

Lessons Learned from “Global Value” Equity Investing

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MOI Global
Best Ideas Omaha 2022
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Musings on “Global Value” Equity Investing

- **W.E. Buffett Comments from early 1980s During Value Investment Seminar**
 - “Tax deferral on unrealized gains is the only gift to investors from the US government”
 - Avoid agency costs
 - Search for value investing shifts from 50 cent dollar bills to the search for economic good will

- **“Capacity to Reinvest”**
 - Global brands – Price inelastic demand
 - Population growth drives demand met increasingly by our portfolio company expanded businesses
 - Consumer disposable income growth
 - Multi-globally adept management
 - Multilingual
 - Multicultural
 - Seek out vast total addressable markets in search for tax deferred increase in wealth

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Managing Member
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Musings on “Global Value” Equity Investing (cont.)

- **“Capacity to Suffer”**
 - Pain today for tomorrow’s gains
 - Berkshire Hathaway (acquired 1983)
 - Nestlé – 35 year “planning horizon” (acquired 1986)
 - Heineken Holding (acquired 1986)
 - SABMiller – emerging market beer specialist (acquired 2008)
 - Brown-Forman – Bourbon bliss (acquired 1986)
 - Weetabix plc (acquired 1986)
 - CIE Richemont – “Too good to be true” (acquired 1997)

Heineken International “Capacity to Suffer”



“No when all cry yes, yes when all cry no”

Heineken Holding N.V.

Family-Controlled Company

Capacity to Reinvest/Capacity to Suffer

- Family control has permitted more effective long-term investments amongst our portfolio companies such as Heineken:
 - Heineken Holding – Brazil – “No when Yes,” “Yes when No” (1986)
 - Business booming in 2019, margin expansion slows, and Heineken shares plummeted
 - During Pandemic, Heineken, through its listed Indian subsidiary, United Breweries of India, gained majority ownership, without any payment for control

Heineken Holding N.V.

Family-Controlled Company

Capacity to Reinvest/Capacity to Suffer (cont.)

- Heineken continues to grow a premium portfolio through innovation and acquisitions as suggested by the following dominant brand family:



Heineken's Bright and Promising Future

- Dominant global leading premium beer worldwide
- Market share dominance in several key profit centers:
 - Mexico
 - Vietnam
 - Brazil
 - Mainland China
- Promising new markets into which Heineken's mature market free cash flows can be redeployed, to drive long-term growth in intrinsic value on a per share basis.
 - India – 2022 increased to majority ownership. Heineken advances to full voting control.
- New markets focus across Africa and on its premium beer joint venture with China Resources Beer (Holdings) Company Limited in China

Heineken's Bright and Promising Future (cont.)

- Appealing Heineken economics support efforts to convert Total Addressable Market
 - Population growth – 20 million new legal drinking age Indians arrive each year for the next three years
 - India's increasing growth in per capita consumption growth – from 1.1 to 1.8 liters per capita per year
 - Mainland Chinese per capita consumption has grown to over 35 liters per capita over the past 20 years
- Valuation discount of Heineken Holding N.V. shares when compared to Heineken N.V. shares.
 - Heineken Holding N.V. company shares trade at a nearly 20 percent discount from Heineken N.V. shares. (See following table.)
 - Discount valuation at Holding company shares despite their valued voting rights
 - Exceptional capacity to deploy growth capital through investments designed to meet growing demand over the next 20 years
 - Attractive valuation, especially from the perspective of the Holding company shares' price discount to Heineken N.V. share price

Attractive Valuation Discount

Heineken Holding N.V.
Share Price Discount To Heineken N.V.
From 01/01/2007 To 04/26/2022



Attractive Valuation

VALUATION	Estimates				Today
	2025E	2024E	2023E	2022E	
Last price					€ 75.10
Shares					576
Market capitalization					43,255
Total debt					16,873
Cash and cash equivalents					3,248
Enterprise value					56,880
Price/earnings	12.6	13.9	15.4	17.3	
EV/EBITDA	7.8	8.3	8.9	9.7	
Implied share price at forward P/E	€ 132.78	€ 116.41	€ 101.37	€ 87.54	
Implied return	16.7%	17.8%	19.6%		
Implied price at forward EV/EBITDA	€ 130.09	€ 115.25	€ 101.53	€ 89.05	
Implied return	16.1%	17.3%	19.7%		

