO Patrick Byrne, and his unflinching ability to survive and then thrive!

We held some OSTK shares in 2006, which we sold at year-end to realize tax losses. In the 1st Q 2007, we purchased a significant amount of OSTK call options, tripling our exposure to OSTK. Last year was a transition year for the retailer, where they had to reduce expenditures, increase efficiency and account for some poor decisions they made due to hyper-growth in previous years. While they made tremendous progress through the year, the stock price had gotten ahead of itself and we sold our options for an average gain of 242% in the 3rd quarter…the reason why you don't see OSTK in the 2007 financials.

During the 4th quarter, the stock price began to tumble. In fact, it continued to tumble through the 1st Q of 2008, while the company reported substantial improvements in margins and cost efficiency. In the early part of 1st Q 2008, we not only bought back our previous position in the stock, but increased it enormously.

We feel that increasing reliance on selling through affiliates, rather than direct channels, will improve the bottom line at Overstock. It is far less capital intensive, requires less inventory, and provides greater gross and net profit margins. With a slowing economy, and increasing supply of retail inventory, OSTK now has the opportunity to pick and choose quality products from retailers looking to liquidate their inventory. This is what the business model is actually all about.

During good retail environments, they should rely on affiliates, and during poor economic environments, they can increase direct sales through cheaper inventory purchases and increased margins on that inventory. We believe that if OSTK can achieve margins similar to Amazon.com over time, then we are buying a dollar for about 25-35 cents.

Berkshire Hathaway Inc.

We sold a little bit of our Berkshire Hathaway shares to reduce exposure and invest the capital in Company X. We averaged about 44.7% on the realized investment.

Fairfax Financial Holdings Ltd.

Well, we made an absolute killing on some Fairfax options we had purchased in 2006. As the company turned around, so did the market price and we gained on average about 1,338% on some of the options we sold. The fund was very small when we originally bought those options, so it was a very tiny position…nonetheless, the gains did add to our bottom line. We also made about 88%, on a small amount of Fairfax stock we sold to reduce our total exposure and invest the capital in other ideas.

Western Sizzlin Corporation

We sold a very small amount of Western Sizzlin shares in 2007 for an average gain of 45.2%, and invested the proceeds into Company X and Wells Fargo.

Constellation Brands Inc.

Constellation Brands is an alcoholic beverage producer and distributor. They have extensive wine, spirits and beer businesses. With strong, steady cashflow, and a business that is resistant to recessions, we made about 282% on our call options in 2007.

S&P500 and Chinese Market Puts

We made about 146% on market puts against the S&P500 and Chinese markets during the year. Some of our remaining Chinese puts were taken as tax losses at year end. Over all, we use market puts when we feel there is significant risk, and we do so not to make a profit, but to hedge against any losses.

Fortunately, even after taking into account the Chinese puts that expired in early 2008, we did make about a 30% profit on the puts. Better yet, we did not incur market losses. Due to the tax “wash-sale” rule, we were not able to repurchase our puts on the Chinese markets before they started to correct. As such, we missed out on some enormous gains early in 2008!

Miscellaneous

Audit & U.S. Tax Return

Our audit for 2006 and 2007 was conducted by Jordan, Patke & Associates. We would like to thank Ron Niemaszyk and Shana Sparber for their work, and completing it on time and on budget. There were no material issues, and we will certainly use their services again next year.

We would also like to thank Mark Mandell, of Mandell Advisory Group, for completing the U.S Partnership Tax Return and K-1's for the MPIC Fund I, LP. They were also completed under budget and on time.

Board of Directors

As mentioned last year, our board of directors is comprised of Alnesh Mohan, Sanjeev Parsad and Andrew Cooke. Andrew was a founding investor in the partnership, who we had no previous affiliation with. We have built a tremendous relationship with Andrew, and he has graciously acted as a reference for the fund for some time. Andrew has performed in the role of VP of Finance, CFO and Treasurer during his career. Coincidentally, in the past he was an independent consultant to Fairfax Financial for three years…one of our key holdings.

