

Baron Durable Advantage Q1 2022 Fund Letter



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Summary

- Baron is an asset management firm focused on delivering growth equity investment solutions known for a long-term, fundamental, active approach to growth investing.
- Companies that are either benefiting from this environment or that are considered safe heavens posted outsized gains.
- Different sectors of the economy, different asset classes, and different investment styles go in and out of favor all the time.



Dear Baron Durable Advantage Fund Shareholder:

Performance

After three years of strong absolute and relative returns, we had a tough quarter.

Baron Durable Advantage Fund (the "Fund") declined 10.3% (Institutional Shares) during the first quarter, compared to the 4.6% decline for the S&P 500 Index (the "Index"), the Fund's benchmark.

Table I.

Performance

Annualized for periods ended March 31, 2022

	Baron Durable Advantage Fund Retail Shares^{1,2}	Baron Durable Advantage Fund Institutional Shares^{1,2}	S&P 500 Index¹
Three Months[2]	(10.37)%	(10.32)%	(4.60)%
One Year	14.81%	15.07%	15.65%
Three Years	20.29%	20.57%	18.92%
Since Inception (December 29, 2017)	15.55%	15.81%	15.25%

Performance listed in the table above is net of annual operating expenses. Annual expense ratio for the Retail and Institutional Shares as of September 30, 2021 was 1.91% and 1.48%, respectively, but the net annual expense ratio was 0.95% and 0.70% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser reimburses certain Baron Fund expenses pursuant to a contract expiring on August 29, 2032, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit www.BaronFunds.com or call 1-800-99BARON.

1 The **S&P 500 Index** measures the performance of 500 widely held large cap U.S. companies. The index and the Fund include reinvestment of dividends, net of withholding taxes, which positively impact the performance results. The index is unmanaged. Index performance is not Fund performance; one cannot invest directly into an index..

2 The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

3 Not annualized.

This quarter's return, a loss of 10.3%, was almost a mirror image of last quarter when the Fund posted a gain of 11.1%. "Through the lens of the Fund, the fourth quarter was uneventful and almost boring compared to the action taking place around it. We admit that's how we like it..." was how we described it in our last shareholder letter. Well... this quarter, was anything but. Starting with alarmingly persistent inflation leading to the increasingly hawkish Fed, a significant COVID wave in China with renewed lockdowns, continued supply-chain disruptions from the well-covered semiconductor shortages to the eye-opening increases in the cost of raw materials impacting industries from automotive/EVs to agriculture, to, of course, the absolutely shocking and disturbing war in Ukraine. The past three months were extreme, in every regard. The modest headline index declines of the S&P 500 Index, which was down less than 5%, and even the NASDAQ Composite, which was down just under 9%, would likely fool a casual observer into thinking that this was your "normal/typical" pull back after a broad and prolonged market rise. Not so this time. Underneath the benign headline numbers, 34% of the S&P 500 Index companies saw their stocks post double-digit losses with many well-known and well-owned household names experiencing violent stock price declines. Netflix ([NFLX](#)) was down 38%, PayPal ([PYPL](#)) down 39%, Home Depot ([HD](#)) down 27%, Sherwin-Williams ([SHW](#)) down 29%, Moderna ([MRNA](#)) down 32%, Etsy ([ETSY](#)) down 43% and so on...

At the other extreme, companies that are either benefiting from this environment (think Energy and Materials) or that are considered safe heavens (think Utilities and gold), posted outsized gains. The *Energy sector was up 39% in the Index for the quarter with every single name in the sector up above 20%* - not surprising with oil trading above \$100 per barrel for the first time since 2014. Companies that are levered to commodities were up strong double digits (by sub-industry: fertilizers +35.2%, steel +30.7%, copper +19.6%) and Utilities were up a tidy 4.7%.

