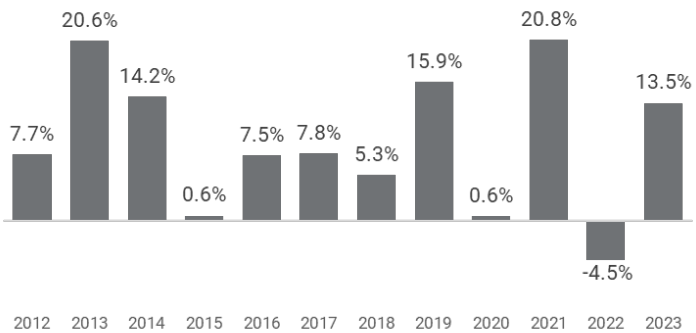
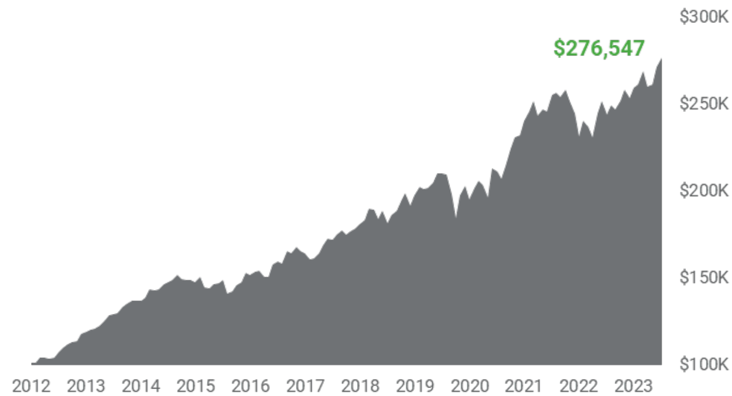
January 17, 2024

Farewell, Charlie

The Value Fund finished the year +13.5% net of fees and expenses. The US dollar weakened against most major currencies, including the Canadian dollar, and lowered our returns by approximately -2% for the year.

The challenging market conditions of 2022 are a distant memory, and we are back in compounding mode. Hopefully, 2023 will mark the first year of a new 10-year streak of positive returns.





After trouncing the major US benchmarks in 2022, we finished 2023 slightly ahead of the S&P/TSX (+11.8%), in line with the DJIA (+13.7%) and trailing the S&P500 (+23.6%). (1)

The major market-capitalization-weighted indices were heavily influenced by a handful of stocks. Two-thirds of the S&P500's returns for the year were generated by just seven companies (known as the "Magnificent 7"). By comparison, the equal-weight S&P500—comprised of the same 500 companies as the S&P500 but with equally-weighted positions—finished the year +10.8%. (2)

While the Magnificent 7 consists of some quality companies (**Alphabet**, **Amazon**, **Apple**, **Google**, **Microsoft**, **Nvidia**, and **Tesla**), most trade at valuations we avoid.

For example, **Tesla** ended the year trading at 67x forward earnings while competing in an industry not known for generating attractive shareholder returns. Tesla is a leader in the EV transition. However, BYD and many traditional manufacturers of internal combustion engines (ICEs) are vying to compete for a finite number of EV consumers. Tesla may maintain its early lead and eventually grow into its valuation. But that is an outcome we are not prepared to underwrite, especially with the brilliant but highly erratic Musk at the helm. It only takes a few bad quarters from companies trading at lofty multiples to trigger a severe multiple contraction and permanent loss of shareholder capital.

We prefer the better odds of generating solid returns while avoiding severe declines that come with buying high-quality companies purchased with a large margin of safety.

(1)(2) Index returns are for the total return indexes, including dividends and measured in Canadian dollars, the Value Fund's reporting currency.

Portfolio Update

The biggest contributor to the portfolio in 2023 was **Alphabet** (GOOG/GOOGL) +58.8%. We first invested in Alphabet in Q1 2018 as we were attracted to the dominance of their search engine (Google is a verb), its economics and the long-term tailwinds from the world's continued shift online. Over the past 5+ years, we have opportunistically increased our Alphabet position whenever the shares traded at a material discount to our calculation of its intrinsic value.

Our latest purchase occurred in December 2022 after Alphabet's share price fell 40% from its 2021 highs. That selloff was driven by market fears of a weak advertising outlook and the threat of artificial-intelligence-powered chatbots stealing market share from Google Search. We disagreed with that assessment and made our bet. One year later, Alphabet is on pace to report a mid-double-digit increase in operating income for 2023, fears of an artificial intelligence (AI) takeover have diminished, and the shares have responded accordingly.

