January 21, 2025

Asheville Capital Annual Letter 2024

Dear Partners,

The Asheville Capital portfolio produced a net return of 0.8% in 2024. This compares with the MSCI ACWI, our benchmark, which produced a 17.5% return, and the MSCI ACWI Ex-US, which produced a 5.2% return over the same time period.

Performance Statistics [1]			
	Asheville Capital	**MSCI ACWI**	**ACWI, Ex. US**
2022	-5.6%	-2.6%	-3.5%
2023	23.4%	22.3%	15.7%
2024	0.8%	17.5%	5.2%
Cumulative Return	17.4%	39.7%	17.5%
Annualized Return	6.4%	13.8%	6.4%

[1] Past performance is not indicative of future results. All return figures represent the aggregate returns, net of fees, of all seperately managed accounts managed by Asheville Capital Management

At Asheville Capital I focus on absolute returns and concentrate our capital in a select few opportunities that offer the highest asymmetry between risk and reward, with a high probability of predictable future outcomes. Given the concentrated nature of the portfolio and our long-term holding periods, volatility is an inherent feature of this strategy – not a flaw.

To be included in the portfolio, an investment must be expected to deliver a 24% annual total shareholder return (TSR), equivalent to doubling in value over three years. These projections are, of course, long-term targets that rarely follow a linear path. This past year illustrates that point well. Some of my projections will be wrong, while others may take years to reach full validation – but the ultimate focus remains to achieve disciplined, process-driven compounding over time.

Holdings that cleared our 24% TSR benchmark in 2024 include **Acast** (+43%), **Temple & Webster** (+33%), **Wise** (+33%), and **InPost** (+24%). Each of these companies – excluding Temple & Webster – remains a core portfolio holding today and trades at a cheaper relative valuation than a year ago. This is because their intrinsic value growth has outpaced their share prices. As a result, we now own stronger businesses at higher absolute prices but with wider discounts relative to their intrinsic value.

Conversely, several holdings fell short of expectations. **Nu Holdings** declined 31% from its initiation price mid-year, while **Auto Partner** (-26%), **Basic-Fit** (-21%), and **Medley** (-19%) delivered results far below our targeted TSR. In each case, we've deployed cash to increase our positions, capitalizing on what we believe is an even greater dislocation from intrinsic value while remaining confident in their long-term theses. However, if we determine that our thesis is invalid, we will not hesitate to exit the position immediately.

Interestingly, none of our holdings had a flat year in 2024, even though the portfolio's combined output effectively netted to a zero-sum result. During such times, I find myself reflecting on Warren Buffett's 1989 shareholder letter:

"You need to keep raw irrational emotion under control. And you need to think independently. Remember that just because a large number of people agree on something doesn't make it true. In this business, you can't rely on others to do your thinking for you. ***Polling does not replace thinking****."*

In this business rationality and self-discipline are paramount. Independent thinking and setting realistic expectations matter far more for long-term outperformance than following market sentiment. As Professor Hendrik Bessembinder's research highlights, even the top 100 performing stocks of the last 70 years experienced average drawdowns of 32.5%, lasting 10 months on average, *within their strongest decades of performance*. [1]

Volatility is the cost of outperformance and although it is uncomfortable, any successful entrepreneur or investor will tell you, what is comfortable is rarely profitable. Even so, periods of underperformance are tough. They cause you to re-test your most basic assumptions. While our focus remains on absolute returns, that focus is grounded in the expectation that we will exceed our benchmark.

