



QUICK FACTS:

FARNAM STREET INVESTMENTS

A fund modeled after Warren Buffett's highly successful original partnerships.

OUR STRATEGY

We buy good businesses with good management at good prices, just like Buffett. Our long-term goal is to be in the top 1% of performance and bottom 1% of expense of any fund.

ALIGNED INCENTIVES

Management fees are strictly performance-based. The first 4% of annual returns go to investors. Above that, returns are split 3:1 between the investor and managing partner. We also have our own money in the fund-- we eat our own cooking.

EXPECTED LAUNCH DATE

September 1, 2010

HOW TO GET IN TOUCH

clientrelations@farnamstreetinvestments.com

(916) 775 - FS11
(916) 775 - 3741

1015 Riley Street, Suite 352
Folsom, CA 95630



Final Pre-launch Newsletter

This is the final pre-launch newsletter. There are still a few pieces to fall into place, but overall, we're in great shape for a September launch. We couldn't be more excited either. It's a surreal feeling knowing you are about to take the first step of a 30-year journey. (We never know what to pack.)

UC Davis Class

We're happy to report that we've commenced teaching our investment class at UC Davis again this summer. We've got nearly 40 students this time, which is a little daunting, but it affirms our suspicions that the knowledge and skills we've been laboring to acquire are sought-after and valuable. We enjoy the interaction with the students and there's really no better way to thoroughly learn a subject than to have to teach it. It's superb mental gymnastics. Perhaps that is why Warren Buffett taught a night class at the University of Nebraska-Omaha on investing early in his career? UC Davis's new facilities are truly first class—we wish we could have pursued our MBAs in such an environment.

No Minimums

The world is ripe with uncertainty today. People are feeling cautious; no one wants to make any drastic moves. Some might look at this partnership as a risky venture given the fund's lack of track record. As an initial investor, you are placing a bet solely on our character, and for that, we are truly humbled and grateful. To show our gratitude, for a limited time we'll be requiring no minimum capital contribution to join the partnership. This decidedly will not last. In order for the fund to make economic sense, we will be forced to raise the minimums. An offer to have a small amount of capital professionally

managed as a trial run is a rarity not to be overlooked. Considering the fund's incentive structure, this is as close to a risk-free proposition as one is likely to find.

Subscription Paperwork

Those interested in embarking on this journey with us, please call or email as soon as possible. We'll determine the best way to get the required paperwork completed to ensure your participation at launch. Lonnie and I have already contributed our initial amounts in the fund so your money will not be lonely.

Thanks for Your Referrals

If you know any other individuals who might be interested, we'd be honored if you would forward our newsletter to them. Our business will only grow from word of mouth and your referrals, so we're counting on you. To subscribe for updates, email us at: clientrelations@farnamstreetinvestments.com.

Also, if you are interested in having us give a brief presentation in your place of business about our fund, please don't hesitate to ask. We're always looking to get in front of people and explain how our fund is a unique alternative to the greedy mutual fund industry. We might even bring bagels.

We look forward to building our futures together with you. It's been a pleasure crafting these letters the last 5 months and we will continue to send out similar correspondence on a quarterly basis going forward.

Cordially,

Jake Taylor & Lonnie Rush