Although much has changed in the world over the past five years, our investment thesis in Alphabet hasn't. Its core businesses (Search and YouTube) have maintained their dominance, and the company has used its scale and significant resources to develop strong positions in emerging fields such as cloud computing and AI.

Our investment in Alphabet illustrates our investment approach at GreensKeeper. We prefer to purchase the best businesses in the world whenever they are offered to us at an attractive price. Provided that we correctly identify and assess their sustainable competitive advantages (or "moats"), we can then allow their value to compound over time. Since our initial investment in 2018, GOOG's share price has increased 181% (20% per annum) while experiencing multiple drawdowns of more than 30%. We use selloffs as opportunities to reassess our thesis and, if unchanged, add to our position. Benjamin Graham had it right. Mr. Market is there to *serve* us, not to *guide* us.

Vertex Pharmaceuticals (VRTX) was the second largest contributor to the Value Fund in 2023, finishing the year +40.9%. Vertex's world-leading cystic fibrosis (CF) therapies continue to generate a torrent of cash flow (approaching $10 billion in sales at 88% gross margin). We also benefitted from the market's reaction to several positive developments from their pipeline assets. Late in 2023, the FDA approved a Sickle Cell Disease (SCD) therapy that Vertex co-developed with CRISPR Therapeutics. The therapy, known as CASGEVY, offers the potential of a functional *cure* for patients with this debilitating disease. Earlier this week, CASGEVY was also approved by the FDA for the treatment of Transfusion-Dependent Beta Thalassemia. CASGEVY is the company's first step towards diversifying its revenues beyond the core CF franchise. While our original thesis was based solely on the projected earnings generated by the CF franchise, we are pleased with these pipeline developments for Vertex and patients battling these life-threatening genetic diseases.

Our third most significant contributor to the portfolio for the year was **Berkshire Hathaway** (BRK.A/B) +15.5%. As expected, Berkshire's diversified portfolio of businesses performed well throughout the year, with its insurance underwriting segment having its best year in recent history. Perhaps the biggest news out of Berkshire in 2023 was the passing of Berkshire's Vice-Chairman Charlie Munger in late November (more on that below). While we were saddened by the news, Buffett and Munger have built Berkshire Hathaway into a financial fortress which should compound in value at a high-single-digit rate for the foreseeable future, regardless of who is at the helm.

Finally, our payment networks, **American Express** (AXP) +26.8% and **Visa** (V) + 25.3%, significantly contributed to our performance in 2023. Both companies benefited from the continuing post-COVID global travel and consumer spending rebound. We love the economics of the payments industry, which is supported by the long-term secular decline in the use of cheques and cash. We suspect these stalwarts will be in our portfolio for years.

Our worst performer for the year was **TVA Group** -21.1%. The French-Canadian broadcasting company struggled during a challenging year for media companies battling over shrinking advertising dollars. Many of TVA's customers pulled back on their ad budgets due to rising interest rates and a potential consumer spending slowdown. Despite the revenue decline, TVA's channels continue to maintain their dominant market share with their French-speaking audiences, reaching 75% of Quebecers weekly. We believe the advertising market will eventually bounce back, and TVA's recently announced cost cuts will leave it in a stronger position to benefit from operating leverage in the coming years. But as long as ad revenues remain soft, the company's financial results will suffer.

Our second largest laggard was **Elevance Health** (ELV) -8.1%. Elevance's financial performance was strong throughout the year, and the company should report record earnings following its Q4 release. Elevance continues to compound its intrinsic value at a double-digit pace, and we are happy to own the company at its current valuation despite last year's selloff.

Overall, 2023 was a good year for the Value Fund. We added two new companies to the portfolio, both of which we hope to hold for the long term. In November, we released an in-depth report on our purchase of **Compagnie Financière Richemont SA** (SWX:CFR), which lays out our investment thesis. Richemont has performed well through the first half of its fiscal year, and we were delighted to be able to purchase a company of this quality at a reasonable price. The second new position was added to the portfolio in Q3, and because we are still accumulating shares, we will defer the discussion to a later date.

