

An aerial photograph of a city, likely San Francisco, showing a dense residential area with many houses and buildings. In the background, there are rolling hills and mountains under a hazy sky. The text is overlaid on the upper half of the image.

SUMMITRY

# Q3 INVESTOR UPDATE

SEPTEMBER 9, 2021

## AGENDA

- Portfolio Changes
- Investor Expectations Meet Market Reality
- Our Portfolio isn't the Market
- Case study: Nintendo
- Q&A

## SPEAKERS



**Cynthia Duncan**  
Senior Financial  
Advisor  
Moderator



**Colin Higgins**  
Chief Executive  
Officer



**Kurt Hoefer, CFA**  
Chief Strategy  
Officer



**Michael Kon, CFA**  
Director of  
Research &  
Portfolio Manager



**Matthew Gordon,  
CFA**  
Senior Equity  
Analyst &  
Portfolio Manager



**Jack Zhao, CFA**  
Equity Analyst



**Jason Yu**  
Research Associate



# PORTFOLIO CHANGES



## RECENT CHANGES – CORE PORTFOLIO

BUY

ADD

SELL

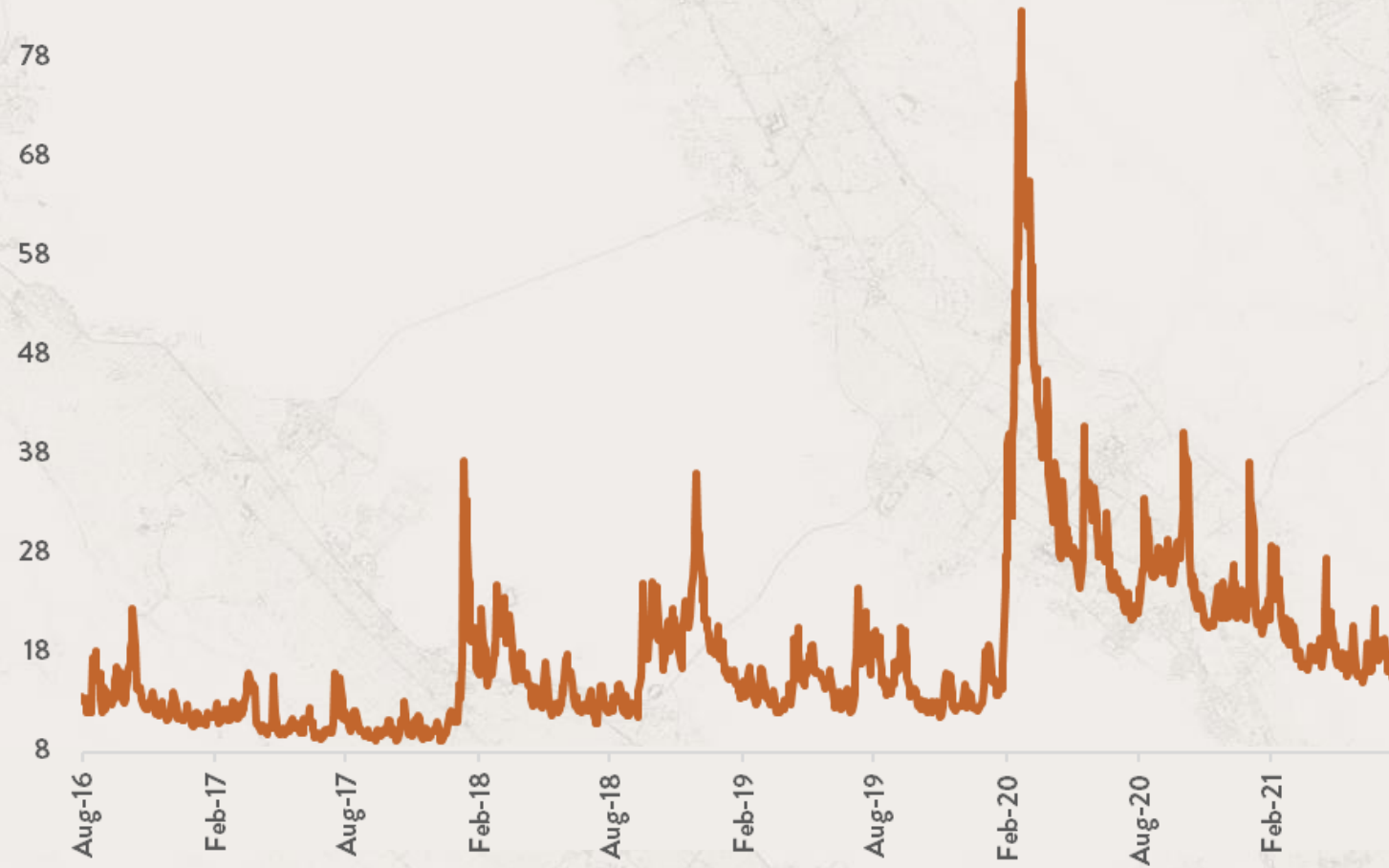
TRIM

The Nintendo logo, featuring the word "Nintendo" in a red, stylized font inside a red rounded rectangle.The Fiserv logo, featuring the word "fiserv." in a lowercase orange font.The BlackRock logo, featuring the word "BlackRock" in white font on a black rectangular background.The Zebra logo, featuring a stylized icon of a zebra head to the left of the word "ZEBRA" in a bold, black, sans-serif font.