If we were asked to describe an environment in which we were unlikely to do well - this would be it. And so, while the result is still disappointing, it is not at all surprising to us. While this Fund is measured against a "core" benchmark, we differ from a typical core portfolio that employs a blend of fast-growing, high-multiple stocks, and cheap value stocks. We concentrate solely on the middle, investing in what we believe are the highest-quality businesses that are at the later stages of their growth lifecycles, and foregoing the tail ends of both sides of the Bell Curve. As a result, we tend to struggle during market melt-ups (think the second half of 2020 when no multiple was high enough for fast-growing growth stocks) or during extreme corrections when risk-off sentiment drives investors to deep value stocks (think gold miners, utilities, and commodities in recent cycles). On the other hand, living under the thickest part of the normal distribution of the Bell Curve (68%) should enable this strategy to do reasonably well most of the time, except for those high-sigma events. Our process enables us to take advantage of time arbitrage allowing the intrinsic values of our businesses to compound over time and creating opportunities for us to generate alpha over full-market cycles. We have expended a significant amount of ink on this subject in our last quarterly letter which would be a good source for anyone wishing to read a more detailed explanation on this subject, with this first quarter of 2022 serving as a case study. While a 10% draw down is hardly an achievement, it is significantly better than many of our growth strategies had experienced over the same period of time.

From a performance attribution standpoint, stock selection was responsible for almost 80% of the Fund's relative underperformance versus the Index. The overweight to two of the worst performing sectors in the Index, Information Technology (IT) and Communication Services, hurt our results, while not having exposure to the best performing sectors (Energy up 39.0%, and Utilities up 4.7%) also detracted from relative returns. At a high level, we simply had no exposure to beneficiaries of the supply-chain disruption or areas that are considered safe havens - from Energy and Utilities stocks to commodities and agricultural products, and to defense companies. We rarely find attractive businesses in those parts of the economy as they tend to be more capital intensive, have narrower competitive advantages, earn lower returns on invested capital, and rarely benefit from secular growth trends.

At the company-specific level, with 59% of our holdings posting double-digit declines during the quarter, we had no chance to hold up against the Index that was down less than 5%. The good news is that for the most part, this draw-down did not result in a permanent loss of capital and in many cases, we believe fundamentals have remained robust or improved even though stock prices declined. One example is **Intuit (INTU)**, the leading provider of accounting software, and our second largest detractor in the quarter. The stock lost 25% of its value (*or over \$45 billion*) due to a miss in quarterly revenues, which was driven by a slower start to the tax season, leading the company to miss consensus estimates for consumer revenues by about \$190 million. The slower start to the tax season is of course insignificant to the intrinsic value of the business, as everyone knows there are only two certainties in life and one of them is - TAXES! And so, naturally, Intuit reaffirmed its annual projections. Moreover, results in other segments were ahead of expectations. CEO Sasan Goodarzi explained the outperformance during its quarterly conference call by saying:

We have a nearly \$300 billion addressable market driven by tailwinds that include a shift to virtual solutions, an acceleration to online and omni-channel capabilities, and digital money offerings. This, combined with the team's excellence and execution is contributing to the strength of our performance."

More specifically, Intuit is gaining market share in tax filings ("*we are on track to gain share overall again this season*"), continues expanding its QuickBooks online offering, which was up 35% year-over-year, and is seeing strong synergies from its Credit Karma acquisition, driven by Intuit's Lightbox technology, which allows better personalization of offerings to customers (for example, it "*doubles the average approval rate for members who apply for credit cards on Credit Karma versus outside of Credit Karma*"). The bottom line is that our estimates of Intuit's intrinsic value were up while the stock price was down and therefore our future expected return has increased.

Another good example is the leading consulting company, **Accenture, plc (ACN)**, whose stock was down 18% during the quarter despite the company reporting sparkling results with mid-20s year-over-year growth rates in revenues, EBIT, and EPS, driven by double-digit growth across all markets, industries, and services while continuing to gain market share (growing at nearly 3 times the market rate). In addition to expected strength in smaller deals, Accenture had *36 clients booking over \$100 million worth of business in the last quarter alone*. While most investors remain concerned about a pull-forward of demand, the company is not seeing a slowdown as digital transformations became a must for organizations to remain competitive as described by the company in its latest earnings conference call:

*Pre-pandemic, what we saw were clients much more into - **they did transformation quite sequentially**, right? The pandemic was a major shock. You saw the leaders who were kind of coming into that saying we've got to go even faster, and you saw a bunch of companies saying **we need to leapfrog**, right? We need to move online. We need to do digital transformation. And that meant that we saw companies starting to **take on not sequential transformation but what we call compressed transformation**, where they're at the same time doing manufacturing as well as sales".*

Jeff Bezos sums up the current market behavior well in his 2000 shareholder letter where he quoted Benjamin Graham's famous statement that, in the short term, a stock market is a voting machine, while in the long term, it is a weighing machine, saying that Amazon (**AMZN**) is a *"company that wants to be weighed, and over time we will be - over the long term, all companies are. In the meantime, we have our heads down working to build a heavier and heavier company."*

We have a lot of conviction that our businesses are doing the same - working to build heavier and heavier companies.

