ANNUAL LETTER TO LIMITED PARTNERS

- Meridian Investments, LLC

2016 Annual Letter

ANDREW J. ABERNATHEY
Managing Member
3523 45th St. S Suite 100
Fargo, ND 58104
1.701.639.6530

Prepared by:

ABERNATHEY

HOLDING CO.

Table of Contents

Page No.

Our Activities in 2016 3

What is Considered Good Performance 4

Our Method of Operation 6

The Questions of Conservatism 8

NorMont Equipment Co. 9

New General Position 11

The Question of Size 13

And a Personal Prediction from Andrew 14

Miscellaneous 15

Our Activities in 2016:

I have consistently told partners that it is my expectation and goal that we will do relatively well compared to the general market in down or stable markets, but that we should not look as good in an advancing market. In a strongly advancing market I expect to have real difficulty keeping up with the general market.

Although 2016 was certainly a good year for the general market and, in addition a very good year for us, the expectations in the prior paragraph remain unchanged.

During 2016, the general market as measured by the S&P 500 (hereinafter called the "S&P") showed an over-all gain of 11.96% including dividends received through ownership of the S&P. The gain for all partners operating throughout the entire year, after all expenses of operation, adding in limited partners preferred returns, and before the deduction of the profit allocation to the "General Partner", averaged 21.00%

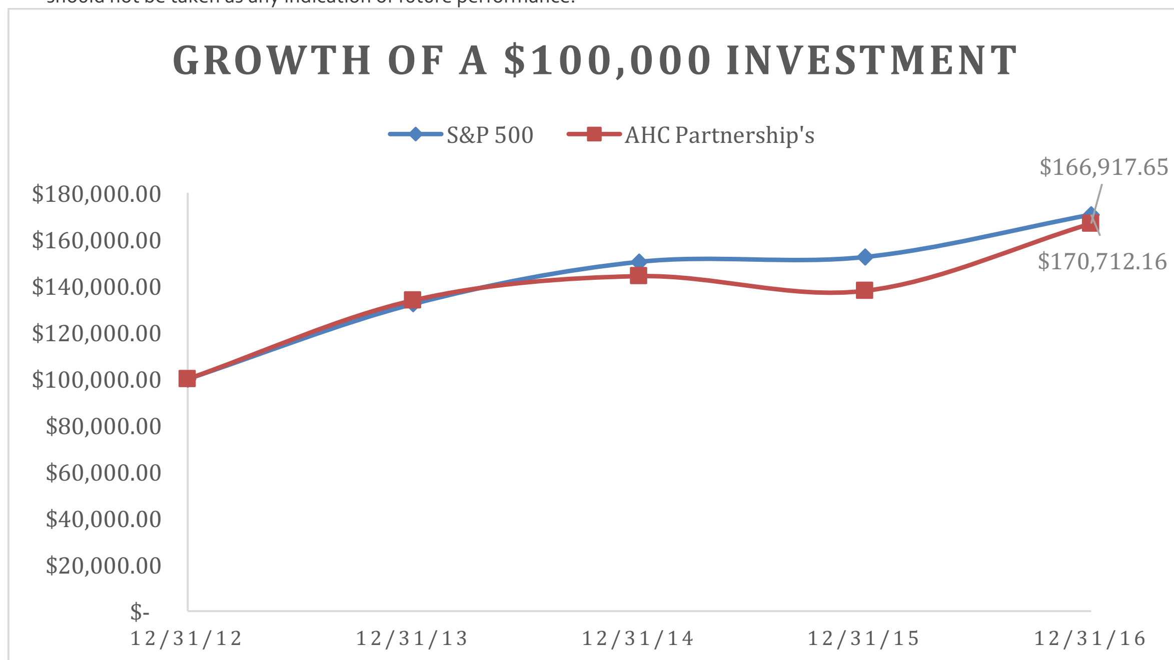
We have now completed four full years of partnership operation, and the results of these four years are shown below on a year-by-year basis and also on a cumulative or compounded basis. These results are stated on the basis described in the preceding paragraph; after all expenses of operation, adding in limited partners preferred return, and before the deduction of the profit allocation to the "General Partner"

(For the full year 2016, AHC Partnership's)