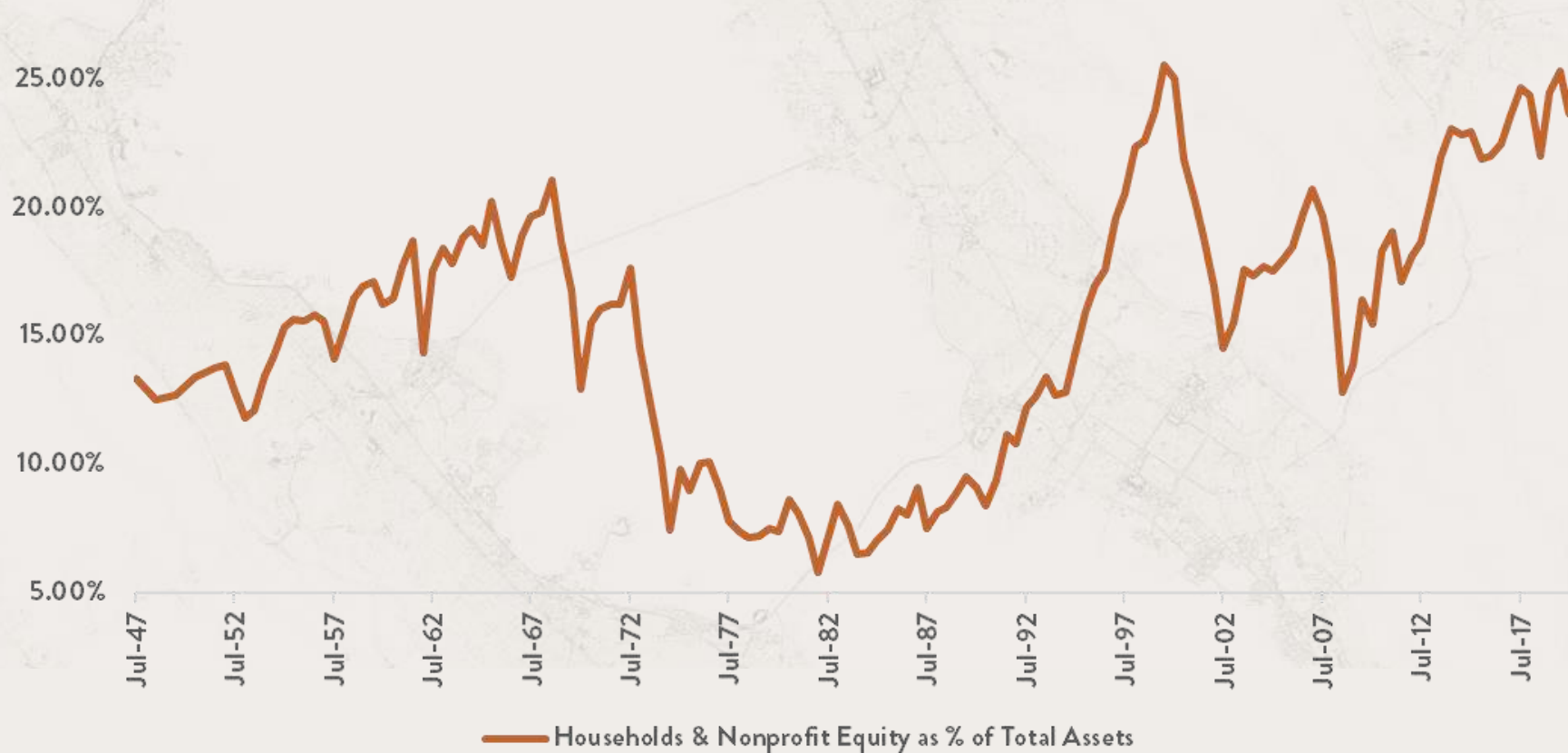
# INVESTOR EXPECTATIONS MEET MARKET REALITY

