MPIC Fund I, LP

Annual Report
2011

"…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

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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)	Annual Percent Change 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%
2008 ………………………………………………	(19.1%)	(37.0%)	17.9%
2009 ………………………………………………	41.3%	26.5%	14.8%
2010 ………………………………………………	12.8%	15.1%	(2.3%)
2011 ………………………………………………	(8.5%)	2.1%	(10.6%)
Compounded Annual Gain – 2006-2011	8.9%	1.4%	7.5%
Overall Gain – 2006-2011	62.3%	8.3%	54.0%

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.

MPIC Fund I, LP

To the Partners of the MPIC Fund I, LP:

Our net return to partners for 2011 was -8.5%, while the S&P 500 Total Return was +2.1%. Since inception on May 1, 2006, the MPIC Fund I, LP's cumulative net return to partners is +62.3%, while the S&P 500 Total Return has gained +8.3%. During that same period, we have outperformed our comparative index by a +7.5% differential per annum, after all expenses including incentive allocation.

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

Commentary

"Labour was the first price, the original purchase-money that was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased; and its value, to those who possess it, and who want to exchange it for some new productions, is precisely equal to the quantity of labour which it can enable them to purchase or command."

\- *Adam Smith*

It's been about four years since the credit crisis struck in 2008, and parts of the world continue to suffer from the repercussions of the excesses of the era. Fear continues to play havoc with the stock market and investors perversely run to completely unproductive assets, such as gold or record-low, interest rate government bonds.

Adam Smith's quote above describes how it isn't gold or currencies that pay for all things, but the productivity of labour that has built the capitalist system and substantially the greater part of civilization as we know it.

You may have noticed the yellow color of the annual report this year. This was not chosen at a whim, but on purpose. Recent events have created a very distorted view of history. If you view the broad spectrum of businesses around the world, you naturally have a bell curve of how they have done. Some businesses have suffered, some have gone through a period of stagnation, while others have thrived. The economic turmoil and fear in the United States or Europe have had little effect on companies such as Apple, McDonalds, Coca-Cola, Starbucks and Wells Fargo. Businesses with competitive advantages, strong balance sheets and steady cash flows have done perfectly well. While you may have seen volatility in their stock prices, there was almost no discernible effect on the underlying intrinsic value of these companies.

Thirty years ago, if you had the choice of buying a business like Walmart or buying the same amount in gold, how would you have done with either choice? Gold was trading around $400 per ounce in 1982 and today sells for about $1700 an ounce. That would be an increase of about 4.25 times. A share of Walmart in 1982 traded for about 50 cents post-split and today Walmart trades for about $58. That would be an increase of about 116 times! Productive assets that generate steady cash flows, and retain those earnings to compound their ability to generate future cash flows, will always outperform unproductive assets such as gold or other commodities.

Our job at the MPIC Funds is to allocate capital to such businesses and not succumb to the fear of the unknown.

Investments

Fairfax Financial Holdings & Berkshire Hathaway

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 JoAnn Butler, was a seminal moment that provided us the courage to start this partnership. In turn, that lunch with Mr. Watsa would never have occurred if your Chairman had never discovered Warren Buffett and Berkshire Hathaway.

We've owned both Fairfax (FFH.TO) and Berkshire (BRK-A) for many years, and we also know both businesses like the back of our hands. The property-casualty insurance industry has been coming off a very soft market for insurance premiums. Combined with very low interest rates, volatile stock markets and increasing catastrophe losses, the industry's normal economic cycle is quickly turning. Insurance premiums in certain markets have already started to firm significantly, and we expect the continued erosion of interest and dividend income to firm premium pricing further. The insurance industry will soon be going through a very hard market.

We believe both businesses are undervalued in terms of their insurance businesses and investment acumen. Like Berkshire, Fairfax is also starting to add non-insurance businesses to its stable. In 2011, Fairfax acquired William Ashley China, The Sporting Life, and Prime Restaurants, as well as deals involving the Bank of Ireland, MEGABrands, Research in Motion and Imvescor Restaurant Group. Not to mention the addition of a number of global insurance businesses. Very busy indeed!

With a hard market coming, considerable dividend/interest income from their portfolios, and increasing cash flow from private businesses, we think both companies will do extraordinarily well in the next few years relative to their peers.

Financials – AIG, Bank of America & Wells Fargo

During the panic in the latter part of 2011, we began to invest in the most battered sector of the markets – financials. As usual, we were early to the party by buying warrants in Bank of America and AIG. As the prices of financials continued to drop, we purchased significant equity positions in Bank of America and Wells Fargo. Let us discuss these three positions briefly:

Wells Fargo (WFC) is one of the best run banks in the United States. They have a significant deposit and lending business, and managed to avoid much of the suspect behavior that many other financial institutions participated in during the credit bubble. Their large mortgage business, with excellent credit quality, has been a huge advantage for them relative to their peers. Their robust earnings, combined with their strong balance sheet and loyal customer base, will allow them to take market share away from their competition over the next decade. Since 2008, Wells Fargo has doubled both their revenue and net income.