	S&P 500	AHC PARTNERSHIP'S
2013	32.29%	33.88%
2014	13.69%	7.77%
2015	1.38%	-4.39%
2016	11.96%	21.00%
ANNUALIZED RETURN SINCE INCEPTION	14.31%	13.66%
CUMULATIVE RESULTS	70.70%	66.90%

1- The results portrayed above are intended to show the investment performance that would have been experienced by a single limited partner in the Partnership's who remained invested throughout each annual or partial year period shown, after expenses, adding in limited partners preferred returns, and before the deduction of the profit allocation that the "General Partner" would have accrued as of the end of each year. Results are based on the Partnership's internal books and may differ from the audited financial statements. Future investments may be made under different economic conditions and in different securities and using different investment strategies than were used during the time discussed herein. It should not be assumed that future investors will

experience returns, if any, comparable to those of the Partnership discussed herein. The information given above is historic and should not be taken as any indication of future performance.



These results do not measure the gain to the limited partner, which of course is the figure in which you are most interested because of the varying partnership agreements that have existed in the past and currently exist. So I have used the over-all net gain (based on market values at the beginning and end of the year) to the partnerships as being the most fare measure of over-all performance.

What is Considered Good Performance?

The most important thing in my partners' minds, as well as my own, has been the importance that we use the same yardstick. If my performance is poor, I expect partners to withdraw, and indeed, I should look for a new source of investment for my own funds. If my performance is good, I assume partners will be more inclined to invest more.

The main focus here is in being sure that we all have the same ideas of what is good and what is poor. I believe in establishing yardsticks prior to the act. Almost anything can be made to look good in relation to something or other.

I have continuously used the S&P 500 as our measure of good. I feel that four years is a very minimal test of performance, and the best test consists of a period of at least that long, if not longer.

While the S&P is not perfect (nor is anything else) as a measure of performance it has the advantage of being widely known, has a long period of consistency, and reflects, with reasonable accuracy, the experience that investors have with the general market. I have no objection to any other method of measurement of general market performance being used, such as other stock market averages, leading diversified mutual stock funds, bank common trust funds, etc.

You may feel I have established a short yardstick, and that it perhaps appears quite simple to do better than an unmanaged index of some leading common stocks. Actually, this index has generally proven to be a reasonably tough competitor.
A study by S&P Dow Jones Indices looked at 2,862 actively managed, domestic stock mutual funds and pulled out the ones that were top performers in the 12 months starting March 2009, when the market bottomed out and the bull market began.

It then looked at which of those funds stayed in the top 25 percent for four years through March 2014. Jeff Sommer, (editor at the New York Times) the results in the New York Times in 2015:
"Just two funds — the Hodges Small Cap fund and the AMG SouthernSun Small Cap fund — managed to hold on to their berths in the top quarter every year for five years running. And for the 2,862 funds as a whole, that record is even a little worse than you would have expected from random chance alone.

In other words, if all of the managers of the 2,862 funds hadn't bothered to try to pick stocks at all — if they had merely flipped coins — they would, as a group, probably have produced better numbers.

By the end of this month, which would mark another year since the study was last updated, the list of persistently top performers is expected to shrink from two to zero, Sommer wrote."

Below I present the year-by-year results for our period of operation compared to the two best performing funds listed above, Russell 2000 Value Index, and S&P 500

YEAR	HODGES SMALL CAP FUND	AMG SOUTHERNSUN SMALL CAP FUND	RUSSELL 2000 VALUE	S&P 500	HCA PARTNERSHIP'S
2013	45.56%	41.98%	34.52%	32.29%	33.88%
2014	6.05%	-4.46%	4.22%	13.69%	7.77%
2015	-8.75	-15.99%	-7.47%	1.38%	-4.39%
2016	19.00%	18.90%	29.36%	11.96%	21.00%
ANNUALIZED RETURN	13.78%	7.89%	13.82%	14.31%	13.66%
CUMULATIVE RESULTS	67.60%	35.50%	67.80%	70.70%	66.90%

AMG SouthernSun Small Cap has assets under management of about $346.86 million; Hodges Small Cap Fund about $1.3 billion; or a total of over $1.6 billion.

I do not show the above calculations and information with the idea of following the path of these investment companies. My own record of investing such huge sums of money with restrictions on where I could invest, would be no better, if as good. I present this information to show that the Dow, as an investment competitor, is not an easy team to play against and most of the investment funds in the country are going to have difficulty in beating, or perhaps even matching, its performance.