# MARKET VOLATILITY BACK TO PRE-PANDEMIC LEVELS



Source: Yahoo

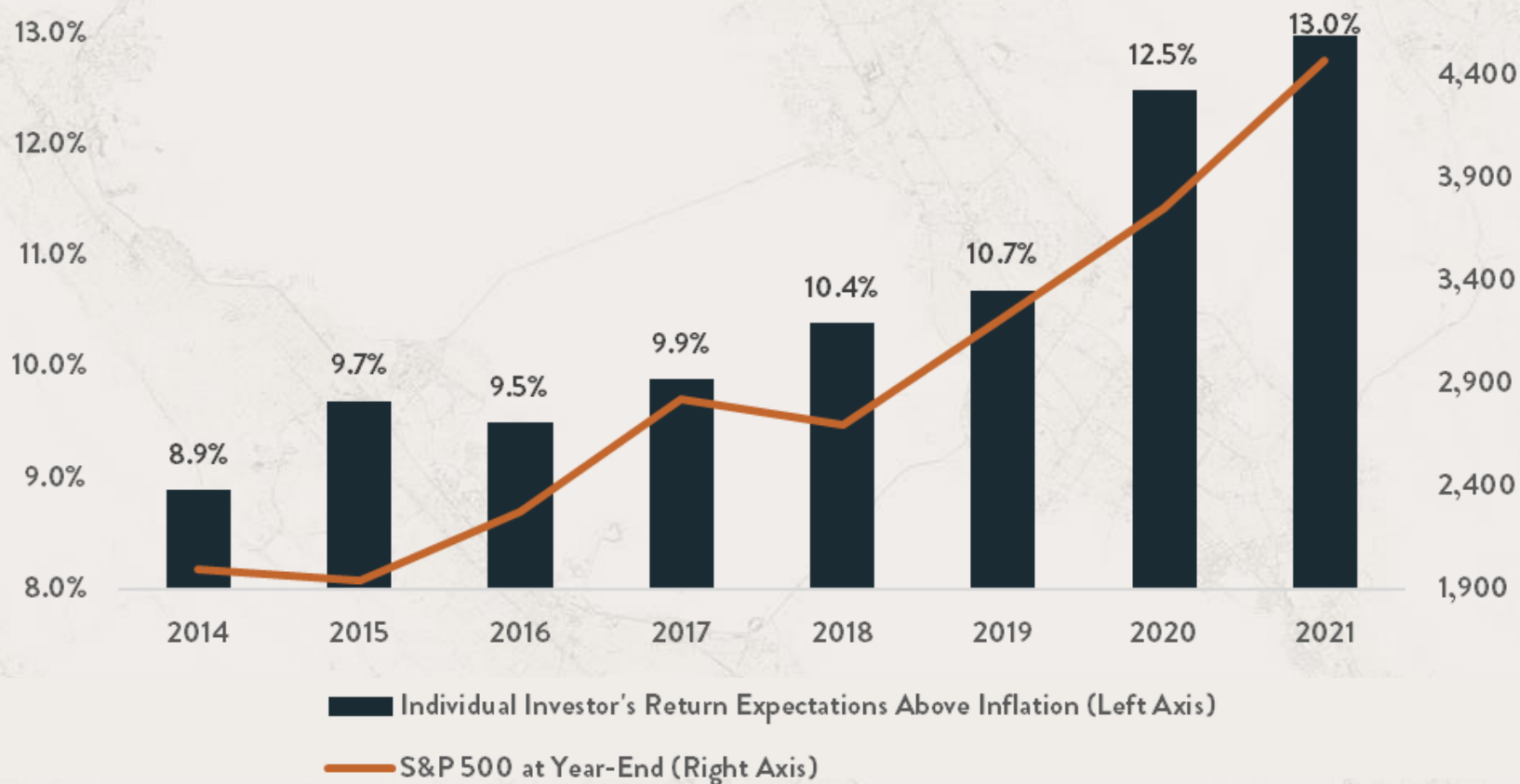
## EQUITIES' POPULARITY AT RECORD HIGHS



Source: Federal Reserve

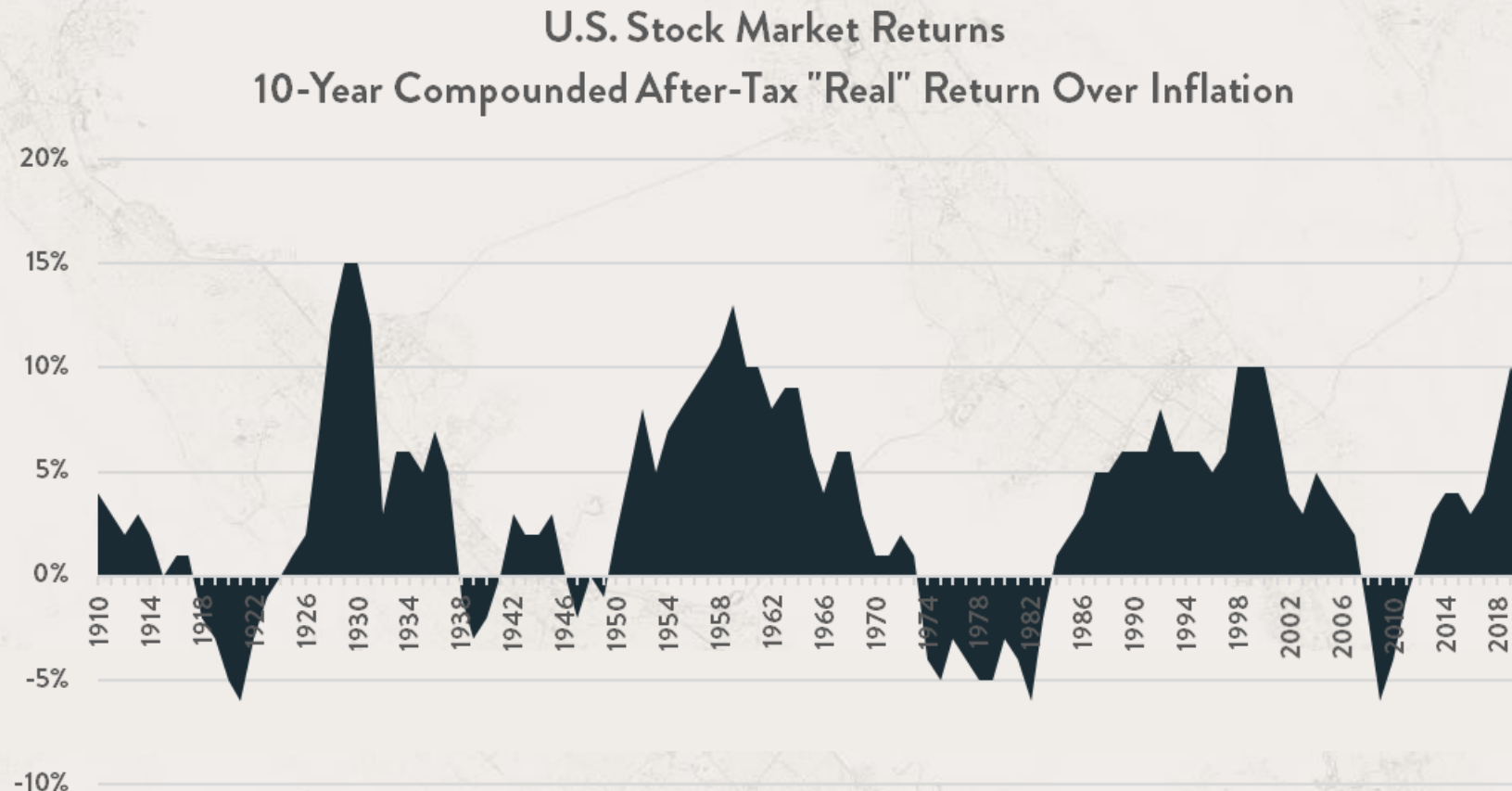


