April 2, 2015

Dear All,

This is the Fund's ninth regular quarterly report to provide updates on the Partnership's performance. The Partnership's fund administrator, Fund Associates, LLC, is also generating monthly investment reports for each Partner, by directly and independently accessing the Fund's electronic brokerage data.

For the three-months ending March 31, 2015, The Barac Value Fund L.P. (the "Fund" or "Partnership") delivered net returns of 1.85% (after deducting fees and expenses) versus a return of 1.30% for the benchmark[1], resulting in relative outperformance of 55 basis points.

Since the Partnership's inception (on July 14, 2011), the Fund has delivered net returns of 57.60% (after deducting fees and expenses) versus a return of 46.06% for the benchmark, resulting in relative outperformance of approximately 1,154 basis points.

The Partnership's returns amount to gross and net annualized returns since inception of 14.73% and 13.02%, versus 10.73% for the benchmark.

	Barac Value Fund Returns		60% S&P TR/
	Gross %	**Net %****	**40% Barclay's Agg.**
2011*:	(4.43)	(5.08)	(0.39)
2012:	19.69	17.87	11.31
2013:	27.61	25.68	17.56
2014:	11.72	10.04	10.62
Q1 2015:	2.19	1.85	1.30
Since inception:	66.66	57.60	46.06
Annualized:	14.73	13.02	10.73

*2011 and inception performance is from the fund's inception on July 14th, 2011

**The net results reflect the deduction of: (i) an annual asset management fee of 1.5%, accrued monthly; (ii) transaction fees and other expenses incurred. Performance figures include the reinvestment of dividends and other earnings as appropriate.

Q1 2015 figures are preliminary and have not been verified by the fund administrator.

PAST PERFORMANCE IS NO INDICATION OF FUTURE RESULTS.

[1] See appendix, at the end of the letter, for details on the benchmark and the underlying comparative methodology.

Quarterly Performance Commentary

For the most recent quarter ending March 31, 2014, returns for the Fund exceeded the benchmark by 89 basis points on a gross basis and 55 basis points on a net basis after fees. Outperformance for the quarter was driven by individual security selections, somewhat offset by an underweight position in bonds and a substantial cash position.

Top individual stock performers included Cirrus Logic (+41% for the quarter), Twitter (+40%), AMC Networks (+20%), Amerco (+16%), and Apple (+13%). The worst individual stock performers included Viacom (-9%), Union Pacific (-9%), Xerox (-7%), and KB Homes (-6%).

Despite the headwinds resulting from holding substantial cash positions during the quarter (26% of assets-under-management (AUM) at quarter-end), the Fund's 1.85% net quarterly return not only outperformed the Fund's benchmark but also outperformed each of the benchmark's equity and debt sub-components (which were up 0.95% and 1.61%, respectively, for the quarter)[2].

The longer-term performance for the Fund remains particularly strong with gross and net returns since inception of 67% and 58%, respectively, versus a return of 46% for the benchmark. To put that in perspective, a $1,000 investment at inception (in July of 2011) delivered net returns of $576 versus $461 for the benchmark (25% more in net returns over less than 4 years).

As always, it is also important to restate that the Fund's returns were generated without leverage (either direct or effective leverage through options), without taking highly concentrated positions, and with the headwinds of holding substantial cash balances. I also continue to "put my money where my mouth is" and most of my net worth also remains invested in the Fund along with the other Partners.

The Forward View

Following the substantial run-up in U.S. equities over the past several years, the risk/reward dynamics for U.S. equities have become relatively less favorable and there have been a number of resultant changes to the Partnership's holdings. First of all, the Fund no longer holds diversified index exposure to the broad U.S. markets.

Previously, when the Fund's individual stock positions were fully allocated and I didn't want any more concentration risk (but wanted additional U.S. equity exposure), broad index exposure was sometimes purchased through low-fee diversified index funds. This is no longer the case, today, as I don't see such broad market exposure as optimal at current valuations. As such, all of the Partnership's U.S. equity positions are now either in individual stock positions or in industry-specific investment vehicles.

