CORSAIR CAPITAL

April 25, 2016

Dear Limited Partner:

For the first quarter ended March 31, 2016, Corsair Capital was down an estimated 0.7%* net, after all fees and expenses. Corsair Select was down an estimated 1.7%* net, after all fees and expenses. Since inception in January 1991, Corsair Capital's compounded net annual return is 12.7%. Since inception in January 2004, Corsair Select's compounded net annual return is 10.7%.

	Corsair Capital (net)	HFRI – EHI**	S&P 500	Russell 2000
Q1 2016 return	-0.7%	-1.7%	1.4%	-1.5%
Annualized since inception (1991)	12.7%	11.4%	9.8%	10.3%
Total return since inception (1991)	1957%	1430%	954%	1096%

	Corsair Select (net)	HFRI – EHI**	S&P 500	Russell 2000
Q1 2016 return	-1.7%	-1.7%	1.4%	-1.5%
Annualized since inception (2004)	10.7%	4.2%	7.4%	7.2%
Total return since inception (2004)	248.8%	65.4%	138.7%	135.3%

"The world faces a crisis in the Middle East and the United States faces the prospect of a recession. With that in mind, I think it is important to remember that the financial markets reflect what the future will bring as opposed to what the past has been and thus, the before-mentioned concerns are already in the price of most securities. My job will be to invest in those securities where the market has over discounted such fears and to avoid those where the market has not discounted these or other events enough."

- Corsair Capital Partners Inaugural Letter, January 2, 1991

**Unless otherwise noted, performance figures included herein (which include the reinvestment of dividends, capital gains and other earnings) are for Corsair Capital Partners, L.P. ("Corsair Capital") or Corsair Select, L.P. ("Corsair Select"), as indicated. The figures for each such fund are based on an investment made as of the inception of such fund, are calculated net of such fund's fees and expenses, are based on unaudited data, and may be subject to adjustment. Additionally, the figures for each fund are calculated using the highest management fee per annum rate generally offered by such fund at the time – for Corsair Capital, a 1.00% rate through May 2002, a 1.25% rate from May 2002 through 2009, and a 1.50% rate commencing January 2010; and for Corsair Select, a 2.00% rate since inception. Although the portfolios of the other funds within the Corsair Capital "family" and the Corsair Select "family" have been substantially similar to either Corsair Capital or Corsair Select, as applicable, the actual returns of such other funds have varied. Also, results for individual investors within a particular fund managed by Corsair Capital Management, LLC ("Corsair") or its affiliates have varied based on, among other things, the applicable fee rate and the timing of capital contributions and redemptions/withdrawals. For additional important disclosures regarding this letter, please see the last page of this letter.*
*** Hedge Fund Research, Inc. - Equity Hedge (Total) Index*

25 Years:

The first quarter of 2016 marks Corsair's 101st quarterly letter as we celebrate our 25th anniversary. Looking back at our long-term performance, our Corsair Capital Partners fund has generated 12.7% compounded net annual returns since inception with significantly lower volatility than the S&P 500 and Russell 2000 equity indices. Corsair has grown an initial $1 million investment since inception into over $20 million, with over 90% of the realized gains coming as long-term, tax efficient capital gains.

Inception – March 31, 2016

	CCP – Class C	Russell 2000	S&P 500
Growth of $1MM	$20,581,472	$11,961,579	$10,535,296
Annualized Volatility[1]	10.6%	14.5%	18.9%

[1] Volatility as measured by standard deviation

In short, our investors have benefitted from high quality, risk adjusted net returns for 25 years and we are optimistic about our future.

While over the course of 25 years we have seen significant shifts across our industry in strategies, technologies and regulations, we are proud to be investing in the same pool of special situation equity opportunities as we were back in 1991. Our strategy is focused on three key themes:

1) We do not use leverage. In fact, we hold a material cash balance to both protect our downside in volatile markets, but still capture significant upside when the market rallies. Corsair's relatively low gross exposures have allowed the fund to protect itself from forced selling at the bottom of bearish markets and even allowed us to add to high conviction opportunities during those times. We believe a key measure of risk lies in the levels of gross exposure, not just net exposure.