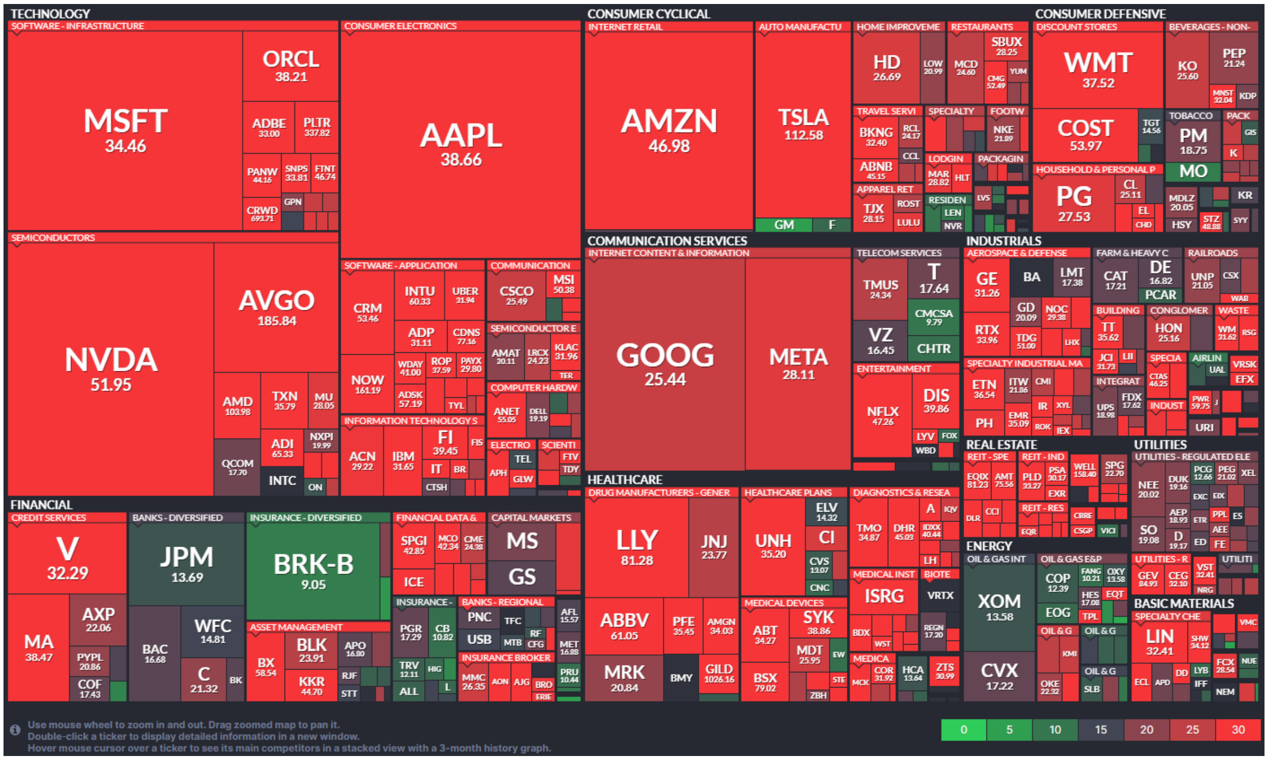
Which brings us to the subject of U.S. equity indices, the epicenter of market enthusiasm today – for good reason. The S&P 500 has surged 53% over the past two years, with gains of 24% in 2023 and 23% in 2024. A significant portion of this growth was driven by the "Magnificent Seven," contributing nearly two-thirds of the index's total return in both years. Their exceptional performance is driven not only by accelerated earnings growth on a massive scale but also by significant expectations being baked in regarding artificial intelligence – a transformational technology that is poised to dramatically reshape industries. Furthermore, the current administration is the most pro-business since Ronald Reagan, creating a favorable environment for future growth. Although it might be a bumpy ride, the American tailwind is in a very healthy place and we would love to have more US exposure. However, as always, the price we pay is the ultimate determinant of value.

The current S&P 500 multiple of trailing twelve-month (TTM) earnings reflects this optimism, standing at 29.8x – nearly four standard deviations above its historical average and more expensive than 98% of past valuations. While the "Magnificent Seven" may warrant their elevated multiples due to exceptional growth and profitability, many other large-cap constituents appear significantly overvalued by comparison.

A common rebuttal to this valuation concern is that future growth will compensate for the elevated multiples. However, at 29.8x earnings, the S&P 500 would need to achieve 14.7% annualized earnings growth – more than double the nominal long-term average – over the next decade just to deliver a modest 7% annual return. This level of growth is not only historically rare but also difficult to justify across the broader index.

[1] Please see Appendix 1 for a table taken from Bessembinder's paper, *Extreme Stock Market Performers, Part I: Expect Some Drawdowns*, published in July of 2020.

ASHEVILLE CAPITAL MANAGEMENT

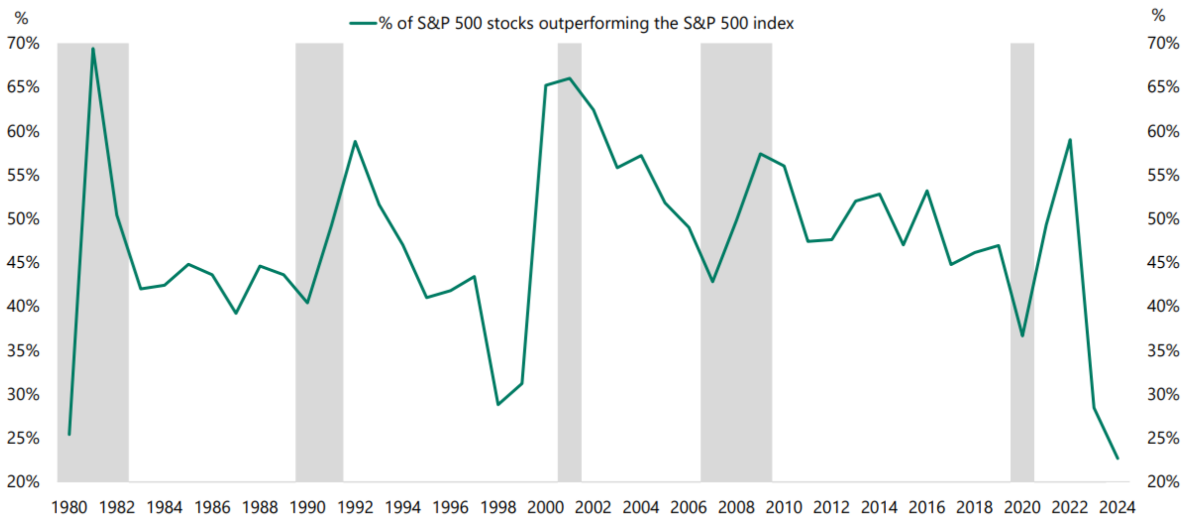


Given the performance of the index, it’s no surprise that capital has flowed heavily into passively managed funds. In January 2024, U.S.-domiciled passive funds surpassed actively managed vehicles in assets under management for the first time. However, this shift has created a significant imbalance. Many of the most popular passive funds are market-capitalization-weighted, causing large inflows to reinforce a feedback loop where the largest companies continue to grow disproportionately as passive investors bid up their shares. As a result, the S&P 500 has become increasingly concentrated – its top ten companies now account for nearly 40% of the index weighting, despite representing only 12% of total revenues and 26% of profits.

