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April 2020

TO: LIMITED PARTNERS OF SEMPER VIC PARTNERS, L.P.

Semper Vic Partners, L.P. results for First Quarter 2020 appear below, along with cumulative performance since L.P. conversion in July 1990. Partnership results are presented net of advisory fees or related GP capital allocation and are compared to market indices whose returns include reinvested dividend income:

INVESTMENT PERFORMANCE

	Semper Vic Partners, L.P.	Dow Jones Industrial	S&P 500 Index
First Quarter 2020	**(21.7%)**	**(22.7%)**	**(19.6%)**
Since L.P. Inception			
7/16/90 – 3/31/20			
Cumulative	2071.1%	1400.5%	1206.0%
Compound Annual	10.9%	9.6%	9.0%

Investment Position and Outlook

I must confess that I probably have far less than normal, personally unique quarterly portfolio company insights to offer looking back over the past quarter than ever before. Factors disrupting today's markets are so much more macro-based than based on the company specific, micro-focused world in which I historically operate as an investor. We all know that equity investments are based on the principle of discounted future free cash flows. Investors closely examine businesses which they own for clues that help them better forecast sustainable levels of after-tax cash flows that their companies can deliver. Investors discount back to net present value their estimates of future cash flows, using appropriate long-term interest rates for their discount factor. The sum of net present values of all future cash flows, less all liabilities, divided by all shares outstanding (including future shares due to options issued) provides investors with an estimate of their business' intrinsic value on a per share basis.

Today's market volatility does not necessarily reflect any change in the approach to investing, it simply suggests how difficult the investment forecast business truly is. Never before have near-term forecasts been as unclear as today. Near-term attempts at estimates confront questions about COVID-19, global monetary policies, global trade wars, unprecedented low bond yields, historic closures, social distancing, and unprecedentedly low priced commodities such as oil, which, as I write, has just today dropped nearly $3 per barrel, dropping below $15 per barrel for the first time in decades. It is difficult enough estimating business values when one or two of such above factors are dislodged. When five or six near-term factors simultaneously occur, it becomes difficult for markets to assess equity valuations.

However, were it only the short-term variables that provide lack of clarity today, investment estimates of value would likely swing around less violently as they have over 2020's First Quarter. Unfortunately, on top of many variables that are unstable in the near term, other important variables remain uncertain over the long term. China/US trade friction policy. Brexit and the direction of the European Common Market. Likely direction of long-term interest rates from historic low levels recently realized for the longest-term US Treasury obligations. Fear over frequently forecasted death of consumer brands. One can quickly see how both near-term and long-term loss of visibility of future trends have conspired to disrupt equity market valuations.

Were it not just unprecedented lack of near-term and long-term visibility of factors, such as those suggested above that plagued markets, global financial markets had to deal with unprecedented lack of liquidity during this period of uncertainty. The biggest area of lost liquidity during the First Quarter involved fixed income securities, not equities directly. The normally sedate tax-exempt municipal bond market froze up due to lack of liquidity during March. The high-yield and mezzanine debt market bid/ask spreads exploded in early March. In an effort to relieve domestic fixed income markets of their liquidity crisis, the Federal Reserve entered into the unprecedented practice of using its balance sheet to buy both high-yield and tax-exempt bonds in efforts to restore some liquidity to markets that had frozen.

As I mentioned at the start of this note, there is little I can take credit for in the hyper-volatile financial arena in which we find ourselves. Answers to uncertainty around forces as destabilizing and outside normal arena of understanding for most equity market investors remains imperfect and imprecise. Swings in such company specific future estimates, as well as swings in estimates of interest rates and proper discount rates, make net present valuation estimates unusually difficult.

In light of such disruption, global equity markets year to date have witnessed unprecedented volatility in share prices. Companies whose share prices may advance/decline in low double-digit percentages during a full year do so today on a daily basis. As you will see on the attached portfolio performance summary, our holdings in Semper Vic Partners, L.P. declined 21.7 percent during First Quarter 2020. Since Quarter End, Semper Vic Partners, L.P. has advanced 6 percent on the backs of a handful of our holdings that enjoyed strong rebounds since March 31, 2020. (See attached portfolio contribution table showing First Quarter.)