Our portfolio is very different from that of the S&P. Our method of operation is substantially different from that of a mutual fund as well.

However, most partners, as an alternative to their investment in the partnership's, would probably have their funds invested in the S&P, mutual funds, or another vehicle I listed in the comparison chart above, therefore, I feel it is a fair test of performance.

Our Method of Operation:

Our avenues of investment break down into three categories. These categories have different behavior characteristics, and the way our money is divided among them will have an important effect on our results, relative to the Dow in any given year. The actual percentage division among categories is to some degree planned, but to a great extent, accidental, based upon the availability factor.

The first section consists of generally undervalued securities (hereinafter called "generals") where we have nothing to say about corporate policies and no time table as to when the undervaluation may correct itself. Over the years, this has been our smallest category of investment, but a large amount of our returns this past year have been made here. We usually have 15% to 30% of our portfolio in generals at any time, but we ended 2016 with approximately 15% of our portfolio in this category. At the beginning of 2015 we were involved in one of these, but since then it has turned into a control situation.

Sometimes these work out very fast; many times they take years. It is difficult at the time of purchase to know any specific reason why they should appreciate in price. However, because of this lack of glamour or anything pending this might create immediate favorable market action, they are available at very cheap prices. A great deal of value can be obtained for the price paid. This substantial excess of value creates a comfortable safety net in each purchase. This individual safety net, coupled with diversifying our investments, creates an attractive package of safety and capital gain potential. Before we purchase any shares we always establish a buy, hold, and sell zone. This helps us in the long run, make sure we exit at an exceptional time and not let emotions play to large of a role.

The generals tend to behave market-wise very much in sync with the S&P. Just because something is cheap does not mean it is not going to perform. Doing abrupt downward movements in the market, this segment may very well go down percentage-wise just as much as the S&P. Over a period of years, I believe the generals will outperform the S&P, and during sharply advancing years like 2016, this is the section of our portfolio that turns in the best results. It is, of course, also the most vulnerable in a declining market.

Our second category consists of "work-outs." These are securities whose financial results depend on corporate action rather than supply and demand factors created by buyers and seller of securities. In other words, they are securities with a timetable where we can predict, within reason; when we will get our money back, how much, and what might upset the applecart. Corporate events such as mergers, liquidations, reorganizations, spin-offs, all lead to work-outs.

This category will produce reasonably stable earnings from year to year, to a large extent, regardless of course of the S&P. Obviously, if we operated throughout a year with a large portion of our portfolio in work-outs, we will look extremely good if it turns out to be a declining year for the S&P or quite bad if it is a strongly advancing year. Over the years, work-outs have not been our largest category.

The final category is "control" situations where we either control the company or take a very large position and attempt to influence policies of the companies. Such operations should definitely be measured on the basis of several years compared to a given year. They may produce nothing as it is usually to our advantage that the stock be stagnant, market-wise, for a long period while we are acquiring stock.

These situations too, have relatively little in common with the behavior of the S&P. Sometimes, of course, we buy into a general with the thought in mind that it might develop into a control situation. If the price remains low enough for a long period, this might very well happen. If it moves up before we acquire a substantial percentage of the company's stock, we sell at higher levels and complete a successful general operation.

We believe in using borrowed money to offset a portion of our control portfolio since there is a high degree of safety in this category in terms of both ever-changing results and intermediate market behavior. Results, excluding the benefits arrived from the use of borrowed money, usually fall in the 10% to 30% range. Our limit regarding borrowing is 30% of partnership net worth. Currently our debt ratio is much less, but it could vary over the years. We are presently acquiring stock in what may turn out to be another control situation in the coming year or two.

The Question of Conservatism:

The above description of our various areas of operation may provide some clarity as to how conservatively our portfolio is invested. Many people some years back thought they were behaving in the most conservative manner by purchasing medium or long-term municipal or government bonds. This policy has recently produced substantial market depreciation in many cases, and most certainly has failed to maintain or increase real buying power.

Conscious of inflation, many people now feel that they are behaving in a conservative manner by buying blue chip securities all regardless of price-earnings ratios, dividend yields, etc. Without the benefit hindsight, as in the bond example, I feel this course of action is filled with danger, in some cases. There is nothing at all conservative, in my opinion, about speculating to just how high a multiplier a greedy and risky public will put on earnings. Although, I do feel with a decent amount of study you can find companies that will benefit from rising inflation but can be acquired for a fair price.