The Value Fund finished the year +13.5% (net) with a 4% cash position and nearly $20 million of unrealized gains on its $50 million of equity investments. Our average portfolio turnover for the past five years has been 15% (which implies an average holding period of over 6.5 years). Choosing stocks carefully and for the long run has allowed us to minimize transaction costs and defer the triggering of capital gains for our clients while prudently compounding their capital.

Additional portfolio disclosures, including performance statistics, can be found on the pages immediately following this letter. Upon the completion of MNP's audit of the Value Fund's financial statements in March, we will provide clients with a more detailed snapshot of the entire portfolio at year-end. There were no changes to our top 10 holdings from the prior quarter.

GreensKeeper Value Fund

Top 10 Holdings *	Sector
Alphabet Inc.	Technology
American Express	Financial Services
Berkshire Hathaway Inc.	Insurance
Elevance Health	Healthcare & Pharma
Fiserv Inc.	Technology
Intercontinental Exchange, Inc.	Financial Services
Merck & Co., Inc.	Healthcare & Pharma
S&P Global Inc.	Financial Services
Vertex Pharmaceuticals	Healthcare & Pharma
Visa Inc.	Technology

* As of December 31, 2023. The Value Fund's holdings are subject to change and are not recommendations to buy or sell any security.

Farewell, Charlie

In late November, Charlie Munger passed away just one month shy of his 100th birthday. In recent years, when making my annual pilgrimage to Omaha for the Berkshire Hathaway Annual Meeting, I thought it might be the last time I saw him. But I'm not sure that I truly believed it.

In a lifetime, only a handful of people outside of your immediate family impact you deeply. For me, Charlie was one of those special people. Charlie was a true Renaissance man. The breadth and depth of his knowledge, his multidisciplinary mental model approach to life and his innate curiosity always resonated with me.

I can't adequately describe how much his shared wisdom taught me about investing and life (the kids and I even named our family dog Charlie: sorry, Warren!). But perhaps I can share a few of the more meaningful things I learned from him. As Charlie once said, the best thing a human being can do is to help another human being know more.

With a razor-sharp mind and an equally sharp tongue, Charlie was Warren without the filter. He certainly didn't suffer fools gladly. But if you watched closely, you would see signs of his midwestern upbringing. He often flew coach—despite his billionaire status—so as not to lose touch with the average person. He knew dynastic wealth could ruin his children, so he fought against its pernicious effects by living in the same house for 70 years. Wealth gave him the freedom to live life on his terms. But he was thoughtful about how he used it and gave much of it away. Wealth doesn't change a person's character. It magnifies it.

Hard work, intelligence, and grit are all significant contributors to success in life. But Charlie possessed just enough humility to acknowledge that the role of luck—both good and bad—is often underestimated. The story below drives home the point.

IT'S 1931, AND A BOY and girl, both about seven years old, are playing on a swing set on N. 41st St. in Omaha. A stray dog appears and, without warning, charges. The children try to fight the dog off. Somehow, the boy is unscathed, but the dog bites the girl.

She contracts rabies and, not long after, dies. The boy lives.

His name? Charles Thomas Munger.

Charlie Munger, the brilliant investing billionaire who died on Tuesday in a California hospital 34 days before his 100th birthday, told me that story when I interviewed him last month. I'd asked the vice chairman of Warren Buffett's Berkshire Hathaway: What do you think of people who attribute their success solely to their own brilliance and hard work?

"I think that's nonsense," Munger snapped, then told his story, which I can't recall him ever publicly recounting. "That damn dog wasn't 3 inches from me," he said. "All my life I've wondered: Why did it bite her instead of me? It was sheer luck that I lived and she died."

He added: "The records of people and companies that are outliers are always a mix of a reasonable amount of intelligence, hard work and a lot of luck."

Source: Jason Zweig, Wall Street Journal.

In his late twenties, Munger found himself divorced and broke. A few years later, his son developed leukemia, which was incurable at the time. While his son lay dying in the hospital "inch by inch," after each visit, Charlie walked the streets alone at night and cried. Decades later, a failed cataract surgery left him with only one eye. He held no resentment towards the surgeon. Despite these hardships, by the time he passed away, Munger was a billionaire, revered by his many followers and surrounded by a gaggle of his children and grandchildren, many the fruit of his loving second marriage of 54 years.