Development of digital disruptive forces that have appeared already and are promised in deeper doses over time, make efforts to analyze today's disruptive forces our portfolio companies face even more difficult. There is a fear that the pace of change and disruption offered by today's leading digital companies makes historic efforts to value businesses even more challenging as investors struggle to understand the role that digital technology will play in disrupting the future.

"8,316"

I was reminded of just how disruptive technology may be in our future when recently watching the 2013 Academy Award-winning movie, Her. Her maps the journey of a broken-hearted lover who falls in love with his computer's artificial intelligence enhanced operating system's virtual assistant. While the plot sounds far-fetched, many ways in which Joaquin Phoenix and Scarlett Johansson's characters "date," fall "in love," and eventually fall "out of love" reveal just how hard it is for we, from the analogue world, to necessarily adapt to the digital world.

While theirs is as deep a bond as we are familiar with in the analogue world, it does finally fall apart when Joaquin's character begins to doubt whether or not theirs is as monogamous a relationship as he thought he had with his operating system's virtual assistant. Little, however, did he realize that the computer's potential to sustain simultaneous endeavors is not limited as are humans' to sequential endeavors. This led to the movie's climax, when Joaquin's character asks his virtual assistant whether or not she had any other "relationships" beyond theirs. When "she" responded yes, Joaquin's character was unprepared for her next response, when he follows up with "How many?" Her response, "8,316" leaves him understandably speechless, as he had a meaningfully different view of monogamy than obviously did she. Upon further examination, she responds 641 when asked how many of those relationships involved the same levels of "intimacy" that they "experienced." The thought of being digitally jilted by 641 other "lovers" left Joaquin's character understandably deranged.

The magnificent insight conveyed to me by the movie was not how to handle a promiscuous operating system, but rather what it says about the power of digital computation. Scarlett's character, the virtual assistant, was capable of sustaining simultaneously thousands of relations, which humans, with their need for sequential processing, simply could not. We, for better or worse, lack the bandwidth.

This notion of infinitely expanding digital bandwidth based on the ability for computers to process alternative simultaneous equations makes their potential contributions exponential. I offer below a few examples of how companies in which we have deep investments are well positioned to capture the power of such computation in their efforts to transform their businesses and to delight their consumers.

Contactless Cards

Few worlds have been more disrupted than the world of payment systems by advances in digital technology. While there are ongoing developments involving blockchain, Bitcoin, Facebook Pay, etc., one need only to look at the exponential way in which digital speed and cybersecurity features have already added great value to the banking system.

Mastercard has been investing deeply in digital payment activity to take advantage of the EMV enabled network of card truncation machines. It turns out that the EMV enabled machines generally also power up contactless cards/tap-n-go devices. Mastercard has invested heavily to capture future consumer shifts from slide/signature and from EMV. Today, Mastercard suggests that 60 percent of US card devices are contactless enabled. In 2012, contactless transactions were just 1 percent of card present transactions. That number increased to 22 percent in mid-2018 and reached 30 percent by the end 2019. This is a global number. The penetration rate in the US is around 10 percent, suggesting that we have enormous growth potential since 60 percent of US retail volumes are transacted through contactless enabled machines.

Contactless will likely permit to happen over time a significant lowering of the dollar value of transactions that are available through network payment as retailers are less likely to seek cash for small dollar transactions. Burden of historically high, minimum interchange fees levied at fast food, convenience, and retail channels discouraged retailers from allowing cards to pay for small, incidental purchases. The more that retailers switch to contactless cards, the more likely to convert cash to payment systems, which represents a great return on fixed cost rails resulting from the leverage from more volume.

JPMorgan has enjoyed similar remarkable growth through contactless cards. Tap-and-go at JPMorgan is seeing rapid adoption. In only one year, customers with contactless cards are using them for about five percent of transactions, which is nearly two times that of digital wallets that have been around for years. And, when JPMorgan customers tap-and-go, which they did some 15 million times in December alone, JPMorgan sees an acceleration of the secular trend from cash to card with an associated 16 percent lift in spend. JPMorgan is leading the industry in rolling out contactless cards. JPMorgan will have substantially all of its customers contactless by the end of 2020.

Finally, I suspect that we will continue to see advances in consumer-friendly services, such as contactless cards, when Google and Citigroup begin to activate their recently announced intent to partner together to lend Google's technology and algorithms to Citigroup's currently relatively lackluster consumer banking presence.