As a member of the board, Andrew is updated on all events pertaining to the fund, including recent additions or deletions to the investment portfolio. There are three primary benefits to Andrew's involvement with the fund. First, in the event something happens to either of the two officers of the general partner, Andrew is completely aware of what is occurring on the investment and administrative sides. Second, as an independent partner in the MPIC Fund I, LP, Andrew has a vested interest in how it is operated. Third and most importantly, he brings a wealth of experience to our table in respect to accounting, regulatory oversight, management and acquisitions.

Andrew has been gracious enough to offer his support, knowing full well that our directors receive no compensation outside of a cup of Starbuck's coffee and a Krispy Kreme doughnut…which he actually did not receive last year, so we'll have to make up for that! Now that he's getting some sleep after becoming a new father last year, our existing and prospective partners are welcome to contact Andrew at (703)527-2967.

Frequently Asked Questions & Ground Rules

Towards the end of the Annual Report, you will find our "Ground Rules" in Appendix A. These are the fundamental principles that our partnership tries to abide by and guide our conduct. We think these principles align our interests with your interests, and allow for a truly equitable partnership. In Appendix B, you will find our answers to some frequently asked questions. We will expand this as time goes by.

MPIC Funds Toronto Accredited Investor Presentation

Corner Market Capital Corp. is sponsoring the first MPIC Funds investor presentation in Toronto, immediately after the Fairfax Financial Annual Meeting. The psychological makeup of Fairfax shareholders is ideal for the type of prospective partners we are looking for. They have a firm grasp of the "value investing" philosophy, and like our existing partners, would be committed for the long-term.

Naturally, partners in both MPIC Funds are welcome to attend and have first dibs on seats! If you would like to join us, please let us know. We expect to be holding this event annually and will probably add a U.S. presentation in the near future. Both will eventually become our full-blown annual meetings for partners…one in the U.S. and one in Canada.

MPIC Funds 2008 Accredited Investor Presentation

April 16th, 2008
12:30pm to 3:30pm

Fairmont Royal York
Salon 1 – 19th Floor
100 Front Street W
Toronto, Ontario

Light lunch and refreshments will be served.

Operations & Organizational Costs

As mentioned last year, our organizational costs for the fund came in at less than half of what we expected, and less than a quarter of what was allowed in the original LP agreement. Our attorney Alan Bell and his assistant Carolyn Peters at Dorsey & Whitney, deserve our thanks for their efficient work and execution.

Originally, the organizational costs were to be repaid to the general partner at the end of the first year, but because we found it harder to raise capital than we expected, we amended that agreement so that the costs are now amortized back over five years. We did not want our initial partners, who have put all their trust and faith in us, to bear a greater burden than subsequent partners.

On the operations side, we are running the fund as lean as possible. Besides brokerage, legal, accounting and organizational costs, there really are no other expenses, since we have no fancy office, website or capital expenditures. There was a slight increase this year in operation costs, due to the fact we did not have an audit last year, and Alnesh had prepared the U.S. tax return.

Excluding audit and tax return expenses, actual operating costs were down significantly relative to assets under management. We expect operational expenses (including audit and tax return expenses) to be around 1% by the end of 2008, and we believe we can get below 0.7% by the end of 2009 as the fund grows. Our goal over the next few years is to be in striking distance of most passively managed index funds, and make us a very efficient actively-managed fund.

We hope that you can appreciate our minimalist approach to operations, and the cost savings which are passed on to all partners, since we will behave in the same fashion when we are managing a hundred times the capital we currently look after.

Citi Global Markets Inc.

The MPIC Fund's prime broker is Citi Global Markets in Chicago. Ajay Desai and his team of Qui Lam, Tom O'Connell and Sandip Amin handle our fund. Our experience with them is immeasurably better than we could have ever imagined. Their execution, expertise and customer service is uncompromising, and we can not sing their praises enough! If you're ever looking for a broker in the U.S., please tell us and we'll get you in touch with Ajay. We simply don't know what we would do without them!

Our Promise To You

Finally, we cannot begin to explain how we feel about the fiduciary responsibility we've been entrusted with. For most of you, the capital invested within the MPIC Funds is due to a lifetime of effort, and all the challenges that you faced to get here. We will ***never*** take that responsibility lightly!

