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FUTURES MANAGEMENT, LLC187 Danbury Road  
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www.aisgroup.com**AIS Capital Growth Fund Quarterly Review**

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Performance	AIS Capital Growth Fund L.P	S & P 500
4th Quarter 2011	11.12%	11.82%
2011	-13.45%	2.11%
3 Year Compound Annual	17.39%	14.10%
5 Year Compound Annual	8.52%	-0.25%
Since Inception	9.94%	4.97%

2011 was a challenging year for the Growth Fund. Regardless, our performance for three, and five years, and since inception demonstrate the long-term success of our investment strategy. This strategy emphasizes selection of companies through both technical and fundamental analysis that we believe can provide above average performance on a 12 to 18 month time frame. In addition, AIS employs opportunistic hedging of the portfolio and a net short exposure on occasion, through the use of periodic short sales of stock index futures.

The portfolio was hedged on a timely basis in the first half of 2011 through early August by selling S&P 500 futures contracts short. The broad market reached a low in early August and then began a basing process at that time. The market indexes retested those lows in early October, and then began a moderate recovery. However, cyclically oriented stocks (e.g. basic materials, and energy related companies, and especially small capitalization stocks in these sectors) experienced extreme selling pressure in late September-early October. While they recovered somewhat into early November, tax loss selling pressure depressed many of these issues into yearend. This disconnect from the market indexes made it impractical to hedge with S&P 500 futures contracts and remains difficult to explain by company fundamentals. The temporary weakness in these sectors appears more closely related to the European banking crisis. European banks historically have been the leading lenders to the physical commodity related industries. As a funding squeeze developed with these banks, company credit lines were cut and inventory selling pressure developed. Simultaneously, many hedge funds were large investors in these sectors and became forced sellers both due to anticipated fund redemptions and possibly due to margin calls. As evidence that selling was subsiding late in the fourth quarter, the Fund added two new names, [REDACTED] and [REDACTED], both oil service companies. In addition we added to positions in 17 of our existing portfolio holdings.

Our portfolio continues to primarily emphasize companies that will benefit from economic growth in the developing world. The developing world has reached a size, within the global economy, where its growth is now greater than that contributed by the developed world. Furthermore trading among developing countries and the expansion of the developing countries' middle class are becoming powerful driving forces for economic growth. Therefore while financial problems and slow growth in the developed world will cause temporary hiccups, they are unlikely to derail the positive developing world growth momentum.

Past results are not necessarily indicative of future performance. Actual trading for the AIS Capital Growth Fund L.P. commenced in January 1997. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. For a complete offering memorandum of AIS Capital Growth Fund L.P., contact AIS Capital Management LLC, Wilton, CT 06897 (203) 563-1180.