Attractive Unit Economics

	Heineken	Heineken 0.0	Chinese Super Premium beer	Mainstream beer
Rev / hl	€126.71	€147.27	\$197.58	€87.19
Cost / hl	€99.06	€108.97	\$108.53	€75.41
Operating profit (beia) / hl	€27.65	€38.30	\$89.00	€11.78
Total operating profit	€1.2B	€75M		€2.2B
Volume (hl)	43M	> 2M		205M

All amounts expressed in Euro, unless otherwise noted
 Source: company filings, GRQ estimates

Semper Vic Partners, L.P.
Compound Annual Returns Analysis¹
3/31/22 - 12/31/90

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Mastercard	32.6%	33.3%	35.7%	36.9%	35.4%	36.2%	35.2%	38.4%	41.5%	47.1%	44.0%	46.1%	42.3%	60.5%	54.6%	135.5%	152.9%															
Alphabet	25.8%	26.5%	24.5%	24.1%	23.8%	25.8%	25.1%	27.3%	25.8%	29.4%	26.5%	28.9%	32.0%	39.3%	29.3%	68.9%	75.6%	120.9%	126.8%													
Arista	21.5%	22.6%	21.2%	20.4%	19.3%	21.1%	20.4%	20.4%	21.7%	20.8%	18.5%	15.6%	14.7%	11.1%	6.9%	13.5%	18.9%	19.6%	14.7%	1.9%	5.0%	15.2%	22.1%	30.3%	31.6%	42.8%	39.3%	36.5%	39.8%	41.7%	12.7%	59.0%
Cable One	20.5%	24.5%	34.2%	31.2%	20.7%	21.7%	25.7%	8.5%																								
Berkshire Hathaway	15.0%	14.6%	14.1%	14.5%	14.6%	15.1%	14.3%	14.5%	15.8%	15.3%	14.6%	14.5%	15.6%	15.3%	16.0%	19.7%	19.1%	18.8%	20.2%	21.5%	22.0%	24.7%	26.7%	26.7%	34.1%	31.8%	31.2%	36.9%	32.2%	34.7%	32.7%	35.6%
Cie Financiere Richemont	14.2%	14.9%	13.5%	13.3%	12.9%	14.8%	13.9%	14.8%	16.4%	17.6%	17.1%	15.5%	17.2%	14.7%	12.0%	16.9%	16.6%	15.3%	14.1%	12.1%	10.7%	11.5%	16.9%	17.2%	11.8%	9.3%	15.5%	20.2%	14.7%	13.9%	11.2%	65.4%
Martin Marietta Materials	13.5%	14.2%	12.8%	13.2%	11.5%	13.2%	13.8%	11.9%	11.2%	11.2%	11.4%	10.5%	12.5%	13.0%	14.5%	18.4%	17.5%	15.9%	13.4%	13.1%	8.7%	16.4%	17.3%	20.0%	38.9%	29.5%	16.8%	18.7%				
Nestle	13.3%	13.7%	13.4%	13.5%	12.7%	13.3%	13.0%	13.6%	14.0%	14.4%	14.4%	14.2%	14.9%	14.4%	13.7%	15.5%	14.5%	14.0%	13.8%	14.3%	13.8%	15.0%	17.6%	16.3%	20.9%	17.7%	14.1%	17.4%	17.1%	18.8%	23.0%	18.6%
Brown-Forman	13.2%	13.6%	14.3%	14.1%	13.5%	14.4%	13.3%	14.6%	14.3%	14.0%	13.7%	13.2%	13.0%	12.3%	12.1%	13.9%	13.8%	15.1%	13.4%	13.9%	11.6%	12.1%	13.8%	13.3%	18.9%	16.3%	15.1%	12.7%	10.3%	11.0%	11.9%	21.2%
