



September 28<sup>th</sup>, 2015  
For Immediate Release

**Event:** Release of 5-Year Annualized Return Number &  
Release of BarclayHedge Award Information

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The Vilas Fund, LP (the "Fund"), is pleased to announce that it was the top performing fund in the BarclayHedge Equity Long Bias category for the three years ended June 30, 2015. Further, the Fund was ranked #6 out of 2,972 funds in the entire BarclayHedge database, including all fund-of-funds and traditional hedge funds, that post continuous results over the three years ended July 31, 2015.

John C. Thompson, CFA, Founder and CIO of Vilas Capital Management, LLC, commented that "we are extremely gratified that our focus on value equities has led to results that have exceeded our peers over these time periods. However, we are most concerned with producing attractive future returns for our Partners."

On August 31, 2015, the Fund had its five year anniversary and has posted annualized returns, net of fees, of 23.47% vs 15.87% for the S&P 500 Index, including dividends. Mr. Thompson commented that "we believe that performance records over longer time periods begin to remove luck from the equation and are, again, pleased that our Fund has been able to generate market beating results."

He continued that "given the market downdraft and the Fund's under-performance of the equity indices and peers from June 30<sup>th</sup> through late-September, the valuation of our long positions has fallen to roughly 0.70 times book value and 8.0 times 2016 earnings estimates. These valuation metrics are extremely attractive and resemble the levels our Fund reached at the end of prior draw downs. Also, the speculative sectors of the market continue to drastically outperform, creating negative results from our short positions, though this showed signs of reversing late in the quarter. These positions currently trade at 27.9 times stated book value and 103 times 2016 non-GAAP earnings estimates. The market uses non-GAAP to value these companies because they are either earning little or are losing money using GAAP accounting. These valuations are reminiscent of the late 1990's," Mr. Thompson commented.

Mr. Thompson concluded that "having managed an equity mutual fund during the late 1990's tech boom, we believe that the market is acting in a similar, though not as pervasive, manner to that time period, after which one of the great reversals between growth and value strategies occurred. We are firm believers in the value strategy, despite its worsening market under-performance over the last 1, 3, 5 and 10 years, and believe that cheap stocks will once again outperform expensive."



Disclosures:

Performance data referenced represents past performance and does not guarantee future results. Performance includes the reinvestment of dividends and other earnings. Net performance is net of all fees and is based upon the current investors' fee structure. Future performance will vary depending upon each investor's capital account and fee structure. The current performance may be higher or lower than the performance data provided herein. *Current fund information including performance data, can be obtained by visiting [www.vilascapital.com](http://www.vilascapital.com).*

BarclayHedge is an alternative investment database of hedge funds, fund of funds and managed futures (CTA's). The database contains information on monthly returns, holdings, performance, assets, and fees for reporting funds. BarclayHedge named The Vilas Fund, LP, as the top performing fund in the Equity Long Bias Category of their 2015, Barclay Managed Funds Report, 2<sup>nd</sup> Quarter Issue. The Equity Long Bias category contains hedge funds that may employ short positions and leverage and have an average net long exposure of their portfolios greater than 30%. The ranking was based on trailing 3 year compound annual performance returns (net of fees) through June 30, 2015. The Vilas Fund, LP, ranked first in the category which consisted of 256 funds in total. BarclayHedge independently produced this report and informed Vilas Capital Management, LLC, of the fund's ranking. *A copy of the report can be obtained by calling (312) 702-1976.*

Vilas Capital Management, LLC, further requested that BarclayHedge compare the Vilas Fund, LP's, performance to all funds in the BarclayHedge database for the three year time period ending July 31, 2015. The Vilas Fund, LP, ranked 6 out of 2,972 funds in total across all categories including fund of funds.

The Vilas Fund, LP's, 5 year annualized return as of 8/31/2015 was 23.47% compared to the S&P 500 Index of 15.87% for the same time period. The S&P 500 Index represents 500 of the United States' largest stocks from a broad variety of industries and includes reinvested dividends. The index is widely used as a comparison to the broader market. The Vilas Fund, LP's, performance may not be directly comparable to the performance of indices or other private or registered funds. The Vilas Fund, LP's, results were obtained by using a highly concentrated value strategy which includes short positions. The Fund may also use leverage.