This extreme concentration has contributed to a record-low percentage of stocks outperforming the S&P 500 in each of the last two years. Large-cap stocks in particular have taken on characteristics of Giffen goods, where demand increases as prices rise. Michael Burry has warned about this dynamic, likening it to synthetic asset-backed CDOs before the Great Financial Crisis, citing passive investing's erosion of price discovery. The parallels are striking – just as demand for CDOs once disconnected from their underlying fundamentals, so too has the inflow-driven bid for mega-cap stocks outpaced their intrinsic value, amplifying market distortions.

APOLLO

Record-low percentage of stocks outperforming the S&P 500 index



Source: Bloomberg, Apollo Chief Economist. Note: Annual data is from January 1 to December 31 for each year. The 2024 data is as of July 2, 2024 (year-to-date).

Despite the apparent overvaluation and concentration in U.S. large-cap equities, several pockets of undervaluation remain, where exceptional, high-quality businesses trade at significant discounts to their intrinsic value. These companies excel at compounding capital efficiently and are not widely recognized for their strengths, as implied by their current share prices.

Return on Incremental Capital – Why is it Important?

Before diving into individual company analysis, I want to focus on the concept of return on incremental invested capital (ROIIC). In last year's annual letter, I emphasized that while returns on invested capital (ROIC) are critical, it is the ***changes in ROIC*** over time that drive meaningful value creation. (link) Michael Mauboussin's insightful paper, *ROIC and the Investment Process*, explored the relationship between changes in ROIC and total shareholder return (TSR). His research demonstrated that the companies generating the highest TSRs did not always have the highest ROICs but excelled by consistently improving their ROIC over time. This brings us to ROIIC, which measures the returns on additional capital deployed – offering a more forward-looking view of a company's capital efficiency.

But why is ROIIC so important? Because it reflects a company's ability to sustain or expand its competitive advantage as it grows. A high ROIC alone may reflect legacy assets or historical success, but ROIIC reveals whether new investments are creating value or destroying it. Companies that maintain or improve their ROIIC over time demonstrate not only capital discipline but also strategic adaptability in deploying resources efficiently. Ultimately, businesses with consistently strong ROIIC tend to outperform because they compound value at higher rates – creating a long-term engine for shareholder returns rather than relying solely on past performance. So, when evaluating potential investments, we must ask: is this company's growth accretive, or is it simply consuming capital without generating incremental value? [2]

Let's consider an example:

Company A and Company B operate in the same industry and both earned $100 in 2024. Company A achieves a 30% return on capital, while Company B achieves only 10%. Both aim to grow earnings by 10% in 2025.

To grow earnings by 10%, Company A, with a 30% ROIIC, needs to reinvest only $33 of its 2024 earnings. In contrast, Company B, with a 10% ROIIC, must reinvest its entire $100 to achieve the same 10% growth. This means Company B is fully dependent on reinvesting everything it earns, while Company A retains $67 in additional earnings. This remaining balance gives Company A the flexibility to pursue further growth (assuming it can maintain its ROIIC) or to return capital to shareholders via dividends or share buybacks.

It should therefore come as no surprise to learn that companies with higher ROIICs tend to deliver superior shareholder value over time. Not only do they generate excess cash flow for share repurchases, but they also command higher earnings multiples. A glance at the stock price performance of companies like NVR or AutoZone illustrates this compounding effect in action. Alternatively, comparing the share prices of their competitors – D.R. Horton and Advance Auto Parts – highlights the stark impact of returns on incremental capital over time.

With this concept of ROIIC in mind, let's examine some of our current holdings. Are their competitive advantages strengthening with scale? And is it evident by their incremental returns on capital?

InPost

We've owned InPost shares for two years, with an initial cost basis of €9.50. Shares are up ~70% over our ownership period, supported by 53% revenue growth, 81% EBITDA growth, and 130% EPS growth. ROIC has risen from near-zero in 2022 to nearly 20% in 2024, driven by exceptional ROIIC. InPost is likely to generate PLN 850 million in free cash flow this year, up from negative PLN 11 million two years ago, reflecting a 37% ROIIC on PLN 2.3 billion in growth capex. But even this fails to paint the picture accurately.

The Polish segment, which dominates its industry with 50% market share, is the cash cow of this business. In 2024, free cash flow from Poland is expected to reach PLN ~1.4 billion, ***with ROIIC of ~73% and ROIC of ~35%***. Meanwhile, the international segment is rapidly scaling, with APMs in the UK, France, Spain, and Italy achieving 14-month payback periods on assets with 15-year useful lives. Over the past 12 months, international EBITDA margins improved from -19% to 11%, a 30pp swing, reflecting a high likelihood of sustained profitability as incremental earnings continue to outpace capital deployment.

