DESERT LION
— CAPITAL —

August 2019

DESERT LION CAPITAL FUND I, LP
QUARTERLY REPORT FOR THE PERIOD ENDED JUNE 30TH, 2019

Dear Partner,

I use the term partner in its truest sense. I view our investors (Limited Partners or LPs) as genuine long-term partners in our investment partnership arrangement. I treat your capital with the same respect as I do my own. Our financial fortunes are tied together.

My role in this partnership is to allocate our capital to the best of my abilities. Your role in this partnership is to entrust me with your patience. As a collective, we should be able to extend our time horizon and participate in investment opportunities that are totally different from what the average fund offers.

Some investors seek exposure to a highly diversified single portfolio; some seek index-like returns; some seek to track short-term performance – Desert Lion is not suitable for those investors. What we are doing is using local knowledge and experience in an uncrowded market to handcraft an eclectic, concentrated portfolio of holdings. There are thousands of mutual funds and index trackers to satiate the appetite of the mass market. That's fine by us. We're not seeking to partner with the masses. We're interested in partnering with a likeminded minority.

Desert Lion is somewhat of an anomaly and we're proud of it. In a world where underlying investment portfolios are increasingly generic and passive, we have deliberately shaped an investment approach and a fund that invests the way we think rational, common sense investing is meant to be. Our approach is in no way dictated by market demands and AUM goals. Want the index? Fine, it's a good choice for many. Want access to a high conviction, concentrated portfolio unlikely to be found anywhere else? That's speaking the Desert Lion language.

Such idiosyncrasy necessarily means that Desert Lion's return profile will be different from the market. The appendix at the end of this letter details our performance and those of the MSCI Emerging Market Index and the FTSE/JSE All Share Index in USD. Our focus is absolute return, not relative return. The indices are included merely as a reference to generally available investable alternatives. Please, please, please – do not expect Desert Lion's performance to track those of the two indices. We are not closet index trackers. Our portfolio is invested in a handful of what I consider to be the best opportunities available within my circle of competence and our permissible investment universe. I expect our returns to be more volatile than the market's, but I'm happy to accept short-term volatility in the pursuit of long-term outperformance.

In some years we should post above average returns, and in other years, below average returns. I ask that you evaluate our performance over the long run. I use the term long run within the context of five years or more. I believe that evaluating returns over a quarter or a year is an utterly inferior exercise compared to evaluating the process, opportunity set, and temperament of the fund manager.

An analysis[1] of some of the best track records of idiosyncratic fund managers revealed that they underperformed the market on average in 1 out of every 3 to 4 years, sometimes significantly so. There was no predictable distribution of the underperforming years. Over say a 12-year period, bad years could be consecutive in years 8 and 9, a bad year could be the first year post-launch, bad years could be evenly distributed, or could be skewed towards the end of the fund life. There was no discernable pattern. But in the long run, the managers compounded at more than satisfactory rates and the patient investors who stuck with them were rewarded handsomely. If I have it my way, Desert Lion will follow a similar path. Please apply the excess returns of the good years to the shortfalls in the bad years – focus on the rate of compounding over time. That remains my singular focus and is the only metric by which I measure myself.

The Fund launched April 1, 2019 with seed capital from Greenhaven Road Capital Partners Fund and respected investor Chuck Royce. We opened to outside LPs in May, and new LPs have been joining the partnership via the limited-capacity Founders Class (more about that later).

When we (Scott, Chuck, and I) discussed our philosophical ideals for Desert Lion before its formation, we discovered spontaneous agreement on the following principles:

- The fund will be managed by a one-man investment committee.
- The fee structure should be fair to investors.
- The interests of the fund manager should be aligned with the interests of LPs.
- Peace of mind to LPs: Reputable third-party service providers (fund administrator, bank, prime broker, legal counsel, auditor, etc.) and have all required controls in place.
- Our focus is to compound at high rates of return. At a certain point, assets will start to cannibalize returns. We will close the fund way before then. The fund anticipates closing to new investors once it reaches $100m in AUM.
- Report transparently and honestly.

I hope that my reports will provide enough information for our LPs to stay updated on their holding and for prospective LPs to make informed decisions on the appropriateness of Desert Lion as destination for their capital. You might find some themes recurrent in future letters. I'm apologizing in advance to the readers who find that boring. On the other hand, I believe investing is most effective when it's consistent, patient, and boring. Those who find our recurring themes reassuring are most likely the type of people we want to partner with.

