

Bowery

July 10, 2012

Dear Friends and Investors:

After twelve rewarding years at Longacre, I'm very excited to announce that I'm starting my own firm called Bowery Investment Management, LLC ("Bowery"). I founded Longacre together with John Brecker and Steve Weissman back in 1999 with \$1 million in total capital, and we grew it to approximately \$3 billion in AUM at its peak. The firm was founded at a much different time in our lives, and we all grew and learned together, while also generating significant wealth for our investors. It has been a genuine honor to work with both of them over many years and develop strong friendships in the process.

Moving forward, Bowery will now manage the Longacre Opportunity Fund, L.P. (the "Opportunity Fund") that I started in 2009 with my own capital. Unlike Longacre's flagship fund, which I co-managed with John and Steve since 1999, I have solely managed the Opportunity Fund since inception and I'm proud to say it has significantly outperformed the market and the distressed benchmark indices. The Opportunity Fund is focused on distressed debt investing, but with a significantly deeper focus on differentiated and niche special situation credit opportunities, such as trade claims, private obligations and underfollowed or overlooked capital structures. This strategy is directly aligned with the segment of the credit markets where I've historically generated the highest and most consistent returns for investors.

I'm also pleased to announce that Bill Gushard has joined me at the new firm as a Managing Partner. He most recently worked at Paulson & Co. as a Vice President where he was responsible for leading the firm's distressed bank debt trading efforts. Before joining Paulson & Co. in 2009 he was a distressed debt trader at Longacre and prior to that he was a leveraged loan trader at Merrill Lynch. I've known Bill for years, watched his career develop and I'm looking forward to growing the firm with his help. I'm also happy to report that John Brecker has decided to continue with Bowery in a new role focused principally on sourcing unique and off-the-run credit opportunities. His involvement will be invaluable to Bowery. Bradley Max has also joined Bowery from Longacre and will continue his focus on trade claims. In total, the investment team consists of two experienced distressed debt traders, four research analysts and two senior debt sourcers. Moreover, I have committed significant financial resources towards building a strong technology infrastructure and a deep operations team to support the firm's asset growth over the coming years.

Bowery is launching today with over \$100 million in assets under management and will seek to raise additional funds over the coming months. The Goldman Sachs Petershill Fund, a private investment fund managed by Goldman Sachs Asset Management, purchased a minority interest in Longacre in 2008 and will continue to own a similar interest in Bowery. I believe we have a very differentiated strategy, a strong and committed team, and an incentive structure that will ensure we continue to deliver the highest risk-adjusted returns possible to our investors. Thank you all for your support over the years.

Sincerely,



Vladimir Jelisavcic