## REGENCY BIAS: RETURN EXPECTATIONS HAVE INCREASED WITH THE MARKET



Source: Natixis Investment Managers

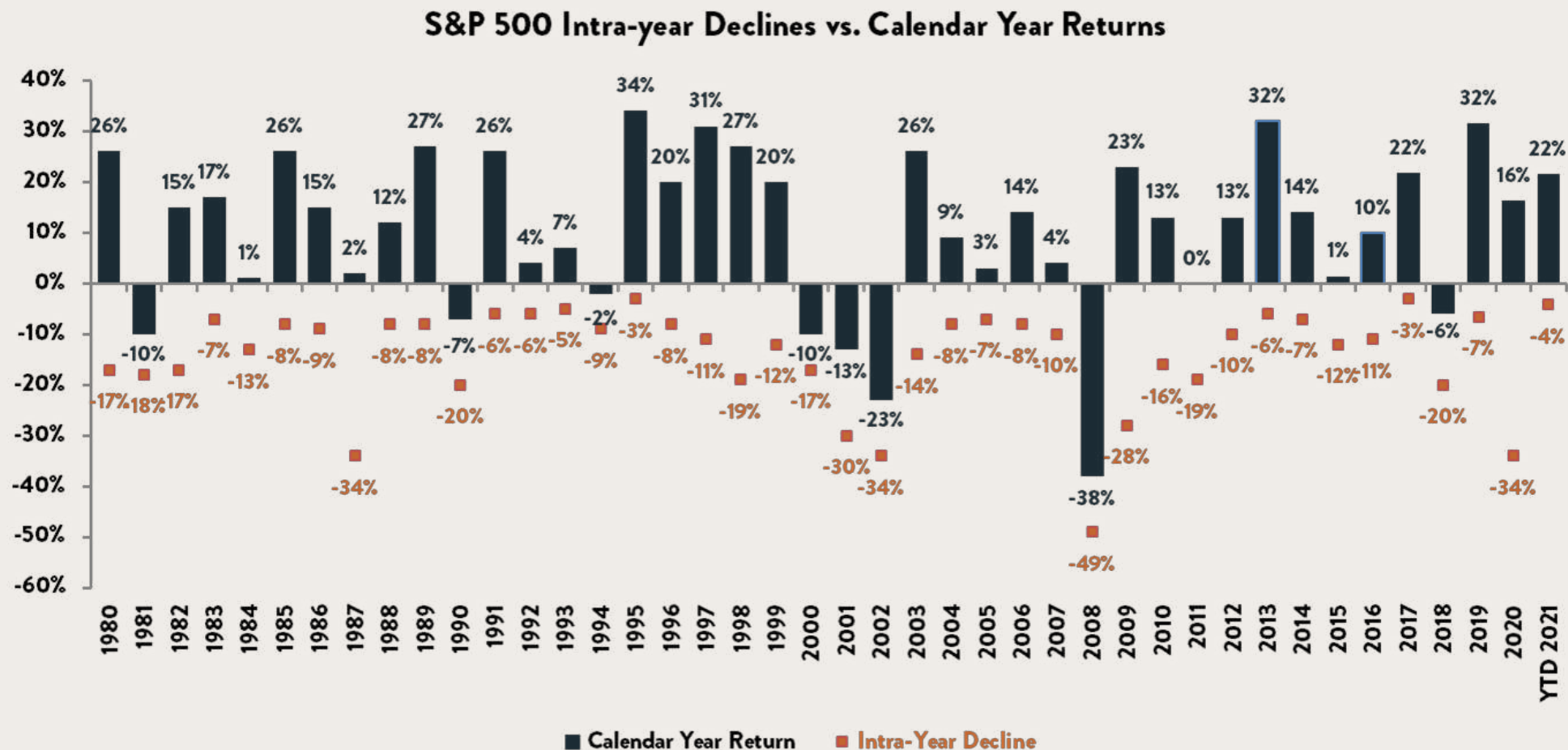
## HISTORICAL PERSPECTIVE: REAL RETURNS LIKELY TO BE FAR LOWER THAN EXPECTATIONS