AIG (AIG) was one of the financial institutions hardest hit during the credit crisis, primarily due to the counterparty risk they exposed themselves to through the insurance of credit derivatives. The U.S. government had to completely recapitalize AIG by buying billions in warrants of the company and funding it with enough capital to meet all of its obligations. As such, the stock has traded at a huge discount to book value as it has sold off assets and rebuilt its insurance business. We purchased these same government warrants at a decent price, and through 2012, we have recovered most of our original cost as the price of AIG has recovered. The warrants are good till 2021.

Bank of America (BAC) is one of the largest banks in the United States, but suffered enormously during the credit crisis due to their purchase of Countrywide Financial, the largest mortgage company at the time. Countrywide's huge exposure to subprime mortgages cost Bank of America billions in loan losses and litigation. The current CEO, Brian Moynihan, has done a remarkable job of selling off assets and rebuilding the bank's capital level that was damaged from his predecessor's purchase of Countrywide. Not unlike Wells Fargo, Bank of America has a fantastic, almost irreplaceable deposit base. While rates are low and consumers are struggling, both Wells and Bank of America are not able to maximize that deposit base, but as the U.S. economy improves over time, the earning power from that customer base will be enormous.

All three financials were bought at significant discounts to intrinsic value, but we believe the largest upside belongs to Bank of America. We purchased the BAC warrants when the shares were trading at less than 45% of book value and we purchased equity in BAC at less than 30% of book value. Brian Moynihan has taken a hatchet to the company to reduce expenses. He's sold off non-core businesses to buffer the bank's ability to handle future economic shocks. It's been an absolutely massive undertaking, akin to trying to turn around the Titanic while moving at full speed. He's taken Bank of America back to the basics of banking…deposits, lending and investments.

What we feel is happening across all three businesses is that they are writing better quality business, at better rates and running off lesser quality business from past years. In the meantime, all three have bolstered their capital, strengthened their balance sheets, and maintain significant liquidity. We feel very good about the long-term prospects of the U.S. financial industry going forward, and in particular we are very keen on the management at Wells Fargo and Bank of America.

Rainmaker Entertainment

Rainmaker Entertainment (RNK.TO) is a small animation company based in Vancouver, British Columbia. Over the years, Rainmaker has worked on numerous television, film and video game productions. Originally an income trust, Tim McElvaine of McElvaine Investment Management acquired a very significant stake in Rainmaker several years ago. At the time, it was a much larger business than it is today, but was hemorrhaging money on a quarterly basis. Along with Warren Franklin, who was CEO at the time, they sold off other assets in Rainmaker, including their post-production & visual effects division and a payroll/tax credit business that serviced the film industry in Canada. The income trust was converted to a corporation and the business over the next couple of years was streamlined to focus on proprietary projects.

In 2009, Tim & Warren hired Catherine Winder, who worked with Warren at Lucasfilms. Catherine's brilliance in animation, writing and production brought in several in-house projects. One of the largest productions that was acquired was the development of an animated film called "Escape From Planet Earth", which is co-produced with The Weinstein Company, run by Harvey Weinstein who created Miramax Films. "Escape From Planet Earth" will be in theatres in early 2013, and the characters are voiced by such Hollywood celebrities as Brendan Fraser, Jessica Alba, Sarah Jessica Parker, James Gandolfini, Craig Robinson & Robb Corddry.

In 2011, Catherine was promoted to CEO, and with her team, developed a short animated film called "Luna". You can see it at Rainmaker's website…www.rainmaker.com. "Luna" has won numerous awards at film festivals around North America. We believe that Catherine's vision, along with their in-house proprietary projects and revenue-sharing productions, will help Rainmaker become one of the core small animation studios in North America.

We started buying shares in mid-2011 and between the two funds have acquired nearly 4% of Rainmaker. Our cost is less than the net cash on the books after all liabilities…a net-net. In other words, we got this little animation business for free!

Today, Rainmaker has virtually no debt, is slightly profitable on a quarterly basis and is very liquid. Between Tim McElvaine, Francis Chou of the Chou Funds, and Jeff Stacey of Stacey Muirhead, as well as the MPIC Funds, we account for about 60% of the shares. Being partnered with shareholder-friendly value investors, along with a gifted CEO in Catherine Winder, we feel that Rainmaker could be a very big home-run over time.

Microsoft Corporation

Earlier in the year, we purchased some Microsoft (MSFT) call options. Our belief was that the markets had undervalued Microsoft, due to fears that Apple and Google were stealing away market share. Yet if you looked at virtually every financial metric over the last five to seven years, Microsoft has been growing steadily. Be it revenues, earnings, share count, debt to equity…the company was in incredibly good shape and was trading at less than ten times earnings.

While its competition could hurt Microsoft, we felt that it would be over a considerable period of time and not overnight. In the meantime, Microsoft was ramping up its various businesses to compete, and they were continuing their acquisition binge by purchasing Skype.

A disclosure here: Your Chairman unfortunately cost you quite a bit of money in 2011. We had bought a lot of Microsoft call options originally…a lot! In your Chairman's infinite wisdom of averaging in and averaging out of positions over time, we sold more than half of them at 40% less than what they presently trade at. One of your directors, Glen Rollins, gave us a quote by Peter Lynch – "*Be careful that you don't cut the roses and water the weeds!"*

ITEX Corporation

ITEX Corporation (ITEX), based in Bellevue, Washington, runs a barter exchange for business services. They have a number of franchises around North America, and demand for their service is robust. Run by Steve White, who took over at ITEX in 2003, their cashless exchange has become the premier model for the barter business.