InPost benefits from significant economies of scale and network effects. Competing with InPost requires significant capital – around $1.5 billion deployed over a decade – and a large number of merchant integration agreements, of which InPost has more than 52,000. Moreover, competitors must overcome entrenched customer preference – 80% of Poles choose InPost when shopping online, and its popularity

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[2] This topic was brought to my attention for the first time several years ago by John Huber's blog available on his website at sabercapitalmgt.com. In particular, I am referencing Connor Leonard's guest post titled, *Importance of ROIC: "Reinvestment" vs "Legacy" Moats*, published in May of 2016.

is rapidly growing in other markets. Competitors, even when directly adjacent to InPost APMs, struggle to match even one-tenth of InPost's throughput, meaning that payback rates are non-existent, and for these reasons multiple competitors have chosen to leave the market entirely in recent years.

At a PLN 40 billion enterprise value, InPost trades at ~9x NTM EV/EBITDA and ~34x NTM FCF. While the FCF multiple may appear high, it reflects InPost being in the early years of an earnings inflection curve. I expect a 15% revenue CAGR over the next five years, with EBITDA margins reaching 40% and a 50% EBITDA-to-FCF conversion rate. This would result in PLN 22 billion in revenue, PLN 9 billion in EBITDA, and PLN 4.5 billion in FCF – a 5x increase at a 38% CAGR, with significant room for further growth at high ROIICs.

For more on InPost, see my investment thesis (link) or listen to my interview with Rafal Brzoska, InPost's Founder and CEO (link). I also discussed InPost with Andrew Walker on the Yet Another Value Podcast this past December (link).

Vistry Group PLC

We initiated a new investment in Vistry Group in December and have since increased our position in early January, with a current cost basis below £6.00. Vistry is a UK-based homebuilder that is nearing the completion of a transformation from a traditional – buy, build, sell – homebuilding model to a capital-light partnerships model. By partnering with local housing authorities, housing associations, and institutional investors, Vistry is eliminating the need for costly land acquisition and speculative development, focusing instead on building pre-sold, affordable homes.

This structure is inherently capital efficient and dramatically accelerates the cash conversion cycles compared to traditional housebuilders. With up to 50% of homes pre-sold and additional units targeted at institutional buyers, Vistry achieves rapid turnover on its deployed capital. As the transition progresses, the company projects ROIC to exceed 40%, compared to the 15-20% that is typical of traditional homebuilders.

Moreover, Vistry's partnerships model benefits from strong structural tailwinds. The UK faces an estimated shortfall of over four million homes, with demand concentrated in affordable housing – a market segment that is less sensitive to economic cycles and interest rates. Vistry is uniquely positioned to meet this demand, leveraging its scale, relationships with over 60 local housing authorities, and modular construction capabilities. These factors not only enhance its ability to execute efficiently but also create durable competitive advantages, giving Vistry higher win rates for incremental new projects. Importantly, Vistry's margins are built into the contracts of its agreements, ensuring that Vistry can meet its ROIC target.

Finally, by repurposing resources from its legacy homebuilding business into partnerships, the company is in the process of freeing up over £1 billion which it plans to return to shareholders via share buybacks by the end of 2026, an incredible sum considering that Vistry's current market capitalization is only £2 billion.

Vistry is led by Greg Fitzgerald, a seasoned leader in UK homebuilding who has successfully orchestrated turnarounds and acquisitions at Galliford Try and Bovis Homes. Fitzgerald is largely responsible for the deal-making that occurred to create Vistry and he now owns 10% of the company. He is known for his hands-on approach and intense work ethic and has made it clear that Vistry is committed to excellence. Additionally, I find that he has been highly transparent in his communications with shareholders to-date.

I consider us very fortunate to have been able to acquire shares at our current cost basis. Vistry's shares are down 57% from its 52-week high in September after the company reported multiple profit warnings during the second-half of 2024. These profit warnings were primarily due to an understatement of build costs in Vistry's South Division, totaling £105 million for 2024 and then reducing to £50 million in 2025 and to be fully resolved by 2026. Additionally, there were delays in expected year-end transactions and completions which have further impacted profits. Instead of the anticipated £430 million in profits, Vistry is now expected to produce only £250 million in 2024. While delays in project completions are an ongoing risk to this business model, the understated build costs are a product of the traditional home-building model which is soon to be extinct. Furthermore, while the management team's credibility has certainly been damaged, I consider this to be further evidence for why the partnerships model is attractive.

Vistry still expects to achieve £800 million of operating profits in the "medium term" – presumably 3-5 years – and despite the profit warnings, I believe that they can achieve this. Project delays that hurt Vistry in 2024 could likely be a boon for profits in 2025, but regardless of that, normalized earnings power are appreciating considerably. Trading at less than tangible book value today, Vistry is objectively cheap. Moreover, if operating profits achieve anywhere in the ballpark of £800 million and trade between the 12-20x range of profits that I believe to be reasonable, Vistry's market capitalization could reach between £10-16 billion or £30-48 per share ***before*** accounting for the ongoing £1 billion in share repurchases. All of this to say; shares reflect deep pessimism in Vistry's prospects and trade with significant margin of safety. Vistry is just the sort of asymmetric return profile that we look for.

Nu Holdings

Nu Holdings is a company we initiated a small position in during 2024. Known as "Nubank," it is a Brazil-based Latin American neobank operating entirely online without physical branches. Nubank has transformed banking in the region through its technology-driven, customer-centric approach. Its value proposition lies in eliminating traditional banking fees, simplifying financial services, and providing greater accessibility to underserved yet tech-savvy customers across Brazil, Mexico, and Colombia. By prioritizing transparency, low costs, and seamless user experiences, Nubank has become the largest and most profitable neobank in the world outside of China.