Comcast	12.9%	13.2%	13.8%	13.6%	13.0%	14.0%	13.9%	13.5%	14.1%	14.0%	12.9%	11.2%	11.0%	9.9%	10.4%	11.8%	15.6%	13.0%	16.0%	16.9%	15.2%	21.8%	26.1%	32.1%	27.8%	21.1%	13.6%	16.9%	17.0%	41.8%	19.6%	30.2%
Pernod Ricard	12.7%	13.1%	12.6%	12.8%	12.8%	13.1%	11.9%	12.6%	13.0%	13.6%	14.2%	13.6%	14.3%	14.4%	13.8%	17.5%	17.2%	16.2%	16.1%	14.4%	12.1%	10.7%	10.4%	8.8%	11.1%	10.8%	10.8%	12.8%	16.1%	22.3%	26.7%	39.2%
Heineken Holding NV	10.4%	11.1%	11.5%	12.0%	11.8%	12.9%	11.8%	12.7%	12.2%	12.7%	12.5%	11.4%	12.2%	12.6%	10.6%	16.0%	14.5%	12.8%	14.0%	14.1%	13.7%	14.8%	18.6%	18.3%	26.5%	17.6%	21.5%	28.7%	21.4%	13.1%	4.8%	
JP Morgan Chase	10.4%	11.5%	10.6%	11.7%	9.6%	10.9%	9.7%	7.7%	7.6%	7.4%	4.2%	0.3%	4.1%	4.5%	-1.9%	7.3%	15.2%	0.0%														
Philip Morris International	10.3%	10.5%	9.7%	10.2%	8.2%	13.6%	12.9%	13.4%	13.4%	16.2%	17.9%	19.7%	13.7%	7.5%	-0.8%																	
Unilever	9.3%	9.9%	10.5%	10.6%	10.6%	11.0%	10.0%	10.7%	10.4%	10.8%	10.8%	10.7%	10.4%	11.1%	9.6%	11.9%	11.6%	10.8%	11.1%	11.4%	11.6%	11.9%	13.9%	13.4%	21.5%	19.2%	15.4%	12.9%	10.6%	12.8%	12.3%	19.8%
Alibaba	0.6%	1.9%	14.4%	15.3%	7.2%	18.4%	-8.1%	-21.8%																								
Semper Vic Partners, L.P.	11.8%	12.1%	11.9%	12.1%	11.7%	12.7%	12.2%	12.6%	12.9%	13.2%	12.8%	12.3%	12.5%	12.1%	11.4%	14.6%	15.0%	14.6%	15.5%	15.8%	14.4%	15.9%	17.7%	17.9%	20.7%	20.2%	19.5%	19.6%	18.6%	20.8%	20.2%	27.4%
Dow Jones	11.2%	11.5%	11.2%	11.2%	10.7%	11.3%	10.7%	10.9%	10.9%	11.0%	10.2%	10.2%	10.3%	10.1%	9.4%	12.5%	12.7%	12.3%	13.1%	13.7%	12.6%	15.5%	17.9%	20.7%	19.9%	20.2%	19.4%	17.5%	13.1%	16.0%	15.6%	24.5%
S & P 500	11.0%	11.2%	10.7%	10.4%	9.8%	10.3%	9.9%	9.8%	10.2%	10.0%	9.1%	8.8%	9.1%	8.8%	7.9%	11.4%	11.8%	11.5%	12.0%	12.1%	10.8%	14.4%	17.5%	20.9%	20.8%	19.8%	17.6%	16.6%	11.9%	15.6%	18.5%	30.5%
EAFE ²	5.3%	5.6%	5.4%	5.3%	4.7%	5.5%	4.7%	4.9%	5.1%	5.5%	4.7%	4.2%	5.0%	4.9%	3.6%	7.4%	7.1%	6.0%	5.4%	4.3%	1.9%	3.5%	6.6%	9.3%	7.5%	6.0%	7.0%	7.6%	7.1%	7.4%	-2.6%	10.2%

For each year the compound annual return is calculated from inception.

1) Dividends assumed to be received on last day of period.

