
Japonica Largest and First Billion Dollar Private Equity GIPS® Verified

--Japonica Also Among First Over-a-Billion with Hedge Fund Traits--

Dateline: Providence, Rhode Island USA, December 28, 2005

Japonica Partners, the firm, has been independently verified as GIPS® compliant since its inception in 1988. In addition, the performance record of Japonica's "Entrepreneurial Co-Investment" Composite is now audited in accordance with GIPS®. The Composite includes all of the Firm's Co-Investment and Limited Partnership Agreements since inception.

The CFA Institute's GIPS® – Global Investment Performance Standards – is the current global best practice in ethical performance reporting. GIPS® is endorsed as a global "passport", facilitating greater comparability and integrity of investment returns.

"Largest and First over a Billion"

Global industry practitioners indicate Japonica Partners is the first firm with a composite over \$1 billion in assets verified as compliant with GIPS® Private Equity provisions. And, Japonica Partners is also among the first with hedge fund traits having a composite over \$1 billion verified as GIPS® compliant. Held to a higher standard, Japonica calculates and presents investment returns using both Private Equity metrics (e.g., Net IRR, TVPI) and hedge fund metrics (e.g., Time-weighted Total Return).

"Japonica yet again set a without peer billion-dollar plus global benchmark, this time with GIPS® verification," noted Japonica Partners Founder & Managing Director Paul B. Kazarian. "Japonica co-investors will recognize the value of having Japonica's entrepreneurial returns audited in accordance with GIPS®."

"The Two Michaels"

Japonica Partners is an entrepreneurial co-investment firm that makes concentrated investments in underperforming global large caps. Japonica's special core competency is changing corporate cultures to cultivate entrepreneurial returns for its co-investors who succeed with top quartile performance. Integral to Japonica's success is its patent-pending Top Quartile IRR Hurdle Rate alternatives selected by co-investors.

Japonica's largest co-investors include accomplished hedge fund and mutual fund managers who individually had over \$500 million with Japonica. Japonica will continue to provide customized reports similar to those provided to its earliest co-investor limited partners – "the two Michaels" – Michael Steinhardt and Michael Price.

Japonica Partners is a Delaware, U.S.A., company.

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Beacon Verification Services, the industry's premier specialist firm, performed the verification and audit in accordance with GIPS®. "Japonica is a firm with a very unique business model, and the GIPS® compliance verification and performance examination/audit are indications that Japonica is among the leaders of the alternative asset pack in comparability and integrity of performance reporting," said Jeff Tarumianz, CFA, President of Beacon.

About Japonica Partners:

Japonica Partners is an entrepreneurial co-investment firm that makes concentrated investments in underperforming global large caps, providing entrepreneurial returns for *accomplished money managers* who succeed with top quartile performance.

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About GIPS®:

CFA Institute (formerly known as the Association for Investment Management and Research or AIMR) recognized the need for a global set of performance presentation standards, and in 1995, it sponsored and funded the Global Investment Performance Standards (GIPS®) Committee to develop a single standard for presenting investment performance. In February 1999, the GIPS® committee finalized the GIPS® standards and presented them to the AIMR Board of Governors, who formally endorsed them.

With the release of the GIPS® standards in 1999, the GIPS® committee was replaced by the Investment Performance Council (IPC), which serves as the global committee responsible for the Standards. It consists of 36 members from 15 countries. The principal goal of the IPC is to have all countries adopt the GIPS® standards as the standard for investment firms seeking to present historical investment performance. The IPC endorses GIPS® compliance acting as a "passport" that allows firms to enter the arena of investment management competition on a global basis.

Key industry groups involved in and contributing significantly to promoting and developing the GIPS® standards include: The Hong Kong Society of Financial Analysts (Hong Kong), The Security Analysts Association of Japan (Japan), Swiss Bankers Association (Switzerland), and National Association of Pension Funds Ltd (United Kingdom). Today, 25 countries throughout North America, Europe, Africa, and the Asia Pacific Region have adopted the GIPS® standards, encouraging investment management firms to follow the Standards when calculating and reporting their performance results.

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In North America, the GIPS® standards were based on and preceded by AIMR Performance Presentation Standards. AIMR-PPS® standards converge with the GIPS® standards on 1 January 2006.

For more information about GIPS:

www.cfainstitute.org/cfacentre/ips/

About Beacon Verification Services:

Beacon Verification Services, LLC is a leading provider of AIMR-PPS® and GIPS® compliance verification and consulting services. Beacon offers superior services due to its extensive experience in the performance measurement and investment management industries.

Beacon's mission is to revolutionize the AIMR-PPS® and GIPS® verification industry so that investment managers demand that verifiers are proficient in investment management, performance measurement and governing standards. Beacon's vision is to become known as the premier AIMR-PPS® and GIPS® verification firm by making the firm's value known through knowledge, hard work and attention to detail.

Beacon services all types of investment management firms ranging between \$20 million and \$350 billion in assets under management.

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