Not an exact science – trust and luck

In the movie "We Were Soldiers" 2nd Lt. Jack Geoghegan asks Lt. Col. Hal Moore: *"What do you think about being a soldier and a father?"* to which Mel Gibson's character replies: *"I hope that being good at the one makes me better at the other."*

[1] Own research. Based on a small subset of fund managers I admire. Includes the track records of fund managers like Charlie Munger, Michael Burry and Nicholas Sleep.

Familiar readers will recall that at a point in my career, I was a partner at a private equity firm focusing on food and agri-investments in Africa. During 2011, we invested in an integrated abalone farm on the southern coast of South Africa. Abalone is a marine snail highly sought after as a luxury food item in East Asia. (If you want to know more, watch this YouTube video from HIK Abalone Farm).

Abalone production is a niche business requiring scarce specialized management "know-how". It's a high margin business, with high returns on capital. Unfortunately, it's also capital intensive. More than half the assets on typical abalone producer balance sheets constitute biological assets – the growing stock. The abalone is produced onshore in baskets fed with flowing seawater. At the farm in which we invested, there were 15,000 baskets and about 2.7 million animals. How to check the legitimacy of the value carried on the balance sheet? Determining the number of baskets is not that difficult. I would walk on the farm, count the number of baskets in a tank, count the number of tanks in a block, count the number of blocks in a row, count the number of rows – the rest is arithmetic as they say. But, the number and weight of the animals is a different story. Abalone animals range from 5 grams to 250 grams and stocking density per basket depends on a range of factors. I would randomly pull out a basket, count the number of animals and determine an average weight. Yet, this is not enough. Every basket is different. The only way to be completely sure is by literally weighing the livestock content of every single basket - all 15,000 baskets. That is what production teams do in the normal course of business, with an average 4-month measurement cycle per basket. A 10% variance on the biological assets will have a >50% impact on net income after tax. Assessing the quantity and value of biological assets is a significant consideration for a prospective shareholder, but getting it exactly right is a nearly impossible task.

The point I'm trying to make is that when we're evaluating businesses, it is more important to judge the competence and integrity of management than to count every single animal ourselves, because the latter is impossible. Being on the board[2] of the abalone business since 2011 and being deeply involved with operations allowed me to roll up my sleeves and gain important operational experience. Being an investor allowed me the opportunity to contribute meaningfully to the company's capital allocation decisions. I hope that being good at the one makes me better at the other.

It is impossible to invest in a business without a certain level of trust in management. The job of the investor is to apply diligent judgement to the character of the management team in order to stack the odds in the investor's favor and attempt to ensure that trust is not misplaced. Quantitative analysis of the financials is the easier part. Audited financial statements are an exact science (well, they're supposed to be… a discerning investor will usually harbor large doses of skepticism). But financials merely reflect the past at a single point in time. In reality, businesses are confronted daily with choices, alternatives, and challenges, some of them random and unexpected. The intrinsic value of a business is tied to the quality of the decisions taken by management at every single junction. Thus, the quality of management is the most important disqualifying criteria in our investment process. A business might tick all our boxes, but if we doubt in management, it's a no-go. Judging management is also the toughest thing to do. Unfortunately, it is not an exact science. Getting it right is a result of good judgement,

[2] HIK Abalone (Pty) Ltd is a private company.

good judgement is the result of experience, and experience is the result of bad judgement. We must acknowledge that luck plays a role. I hope to get it right most of the time.

Annie Duke authored an excellent book titled "Thinking in Bets". I highly recommend it as a must read. In October 2018, I had the privilege of attending an intimate two-day work session facilitated by Annie Duke in New York (Kudos to Scott Miller of Greenhaven Road Capital for arranging the very special event). Suffice it to say, I learned a lot. The most profound realization I took away was that **the quality of the decision is not perfectly correlated with the quality of the outcome.** Showing up early for a flight in order to attend a very important meeting is a rational and good decision. Missing the meeting because all flights were cancelled due to bad weather is just plain unlucky. Sometimes one will make a perfectly rational, well-informed decision and the outcome might still be suboptimal. What to do? Focus on the process. Create an intellectually honest feedback loop whereby the process and the quality of decisions can be improved upon, and accept the inevitable – sometimes luck plays a role.

