WHITMORE CAPITAL MANAGEMENT

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Overview

Whitmore Capital, L.P. (the "Partnership") exclusively invests in currency markets, employing a long-term strategic model which attempts to profit from short- to medium-term deviations from fair value in the global currency markets.

Why Invest in a Currency-based Hedge Fund?

Currency investing offers important diversification benefits. Historically, equity investors had been able to achieve solid diversification through foreign markets. Up through the mid-1980's, the correlation coefficient between the U.S. and other developed markets as a whole was under .5, with it being even lower with Japan and approaching zero with many emerging markets. The last twenty-five years, however, have seen returns among various equities converge, with correlation coefficients in developed markets increasing significantly. Worse still, as witnessed in 2008-09, during market crashes, virtually every asset class goes down in lockstep; equity market returns across different nations converged, falling dramatically across the board. What this meant was that precisely when investors needed broadly diversified portfolios to act as such, they generally failed to do so. Currencies as an asset class have no inherent directional bias, and accordingly have no necessary correlation to either equity or bond returns.

Currency investing has also presented consistent opportunities to exploit short- to medium-term deviations in fair value for long-term profit. The currency market is the largest, most liquid asset market in the world. Most of the participants are either entities seeking insurance from currency fluctuations (e.g., companies hedging currency exposure) or momentum traders. Recent history shows numerous examples of currencies moving up or down dramatically, only to revert to previous valuation levels or beyond. For instance the U.S. dollar soared from 1998 to 2001, only to collapse over the next seven years. The Japanese yen fell dramatically from 2005 through the middle of 2007, appreciated to record highs through 2011, yet has most recently collapsed again.

Investment Philosophy

The General Partner believes that asset markets tend to be auto-reinforcing in the short-term, but mean-reverting in the long-term. As momentum traders and hedgers push currency valuations to extremes, long-term investors stand to profit when currency prices revert to fair value.

For this reason, the General Partner employs a proprietary calculus that identifies intrinsic value ranges for currencies, seeking to identify when large valuation discrepancies arise, investing the Partnership's assets accordingly.

The Three Principles to Our Operating Philosophy

First, the General Partner of the Partnership should not receive pay without performance. The traditional hedge fund model charges investors 20% of all returns above zero as a "performance fee." Yet most low-cost passive investment vehicles which simply buy and hold assets within various indexes achieve average annualized returns that significantly exceed zero. Hence the traditional fee structure allows managers to actually *underperform* markets as a whole, yet still receive large performance bonuses. The Partnership employs a "hard hurdle" linked to the Credit Suisse Hedge Fund Index before a 25% performance allocation. This means that only upon achieving returns that *exceed* that of the average hedge fund will there be any performance allocations received by the General Partner, and only then to the *extent* of the outperformance. For instance, if the Credit Suisse Hedge Fund Index is up 10%, and the Partnership is up 8% in a given year, the General Partner will not receive a performance allocation for that year. If the Partnership is up 14% that same year, the General Partner's performance allocation would be a quarter of the 4% outperformance. This performance allocation is also capped at 10% of profits above an investor's "high water mark." Accordingly, investors in the Partnership would be subject to a maximum performance fee that is only *half* of the traditional hedge fund structure.

Second, costs matter. The management fee paid to the General Partner is 0.99% per year, or about one-half the typical 2% charged in the industry. An investor's long-term returns can be dramatically affected by management fees. After ten years, and assuming no capital appreciation, a $250,000 investment subject to a 2% fee would be worth $25,250 *less* than one subject to a 0.99% fee. With capital appreciation, the costs to investors of higher fee funds go up proportionally to the gains.

Third, the interests of the General Partner and the investors in the Partnership should be closely aligned. We live in an era in which financial service professionals have gained tremendous wealth speculating with OPM (other peoples' money), gaining large fees regardless of whether their clients profit. We believe it is important that investors know the General Partner has significant "skin in the game." As such, a significant portion of the General Partner's liquid net worth will always be deployed within the Partnership. Presently, that figure is approximately $2.5 million.

Subscription Terms

Whitmore Capital L.P. accepts accredited individual investors and institutional investors based in the U.S. and overseas. The minimum investment is $250,000 (USD).

Whitmore Capital L.P. is currently offering Founders Series Interests in the Partnership. Founders Series Interests will be subject to a management fee of 0.99% and a performance fee capped at 10% of total Fund returns. This offer will expire when the Fund reaches $11 million in NAV.

THIS IS NOT AN OFFERING OR THE SOLICITATION OF AN OFFER TO PURCHASE AN INTEREST IN WHITMORE CAPITAL, L.P. (THE "PARTNERSHIP"). ANY SUCH OFFER OR SOLICITATION WILL ONLY BE MADE TO QUALIFIED INVESTORS BY MEANS OF A CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ONLY IN THOSE JURISDICTIONS WHERE PERMITTED BY LAW.

AN INVESTMENT IN THE PARTNERSHIP IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. OPPORTUNITIES FOR WITHDRAWAL, REDEMPTION AND TRANSFERABILITY OF INTERESTS ARE RESTRICTED, SO INVESTORS MAY NOT HAVE ACCESS TO CAPITAL WHEN IT IS NEEDED. THERE IS NO SECONDARY MARKET FOR THE INTERESTS AND NONE IS EXPECTED TO DEVELOP.

THE FEES AND EXPENSES CHARGED IN CONNECTION WITH THIS INVESTMENT MAY BE HIGHER THAN THE FEES AND EXPENSES OF OTHER INVESTMENT ALTERNATIVES AND MAY OFFSET PROFITS. NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVE WILL BE ACHIEVED OR THAT AN INVESTOR WILL RECEIVE A RETURN OF ALL OR PART OF HIS OR HER INVESTMENT. INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER ANY GIVEN TIME PERIOD.

The performance data represents the performance of the Partnership achieved during a period when the Partnership had no outside investors. Due to the differing circumstances of managing proprietary capital in a fund and managing outside investor capital, results generated in the Partnership once it is opened to outside investors could be materially different than those results shown. No representation is being made that the Partnership's results will be the same or similar to the performance results shown.

The results reflect the deduction of: (i) an annual asset management fee of 0.99%, charged quarterly; (ii) a performance allocation of 25%, taken annually, subject to a "high water mark," a hurdle rate, and a cap of 10% of profits for any year; and (iii) transaction fees and other expenses incurred by the Partnership. During the time period shown, the Partnership used only those investment strategies disclosed in the Partnership's Private Placement Memorandum. The results shown include the reinvestment of any dividends and other earnings, as appropriate.

Results are compared to the performance of the Credit Suisse Core Hedge Fund Index (the "Comparative Index") for informational purposes only. The Partnership's investment program does not mirror the Comparative Index and the volatility of the Partnership's investment program may be materially different than that of the Comparative Index. The securities or other instruments included in the Comparative Index are not necessarily included in the Partnership's investment program and criteria for inclusion in the Comparative Index are different than those for investment by the Partnership. The performance data related to the Comparative Index, and other indexes and assets referenced herein, was obtained from published sources believed to be reliable, but which are not warranted as to accuracy or completeness. Unless noted otherwise, the returns of the Comparative Index presented herein do not reflect fees or transaction costs, but do reflect net dividends, if any. All investments involve risk, including the loss of principal.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.