SCHUTT CAPITAL
MANAGEMENT

August 31, 2018

Dear Fellow Investor,

The net return for Schutt Private Investment Fund, LP for the quarter ended June 30, 2018 was 3.9%. The Fund's returns and investment allocation, or mix of investments, as well as overall stock market returns are summarized in the following table.

	SPIF Net Return	SPIF Avg. Exposure/Allocation				Benchmark Returns[1]		SPIF Return on Invested Capital[2]
		Equities	Secured Loans	Private/ Controlled Co.	Cash	S&P	Wilshire 5000	
2Q18	3.9%	72%	19%	5%	4%	3.4%	4.1%	4.0%

1. The S&P 500 return includes dividends and neither the S&P 500 nor the Wilshire 5000 reflect an adjustment for any fees or expenses.
2. Return on invested capital is calculated by dividing the Fund's gross return by the average invested capital during the period, and then subtracting the percentage of fees and expenses incurred during the period. Internally, we use this metric to track investment performance excluding the effect of cash on returns.

Presented below are our top contributors and detractors for the three months ended June 30, 2018.

Contributors	Detractors
Constellation Software	The Bancorp (P&I Hammerhead, LP)
Fairfax Financial Holdings	Bank of America TARP Warrants
Kennedy Wilson Holdings	Berkshire Hathaway

Kennedy Wilson (KW) was the single largest contributor to performance during the quarter. KW is a real estate investment firm with most of its assets in the western U.S., Ireland, and the United Kingdom.

In July, I spent a day with about 10 members of KW's U.S. management team touring a sampling of its apartment properties in Seattle, Washington. The day delivered a host of learnings and deepened my cumulative understanding of the business. Of most value were the hours of informal conversation I had with senior KW managers – while walking properties together, during van rides between locations, over a drink at the end of the day – and the insights those yielded. I have written a fair amount about Kennedy Wilson over the past year in these letters, so here I will just share a few further realizations afforded by this experience.

KW has distinct cultural attributes. Management at the corporate office remains small in number and intentionally flat to enable quick decision-making. Examples related during the day described how 15-30 minute conversations between a couple of key decision-makers quickly flush out opportunities surfaced by local asset management teams. Further, KW recognizes that a willingness to act quickly, and with conviction, when fear or uncertainty causes others to hesitate is an edge, and behaves accordingly.

KW considers itself to be in the "information business" and believes it is each market leader's job to nurture all the right relationships to be "in-the-know" on local assets and

opportunities. When pursuing a deal, rather than "nickel and diming" a seller for the last dollar, KW prefers to keep strong forward momentum, find the right alignment between buyer and seller, and to keep its word on terms and timeline so as to benefit its long-term reputation. Finally, this team displays deep comradery, and challenges and learns from one another.

This is a young team with long tenure. Other than founder, Bill McMorrow, the members of the U.S. management team are both young (mid-30s to early-40s) *and* have 8-15 year tenure with the company. This includes the corporate COO, CFO, Head of Multifamily Investment, CFO of Multifamily Investment, Head of Acquisitions of Multifamily, and the lead asset manager in the Seattle market. Each are individuals that Bill McMorrow identified while they were in their 20s or early 30s and have been given increased responsibilities over time. These professionals bode well for the long-term growth and health of the business.

KW aims to be the first institutional capital to come to a market. Some attributes of markets that KW targets are obvious to outside analysts, including that it favors areas with inherent capacity constraints or other barriers to entry, strong population growth and a highly educated workforce (usually built around a strong higher education presence). As an additional criteria, however, KW likes to be the first institutional capital to enter a market. This allows the company to bring scale to a market that may have previously lacked it, and positions it in front of a tidal wave of capital that inevitably drives prices higher and increases the scarcity of quality projects. KW was prescient in entering Seattle beginning in 2006. Newer markets that it has been developing over the past five years include Salt Lake City, Utah and Boise, Idaho.

The investment management platform is likely to ramp up. In the near to intermediate term, it is likely that KW increases the size of its investment management platform in both the U.S. and Europe. First, this continues to represent a great business opportunity that allows the company to leverage its deep relationships in and knowledge of its core markets. Second, because the current environment does not offer a rich set of distressed or opportunistic deals that are prerequisite to putting a large portion of its own balance sheet capital to work, the investment management platform offers a sensible way to grow and scale while also meeting KW's internal return requirements.

For example, KW can partner with capital providers with different return criteria – let's say an endowment or pension fund that wants to put long-term capital to work in real estate assets delivering total annualized returns in the low teens. KW will invest some of its own capital alongside that of its partner and leverage the return on its own equity through the collection of investment management and performance fees. The amount of equity KW contributes in each of these situations can be adjusted based on the circumstances.