Source: Crestmont Research

Private and Confidential. Copyright Summitry, LLC. All Rights Reserved.

## MARKET CORRECTIONS ARE A NORMAL OCCURANCE FOR A HEALTHY MARKET





# OUR PORTFOLIO ISN'T THE MARKET

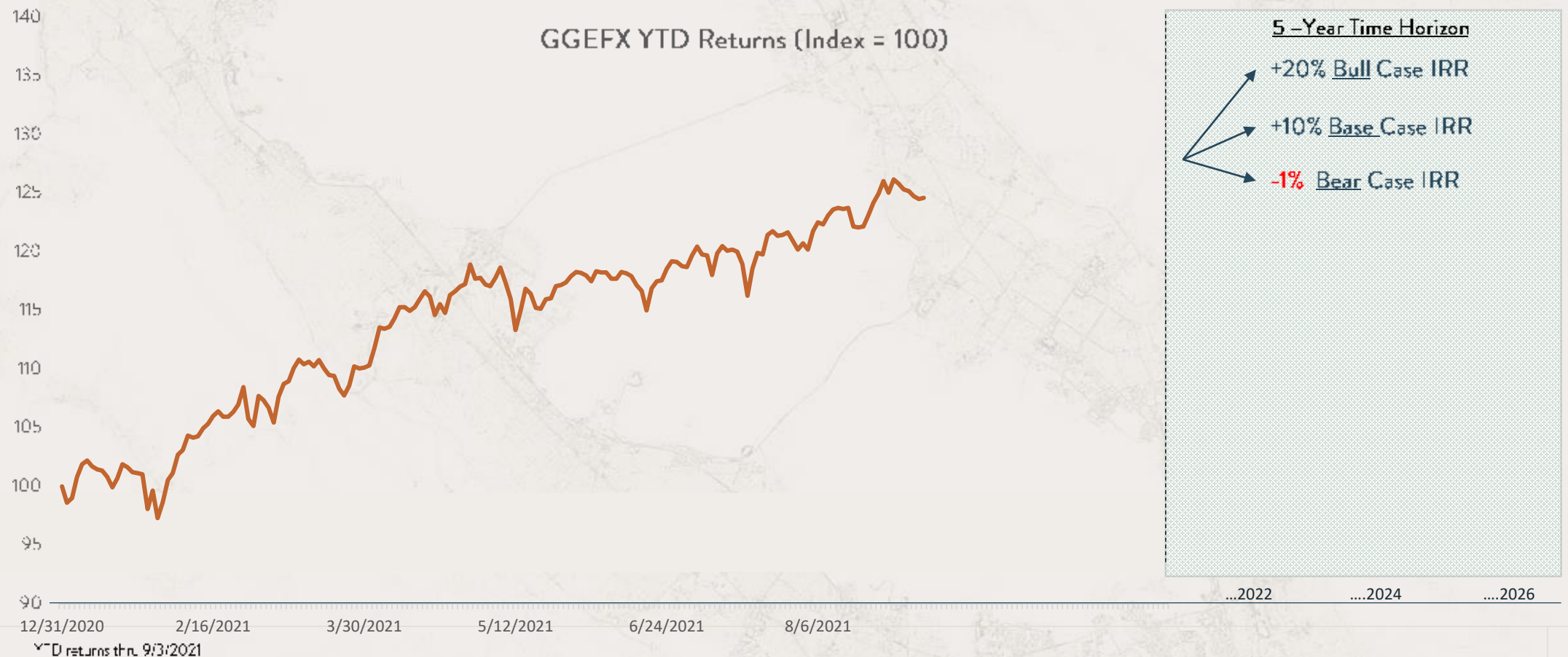
## OUR PORTFOLIO ISN'T THE MARKET

- Returns of portfolio names still appear suitable/attractive.
- Portfolio tailwinds. Great businesses appreciate over time.
- The pandemic factor. The earnings power of many of our businesses has increased due to the pandemic.
- Management matters. Great leaders find ways to create value to owners, even under tough conditions.