2) Represents total return for 2002 through the present and simple price appreciation for prior periods.

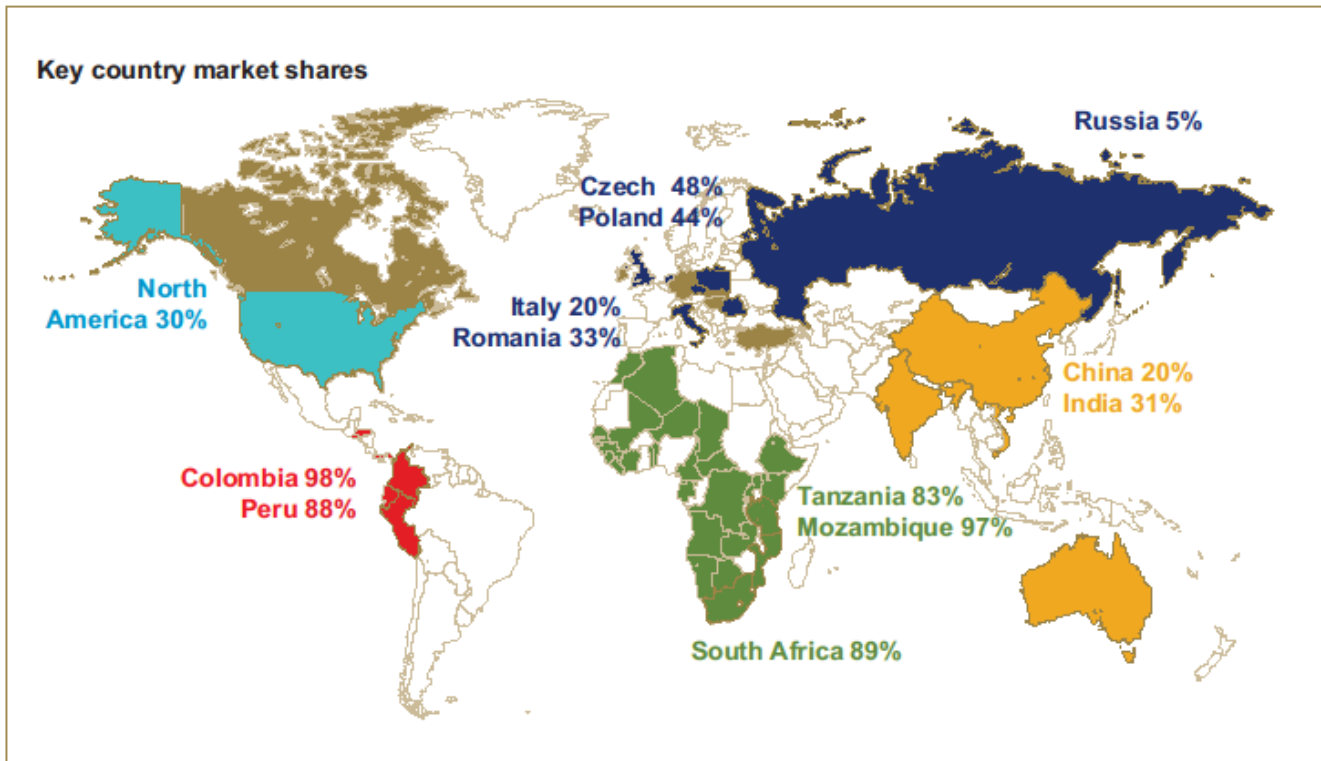
Semper Vic Partners' "global value" equity investment style is value-oriented and long-term-minded. Semper Vic Partners has provided over the years considerable exposure to foreign companies that evidence a strong "capacity to re-invest." Indices against which Partnership performance is compared may or may not precisely mirror composition or investing style of the Partnership. Compound annual returns for Semper Vic Partners, L.P. and for the Dow Jones and the Standard & Poor's indices reflect dividends reinvested. Reported Partnership net-of-fees performance may be impacted by the presence of non-billed, family accounts. Past performance is not a guarantee of future results and does not diminish possibility of loss.