The recent partnership announced between KW and AXA Investment Managers (part of the global insurer, AXA) to own and develop apartment assets in Ireland is a prime example of this investment management strategy. AXA has significantly deeper pockets than KW does, and if opportunities are present, may facilitate KW owning much more in Ireland than it would have been able to on its own. AXA could bring financing (as in, debt) synergies down the road, too.

Related to the above, *KW will be more a seller of balance sheet assets than an acquirer until market opportunities improve*. Uses of this realized capital will include supporting selected development projects, repaying debt, and repurchasing shares.

KW's Vintage Housing unit occupies a niche market and is driving most new development in the U.S. Vintage builds affordable and senior housing properties utilizing the federal low-income housing tax credit program. KW purchased a majority interest in Vintage Housing in 2015 from a liquidating REIT and in partnership with Vintage's long-time principals. Vintage's portfolio has a strong overlap with KW's footprint in Seattle and northern California. While a federal program, the administration of the program and awarding of tax credits occurs at the state level, where expertise, local political knowledge, and reputation are competitive advantages. Vintage has been in Washington State for decades and builds product there that serves both workforce residents (families earning less than 60% of the local median income) and senior housing.

These projects are partly funded with tax-exempt bonds for which banks are ready investors. As for the equity, tax credits are created in the development process and sold to investors, most often C corporations that get a one-for-one dollar reduction in their tax bill. As a result, the developer ends up owning the vast majority of the project and collecting nearly all of its lifetime cash flows with effectively no equity invested at all.

Vintage represents the majority of KW's development pipeline in the U.S. today, as the company continues to find select sites where the price of land and the development economics result in good returns. Vintage has 6,400 apartment units under ownership today and its development pipeline in Washington State and elsewhere will deliver over 2,500 more in the next few years.

High-Yield Secured Loan Portfolio

We are continuing to see significant activity in our secured, high-yield real estate loan portfolio that has been driven by both opportunity and a strong, partnership-style relationship with a couple of boutique developers.

In these loans, we are typically favored by our developer-partners as a capital provider over traditional banks as a result of being easy to work with, our speed in negotiating and closing transactions, and the certainty we offer. Our flexibility in structuring these loans and thinking more holistically about sources of cash flow, collateral, and repayment than traditional banks has also helped position us well.

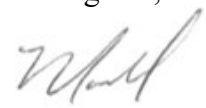
Each loan holds a mortgage on the underlying property, tends to be 12-18 months in duration (though there are a couple of exceptions), and offers annualized returns in the mid-teens. The underlying projects are a mix of single-family housing being constructed in desirable, urban locations, and the construction or renovation of apartment properties in the same neighborhoods.

More broadly, we continue to observe an undersupply of housing within urban markets that have enjoyed population growth since the time of the Great Recession in 2007-2008. This supply and demand imbalance continues to be very supportive of strong pricing for single-family housing, especially newly constructed product in existing neighborhoods with an older housing stock.

Thank you for your trust and confidence. Please contact me if you have any questions or concerns. If you know of anyone who may be interested in learning more about the Fund, I would welcome your introduction. The next opportunity to make additional investments is September 30, 2018.

I look forward to reporting to you again after the conclusion of the third calendar quarter.

Best regards,



Marshall P. Schutt
Managing Member

Appendix A: Overview of Changes in Holdings and Current Holdings (4/1/18 – 6/30/18)

New Positions	Disposals
Commercial Acquisition & Construction Loan XXVIII	British American Tobacco
Commercial Acquisition Loan XXVIX	Residential Acquisition & Construction Loan XVIII
Residential Acquisition & Construction Loan XXX	Residential Acquisition & Construction Loan XXII
Commercial Acquisition & Construction Loan XXXI	

Positions Substantially Increased[1]	Positions Substantially Reduced[1]
Kennedy Wilson Holdings	Constellation Software
Markel Corp.	Commercial Acquisition & Construction Loan XXVI
Commercial Construction Loan XXI	
Commercial Acquisition & Construction Loan XXVII	

(1) An increase or decrease representing at least 0.50% of the Fund's capital, measured as of the beginning of the quarter.

