

# Centaur Value Fund

Information as of May 31, 2008



## Fund Strategy & Investment Philosophy

The Centaur Value Fund employs a value-oriented, long-biased strategy with a goal of generating attractive absolute returns over rolling 3-5 year periods with relatively low risk. The Fund typically holds 20-30 long ideas and 6-12 short ideas, with the top ten long ideas routinely comprising 40-60% of the Fund's assets. The Fund is long-biased, with maximum potential long exposure of 125% and net exposures typically ranging from 50-75%.

The managers of the Fund employ a rigorous investment process that emphasizes in-depth, bottoms-up research and disciplined risk management practices. Investment ideas are selected based on fundamental research with an emphasis on cash flow, asset value, and earnings capacity. Ideas are not limited by market cap size, sector, country, or other "style box" categories, though most Fund investments tend to be North American companies or securities traded on U.S. exchanges. While ideas are most often expressed through investments in common stock, the Fund also utilizes options on certain ideas where a more attractive risk / reward relationship is identified. The Fund historically has not used leverage.

The Fund's short sale strategy emphasizes shorting as a profit-making activity, with hedging considered only a beneficial side-effect. The Fund limits total short positions to 40% of Fund assets plus a maximum of 5% of additional Fund assets that may be used to purchase put options. The Fund is not managed to any volatility targets, but rather is managed to limit the potential for permanent capital loss. The managers make no attempt to control monthly or quarterly performance and do not consider short-term performance to be especially meaningful in evaluating the Fund's success.

## Fund Statistics Net of All Fees in US \$

	<u>Centaur</u>	<u>S&amp;P 500</u>
Cumulative Return	219.5%	71.1%
Annualized Return	22.0%	9.6%
Trailing 12-Months Return	30.3%	-6.7%
Year-to-Date Return	20.3%	-3.8%

## Portfolio Exposures as of May 31, 2008

	<u>% of Assets</u>		<u>% of Assets</u>
Long	111.0%	Top 5 Long	34.7%
Short	69.3%	Top 5 Short	35.5%
True Short*	54.4%		
Net	41.7%		
Gross	165.4%	Long	36
		Short	17

\*Short positions, excluding covered calls

## Monthly Performance (Net of Fees Since Inception Aug 2002)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	S&P 500
2008	6.6%	0.9%	-1.8%	5.2%	8.2%								20.3%	-3.8%
2007	1.9%	2.7%	-0.3%	1.7%	2.0%	-0.4%	-1.4%	0.5%	3.7%	5.5%	-1.9%	2.3%	17.2%	5.5%
2006	2.6%	-0.6%	2.3%	2.0%	-1.1%	-1.6%	-1.3%	3.7%	0.9%	5.5%	-1.2%	0.6%	12.1%	15.8%
2005	-0.7%	4.2%	-0.4%	-0.1%	-0.3%	1.4%	2.9%	1.6%	2.9%	-1.0%	4.1%	0.8%	16.3%	4.9%
2004	3.9%	2.4%	2.6%	-0.9%	0.2%	1.9%	0.8%	1.4%	3.6%	0.8%	3.5%	-0.2%	21.6%	10.9%
2003	0.5%	2.5%	1.2%	4.8%	5.7%	2.6%	-1.4%	-1.6%	0.7%	3.8%	4.0%	2.8%	28.3%	28.7%
2002								1.3%	0.4%	-1.1%	9.1%	1.6%	11.4%	-2.7%

## About Centaur Capital

Centaur Capital Partners is a registered investment advisor founded in 2002 in Dallas, Texas. The principals of Centaur Capital Partners are Zeke Ashton, the founder and managing partner, and Matthew Richey, partner and co-portfolio manager.

Centaur Capital's first fund, the Centaur Value Fund, was launched on August 1, 2002. A fund for U.S. institutions, called the Centaur Value Fund (Q.P.) was launched in February, 2005, and a fund for non-U.S. institutions called the United Centaur SP Fund was launched in January, 2006. The two institutional funds are structured as feeders into the United Centaur Master Fund feeder structure. All hedge funds are managed pursuant to the flagship long / short value strategy.

In addition to the hedge funds, Centaur Capital Partners sub-advises a retail mutual fund open to U.S. investors called the Tilson Dividend Fund (TILDIX). Launched in March, 2005, this fund is managed using a value-based income strategy emphasizing undervalued dividend paying stocks and the utilization of covered call selling for income.

As of May 31, 2008, Centaur Capital Partners managed approximately \$135 million in client assets.

## Operations

**Investment Manager:** Centaur Capital Partners, L.P.  
**Legal Structure:** Delaware Limited Partnership  
**Fund Managers:** Zeke Ashton, Matthew Richey  
**Administrator:** Self-Administered  
**Prime Broker:** UBS  
**Auditors:** Rothstein Kass  
**Legal Counsel:** Haynes & Boone (U.S.)

## Investment Terms

**Inception Date:** August, 2002  
**Current Assets:** \$62 million  
**Management Fee:** 1% annualized, paid quarterly  
**Incentive Fee:** 20% annualized, 6% hurdle rate, paid annually  
**High Water Mark:** No  
**Investment Minimum:** \$500,000\*  
**Redemption:** monthly / 30 days notice

\*Min. investment amounts can be adjusted at discretion of the Investment Manager.

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*Disclosure: An investment in the Fund may be deemed speculative and is not intended as a complete investment program. It is designed only for sophisticated non-US persons who are able to bear the risk of the substantial impairment or loss of their investment in the Fund. The Fund is designed for investors who do not require regular current income and who can accept a certain degree of risk in their investments. Prospective investors should carefully consider the risk factors set forth below as well as other risks specified in the Offering Memorandum before making a decision to invest in the Fund.*