SABMiller

“Capacity to Reinvest”



One of the world's leading brewers



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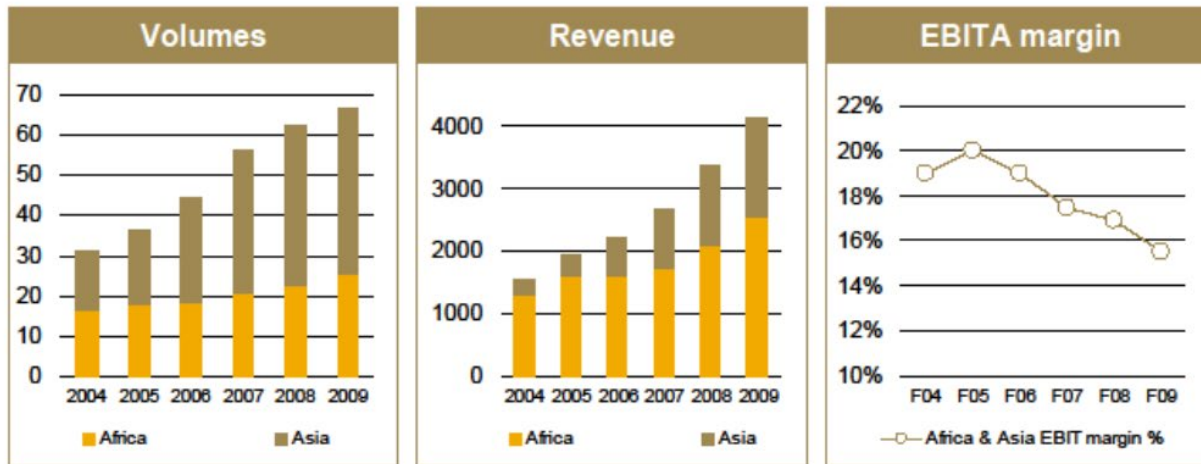
SABMiller

“Capacity to Reinvest”



Africa and Asia volume, revenue and margins

Twelve months to 31 March 2009



Sample Portfolio Performance, Portfolio Manager “Capacity to Suffer”

Semper Vic Partners, L.P. Annual Summary of Limited Partner Returns

Year		Semper Vic Partners, L.P.	Dow Jones Industrials	S & P 500	MSCI EAFE	MSCI All Country World Index ex-US	MSCI Emerging Markets Index
2022	(Thru 4Q22)	-7.9%	-8.4%	-10.0%	-9.9%	-8.8%	-12.2%
2021		17.8%	20.0%	28.7%	11.8%	8.3%	-2.5%
2020		4.8%	9.7%	18.4%	8.3%	11.1%	18.3%
2019		24.4%	25.3%	31.5%	22.7%	22.1%	18.4%
2018		-12.4%	-3.5%	-4.4%	-13.4%	-13.8%	-14.8%
2017		27.0%	28.1%	21.8%	25.6%	27.8%	37.3%
2016		2.5%	18.5%	12.0%	1.5%	5.0%	11.2%
2015		5.0%	0.2%	1.4%	-0.4%	-5.3%	-14.9%
2014		8.1%	10.0%	13.7%	-4.5%	-3.4%	-2.2%
2013		21.0%	29.7%	32.4%	23.3%	15.8%	-2.8%
2012		24.2%	10.2%	18.0%	17.0%	17.4%	18.2%
2011		8.7%	8.4%	2.1%	-11.7%	-13.3%	-18.4%
2010		21.5%	14.0%	15.1%	8.2%	11.8%	18.0%
2009		25.8%	22.7%	28.5%	32.5%	42.1%	78.5%
2008		-31.5%	-31.0%	-37.0%	-43.1%	-45.2%	-53.4%
2007		7.7%	8.0%	5.5%	11.8%	17.1%	39.0%
2006		20.8%	19.1%	15.8%	28.0%	27.2%	31.8%
2005		3.2%	1.7%	4.0%	14.0%	17.1%	38.0%
2004		11.0%	5.3%	10.0%	20.7%	21.4%	25.1%
2003		53.5%	28.3%	28.7%	39.4%	41.4%	55.5%
2002		-1.0%	-15.1%	-22.1%	-15.7%	-14.7%	-8.6%
2001		0.1%	-5.4%	-11.0%	-21.2%	-19.5%	-2.5%
2000		15.8%	-4.7%	-9.1%	-14.0%	-15.1%	-30.8%
1999		-2.1%	27.2%	21.0%	27.3%	30.0%	68.4%
1998		23.8%	18.1%	28.8%	20.3%	14.5%	-28.0%
1997		24.7%	24.0%	33.4%	2.1%	2.0%	-12.3%
1996		19.0%	28.8%	23.0%	8.4%	8.7%	5.8%
1995		23.8%	38.0%	37.5%	11.8%	9.0%	-4.5%
1994		12.4%	5.0%	1.3%	8.1%	8.8%	-8.7%
1993		22.1%	18.7%	10.1%	32.0%	34.0%	71.3%
1992		13.4%	7.4%	7.8%	-11.8%	-11.0%	9.0%
1991		27.4%	24.5%	30.5%	12.5%	14.0%	58.0%
1990		2.7%	-10.7%	-8.0%	-18.2%	12.4%	-24.4%
Cumulative Return		3051%	2308%	2128%	407%	475%	718%
Compound Annual Return		11.5%	10.5%	10.3%	5.2%	5.7%	6.8%