From a capital efficiency perspective, it is hard to find a better business anywhere in the world than Nubank. It costs Nubank ~$10 to acquire a new customer, which is not only best-in-class relative to all other global neobanks, but also many multiples lower than that of their direct competitors. These ultra-low acquisition costs are achieved primarily because 80-90% of Nubank's new customers come through word-of-mouth. Furthermore, it costs only $0.90 per month to serve a customer, while the average monthly revenue per active customer (ARPAC) is $11. Re-read that sentence, because it is incredible.

This efficiency has driven significant operating leverage as ARPAC has climbed while costs remained flat. Over the last two years, net income margins have increased to 19% from 4%, and ROE has risen from 5% to 30%. Despite already having nearly 110 million customers, Nubank's growth runway remains long and profitable. The company's more mature customer cohorts generate $24 of ARPAC, suggesting the average ARPAC of $11 has considerable upside potential at minimal incremental cost.

Additionally, while about 50% of the Brazilian population holds a Nubank account, the penetration of services like personal loans, savings accounts, investments, insurance, and business banking remains low.

Nubank is also rapidly scaling in Mexico and Colombia, two markets where it has operated for only a few years but is scaling quickly within.

At approximately 20x NTM earnings, Nubank is valued below the S&P 500 yet is growing its earnings 5-6x faster, supported by exceptionally high ROIICs. While I am highly optimistic about Nubank's prospects and consider it among the best businesses in the portfolio, it remains a small position today due to certain risks. The company operates in an emerging market that is particularly vulnerable to economic slowdowns, and its interest-rate sensitivity adds an additional layer of uncertainty. Furthermore, while its expansion into Mexico holds significant potential, success is not guaranteed, especially given competition from Mercado Pago – a highly capable player that I greatly respect.

Conclusion

In closing, while 2024 was a challenging year, it was also one of meaningful progress. The quality of the portfolio has improved significantly over the past twelve months, even if this improvement has yet to be reflected on the scoreboard. I remain committed to our approach of identifying world-class businesses before they are broadly appreciated as such. All of my capital remains invested alongside yours.

As we enter 2025, I am encouraged by the underlying progress and strengthening fundamentals of our core holdings. I am confident that this foundation, paired with our focus on high ROIIC businesses and in paying the right price for them, positions the portfolio to generate substantial long-term value for our partners.

Thank you for your continued trust and partnership. I consider it my chief aim in this professional life to faithfully manage the assets that you have entrusted to me. I am deeply grateful for the opportunity to do so.

Sincerely,

Jake Barfield

Appendix 1: Hendrick Bessembinder, *Extreme Stock Market Performers, Part I: Expect Some Drawdowns*