You will not be right simply because a large number of people momentarily agree with you. You will not be right simply because important people agree with you. In many instances the occurrence of the two above factors is enough to put a person's portfolio in a bad position.

You will be right, over the course of many transactions, if your hypothesis is correct, your facts are correct, and your reasoning is correct. True conservatism is only possible through knowledge and reason.

We would like to add that our portfolio is not more or less conservative than standard metrics of investing. This can only be determined by examining the methods or examining the results of your investment vehicle.

I feel the most objective test, as to just how conservative our method of investing is, arises through the evaluation of performance in down markets. Preferably, these should involve a substantial decline in the S&P. Our performance, in that rather mild declines of early 2016, would confirm my hypothesis that we invest in an extremely conservative manner. We would welcome any partner to suggest objective tests as to conservatism to see how we stack up. We have never suffered a realized loss of more than 5% of total net assets, and our ratio of total dollars of realized gains to total realized losses is approximately 50 to 1. Of course, this reflects the fact that on balance we have been operating in an up market. However, there have been many opportunities for losses, even in markets such as these. (you may have found out about a few of these yourselves). So, I think the above facts have some significance.

NorMont Equipment Company (General turned into Control):

As you all may already know we are presently involved in the control of Normont Equipment Company, Montana. Our first stock was purchased as a general two years ago. After another block became available in December of 2015, we obtained control, which is indicative of the fact that many of our operations are not exactly the "overnight" variety.

Presently we own 100% of the stock of NorMont Equipment. With us being the only stockholders, a market on the company is virtually non-existent. Therefore, it is necessary for us to estimate the value at year end of our controlling interest. This is of particular importance since, in effect, new partners are buying in based upon this price. The estimated value should not be what we hope it would be worth, or what it might be worth to an eager buyer etc., but what we would estimate our interest would bring if sold under current conditions in a reasonably short period of time. Our efforts will be devoted toward increasing this value, and we feel there are decent opportunities for doing that.

NorMont Equipment is a municipal equipment & supply dealership with sales in 2016 nearing $5 million. The company continues to expand its already impressive offering of high quality municipal and truck equipment products.

Most recently, NorMont has added Stellar Industries & Reading Body Company. Operations were set up as a Ma' and Pa' style for many years prior to us purchasing the company, and with that kind of operation in place it put a cap on the potential for the company. This reflects a content management team with no need to streamline their business, due to the fact that they were happy with the way it was. This left a large amount of opportunity for us to bring in a new process and management to bring the company to the next level. Currently we value our stake in NorMont Equipment at $3,319,409.94. While we claim no oracular vision in a matter such as this, we think this is a fair valuation to both new and old partners. Certainly, if even moderate earning power can be resorted, a high valuation will be justified, and even if it cannot, NorMont should work out at a higher figure. Our control interest was acquired for around $3.1 million, of which we had seller financing on $2.1 million (terms: 20-year amortization at 4.5% fixed), and this holding currently represents 33% of partnerships net assets based on the $3,319,409.94 value.

Of course, this section of our portfolio is not going to be worth more money merely because Amazon, Wal-Mart, etc., sell higher. In a raging bull market, operations in control situations will seem like a very difficult way to make money, compared to just buying the general market. However, we are more conscious of the dangers presented at current market levels than the other opportunities. Control situations, along with work-outs we may discover in the near future, provide a means of insulating a portion of our portfolio from these dangers.

As mentioned above NorMont Equipment has most recently added Stellar Industries which offers mechanic trucks in body lengths from 9' to 14', crane capacities from 2,000 to 14,000 lbs. with up to 30' of reach, and gas or hydraulic driven air compressors for all of your air demand needs.
www.stellarindustries.com

LubeMate & FuelMate, a subsidiary of Stellar Industries, manufactures mobile fuel and lube trailers as well as skids that can be moved from vehicle to vehicle as needed. Multiple oils, grease, diesel fuel, engine coolant, used oil and compressed air, packaged in a clean and functional mobile skid or trailer package.
http://americaneagleacc.com/fueltrailers.php
http://americaneagleacc.com/lubetrailers.php

Reading Body Company has been manufacturing service bodies for pickups since 1955. Through the years they have expanded their offering to include flatbeds, platform bodies up to 24' long, and 9' & 11' contractor dump bodies.
www.readingbody.com"

If any partners are in need of any of these products, or others that NorMont Equipment offers, then please go ahead and visit our website at www.nmeqco.com. You might as well put your money back into your own pocket.