Ill fortune, hardship and struggle are inescapable in life. You can minimize them by surrounding yourself with good people and making good decisions. But you can't avoid them entirely. We have to play the hand we are dealt in life. When these unpleasant episodes arrive, we are all presented with the same choices: wallow in self-pity, give up, or soldier on. Munger's life teaches that there is only one rational choice. Accept hardship with as much grace and equanimity as you can muster. And then power through it, knowing that it will eventually end.

Charlie was a voracious reader and lifelong learner until the end: he did his first podcast at the age of 99! There is no shortcut to worldly wisdom: knowledge, like capital, compounds over time. Progress requires putting in the work every day for decades. We all have weaknesses and blind spots and can sometimes be overcome by our emotions. Charlie was the epitome of continually working at self-improvement. He read broadly and deeply, learned from his mistakes and took on new challenges.

> In my whole life, I have known no wise people, over a broad subject matter area, who didn't read all the time -- none, zero... You'd be amazed at how much Warren reads -- at how much I read. My children laugh at me. They think I'm a book with a couple of legs sticking out.
>
> Charlie Munger

Often overshadowed by his business partner and friend of 60 years, Warren Buffett, Charlie understood that Warren needed the limelight and was prepared to play a supporting role at Berkshire. He didn't let his ego get in the way of a wonderful partnership.

For those in the know, in 1972, Munger was instrumental in convincing Buffett to purchase See's Candies for $25 million. The asking price was a few million dollars more than Warren was prepared to pay, but Charlie convinced him that some businesses are worth paying up for.

See's Candies has since returned over $2 *billion* to Berkshire. Prior to the purchase of See's Candies, Buffett focused mainly on buying very cheap stocks, often in less-attractive businesses (also known as "cigar butts"). The purchase of See's Candies marked the turning point of Buffett's investment style away from cigar butts toward high-quality compounders. And that pivot was primarily due to Munger's insight and influence on Warren.

That change, in turn, led to future investments in Coca-Cola, American Express, Apple and many other great businesses, creating hundreds of billions of dollars of value for Berkshire shareholders. Warren and Charlie *both* deserve the credit, and Charlie's contribution to what Berkshire has become may not be truly appreciated by most people.

Wise. Rational. Stoic. Ethical. Teacher. Witty. Those words come to mind when I think about Charlie Munger. But despite his many talents, Charlie was human. He recognized that, like all people, he wasn't perfect:

> … nobody has ever accused me of being humble. Although humility is a trait I much admire, I don't think I quite got my full share."
>
> Charlie Munger

Safe journey, Charlie. Boy, I am going to miss you.

Firm Update

Our team is growing, and every one of our employees has their *entire* investment portfolio invested alongside our clients. We eat our own cooking at GreensKeeper, and our approach is one of partnership.

With the additional investments we have made in our business, we have the capacity to take on new clients. If you are looking for someone new to manage your money, please give us a call.

Michael P. McCloskey

President, Founder &
Chief Investment Officer

GreensKeeper Value Fund
Performance as of December 31, 2023

GreensKeeper ASSET MANAGEMENT INC.

Fund Overview

The fund invests in a concentrated portfolio (15-20 stocks), primarily in equities from any sector and market capitalization.

Fund Details

Load Structure	**No Load**
Perf. Fee	**20% over 6.0% annual hurdle. High-water mark (perpetual).**
Registered Plan Status	**100% Eligible (RRSPs, TFSAs, RESPs, RDSPs, LIRAs, RIFs, etc.)**
Inception Date	**November 1, 2011**
Type of Fund	**Long equity, Long-term capital appreciation**
Fund Category	**Global Equity**
Currency	**CAD**
Valuations	**Monthly**
Redemption	**Monthly on 30 days' notice**
Distribution Frequency	**Annually (December)**

	Class A	Class F*	Class G**
Fund Codes	**GRN 101**	**GRN 105**	**GRN 107**
NAV	**$22.10**	**$23.74**	**$19.19**
MER (%)	**1.8%**	**1.3%**	**< 1.8%**
Min. Initial Investment	**$150,000**	**$150,000**	**$1 million**

Fund Distributions ($/Unit Class A)