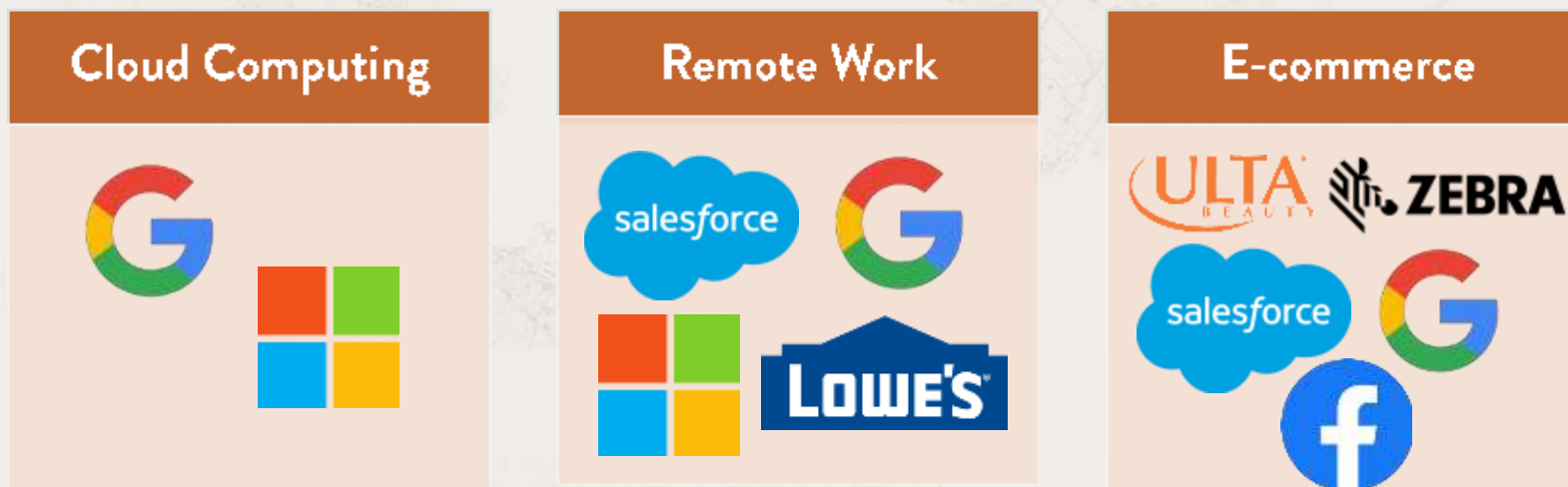
## RETURNS OF PORTFOLIO NAMES STILL APPEAR SUITABLE

Portfolio is well-positioned for attractive expected returns even in light of GGEFX returning +25% year to date



## PANDEMIC POSITIVES

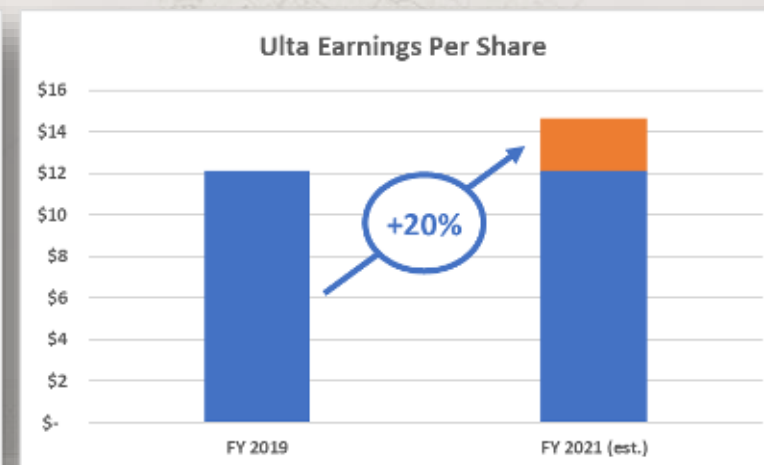
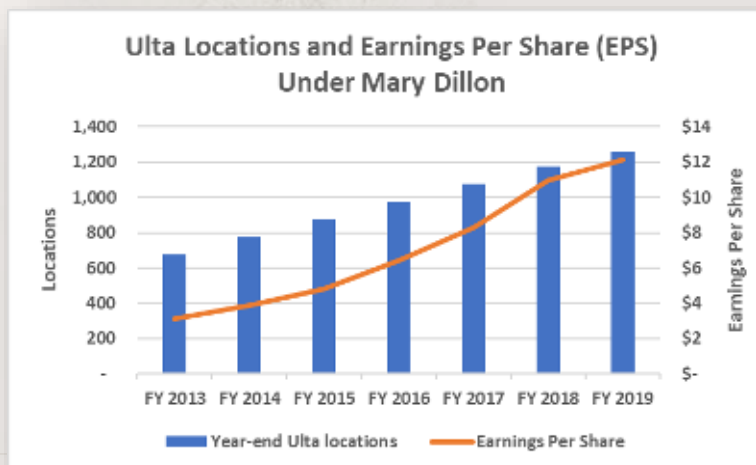
- The human cost COVID-19 has been terrible and financial losses have also been severe, particularly for local small businesses.
- Pandemic accelerated several trends that benefit our portfolio.