The Vilas Fund, LP, is a private fund and the securities are offered in reliance on an exemption from the registration requirements of the Securities Act and are not subject to the protections of the Investment Company Act. The Securities and Exchange Commission has not reviewed the securities or the offering materials. The Vilas Fund, LP's, securities are subject to legal restrictions on transfer and resale and investors should not assume they would be able to resell them. All information contained herein is subject to revision and completion. Should there be a discrepancy between the offering materials and this document, the offering materials will control. This document is not intended to be a complete description of the business engaged in by Vilas Capital Management, LLC, nor is it an offering or solicitation to invest. Any such offer or solicitation may be made only by means of a confidential private offering memorandum. No subscriptions will be received or accepted until subscription documents are completed and Vilas Capital Management, LLC, has approved the subscription agreement and an investor's eligibility to invest. Prospective investors must be accredited investors and meet certain minimum annual income or net worth thresholds in order to be eligible to invest.

Investment in the fund involves a high degree of risk. An investor could lose all or a substantial portion of his or her investment.

# BARCLAY MANAGED FUNDS REPORT

2nd Quarter 2015

REPRINT

2nd Quarter 2015

## TOP 10 – EQUITY LONG BIAS – PAST THREE YEARS

For the period from 07/01/2012 to 06/30/2015. Includes only Hedge Funds managing at least \$10 million as of 06/30/2015

Fund Name	3-Yr Comp. Annual Return	Sharpe Ratio	Corr. Vs. S&P 500	Starting Date	Last 12-Mo. Period	Largest Draw Down	Assets Under Mgmt. (\$)
<b>1 Vilas Fund LP</b>	<b>50.05%</b>	<b>1.49</b>	<b>0.44</b>	<b>Sep-10</b>	<b>17%</b>	<b>13%</b>	<b>16.0M</b>
2 Odysseus Fund LP	45.43%	1.43	0.24	Jan-10	36%	16%	37.7M
3 Brightline Capl Ptnrs LP	42.89%	2.01	0.21	Jul-05	5%	9%	78.0M
4 Whetstone Capital LP	41.02%	2.84	0.45	Oct-10	14%	11%	185.2M
5 Senvest Master Fund LP	39.63%	2.64	0.62	Apr-97	14%	6%	802.0M
6 Marlin Fund LP	35.51%	2.17	0.69	Jul-95	4%	9%	839.6M
7 Elberon Investment Fund LP	35.34%	1.69	0.49	Jan-11	27%	10%	87.1M
8 Camox Fund	34.96%	2.67	0.46	Feb-08	19%	6%	401.5M
9 Pure Heart Natural Selection Fund	31.58%	1.64	0.19	Mar-09	59%	9%	157.0M
10 Loyola Capital Partners LP	29.41%	1.18	0.29	Oct-00	-5%	16%	47.8M

### Ranked #1 in the Equity Long Bias Category

BarclayHedge, Ltd. named the **Vilas Fund, LP**, its #1 Fund in the Equity Long Biased Category for the three year period ended June 30, 2015.

Vilas Capital Management, LLC, is a value manager that seeks to outperform market averages, net of all fees and expenses, by investing in a concentrated portfolio of undervalued securities. When available, the firm may also sell short extremely expensive securities that we believe have very little chance of living up to market euphoria. The firm evaluates investments utilizing quantitative measures such as price-to-book value, price-to-earnings, and returns on capital over a market cycle as well as qualitative factors based on our nearly 25 years of investment management experience. The firm also uses "time frame arbitrage" by looking at investments with 5-10 year horizons instead of the shorter term time frames used by the vast majority of market participants.

John C. Thompson, CFA, founded Vilas Capital Management and the Vilas Fund in 2010. Mr. Thompson began his investment career in 1993 and simultaneously managed an equity mutual fund and a fixed income mutual fund until 2009. At the peak, Mr. Thompson was responsible for the oversight of more than \$2.5 billion in client assets. In 2009, Mr. Thompson served as President and Chief Investment Officer of Mortgage Assurance Corporation (now NMI Holdings, Inc.) which he founded in 2009. Mr. Thompson holds a B.S. Degree in Mechanical Engineering from the University of Wisconsin – Madison and an MBA with concentrations in Finance and Economics from the University Of Chicago Booth School Of Business. He is also a CFA charterholder.

For more information, please visit our website: [www.vilascapital.com](http://www.vilascapital.com). You may contact the firm at (312) 702-1976 or via email: [info@vilascapital.com](mailto:info@vilascapital.com).

*This document is not an offer to sell securities of any investment fund or a solicitation of offers to buy any such securities. Past performance is not necessarily indicative of future results.*



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Investment in the fund involves a high degree of risk. An investor could lose all or a substantial portion of his or her investment. The Vilas Fund, LP's results were obtained by using a highly concentrated value strategy which includes short positions. The Fund may also use leverage.