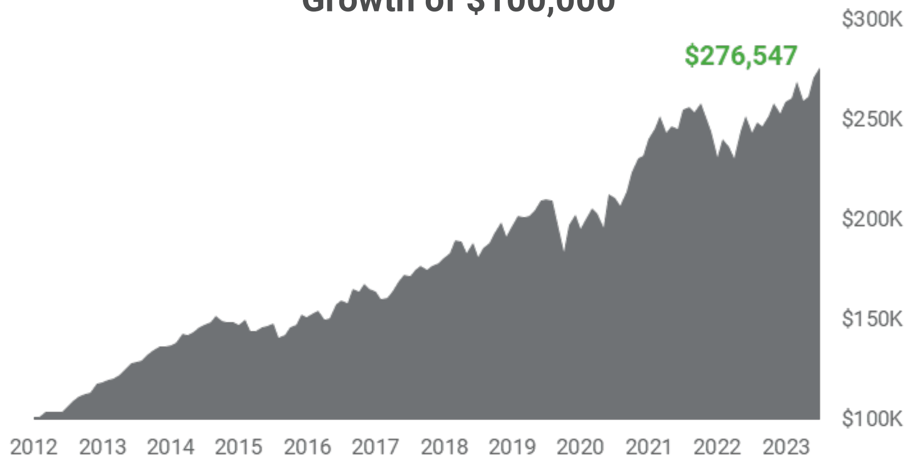
2015 - $0.2939	2016 - $0.5416	2017 - $0.0000
2018 - $0.5752	2019 - $0.5626	2020 - $0.0000
2021 - $0.0000	2022 - $0.1440	2023 - $0.0000

Service Providers

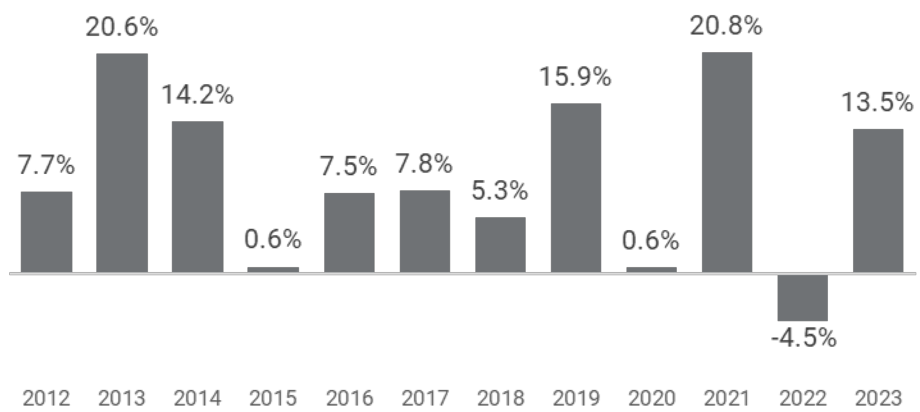
Investment Manager	GreensKeeper ASSET MANAGEMENT
Admin. and Registrar	SGGG FUND SERVICES INC.
Auditor	MNP
Custodian	NATIONAL BANK INDEPENDENT NETWORK
Legal Counsel	BLG Borden Ladner Gervais

Portfolio Performance (Class A)

Growth of $100,000



Calendar Year Returns

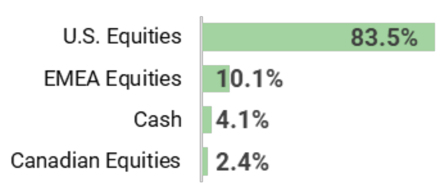


Annualized Compound Returns

	1 MO	YTD	1 YR	3 YR	5 YR	10 YR	Inception
Value Fund	**1.9%**	**13.5%**	**13.5%**	**9.4%**	**8.8%**	**7.9%**	**8.7%**

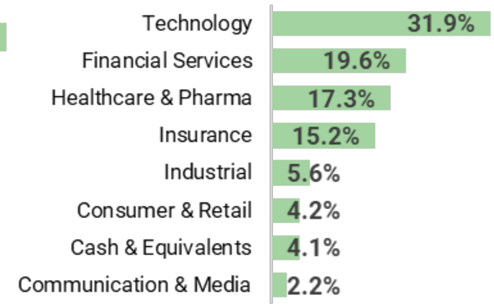
Portfolio Allocations

Asset Mix*



*based on corporate domicile

Sector



Testimonials

Don't just take our word for it. See what our clients are saying:

"We began investing with GreensKeeper in 2013. A large portion of our three grandchildren's education money is guided by Michael McCloskey and his patient advice. We have a long-term view towards investing and trust in the fund's risk aversion strategy for preservation of capital. I recommend GreensKeeper to my friends and family."