We thank you for your trust, friendship and confidence. As always, we keep an open door policy, and our partners can contact us at anytime about any subject. We wish you and your families well.

Sincerely,

Alnesh Mohan		Sanjeev Parsad

In the following pages, you will find the Audited Financial Statements for the MPIC Fund I, LP ending December 31, 2006 and December 31, 2007.

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MPIC Fund I, LP

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND DECEMBER 31, 2006

MPIC FUND I, LP

Financial Statements

DECEMBER 31, 2007 AND DECEMBER 31, 2006

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INDEPENDENT AUDITOR'S REPORT

To The Partners of
MPIC Fund I, LP
British Columbia, Canada

We have audited the accompanying statements of assets and liabilities of MPIC Fund I, LP (a partnership), including the schedule of investments, as of December 31, 2007 and December 31, 2006 and the related statements of operations and changes in net assets for the year ended December 31, 2007 and for the period from inception (March 13, 2006) to December 31, 2006. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MPIC Fund I, LP at December 31, 2007 and 2006 and the results of its operations and changes in net assets for the year and initial period then ended in conformity with accounting principles generally accepted in the United States of America.

Jordan, Patke & Associates, Ltd.

March 18, 2008

STATEMENTS OF ASSETS AND LIABILITIES

	2007	2006
Assets		
Investments in securities, at fair value (cost $1,253,331 for 2007 and $375,615 for 2006)	$ 1,253,331	$ 375,615
Options purchased, at fair value (cost $96,585 for 2007 and $13,031 for 2006)	78,400	34,630
Cash at broker	81,587	150,646
Organization costs, net of accumulated amortization ($3,625 for 2007 and $1,450 for 2006)	7,251	9,426
Total Assets	1,420,569	570,317
Liabilities		
Accounts payable and accrued liabilities	9,200	344
Due to general partner	12,675	21,438
Total Liabilities	21,875	21,782
Net Assets	$ 1,398,694	$ 548,535

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS – SECURITIES
December 31, 2007

Description	Shares / Units	Fair Value	% of Net Assets
Investment in common stock			
Financial			
Wells Fargo & Co.	3,000	90,570	
Other securities		45,991	
		136,561	10%
Insurance			
Berkshire Hathaway Inc. Cl B	30	142,080	
Fairfax Financial Holdings Ltd.	900	257,517	
Other securities		51,394	
		450,991	32%
Restaurant			
Steak'n Shake Company	11,000	119,900	
Western Sizzlin Corp	29,604	518,070	
		637,970	46%
Total investment in common stock		1,225,522	88%
Short-term notes			
US Treasury bills, matures 3/20/2008	28,000	$ 27,809	
Total short-term notes		27,809	2%
Total investment in securities		$ 1,253,331	90%

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS – OPTIONS
December 31, 2007

Purchased Options

Description	Call/Put	Expiration Date	Exercise Price	Options	Cost/ Proceeds	Fair Value	% of Net Assets
Constellation Brands Inc	Call	1/17/2009	30	40	$ 2,815	$ 4,800	
Fairfax Financial Holdings	Call	1/19/2008	130	2	2,010	31,330	
Odyssey RE Holdings Corp	Call	2/16/2008	40	25	3,478	1,813	
PMI Group Inc.	Call	1/17/2009	30	3	347	330	
PMI Group Inc.	Call	1/17/2009	160	71	13,319	2,663	
Progressive Corp	Call	1/19/2008	25	20	3,985	100	
Radian Group	Call	1/17/2009	100	80	20,185	11,000	
Sears Holding Corp	Call	1/16/2010	170	23	25,167	20,240	
Steak N Shake	Call	3/22/2008	17.5	35	5,045	700	
Steak N Shake	Call	1/17/2009	17.5	35	4,345	700	
Time Warner	Call	1/17/2009	22.5	100	8,905	4,500	
Ishares TRFTSE XINHAU	Put	1/19/2008	80	10	1,343	50	
Ishares TRFTSE XINHAU	Put	1/19/2008	360	35	5,640	175	
Total Purchased Options					$ 96,585	$ 78,400	6%