All of the efforts of Mastercard, JPMorgan, and eventually Citibank through its joint venture are designed to assist consumers in increasing speed and reducing requirements to pay quickly at check out. Consumers who direct their historic cash transactions to contactless card enabled "tap-and-go" terminals are deeply valued by those companies who are rolling out such terminals. The conversion of transaction payments from cash to network-based transactions leverages infrastructure to accept such payments. Every incremental consumer, who with great satisfaction steers their business to tap-and-go payments, increases Mastercard and JPMorgan's return on investment.

One unexpected catalyst that is partially responsible for the large and growing migration to contactless card technology is the consumers' belief in its superiority as a payment system devoid of COVID-19 risk. One of the lingering memories from our COVID-19 precautionary practices involves the desire to touch as little as possible anything in society that might collect and retain health-threatening viruses. Consumers' joyful migration to tap-and-go reflects, in large measure, their desire not to have to touch anything during checkout, not even numbers on a keypad. Tap-and-go's appeal is that it can be literally passed over the top of such devices, without its holder having to touch any part of the device. I suspect that this benefit will long linger as people who developed heightened awareness about germs, as a result of living through COVID-19, may continue to value tap-and-go even after COVID-19's threat has passed.

Google continues to offer a host of products worthy of a shout-out, as many have been called into action during the most recent quarter. One promising venture with Apple Inc. involves a system to notify people who do not yet present symptoms of COVID-19 but likely will. This service will take advantage of Google's Waze geo-tracking technology. Google's Waze system drives Google Maps and Google's autonomous vehicles so its geo-tracking technology has to be accurate to inches.

Waze and Apple's map technology can look back over a person's activities weeks before to see with whom those who had become afflicted with COVID-19 had shown evidence of prohibited contact. The joint venture can then track those people to see with whom they had prohibited, improperly close contact. Those people who have been so compromised to date can be medically treated or kept in isolation even before they evidence symptoms. The Google/Apple joint venture is designed to analyze afflicted people to find out with whom they had any high-risk contact with people whom Google/Apple will notify.

Google similarly recently announced a breakthrough in its long-standing development work with its quantum computer, Sycamore. Google announced recently that experiments underway have proved Sycamore's quantum computing superiority. In experiments, harnessing the power of multiple linked computers has allowed Google to successfully solve problems in a mere 200 seconds, the solution for which under existing technology would have taken 10,000 years to finish!!! Google's extraordinary computational time savings will allow them to embark upon algorithms over bodies of data which historically could not have been computed quickly enough to generate useful outcomes. Today, for instance, vast numbers of people with seemingly unrelated medical conditions could be regressed to determine causal or conditional explanations.

Zoom

I, for one, believe that the digital platforms which we have today for video-linked communications has proved to be invaluable as we attempt to live within constraints of "shelter-in-place." It allows for connectivity, which makes remote meetings possible. It is supremely helpful in shortening travel. Two weeks ago, I guest lectured "at" the University of Toronto. What last year took me three days (normal two days became three days courtesy of hail/sleet) took me five minutes to log into. Moreover, I find that when I do present to investment classes using Zoom, the faces I confront are more engaged and focused than when I present to them in the standard tiered classroom. There is less social pressure and less "upper deck" student chatter. Finally, I have found that meetings I have hosted recently result in more thanks for meeting efficiency than I have received in the past. Whether this is because there is a stronger center to Zoom calls or other reasons, it does seem that Zoom's capacity will be with us for good. It shrinks the need to travel three days to snowed-in Toronto and works perfectly fine with a mere five minutes to switch on before enhancing output from shared meetings.

Temporary?

The key question that I seek to answer today, in light of all the disruptive forces for assessing our portfolio companies' near-term promise and long-term promise, is whether changes that we are realizing in our long-standing holdings will be temporary or permanent. For instance, does the closure of traditional retail channels due to "shelter-in-place" mandates and safe distance requirements mean that traditional retail will be forever changed when we pass through the immediate threats from COVID-19?