In 2009, we aligned ourselves with The Polonitza Group (primarily composed of the Polonitza family, the Pagidipati family and the MPIC Funds) to take a greater than 13% position in ITEX Corporation. While impressed with the work the board of directors had done at ITEX over the previous seven years, we were concerned about good corporate governance and future capital allocation at ITEX.

Shareholders, as the owners of the corporation, are provided certain innate rights within their corporate bylaws. These rights can be amended from time to time, sometimes with shareholder input, and sometimes without. We were disconcerted by ITEX Corporation's decision to limit shareholder's rights to call a special meeting. This type of action is generally used when entrenched management becomes afraid of being supplanted.

As a result of the amendment to the corporate bylaws to limit shareholder rights, we spoke with David Polonitza about combining our ownership stake, and working towards adding an independent director to ITEX's board of directors. Boards over time can become very collegial. Often directors will have a difficult time speaking up for shareholders, especially if a CEO with a strong personality governs the corporation. This is common place and nothing unusual. An independent director reassures agencies, shareholders and potential investors alike, that the board's composition includes an outside voice that can participate on oversight committees without any conflict of interest.

In ITEX's case, Steve controls nearly 11% of the company, while the remaining board (composed of John Wade and Eric Best) own about 2%. The three directors in the past, and at present, have sat on each other's company boards or have done work for ITEX. While we believe all three directors to be honest and ethical, ITEX as a public company has no independent director on the audit and compensation committee. We believe this to be a deficiency in good corporate governance.

Along with the Pagidipati family, we subsequently filed a Schedule 13-D indicating our ownership interest as a group, and contacted ITEX with three nominee proposals…David Polonitza, Rahul Pagidipati and Alnesh Mohan. ITEX is allowed three to five directors on their board according to their bylaws, so we were hoping they would include at least one of our nominees, if not two. We had no desire to supplant the board, but only to add an independent voice that may provide a different perspective to corporate governance and capital allocation. We subsequently attended the 2009 AGM, representing the interests of The Polonitza Group, to help allay the board's concerns.

In 2010, the company instituted a stock repurchase plan, a quarterly dividend and increased support for franchisees. The response by shareholders from the company implementing our ideas was very positive. After a couple more attempts to interact and meet with the board, which were ultimately rebuffed, we decided to pursue a proxy solicitation and add at least one independent director to the board.

The proxy process occurred over several months, and you can view the multitude of filings at www.sec.gov. Ultimately, we narrowly lost the proxy solicitation, but the company realized we were serious about our concerns. We had a good discussion with the board of directors and ITEX's legal counsel after the annual general meeting, and the company approached us to attempt to come to some sort of "standstill agreement". Our terms were not acceptable to them.

Proxy solicitations can be very expensive. For the size of company we were dealing with and the number of shareholders ITEX has, proxy costs could easily hit $75K to $150K. The entire proxy solicitation cost "The Polonitza Group" about $54K. The MPIC Fund's proportional share in 2010 was $12,878, of which $11,196 was incurred by the MPIC Fund I, LP and $1,682 was incurred by the MPIC Canadian LP.

There is no way we would be able to run a proxy solicitation campaign for that amount. Much of the cost was reduced in no small part to the effort of David Polonitza, who did a tremendous amount of the work. Rahul Pagidipati's law firm, "Phoenix Law", also did our legal work at cost. Without those two contributions, the proxy costs would have been twice as high.

As such, we were not interested in running another proxy in 2011, nor participating in a derivative class-action lawsuit launched by David on behalf of shareholders. While the initial costs of the lawsuit would be relatively small, if the case went to discovery, the costs would balloon. This is just not the type of behavior we want to get ourselves involved in. We would rather deal with a CEO that is open to ideas that could increase shareholder value, and not roll around in the mud with an obstinate CEO who will do as he wishes. As they say, "*When you roll around with pigs in the mud, it's not the pig that gets dirty!*"

We think ITEX is still a terrific little company, and with its healthy cash flows and fat dividend, we are happy to remain shareholders for now.

Overstock.com

Overstock.com (OSTK) is an online retailer of excess inventory and third-party affiliate goods. They are in a very cut-throat and competitive market competing with the likes of Amazon.com, Ebay, Zappos.com and even Walmart. Overstock's entire business is predicated on being able to operate on a very slim net profit margin, while rapidly increasing online sales until it achieves a critical mass, where infrastructure and back office expenses grow slower than revenues.

Patrick Byrne and his team at Overstock.com had a very tough 2011. It started early in mid-January, when they were penalized by Google for contravening Google's "search" guidelines. Overstock was using a relatively common SEO optimization technique of encouraging college students to promote their products. Google felt that this was against their policies, and penalized Overstock.com's search rankings for the company and its products. This penalty resulted in a 5% drop in revenues between mid-January and mid-April when the penalty was finally lifted.

As the year progressed, another of Overstock.com's marketing ideas went south. After purchasing the domain name O.co, the company began to guide customers to the new domain name from Overstock.com. Instead, many customers became confused and would go to O.com instead. This boondoggle hit the company's revenues again, but this time in the 3rd quarter and crucial 4th quarter holiday season. To make a long story short, Overstock saw a significant decrease in revenues in 2011, and when combined with large legal expenses associated with their lawsuit against some of the major U.S. brokerages, the company suffered an "annus horriblis".