And thus, the perpetual dilemma facing the capital allocator investing in early stage managers. In the short run, a fund manager's performance is of little value and the allocator's judgement should mostly rely on process, opportunity set, and temperament. In the long run, the roles of luck and randomness will be minimized, and successful judgement should translate into satisfactory investment return. But you could be wrong, and the outcome could be suboptimal. As Søren Kierkegaard observed, *"Life can only be understood backwards; but it must be lived forwards."*

Introducing the Abominable No-Man

I'm constantly thinking about how I can improve my process and reduce mistakes.

One of the toughest cognitive biases to address is confirmation bias. The theory behind confirmation bias states that we unconsciously tend to disregard or downplay information that goes against our views. An investor is susceptible to confirmation bias when reading about and analyzing companies in which he/she is already invested or formed an investment thesis on. Rather than scrutinizing new information, there is a tendency to interpret new information in a way that confirms existing beliefs. This can cause the investor to be less critical and ignore evidence or considerations to the contrary that should be factored into the analysis and expected risk-return profile.

One way I try to tackle confirmation bias is to adopt a mindset of constantly trying to break down the investment thesis post-articulation and post-investment. I deliberately try to find evidence to the contrary and consciously try to keep an open mind towards incorporating disconfirming evidence into my analysis. If the investment thesis changes, I'm totally open to trimming or disposing our position, regardless of the embedded return at that stage.

In reality, it is not necessarily enough merely to be aware of a particular cognitive bias and consciously attempt to address it because these biases are mostly at play on a **subconscious** level. Over the years, I have thought long and hard about how to deal with confirmation bias, and finally, during the past year I got lucky and identified an opportunity. In the wise words of Earl Nightingale, *"Luck is when preparedness meets opportunity."*

The opportunity presented itself in a bright young mind who reconnected with me after reading Desert Lion's launch letter. A few years ago, he sought my mentorship to assist him in honing his investment skills. The best I could do was point him to an extensive list of great investment books and suggest he attain some operational experience while making mistakes with his own capital on the side. He was still in high school then. By the time he enrolled in university, studying towards double degrees in accounting and law, he had devoured all the material and already learned a few lessons with his own money. Getting in touch, he reaffirmed his desire to become a successful independent investor. I opined that finding portfolio candidates is relatively easy; the tougher part is identifying and assessing risk. I proposed that if he wants to become a better investor, one of the best ways to improve is by focusing on finding disconfirming evidence.

It gives me such joy to relay that this smart young man is now my Abominable No-Man; only, contrary to the original No-Man concept, in this case it involves a lot of thinking and evidence-based analysis. The agreement with him is that he must aim to dismantle my investment theses and is strictly prohibited from presenting anything that supports my original conclusions. I must admit, my initial reaction to his first report was slight discomfort, but it quickly was followed by a sense of excitement. It's precisely that feeling of discomfort that indicated that i) he had done an excellent job of attacking my investment thesis on an empirical basis, and ii) we are making progress towards dealing with confirmation bias in a much more effective way. I look forward to having him apply his enthusiasm and gifted intellect towards dismantling and opposing every single investment idea in which I have conviction.

While my Abominable No-Man assists in improving the rigor around my investment process and risk identification, Desert Lion remains a one-man-investment-committee shop and hence we placed high priority on establishing top class infrastructure and engaging reputable service providers to provide our LPs peace of mind. Our trading and custodianship are facilitated by **BTIG** and **Pershing**. Third party administration services are fulfilled by **Opus Fund Services**. The fund's separate, independent bank account is held at **CIBC**. While I spend most of my time thinking and reading about investments, the back office and investor relations functions are performed by the highly qualified team at **Stride Capital Group**. We've also engaged **Get the Net, LLC** to advise us on compliance, getting to and maintaining the gold standard. On the legal front, **Sadis & Goldberg** is retained as counsel. Ideally investors should have comfort that the controls, checks, and balances are in place to free up their time and allow them to judge what is most important: what and how we are doing on the investment side.

Portfolio

I believe our readers will find that Desert Lion has a very interesting and unique opportunity set. Many of the names in our portfolio will be unfamiliar to most. Some of the valuations might seem extreme to those used to searching for opportunities in low yield developed markets. The South African equity market is inefficient and currently offering many mispriced opportunities. But, caveat emptor: the current environment is also treacherous and value traps abound. What we are doing is searching for gems in a landscape abandoned or avoided by most. When capital is scarce, the required return increases. At Desert Lion we are navigating with our local experience and an appreciation for the nuances. The prospecting environment looks promising.