Semper Vic Partners' "global value" equity investment style is value-oriented and long-term-minded. Semper Vic Partners has provided over the years considerable exposure to foreign companies that evidence a strong "capacity to reinvest." Indices against which Partnership performance is compared will not precisely mirror composition or investing style of the Partnership. Compound annual returns for Semper Vic Partners, L.P., or other returns of the major indices, are expressed with dividends reinvested. Semper Vic Partners, L.P. results are for Semper Vic, a limited partnership established July 16, 1990. Annual returns are limited partner returns and are expressed net of all expenses. Reported Partnership net-of-fees performance will be impacted by the presence of non-billed, family accounts. Any results that include Semper Vic Partners, L.P. estimated monthly performance (including year-to-date and compound annual performance) are unaudited. Past performance is not a guarantee of future results and does not diminish possibility of loss.

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Turnover Summary

Semper Vic Partners

2002 - 2021

	<u>LP</u>	<u>QP</u>
2002	10.22%	
2003	5.59%	partial
2004	9.59%	2.50%
2005	4.72%	0.50%
2006	4.08%	0.60%
2007	8.28%	6.19%
2008	13.67%	18.24%
2009	7.17%	6.89%
2010	10.59%	9.37%
2011	3.18%	1.59%
2012	4.77%	0.74%
2013	4.78%	1.33%
2014	2.80%	5.61%
2015	7.83%	8.34%
2016	4.97%	5.18%
2017	1.71%	1.51%
2018	4.47%	6.53%
2019	3.24%	3.08%
2020	10.92%	15.11%
2021*	7.78%	10.53%
3 Year Average	7.31%	9.57%
3 Year Median	7.78%	10.53%
5 Year Average	5.62%	7.35%
5 Year Median	4.47%	6.53%
10 Year Average	5.33%	5.80%
10 Year Median	4.78%	5.40%
15 Year Average	6.41%	6.68%
15 Year Median	4.97%	6.19%
20 Year Average	6.52%	
20 Year Median	5.28%	

*2021 Turnover is through 12/31/21.