In their year-end conference call, which we listened to and submitted a number of questions related to these issues, the company announced a number of steps we believe will improve things significantly in 2012:

- Across the board reduction in employee staffing and technology spend of 10%, which would result in about $8.4M in savings.
- With the recent dismissal of their lawsuit, expect a huge drop in their legal expenses for 2012. Their 2011 tab came in at $16M, so we expect a normalized annual legal expense of around $4-4.5M.
- The hiring of a marketing officer with some significant and recognized retail/brand experience to take over and promote the business. Will be announced formally in two weeks.
- Traffic to the website has rebounded in the 1st quarter.
- A new bonus target plan, including a set floor of around $19M for the minimum operating income before administrative expenses that would need to be achieved before any funds are distributed in the employee bonus pool.

We think the steps above, including the new incentives, should lead to a much better 2012 for Overstock.com. We are long-term investors, and are very willing to give ethical managers the opportunity to restore their business and reputation…as you will see with our investment in Chanticleer below.

Chanticleer Holdings

We first purchased Chanticleer (CCLR.OB) in 2007, and then revealed the position the following year when we owned approximately 7%. The company is run by Mike Pruitt and his tag-team analysts Joe Koster and Matt Miller. We've followed Chanticleer since shortly after their inception and we liked their ethics, their mindset, and their increasing focus in their investment management business.

In March 2008, Chanticleer announced the acquisition of 22 Hooters restaurants in Tampa, Chicago and Manhattan, including the talented management team that originally developed the Hooters concept. They were quality locations, with consistent and growing cash flows. We were very surprised and continued to increase our stake. Two months later, Chanticleer made another announcement. They had acquired one of the largest franchisees in the Hooters system - Texas Wings.

Everything was in place in mid-2008 to get these two deals completed. Chanticleer had been approved for an $85M credit facility by GE Capital, and had hired an investment bank to raise the remaining funds from the public through a share issue for the new entity. Between the two acquisitions, Chanticleer would grow their tiny company into a $225M (in revenues) behemoth…relatively speaking. One that would generate roughly $20-25M in consistent operating profits that could be funneled into high return-on-equity investments.

About a month later, the credit markets started to seize with the fall of Bear Stearns and Lehman Bros, and the U.S. was about to enter the single largest market correction since 1937! Like many other businesses in this environment, Chanticleer worked to try and close these deals. Unfortunately, with the huge spreads for corporate debt, terms were not favorable at all. A few months earlier in 2008, and this deal would have been completed with little difficulty and at reasonable terms. In just a very short period, the world became completely topsy-turvy and Chanticleer could not complete them.

Our opinion of Chanticleer had not changed. The important facts remained the same. Chanticleer continued to have a very good relationship with Hooters Inc and Texas Wings. Chanticleer continued to hold the right of first refusal for any offer made for Hooters of America. This right had a very real and tangible value, although it could not be easily traded on the open market.

In early 2010, after the death of founder Robert Brooks, Hooters of America announced that they were looking to either sell or partner with someone. We felt that Chanticleer's right of first refusal would be monetized at some point…we just didn't know exactly when. In the meantime, Chanticleer partnered with Shaw Foods PTY of Durban, South Africa, and opened three Hooters joint ventures in South Africa for the 2010 FIFA World Cup.

In late 2010, Chanticleer announced they would be exercising their right of first refusal and would try to buy Hooters of America. Chanticleer won a dispute with an heir to Robert Brook's estate and was able to buy Hooters of America in concert with two private equity firms, Karp Reilly LLC & H.I.G. Capital, and Kelly Hall, president of Texas Wings. Mike is now on the board of Hooters of America and Chanticleer is an investee in the entire business.

In return, Chanticleer has been granted the opportunity to expand the Hooters brand internationally. In 2011, they ended up taking over 100% of the restaurants in South Africa. They also partnered with an existing franchisee in Australia to open Hooters restaurants. In 2012, they opened a fourth Hooters in South Africa at the Emperor's Palace Casino. They have a target of opening over 20 more Hooters restaurants internationally between now and 2016. Our original bet was on Mike, his abilities and the right of first refusal they held…nothing has changed today and we look forward to watching Mike grow the Hooters brand!

Winn-Dixie

I'm sure as some of you have seen your K-1's, there was a fair amount of short-term income this year, and most of that came from two sources: The first were gains on sales of Walmart, Johnson & Johnson and some of our Microsoft call options, so that we could buy Bank of America and Wells Fargo at even cheaper prices. The second was a result of the acquisition of Winn-Dixie.

Winn-Dixie (WINN) is a grocery chain that operates in the southeastern United States. WINN was founded in 1925, and has over 500 stores in five states. The business came out of bankruptcy a few years ago, and is run by former vice-president of Albertsons, Peter Lynch…not the famous investor.

When WINN emerged from bankruptcy, it had a terrific balance sheet with no long-term debt and cash accumulated from the sale of assets. During the last few years, a considerable amount of that cash, as well as the business' operating cash flows, have been spent on a massive remodeling effort of the company-owned stores and has generated very modest increases in same store sales.

Due to Lynch's lack-luster improvement in company sales, the stock had been hammered over the years, dropping from over $32 per share, down to less than $6 per share. We accumulated our shares at an average price of less than $6.50.