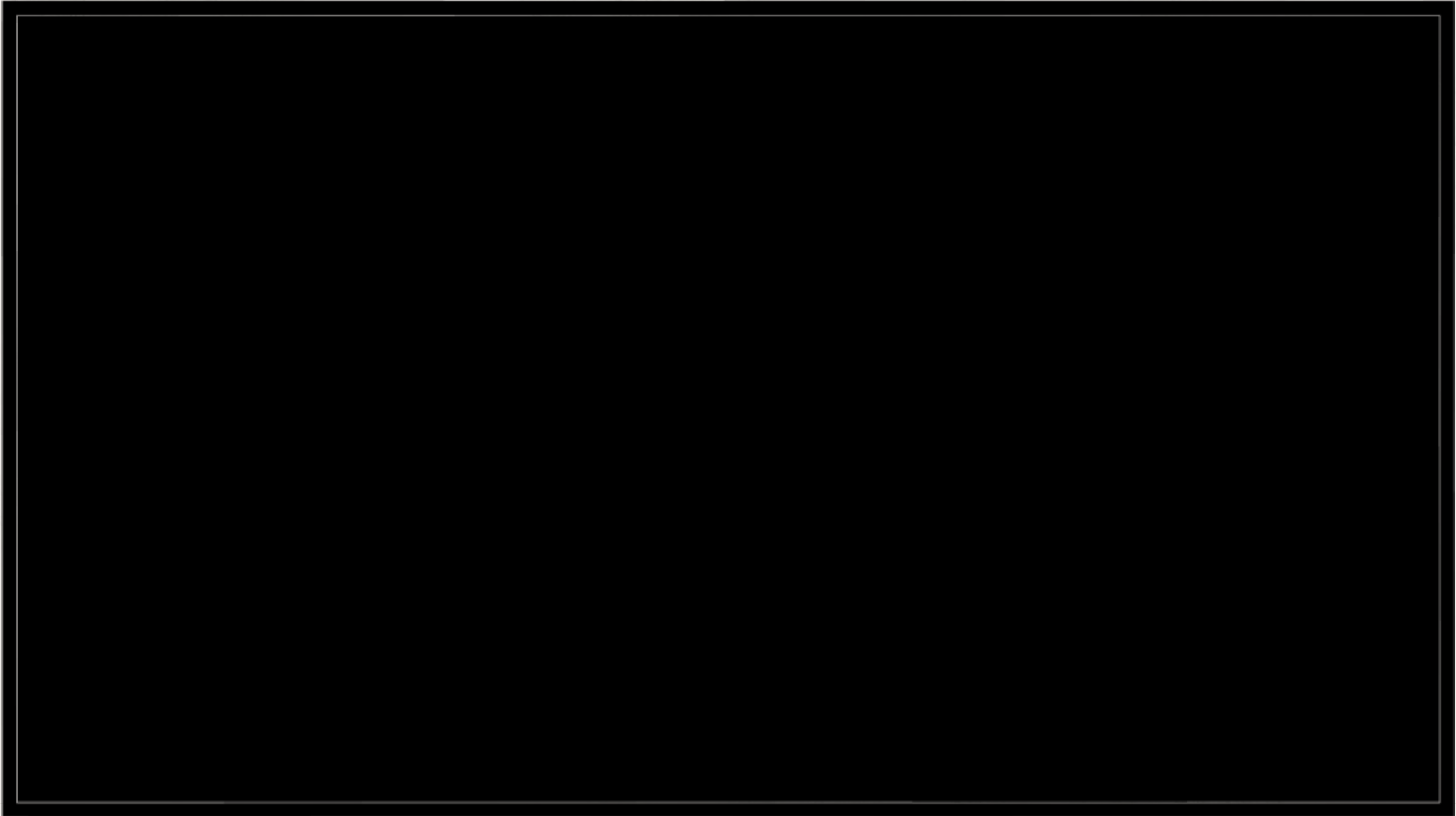
## MANAGEMENT MATTERS

- Management chooses whether to invest cash flow in growing the business through internal projects and acquisitions, or return excess capital by paying out dividends or buying back stock.
- Ulta management's forward-thinking investments in e-commerce paid off during the pandemic.