2) We run a diversified portfolio. Sizing our core investments between 1-3% at cost allows Corsair to avoid concentration risk in any particular stock, sector or industry. While we invest with strong conviction, we also know that we do not know everything as humility is an important part of investing. Since 2005, we have had only 2 stocks negatively impact a single calendar year by 120bps or more versus 24 positively impacting attribution by the same magnitude. We believe our pipeline for opportunities remains robust and we are confident we can produce a similar batting average going forward.

3) We focus on buying companies with predictable cash flows, defensible business models and healthy balance sheets, led by activist management teams. These value creators allow us to be true partners and patient investors, providing multiple catalysts to drive a higher stock price over time.

However, the past few years have been an extremely difficult time to own value stocks, especially in the small and mid-capitalization sectors. A look at event driven indices, peer returns and business headlines show a particularly unusual environment for the kind of stocks we invest in. Most of the companies we own have performed well; executing on financial targets and capital allocation initiatives. Yet, many of these stocks have not traded in-line with underlying performance. While we are not satisfied with our recent returns over the past two years, we believe we have done a solid job managing risk during this difficult period. As shown below, our risk, as measured by volatility, has been meaningfully lower than the Russell 2000 since 2014:

Annualized Volatility in Recent Years[1]

	2014	2015	Q1 2016
Corsair Capital Partners – Class C	5.3%	8.9%	15.9%
S&P 500	8.3%	13.7%	20.4%
Russell 2000	15.5%	14.5%	29.1%

[1] Volatility as measured by standard deviation

We think this is of paramount importance. Recent market volatility is forcing investors to reassess their portfolios relative to how much risk they have actually been taking. Corsair's differentiated portfolio construction is built to withstand difficult equity markets that emerge from time to time. Therefore, we believe Corsair is a core equity fund that can be added to during market declines.

Taxes:

Our 25-year track record of achieving higher returns while taking lower risk is accentuated by our tax efficiency. As noted above, our investment strategy requires patience as we look for multiple catalysts to unfold for our stocks. This patience results in higher stock prices, but also in long-term capital gains for our limited partners. To illustrate our tax management, we assume an investor began with $1 million at inception:

1991 – 2015	
Total Economic Income Generated	$19,722,080
Short Term Taxable Income	$1,328,270
Short Term Taxable Income Percentage	6.73%

Of course, the most exciting news for original Corsair investors is how much economic income we have generated. However, tax payers appreciate that we have done a good job with our short-term gains coming in at only 6.73%. We suppose that peers who focus on short-term trading likely have a significantly higher percentage of short-term gains. Additionally, we have recently gotten even better at tax management. Here is what an investor with a $1MM investment at inception has paid in short-term gains over the past 10 years:

2006 – 2015	
Total Economic Income Generated	$9,292,210
Short Term Taxable Income	$115,330
Short Term Taxable Income Percentage	1.24%

Tax efficiency is a natural outcome of our investment strategy. As we consider after-tax dollars the measure of true returns, we believe Corsair has proven over the course of 25 years that our investors have a strategic advantage; they get to keep more of the dollars we have earned for them. As we look forward, we are not expecting a change in our investment philosophy and, therefore, expect to continue to generate minimal, if any, short-term gains for our investors.

Q1 2016:

Our investment pillars served us well in the first quarter of 2016 as fear and uncertainty took hold in what was a tumultuous period for equity investors. Equity indices ended the quarter mixed, with the S&P 500 up a bit and the Russell 2000 index recording a small loss. However, the ride was anything but smooth. Markets seemed to have been blindsided by reports of a much weaker financial and economic backdrop in China, which combined with plummeting oil prices and weaker global demand, led to greater concerns of a global recession. The situation was exacerbated by the fear that the Fed was discounting the financial market's gyrations, potentially leading to higher interest rates and an even stronger dollar (negative for the competitiveness of U.S. companies). As discussed in our year-end letter, it seemed as if no one was bullish on equities and the S&P 500 started the year with its worst beginning since 2009 as fear and uncertainty took hold.