At the time, the stock traded at about half of book value, had plenty of cash, and no long-term debt. WINN even had a $500M line of credit which it could tap into if necessary. We felt that the business going forward should have reduced capital expenditures and purchased some of its shares in the open market. Cash flows from the business should have been allocated to ideas that provide the highest return on capital. Naturally, we thought remodeling stores was probably not one of the best uses of excess capital at that point. Thankfully, BI-LO LLC felt the same way and decided to merge with Winn-Dixie. They offered $9.50 a share, and we sold our position when the deal was announced.

Corner Market Capital U.S. Board of Directors

Corner Market Capital U.S. is the general partner for the MPIC Fund I, LP. As you already know, the board of directors is composed of Sanjeev Parsad, Alnesh Mohan & Andrew Cooke. Andrew was one of our founding investors, and has been an invaluable advisor to us.

In early 2011, we sold a minority stake in the general partner to Andrew Cooke and Glen Rollins. We had no intention or desire of selling any portion of the general partner, but the idea was brought to us by Glen, who was a lifelong value investor and Berkshire Hathaway shareholder. We had known Glen for some time.

We felt that Glen, much like Andrew, brought a number of fantastic attributes that would help the fund, both presently and in the future. In particular as the fund grows and our investments in operating companies increase, we felt that Glen would be an excellent fit. We had always thought of bringing Andrew in at some point, and when Glen suggested this initiative, we felt this was also a perfect time to bring Andrew aboard as an owner. They are both very happy and we are privileged to have them hitched to our wagon!

- Andrew, as many of you already know, is a CA / CPA with previous experience at subsidiaries of Fairfax Financial. Currently Andrew serves as Treasurer for Lumbermens Mutual Group (formerly Kemper Insurance). He has spent many years studying value investing.
- Glen was a director of Rollins Corporation and was Chief Executive Officer of the Orkin PCO pest control division for many years. Not only did he serve on the board of a NYSE-listed company, but he oversaw a multitude of franchisees and several thousand employees. He’s been a Berkshire Hathaway shareholder for nearly 20 years.

There are three important points we would like to address in regards to this sale:

1) There is no change in how the fund or general partner is run
    - Alnesh & Sanjeev make all day to day administrative & investment decisions.
    - Andrew & Glen provide added business/investment insight & board advisory.

2) We have no intention of selling any other portion of the general partner
    - This was a one-time offer, and we felt the chemistry between all parties was right…the deal was virtually done with a handshake and simply formalized by a legal agreement.
    - We have no intention of retiring or ever closing the fund…in fact, both Andrew & Glen incorporated into the legal document a clause so that we cannot leave!

3) The general partner is now the single largest investor in the MPIC Fund I, LP
    - Every dollar from the sale was reinvested back into the MPIC Fund I, LP.
    - We have very high future expectations of the fund and we eat our own cooking!

A small comment related to page 6 of the financial statements. You will notice two lines under "capital withdrawals". We would like to comment on the two redemptions as there were unusual circumstances around them.

The first was capital that was invested by the general partner from past incentive fees. This was withdrawn solely to facilitate the sale to Glen & Andrew, and the capital was brought up to Corner Market Capital U.S.'s parent company, Corner Market Capital Corporation. Alnesh and I will probably not be taking any invested capital out of MPIC Fund I, LP for the forseeable future, as such we brought up enough capital to cover expenses in Canada for a minimum of at least the next five years of operations.

The second was a significant withdrawal from limited partner capital. This was a single withdrawal by the Rollins Family Trust due to the sale of a portion of the general partner to Glen Rollins. Glen's ownership now created a conflict for the Family Trust's investment mandate and guidelines regarding interested parties, and unfortunately the Trust had to withdraw their investment.

Our existing and prospective partners are welcome to contact Andrew at cooke_work@hotmail.com and Glen at gwrollins@gmail.com . They receive no fees for their service, except for a box of cookies every Christmas!

Miscellaneous

Audit & Annual Report

Our audit for 2011 was once again conducted by Patke & Associates. We would like to thank Ron Niemaszyk, Shana Sparber and Lisa Clausen for their work. It was completed on time and on budget once again. There were no material issues, and we will certainly use their services again next year. The partnership's tax return and partner K-1's were also handled by Patke & Associates. If you are looking for a good auditor, that provides excellent customer service and diligent oversight, give Ron a call at Patke & Associates – (847)382-1627.

Jason Romo of Wired Digital Print & Imaging (www.wire-it.ca) published the MPIC Fund I, LP's 2011 Annual Report once again. Jason does all of our print work for us. He does a fantastic job for a great price!

Dorsey & Whitney LLP

Alan Bell, and his assistant Carolyn Peters at Dorsey & Whitney LLP in Salt Lake City, handle all of Corner Market Capital U.S.'s and the MPIC Fund I, LP's legal requirements and filings. They've been helping us from our inception and do a great job making sure all our "i's are dotted and t's crossed"!

If you need a good attorney for a U.S. corporation or partnership, give Alan a call at (801)933-7361. In 2012, Carolyn was offered an employment opportunity she could not refuse and had to move on from Dorsey & Whitney. We'd like to wish her well!

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.