I let our portfolio company managements answer these questions for us. For instance, L'Oréal, whose digital business has soared in China over the past three years, believes deeply that Chinese consumers will return to their pre-COVID-19, non-digital channels when freed to circulate once again. L'Oréal's Chief Executive Officer recently shared that his very strong belief is that consumer shifts underway today to make due in light of COVID-19 requirements will prove to be temporary. They believe that traditional retail will recover and will recover sooner rather than later. The fact that 50 percent of L'Oréal's Chinese business today is done on e-commerce, and that e-commerce in China grew over 60 percent last year does not mean that they will lose traditional channels. They confidently believe that both will coexist once current restrictions lift.

Similarly, senior management from Carlsberg suggested that changes in their Chinese beer activities will recover to historic patterns shortly after consumers are allowed to return to past practices. Indeed, they suggested that the Chinese beer market, in which Carlsberg has a meaningful share presence, has reclaimed the on premise dominance that it has long experienced. Chinese consumers historically drank in social venues that have been closed for months in response to COVID-19. As those venues have reopened, consumers have returned to former venues and returned, more importantly, to historic aspirational brands for consumers in those venues.

More importantly, managements of our global enterprises assess regularly whether adjustments made to endure the forced worldwide current downturns pose a temporary or permanent change? Our managements declare through their words and actions their belief in temporary. Heineken senior management, for instance, continues to back the deep investments in a new brewery in Brazil to meet demand that they believe will return to pre-COVID-19 preferences and advances. Nestlé continues to grow through acquisitions, announcing recently the acquisition of Lily's Kitchen, the UK's leading producer of premium wet and dry natural pet food. Natural pet food represents 7 percent of the overall pet category, with double-digit growth of 10 percent. Having raised billions of dollars in recent restructuring sales, Nestlé deploys internally and through acquisitions funds to further the businesses which it believes retain great potential for global growth. Lily's Kitchen enhances and further consolidates Nestlé's pet food industry market leadership.

Finally, management of Pernod Ricard, for instance, feels sufficiently positive about past Chinese spirits industry behavior returning to markets, once allowed, to continue building China's first-ever single malt whisky distillery. Pernod Ricard plans for this distillery to service the premium-priced, western-styled single malt whisky consumer, a category which was showing strong double-digit growth prior to market shutdown. Even Hong Kong, which has been so disrupted over the past six months, has settled back since reopening to business. Recent comments from LVMH suggest that consumer demand in Hong Kong far more resembles levels similar to those that LVMH experienced before the period of political unrest.

We continue to receive commentary from our portfolio companies, much like that which we have received above, from a key handful of managers who are committed to expansion. This presumes ongoing demand for their products, with more of an eye that the digital disruption will be more of an assistance to their branded goods sales rather than a deterrent.

In Thanks

There is no more rewarding a time than that deserved of recognition of remarkable service to our investors. Today, such time is reserved for two of the most productive Chief Executive Officers to have ever served on behalf of our portfolio companies.

It is my pleasure to offer much deserved thanks to two exceptional Chief Executive Officers, Ajay Banga and Jean François van Boxmeer, who ran two of Semper Vic Partners, L.P.'s most long-standing and successful portfolio companies, Mastercard and Heineken, respectively.

Mr. Banga served as Mastercard's Chief Executive Officer from July 1, 2010 through January 2021. I personally had the pleasure of getting to know Mr. Banga during his early years as senior executive at Citigroup. Even then, Mr. Banga stood out for his ability to recruit talent and direct his team to great accomplishment, even within a then troubled Citibank.

Upon arriving at Mastercard, Mr. Banga started by transforming the culture to one more driven by deep technology and customer service. He grew headcount threefold to 18,000 employees. Mr. Banga invested in new technologies internally through a powerful team of engineers and a group of marketers who knew where the "puck was going" in payment systems. Mr. Banga epitomized internally a willingness to invest even when doing so burdened near-term reported margins. He pursued transformative acquisitions, which drove Mastercard in complementary and adjacent businesses, and geographies.

Mr. Banga's scorecard could focus on the market value measure of his contribution. After all, Mastercard shares advanced from $20 per share, split adjusted basis, to over $250 per share during his reign, for a compound annual return of over 29 percent. But his real report card measures the caliber of his successor Chief Executive Officer, the projects and geographies left open for future reinvestment based on work already done, and the talent pool that remains inspired and motivated by the measure of Mr. Banga's leadership. Most importantly, there remains an enormous global addressable market available for Mastercard's further development, even despite great accomplishments that have occurred to date. We will enjoy Mr. Banga's ongoing presence as the Executive Chairman of the board. We will offer Mr. Banga enormous thanks for showing us just how successfully global businesses can be run.