I guess with our unique approach and universe, Desert Lion is a bit of a curiosity. While we are fortunate to have new LPs join each month, we literally have several hundreds of people who have asked to be on our distribution list vs. a handful of actual current investors. I'm attempting to strike a balance between transparent reporting and protecting our intellectual property (and by extension the expected long-term returns of the partnership). The table below details major positions in our portfolio without disclosing all the names.

Name	Description	Investment thesis	Metrics
Not disclosed	IT reseller; IT solutions and services, systems integration, own IP; Financial services, asset backed financing.	Winning market share; Pent-up demand from IT backlog in SA; Best in class management; Excellent capital allocation, repurchasing shares and judicious acquisitions. Market not recognizing the transition from "box dropper" to asset light services and solutions business.	20% ROE, 34% return on tangible equity. Net debt to EBITDA 0.9. Debt to equity 36%. 3-year average cash conversion >100%. EV/EBITDA of 3.6. PE multiple of 4.6.
Not disclosed	Largest listed developer of sectional title residential estates aimed at the middle-income market in urban nodes of SA. Enjoys economies of scale and high-quality value for money product offering.	Cyclical industry near lower end of cycle. Currently developing 2,000 to 3,000 units p.a., but capacity to develop 5,000 units p.a. Excellent 8-year pipeline of well-located land for development. SA middle income housing backlog of ~700,000. Founder operated with insider ownership >45%. Business profitable, solid balance sheet, well-positioned for cyclical upturn. Earnings understated as transitioning to larger estates with lower initial margins but higher later stage and overall project margins.	18% ROE at lower end of cycle. Net debt to EBITDA 1.9. Solid tangible book value with properties carried at acquisition cost = R5.68 per share. Discount to book of 47%. EV/EBITDA of 4. PE multiple of 3.

Cartrack	Stolen Vehicle Recovery (SVR) and Telematics SaaS business. >90% annuity revenue. High levels of innovation, strong organic growth subscription net adds and customer centric culture.	A very large and growing TAM which is relatively underpenetrated and where a "few winners will take all". One of the leading players globally and positioned to become one of the "winners". Leading innovation, fully vertically integrated, managed by an "intelligent fanatic" and circa 80% insider ownership. High cash conversion and high returns on reinvested capital translate into a long-term compounding machine with high probability of accelerated growth as their competitive positioning advances.	50% ROE. EBITDA margin 45%. More than 1m subscribers. Net debt to EBITDA 0.3. EV/EBITDA of 8. PE multiple of 17.
Not disclosed	Long-term and short- term insurance; Medical aid administration; Asset management; Rapidly growing and scalable health insurance platform in China; New branchless, tech-driven bank. Fully integrated incentive-driven and value-shared model. Incentivizing the desired behavior enhances profitability. Sharing the value created increases customer stickiness and switching costs.	The group has a leading and fairly mature market share in the medical aid administration and life insurance segments. The very large customer base and deep database of incentive-driven behavior data creates an ideal setup for cross selling and integrating further products like short-term insurance and banking within the larger ecosystem. The market is not appreciating the expected future contribution from the new banking platform in South Africa and health insurance in China. After significant capital expenditure to establish the banking platform, initial adoption rates among the existing customer base is high and the incremental costs of adding customers is negligible. In China, the health insurance platform is positioning to become the number one player in a very large, fragmented, underpenetrated market. The Chinese health insurance platform is tech driven in partnership with a leading local player – highly scalable model which should accelerate as it grows. Neither these initiatives are currently contributing to earnings.	Short-term dip in earnings due to investment in future initiatives and once-offs. PE multiple of 16.