March, however, took on a decidedly more positive tone as oil rebounded and as China fears receded from the headlines. While some US economic data did show continued weakness in the industrial sector, strong employment data gave reason to believe that our consumer based economy was still growing. Finally, a dovish speech by Janet Yellen at quarter-end helped assuage the markets that the Fed would consider the greater set of global risks when setting monetary policy. In particular, Yellen noted, that "foreign economic growth now seems likely to be weaker this year than previously expected." The markets, in turn, took this as a signal of a more gradual approach to interest rate increases by the Fed.

We were cognizant of the multitude of global and domestic risks at the root of the jittery markets. But as the market priced in more and more negativity, we continued to receive feedback from CEOs in various industries and managers of private equity portfolios that their businesses were performing well. The word "disconnect" was uttered many times to describe the dichotomy between Wall Street and Main Street. In addition, we also took note of the many dividend increases and increased share repurchase authorizations – signals that management teams did not believe the economy was as lifeless as the headlines suggested. Therefore, we did not feel the need to reduce our net equity exposure during the quarter. Furthermore, due to our portfolio construction, Corsair, unlike funds with high gross exposures, was not forced to "de-risk" at the market lows either.

Portfolio Review

The largest contributors and detractors for the quarter were:

Aon PLC, ("AON") increased 13% during the quarter on the heels of announcing strong Q4 2015 profitability. Aon operates a high-quality insurance brokerage and consulting business where management estimates that 90% of sales are recurring or repeat business. The company has consistently executed on its strategic plan, with the largest value creators being the acquisition of Hewitt in 2010 and its 2012 move from the US to the UK (with an IRS sign-off letter). Aon believes these building blocks will drive organic growth, margin expansion and materially increase free cash flow. Over the past three years Aon has repurchased over $4.9B of its owns shares (vs. a $28B market cap), clearly indicating management believes it will continue to execute. We see the company generating ~$8/share of free cash flow in 2017 and based on its strong business fundamentals, solid balance sheet and activist management team, the shares could trade at 18-20x or $144-$160/share. Aon closed the quarter at $104.45/share.

Orora Limited ("ORA AU"), a company we featured in the Appendix of our Q1 2014 investor letter, rose 11% in the first quarter, driven by an earnings beat for Q4 2015 and a dividend increase from $0.08/share to $0.09/share. The company, led by activist CEO Nigel Garrard, continued to demonstrate great operational execution as it gets closer to fully achieving its cost savings plan, as laid out in December 2013 prior to being spun off from Amcor ("AMC AU"). With the business running more efficiently, management's focus has now turned to growth and in Q1 investors applauded the announcements of a bottle capacity expansion in Australia and a small tuck-in acquisition in the U.S. ORA has proven be a classic Corsair investment over the last 2 years – it was a small division spun off from a conglomerate, with potential margin expansion from a cost savings program, and led by a CEO with a history of value creation who was buying stock personally in the open market. As we expected, the dividend has increased by 50% and significant shareholder value has been created since the spinoff in December 2013. ORA shares finished the quarter at a price of $2.50.

Ferroglobe PLC ("GSM"), fell 18% during the first quarter. On Dec 23, 2015, Globe Specialty Metals completed a transformational merger with Grupo FerroAtlantica, creating a leading silicon metal and silicon alloys producer. Market conditions for silicon metal have been difficult since the deal was announced in Q1 2015, with prices falling sharply due unexpected shifts in supply. Specifically, European manufacturers have been able to maintain production despite lower pricing given the decline in the Euro (contract pricing linked to the USD) and it is believed that China has been dumping silicon metal into Europe. However, we still believe GSM offers excellent risk-reward. We believe silicon metal prices have bottomed and we have already seen industry capacity curtailment and expect more to follow. Most importantly, we think the market is ignoring the significant synergies and strengths of the "new" GSM. We view GSM as trading at under 7x trough EBITDA and under 4x mid-cycle adjusted EBITDA. Unlike its peers, GSM has a solid balance sheet putting management in pole position to continue to create shareholder value by acquiring distressed assets at discounted prices. Between financial and cost synergies, a reversal in silicon metal pricing and the opportunity for further accretive acquisitions, we believe 2016 should be an inflection point for GSM stock which could move up materially as the company executes. GSM closed the quarter at $8.81.

