

**VALUEWORKS LIMITED PARTNERS**

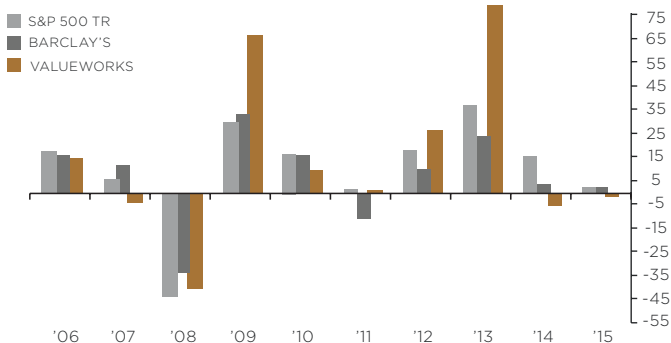
**FEBRUARY 2015**

**STRATEGY SUMMARY**

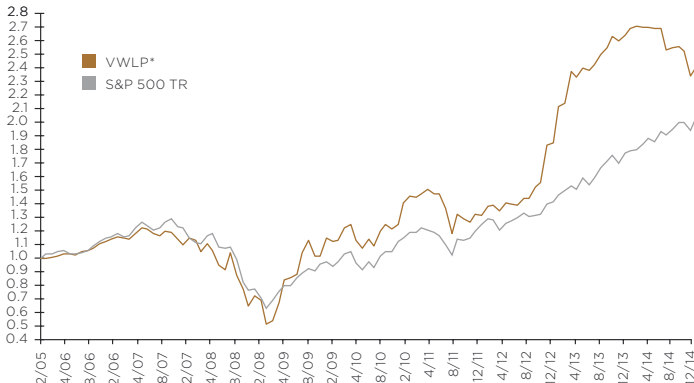
VWLP is a long-biased hedge fund employing a bottom-up, research-driven, value discipline. We seek investments in publicly traded entities where a disparity exists between the value of a company's underlying assets and the price at which they can be controlled through a specific security; securities across the capital structure are evaluated for the best risk return profiles. The objective of the fund is to generate superior capital appreciation with average market volatility. We target 100% net-long exposure within a range of 75% - 125%, comprised of 80-150% gross-long exposure and 0-35% gross-short exposure.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEARLY	AUM(mil)
2015	-3.76*	3.11											-0.77	\$62.7
2014	-1.25	1.75	1.70	0.64	-0.29	0.03	-0.44	0.00	-5.83	0.78	0.30	-4.95*	-7.60	\$62.9*
2013	17.30	1.05	14.33	1.41	10.96	-1.84	2.68	-0.67	1.98	3.03	1.86	3.31	68.80	\$84.9
2012	4.33	-0.19	4.95	0.34	-2.65	4.09	-0.62	-0.32	3.50	-0.35	5.92	2.54	23.31	\$45.7
2011	13.18	3.60	-0.97	2.03	1.97	-1.83	-0.08	-7.30	-13.33	11.73	-2.22	-2.25	1.67	\$34.6
2010	-1.87	0.34	8.25	1.88	-9.10	-5.33	6.12	-4.14	9.89	4.53	-2.71	2.16	8.53	\$26.0
2009	-5.41	-25.37	5.59	23.81	25.04	1.89	3.38	18.03	8.46	-9.97	-0.05	12.80	57.94	\$15.4
2008	4.67	-1.49	-7.69	5.53	-4.65	-9.71	-4.05	14.27	-16.61	-16.94	12.71		-34.03	\$10.2
2007	1.64	-0.93	-0.60	3.98	3.13	-0.72	-2.41	-1.33	2.57	-0.55	-4.28	-3.37	-3.19	\$13.5
2006	-0.01	0.66	0.71	1.63	-0.15	-1.11	2.93	0.39	1.67	3.33	1.31	1.39	13.42	\$6.2