Not disclosed	Large and growing global portfolio of technology consumer facing businesses, e.g. social media, online classifieds, e-commerce, payments, food delivery and travel.	Trading at a deep discount to the sum of the parts ("SOTP") of the underlying businesses. Management is planning an unbundling and separate listing of its non-South African businesses on an international exchange. We believe that the growth profile of the underlying portfolio of businesses is attractive and that the discount will narrow following the unbundling and separate listing.	Estimated discount of 30% to 40% to SOTP.
PSG Group	Investment holding company with a portfolio of high quality, high growth, scalable, South African focused companies. Underlying focus areas include: banking, wealth management, asset management, insurance, private education, energy utilities and services, and retirement lifestyle villages.	A group with a long history of stellar capital allocation decisions. Founders, management, and fellow insiders own about 25%. The group contains several businesses that have long runways, are scalable, operating in large markets, growing organically, and reinvesting earnings at high incremental returns on capital. There are also several promising smaller businesses, which are scaling from a low base and will contribute to earnings streams in the future. We are betting on long-term growth delivered by top class management, high quality businesses, and superior capital allocation.	A discount of 20% to the SOTP v.s. a 5-year trailing average discount of 6%. PE multiple of 22 not that meaningful as many of the underlying businesses are progressing through J-curve and historical earnings not reflective of future earnings.
Not disclosed	Private higher education business focusing on the South African ("SA") market. University status and expanding curriculum of faculties and courses accredited with Department of Higher Education and Training. Managed by passionate founder with experience and excellent track record.	Huge supply-demand mismatch in SA higher education. Only 44% of qualified school leavers were able to enroll in available higher education institutions. Enrollments in private higher education institutions in SA was 15% of total enrollments, compared to global average of 35%. There is a big backlog to fill and the size of the market is growing. The business will combine contact learning, which is more capital intensive and expensive, with distance learning which has a higher degree of operating leverage and is more scalable. Currently the business is early stage and the market is not acknowledging the future potential. We are betting on the market opportunity and the proven track record of a truly exceptional management team.	Early stage. No meaningful conventional metrics. Discounting future expected earnings and cash flows. Expected IRR of 30%.

Some readers will be able to figure out the identity of some of the non-disclosed positions. That's OK. We report quarterly. The portfolio snapshot says nothing about how and when we bought, what our position weightings are, whether we have added anything since, and whether we might have sold anything after quarter-end. As the number of LPs and our capital grow, I will take a deeper dive into our analysis and investment thesis on selected holdings. In the case of Cartrack and PSG, I have presented our ideas and research on public platforms after establishing our holdings. Readers can access our presentations on our updated website. (***Note***: *For compliance purposes our updated website requires that you complete a simple, one-time form to gain access and create a user login.)* For now, I believe we're disclosing enough to give our investors and readers insight into our portfolio without giving away our edge. Readers won't be able to replicate our portfolio and returns based on our letters. That remains the prerogative of our LPs.

I want to expand somewhat on my approach to cash and portfolio concentration. I believe in the concept of cash carrying embedded optionality, allowing us to buy something at tomorrow's price that we couldn't buy today at tomorrow's price. If I can buy tomorrow at a sufficiently low price that compensates for the opportunity cost of carrying the cash from today to tomorrow, then the value of the embedded optionality is positive and justifies sitting on cash until tomorrow. It's a balancing act incorporating factors like expected volatility, efficiency of the market pricing mechanism, the current opportunity set and associated opportunity cost, and a frank assessment of one's patience and temperament. I expect the long-term return on equities to exceed the long-term return on cash. Accordingly, our portfolio will tend to be near fully invested over time. In the shorter term, we are fortunate to operate in a quite volatile and frequently mispriced market, so seeing some cash in our portfolio should rather be interpreted as an input that can allow us to enhance returns instead of detracting from them. A final consideration on cash is capital flows. As a growing, early-stage fund, we are receiving monthly inflows from new LPs. Our current opportunity set allows me to productively deploy capital in new or existing investments and maintain what I believe to be a return-enhancing short-term allocation to cash. Keep in mind that we employ no leverage and have no short positions. Our returns are generated from good old stock selection and becoming part-owners in businesses with above average return prospects.

On portfolio construction – Desert Lion aims to be invested on average in 7 to 15 positions. Concentration will depend on the slope of the opportunity cost curve. Let's imagine our portfolio consists of 8 holdings and I have an estimated expected return for each holding. Assume that Holding 1, the highest return holding, is expected to return 36% compound and the lowest return holding, Holding 8, is expected to return 25% compound. If I come across an opportunity that I expect to return 24%, will I add it as Holding 9? Yes. The potential for an estimating error justifies adding Holding 9 by contributing to diversification but not necessarily detracting commensurately from our overall expected return. Let's stay with this example and assume I'm presented with a further opportunity of which I estimate the expected return at 15% compound. Would I make that Holding 10? No.