Business Descriptions of Holdings at 6/30/18
*(*one of top 5 largest holdings at 8/31/18)*

ABL Alliance, LLLP – *asset-based loan portfolio*
Bank of America Corp. – *large U.S. financial institution*
Bank of America TARP Warrants – *warrants to purchase stock in this large U.S. financial institution*
Berkshire Hathaway – *holding company; insurance, railroads, utilities, manufacturing, retail and services*
Calfpasture Jeffrey Park, LLC – *construction loan and direct equity investment in a real estate development project*
Constellation Software* – *provider of vertical market software solutions (including a small corporate debt holding)*
Fairfax Financial Holdings* – *property and casualty insurance and reinsurance globally*
Interactive Brokers Group – *automated global electronic broker*
Kennedy Wilson Holdings* – *real estate investment company*
Limbach Holdings, Inc. – *commercial specialty contractor and servicer of mechanical and electrical systems*
Markel Corporation – *property and casualty insurance and reinsurance globally*
MMA Capital Management – *investment manager; affordable housing and renewable energy*
P&I Hammerhead, LP* – *private investment consisting solely of publicly-traded shares of The Bancorp (TBBK)*
Residential Real Estate Loan XX – *high yield first mortgage secured by residential property; Columbus, OH*
Commercial Construction Loan XXI – *high yield construction loan secured by commercial property; Columbus, OH*
Commercial Acquisition & Construction Loan XXIII – *high yield loan secured by commercial property; Columbus, OH*
Commercial Construction Loan XXIV – *high yield loan secured by commercial property; Columbus, OH*
Residential Acquisition & Construction Loan XXV – *high yield first mortgage secured by residential property; Columbus, OH*
Commercial Acquisition & Construction Loan XXVI – *high yield loan secured by commercial property; Columbus, OH*
Commercial Acquisition & Construction Loan XXVII – *high yield loan secured by commercial property; Columbus, OH*
Commercial Acquisition & Construction Loan XXVIII – *high yield loan secured by commercial property; Columbus, OH*
Commercial Acquisition Loan XXVIX – *high yield loan secured by commercial property; Columbus, OH*
Residential Acquisition & Construction Loan XXX – *high yield loan secured by residential property; Columbus, OH*
Commercial Acquisition & Construction Loan XXXI* – *high yield loan secured by commercial property; Columbus, OH*
Village Bank & Trust Corporation – *community bank*
W.R. Berkley Corporation – *property and casualty insurance globally*
Wells Fargo Bank, N.A. – *large U.S. financial institution*
Wells Fargo TARP Warrants – *warrants to purchase stock in this large U.S. financial institution*
Wilmington Holdings Corporation – *controlled investment; private property & casualty insurance company; held through an investment in Gearson Partners Holdings, LP*

Appendix B: Performance

My preferred measurement is not how the Fund performs quarter to quarter or year to year, but rather over three- to five-year periods – and encourage you as a limited partner to view our results the same way. The Fund's objective is to achieve attractive risk-adjusted returns over sufficiently long periods. It is not to match a benchmark index in any given quarter or annual period. In fact, given its limited number of holdings, it should be expected to diverge from the broad market from time to time.

	Net Return	Return on Invested Capital[1]	Exposure[2]	S&P 500[3]	Wilshire 5000
2Q 2018	3.9%	4.0%	96.5%	3.4%	4.1%
YTD 2018	5.4%	5.9%	91.8%	2.6%	3.4%

