

VALUE CONTRARIAN ASSET MANAGEMENT

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2010 First Quarter Value Contrarian Equity

Dear Investors,

Most investors today haven't experienced inflation, and have very little inflation protection in their portfolios... the challenge is to use 2010 to build up inflation protection.

Mohamed El-Erian
PIMCO, CEO
April 26, 2010

We are following policies which will lead to inflation accelerating. There's no question about that. The question is whether we will change those policies before, you know – you lit this fuse basically. And it's a long fuse... that's going toward the dynamite.

Warren Buffett
CNBC Interview
May 3, 2010

Your fund ended the first quarter with a net asset value of \$2,465.31 per unit, an increase of \$73.48 from the December 31, 2009 net asset value of \$2,391.83 per unit (after distributions).

As indicated in our previous letter, we would not be surprised to see a stock market correction of 10% - 15% before year-end. As you would expect from “contrarian” investors – we would view such a correction as a buying opportunity.

We remain cautious and recognize that the environment for “shooting-fish in a barrel” (bargains) offered during the spring of 2009 is no longer available. Stayed tune for our June 30, 2010 results and investment letter. The topic will cover “Ben’s 10 Lessons From The Great Bear Market Of 2007-2009”.

Respectfully yours,

Benjamin D. Horwood
May 20, 2010