So, what can you infer from the number of our holdings? If the opportunity set offers a flat opportunity cost curve, we will tend to have more holdings. If we're presented with 15 opportunities all offering an expected 25% compound, then we'll invest in all 15. If we're dealing with a steep curve and adding Holding 10 is expected to meaningfully dilute the return of our portfolio then we'll tend to be more concentrated.

There are other practical considerations when judging portfolio weightings. Sometimes I might have high conviction in a particular holding, but the liquidity to acquire the desired position is not forthcoming. Or Mr. Market realizes his mistake and the price starts running before we established our desired exposure. Both cases have already manifested in our current portfolio construction. Again, our opportunity set is rich, so these situations are addressed by deploying into the next attractive prospect. I have a long list of stocks that I've been tracking and analyzing for years. It's just a question of waiting for the market to dish them up at the right price.

Limited Founders Class

The Desert Lion Capital Fund was launched April 1, 2019 with the capital from our seed investors. Above our initial seed capital, we created a Founders Class with $10m capacity. Some of that capacity has been filled by new LPs joining the partnership during June and July. I believe the fee structure to be especially favorable to LPs and aligned with their interests. Experienced capital allocators will know that establishing a fund like Desert Lion requires significant upfront investment. Investing in Desert Lion at a 0% management fee sounds exceedingly attractive, and it should, because we structured the Founders Class for that reason. The whole idea is that it should make a lot of sense to likeminded prospective investors.

Every new dollar of LP capital immediately participates in a concentrated, thoughtfully constructed portfolio with what we believe are attractive expected return attributes. Furthermore, our opportunity set allows deploying every incremental dollar at the same expected return.

At this stage we are still accepting new LPs in the Founders Class. Below are the key differences between the Founders Class and the Standard Class:

	Founders Class	Standard Class
Management fee	0%	0.75%
Performance fee	25% of profit above hurdle	25% of profit above hurdle
Hurdle rate	6%	6%
High water mark	Yes	Yes
Fund expenses	Capped at 0.5%	Capped at 0.5%
Soft lockup	2 years	3 years
Early withdrawal fee	5%	5%
Minimum subscription	$250,000	$250,000
Capacity	First $10m	Fund close at $100m

Concluding

Congratulations to those readers who made it this far. In my opinion, these quarterly investor letters, together with our launch letter and other material on our website, should provide readers with sufficient information to form opinions on what and how we are doing.

The Desert Lion Capital Fund offers something we believe is truly unique. I'm not currently aware of any US-domiciled fund doing anything similar. Naturally, a fund with unique characteristics require some equally unique, likeminded, patient partners. Welcome to our partners who joined us over the past several months. I will do my best in compounding our collective wealth over time.

The distribution of this letter has grown to be far wider than I would have anticipated at this stage. To those interested in joining the partnership, please contact Ally Manning at investorrelations@desertlioncapital.com. Both Ally and I are available to answer any questions you might have.

Yours in investing,

Rudi van Niekerk

PERFORMANCE
QUARTERLY REPORT FOR THE PERIOD ENDED JUNE 30TH, 2019

	Desert Lion Capital Fund I (1) %	MSCI Emerging Markets (2) %	FTSE/JSE All Share Index (3) %
Q2 2019 (4)	3.1	0.6	6.0
Cumulative (5)	3.1	0.6	6.0
Annualized (5)	Not meaningful	Not meaningful	Not meaningful

Notes:

(1) Desert Lion Capital Fund I, LP ("Desert Lion") Standard Class, net of all fees. Based on an annual management fee of 0.75% (calculated quarterly in advance, charged monthly); fund expenses of 0.5% p.a. (charged monthly); 6% non-compounding hurdle; performance fee of 25% of profits exceeding the 6% hurdle; high water mark applies.

(2) MSCI Emerging Markets Index ("MXEF"). Inclusive of dividends reinvested.

(3) FTSE/JSE All Share Index ("ALSH" or "J203") converted to USD returns.

(4) Inception April 1, 2019. Through June 30, 2019.

(5) Net results to a Limited Partner in the Standard Class as of April 1, 2019 inception. Individual returns will vary by class and date of investment.

Disclaimer:

PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

The net returns presented under Quarterly and YTD Performance are net of all fees, expenses and the incentive allocation attributable to a typical fee-paying limited partner in the Fund. The returns for a limited partner who has made additional subscriptions or withdrawals may differ. The performance numbers include dividends reinvested. This communication is for informational purposes only and is unaudited. Totals may not foot due to rounding.

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