Portfolio Manager

“Tax-Deferral Benefits”

Semper Vic Partners, L.P.
After Tax Rate of Return, Net of Expenses
July 16, 1990 - December 31, 2021

Year	Semper Net YTD %	Semper After Tax YTD %	Dow Jones Industrial Average YTD %	S & P 500 Index YTD %	MSCI EAFE Index YTD %	MSCI All Country World Index ex-US YTD %
1990	2.68%	2.05%	-10.42%	-8.67%	-16.19%	-12.39%
1991	27.35%	26.28%	24.53%	30.47%	12.50%	13.95%
1992	13.44%	12.24%	7.40%	7.61%	-11.85%	-10.97%
1993	22.06%	20.52%	16.72%	10.08%	32.94%	34.90%
1994	12.37%	10.42%	4.99%	1.34%	8.06%	6.63%
1995	23.58%	22.55%	36.90%	37.52%	11.55%	9.94%
1996	19.02%	17.77%	28.93%	23.11%	6.36%	6.68%
1997	24.67%	23.94%	24.96%	33.38%	2.06%	2.04%
1998	23.80%	22.77%	18.12%	28.56%	20.33%	14.46%
1999	-2.14%	-2.44%	27.21%	21.01%	27.30%	30.91%
2000	16.59%	14.36%	-4.71%	-9.11%	-13.96%	-16.09%
2001	0.06%	-1.86%	-5.40%	-11.89%	-21.21%	-19.50%
2002	-0.96%	-1.89%	-15.07%	-22.10%	-15.66%	-14.67%
2003	33.49%	33.35%	28.26%	28.69%	39.36%	41.41%
2004	11.86%	10.88%	5.32%	10.88%	20.70%	21.36%
2005	3.17%	3.03%	1.17%	4.91%	14.02%	17.11%
2006	20.83%	20.89%	19.05%	15.80%	26.86%	27.16%
2007	7.65%	7.18%	8.88%	5.50%	11.63%	17.12%
2008	-31.47%	-32.17%	-31.83%	-37.00%	-43.06%	-46.24%
2009	25.79%	25.45%	22.68%	26.45%	32.46%	42.14%
2010	21.49%	20.87%	14.03%	15.07%	8.21%	11.60%
2011	6.67%	6.61%	8.38%	2.11%	-11.73%	-13.33%
2012	24.21%	23.99%	10.23%	15.98%	17.90%	17.39%
2013	21.89%	21.16%	29.65%	32.41%	23.29%	15.78%
2014	6.08%	5.45%	10.04%	13.69%	-4.48%	-3.44%
2015	4.96%	3.31%	0.21%	1.38%	-0.39%	-5.25%
2016	2.46%	1.86%	16.50%	11.96%	1.51%	5.01%
2017	26.95%	26.20%	28.11%	21.83%	25.62%	27.77%
2018	-12.38%	-12.56%	-3.48%	-4.38%	-13.36%	-13.78%
2019	24.10%	22.56%	25.34%	31.49%	22.66%	22.13%
2020	4.84%	4.05%	9.72%	18.40%	8.28%	11.13%
2021	17.78%	16.36%	20.95%	28.71%	11.78%	8.29%
Cumulative Return Since 7/16/90	3312.77%	2682.88%	2477.22%	2976.29%	482.08%	637.93%
Compounded Annztd Return Since 7/16/90	11.88%	11.02%	10.88%	10.74%	6.84%	8.06%

Notes:

1. 1990 reflects a partial year, beginning on July 16, 1990

2. Assumptions: Long-Term Capital Gains

Period	Rate	Qualified Dividends
1991-1997	20.00%	16.00%
1998 to 5/6/2003	20.00%	23.00%
5/6/2003 to 12/31/2012	15.00%	
2013-2021	23.00%	

Period	Rate	Investment Income/Expense
1990	25.00%	28.00%
1991-1992	31.00%	31.00%
1993-2001	30.60%	30.60%
2002	30.60%	30.60%
2003-2012	36.00%	36.00%
2013-2017	43.40%	43.40%
2018-2021	40.80%	40.80%

3. The tax rates for 2013 - 2021, above, include an additional 3.0% resulting from legislation implementing the Net Investment Income Tax.

Semper Vic Partners' "global value" equity investment style is value-oriented and long-term-minded. Semper Vic Partners has provided over the years considerable exposure to foreign companies that evidence a strong capacity to re-invest. Indices against which Partnership performance is compared may or may not precisely mirror composition or investing style of the Partnership. Compound annual returns for Semper Vic Partners, L.P. and for the Dow Jones and the Standard & Poor's indices reflect dividends reinvested. Semper Vic Partners, L.P. results are for Semper Vic, a limited partnership established July 16, 1990. Annual returns are limited partner returns and are expressed net of all expenses. Reported Partnership net-of-fee performance may be impacted by the presence of non-billed, family accounts. Any results that include Semper Vic Partners, L.P. estimated monthly performance (including year-to-date and compound annual performance) are unaudited. Past performance is not a guarantee of future results and does not diminish possibility of loss.