Table II.

Top contributors to performance for the quarter ended March 31, 2022

	Quarter End Market Cap (billions)	Percent Impact
Arch Capital Group Ltd.	\$ 18.3	0.42%

Fair Isaac Corporation	12.3	0.16
Visa, Inc.	480.0	0.16
UnitedHealth Group Incorporated	479.8	0.15
CME Group, Inc.	85.5	0.13

Arch Capital Group Ltd. (ACGL) is a specialty insurance company based in Bermuda. The stock increased 9.0% after reporting quarterly earnings that exceeded consensus estimate, achieving 11% year-over-year growth in book value per share. Pricing trends remain favorable in the property & casualty insurance market, and margins for the mortgage insurance business improved substantially from last year's cyclically depressed levels as delinquencies decline. We continue to own the stock due to Arch's strong management team, underwriting expertise and discipline, long-term ownership mindset, and focus on underwriting profitability rather than premium growth or market share, which in our view, will support solid sustainable growth in earnings and book value per share for years to come.

Shares of **Fair Isaac Corporation (FICO)**, a data and analytics company focused on predicting consumer behavior, increased 7.3% during the first quarter. The company reported solid results with 9% revenue growth (excluding divestitures) and 35% EPS growth on strong margin uplift and share repurchases and management sounded optimistic regarding their outlook for the remainder of the year. We believe that Fair Isaac will be a steady earnings compounder, as it continues optimizing pricing in its Scores segment, and as it transitions its software business to the cloud. These dynamics should drive solid returns for the stock over a multi-year period, in our view.

Shares of global payment network **Visa, Inc. (V)** were up 2.5% on strong quarterly results with 24% revenue growth and 27% EPS growth. Payment volume grew 20% with notable strength in cross-border volumes as travel activity rebounded from depressed levels. Management raised full-year guidance to reflect high-teens revenue growth. Shares also likely benefited from a "flight to safety" during a volatile quarter for equities. We continue to own the stock due to Visa's long runway for growth underpinned by the continued migration from cash transactions to card/digital and strong competitive advantages, operating in a duopoly with Mastercard.

UnitedHealth Group Incorporated (UNH) is a leading diversified health and wellbeing company whose divisions include insurance arm, United Healthcare and healthcare services arm, Optum, which offers care delivery and other services. Shares increased 1.8% on good fourth quarter results with revenues up 12.5% year-over-year, operating margins of 7.5% and EPS up 78% while also reaffirming its 2022 guidance. We believe UnitedHealth leads the health care industry in innovation and execution as evidenced by its strong value proposition leading to Medicare Advantage share gains, strong cost controls, and its leadership position in the shift to value-based care.

CME Group, Inc. (CME) operates the world's largest and most diversified derivatives marketplace. Shares rose 4.6%, contributing to results as elevated market volatility and rising interest rates led to higher trading activity on CME's exchanges. Average daily trading volume increased 19% year-over-year with notable strength in Interest Rates and Equities products. We continue to own the stock due to CME's strong competitive moats, underpinned by its product breadth and liquidity depth, as well as its sustainable growth characteristics driven by the secular shift from uncleared over-the-counter trading to exchange-traded futures while also benefiting from the rising rate environment.

Table III.

