

Fairholme Capital Management Launches the Fairholme Partnership for Institutional Investors

Written by Australian Business

MIAMI--([BUSINESS WIRE](#))--The Fairholme Partnership, L.P. ("Partnership") today announced that it is offering interests to institutional investors. ¹ The Partnership launched in January 2013 with seed capital from employees of its investment adviser, Fairholme Capital Management, L.L.C. ("Fairholme"), and currently has approximately \$140 million in assets. The Partnership is designed for investors who share Fairholme's contrarian, disciplined, and patient investment approach. Advised by Fairholme and its Chief Investment Officer Bruce R. Berkowitz, the Partnership pursues a focused, event-driven, fundamental value strategy. As of September 30, 2013, the year-to-date return of the Partnership is 23%.

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The Partnership seeks long-term growth of capital by investing in a focused portfolio of equity and fixed-income securities acquired at prices well below Fairholme's estimate of intrinsic value. Such securities may include preferred and common stock, bank debt, convertible securities and bonds, warrants, and interests in real estate investment trusts. The Partnership may also engage in opportunistic hedges and invest in special situations such as reorganizations, recapitalizations, restructurings, and other corporate transactional events.

The Partnership offers investors three subscription options: Series One has a rolling five-year lock-up with a 15% incentive allocation; Series Two has a rolling three-year lock-up with a 20% incentive allocation; and Series Three has a rolling one-year lock-up with a 25% incentive allocation. The Partnership is not subject to a management fee and each series will have a high-water mark. The minimum investment amount is \$5 million, subject to waiver in the sole discretion of the general partner of the Partnership. Non-U.S. persons and U.S. tax-exempt investors may access the Partnership by investing in an offshore fund available to such investors.

"The absence of a management fee for The Fairholme Partnership further differentiates us from the crowd," said Mr. Berkowitz, "and reflects our ongoing commitment to closely align our interests with those of our investors."

The Partnership portfolio may shift across asset classes and market sectors from time to time based upon the adviser's assessment of the relative attractiveness of investment opportunities, general market and economic conditions, fundamental values of securities, as well as expected future returns of investments.

About Fairholme Capital Management, L.L.C.

Fairholme Capital Management is a value-oriented, long-term focused investment adviser providing advisory services to various types of clients, including mutual funds with over 200,000 shareholders. We invest in companies whose securities are trading below our estimate of intrinsic value and hold them until we believe the market accurately reflects their fair value. We adhere to the fundamental investment principles of Benjamin Graham & David Dodd.

Founded in 1997 by Bruce R. Berkowitz, Fairholme has 24 full-time employees and is based in Miami, Florida.

As of September 2013, Fairholme has approximately \$10.5 billion in assets under management across three public mutual funds, a separately managed account program, and The Fairholme Partnership (and its offshore feeder fund).

In 2010, Mr. Berkowitz was selected as Morningstar's® first *Domestic-Stock Fund Manager of the Decade*. The Fund Manager of the Decade award is given for “delivering outstanding long-term performance, aligning interests with shareholders, and demonstrating the courage to differ from consensus.”

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This document does not constitute an offer to sell or the solicitation of

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YTD performance for Series One Interests is an unaudited estimate b