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS – SECURITIES
December 31, 2006

Description	Shares / Units	Fair Value	% of Net Assets
Investment in common stocks			
Consumer Goods			
Other securities		10,155	
		10,155	2%
Insurance			
Berkshire Hathaway Inc. Cl B	20	73,320	
Fairfax Financial Holdings Ltd.	550	109,175	
Other securities		8,815	
		191,310	35%
Retail			
Overstock Com Inc.	2,000	31,600	
		31,600	6%
Restaurant			
Western Sizzlin Corp	8,025	68,052	
		68,052	12%
Total investment in common stocks		301,117	55%
Short-term notes			
US Treasury bills, matures 2/22/2007	75,000	$ 74,498	
Total short-term notes		74,498	14%
Total investment in securities		$ 375,615	69%

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENTS - OPTIONS
December 31, 2006

Purchased Options

Description	Call/Put	Expiration Date	Exercise Price	Options	Cost/ Proceeds	Fair Value	% of Net Assets
Fairfax Financial Holdings Ltd.	Call	1/19/2008	130	3	$ 3,016	$ 22,680	
Progressive Corp	Call	1/17/2009	50	20	6,030	7,500	
Progressive Corp	Call	1/19/2008	25	20	3,985	4,450	
Total Purchased Options					$ 13,031	$ 34,630	6%

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF OPERATIONS

	Year Ended December 31, 2007	The Period From Inception (March 13, 2006) to December 31, 2006
Investment income		
Dividends	$ 8,473	$ 343
Interest	9,411	6,701
Total investment income	17,884	7,044
Expenses		
Interest	1,058	458
Other operating expenses	10,770	2,298
Amortization expense	2,175	1,450
Total expenses	14,003	4,206
Net investment income	3,881	2,838
Realized and unrealized gain from investments		
Net realized gain (loss) from investments	30,307	(7,862)
Net unrealized appreciation on investments	231,830	63,571
Net realized and unrealized gain from investments	262,137	55,709
Net increase in net assets resulting from operations before General Partner's incentive allocation	266,018	58,547
General Partner's incentive allocation	(52,946)	(10,012)
Net increase in net assets resulting from operations	$ 213,072	$ 48,535

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

	Year ended December 31, 2007			The Period From Inception (March 13, 2006) to December 31, 2006		
	General Partner's Capital	Limited Partners' Capital	Total Partners' Capital	General Partner's Capital	Limited Partners' Capital	Total Partners' Capital
Increase in net assets from operations						
Net investment income	$ (1,619)	$ 5,500	$ 3,881	$ -	$ 2,838	$ 2,838
Net realized gain from investments	568	29,739	30,307	-	(7,862)	(7,862)
Net unrealized appreciation on investments	7,426	224,404	231,830	-	-	63,571
General Partner's incentive allocation	-	(52,946)	(52,946)	-	(10,012)	(10,012)
Net increase in net assets resulting from operations	6,375	206,697	213,072	-	48,535	48,535
Capital contributions	-	580,020	580,020	-	500,000	500,000
Capital distributions	(2,512)	-	(2,512)	-	-	-
Incentive allocation	59,579	-	59,579	-	-	-
Total increase in net assets	63,442	786,717	850,159	-	548,535	548,535
Net assets						
Beginning of the year	-	548,535	548,535	-	-	-
End of the year	$ 63,442	$ 1,335,252	$ 1,398,694	$ -	$ 548,535	$ 548,535

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007 AND THE PERIOD FROM INCEPTION (MARCH 13, 2006) TO DECEMBER 31, 2006

ORGANIZATION OF PARTNERSHIP

The MPIC Fund I, LP (the "Fund") is an investment fund organized on March 13, 2006, under the Revised Uniform Limited Partnership Act of the State of Delaware, (the Act) for the purpose of engaging in buying and selling securities. The general partner of the Fund is Corner Market Capital US Inc. The General Partner is a wholly-owned subsidiary of Corner Market Capital Corporation, a corporation registered in British Columbia. The Fund will continue until May 1, 2036 unless terminated earlier or extended in accordance with the provisions of the Partnership Agreement.