New General Position:

In the 4th quarter of 2016 we acquired a decently large position in a general that currently represents 13.2% of our portfolio. The company is called Bristow Group (BRS), and is the leading provider of helicopter services to the worldwide offshore energy industry, and has most recently diversified into government transportation.

The future earnings Bristow could generate for its owners is dependent on the amount of helicopter flights it charters. That in turn is subject to the amount of flight hour's energy companies need to purchase to conduct their production and exploration activities. The volume of those activities is primarily influenced by the price of crude oil.

Normally, we would ignore investing in a company of this sort. We do not know what the future price of oil will be and do not pretend to know it. Many intelligent people however, get caught up in trying to predict the unpredictable.

As a result, when the price of oil began skyrocketing in 2008 - 2013, the share price of Bristow shot up with it. The thinking was that with oil prices at record highs, exploration and production activities would be cranked to full capacity. Energy companies around the world would need non-stop helicopter flights to their offshore platforms and installations. That seemed to mean one thing for a company like Bristow: large revenues and even larger profit margins for its owners, which led to people wanting to own Bristow stock. The share price kept rising ever higher, getting all the way up to 161% BV (book value) in 2014. Whether people knew the intrinsic value of the shares they were buying is questionable.

The more likely case is that buyers thought as long as oil is going to go up, the market value of Bristow's shares will rise accordingly. Whatever it is that they bought, for whatever amount of price that they paid, the feeling was, "I'll be able to sell it for more than I bought it later on." The upside was fixated on; the downside was ignored.

Lo and behold: after reaching highs of around $120 a barrel in mid-2012, the price of oil cratered to lows of around $37 by early 2015. Correspondingly, the share price of Bristow tanked. Suddenly, hardly anyone wants to own shares of

Bristow anymore. All people see is that oil production has come to a halt and they think the demand for helicopter flights to transport personnel has plummeted, but they didn't read the facts.

That is when our interest in Bristow set in. There was one major thing that stood out: helicopters cannot be worth $0—neither can a company that owns over 460 of them. We began researching Bristow further.

The starting point of our valuation was the book value of Bristow's helicopters, i.e., the amount that Bristow paid for its helicopters minus depreciation. After obtaining the current book value of Bristow's helicopter fleet, we studied each year of Bristow's financial statements going sixteen years back. What we noticed was evidence that Bristow helicopters are worth more than book value. Every year since 2001 (the farthest date back we were able to obtain company filings), Bristow sold some of its older, non-core helicopters. Virtually every time, Bristow sold its helicopters for above their book value. (E.g., Bristow bought a helicopter for $30 million and depreciated it at $2 million a year. After five years, the book value of that helicopter became $20 million. However, Bristow sold the helicopter for $26 million. Now multiply this example with each helicopter Bristow has sold over the past sixteen years. Clearly, Bristow's book value understated the true value of its helicopters.)

All of this provides a crucial safety net. It let us know that Bristow is at least worth the book value of its helicopter fleet. Should the worse come to bear with Bristow, the investor who paid book value for his shares, should receive his money back in a liquidation sale of Bristow's assets.

Furthermore, despite the perception of Bristow, its assets are not fully dependent on the energy industry and oil prices. Helicopters are an asset that can be redirected easily to other industries and other countries, and they already have been. A liquid market for helicopters exists outside the energy industry for medical, tourism, corporate, law enforcement and similar activities, underpinning the company's asset values, and lending further significant downside protection to this investment.

And downside protection is exactly what we seek. We look to first avoid losing money before we seek to make it.

So, with that being said, we were able to acquire our stock at an average price of about 30% Tangible Book Value or $12.75/share. At the end of year 2016 Bristow stock was selling at approximately 48% Tangible Book Value, which has given Ritaway Partnership's approximately an unrealized profit of $758,000 (61%) in the matter of a few months.

Since we were able to acquire Bristow at roughly a quarter of its book value means that even with a total bankruptcy liquidation of the company, we would possibly over double our money back. But Bristow is far from such a dire scenario of needing to close shop, sell its helicopters, and return the proceeds to its shareholders. Bristow is only one of a few global providers of helicopter aviation services to the offshore oil and gas industry. It is in a competitively entrenched position. In addition to that, the company has multi-year contracts with oil companies on a significant portion of its work.