## CASE STUDY: NINTENDO





## INVESTMENT THESIS

- Unique IP
- Switch Operating System
- Growth of Digital Sales
- Softer Cycles



## THE SWITCH ECOSYSTEM

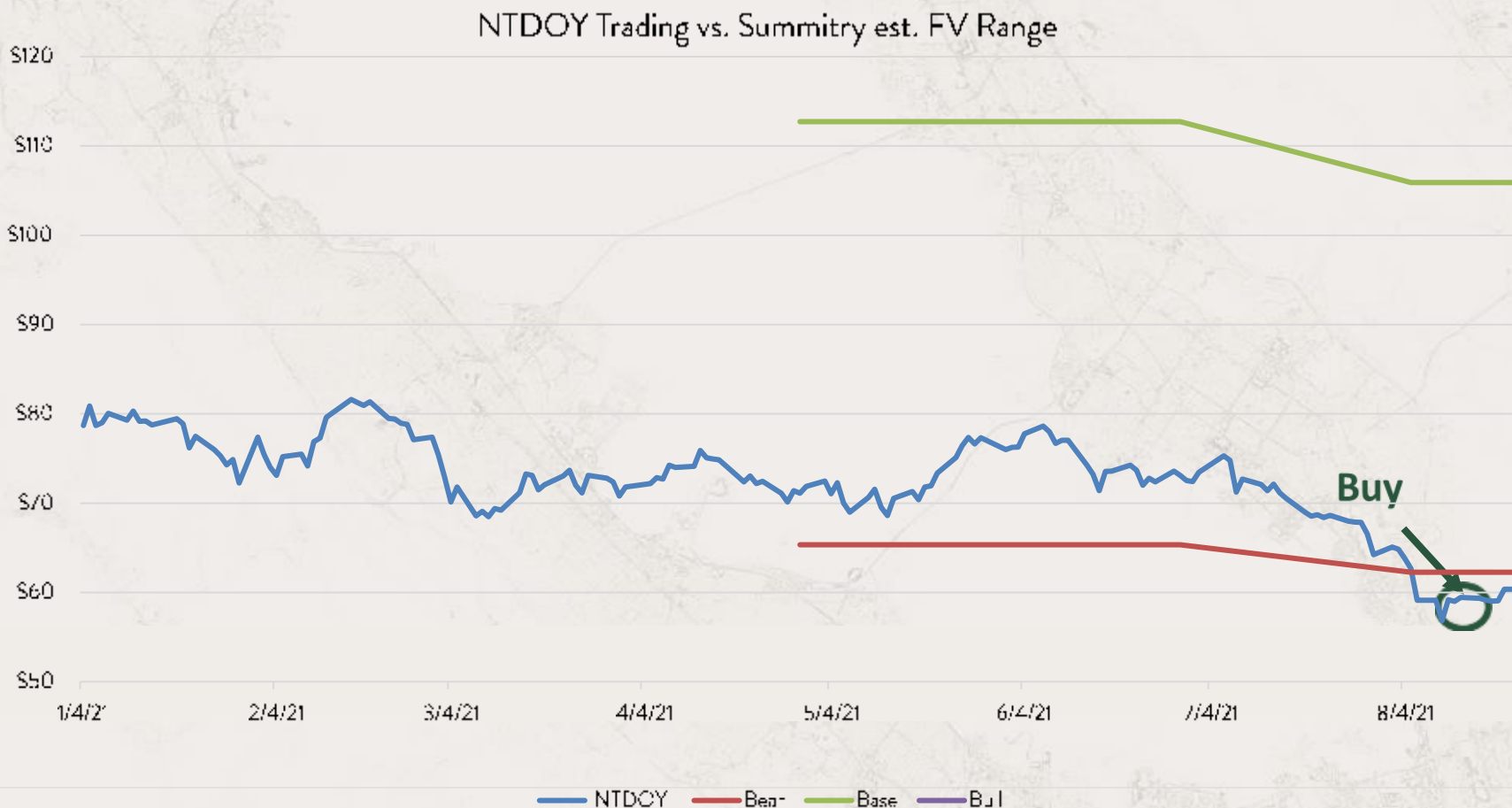
- Growing hardware installed base
- Growing software development
- Growing flywheel centered around the Switch



# THE INVESTMENT OPPORTUNITY

- Attractive range of outcomes
- Significant tailwinds
- Management

# ATTRACTIVE VALUATION RELATIVE TO QUALITY & GROWTH





## SUMMITRY PORTFOLIO





# Q&A

Thank you for joining us today!