IAC ("IAC"), a company we featured in the Appendix of our Q3 2014 investor letter, fell 22% in the quarter despite reporting Q4 2015 EBITDA above consensus expectations. Bullish results and commentary for HomeAdvisor and Tinder, plus significant margin expansion at The Match Group ("MTCH") expected for 2016, was not enough to offset perceived negative news. Investors were seemingly disappointed to learn that the company removed its regular dividend and gave 2016 guidance of "flattish" net dating subscriber growth at MTCH excluding fast growers Tinder and Plenty of Fish.

IAC CEO Joey Levin made it clear on IAC's Q4 2015 earnings call that the company will opportunistically re-deploy its war chest of over $1B in net cash (or $12+/share) toward acquisitions and stock buybacks as its top priorities. Given Chairman Barry Diller, a legendary value creator, decided to repurchase over 3% of the company in the open market in Q1 2015 at an average price of $67.68/share, we believe it is likely that the company has been buying back stock in the $40-$50 range. We agree with management that there is a unique opportunity today to buy IAC shares for significantly less than intrinsic value. Excluding the 85% stake in MTCH and excluding net cash on the IAC balance sheet, the market is currently pricing the remaining businesses at IAC for just over $5/share. We believe that the true value of the stub, which includes the company's Search, HomeAdvisor and Vimeo divisions, is worth at least $23/share.

Regarding MTCH, management is currently in the process of updating its mobile version of certain assets including match.com and expects net subscriber growth to re-accelerate in late 2016 or early 2017. With rapid subscriber and revenue growth at Tinder and Plenty of Fish, margin expansion and a steady base of match.com EBITDA, we believe overall MTCH EBITDA will grow from below $300MM in 2015 to over $400MM in 2016 and $500MM in 2017, materially above consensus estimates. With that in mind, our view is that MTCH is mispriced as well at just over 8x 2017 EBITDA. On a Sum of the Parts basis, we estimate that MTCH is worth $17/share, or 60% more than its current market price. Therefore, to IAC shareholders, the 85% stake in MTCH would be worth $47/share.

Our sum of the parts: adding our IAC stub valuation of $23/share to $47 in the MTCH stake, plus net cash of $12, we arrive at a valuation of $82.00/share. IAC ended the period with a stock price of $47.08.

Voya Financial Inc ("VOYA") declined 19% during the first quarter amid a rout of financial related stocks. In February the company announced in-line Q4 2015 results and the completion of a $1.5B share buyback program. Furthermore, the company put in place a new $700MM share buyback program for 2016, representing approximately 12% of the current market cap, and noted it still has an additional $400MM of excess capital to deploy. The company remains committed to its goal of 14% ROE in 2018, which would translate into more than $4.50/share of EPS, a number we expect will increase if the company can repurchase a significant amount of shares at current levels. While numerous risks have emerged since mid-2015, including risks from lower interest rates, weaker equity markets, a new Department of Labor fiduciary rule and losses from oil and gas investments, we believe these are more than reflected in the current share price. Despite repurchasing ~$2.3B of shares, removing a large shareholder overhang and strong financial execution since its IPO in 2013, at $30/share VOYA trades at under 10x current earnings, under 7x 2018 estimated earnings and under 0.6x tangible book value. Accordingly, management has continued to meet or beat its previous financial goals and we expect the company will continue to execute. We believe over the next 18 months the market should recognize the benefits of this massive transformation and the stock should trade materially higher. VOYA closed the quarter at $29.77.

As of April 1, 2016, the five largest positions in Corsair Select were AON PLC, KAR Auction Services, Orbital ATK, Ryman Hospitalities, and Voya Financial Inc.