Maximum Drawdowns for the 100 Firm/Decades with the Largest Shareholder Wealth Creation										
			Maximum Drawdown Same Decade				Maximum Drawdown Prior Decade			
Company	Decade	Wealth Created ($ millions)	Percent	Start	End	Duration (Months)	Percent	Start	End	Duration (Months)
APPLE INC	2010-2019	1,468,299.2	39.52%	Sep-12	Jun-13	9	79.18%	Mar-00	Mar-03	36
MICROSOFT CORP	2010-2019	1,075,941.3	24.26%	Apr-10	Jun-10	2	63.34%	Mar-00	Feb-09	107
AMAZON COM INC	2010-2019	812,648.1	25.38%	Aug-18	Dec-18	4	91.33%	Feb-00	Sep-01	19
MICROSOFT CORP	1990-1999	775,840.1	20.54%	Nov-92	Jul-93	8	32.45%	Sep-87	Nov-87	2
GENERAL ELECTRIC CO	1990-1999	633,240.0	26.77%	Jul-90	Oct-90	3	33.97%	Aug-87	Mar-88	7
ALPHABET INC	2010-2019	629,046.9	21.54%	Mar-10	Jun-10	3	58.56%	Oct-07	Nov-08	13
CISCO SYSTEMS INC	1990-1999	454,917.9	43.05%	Feb-94	Jul-94	5				
JPMORGAN CHASE & CO	2010-2019	393,859.8	34.74%	Feb-11	Sep-11	7	64.49%	Mar-00	Sep-02	30
FACEBOOK INC	2010-2019	390,801.1	41.93%	Jun-12	Aug-12	2				
BERKSHIRE HATHAWAY INC DEL	2010-2019	385,069.7	18.64%	Feb-11	Sep-11	7	44.93%	Dec-07	Feb-09	14
WALMART INC	1990-1999	379,036.8	36.19%	Jan-93	Jan-96	36	40.74%	Aug-87	Nov-87	3
INTEL CORP	1990-1999	362,579.3	31.09%	May-90	Sep-90	4	56.55%	Dec-83	Jul-86	31
VISA INC	2010-2019	319,330.7	23.95%	Mar-10	Aug-10	5	42.66%	May-08	Jan-09	8
JOHNSON & JOHNSON	2010-2019	296,952.4	13.18%	Dec-17	May-18	5	27.79%	Aug-08	Feb-09	6
MASTERCARD INC	2010-2019	296,690.2	21.80%	Mar-10	Aug-10	5	55.89%	May-08	Jan-09	8
INTERNATIONAL BUSINESS MACHS	1960-1969	290,573.6	42.00%	Oct-61	Jun-62	8	18.45%	May-50	Jul-50	2
UNITEDHEALTH GROUP INC	2010-2019	275,053.9	21.75%	Nov-18	Sep-19	10	68.32%	Dec-05	Feb-09	38
HOME DEPOT INC	2010-2019	267,248.5	19.69%	Apr-10	Aug-10	4	67.17%	Mar-00	Jan-03	34
WALMART INC	2010-2019	253,525.7	32.92%	Nov-14	Oct-15	11	27.10%	Feb-02	Sep-05	43
LUCENT TECHNOLOGIES INC	1990-1999	238,288.6	25.03%	Jul-98	Sep-98	2				
INTEL CORP	2010-2019	230,253.0	29.10%	Apr-12	Nov-12	7	81.34%	Aug-00	Sep-02	25
GENERAL MOTORS CORP	1950-1959	229,791.7	24.43%	Aug-56	Dec-57	16				
PROCTER & GAMBLE CO	2010-2019	228,694.7	20.49%	Dec-14	Aug-15	8	44.09%	Jan-00	Mar-00	2
BANK OF AMERICA CORP	2010-2019	220,584.3	69.31%	Mar-10	Nov-11	20	91.61%	Nov-06	Feb-09	27
DISNEY WALT CO	2010-2019	215,815.5	31.05%	Feb-11	Sep-11	7	64.53%	Apr-00	Sep-02	29
PFIZER INC	2010-2019	214,023.7	21.88%	Jan-10	Jun-10	5	66.26%	Jun-00	Feb-09	104
ORACLE CORP	1990-1999	213,996.0	76.76%	Jun-90	Oct-90	4	43.00%	Apr-86	Sep-86	5
INTERNATIONAL BUSINESS MACHS	1990-1999	209,529.0	63.19%	Feb-91	Sep-93	31	38.80%	Aug-87	Dec-89	28
COMCAST CORP NEW	2010-2019	205,421.3	26.24%	Jan-18	May-18	4	55.80%	Jan-07	Feb-09	25
ALTRIA GROUP INC	2000-2009	203,411.2	44.08%	May-02	Mar-03	10	56.07%	Nov-98	Dec-99	13
EXXON MOBIL CORP	1990-1999	200,861.8	12.70%	Jan-94	Jun-94	5	31.85%	Nov-80	Jul-82	20
MERCK & CO INC NEW	2010-2019	199,583.8	17.50%	May-15	Sep-15	4	64.90%	Dec-00	Nov-04	47
EXXON MOBIL CORP	2000-2009	198,381.7	27.09%	Dec-07	Apr-09	16	12.70%	Jan-94	Jun-94	5
WELLS FARGO & CO NEW	2010-2019	196,761.3	29.21%	Jan-18	May-19	16	66.46%	Sep-08	Feb-09	5
HOME DEPOT INC	1990-1999	195,887.5	27.19%	May-90	Oct-90	5	62.07%	Sep-83	Oct-85	25
TIME WARNER INC NEW	1990-1999	192,345.2	57.62%	Apr-96	Oct-96	6				
DELL INC	1990-1999	183,111.2	65.36%	Dec-92	Sep-93	9	53.68%	Oct-88	Dec-89	14
MERCK & CO INC NEW	1990-1999	182,660.4	43.27%	Dec-91	Apr-94	28	29.89%	May-81	Jun-82	13
A T & T INC	2010-2019	180,844.2	25.38%	Jul-16	Dec-18	29	63.41%	Oct-00	Sep-02	23
VERIZON COMMUNICATIONS INC	2010-2019	177,701.7	16.43%	Jul-16	Jun-17	11	52.03%	Jan-00	Sep-02	32
BOEING CO	2010-2019	173,094.3	24.67%	Feb-19	Dec-19	10	68.77%	Sep-07	Feb-09	17
COCA COLA CO	1990-1999	169,858.2	42.82%	Jun-98	Sep-99	15	25.93%	Aug-87	Nov-87	3
COCA COLA CO	2010-2019	169,223.5	11.04%	Nov-14	Jun-15	7	33.72%	Nov-00	Feb-03	27
AMERICAN INTERNATIONAL GROUP	1990-1999	168,780.9	23.10%	Jul-98	Aug-98	1	35.58%	Aug-87	Apr-88	8
PROCTER & GAMBLE CO	1990-1999	168,556.1	21.61%	Jun-98	Sep-98	3	24.94%	Aug-87	Aug-88	12
NORTEL NETWORKS CORP NEW	1990-1999	165,590.3	50.21%	Mar-98	Sep-98	6	42.82%	Nov-83	Jan-86	26
APPLE INC	2000-2009	163,927.8	79.18%	Mar-00	Mar-03	36	79.65%	Feb-92	Dec-97	70
PFIZER INC	1990-1999	163,173.7	32.19%	Dec-91	Mar-94	27	36.95%	Jul-87	Nov-87	4
CITIGROUP INC	1990-1999	161,448.3	46.43%	Jun-90	Oct-90	4	35.69%	Sep-87	Nov-87	2
SUN MICROSYSTEMS INC	1990-1999	160,979.2	52.94%	Jun-90	Oct-90	4	37.07%	May-87	Nov-88	18
DU PONT E I DE NEMOURS & CO	1950-1959	160,335.5	20.73%	Mar-56	Feb-57	11				
CHEVRON CORP NEW	2010-2019	158,937.1	36.39%	Jun-14	Sep-15	15	37.14%	May-08	Feb-09	9