Top detractors from performance for the quarter ended March 31, 2022

	Quarter End Market Cap or Market Cap When Sold (billions)	Percent Impact
Meta Platforms, Inc.	\$605.3	-1.46%
Intuit Inc.	136.0	-0.91
BlackRock Inc.	116.9	-0.74
Iqvia Holdings Inc.	41.8	-0.68
Adobe Inc.	215.3	-0.66

Shares of **Meta Platforms, Inc. (FB)**, the owner of Facebook, the world's largest social network, fell 32.5% on the negative impact of Apple's new privacy changes in iOS mobile devices that make it more difficult for Facebook to measure the effectiveness of its advertising across its mobile apps, as well as on stronger competition from TikTok, which has been gaining significant traction with users during the last few years. Management estimated a \$10 billion revenue impact for the year from the Apple changes and has also repeatedly called out fierce competition from TikTok. We have been reducing our position in Meta Platforms and are continuing to closely evaluate it as facts emerge.

Intuit Inc. is the leading provider of accounting software for small businesses and tax preparation software for individuals and tax professionals. Shares corrected 25.1% after a slower start to the tax season resulted in quarterly revenue that missed analyst estimates despite stronger growth across the rest of the company. Management believes revenue softness in the consumer tax business is purely timing related, so full-year guidance was maintained. We own the stock due to Intuit's strong competitive advantages and durable growth opportunities as the company continues expanding its platform and ecosystem.

BlackRock Inc. (BLK), the \$10 trillion asset manager, offers a variety of products across equities, fixed income, alternatives, and cash management to institutional and retail investors worldwide. BlackRock shares declined 15.5% in the quarter driven by the weak financial markets which led to client hesitation and declining portfolio values. We believe these trends are temporary. With most of its assets in index funds and ETFs, BlackRock is a prime beneficiary of the ongoing shift to passive investing. The company also benefits from increasing demand for sustainable investment strategies as well as the adoption of its leading technology platform and its higher-fee value-added products.

Shares of **Iqvia Holdings Inc. (IQV)**, the leading global contract research organization offering outsourced drug development services to biopharmaceutical companies, fell 23.2% on a rotation out of higher-valued 2021 outperformers as well as growing concerns over moderating biotechnology funding levels and a potential shift in competitive dynamics with the growing focus on healthcare data solutions by competitors. We decided to exit our position and reallocate to higher conviction ideas.

Shares of **Adobe Inc. (ADBE)**, the leading provider of content creation, document management, and marketing software, were weak in the quarter, down 19.7% along with the overall software industry. Continued investor fears around the possibility of pandemic-driven pullforward in demand, increasing competition, and earnings results that were in line with expectations also weighed on shares. While Adobe is seeing slower year-over-year volume growth due to tougher compares, it continues to execute well, with management calling out strong engagement and retention rates in Digital Media, in line with pre-COVID levels while the company continues innovating rapidly, broadening its offering. We continue to believe that Adobe is well positioned given its marquee brand and best-in-class technology, which helps content creators and marketing professionals better reach, communicate, and sell their companies' products in an increasingly digitally connected world.

Portfolio Structure

The portfolio is constructed on a bottom-up basis with the quality of ideas and conviction level (rather than benchmark composition and weights) determining the size of each individual investment. Sector weights tend to be an outcome of the stock selection process and are not meant to indicate a positive or a negative "view."

While many market participants try to manage increased market volatility by diversifying across more holdings, we tend to do the opposite and gravitate towards our highest conviction ideas. As a reminder, we do not equate market volatility to risk (which we think of in the context of probability of permanent loss of capital) and view market volatility as an opportunity to upgrade the risk-reward profile of the portfolio.

Accordingly, the weight of our top 10 and top 20 positions has increased, representing 54.0% and 81.4% of the Fund, respectively, as of March 31, 2022. This compares to weightings of 46.3% and 77.3% as of December 31, 2021.

Similarly, we have reduced the number of names in the portfolio, exiting the quarter with 30 investments (compared to 33 as of the end of 2021). IT and Financials, our biggest sectors, represented 60.9% of the Fund. Health Care, Communication Services, Consumer Staples, and Industrials represented another 32.0% of the Fund. Cash and Ecolab Inc., which is classified under Materials, were the remaining 7.1%.

Table IV.