Incentive Allocation

A very small incentive allocation was paid to the general partner in the 2nd quarter after reaching our high watermark and surpassing the 6% annualized return for all of our partners. No incentive allocation was paid through the rest of 2011. We are very pleased with the way the fund compensation is structured. When you, our partners do well, only then do we get paid. We cannot imagine any other framework that would fully align our interests with yours!

Operational Costs

Operational costs in 2011 were about 45% lower than in 2010 relative to average assets under management. This was primarily due to the one-time proxy solicitation costs that were associated with ITEX in 2010, and the elimination of the original five-year amortization of organizational costs that occurred at the end of April 2011. We expect that 2012 operational costs will continue to decrease, as the fund continues to grow faster than expenses going forward.

UBS Private Wealth Management

As we've stated in our previous annual reports, Ajay Desai and his team of Qui Lam, Randy Bruns, Tim Dillow, Andrew Lindblom, Frank Pellicori & John Staab are hands down our best service provider, and make your Chairman's day to day duties far easier with their execution, service and value.

In five plus years, there has not been a single day where I call their office and someone does not pick up the phone before the 3rd ring. We have never had a single issue with them that has not been rectified to our complete satisfaction. Whenever any new fund manager asks me for a recommendation regarding our service providers, the first name that I always tell them is Ajay's. We receive no discounts, special consideration or anything else to the surprise of those managers. Plain and simple, they are the best we have seen and we could not run the funds efficiently without them.

In recent months, as you have seen with many financial institutions, there has been a push to increase fees to help the bottom line in a low-interest rate environment. Morgan Stanley Smith Barney was increasingly moving towards this behavior, and after significant attempts to minimize these costs to their clients, Ajay decided that the effort was futile. He and his entire team have moved to UBS in Chicago in the 4th quarter and the MPIC Fund I, LP, along with Corner Market Capital U.S., moved there with him. New check and wire instructions have been updated on the fund documents on our website. Enter through the "Client Log-in" under the username "Corner" and password "Market".

MPIC Funds AGM

The MPIC Funds Annual General Meeting is set for April 26, 2012. As usual, we will be holding it in the Pickering Room at Roy Thomson Hall immediately after the Fairfax Financial Annual General Meeting.

MPIC Funds Annual General Meeting
Thursday April 26, 2012
Roy Thomson Hall
60 Simcoe Street
Toronto, Ontario
The Pickering & Green Rooms

Meet & Greet: 1:00pm-1:30pm
Presentation: 1:30pm-2:00pm
Q & A: 2:00pm – 4:00pm
Light Refreshments Will Be Served

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

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In the following pages, you will find the Audited Financial Statements for the MPIC Fund I, LP ending December 31, 2011.

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MPIC FUND I, LP

(A Delaware Limited Partnership)

FINANCIAL STATEMENTS

DECEMBER 31, 2011

CONTENTS

Patke
ACCOUNTANTS & CONSULTANTS

Patke & Associates, Ltd.
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847.913.5400 P | 847.913.5435 F
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of assets and liabilities of MPIC Fund I, LP (a Delaware limited partnership), including the condensed schedules of investments, as of December 31, 2011 and the related statements of operations and changes in net assets for the year then ended. 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. An audit also includes 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 as of December 31, 2011 and the results of its operations and changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Patke & Associates, Ltd.

February 28, 2012
Lincolnshire, Illinois

MPIC Fund I, LP

(A Delaware Limited Partnership)

STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 2011

Assets	
Investments in securities, at fair value (cost $2,125,957)	$ 2,088,256
Derivative contracts, at fair value (premiums paid $592,377)	387,325
Cash at broker	1,084,993
Total assets	3,560,574
Liabilities	
Accounts payable and accrued liabilities	7,792
Pending contributions	100,000
Total liabilities	107,792
Net assets	$ 3,452,782

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

MPIC Fund I, LP

(A Delaware Limited Partnership)

CONDENSED SCHEDULE OF INVESTMENTS - SECURITIES
DECEMBER 31, 2011

Description	Shares / Units	Fair Value	% of Net Assets
Investment in common stock			
United States			
Financials			
Bank of America	27,500	$ 152,900	
Wells Fargo	10,000	275,600	
Berkshire Hathaway	2,500	190,750	
Chanticleer Holdings	47,860	177,082	
Leucadia National	6,000	136,440	
		932,772	27.0%
Consumer discretionary			
Overstock.com, Inc.	46,688	366,034	
ITEX Corp	82,000	323,900	
		689,934	20.0%
Total investment in United States common stock (cost $1,702,450)		1,622,706	47.0%
Canada			
Financials			
Fairfax Financial Holdings Limited	600	258,720	7.5%
Consumer discretionary			
Rainmaker Entertainment Inc.	481,000	206,830	6.0%
Total investment in Canada common stock (cost $423,507)		465,550	13.5%
Total investment in securities (cost $2,125,957)		$ 2,088,256	60.5%

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

MPIC FUND I, LP

(A Delaware Limited Partnership)

CONDENSED SCHEDULE OF INVESTMENTS – DERIVATIVE CONTRACTS
DECEMBER 31, 2011

Options purchased

Description	Call/Put	Expiration Date	Exercise Price	Options	Premiums Paid	Fair Value	% of Net Assets
United States							
Information technology							
Microsoft Corp.	Call	1/19/2013	20	250	$ 135,015	$ 160,625	
Total options purchased					135,015	160,625	4.6%