Semper Vic Partners, L.P. can offer similar thanks for Jean François van Boxmeer for his service to Heineken. Mr. van Boxmeer rose from management trainee to Chief Executive Officer over his 36 years with Heineken. Serving as Chief Executive Officer from 2005, Mr. van

Boxmeer led Heineken through a period of unprecedented growth. In partnership with the Heineken family, Mr. van Boxmeer oversaw a series of global acquisitions that transformed Heineken from its largely Western European roots to becoming one of the top brewers in the world. In the process, markets effectively not served by Heineken prior to Mr. van Boxmeer's leadership, such as Mexico and Vietnam, have today become Heineken's two largest profit pools, with $1 billion of annual profits from Mexico and $500 million of operating profits from Vietnam.

During his tenure, Mr. van Boxmeer followed the "A players hire A players" playbook for managing Heineken's global team. He developed a remarkably strong and effective partnership with Heineken's Chief Financial Officer, Laurence Debroux. Ms. Debroux in turn streamlined Heineken's liability structure and worked hard to help Heineken finance nearly 30 billion euros of acquisitions Mr. van Boxmeer oversaw. Not only did Mr. van Boxmeer's Chief Financial Officer, Ms. Debroux, place Heineken's borrowings in order, together they drove Heineken's rewarding share price performance (i.e., total annual return of 7.8 percent) during Mr. van Boxmeer's tenure. This shareholder total return compares favorably against the Dow Jones Industrial, the S&P 500 and the MSCI All Country World Index total returns of 5.7 percent, 5.9 percent, and 3.1 percent, respectively.

The measure of Mr. van Boxmeer's contribution will be the mark he left on Heineken's people, businesses, and future market potential. Mr. van Boxmeer has the great acclaim for having shaped a culture in which his successor, in Heineken's case, an industry leader, Dolf van den Brink, can succeed. Mr. van Boxmeer left literally a world of opportunity open for his successor. Mr. van den Brink will have emerging market leadership in Vietnam and Mexico, as discussed above. Mr. van Boxmeer leaves Heineken with market leadership for markets for the future, most notably India where consumption per capita remains low (still less than 2 liters) despite a nation with a thirst for beer. He deserves credit as well for overseeing Heineken's global beer volumes, which under his tenure grew from 118 million hectoliters to over 224 million hectoliters!!! More specifically, he oversaw growth in Heineken's premium green bottle, which grew from 23.5 million hectoliters to 41.8 million hectoliters. Finally, for a project that will reward his successor's successors, Mr. van Boxmeer struck an extraordinary return to China with a carefully crafted partnership with China's leading local brewer, China Resources Beer. The deal focuses Heineken's role on China's vast and growing premium beer sector.

If ever any of Semper Vic Partners, L.P.'s partners happen to run across either (or hopefully both) Jean François van Boxmeer and Ajay Banga, please make sure to offer to buy each a bottle of Heineken, hopefully prominently paid for with a Mastercard (maybe tap-n-go) as a measure of appreciation for the vast contribution each made to your portfolios.

In Memoria

In addition to recognizing two of our all-time Semper Vic Partners, L.P. star Chief Executive Officers, I find it fitting to close with recognition of the great contribution to investment made by Mr. Clayton Christensen, who died during First Quarter 2020. As a professor at Harvard Business School, Clayton Christensen pioneered in the late 1990s some principles and steps business managers could (and more emphatically, should) take to defend their franchises from newcomers.

Indeed, Professor Christensen turned upside down, in some sense, the value of being leading industry players. To Professor Christensen, industry leadership all too often led to complacency. In the digitally charged atmosphere of the late 1990s, as traditional businesses like newspapers fell prey to start ups (like eBay and Amazon), Professor Christensen provided a framework with which to plot defenses.