Furthermore, a large part of Bristow's chartered flight hours is tied up in production, not exploration activities. Energy companies have lessened their exploration and development activities since the price of crude oil has dropped, but they will not cease their production work. To assume that would be to assume that the world stops. As long as oil is still being produced, Bristow will be providing energy companies, and government the transportation they need.

The Question of Size:

Aside from the question as to what happens upon my death, I am probably asked more often: "What affect is the rapid growth of partnership's funds going to have on our performance?"

Larger funds tug in two directions. From the standpoint of "passive" investments, where we do not attempt by the size of our investment to influence corporate policies, larger sums hurt results. For the mutual fund or trust department investing in securities with very broad markets, the effect of large sums should only hurt our results only very slightly. Buying 10,000 shares of Wal-Mart is only slightly costlier than buying 1,000 or 100 shares.

In some of the securities with which we deal (but not all by any means) buying 10,000 shares is much more difficult than buying 100. Therefore, for a portion of our portfolio, larger sums are definitely disadvantageous. For a larger portion of the portfolio, I would say increased sums are only slightly disadvantageous. This category includes most work-outs and some generals.

However, in the case of control situations, increased funds are a definite advantage. A "NorMont Equipment" cannot be accomplished without the larger amounts of capital. My definite belief is that the opportunities increase in this field as the funds increase.

Which is more important, the decreasing possibility of profitability in passive investments or the increasing options in control investments? I can't give the definite answer to this since to a great extent it depends on the type of market in

which we are operating. My present opinion is that there is no reason to think these should not be offsetting factors; if my opinion should change, you will be the first to know. I can say, most definitely, that our results in 2015 and 2016 would not have been better if we had been operating with the much smaller sums of 2013 and 2014.

And a Personal Prediction from Andrew:

Regular readers will feel I have lost my mind when I start talking about predictions. This is one thing from which I have always stayed away, and I still do for the most part.

I am certainly not going to predict what general business or the stock markets are going to do in the next year or two since I have no idea.

I think you can be quite sure that over the next ten years, there will be a few years when the general market is plus 20% or 25%, a few when it is down on the same amount, and a majority when it is between. I don't have any idea as to the pattern in which these will occur, nor do I think it is of any great importance for the long-term investor.

Over any long period of years, I think it likely that the S&P will probably produce approximately 5% to 7% per year compounded from a combination of dividends and market value gain. Despite the experience of recent years, anyone expecting substantially better than that from the general market, probably faces disappointment.

Our job is to pile up yearly advantages over the performance of the S&P without worrying too much about whether the absolute results in a given year are plus or minus. I would consider a year in which we were down 15% and the S&P declined 25% to be much superior to a year when both the partnerships and the S&P advanced 20%. I have stressed this point in talking with partners and have seen them agree with me. It is most important to me that you fully understand my reasoning in this regard and agree with me during the good years and the bad years.

For the reasons outlined in my method of operation, our best years relative to the Dow are likely to be in declining or static markets. Therefore, the advantage we seek will probably come in sharply varying amounts. There are bound to be years when we are surpassed by the S&P, but if over a long period we can average ten percentage points per year better than it, I will feel the results will have been satisfactory.

Specifically, if the market should be down 35% or 40% in a year (and I feel this has a high probability of occurring one year in the next ten, but no one knows which one), we should be down only 15% or 20%. If it is more or less unchanged during the year, we would hope to be up about ten percentage points. If it is up 20% or more, we would struggle to be up as much. The consequence of performance such as this over a period of years would mean that if the S&P produces a 5% to 7% per year over-all gain compounded, I would hope our results might be 10% to 12% per year.

It may turn out that I am completely wrong. However, I feel the partners are certainly entitled to know what I am thinking in this regard even though the nature of the business is to introduce a high probability of error in such expectations. In any one year, the variations may be quite substantial. This happened in 2016, but fortunately the variation was on the pleasant side. They all may not be like that though.