Timothy B.
President & CEO

"My family has known Michael for over 20 years, and we have invested in the Value Fund. He has a track record of success, and we sleep soundly at night knowing that he is growing our investments safely."

Dr. Erin R.
Anesthesiologist

"I have known Michael for over 15 years and consider him a valued and trusted adviser. His prudent investment approach for the long term that ignores the short-term market volatility is the reason we have invested much of our long-term savings with him."

Erik D.
Entrepreneur, President

The preceding testimonials are from existing GreensKeeper client families and may not be representative of the views of all people or investors. Certain testimonials were provided unsolicited, and others were provided by request.

The GreensKeeper Team

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What Makes Us Different

Disciplined

Value Investing is simple, but not easy. At GreensKeeper, we put in the work and have the proper temperament to succeed in the stock market.

Alignment of Interests

Our founder is among our largest investors and has most of his family's net worth invested alongside our clients. Does your investment manager have any of their own money invested alongside yours?

Owner Managed

Our clients deal directly with the people making the investment decisions. Do you know who is managing your money?

Disclosures

(1) All returns are as of December 31, 2023, for Class A Units. (2) GreensKeeper Asset Management Inc. (GKAM) assumed the investment management responsibilities of the Value Fund on January 17, 2014. Before that date, the Value Fund was managed by Lightwater Partners Ltd., while Mr. McCloskey was employed by that firm. (3) Where applicable, all figures are annualized and based on Class A monthly returns since inception. The risk-free rate was calculated using the 90-day CDN T-bill rate. Class F Units are available to purchasers participating in fee-based programs through eligible registered dealers. ** Class G Units are for purchasers who have over $1 million managed by GreensKeeper and enter into a Class G Agreement with us. Class G Units are not charged a management or performance fee by the Fund as Fees are paid directly to the Manager under the Class G Agreement.

This document is intended for informational purposes and should not be construed as an offering or the solicitation of an offer to purchase an interest in the GreensKeeper Value Fund or any other GreensKeeper Funds (collectively, the "Funds"). Any such offer or solicitation will be made to qualified investors only by means of an offering memorandum and only in those jurisdictions where permitted by law. GKAM is registered in Ontario, Canada under the categories of Portfolio Manager, Investment Fund Manager, and Exempt Market Dealer. Investing in the GreensKeeper Value Fund is speculative and involves a high degree of risk. Opportunities for withdrawal, redemption and transferability of interests are restricted, so investors may not have access to capital when it is needed. There is no secondary market for the interests, and none is expected to develop. Investments should be evaluated relative to an individual's investment objectives. The information contained in this document is not and should not be construed as legal, accounting, investment or tax advice. You should not act or rely on the information contained in this document without seeking the advice of an appropriate professional advisor. Please read the Fund offering memorandum before investing.

The Funds are offered by GKAM and distributed through authorized dealers. Trailing commissions, management fees, performance fees, and expenses may all be associated with an investment in the Funds. The fees and expenses charged with this investment may be higher than the fees and expenses of other investment alternatives and may reduce returns. There is no guarantee that the investment objective will be achieved. Past performance should not be mistaken for, and should not be construed as, an indicator of future performance. The performance figures for the GreensKeeper Value Fund include actual or estimated performance or management fees and are presented for information purposes only. GKAM has compiled this document from sources believed to be reliable, but no representations or warranty, express or implied, are made as to its accuracy, completeness or correctness. All opinions and estimates constitute GKAM's judgment as of the date of this document and are subject to change without notice. GKAM assumes no responsibility for any losses, whether direct, special or consequential, that arise out of the use of this information. Certain statements in this presentation are based on, *inter alia,* forward-looking information that is subject to risks and uncertainties. All statements herein, other than statements of historical fact, are to be considered forward-looking. Such forward-looking information and statements are based on current expectations, estimates and projections about global and regional economic conditions. There can be no assurance that such statements will prove accurate; therefore, readers are advised to rely on their own evaluation of such uncertainties. Further, to the best of GKAM's knowledge, the information throughout the presentation is current as of the date of the presentation, but we expressly disclaim any duty to update any forward-looking information. The GreensKeeper Value Fund strategy in no way attempts to mirror the S&P/TSX or the S&P500. The S&P/TSX Composite Index and the S&P500 Index are provided for information purposes only as widely followed indices and have different compositions and risk profiles than the GreensKeeper Value Fund.