For Professor Christensen, companies who have long enjoyed market leadership and brand dominance were most at risk since their very success took them away from parts of the market where disruptive technology and new ways of business were being spawned. To combat risk of displacements from such upstarts, Professor Christensen invoked two concepts, i.e., creative destruction and the innovator's dilemma. Creative destruction placed on the backs of successful companies the duty that they work to "destroy" that which has made them historically rich and great. If they did not destroy their own franchise in search of a superior replacement, some young upstart enterprise in a garage somewhere (most likely Silicon Valley) would do it for them. Innovator's dilemma suggested that companies with established dominance all too often do not innovate sufficiently, fearing that innovations would not deliver the type of profits delivered by standard and long tried-and-true businesses that made them great.

The concept of creative destruction has found its way increasingly into the way businesses more broadly think today. Berkshire Hathaway Vice Chairman, Charlie Munger, several years ago declared at an annual meeting of Berkshire Hathaway that Berkshire was guided by healthy paranoia, as evidenced by his following observation: "…that which has made Berkshire great will not be what will likely allow it to remain great or more to the point to become even more great." Berkshire Hathaway itself, in some manner, paid homage to Professor Christensen's theorem.

I, too, owe much of my own early thinking about the capacities for which I search in companies that we rely upon at Semper Vic Partners to deliver our results. The "capacity to reinvest" is important as it allows for disruptive results from new products, geographies, and adjacencies to protect against new entrants. The "capacity to suffer" is what Professor Christensen alluded to when admonishing companies to invest to "creatively destroy" that on which they long relied, so that they would arrive at replacement products, processes, etc., before others.

There is a belief in Professor Christensen's work that the upstarts, without as much industry background and lore, will find it difficult to make their way into your honey pot, especially if you yourself are willing to make changes that, absent competitors, you would likely never choose to make. Professor Christensen essentially offered Mr. Munger's observation that to remain great you have to be willing to give up what you have and need for what you can only at best hope that you might retain.

Semper Vic Partners, L.P. shares Professor Christensen's belief. We look for evidence of such willingness in managements of companies in which we long invest.

In closing, I continue to search globally for attractive new investments capable of balancing risk and return in ways similar to existing portfolio companies. As always, please feel free to let me know if you have any investment questions that arise from this material or to let me or my colleagues know how we may be of further service. Best wishes,

Thomas A. Russo
Managing Partner
Semper Vic GP, LLC

Attachments

Performance Review

Semper Vic Partners, L.P.