Miscellaneous:

We are proud to welcome aboard John D. Stewart. Mr. Stewart serves as the Senior Advisor of Abernathey Holding Co., LLC (management company). Since 1992, Mr. Stewart has been the President of the Glacial Holdings group of companies, which are engaged in multi-family residential and commercial real estate and property management. Through a number of private entities, Mr. Stewart is an investor in various business enterprises. During the past nine years, Mr. Stewart has served as the chair of the Advisory Board of the Bank of North Dakota (a $7B bank and the only state owned bank in the country), a director of Corridor Investors, LLC (a mutual fund management company with over $1B under management), Kalix (a non-profit, 501(c)(3) corporation which provides individualized residential and vocational services to people with disabilities), and the Minot Family YMCA, and as a trustee of the Oppen Family Guidance Institute (a non-profit 501(c)(3) exempt private foundation that provides services to youth). He currently serves as a public company director of Command Center, Inc. (OTCQB:CCNI) and IRET (NYSE:IRET). Mr. Stewart was employed as a Certified Public Accountant by the accounting firms of Arthur Andersen & Co. (from 1978 to 1980) and Brady, Martz & Associates P.C. (from 1980 to 1997). He holds a Bachelor of Science in Business Administration degree from the University of North Dakota, where he graduated Summa Cum Laude.

We have now grown to almost 80 partners, so as you can guess, I am quite busy with multiple hats I wear on a daily basis; analyzing, negotiating, book keeping, filing, studying, etc, which may lead to a full-time secretary in the near future, but I will keep you posted on that advancement.

When Abernathey Holding Co., LLC first started managing Investment Partnership's we were able to see/call all partners on a regular basis. Since we have, and continue to grow, to a larger size that ability has now faded. Since, we are guessing, you would rather have us spend the majority of our time growing your net worth. We would like to inform you that we may not be able to see all of you in person as much as we did in the past. We are always only a phone call away with any questions, and we hope each of you use that to its full advantage since there is nothing that excites us more than talking with each and everyone one of you as much as possible.

We presently have partners residing in locations from Arizona to Delaware, and total assets at the beginning of 2017 amounting to approximately $16,500,000. My better half, Lacey and I have an interest in the partnership's amounting to $1,009,863, and other relatives of ours have invested large amounts of capital through the years as well. The minimum investment for new partners last year was $210,000, and will continue to be that amount for at least another year.

Fredrikson & Byron, P.A. did an excellent job of working on our legal work throughout the year as well as Brady & Martz & Associates, P.C. on our taxes and audits, and they assure me this performance will be continued.

Let me hear from you regarding questions you may have on any aspects of this letter, your K-1s, status of your partnership interest, etc., that may be puzzling you.

Cordially,

Andrew J. Abernathey
General Partner

DISCLOSURE:

1 2016 performance includes January 1st, to December 31st, 2016

2 Performance data of the S&P 500 is included to facilitate comparisons between the Partnership's returns and overall market performance. Due to the differences among the Partnership's investment strategies and the securities that compose the S&P 500, the General Partner cautions potential investors that no such index is directly comparable to the Partnership's investment strategy. S&P 500 performance results include the reinvestment of dividends.

3 The results portrayed above are intended to show the investment performance that would have been experienced by a single limited partner of the Partnership's who remained invested throughout each annual or partial year period shown, after expenses, adding in limited partners preferred returns, and before the deduction of the profit allocation that the "General Partner" would have accrued as of the end of each year. Results are based on the Partnership's internal books. Future investments may be made under different economic conditions and in different securities and using different investment strategies than were used during the time discussed herein. It should not be assumed that future investors will experience returns, if any, comparable to those of the Partnership's discussed herein. The information given above is historic and should not be taken as any indication of future performance. The average cash balance is calculated based on month-end numbers provided by our fund administrators. This document does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Any such offer or solicitation to invest in the AHC Partnership's (the "Partnership's") may only be made by means of delivery of an approved confidential offering memorandum. Past results are no guarantee of future results and no representation is made that an investor will or is likely to achieve results similar to those shown. All investments involve risk including the loss of principal. Performance results in separately managed accounts will be different from the performance results of Partnership's. The Partnership's or affiliated entities ("Abernathey Holding Co., LLC") is not responsible for any liabilities resulting from errors contained in this communication. AHC will not notify you of any errors that it identifies at a later date. An investment in any product managed or offered by AHC, LLC may be deemed speculative and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Fund. Products managed or offered by AHC, LLC are designed for investors who do not require regular current income and who can accept a certain degree of risk in their investments. There is information in this letter that has been used from other analysis letters, and is used for the purpose to get information across to our partners.