Finding superior value opportunities in individual stocks and sectors has always been of great importance to the Fund's investment strategy and this is particularly true today. While I would characterize the overall U.S. equity market as fairly valued and not a huge bargain, I believe that there are components of it that are quite cheap. For example, I believe that the sell-off in oil-

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[2] As measured by the S&P 500 total return index (including dividends) and the Barclay's U.S. aggregate index.

related stocks has created a long-term opportunity in that space and the Fund now has direct exposure in that industry (accounting for 9% of the Fund's equity holdings at quarter-end).

The run-up in U.S. equities, and the resultant relative value implications, has also led me to shift some exposure into certain international markets (accounting for 14% of the Fund's equity holdings at quarter-end) where I see value and where returns have been much more muted over the past several years. The goal of these (and all other) allocation decisions is to allow for continued relative outperformance and solid absolute returns even if/when the tailwinds of the broad U.S. equity markets rally subsides or reverses.

Broadly speaking, I do remain positive on equities relative to bonds and I continue to believe that long-term bonds are substantially overvalued and don't adequately compensate investors for interest rate and inflation risks. As such, the Partnership remained substantially underweight fixed-income at quarter-end (12% of AUM versus 40% for the benchmark) and slightly overweight equities (62% of AUM versus 60% for the benchmark). In order to mitigate credit and interest rate risks, all of the Fund's fixed income investments are in U.S. Treasuries and most of the positions have fixed maturities of less than 5 years.

Cash held by the Fund -- held for the purpose of optionality, diversity, and overall risk management -- remained substantial and amounted to 26% of AUM at quarter-end. Going forward, I continue to expect that the Fund's cash balance will ultimately be much smaller and the non-equity portion of the portfolio will be more heavily invested in interest generating fixed-income assets to the extent that yields on those assets increase to levels sufficient to warrant such a reallocation.

Despite the increased focus on individual stocks and sectors, diversification remains of great important to the Fund's risk management strategy. In that regard, the Fund held 30 individual stock positions (the largest comprising less than 5% of AUM) at the end of the quarter with the rest of the Partnership's equity exposure comprised of diversified ETFs (exchange-traded funds) which are either sector or international market specific.

Thank you to everyone for your interest and support and please let me know if there are any questions you may have that I have not answered. The next quarterly report will be for the quarter ending June 30, 2015 and the next subscription period for the Fund will be April 30, 2015.

Sincerely,

Ted Barac
Managing Member of Barac Capital Management, LLC

Appendix:

About The Benchmark:

As a multi-asset fund whose objective is to seek investment opportunities across different asset classes (e.g. stocks, bonds, etc.), the benchmark used for the Fund is a mix of 60% attributed to the S&P 500 index (including dividends paid) and 40% attributed to the Barclays aggregate bond index. The S&P 500 is a commonly used index of 500 U.S. large capitalization stocks while the Barclays aggregate index is a commonly used index of U.S. high-grade bonds.

The reason for using this specific benchmark is because it is comprised of two very commonly followed indexes for the two major investment classes (stocks and bonds) in the 60%/40% ratio mix, which has been a common allocation ratio recommended for long-term investors. In addition, both of these indexes can be easily purchased through low-fee and highly-liquid index funds, providing an easy alternative for investors. Long-term outperformance versus these indexes is necessary to justify an investment in the Fund and, therefore, this is the yardstick to which the Fund will be compared.

To be clear, the benchmark is chosen only to provide an easy and simplistic comparison to how one's investments might have performed if invested in low-fee index funds allocated in the commonly prescribed mix of 60%/40% (equities/bonds). The Fund does not endorse or make any attempt to follow such an allocation and in periods when I view equities as substantially over-valued, the equity allocation may be much less than 60% and vice-versa. In addition, the Fund will also hold other asset classes, outside the scope of the benchmark, which may include cash, small-cap. equities, foreign equities, and high-yield bonds, among others. Overall, the investment strategy of the Fund is about finding the best value across different asset classes and geographies while sizing positions to best optimize risk/reward.