Top 10 holdings as of March 31, 2022 Quarter End

	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Net Assets
Microsoft Corporation	\$2,311.4	\$4.4	9.3%
Alphabet Inc.	1,842.3	4.1	8.6
Arch Capital Group Ltd.	18.3	2.5	5.2
S&P Global Inc.	142.3	2.4	5.1
UnitedHealth Group Incorporated	479.8	2.3	4.9
Mastercard Incorporated	349.3	2.2	4.7
Accenture plc	223.7	2.1	4.5
Thermo Fisher Scientific Inc.	231.1	1.9	4.0
Danaher Corporation	210.0	1.9	3.9
Visa, Inc.	480.0	1.8	3.8

Recent Activity

During the first quarter, we initiated one new investment: the alternative asset manager, **Brookfield Asset Management (BAM)**. We also utilized the market correction to add to 4 existing positions in which our conviction level has increased: Alphabet, Accenture, Ecolab and Nice. Lastly, we reduced 22 positions and liquidated 3 others as we further consolidated the portfolio in our higher conviction ideas.

Table V.

Top net purchases for the quarter ended March 31, 2022

	Quarter End Market Cap (billions)	Amount Purchased (millions)
Brookfield Asset Management Inc.	\$ 88.6	\$0.7
Alphabet Inc.	1,842.3	0.6
Accenture plc	223.7	0.3
Ecolab Inc.	50.5	0.1
Nice Ltd.	13.8	0.1

We acquired a new position in **Brookfield Asset Management Inc.** during the first quarter. Brookfield is one of the largest alternative asset managers in the world focused on infrastructure, real estate, credit, and private equity investments and has approximately \$700 billion of assets under management. We have admired what CEO Bruce Flatt and his managing partners, all of whom have significant equity ownership in the business, have accomplished over the last 20-plus years with the shares compounding at a 20% annualized rate driven by the growing allocation to real assets and alternatives (which have grown from about 5% of portfolios in 2000 to 30% in 2021) while maintaining a conservative balance sheet with downside protection.

We believe Brookfield remains well-positioned for continued solid growth due to: i) secular growth opportunity in the alternative asset management space as a "fixed income alternative" with the top 10 asset managers capturing a bigger portion of the pie; and ii) Brookfield's ability to take share due to its superior investment track record, global reach and operating platform, and scale and diverse product offering. Lastly, we believe management is intent about maximizing the value of its asset management arm or pure "fee business" with a plan to spin-out this business in the near future. We have long believed that Brookfield's asset management business

has been under-appreciated in the public market due to the complex structure of the company with its on-balance sheet investments. Brookfield's closest peers that have pure "asset-light" business models are trading at material premiums in the public markets and we believe there is a minimum of 30% value upside on in-place earnings solely through this value crystallization event (not taking into consideration any future growth). In addition, management has laid out a credible plan at its most recent investor day to more than double AUM over the next five years, which we believe will result in material equity value creation.

During the quarter, we also increased our position in **Accenture plc**, taking advantage of the recent price correction while the prospects of the business continue improving - with revenues growing 25% year-over-year and 23% organically (on our estimate), bookings up 22.5% and EPS up 25%. While consensus expectations call for a material deceleration in growth over the next few years back into the single digits, we believe that Accenture can sustain faster growth rates for longer, as clients remain early in their digital transformation process with only 13% of enterprises using the full potential of the cloud today and as we see no slowdown in the demand for digitization and cloud adoption.

We also added to our **Alphabet Inc. (GOOG) (GOOGL)** (the parent company of Google) position, increasing it from 6.2% of net assets as of the end of 2021 to 8.6% of net assets as of the end of the first quarter. Alphabet reported great quarterly results with revenue growth of 32% year-over-year, operating income growth of 40% and EPS growth of 38% on broad-based strength in advertiser spend while Google Cloud revenues grew 45% year-over-year. The company also announced a meaningful increase in its capital expenditures plans to support the strong demand in YouTube and Google Cloud. This last quarter further strengthens our conviction in Alphabet's merits as it continues to benefit from growth in mobile and online video advertising, which accrues to its core assets of search, YouTube, and the Google ad network, while also advancing its cloud business to become more competitive with Amazon's AWS and Microsoft's Azure. Google's autonomous driving subsidiary also reached a significant milestone this quarter, starting to offer driverless rides to its San Francisco employees. We continue treating Waymo as a free option at this stage, however.