	Net Return		Return on Invested Capital[1]			S&P 500[3]		Wilshire 5000	
	Quarter	*Cumulative*	Quarter	*Cumulative*	Exposure[2]	Quarter	*Cumulative*	Quarter	*Cumulative*
2Q 2009	1.3%	*1.3%*	25.7%	*25.7%*	6.1%	15.9%	*15.9%*	16.8%	*16.8%*
3Q 2009	4.1%	*5.4%*	20.9%	*51.9%*	21.1%	15.6%	*34.0%*	16.3%	*35.9%*
4Q 2009	3.5%	*9.0%*	8.5%	*64.8%*	43.4%	6.0%	*42.1%*	6.0%	*44.0%*
1Q 2010	6.3%	*15.9%*	11.5%	*83.8%*	56.0%	5.4%	*49.8%*	6.3%	*53.0%*
2Q 2010	-3.5%	*11.8%*	-5.5%	*73.7%*	62.1%	-11.4%	*32.7%*	-11.1%	*36.1%*
3Q 2010	2.6%	*14.7%*	3.9%	*80.4%*	70.5%	11.3%	*47.6%*	11.7%	*52.0%*
4Q 2010	7.1%	*22.9%*	9.8%	*98.0%*	74.0%	10.8%	*63.5%*	11.7%	*69.7%*
1Q 2011	4.8%	*28.8%*	6.6%	*111.1%*	74.1%	5.9%	*73.2%*	6.0%	*79.9%*
2Q 2011	-2.7%	*25.3%*	-3.3%	*104.1%*	78.2%	0.1%	*73.4%*	-0.1%	*79.7%*
3Q 2011	-10.3%	*12.5%*	-13.2%	*77.1%*	76.6%	-13.9%	*49.3%*	-15.2%	*52.5%*
4Q 2011	2.5%	*15.3%*	2.9%	*82.2%*	75.4%	11.8%	*67.0%*	12.0%	*70.7%*
1Q 2012	10.3%	*27.2%*	13.2%	*106.2%*	79.1%	12.6%	*88.0%*	12.8%	*92.5%*
2Q 2012	-1.5%	*25.3%*	-1.8%	*102.5%*	73.9%	-2.8%	*82.8%*	-3.2%	*86.4%*
3Q 2012	5.7%	*32.4%*	8.0%	*118.7%*	72.5%	6.4%	*94.4%*	6.1%	*97.7%*
4Q 2012	0.5%	*33.1%*	0.8%	*120.5%*	74.7%	-0.4%	*93.7%*	0.3%	*98.2%*
1Q 2013	8.6%	*44.5%*	11.3%	*145.5%*	76.5%	10.6%	*114.2%*	11.2%	*120.5%*
2Q 2013	0.4%	*45.1%*	0.7%	*147.2%*	78.5%	2.9%	*120.5%*	2.9%	*126.9%*
3Q 2013	3.8%	*50.7%*	5.0%	*159.4%*	79.3%	5.2%	*132.0%*	6.3%	*141.2%*
4Q 2013	7.0%	*61.2%*	9.1%	*183.0%*	78.3%	10.5%	*156.4%*	10.1%	*165.7%*
1Q 2014	3.3%	*66.5%*	4.3%	*195.1%*	78.8%	1.8%	*161.1%*	1.9%	*170.8%*
2Q 2014	3.6%	*72.6%*	4.8%	*209.1%*	78.7%	5.2%	*174.7%*	4.9%	*184.0%*
3Q 2014	-1.5%	*70.0%*	-1.8%	*203.7%*	82.5%	1.1%	*177.8%*	0.0%	*183.9%*
4Q 2014	4.6%	*77.8%*	5.0%	*219.0%*	91.7%	4.9%	*191.5%*	4.9%	*197.8%*
1Q 2015	3.2%	*83.4%*	3.7%	*230.7%*	88.6%	1.0%	*194.3%*	1.8%	*203.0%*
2Q 2015	2.4%	*87.9%*	2.9%	*240.3%*	85.6%	0.3%	*195.1%*	0.0%	*203.0%*
3Q 2015	-3.1%	*82.1%*	-3.5%	*228.3%*	85.0%	-6.4%	*176.1%*	-7.4%	*180.6%*
4Q 2015	2.7%	*87.0%*	3.1%	*238.5%*	89.0%	7.0%	*195.5%*	5.9%	*197.1%*
1Q 2016	-1.6%	*84.1%*	-1.6%	*233.1%*	96.3%	1.4%	*199.5%*	0.8%	*199.5%*
2Q 2016	2.2%	*88.2%*	2.6%	*241.6%*	88.1%	2.5%	*206.9%*	2.8%	*208.1%*
3Q 2016	5.6%	*98.8%*	6.9%	*265.3%*	82.6%	3.9%	*218.7%*	4.5%	*222.0%*
4Q 2016	7.4%	*113.4%*	10.0%	*302.0%*	74.7%	3.8%	*230.9%*	4.3%	*235.8%*
1Q 2017	-2.5%	*108.2%*	-2.9%	*290.2%*	81.5%	6.1%	*251.0%*	5.7%	*255.0%*
2Q 2017	1.6%	*111.5%*	1.9%	*297.7%*	85.7%	3.1%	*261.8%*	3.0%	*265.5%*
3Q 2017	2.1%	*115.9%*	2.4%	*307.2%*	89.9%	4.5%	*278.0%*	4.5%	*282.0%*
4Q 2017	8.6%	*134.6%*	9.2%	*344.6%*	94.4%	6.6%	*303.1%*	6.4%	*306.3%*
1Q 2018	1.5%	*138.1%*	1.8%	*352.5%*	87.1%	-0.8%	*300.1%*	-0.7%	*303.5%*
2Q 2018	3.9%	*147.3%*	4.0%	*370.8%*	96.5%	3.4%	*313.8%*	4.1%	*320.1%*

1. The return on invested capital highlights the performance of the Fund's investments, excluding its cash balances. It is calculated by dividing the Fund's gross return by the average invested capital ("Exposure"), and then subtracting the percentage of fees and expenses incurred during the period.
2. Exposure represents the average invested capital during each month within the quarterly period. For example, 75% exposure would indicate 25% of the Fund's capital is in cash.
3. The S&P 500 return includes dividends and neither the S&P 500 nor the Wilshire 5000 reflect an adjustment for any fees or expenses.