Warrants purchased

Description	Expiration Date	Warrants	Premiums Paid	Fair Value	% of Net Assets
United States					
Financials					
Bank of America "A" Warrants	1/16/2019	50,000	208,180	101,000	
Bank of America "B" Warrants	10/28/2018	50,000	75,006	15,500	
Chanticleer Holdings	restricted	95,720	1,914	-	
American International Group	1/19/2021	20,000	172,262	110,200	
Total warrants purchased			457,362	226,700	6.6%
Total derivative contracts			$ 592,377	$ 387,325	11.2%

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

MPIC FUND I, LP

(A Delaware Limited Partnership)

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011

Investment income	
Dividends (net of withholding taxes of $1,275)	$ 43,143
Interest	465
Total investment income	43,608
Expenses	
Professional fee expense	18,723
Other operating expenses	2,121
Total expenses	20,844
Net investment income	22,764
Realized and unrealized gain (loss) from investments	
Net realized gain from investments	178,829
Net unrealized (depreciation) on investments	(518,662)
Net realized and unrealized (loss) from investments	(339,833)
Net (decrease) in net assets resulting from operations before General Partner's incentive allocation	(317,069)
General Partner's incentive allocation	(4,119)
Net (decrease) in net assets resulting from operations	$ (321,188)

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

MPIC Fund I, LP

(A Delaware Limited Partnership)

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2011

	Partners' Capital		
	General Partner	Limited Partners	Total
Increase (decrease) in net assets from operations			
Net investment income	$ 1,640	$ 21,124	$ 22,764
Net realized gain from investments	12,883	165,946	178,829
Net unrealized (depreciation) on investments	(52,367)	(466,295)	(518,662)
General partner's incentive allocation	(297)	(3,822)	(4,119)
Net (decrease) in net assets resulting from operations	(38,141)	(283,047)	(321,188)
Capital contributions	490,000	446,500	936,500
Capital withdrawals	(74,929)	(1,029,454)	(1,104,383)
General partner's incentive allocation	4,119	-	4,119
Total increase (decrease) in net assets	381,049	(866,001)	(484,952)
Net assets			
Beginning of year	112,009	3,825,725	3,937,734
End of year	$ 493,058	$ 2,959,724	$ 3,452,782

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

MPIC Fund I, LP

(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

ORGANIZATION OF PARTNERSHIP

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, for the purpose of engaging in buying and selling securities. The general partner of the Fund is Corner Market Capital US Inc. ("General Partner"). 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

INVESTMENT IN SECURITIES

The Fund's financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Securities transactions and any related gains and losses are reported on a trade date basis. Any unrealized gains or losses on open positions 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. Dividend income is recorded on the ex-dividend date.

DERIVATIVE CONTRACTS - OPTIONS AND WARRANTS

When the Fund purchases an option or warrant, 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 contract purchased. Listed derivatives that are actively traded are valued based on quoted prices from the exchange. Premiums paid for purchased options or warrants that expire unexercised are treated by the Fund on the expiration date as realized losses from investments. Premiums paid for 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.

INCOME TAXES

The Fund prepares calendar year informational U.S. and applicable state tax returns and reports to the partners their allocable shares of the Fund's income, expenses and trading gains or losses. No provision for income taxes has been made in the accompanying financial statements as each partner is individually responsible for reporting income or loss based on such partner's respective share of the Fund's income and expenses as reported for income tax purposes.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES (Continued)

Management has continued to evaluate the application of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, "Income Taxes", and has determined that no reserves for uncertain tax positions were required to have been recorded as a result of the adoption of ASC 740. There are no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within twelve months. The 2008 through 2011 tax years generally remain subject to examination by the U.S. federal and most state tax authorities.

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP 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.

FAIR VALUE MEASUREMENTS AND DISCLOSURES

ASC 820, "Fair Value Measurements and Disclosures", provides guidance for determining fair value and requires increased disclosure regarding the inputs to valuation techniques used to measure fair value. ASC 820 clarifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability, including the Fund's own assumptions used in determining the fair value of investments. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. As of and for the year ended December 31, 2011, the Fund did not have any Level 3 assets or liabilities.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following table sets forth by level within the fair value hierarchy the Fund's investments accounted for at fair value on a recurring basis as of December 31, 2011.

Description	Level 1	Level 2	Level 3	Total
Common stock				
Financials	$ 1,191,492	$ -	$ -	$ 1,191,492
Consumer discretionary	896,764	-	-	896,764
Total common stock	2,088,256	-	-	2,088,256
Options purchased	160,625	-	-	160,625
Warrants purchased	226,700	-	-	226,700
Total	$ 2,475,581	$ -	$ -	$ 2,475,581

FOREIGN CURRENCY

Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

STATEMENT OF CASH FLOWS

The Fund has elected not to provide a statement of cash flows as permitted by ASC 230 "Statement of Cash Flows".

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 assets and liabilities 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 assets and liabilities 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.

Substantially all of the Fund's assets and liabilities are considered financial instruments and are either already reflected at fair value or are short-term or replaceable on demand. Therefore, their carrying amounts approximate fair values.