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Background Information: Thomas A. Russo, Gardner Russo & Quinn LLC

Thomas A. Russo joined Gardner Investments as a partner in 1989. In 2014, Mr. Russo became the Managing Member of the firm. Mr. Russo serves as Managing Member of Gardner Russo & Quinn LLC and of Semper Vic Partners GP, LP, which oversees two “global value,” long-only, equity investment partnerships, the first of which Mr. Russo founded in 1983. Mr. Russo oversees more than \$8 billion distributed between Semper Vic partnerships and separate accounts managed in parallel fashion.

In his role as a global investor, Mr. Russo attempts to commit clients’ capital to globally leading companies whose brands permit them the capacity to develop market shares in those parts of the world that are undergoing economic growth and increasing political stability. Such economic growth, coupled with increased consumer disposable income, creates a large total addressable market (a.k.a. TAM) for his businesses to address. He prefers companies with sufficient cash flows from existing operations to allow them to underwrite long-term-oriented investments required to build market share and develop enduring franchises.

In selecting investments, Mr. Russo looks for companies that possess two valued “capacities,” i.e., the “Capacity to Reinvest” and the “Capacity to Suffer.” It is rare to find a company that possesses the above-mentioned “Capacity to Reinvest.” It is even more rare to find management teams that have the “Capacity to Suffer.” Our company managements have the “Capacity to Suffer” when investments, required to ensure strong growth in intrinsic value on a per share basis, inevitably burden current, reported profits. He has found over the years that family-controlled public companies are often best positioned to withstand criticism which comes from Wall Street when the burden of such long-term investments weighs negatively upon reported short-term profits. Hence, he has relied over time on public company investments where founding families still retain control and significant investment exposure. Typically over 50 percent of Mr. Russo’s portfolio companies remain family controlled.

Founding families of our public companies, like Mr. Russo and his investors, prefer the ability of investments, intended for long-term gains, to allow one to hold positions tax efficiently for as long as franchises, built by such long-term investments, continue to deliver growth in intrinsic value on a per share basis.

Thomas Russo is a graduate of Dartmouth College (BA 1977), and Stanford Business and Law Schools (JD/MBA 1984). Memberships include Dean’s Advisory Council for Stanford Law School, Dartmouth College’s President’s Leadership Council, and California Bar Association. Mr. Russo is a charter member of the Advisory Board for the Heilbrunn Center for Graham & Dodd Investing at Columbia Business School. He serves on the boards of the Winston Churchill Foundation of the U.S., Facing History and Ourselves, and Storm King Art Center. In May 2017, Mr. Russo received The Gabelli Prize in honor of Graham & Dodd, Murray, Greenwald for Value Investing.

Disclosure

** Sample Portfolio's "global value" equity investment style is value-oriented and long-term-minded. Sample Portfolio has provided over the years considerable exposure to foreign companies that evidence a strong "capacity to reinvest." Indices against which Partnership performance is compared will not precisely mirror composition, risk or investing style of the Partnership. The Partnership is more highly concentrated than the indices given that it has a portfolio of approximately twenty issuers. Compound annual returns for Sample Portfolio, as other returns of the major indices, are expressed with dividends reinvested. Sample Portfolio's historic results shown above are for Sample Portfolio, a general partnership, through July 16, 1990, and for its successor limited partnership, Sample Portfolio, thereafter. Annual returns are limited partner returns and are expressed net of all expenses. Reported Partnership net-of-fees performance will be impacted by the presence of non-billed, family accounts. Any results that include Sample Portfolio estimated monthly performance (including year-to-date and compound annual performance) are unaudited. Past performance is not a guarantee of future results and does not diminish possibility of loss.*

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