Appendix 1 Continued:

AMGEN INC	2010-2019	150,704.4	21.26%	Jul-15	Sep-15	2	48.38%	Nov-05	Mar-08	28
CISCO SYSTEMS INC	2010-2019	149,882.3	42.03%	Apr-10	Sep-11	17	86.44%	Mar-00	Sep-02	30
PEPSICO INC	2010-2019	149,365.3	15.47%	Jan-18	Apr-18	3	35.70%	Nov-07	Feb-09	15
E M C CORP MA	1990-1999	149,005.3	48.94%	Apr-91	Sep-91	5	87.50%	Aug-87	Dec-89	28
QUALCOMM INC	1990-1999	146,371.3	61.33%	Sep-93	Jun-94	9				
EXXON MOBIL CORP	1980-1989	145,977.9	31.85%	Nov-80	Jul-82	20	35.86%	Jun-73	Sep-74	15
ADOBE INC	2010-2019	143,150.3	31.67%	Mar-10	Sep-11	18	75.31%	Sep-00	Sep-02	24
UNION PACIFIC CORP	2010-2019	142,984.5	39.02%	Feb-15	Jan-16	11	54.72%	Aug-08	Feb-09	6
EXXON MOBIL CORP	1950-1959	142,928.6	25.45%	Jul-57	Feb-58	7				
ORACLE CORP	2010-2019	142,481.8	28.40%	Apr-11	Dec-11	8	82.71%	Aug-00	Sep-02	25
A T & T CORP	1990-1999	141,136.0	28.01%	May-90	Dec-90	7	23.80%	Sep-87	Aug-88	11
JOHNSON & JOHNSON	1990-1999	140,011.6	34.36%	Dec-91	Jul-93	19	39.48%	Apr-83	Jul-84	15
H P INC	1990-1999	139,763.9	45.26%	May-90	Oct-90	5	35.28%	Sep-87	Nov-87	2
BRISTOL MYERS SQUIBB CO	1990-1999	139,632.8	35.12%	Dec-91	Mar-94	27	25.28%	Aug-87	Nov-87	3
YAHOO INC	1990-1999	138,359.3	39.29%	May-96	Dec-96	7				
ABBOTT LABORATORIES	2010-2019	137,023.7	24.41%	Jul-15	Jan-16	6	36.91%	Jan-02	Feb-03	13
CITIGROUP INC	2010-2019	136,601.3	46.83%	Jan-11	Sep-11	8	97.01%	Dec-06	Feb-09	26
NETFLIX INC	2010-2019	134,294.7	79.90%	May-11	Sep-12	16	74.20%	Jan-04	Oct-04	9
EXXON MOBIL CORP	2010-2019	133,727.2	23.88%	Apr-14	Sep-15	17	27.09%	Dec-07	Apr-09	16
A T & T CORP	1950-1959	132,438.8	5.91%	Apr-59	Nov-59	7				
LILLY ELI & CO	2010-2019	126,475.0	18.08%	Dec-15	Nov-16	11	64.43%	Jul-00	Feb-09	103
HONEYWELL INTERNATIONAL INC	2010-2019	126,068.5	27.38%	Apr-11	Sep-11	5	59.43%	Apr-00	Sep-02	29
NVIDIA CORP	2010-2019	125,387.1	52.45%	Sep-18	Dec-18	3	87.20%	Dec-01	Sep-02	9
GENERAL ELECTRIC CO	1950-1959	121,532.4	14.40%	Jul-56	Jan-57	6				
NIKE INC	2010-2019	121,337.8	23.45%	Nov-15	Nov-16	12	38.51%	May-08	Feb-09	9
ACCENTURE PLC IRELAND	2010-2019	118,123.0	16.38%	Sep-18	Dec-18	3	46.95%	Dec-01	Sep-02	9
TEXAS INSTRUMENTS INC	2010-2019	118,018.0	25.91%	Apr-11	Aug-11	4	82.12%	Feb-00	Sep-02	31
LOCKHEED MARTIN CORP	2010-2019	117,139.1	24.30%	Jan-18	Dec-18	11	44.91%	Aug-08	Feb-09	6
COSTCO WHOLESALE CORP NEW	2010-2019	117,009.8	13.06%	Sep-18	Dec-18	3	48.10%	Apr-00	Dec-02	32
ABBVIE INC	2010-2019	114,549.8	38.82%	Feb-18	Aug-19	18				
BROADCOM INC	2010-2019	112,111.0	23.48%	Jun-11	Dec-11	6	12.13%	Sep-09	Oct-09	1
WORLDCOM INC GA NEW	1990-1999	111,294.5	36.36%	Jan-94	Jun-94	5	86.67%	Jun-81	Jul-85	49
THERMO FISHER SCIENTIFIC INC	2010-2019	108,930.0	31.29%	May-11	Dec-11	7	43.74%	Aug-08	Dec-08	4
ALTRIA GROUP INC	2010-2019	105,700.3	38.18%	May-17	Sep-19	28	44.08%	May-02	Mar-03	10
GENERAL MOTORS CORP	1960-1969	103,085.2	36.48%	Oct-65	Dec-66	14	24.43%	Aug-56	Dec-57	16
STARBUCKS CORP	2010-2019	102,360.5	21.63%	May-17	Jun-18	13	76.35%	Jun-06	Nov-08	29
MOTOROLA SOLUTIONS INC	1990-1999	102,220.0	46.15%	Jul-97	Aug-98	13	45.42%	Sep-87	Nov-88	14
INTERNATIONAL BUSINESS MACHS	1950-1959	102,041.3	18.45%	May-50	Jul-50	2				
GENERAL ELECTRIC CO	1980-1989	101,798.6	33.97%	Aug-87	Mar-88	7	54.84%	Dec-72	Sep-74	21
NEXTERA ENERGY INC	2010-2019	100,979.5	11.10%	Jun-16	Nov-16	5	32.30%	Nov-07	Feb-09	15
LOWES COMPANIES INC	2010-2019	100,853.6	26.85%	Apr-10	Sep-11	17	52.01%	Feb-06	Feb-09	36
DANAHER CORP	2010-2019	99,899.1	24.00%	Apr-11	Sep-11	5	42.05%	Dec-07	Feb-09	14
MEDTRONIC PLC	2010-2019	98,952.7	29.40%	Mar-10	Aug-10	5	47.88%	Dec-00	Mar-09	99
A T & T CORP	1980-1989	98,586.1	23.80%	Sep-87	Aug-88	11	19.59%	Mar-70	Jun-70	3
TEXAS INSTRUMENTS INC	1990-1999	96,786.5	45.16%	Sep-95	Jul-96	10	55.91%	Sep-87	Oct-89	25
SALESFORCE COM INC	2010-2019	95,914.2	33.36%	May-11	Dec-11	7	63.20%	May-08	Jan-09	8
TWENTY FIRST CENTURY FOX INC	2010-2019	93,283.2	33.90%	Dec-14	Sep-16	21	75.24%	Jan-07	Feb-09	25
BRISTOL MYERS SQUIBB CO	2010-2019	92,619.7	35.02%	Jul-16	Jul-19	36	67.73%	Dec-00	Mar-03	27