December 31, 1992 to March 31, 2020

	ENDING MARKET VALUE	CONTRIBUTIONS WITHDRAWALS	TOTAL PORTFOLIO	EQUITY HOLDINGS	DJITR	SP500T	MSCIEAFE	MSCIEXUS	MSCIEM
Monthly									
March	628,335,546	(10,993)	(12.7)	(12.8)	(13.6)	(12.4)	(13.2)	(14.4)	(15.4)
February	719,538,966	7,754	(9.0)	(9.0)	(9.8)	(8.2)	(9.0)	(7.9)	(5.3)
January	790,161,429	(9,360,624)	(1.3)	(1.2)	(0.9)	0.0	(2.1)	(2.7)	(4.7)
Quarterly									
First	628,335,546	(9,363,862)	(21.6)	(21.6)	(22.7)	(19.6)	(22.7)	(23.3)	(23.6)
Yearly									
03/31/2020	628,335,546	(9,363,862)	(21.6)	(21.6)	(22.7)	(19.6)	(22.7)	(23.3)	(23.6)
12/31/2019	809,421,482	(92,149,483)	24.7	25.8	25.3	31.5	22.7	22.1	18.4
12/31/2018	726,365,967	(48,278,488)	(12.2)	(11.6)	(3.5)	(4.4)	(13.4)	(13.8)	(14.6)
12/31/2017	869,225,972	(36,316,528)	27.1	28.3	28.1	21.8	25.6	27.8	37.3
12/31/2016	711,956,861	(364,035)	2.7	3.5	16.5	12.0	1.5	5.0	11.2
12/31/2015	688,169,584	(28,163,143)	5.1	5.9	0.2	1.4	(0.4)	(5.3)	(14.9)
12/31/2014	677,189,085	(59,278,700)	6.4	7.4	10.0	13.7	(4.5)	(3.4)	(2.2)
12/31/2013	687,743,731	(14,727,546)	22.1	23.3	29.7	32.4	23.3	15.8	(2.6)
12/31/2012	572,340,496	1,110,777	24.4	25.6	10.2	16.0	17.9	17.4	18.2
12/31/2011	456,300,208	16,088,195	6.9	8.0	8.4	2.1	(11.7)	(13.3)	(18.4)
12/31/2010	407,423,106	2,578,856	21.5	22.8	14.1	15.1	8.2	11.6	18.9
12/31/2009	329,754,141	(28,080,294)	26.1	27.3	22.7	26.5	32.5	42.1	78.5
12/31/2008	287,323,541	(32,659,859)	(31.3)	(31.0)	(31.9)	(37.0)	(43.1)	(45.2)	(53.4)
12/31/2007	454,642,793	1,398,047	7.9	8.9	8.9	5.5	11.6	17.1	39.9
12/31/2006	420,334,077	(6,785,049)	21.1	22.2	19.1	15.8	26.9	27.2	31.6
12/31/2005	353,988,239	(248,736)	3.4	4.4	1.7	4.9	14.0	17.1	35.0
12/31/2004	342,608,040	3,168,832	12.1	13.4	5.3	10.9	20.7	21.4	25.1
12/31/2003	302,479,334	(995,095)	33.8	35.4	28.3	28.7	39.4	41.4	55.5
12/31/2002	227,082,318	(2,040,889)	(0.7)	0.2	(15.1)	(22.1)	(15.7)	(14.7)	(5.6)
12/31/2001	230,792,035	(28,203,294)	0.3	1.4	(5.4)	(11.9)	(21.2)	(19.5)	N/A
12/31/2000	257,666,755	(109,166,801)	15.9	19.1	(4.7)	(9.1)	(14.0)	(15.1)	N/A
12/31/1999	331,664,015	11,443,539	(2.0)	(1.2)	27.2	21.0	27.3	30.9	N/A
12/31/1998	326,544,792	(8,882,906)	24.1	26.1	18.1	28.6	20.3	14.5	N/A
12/31/1997	272,112,842	30,834,100	24.9	28.9	24.9	33.4	2.1	2.0	N/A
12/31/1996	187,327,981	9,653,686	19.4	22.1	28.8	23.0	6.4	6.7	N/A
12/31/1995	146,884,620	17,052,429	23.9	28.0	36.9	37.6	11.6	9.9	N/A
12/31/1994	102,055,506	15,881,446	12.8	15.6	5.0	1.3	8.1	6.6	N/A
12/31/1993	75,053,207	18,159,144	22.7	27.2	16.7	10.1	32.9	34.9	N/A

Performance Review

Semper Vic Partners, L.P.

December 31, 1992 to March 31, 2020

	ENDING MARKET VALUE	CONTRIBUTIONS WITHDRAWALS	TOTAL PORTFOLIO	EQUITY HOLDINGS	DJITR	SP500T	MSCIEAFE	MSCIEXUS	MSCIEM
TIME-WEIGHTED CUMULATIVE RETURN			1,461.3	2,160.2	1,155.6	920.6	331.8	357.2	N/A
COMPOUND ANNUALIZED RETURN			10.6	12.1	9.7	8.9	5.5	5.7	N/A

* TOTAL PORTFOLIO RETURNS NET OF FEES CHARGED
* EQUITY HOLDINGS RETURNS NOT NET OF FEES CHARGED
FISCAL YEAR ENDS 12/31

INCLUDED FOR PERFORMANCE REFERENCE ARE THE FOLLOWING INDICES:

DJITR - Dow Jones Industrial Average
SP500T - S&P 500
MSCIEAFE - MSCI Europe, Australasia, Far East
MSCIEXUS - MSCI All Country World ex US
MSCIEM - MSCI Emerging Markets

CLIENT TOTAL RETURNS INCLUDE DIVIDEND INCOME, AS DO RETURNS FOR ABOVE REFERENCED INDICES.