> *"Of course, in the short-run the financial markets will have much to say about our investment returns. However, in the long-run I hope our asset allocation and individual security selection will allow us to exceed the financial indices."*
>
> - Corsair Capital Partners Inaugural Letter, January 2, 1991

Thank you for your continued support and confidence. See the attached Appendix for a write-up of a current core investment. Please feel free to call us with any questions you may have at 212-949-3000.

Sincerely,

Corsair Capital Management, L.P.

Appendix – Liberty Interactive/QVC ("QVCA" - $26)

When you hear the letters Q-V-C, do you picture a television, a telephone or a dinosaur? What many investors viewed as a business model unable to withstand the onslaught of technology has actually been at the forefront of capitalizing on it. QVC is an international retailer, but with very unique characteristics which make it a high quality and capital light operation. As one of the leading retailers in mobile revenue, QVC has deftly navigated the changing retail landscape while maintaining unheard of customer loyalty. This dynamic has provided free cash flow visibility and allowed its world class management team to create shareholder value through capital allocation. After $2.7B in stock buybacks (approximately 20% of shares outstanding) since 2013 and a $2.4B value-enhancing acquisition late in 2015, we believe Chairman John Malone has set up the stock for a great run over the next 2-3 years. We expect that QVC will expand EBITDA meaningfully as the fruits of its Zulily ("ZU") acquisition ripen and will repurchase another 20% of its shares which, in turn, could drive the stock to $40/share.

Business Overview

> *"Our customers are highly, highly loyal. We retain 89% of our customers from year-to-year. We do that every year. They buy 24 items a year. They do that every year. Those two metrics speak to the real stability of this business."*
>
> – QVC CEO Mike George

Quality. Value. Convenience. These are the three words that founder Joseph Segel chose to describe the station he was launching on television back in 1986. However, as it pertains to the quality of the business model, customer loyalty and minimal capital requirements are the most crucial components. QVC has no bricks-and-mortar stores to build, maintain or renovate. QVC has no inventory to stockpile in large warehouses. The company simply gathers talented, unique and innovative retailers and creates engaging programming around their products. Those programs are viewed in several countries, and the experience compels viewers to purchase featured products over the phone or on QVC's web site. Adding to the appeal is the fact that almost 75% of the merchandise sold is exclusive to QVC. Over time, this has created a very loyal customer base. QVC boasts annual customer retention rates consistently in the range of 88%-90%, and the average U.S. customer makes 24 purchases per year and spends almost $1,500. Not surprisingly, with QVC's impressive customer loyalty statistics, 2008 revenue declined by only 1.3%.

> *"Almost half of the business today is e-commerce in the U.S., and within that e-commerce portion, more than half is mobile, that's a stunning development… but if you look at traditional retailers, you'd be hard pressed to find anybody who has those kinds of numbers."*
>
> – QVC CEO Mike George

QVC's consumer demographics have also gradually been getting younger, given the company's success with new technologies over time. Currently, 30% of all new QVC customers are coming in through a mobile device. Believe it or not, QVC is #3 in mobile retail revenue in the U.S. behind Amazon ("AMZN") and Apple ("AAPL"), and #2 for multi-category retailers (behind only AMZN). This sticky customer base with demographic tailwinds, combined with minimal capital requirements, allows management great visibility of future cash flow – a beautiful thing when you have a management team led by Liberty Interactive's Chairman John Malone and CEO Greg Maffei.

Transformational Acquisition

> *"We made a relatively small bet, about 11% of our QVC Group enterprise value at the deal's closing for something we think can accelerate our growth, can bring great returns and help re-rate the QVC multiple, given a faster growth rate for the combined enterprise, so we're very excited about it."*
>
> – Liberty Interactive CEO Greg Maffei

On October 2, 2015, QVC completed the $2.4B deal to purchase ZU, an online retailer that went public in 2013. Once a high-flying stock driven by triple-digit growth rates, ZU shares had in recent quarters experienced a serious pullback as sales momentum decelerated and EBITDA margins languished in the low single-digits. However, with around $1.5B in annual revenues, ZU discovers up-and-coming vendors and targets young moms in the U.S. The company is still growing at ~15% and its profitability should benefit tremendously from being a part of a much larger operation with economies of scale and industry know-how.

