

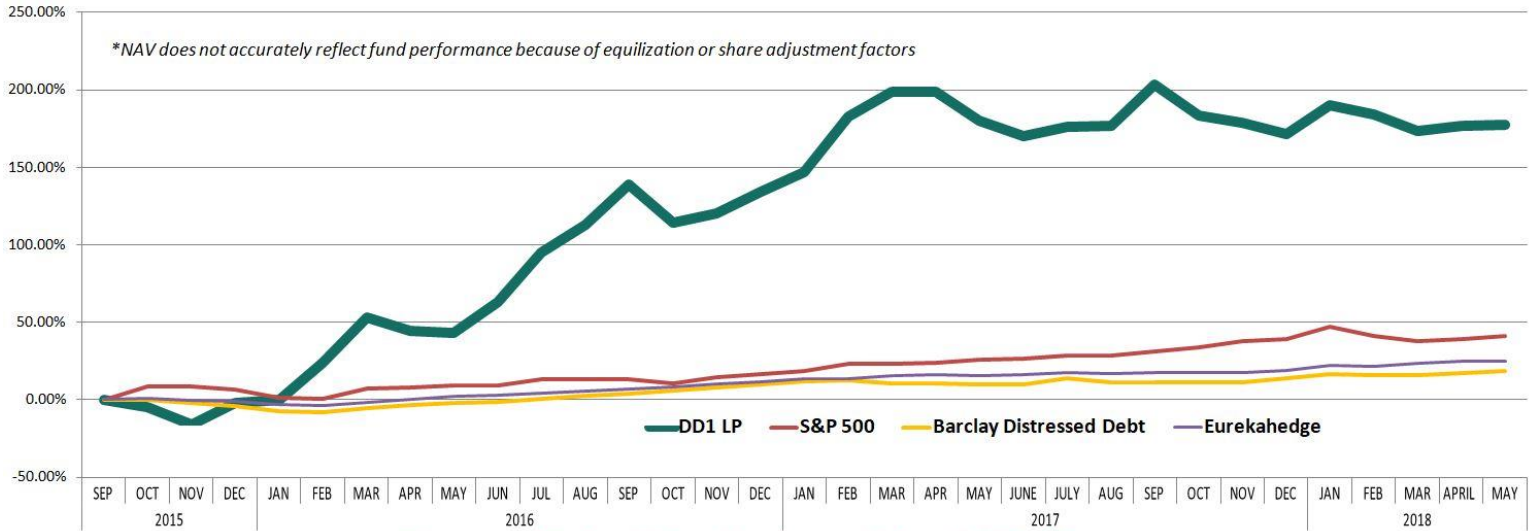


**DISTRESSED DEBT 1 LP**

# DISTRESSED DEBT 1 LP

*When Performance Matters*

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**Distressed Debt 1 LP - Net Asset Value (NAV) Chart**

DD1 LP Monthly Change of NAV (as a percentage)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2015</b>										-4.75%	-11.60%	16.30%	-2.07%
<b>2016</b>	1.73%	24.09%	23.65%	-5.44%	-0.88%	13.66%	19.56%	9.37%	12.12%	-10.27%	2.73%	6.56%	<b>139.47%</b>
<b>2017</b>	4.46%	14.96%	5.66%	0.30%	-5.91%	-2.4%	3.36%	1.54%	10.22%	-5.11%	-7.23%	-2.79%	<b>15.68%</b>
<b>2018</b>	6.97%	-2.00%	-3.86%	1.14%	0.26%								<b>2.20%</b>

### Distressed Debt 1 LP Selection Process

After our initial daily screening of global bond issues for yields and maturities:

1. We review the issuer's most recent quarter and year end financials and its relative performance to the industry segment it's within, for any sign or indication that their financial woes may have changed course.
2. If issuers show multiple signs of a turnaround (most do not, as they are simply just waiting for the climate that affected them to improve), we mark only the top tier for further review.
3. In a more intensive review, we compare the debt load to revenue, income, gross profits, cash flow, cash on hand, asset valuations (vs. book valuations), etc. We believe debt asset valuation is important in minimal profits or low coverage ratios.
4. We then review its stock and current news to see if we can identify a changing trend or a new business cycle that corresponds to any improvement. We try to measure performance from the point of the change.
5. Finally, we take the idea to our team to see what additional risk they might see or find that hasn't been factored into the issue.

### Distressed Debt 1 LP Ratios

Cumulative Return (10/1/15)	175.94%	Beta	-0.61
Compounded Rate of Return (Annual):	36.66%	Alpha	3.55
Best Monthly Return	24.09%	R	-0.21
Worst Monthly Return	-11.60%	Sharpe Ratio (RFR 3%)	0.32

### Distressed Debt 1 LP Strategy

Distressed Debt 1 seeks companies with a new plan and team, improving each quarter since making the change. This often becomes a waiting game, as it can take 3-4quarters before we see enough improvement in the quarterly financial metrics to believe that the new plan has a reasonably high degree of success. If Distressed Debt 1 thinks that, from the point of change the company's performance, as demonstrated in its actual financial reporting, indicates that there is a much greater chance of succeeding rather than failing, with debt still priced as a bankrupt or distressed issue, we seek to acquire it for pennies on the dollar.

### Accredited Investors Only

Minimum duration of investment is 1 year	Carved Out of Durig Capital, Inc.	No Redemption Fee
Annual fee is 1.2%	Ashland Partners (Auditor)	Open for Contribution
Performance fee is 20%	No Leverage	30 Years of Investment Experience

### Distressed Debt 1 LP Biography

Randy Durig has over 30 years of professional investment experience, having achieved senior vice president of a firm, now called RBC Dain Rauscher Corp. Mr. Durig's portfolios achieved extremely high levels of performance. Mr. Durig now manages his own firm, and has assembled a talented team of professionals that work tirelessly to provide you with premier Global Fixed Income services.

*Disclaimer: Past performance is no indication of future success*