The Fund's investment objective is to earn above market returns and long-term appreciation. The Fund seeks to achieve its investment objective by investing principally in marketable securities of U.S. and non-U.S. companies.

SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

The Fund's financial statements are presented in accordance with generally accepted accounting principles. Gains or losses are realized when contracts are liquidated. Any unrealized gains or losses on open contracts (the difference between contract purchase price and market price) at the date of the financial statements would be stated on the statement of operations. The Fund records interest income in the period it is earned.

INCOME TAXES

No provision for income taxes has been made since the Fund is not subject to federal and state income taxes. Each partner is individually liable for the tax on its share of income or loss. The Fund prepares a calendar year informational tax return.

INVESTMENTS

The Fund's investments and securities are recorded on the purchase date, and changes in market value or fair value are reported as net investment gains in the statement of operations.

USE OF ESTIMATES

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

PURCHASED OPTIONS

When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an asset and is subsequently adjusted to the current fair value of the option purchased. Premiums paid for purchased options that expire unexercised are treated by the Fund on the expiration date as realized losses from investments. Premiums paid for purchased option contracts that are sold prior to expiration are offset against the proceeds of the related sale transaction, net of brokerage commissions, to determine the realized gain or loss.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007 AND THE PERIOD FROM INCEPTION (MARCH 13, 2006) TO DECEMBER 31, 2006

SIGNIFICANT ACCOUNTING POLICIES (continued)

WRITTEN OPTIONS

When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains from investments. Premiums received from written options contracts that are closed prior to the expiration date are offset against the cost of the related purchase transaction, net of brokerage commissions, to determine the realized gain or loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining realized gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the index or security underlying the written option.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board (FASB) issued interpretation No. 48 (FIN 48) entitled "Accounting for Uncertainty in Income Taxes – an interpretation of FASB 109". FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity before being measured and recognized in the financial statements. Adoption of FIN 48 was required for fiscal years beginning after December 15, 2006. The implementation of FIN 48 did not have a material impact on the Fund's financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. While FAS 157 does not require any new fair value measurements, for some entities, the application of FAS 157 may change current practice. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The implementation of FAS 157 is not expected to have a material impact on the Fund's financial statements.

ORGANIZATION COSTS

Organization costs were incurred at the Fund's inception totaling $10,876 in 2006. The costs are being amortized on a straight-line basis for 5 years. Amortization was $2,175 for the year ended December 31, 2007 and $1,450 for the period ended December 31, 2006.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007 AND THE PERIOD FROM INCEPTION (MARCH 13, 2006) TO DECEMBER 31, 2006

INCENTIVE AGREEMENTS AND RELATED PARTY TRANSACTIONS

The General Partner of the Fund, Corner Market Capital US, Inc. serves as the trading advisor. At the end of each calendar quarter (or at the time of a withdrawal, in respect to the amount withdrawn), the General Partner will be allocated an amount equal to 25% of the amount by which the net profits of each limited partner's capital account exceeds an annualized rate of return of 6%, in excess of those profits allocated to restore any previously allocated losses. The incentive allocation is calculated at the end of each calendar quarter and will be reallocated and credited to the capital account of the General Partner. The net profit is equal to the current quarter's profit less any loss carry-forward from previous quarters. The total incentive allocation for the year ending December 31, 2007 was $52,946 and for the period ending December 31, 2006 was $10,012. The General Partner may, at its sole discretion, waive the incentive allocation, in whole or in part, with respect to any or all Limited Partners.

For the year ended December 31, 2007 and the period ended December 31, 2006, the General Partner calculated the incentive allocation at the end of each calendar quarter and recorded an accrued liability. The accrued incentive allocation was reallocated and credited the General Partner's capital account on the first day following the calendar quarter. Also, the General Partner may pay for Fund expenses, which are to be reimbursed by the Fund. The following incentive allocation accrual and expenses to be reimbursed were due the General Partner:

	December 31, 2007	December 31, 2006
Incentive allocation	$ 3,379	$ 10,012
Expenses to be reimbured	9,296	11,426
Due to General Partner	$ 12,675	$ 21,438

Administrative expenses are paid by the fund.

DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

A derivative financial instrument is a financial agreement whose value is linked to, or derived from, the performance of an underlying asset. The underlying asset can be currencies, commodities, interest rates, stocks, or any combination. Changes in the underlying asset indirectly affect the value of the derivative. As the instruments are recognized at fair value, those changes directly affect reported income.

All investment holdings are recorded in the statement of net assets at their net asset value (fair value) at the reporting date. Financial instruments (including derivatives) used for trading purposes are recorded in the statement of financial condition at fair value at the reporting date. Realized and unrealized changes in fair values are recognized in net investment gain (losses) in the period in which the changes occur. Interest income arising from trading instruments is included in the statement of operations as part of interest income.

Notional amounts are equivalent to the aggregate face value of the derivative financial instruments. Notional amounts do not represent the amounts exchanged by the parties to derivatives and do not measure the Fund's exposure to credit or market risks. The amounts exchanged are based on the notional amounts and other terms of the derivatives.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007 AND THE PERIOD FROM INCEPTION (MARCH 13, 2006) TO DECEMBER 31, 2006

LIMITED PARTNERSHIP AGREEMENT

CAPITAL ACCOUNT

A capital account shall be established for each partner. The initial balance of each partner's capital account shall be the amount of the initial contributions to the partnership.

PROFIT AND LOSS ALLOCATION

Partners share in the profits and losses of the Fund in the proportion in which each partner's capital account bears to all partners' capital accounts.

FEDERAL INCOME TAX ALLOCATION

As of the end of each fiscal year, the Partnership's realized capital gain or loss and ordinary income or loss shall be allocated among the partners, after having given effect to the fees and expenses of the Fund.

PARTNER REDEMPTIONS

A Limited Partner may, upon sixty (60) calendar days' advance written notice to the General Partner, withdraw all or part of its capital account as of the last day of any calendar quarter. Partial withdrawals may not be made without the consent of the General Partner if they would reduce a Limited Partner's capital account balance below $100,000 and must be made in minimum increments of $20,000. The General Partner, in its sole discretion, may waive the foregoing restrictions and allow the withdrawal of all or any part of the capital account of any Limited Partner at any time and for any reason.

Payments of withdrawals are made as soon as practicable after the withdrawal date; however, the General Partner has the right to delay payments in extraordinary circumstances. In the event of a total withdrawal, part of the withdrawal payment will be retained, pending final reconciliation of valuations (generally not to exceed 120 days). The General Partner has the discretion to (a) waive or increase the required minimum amounts of withdrawals of capital or the required minimum Capital Account balances following partial withdrawals of capital, and (b) otherwise modify the Partnership's procedures and requirements for capital withdrawals. Notwithstanding the foregoing, the General Partner may limit or prohibit withdrawals if, in its opinion, the withdrawal would have an adverse or disproportionate effect on the Partnership's assets or performance because of illiquidity of the Partnership's investments or the magnitude of the withdrawal compared with the total Capital Accounts for all Partners, or if the Partnership's ability to liquidate assets to fund the requested withdrawal is delayed for reasons beyond its reasonable control.

INVOLUNTARY LIQUIDATION OF A LIMITED PARTNER'S INTEREST

The General Partner may, in its sole discretion, upon 15 days advance written notice to any Limited Partner, terminate the interest of any Limited Partner in the Partnership, as of any month-end.

STATEMENT OF CASH FLOWS

The Fund has elected not to provide a statement of cash flows as permitted by Statement of Financial Accounting Standards No. 102 "Statement of Cash Flows".

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007 AND THE PERIOD FROM INCEPTION (MARCH 13, 2006) TO DECEMBER 31, 2006

DEPOSITS WITH BROKER

The Fund deposits funds with a broker. Margin requirements are satisfied by the deposit of cash with that broker.

A customer's cash and other property deposited with a broker (for example, U.S. Treasury bills) are considered co-mingled with all other funds subject to the broker's segregation requirements. In the event of a broker's insolvency, recovery may be limited to a pro-rata share of segregated funds available. It is possible that the recovered amount could be less than total cash and other property deposited.

FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET CREDIT AND MARKET RISK

All financial instruments are subject to market risk, the risk that future changes in market conditions may make an instrument less valuable or more onerous. As the instruments are recognized at fair market value, those changes directly affect reported income.

All financial instruments are subject to market risk, the risk that future changes in market conditions may make an instrument less valuable or more onerous. As the instruments are recognized at fair market value, those changes directly affect reported income.

Included in the definition of financial instruments are securities, restricted securities and derivative financial instruments. Theoretically, the investments owned by the Fund directly are exposed to a market risk (loss) equal to the notional value of the financial instruments purchased and substantial liability on certain financial instruments purchased short. Generally, financial instruments can be closed out at the discretion of the general partner. However, if the market is not liquid, it could prevent the timely close-out of any unfavorable positions or require the Fund to hold those positions to maturity, regardless of the changes in their value or the trading advisor's investment strategies.

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

The Fund maintains its cash account at financial institutions which are insured by the Federal Deposit Insurance Corporation up to $100,000. At December 31, 2006, the Fund's uninsured balance totaled $50,647. There was no uninsured balance at December 31, 2007.

INDEMNIFICATIONS

In the normal course of business, the Fund enters into contracts and agreements that contain a variety of representations and warranties and which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The Fund expects the risk of any future obligation under these indemnifications to be remote.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007 AND THE PERIOD FROM INCEPTION (MARCH 13, 2006) TO DECEMBER 31, 2006

FINANCIAL HIGHLIGHTS

Total return and ratios to average net assets are calculated for the Limited Partner class taken as a whole. An individual investor's return and ratios may vary from those percentages based on different incentive allocation arrangements and the timing of capital transactions.

	2007	2006	
Net asset value, per unit beginning of period	10.85	10.00	
Net investment income per unit	0.05	0.06	
Realized and unrealized gain per unit	3.60	1.00	
Incentive allocation per unit	(0.74)	(0.21)	
Net Asset Value, Per Unit End of Period	$ 13.76	$ 10.85	
Units Outstanding, beginning of period	50,559.66	-	
Units Outstanding, end of period	101,662.76	50,559.66	
Total return before incentive allocation	33.64%	15.96%	(1)
Incentive allocation	6.83%	2.15%	(2)
Total return after incentive allocation	26.81%	13.81%	
Supplemental Data			
Ratios to average net assets:			
Operating expenses before incentive allocation	1.58%	1.35%	(1)
Incentive allocation	5.96%	2.14%	(2)
Operating expenses after incentive allocation	7.53%	3.03%	
Net investment income before incentive allocation	0.44%	0.92%	(1)
Incentive allocation	5.96%	2.14%	(2)
Net investment income (loss) after incentive allocation	(5.52%)	(1.52%)	

Notes:
(1) Annualized

(2) Not annualized

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Appendix A

<u>The Ground Rules</u>

1. View the partnership as one whole entity.

While legally each partner is solely responsible only for their allocated investment, we believe that partners should view the fund as a whole. Anything that is good for the partnership is good for all partners. Anything that is not in the best interest of the partnership, is not in the best interest of all partners.

2. We eat our own cooking.

Regardless of what the future holds, we will always reinvest a majority of the performance fee paid out to the general partner, Corner Market Capital U.S., back into the MPIC Fund I, LP.

3. When you look good, we look good!

We receive a performance fee only when our partners have achieved at least a 6% annualized return. If we don't perform, we don't get paid. It's that simple!

4. We will not utilize margin or debt to leverage our balance sheet.

We have no intention, nor any desire to utilize margin trading or debt to leverage our returns.

5. We only buy investments with a significant margin of safety.

Partners should never correlate activity with success. We allocate capital only when a significant discount to the underlying intrinsic value of an investment is offered. For superior returns, you need a superior discount. We will often be out of step with our "value" peers, let alone the investment industry, because we will not pay up.

6. We manage a very concentrated portfolio.

There will be times when we have perhaps 8-10 ideas in the fund, and other times we may only have 3-4 ideas. The better the idea, the more likely it will make up a larger portion of the fund. Concentration in the fund can be directly correlated with greater certainty in our decision-making.