ASHEVILLE CAPITAL MANAGEMENT

Asheville Capital Management invests in world-class businesses before they are broadly appreciated as such.
We invest with conviction in exceptional companies when we hold a differentiated opinion on its future earnings power than that of its market-implied valuation. The goal is to deliver market-beating multi-year returns while incurring minimal risk.

Net Performance

Information as of 12/31/2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Ash Cap**	ACWI	Delta
2022					6.3%	-5.9%	7.0%	-3.9%	-10.9%	4.0%	5.9%	0.5%	**-5.6%**	-2.6%	-3.0%
2023	6.9%	-12.0%	0.3%	0.4%	0.4%	6.2%	7.3%	-2.9%	-4.3%	-5.8%	14.5%	9.4%	**23.4%**	22.3%	1.1%
2024	1.3%	0.3%	-4.0%	-9.1%	2.4%	-3.4%	9.9%	5.1%	3.8%	-5.8%	-0.2%	0.4%	**0.8%**	17.5%	-16.7%

Performance Statistics (Initiation on 5/25/2022)

	AshCap	**MSCI ACWI**	**ACWI, Ex. US**
2022	-5.6%	-2.6%	-3.5%
2023	23.4%	22.3%	15.7%
2024 YTD	0.8%	17.5%	5.2%
Cumulative Return	17.4%	39.7%	17.5%
Annualized Return	6.4%	13.8%	6.4%

Holdings (Alphabetically Sorted)

Name	HQ	Duration	Return	ACWI	Delta
Acast	Sweden	2.5y	142%	40%	102%
Auto Partner	Poland	1y	-22%	17%	-39%
Basic-Fit	Nether.	1.5y	-20%	23%	-43%
InPost	Poland	2.5y	73%	40%	33%
Medley	Japan	2.5y	12%	40%	-28%
Raksul	Japan	2.5y	10%	40%	-30%
Temple & Webster	Aust.	2y	312%	32%	280%
Wise	UK	9m	42%	3%	39%
Vistry	UK	1m	2%	-2%	4%
Nu Holdings	Brazil	3m	-31%	0%	-31%
Hikari Tsushin	Japan	3m	15%	0%	15%

Fund Facts

Launch Date:	5/25/2022
Structure:	RIA; Seperately Managed Accounts
Broker/Custidian:	Interactive Brokers
Management Fee:	1%; taken quarterly at 0.25%
Incentive Fee:	20% of alpha over MSCI ACWI taken annually
Minimum Investment:	$100,000
Lockup:	None, but I strongly suggest that you consider the long-term nature of this strategy

Strategy Characteristics

- Number of holdings: 5-15
- Target holding period: 10 years
- Long-only
- Geography, industry and market capitalization **agnostic**
- Seeking to own the very best businesses **on an expected return basis**
- All holdings present **differentiated value propositions**
- All holdings present **durable competitive advantages**
- Companies must be growing **capital efficiently**
- Holding companies are **not necessarily profitable** at time of initiation
- Operating **leverage inflection points** are frequently immenent

Industry Exposure

Consumer Discretionary	30%	Marketing	20%
Logistics	15%	Healthcare	15%
Technology	10%	Commercial Services	10%

Contact Information

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