> *"I think there's a giant opportunity… this is one of the cases where one plus one may, in fact, equal three…"*
>
> – Zulily CEO Darrell Cavens

On top of cost synergies that are expected to flow through starting in 2016, Q4 2015 already proved that revenue synergies will be the major financial benefit to the deal. Management believes the thesis surrounding this transaction was confirmed as meaningful ZU traffic in Q4 was driven by existing QVC online customers who flocked to the ZU web site. Additionally, 15% of QVC's new customers in the quarter were originated as re-directs from ZU. We believe that this cross-pollination combined with ZU EBITDA margins of 5% (versus QVC's 22% margins) expanding over time will propel ZU EBITDA from $71MM in 2015 to $200MM-$250MM by 2018. And from a strategic standpoint, this deal brings younger shoppers and up-and-coming retailers into the QVC ecosystem earlier.

Buybacks and more Buybacks

> *"We have a faster growth profile with Zulily included and we have a lower multiple, both appealing thoughts… I would argue a far more appealing candidate for share repurchase today than we were a year ago."*
>
> – Liberty Interactive CEO Greg Maffei

After announcing the purchase of ZU and watching QVC stock drop materially in response, Liberty Interactive CEO Greg Maffei reassured investors that leverage taken on in the transaction will not impede more share buybacks. In fact, Maffei thinks it is a better buy today given the strategic and financial benefits of the acquisition. Additionally, the balance sheet is strong with very manageable 2.9x net leverage – a multiple that will drop without any capital being allocated toward debt pay down as EBITDA grows. With $2.7B in share repurchases from 2013 through 2015, QVC management has shrunk the share count by approximately 20%. Clearly, Malone and Maffei viewed and continue to view the stock as a great value, and we would expect another 20% to be retired over the coming 3 years.

Valuation

> *"Our shares are wildly undervalued."*
>
> – QVC CEO Mike George

QVC stock currently trades at a multiple of 9x 2016 EBITDA. But with a 38% equity stake in the company's biggest competitor, HSN Inc ("HSN"), included on the company's balance sheet, QVC is really trading for 8.5x 2016 EBITDA, or 10x 2016 EBITDA less CapEx. We believe that given the captive audience and the capital light model at QVC, which leads to stability and visibility in cash flow, this business deserves to trade for 12x EBITDA less CapEx. When viewing this retail company in the context of the characteristics of its business model, we could suggest this is really a subscription type of business in quality and value. That is what we believe should be the focus, and we expect that as ZU proves to be a smart acquisition, QVC's multiple will expand. Looking out a year, we expect the stock to reach $37.50/share, or 12x 2017 EBITDA less CapEx of $2B. If we give the company credit for 2016 and 2017 stock buybacks, we arrive at a stock price of $43/share. And given the activist management team running the company with a history of value enhancing transactions, an accretive combination with HSN could potentially increase the upside in QVC shares further.

IMPORTANT DISCLOSURES

An investment in any Corsair fund is speculative and involves a high degree of risk. Past performance is not necessarily indicative of future results. There can be no assurances that any Corsair fund will continue to have a similar return on invested capital because, among other reasons, there may be differences in economic and market conditions, regulatory and political climate, portfolio size, investment opportunities, expenses and structure.

References to benchmarks are for illustrative purposes only. Comparisons to benchmarks have limitations because characteristics of such benchmarks, such as level of volatility and position concentration, among other things, may differ from those of the applicable Corsair fund. The Corsair funds do not attempt to track a benchmark.

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Any forward-looking statements included in this letter represent the subjective views of the portfolio managers of Corsair, including the future performance of the market generally and portfolio companies specifically, based on assumptions that may or may not prove to be correct. There can be no assurance that these views are accurate or will be realized, and nothing contained here is, or should be relied on as, a promise as to the future performance or condition of any Corsair fund, any portfolio company or the market generally. Industry experts and the portfolio companies themselves may disagree with these views and/or assumptions.

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