Lastly, we added to our position in the leading water, hygiene and infection prevention company, **Ecolab Inc. (ECL)**, as the stock sold off on concerns over rising raw material costs. We believe the sell-off is overdone as Ecolab's strong competitive positioning and proven pricing power would enable it to offset the rising costs (though with a lag). We think that the company will continue benefiting from the secular growth trends towards sustainability, while still having a long runway for growth with only an 8% share of its estimated \$147 billion addressable market.

Table VI.

Top net sales for the quarter ended March 31, 2022

	Quarter End Market Cap or Market Cap When Sold (billions)	Amount Sold (millions)
Iqvia Holdings Inc.	\$ 41.8	\$1.3
BlackRock Inc.	116.9	0.9
Constellation Brands, Inc.	40.8	0.8
Meta Platforms, Inc.	605.3	0.8

We have sold 3 names in the quarter: **Iqvia Holdings Inc.**, **Constellation Brands, Inc. (STZ)**, and **Stevanato Group S.p.A (STVN)**, while the merger of **IHS Markit Ltd.** with **S&P Global Inc. (SPGI)** also closed during the quarter. We have also reduced 22 existing positions, reallocating capital to our higher conviction ideas, while reducing the number of names in the portfolio (ending the quarter with 30 holdings).

Outlook

We believe that the future is inherently uncertain. Different sectors of the economy, different asset classes, and different investment styles go in and out of favor all the time. There is no one sector, asset class, or style that can reasonably be expected to be in favor or to outperform at all times. We think the investment philosophy and process of this Fund, which is rooted in the ownership of high-quality, well-managed, competitively advantaged businesses for the long term, when executed well, should enable us to come as close to an *all-weather portfolio* as possible.

This is NOT to suggest that it will be immune to volatility, market corrections, or even periods of underperformance. This is to suggest that we have high conviction that our process works and that it should enable us to generate attractive returns over full-market cycles with a relatively low risk of permanent loss of capital.

In addition to the tragedy unfolding in Ukraine, market participants' immediate preoccupation appears to be with the runaway inflation and the impending increases in the Fed Funds rates. Rising interest rates are generally a headwind to high-growth companies, which could be thought of as longer duration assets. And so, we continue to see a meaningful rotation out of software, fintech, and Health Care stocks into Energy, Utilities, Materials, and Industrials in early 2022. We tend to own more of the former and virtually none of the latter. We have no idea how long this rotation will last. While this could potentially become a headwind, current interest rates are still low (real interest rates are actually negative) and we expect the environment to remain reasonably accommodating for years to come. While we have neither the expertise nor a view on how transitory the current inflationary burst is, we believe that the types of businesses we hold in the Fund will perform just fine under most scenarios. If inflation persists, the inherent pricing power of our holdings will help them offset rising costs. Our investments are not highly levered and have stable growth profiles, so we also think higher interest rates should be less of a headwind for them. In any case, the market will do what it will do. We think rotations, pullbacks, and corrections are generally necessary and healthy, and they often create attractive opportunities for long-term investors like ourselves. We continue to focus on the quality of our decisions, and on taking what we believe are high percentage shots.

Every day, we live and invest in an uncertain world. Well-known conditions and widely anticipated events, such as Federal Reserve rate changes, ongoing trade disputes, government shutdowns, and the unpredictable behavior of important politicians the world over, are shrugged off by the financial markets one day and seem to drive them up or down the next. We often find it difficult to know why market participants do what they do over the short term. The constant challenges we face are real and serious, with clearly uncertain outcomes. History would suggest that most will prove passing or manageable. The business of capital allocation (or investing) is the business of taking risk, managing the uncertainty, and taking advantage of the long-term opportunities that those risks and uncertainties create. We are confident that our process is the right one, and we believe that it will enable us to make good investment decisions over time.

Our goal is to invest in large-cap companies with, in our view, strong and durable competitive advantages, proven track records of successful capital allocation, high returns on invested capital, and high free cash flow generation, a significant portion of which is regularly returned back to shareholders in the form of dividends or share repurchases. It is our belief that investing in great businesses at attractive valuations will enable us to earn excess risk-adjusted returns for our shareholders over the long term.

We are optimistic about the prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities.

Sincerely,

Alex Umansky, Portfolio Manager

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