**COMPARITIVE YEARLY PERFORMANCE**



**GROWTH OF INVESTMENT**



**VALUEWORKS' RISK AND RETURN**

	BETA	ALPHA	MONTHLY STD DEV
LIFE	1.17	0.59	7.18
5 YEARS	1.04	-0.45	5.33
3 YEARS	0.93	5.66	4.55
1 YEAR	0.73	-20.06	2.59

**TRAILING RETURNS (ANNUALIZED)**

	VALUEWORKS VWLP	BARCLAY LONG BIAS	S&P 500 TOTAL RETURN
LIFE	10.07	5.94	8.12
5 YEARS	16.42	7.92	16.15
3 YEARS	22.38	9.06	18.00
1 YEAR	-8.75	3.27	15.51
YTD	-0.77	2.38	2.58

**STATISTICAL COMPARISONS (SINCE INCEPTION)**

	VALUEWORKS VWLP	BARCLAY LONG BIAS	S&P 500 TOTAL RETURN
AVG MONTH	1.06	0.53	0.75
BEST MONTH	25.04	6.64	10.93
WORST MONTH	-25.37	-11.80	-16.80
ANN. STD DEV	24.88	10.51	15.18
SHARPE (1%)	0.36	0.47	0.47
TREYNOR (1%)	7.77	4.94	7.12
R-SQ vs S&P	0.52	0.80	—
R-SQ vs BLB	0.47	—	0.80

**CORRELATION ANALYSIS (SINCE INCEPTION)**

S&P's POSITIVE MONTHS	73
VWLP APPRECIATION IN POSITIVE MONTHS	1643.09%
S&P's APPRECIATION IN POSITIVE MONTHS	953.79%
UP MARKET CAPTURE	172.27%
NUMBER OF S&P's NEGATIVE MONTHS	37
VWLP LOSS IN NEGATIVE MONTHS	-85.34%
SPX LOSS IN NEGATIVE MONTHS	-78.55%
DOWN MARKET CAPTURE	108.64%

\*These inputs have been re-stated from previous versions of this sheet; calculations throughout this page have also been affected.

ValueWorks returns are shown NET of fees. See p2 for important disclosure information.

**PAST PERFORMANCE MAY NOT BE INDICATIVE OF FUTURE RESULTS.**

## DISCUSSION OF PROCESS

As our name implies, we are value investors. It is our goal to buy the best quality assets at the best possible price; to gain a claim on a company's assets at a discount to their value. In a long opportunity it is our intention to pay \$0.50 - \$0.75 for \$1.00 of assets; on the short side, we aim to sell \$1.00 in assets for \$1.50 - \$2.00. The portfolio will generally consist of 15 - 25 names, each representing 3 - 8% of invested capital and diversified across all market sectors. Investment typically ranges from 75 - 125% net long; generally achieved by combining 80 - 150% gross long exposure with 0 - 35% gross short exposure. Our objective is to produce superior capital appreciation with average market volatility.

Our investment philosophy begins with a straightforward premise: at

their most fundamental, companies are collections of assets and securities are claims on these assets. We believe our expertise is in valuing a wide range of asset types and the claims against them.

To identify investments we evaluate the component parts of a company, assigning each of its assets a dollar value that, when added together, comprise the company's underlying value. If there is a discrepancy between this value and the security price, we then look at the quality of the assets and consider factors that could close the valuation gap; next we consider the other securities available in the capital structure to find the one with the best risk/reward profile. Detailed examination of the financial statements is the backbone of this process.