ASC 815, "Derivatives and Hedging", provides enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments are accounted for, and how derivative instruments affect an entity's financial position, financial performance and cash flows. Since the derivatives held or sold by the Fund are for speculative trading purposes, the derivative instruments are not designated as hedging instruments under the provisions of ASC 815 and related pronouncements. Accordingly, all realized gains and losses, as well as any change in net unrealized gains or losses on open positions from the preceding period, are recognized as part of the Fund's trading gains and losses in the statement of operations.

The following tables summarize the quantitative information required by ASC 815:

The fair value of the Fund's derivatives by instrument type, as well as the location of those instruments on the statement of assets and liabilities, as of December 31, 2011, is as follows:

Instrument Type	Statement of Assets and Liabilities Location	Asset Derivatives at Fair Value	Liability Derivatives at Fair Value	Net
Options purchased	Derivative contracts	$ 160,625	$ -	$ 160,625
Warrants purchased	Derivative contracts	$ 226,700	$ -	$ 226,700

DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The net trading gain of the Fund's derivative by instrument type, as well as the location of those gains and losses on the statement of operations, for the year ended December 31, 2011 is as follows:

Instrument Type	Statement of Operations Location	Gain (Loss) from Investments
Options purchased	Net realized gain from investments	$ (6,991)
Options purchased	Net unrealized (depreciation) on investments	$ 25,816
Warrants purchased	Net unrealized (depreciation) on investments	$ (230,662)

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 contribution to the Fund.

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 Fund'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.

LIMITED PARTNERSHIP AGREEMENT (Continued)

PARTNER REDEMPTIONS (Continued)

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 Fund'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 Fund's assets or performance because of illiquidity of the Fund's investments or the magnitude of the withdrawal compared with the total capital accounts for all partners, or if the Fund'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 Fund, as of any month-end.

INCENTIVE AGREEMENTS AND RELATED PARTY TRANSACTIONS

The General Partner serves as the trading advisor. At the end of each calendar month (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 month and will be reallocated and credited to the capital account of the General Partner. The net profit is equal to the current month's profit less any loss carry-forward from previous months.

The total incentive allocation for the year ending December 31, 2011 was $4,119. 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.

Administrative expenses are paid by the Fund. Also, the General Partner may pay for Fund expenses, which are to be reimbursed by the Fund.

TRADING ACTIVITIES AND RELATED RISKS

The Fund's trading activities involve financial instruments, primarily securities, restricted securities and derivative financial instruments. These financial instruments may have market and/or credit risk in excess of the amounts recorded in the statement of assets and liabilities.

TRADING ACTIVITIES AND RELATED RISKS (Continued)

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 value, those changes directly affect reported income. 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 unlimited liability on certain financial instruments sold 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

Credit risk arises primarily from the potential inability of counterparties to perform in accordance with the terms of a contract. The Fund's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Fund has a gain.

INSOLVENCY RISK

The Fund has a substantial portion of its assets on deposit with financial institutions. In the event of a financial institution's insolvency, recovery of Fund assets on deposit may be limited to account insurance or other protection afforded such deposits.

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.

SUBSEQUENT EVENTS

The General Partner evaluated subsequent events through February 28, 2012, the date the financial statements were available to be issued. There were no subsequent events to disclose.

FINANCIAL HIGHLIGHTS

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

Total return:	
Total return before incentive allocation	(8.41)%
Incentive allocation	(0.13)%
Total return after incentive allocation	(8.54)%
Ratios to average net assets:	
Operating expenses before incentive allocation	0.62 %
Incentive allocation	0.12 %
Operating expenses after incentive allocation	0.74 %
Net investment income before incentive allocation	0.68 %
Incentive allocation	(0.12)%
Net investment income after incentive allocation	0.56 %

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.

The general partner, Corner Market Capital U.S., is the largest investor in the MPIC Fund I, LP. Regardless of what the future holds, we will always reinvest the majority of the performance fee paid 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. We also avoid any behavior where our liability is unlimited, such as shorting stocks or writing options.

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 10-12 ideas in the fund, and other times we may only have 5-6 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 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 and paid monthly. The performance fee is 25% of the profits (after all operating expenses) generated above a 6% annualized hurdle that is carried from year to year.

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

The managing partner, Corner Market Capital U.S., is the largest investor in the fund. The managing partner expects to reinvest the majority of its performance fees after taxes into the fund for the foreseeable future.

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

All partnership funds are held in a cash account at UBS under MPIC Fund I, LP. The accounts are monitored by Ajay Desai and his staff at UBS Private Wealth Management in Chicago. Andrew Cooke and Glen Rollins, who are directors of the managing partner for MPIC Fund I, LP, are aware of all administrative and investment events at the fund.

If something were to happen, UBS Private Wealth Management, along with our attorneys at Dorsey & Whitney and the input of our two directors, will liquidate the fund and disperse all proceeds and unrealized gains to our 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 UBS'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. You can also access all documents, including deposit slips, for the fund on our website (www.cornermarketcapital.com) under the "Client Log-In". The username is "Corner" and the password is "Market".

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. The general partner at their sole discretion can lower these limits.

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, as we normally maintain a considerable amount of liquidity.

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 UBS 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.

Do you have a client website?

Corner Market Capital Corporation has a website at www.cornermarketcapital.com, which provides information regarding the MPIC Funds, its management and contact information. There is a Client Log-In that can be accessed under the username "Corner" and the password "Market". All documents relating to the MPIC Funds are available there, as well as the quarterly "Letter to Partners" since inception.

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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