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

Portfolio Valuation
Semper Vic Partners, L.P.
March 31, 2020

UNITS	SECURITY	PRICE	MARKET VALUE	UNIT COST	TOTAL COST	GAIN/LOSS	% OF ASSETS	ANNUAL INCOME	% YIELD
CASH AND EQUIVALENTS- usd									
	Cash And Cash Equivalents		2,147,591		2,147,591		0.3	0	0.0
	Dividends Accrued		941,794		941,794		0.1	0	0.0
	PAS Admin Cash Account		916,000		916,000		0.1	0	0.0
			4,005,386		4,005,386	0	0.6	0	0.0
COMMON STOCKS- usd									
387,054	Mastercard Inc Cl A	241.56	93,496,764	20.38	7,888,771	85,607,993	14.9	619,286	0.7
311	Berkshire Hathaway Inc Cl A	272,000.00	84,592,000	56,666.15	17,623,173	66,968,827	13.5	0	0.0
783,200	Nestle SA-Spons ADR	102.99	80,661,768	17.24	13,505,738	67,156,030	12.8	1,816,232	2.3
317,750	Pernod Ricard	142.04	45,132,896	65.06	20,673,125	24,459,771	7.2	775,310	1.7
582,500	Heineken Holding NV	76.64	44,644,497	15.30	8,909,615	35,734,882	7.1	914,525	2.0
570,000	Philip Morris International Inc	72.96	41,587,200	21.53	12,272,866	29,314,334	6.6	2,667,600	6.4
782,500	Unilever NV ADR	48.79	38,178,175	28.87	22,588,390	15,589,785	6.1	1,214,452	3.2
28,375	Alphabet Inc Cl C	1,162.81	32,994,734	1,222.67	34,693,169	(1,698,436)	5.3	0	0.0
545,000	Compagnie Financiere Richemont SA	54.84	29,887,551	18.55	10,107,882	19,779,669	4.8	724,850	2.4
287,500	J.P. Morgan Chase	90.03	25,883,625	90.14	25,915,924	(32,299)	4.1	1,035,000	4.0
525,000	Anheuser-Busch InBev SA	44.41	23,312,996	73.85	38,771,481	(15,458,484)	3.7	740,250	3.2
102,000	Martin Marietta Materials	189.23	19,301,460	24.11	2,459,023	16,842,437	3.1	224,400	1.2
350,000	Brown-Forman Corp Cl A	51.38	17,983,000	3.90	1,364,441	16,618,559	2.9	244,020	1.4
74,250	The Swatch Group AG-BR	199.94	14,845,396	365.91	27,168,791	(12,323,395)	2.4	395,753	2.7
368,000	Comcast Corp New Cl A	34.38	12,651,840	1.02	373,738	12,278,102	2.0	338,560	2.7
382,000	Diageo PLC	32.07	12,251,239	8.34	3,187,119	9,064,120	1.9	343,800	2.8
382,500	JC Decaux SA ACT	18.10	6,925,019	35.49	13,575,339	(6,650,320)	1.1	172,125	2.5
			624,330,160		261,078,586	363,251,574	99.4	12,226,163	2.0
TOTAL			628,335,546		265,083,971	363,251,574	100.0	12,226,163	1.9
TOTAL ASSETS			**628,335,546**		**265,083,971**	**363,251,574**	**100.0**	**12,226,163**	**1.9**

Performance Contribution by Security

Gross of Fees | US Dollar

12/31/2019 - 3/31/2020

Semper Vic Partners, L.P.

	Portfolio		
Classification	**Avg Wgt**	**Return**	**Contrib**
Mastercard Inc Cl A	15.92	-19.06	-2.99
Berkshire Hathaway Inc Cl A	13.25	-19.91	-2.69
Nestle SA-Spons ADR	11.30	-4.87	-0.48
Pernod Ricard	7.15	-20.62	-1.47
Heineken Holding NV	7.02	-21.00	-1.46
Philip Morris International Inc	6.32	-12.72	-0.88
Unilever NV ADR	5.64	-14.56	-0.84
Compagnie Financiere Richemont SA	5.58	-30.33	-1.68
Alphabet Inc Cl C	4.84	-12.92	-0.73
Anheuser-Busch InBev SA	4.29	-45.61	-2.17
Wells Fargo	3.88	-48.44	-2.38
Martin Marietta Materials	3.21	-32.16	-1.08
Brown-Forman Corp Cl A	2.83	-17.90	-0.49
The Swatch Group AG-BR	2.40	-28.29	-0.68
Comcast Corp New Cl A	2.10	-22.69	-0.48
Diageo PLC	1.93	-23.68	-0.45
JC Decaux SA ACT	1.27	-41.31	-0.60
J.P. Morgan Chase	0.81	-2.92	0.00
Altria Group Inc	0.27	-7.10	-0.04
Security Total	**100.00**		**-21.58**