## TOP 30 HEDGE FUNDS ENDING JULY 2015\*

For period Sep 1, 2010 - July 31, 2015

RANKED BY COMPOUND ANNUAL RETURN PAST 3 YEARS

Fund	Current YTD Return	Trailing 12 Month Return	CAR Last 3 Yrs.	Compound Annual Return	Total Return	Correlation vs S&P 500 TR
1 Stratton Street PCC Japan Syn War JPY	62.52	121.40	165.25	54.06	737.25	0.39
2 Daman Fifth Fund	56.52	102.80	107.19	57.49	832.98	-0.06
3 venBio Select Fund LLC	45.92	68.53	78.53	54.22	741.42	0.54
4 Pegasus Macro Fund LP	59.92	101.38	70.76	34.72	332.87	-0.02
5 JW Partners LP B	41.95	66.25	60.40	44.25	505.74	0.65
<b>6 Vilas Fund LP**</b>	<b>13.82</b>	<b>23.05</b>	<b>59.90</b>	<b>29.44</b>	<b>255.69</b>	<b>0.74</b>
7 Krensavage Partners LP	24.02	53.79	49.26	43.07	481.84	0.63
8 Perceptive Life Sciences Fund LP	43.98	70.87	48.46	31.40	282.96	0.22
9 Prospect Fund LP (The)	16.08	0.58	47.69	20.43	149.38	0.72
10 SFP Value Realization Fund Ltd (A)	19.96	23.20	45.23	38.05	388.13	0.19
11 Rhenman Healthcare Eq L/S Fund IC1	35.21	72.52	43.66	36.66	364.38	0.43
12 Odysseus Fund LP	3.93	11.73	43.34	27.39	228.80	0.26
13 Kinetics Small Cap Partners LP	20.64	-31.10	42.23	45.14	524.46	0.13
14 Polar Cap Healthcare Opp Fund EUR	32.64	60.75	41.84	33.89	319.86	0.11
15 Brightline Capl Ptnrs LP	-0.97	-3.72	40.09	22.87	175.31	0.33
16 Morrocroft Special Opportunity I LP	1.13	20.58	39.53	27.64	232.03	0.09
17 Marlin Fund LP	-2.00	6.47	39.28	22.63	172.69	0.73
18 Senvest Partners Ltd	1.37	18.50	38.79	20.82	153.40	0.80
19 GLG Japan CoreAlpha Equity Fund I JPY	24.83	35.41	38.67	18.24	127.88	0.47
20 Arcus Japan Value Fund	17.55	27.59	37.91	28.66	245.28	0.45
21 Akamatsu Bonsai A	18.37	27.72	37.55	22.63	172.63	0.36
22 Camox Fund	16.32	33.67	37.28	23.60	183.39	0.44
23 Hayate Japan Equity L/S Fund JPY	0.82	12.23	36.55	25.06	200.26	-0.02
24 Arcus Japan Fund (Relative Instl) YEN	19.47	28.98	36.49	21.12	156.52	0.50
25 TNI Blue Chip UAE Fund A	13.11	-3.55	34.39	20.89	154.13	0.27
26 Pictet Japanese Equity Opportunities	17.36	29.61	33.97	21.13	156.61	0.50
27 Cygnus Europa Event Driven A	21.35	28.77	33.91	17.01	116.45	0.15
28 M. De Groote Total Market	0.34	6.59	32.55	24.40	192.53	0.88
29 Cambrian Japan Fund Ltd	16.07	21.48	31.55	18.91	134.34	0.37
30 Pictet Japanese Equity Sel. P JPY	16.95	30.97	31.46	17.64	122.24	0.48
S&P 500 Total Return Index	3.35	11.21	17.58	17.64	122.29	1.00

\*Source: BarclayHedge ([www.BarclayHedge.com](http://www.BarclayHedge.com)). Total Hedge Funds and Fund of Funds evaluated for this ranking 2972. Total Hedge Funds and Fund of Funds in BarclayHedge Database 5361. Only Funds that submit their performance (net of all fees) to BarclayHedge are included in this ranking. BarclayHedge does not audit or verify any of the data provided to them by the Fund Managers

\*\*Vilas Fund, LP, performance history start date for the purposes of this report is 9/1/10, because BarclayHedge uses monthly data. Actual Vilas Fund, LP, inception date is 8/9/10. Audited Vilas Fund, LP, returns differ slightly from this report.

Source: BarclayHedge ([www.BarclayHedge.com](http://www.BarclayHedge.com))  
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