## PROFILE

**INCEPTION:** JANUARY 2006

**GENERAL PARTNER:** VALUEWORKS CAPITAL LLC

**AUDITORS:** KPMG LLP

**LEGAL COUNSEL:** SEWARD & KISSEL LLP

**ADMINISTRATOR:** APEX FUND SVCS LTD

## REPORTING

**MONTHLY:** CAPITAL ACCOUNT VALUATION

**QUARTERLY:** PARTNERS' LETTER,

CAPITAL ACCOUNT VALUATION

**ANNUALLY:** K-1 FORM

AUDITED FINANCIAL STATEMENTS

## STRUCTURE

**VEHICLE TYPE:** HEDGE FUND

**MINIMUM INVESTMENT:** \$1,000,000

**SUBSCRIPTIONS:** MONTHLY, PRIOR TO MONTH'S END

**REDEMPTIONS:** QUARTERLY, WITH 60 DAYS NOTICE

**LOCKUP PERIOD:** ONE YEAR

**MANAGEMENT FEE:** 1.5% OF AUM

**LEGAL ENTITY:** ONSHORE; 3C1

**INCENTIVE ALLOCATION:** 20% OF PROFITS HIGH WATER MARK

**TARGET INVESTMENT RANGES:**

75-125% NET LONG

80-150% GROSS LONG

0-35% GROSS SHORT

YEAR END	TOTAL FIRM	COMPOSITE ASSETS		ANNUAL PERFORMANCE RESULTS				
	ASSETS (MILLIONS)	USD (MILLIONS)	NUMBER OF ACCOUNTS	COMPOSITE GROSS	COMPOSITE NET	S&P 500	BARCLAY EQUITY LONG BIAS	COMPOSITE DISPERSION
2014	229	92	< 5	-4.69%	-5.84%	13.68%	2.99%	N.A.
2013	252	115	< 5	94.81%	70.98%	32.40%	21.48%	N.A.
2012	167	62	< 5	31.78%	25.41%	15.98%	9.28%	N.A.
2011	160	52	< 5	1.38%	-0.53%	0.82%	-9.44%	N.A.
2010	165	47	< 5	14.01%	10.43%	15.05%	14.43%	N.A.
2009	152	36	< 5	61.61%	56.57%	26.48%	28.93%	N.A.
2008	113	20	< 5	-47.91%	-48.42%	-36.98%	-28.78%	N.A.
2007	294	39	< 5	1.37%	0.39%	5.49%	10.05%	N.A.
2006	267	33	< 5	39.48%	33.46%	15.79%	14.66%	N.A.
2005	209	18	< 5	10.36%	8.64%	4.91%	12.28%	N.A.
2004	165	17	< 5	41.06%	33.83%	10.88%	13.27%	N.A.
2003	121	18	< 5	79.64%	75.91%	28.69%	30.20%	N.A.
2002	75	10	< 5	-20.74%	-20.74%	-22.10%	-5.52%	N.A.
2001	85	13	< 5	2.77%	2.77%	-11.88%	5.49%	N.A.
2000	80	11	< 5	-6.35%	-6.85%	-9.11%	3.73%	N.A.
1999	81	9	< 5					

NA - The information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Audited, GIPs-compliant performance numbers presented above are for the composite of which VWLP is a member.

The performance of Barclay's Equity Long Bias Index is estimated from 165 funds reporting as of 3/10/15.

## DISCLOSURES

### PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

ValueWorks has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). ValueWorks is a separate registered investment adviser. Prior to September 30th, 2001, ValueWorks was a subdivision of M&R Capital. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Leverage/Derivatives may make up a material part of the composite strategy. Strategy involves long positions that can total 150% of capital and short positions that can total 35% of capital. Investments in this strategy may lose value.

The above benchmark indices are unmanaged indices. Beta was calculated using the S&P 500 as the market proxy. The S&P performance numbers reflect the reinvestment of dividends and interest but do not reflect the deduction of any fees or expenses. ValueWorks' value investing style is not limited to the securities in any of the above indices and utilizes specific investment techniques which are not utilized in the above indices and which may or may not increase volatility. Returns include all dividends, interest, accrued interest and other cash flows received as they may result from the implementation of a particular investment strategy. Trade Date Accounting has been used. Results for the full period are time weighted. Accounts are included in composite at the start of the first full month under management; exiting accounts are included through the last full month under management.

The U.S. Dollar is the currency used to express performance. Returns presented on p1 are net of management fees and include the reinvestment of all income. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request. The investment management fee schedule for the composite is as follows: Management Fee, 1.5%; Performance Allocation, 20%. Individual accounts can negotiate. Actual investment advisory fees incurred by clients may vary. The 125/25 Hedged Composite was created September 30, 1999.

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