7. Where we can avoid taxes, we will!

Often, we will let our best ideas grow unfettered, so that the unrealized gains can compound for years without any taxable income being triggered. A concentrated portfolio in great businesses, with very low turnover, will allow the fund to behave tax-efficiently.

8. We will be candid in our assessment.

When we strikeout, we will tell you. When we hit a homerun, we will tell you. Whether the fund succeeds or fails, we will always give you the truth.

9. We will only discuss the portfolio as much as warranted.

While we promise to be truthful with our partners, we will only discuss the investment portfolio where we feel information is pertinent and doesn't compromise our positions.

10. We keep an open-line of communication with our partners.

We encourage partners to contact us whenever necessary. Our door is always open to you!

Appendix B

<u>Frequently Asked Questions</u>

How is Corner Market Capital associated with the MPIC Fund I, LP?

Corner Market Capital U.S. is the general and managing partner to the MPIC Fund I, LP. Corner Market Capital U.S. is a Delaware registered U.S. corporation. It is a wholly-owned subsidiary of Corner Market Capital Corporation, a Canadian corporation controlled by Alnesh Mohan and Sanjeev Parsad.

How is the managing partner compensated?

The general partner, Corner Market Capital U.S., is solely compensated by a performance fee that is calculated monthly and paid quarterly. The performance fee is 25% of the profits (after all operating expenses) generated above a 6% annualized hurdle.

Does the managing partner participate as an investor in the MPIC Fund I, LP?

Currently, all performance fees outside of any tax liability are reinvested back into the MPIC Fund I, LP by the managing partner. The managing partner expects to reinvest the majority of its performance fees for the foreseeable future.

What happens to my investments if something happens to both Alnesh & Sanjeev?

All partnership funds are held in an account at Citi Global Markets under MPIC Fund I, LP. The accounts are monitored by Ajay Desai and Qui Lam at Citi. Andrew Cooke, who is a director and limited partner of the MPIC Fund I, LP, is aware of all administrative and investment events at the fund. If something were to happen, Citi along with our attorneys at Dorsey & Whitney, with the input of Andrew Cooke, will liquidate the fund and disperse all proceeds and unrealized gains to partners. As the fund's size increases, we will also have an outside administrator who will monitor the accounts and assist partners in such an event.

Are my investments guaranteed from losses?

Investment capital is allocated into a broad range of investments. The assets in the MPIC Fund I, LP account are segregated from Citi Global Markets and Citigroup's own equity. While we attempt to preserve capital by buying investments with a large margin of safety, these investments will fluctuate with market conditions, and there is no guarantee from potential losses.

How is your fund different than most of the other funds out there?

Preservation of capital is our most important concern. We buy investments with a large margin of safety, often below their liquidation value, so that we are protected from permanent loss. We do not short individual stocks, trade on margin, utilize debt or allocate more than 25% of capital into any single idea. Our compensation is based solely on performance, and achieving a minimum return for our partners. We are more efficient and flexible than most of our industry peers.

Can I add funds to my limited partnership account?

Yes, you should contact us as far ahead as possible and let us know of your intentions. We will send you a deposit slip that needs to be signed and sent back to us. Existing partners can add to their account in increments of $20,000.

Can I withdraw funds from my account?

Yes, by contacting us with sixty days notice. You can withdraw funds from your account in $20,000 increments, with a minimum remaining balance of $100,000.

Why is 60 days notice required?

Investment capital is often allocated into investments that may not be readily liquid. It may take a bit of time for us to selectively liquidate a portion of the portfolio to meet any requested redemption. We will try to accommodate partners as quickly as we can.

If you have a very good investment idea, does the MPIC Fund I, LP or the MPIC Canadian LP get invested first?

We send the orders to Citi Global Markets and RBC Dominion at the same time. We have no control on which order gets filled first, but we try and have relatively close allocations in ideas between the two funds. Depending on when capital comes into each fund, it is allocated to the cheapest ideas available at that time.

Can I contact you if I have a question?

Yes, we absolutely insist that our partners contact us directly with any query or concern they may have. The buck stops here!

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Notes: