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

Semper Vic Partners, L.P. results for Second Quarter 2021 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
Half Year 2021	13.9%	13.8%	15.3%
Second Quarter 2021	11.0%	5.1%	8.6%
First Quarter 2021	2.6%	8.3%	6.2%
Since L.P. Inception			
7/16/1990 – 6/30/2021			
Cumulative	3209.1%	2324.6%	2116.6%
Compound Annual	12.0%	10.9%	10.5%

Investment Position and Outlook

Several recent conversations which I have had over the past several months helped form the core of my Second Quarter 2021 Semper Vic Partners, L.P. quarterly/mid-year letter to investors. Attached please find your full report on Semper Vic Partners, L.P.'s holdings and performance, both historic and through Mid-Year 2021. Semper Vic Partners, L.P. advanced roughly 11.0 percent and 13.9 percent in Second Quarter and Mid-Year, respectively. Now let me share with you some recent thoughts shared with a handful of investors.

I do hope that the following observations on these four relatively weighty topics provide you with a deep sense of my optimistic investment position and outlook. First and foremost,

I was reminded, through a conversation with an investor involved with a foundation, of the importance and history of my 20-year-long involvement with Environmental, Social, and Governance (ESG) issues. She shared how vividly she remembered how much attention I placed on ESG issues during those early days. Second, I was reminded of my most recent investment, Alibaba, by several conversations with investors who sought an update on our portfolio's "newest member." Third and fourth, I was asked by one of our partners over the course of the past several weeks what my thoughts were on two of our top three portfolio holdings – Berkshire Hathaway (14 percent of portfolio weighting) and Nestlé (10 percent of portfolio weighting).

I look forward to sharing with you why and how I and all of my colleagues at Gardner Russo & Quinn hold in such esteem the growing consideration we have for carbon emissions, Diversity, Equity, and Inclusion (DEI), ESG, sustainability, etc., for the three companies on whose shares' prospects I elaborate.

"Waste is Waste"

Some months ago, I heard from an investor who works for one of our portfolio holdings. Following our initial discussions catching up with family, friends, and colleagues, our conversation turned to a host of really big items casting long shadows over today's investment business. The discussion focused upon the growth in investor interests at all levels on DEI, ESG, sustainability, and carbon footprint.

The above collection of important issues have ascended loftily to new levels of importance in most conversations with fund managers. The investigations into DEI, ESG, and sustainability etc., permeate throughout entire organizations and engage an increasing amount of our meeting time as investors, both with our best practices consultants, and with our institutional investors desiring to know what steps their managers take to pursue best practices, oversight of which is entering the purview of the SEC. We also discussed ways in which we as investment advisors set forth our expectations for our portfolio company management teams regarding our expectations for our portfolio company managers' best practices.

By way of update, please know that we spend an increasing amount of our time focused on such concerns. We largely invest in a unique and highly attractive set of global consumer goods companies. These companies sell branded goods to a consumer who increasingly cares about how their consumption impacts the environment and society. Our investment considerations must take into account the sustainability of consumer demand if Gardner Russo & Quinn is going to continue to earn our investors' trust. I am personally involved, along with our entire research team and compliance team, with whether and how our portfolio companies are making necessary investments to maintain their brand equities.

One major area of portfolio company focus involves greenhouse gas emissions. Investing to reduce greenhouse gas emissions is good for the environment and resonates with portfolio company consumers. For this reason, our third largest portfolio company, Nestlé, has pledged to halve its emissions by 2030 and achieve net zero emissions by 2050, efforts which will cost them CHF 3.2 billion!!!

We understand that the consumer is not only focused on greenhouse gases, but also the impact that the use of plastic can have on the environment. We celebrate Nestlé's business-led strategy to spend CHF 2 billion to reduce their use of virgin plastic by one third and "boost the market for food-grade recycled plastics." Nestlé believes these investments are necessary if they want their consumer to continue to believe their "products are indispensable." As investors, we feel the same way.

ESG and DEI considerations can support a positive element of a thesis point or can be a meaningful source of potential opportunity (and risk). We take everything, including ESG and DEI, into consideration when researching companies. For example, our portfolio company, Unilever, under its "Taste Not Waste" campaign has committed to halving food waste in its direct global operations both from factory to shelf by 2025 and reviewing their own product portfolio to ensure that it helps drive waste from the entire global food channel. Such commitments are broadly valued by consumers of Unilever's products.

We have found over the years that our efforts to appeal broadly to our consumers at many of our portfolio companies have been enhanced as our portfolio companies seek more diverse and non-traditional backgrounds among their workforce. Such diversity allows our companies to stay better in touch with fast-moving demands from consumers and customers whose businesses are filled with employees who are diverse and come from less traditional backgrounds. We value diversity in employees from non-traditional backgrounds at Gardner Russo & Quinn, as we continue to invest in our own search for new firm members. Our efforts in both supervising our portfolio companies and in seeking to grow our own business are guided increasingly by the goals expressed in well-defined principles of DEI.

In addition, our second largest portfolio company, Mastercard, has shown enormous leadership in both DEI and ESG. As for ESG, Mastercard, for example, has pledged to reach net zero emissions by 2050. However, we also highly value Mastercard's pledge to bring 1 billion people and 50 million micro and small businesses into the digital economy by 2025. Mastercard is uniquely positioned to build this value for society. Mastercard, in addition, works tirelessly around the globe with governments and other partners to develop and design payment system products that help lift up the lives of the poor, unbanked consumers. Such consumers previously faced extreme challenges through all aspects of their efforts to fund daily needs.

Mastercard's stored value cards should be celebrated for both their domestic and their increasingly global efforts to improve payment systems and, in so doing, improve consumers' lives. Mastercard's understanding of how such measures can transform lives has been enhanced by the more diverse and less traditional workforce which has been assembled under the past decade of their extraordinary Chief Executive Officer, Ajay Banga's leadership.

As you will see in the attached documents, there are tremendous efforts made by Gardner Russo & Quinn, as well as the portfolio companies in which we have long-standing investments, to ensure that we remain deeply committed to the journey of ever increasing consideration of ESG and DEI in our company's selection of investments and our selection of companies in which to make investments on your behalf.

While our portfolio companies, whether Nestlé, Unilever, Mastercard, etc., recognized that to retain their "license to trade" from their customers and consumers, they also recognize that their products and their ESG and DEI policies can also be financially rewarding. Most notably, this arises in the field of employee recruitment. In today's hyper-charged world, with efforts to recruit valued coworkers from the millennial generation, our ESG-minded companies find that those very same consumers whose needs they increasingly respect and serve are also increasingly becoming their new employees. Socially conscious job candidates are increasingly today attracted to similarly minded firms that elevate social, economic, and diverse causes.

In addition to sharing with you a handful of those above-mentioned best practices which exist throughout our portfolio, we also look forward to communicating valued updated insights to you and to all our investor base. Gardner Russo & Quinn intends to provide, on an ongoing basis, updated descriptions of best practices announced by our portfolio company managements that are designed to allow them to better focus on meeting the goals and objectives of increasingly important DEI, ESG, sustainability, etc. We will forward to you such announcements, along with commentary about potential impact such announcements will have on the lives of local consumers, customers, and society at large. It will be our goal to provide you with specifics, both ambition and amount spent, about the extraordinary capital allocations that will most assuredly continue to come forth from companies who, as we referred above, are already individually posting amounts as high as CHF 5.2 billion, in the case of Nestlé, to address today's most pressing environmental, social, and humane challenges.

In addition to comments above, I include summaries of steps which our portfolio companies have announced regarding DEI, ESG, sustainability, threats to global water, etc. Our research team maintains these files to better equip us in tracking our companies' compliance with both the spirit and the law of DEI, ESG, sustainability, etc.

You will note the extensive reach and breadth of projects underway. All companies discuss efforts underway to drive forward DEI and ESG. You see companies like Pernod Ricard announcing equal pay by 2020. Pernod Ricard as well is taking steps designed to reduce wasted plastic. Pernod Ricard realized that they included 400 tons of plastic in their bottle closure system for just one brand, Beefeaters, which they have eliminated following review of the lack of consumer utility provided by such plastic usage. Imagine across their entire brand portfolio just how much waste is removable!!!

Unilever deserves credit for delivering transformational advertising for its iconic Dove brand through its "Real Beauty" campaign. The Real Beauty advertising campaign, which started several years ago, focuses on empowering the next generation of women to embrace a positive self-image and acceptance of their potential by using "real women" in their advertising, not models, thus breaking with traditional advertising imagery.

Other companies announced steps to secure their global supply chains. Nestlé recently announced that over 50 percent of its key ingredients will be sourced through regenerative agricultural methods by 2030.

All of our consumer goods companies participate in other similar audit services to assure compliant-sourcing practices are implemented and effective. Most importantly, in all of the causes addressed above and in hundreds of other products sourced globally throughout our portfolio companies, we cannot stress enough that their practices today will be obsolete by tomorrow, as companies find new ways to reduce waste. Our companies gain financially in many cases from sharing in the same efficiencies and effectiveness which drive them today in their search for ESG and DEI best practices. We look forward to celebrating with you news of future advances in best practices underway at Gardner Russo & Quinn.

I was delighted when my colleague mentioned that she already knew of my commitment to observing ESG goals given our conversation from nearly 20 years earlier. At that time, I described to her that I believed that, for our best-in-class senior managers of our portfolio companies, the best were those managers who dedicated their time and efforts engaged in redesigning and re-examining ways of doing business to ensure that whenever possible they were thoughtful in their approach to the types of issues as those which arise increasingly today for best-in-class ESG and sustainability practices.

I explained how better managers recognize little distinction between running efficiently and running effectively, for the environment and for the corporate bottom line. "Waste is waste" – polluting discharge is really just a problem awaiting a solution as to how to adopt field best practices to reduce, with both profit and the environment in mind, conduct that is both "wasteful" economically and ecologically.

Heineken, which has been a top 10 Semper Vic Partners' portfolio company for over 20 years, provides a wonderful example of an ESG-mindful corporation. Heineken not only described the goal of environmental best practices but they also gave countless examples of how they have discovered ways to eliminate waste. In one example, Heineken struggled with adverse ecological impact of overheated waste water from the brewing process. Their solution was to wrap with cold water coils the brewing tanks, in which temperatures reached such scalding temperatures. Once wrapped, all incoming cold water flowed around the drums filled with overheated water discharge. By the time the cold water traveled around the entire barrel's diameter, the cold water had been passively heated from having the cold water wrapped tightly around the same barrels that previously had simply left heated discharge untreated. The economics of this solution made sense – fewer environmental fines for overheated water discharge and less purchase of oil previously purchased to purposefully heat up water rather than to simply remove the now once heated water from its tank.

Heineken took similar steps in countless other ways. For beer packaging, Heineken seeks everywhere they have sufficient market share and route density to use reusable bottles, not virgin glass containers. Reusable glass bottles, identical in look and shape to virgin bottles (though slightly scuffed by machine handling), can be reused as often as 40 times, driving down the cost per bottle to fractions of the cost of cans or of one-way, non-reusable bottles. Waste is wasteful. Heineken's margins enjoy the benefit of using reusable bottles in an effort to reduce the ecologic impact.

Finally, Heineken recently has begun hiring small lot farmers in Africa and in parts of South America to develop beer brewed from locally sourced ingredients, most notably sorghum and cassava. While slightly less full-bodied than beer based on barley and malt, this locally sourced beer nonetheless competes well against the locally home-brewed sorghum beer that, in many instances, can be lethal if the villagers fail to ensure agrarian standards. Adherence to such standards allows for production at fractions of cost of full-priced Western beer. Successful engagement of agricultural resources entitles Western brewers to greater profits based on reduced excise taxation on the locally produced beer-like beverages. Heineken has recently taken ESG standards to an even higher level, pioneering work on their award-winning, low alcohol/no alcohol substitute for beer – removing 4.5 percent alcohol, while delivering a viable beer substitute with just under 0.5 percent alcohol by volume.

As early as the 1990s, I began celebrating portfolio companies such as Heineken for their adherence to a doctrine that "waste is waste." Such companies are aligned with the hunt for better practices, eliminating the need to directly treat costly discharge from less innovative or less thoughtful competitors. More importantly, examples abounded even 20 years ago, when we first met, that drove better results for the environment and the economy involving firms which pursue best practices.

It is hard to believe that it was over eight months ago that I wrote about our new investment which we had initiated late last year, Alibaba. As I mentioned at the time, I had long admired access Alibaba provides Western investors across a host of consumer products companies to Chinese commerce and economy.

Alibaba has long provided exposure to China's foremost commerce hubs, especially through the form of Taobao and Tmall (especially its Luxury Pavilion collections). With roughly one billion Chinese average annual consumers and roughly 260 million additional consumers outside of China, it is hard to imagine shopping in China without involvement in one manner or another with Alibaba.

Alibaba's focus on serving the needs of both merchants and consumers alike has allowed it to deliver its e-commerce at amongst the lowest take rate of any leading retailers. Alibaba also provides investors access to China's leading cloud business. Alibaba, in efforts to be transparent, has reported its cloud segment separately since 2017.

By reporting cloud results separately, Alibaba allows investors to measure the substantial extent to which Alibaba has exercised both the "capacity to reinvest" as well as Alibaba's management's "capacity to suffer." Alibaba's management team enjoys the "capacity to suffer" as the result of protection from Wall Street's disruptive censures as a result of protection provided them by Alibaba's founding shareholder, Jack Ma.

During decades of Alibaba's greatest growth, Mr. Ma evidenced a preference for taking on projects which, more often than not, eroded reported profits as investments he selected for greatest long-term growth in intrinsic value on a per share basis burdened reported profits in the near term.

In addition to attractive businesses which possessed the ability to reinvest internally, Alibaba was well capitalized. In late 2020, as we sized up our potential investment interest in Alibaba, we realized that Alibaba had a rock-solid balance sheet and financials in general. Not only did Alibaba have nearly $71 billion in cash and short-term securities within the company, but they also had investments in a portfolio of over 100 independent, digitally disruptive start-up companies. While most start-up investments are in Chinese companies, there are portfolio companies that also include non-Chinese start-up businesses. Finally, Alibaba currently has over a 30 percent interest in Ant Financial, which at the time of our initial investment research had been recently valued at over $300 billion of estimated value.

Ant Financial's valuation declined sharply over ensuing months as efforts to embrace "safer" financial capital requirements weighed heavily on near-term reported results.

Alibaba was valued at a modest multiple of EV/EBITA of just over 10 times, quite modest considering the ability the company possessed to reinvest its current, mature segment free cash flow into new regions and into new product and service extensions.

We also agreed internally that we would keep the position weighting relatively modest (between 2.5 percent and 3.0 percent). We recognized back in late November that the autocratic moves available to China's Communist Party head and head of the People's Liberation Army were vast, required no public authorizations to exercise, and could prove to be terminally crippling of one or many of those wonderful companies with substantial competitive moats that exist at such attractively low valuations within Alibaba.

I described to investors late last year my thought process of investing in a company's shares which possessed multiple business gems, that serve in many instances as the only way that consumers could obtain such goods or services, even though such businesses confronted political, economic, and regulatory headwinds. Alibaba had businesses that provided brands and products that consumers believe they cannot do without and could only obtain through Alibaba's entities.

We had witnessed three or four such major pushes for reforms autocratically announced in China as we prepared for our initial investment in late 2020. Indeed, it was the existence of such unbridled autocracy which we felt was responsible for driving down the share price to the level which we felt, for the first time, could justify a modest investment in Alibaba shares. We recognized risks of confiscation, closure, etc., by executive fiat existed, but reasoned that China would eventually recognize how much they needed the Western-style, modern retail, and a robust innovation pipeline such as that which Alibaba had long provided China.

I have proved to be flat-footed in light of near-term performance thus far on our Alibaba investment. The shares have declined over 25 percent since our first investment. However, few

could have imagined the pace and appetite of regulatory declarations and investigations since late last year. Since November 2020, there have been over 40 major decrees threatening to strip companies of products, power, etc. The same 40, in some instances, commenced initiating investigations for antitrust breaches, data breaches, and threats to financial stability (like the entirely unanticipated dismembering of Ant Financial, which started so much of the use of recent, heavy-handed autocratic measures). Alibaba has even been fined over $2 billion for past behavior that regulators deemed to have had an antitrust impact.

Fortunately, Alibaba had ample resources to meet the fine and to begin to espouse the need for future protections to prevent others (largely Alibaba's competitors) from having the ongoing ability to price future products at their "stores" at prices below their own costs.

"Disinfectants"

Many of the demands President Xi Jinping and his associates have levied have served as disinfectants designed to combat toxic risks that have risen over decades of business misconduct. The government has set in motion steps which, if complied with, will in many instances make Alibaba's long-term business run more smoothly once the dust settles. Below are some ideas as to how the disinfectant, even though autocratically delivered, may ultimately lead to more healthy business practices:

1. Ant Financial. Ant Financial has had an illustrious run as it was for decades treated as a subsidiary of Alibaba. Indeed, Alibaba relied so heavily on Ant Financial to provide its shoppers with unsecured credit that it potentially contributed in the Chinese markets to systemic risk.

Ant Financial was using traditional Chinese capital to fund their consumer purchase loans and was able to underwrite with limited financial reserves. More importantly, there were no credit checks available at the time to even begin to measure risks which Ant Financial presented by the time it reached its peak just prior to its collapsed IPO. Ant Financial had a credit scoring system untested in a recession. Regulators did not know if Ant Financial's security would work in a downturn and feared the rapid growth of such loans. Today, Alibaba actually benefits from the financial system protection against Ant Financial's prior risks of lending with little idea of credit risks. Ant Financial today shares the credit check business with the Chinese government, an outcome that should eventually stabilize Chinese capital markets.

2. Data Security. Given growth in sophistication for internal use of data which Alibaba retained from its consumer transactions, Alibaba quickly became the largest data source in China. The government resented having inferior data. One area of Mr. Xi's current pressures is applied to allowing the government to secure better and more competitive data. Given the Chinese government's paranoia of Alibaba's data reaching improper users, Mr. Xi has led for reforms that tighten up the potential for random, unsupervised use of data. As standards for data use increase, Alibaba will most likely enjoy their historic ability to deliver more targeted marketing and in so doing yield better long-term business success.

The government fears loss of data to non-Chinese. This fear surfaced with DiDi, whose recent IPO the Chinese government attempted to forestall so that essential data would not leak in

the open process of going public. The government's efforts to limit data collection, at present, should enhance Alibaba's effectiveness moving forward as the illicit use of consumer data diminishes with measures intended to comply with tighter government standards.

3. Below Cost Pricing. As Alibaba reported its recent quarterly results, Alibaba announced that it would be spending all its incremental income this year on new technology and new services. One area in which this will likely help clean up business will involve reduced pressure from the very low cost competitors who offer products for sale below their own costs. Pinduoduo is the biggest such competitor, at present, with high subsidies and pricing well below cost. Alibaba believed that over the recent period of industry scrutiny regarding below cost pricing, its competitive position should improve as the government's tightened demand should help drive better business practices.

4. Future Investment. Alibaba's Vice Chairman announced at their recent quarterly results meeting that they would direct all their incremental income this year to investments both direct as well as alongside of industry colleagues. They focused on investing in new technology to satisfy government pressure designed to insist that firms deepen and broaden technology investments.

5. No More "Choose One from Two." One practice which is being cleaned up via the disinfectant of new practices involved the removal of delivery of food/meals by the elimination of the "Choose One from Two" campaign. In this campaign, two potential competitive delivery firms agreed amongst themselves which firm would get which delivery orders. Once established, that firm would thereafter rely on just one supplier. Historically, this practice was designed to make logistics less complicated. Consumers "Choose One from Two" and will stick with the same delivery provider, unlikely to switch providers over time. The fact is, however, that over time the delivery system that comes with such shipments should be more available for Alibaba as previously unbreakable choices were set permanently at the outset.

6. Increase War on Counterfeit. The war on counterfeit involves ongoing battles that should allow Alibaba to compete more effectively, once there are fewer available, low price counterfeits in the marketplace. Alibaba's business is based on the merchant taking on enormous responsibilities for the authenticity of products, etc. Ultimately, there will be ongoing steps from government reform that will lead to more economic logistics and more robust inspection to assure that the consumer receives authentic goods and services.

7. Academic Expectations. Academics really matter in China as controversy over two extraordinary efforts requested from some recently proposed reforms will highlight. First and foremost was the assault upon the gaming industry leader, Tencent. The episode commenced with a recognition that the amount of time youth spend before video games (aka "opium of the young") was not healthy nor likely to land one's child a spot at Harvard. At the same time, however, there was investor fear that Chinese companies involved with providing learning-based tutorials were making children unnecessarily neurotic about education testing. On the one hand, administrators attempted to outlaw excessive video gaming as it diminishes chances of acceptance at Harvard. At the same time, other college applicants are today being denied access to tutorials which allegedly overly stress students applying to the next level of education. Both

the video game leading company, Tencent, plus a large number of tutorial companies, whose shares publicly trade, have gained sharp erosion in their market values as a result of these recent attempts to enhance academic outcome by removing distractions and reducing stress.

Mr. Xi and his administrative officers have directed reform aimed at improper financing practices (cf. Ant Financial), data security, below cost pricing, "Choose One from Two" anti-competitive distribution practices, and disruption to academic preparations (eliminate/reduce video conferencing and severe restrictions on high pressure college admission prep courses.) The above-mentioned steps are just a handful of those (over 40 to date) that have been promulgated since November alone.

Alibaba has exposure both through directly owned divisions and through their 100-plus portfolio of venture funded start-up businesses. As the leader in so many of its businesses, it is our belief that the disinfectant that presently is being administered to China's businesses, social networks, and political networks will eventually result in a world wherein the clear market leaders (like Alibaba) will eventually go from strength to strength as business practices become more fair and less cut throat competitive. Sanguine about the pace at which reforms and improvements will show up in benefits for Alibaba shareholders, we are not the least bit sanguine about the extent to which Alibaba's shareholders should financially benefit from such reforms.

We are going through a period when headline risk drives share price. For example, The Wall Street Journal and the Financial Times recently reported that SoftBank, a global leader in Chinese FinTech investing, has recently decided to cut additional investments into the China Tech market until the Chinese technology sector "calms." There is, nonetheless, undoubtedly systemic selling by global shareholders to eliminate evidence from their portfolio reports of Alibaba's recent underperformance. I show just a few examples above of the fiat decrees and investigations which have disrupted the near-term investment prospects for Alibaba shares. We believe, however, that Alibaba will financially recover from near-term disruptions and once again evidence the extremely crucial role Alibaba has long played in Chinese commerce. I believe that this is to be the case given the following advantages it possesses – i.e., the financial strength of Alibaba; its dominance in commerce platforms that continue to be indispensable for its manufacturers and merchants; its commitment to invest heavily in new ventures even when such investments cause near-term results to "suffer;" its robust and fast-growing cloud business; and its prospects for enhanced business practices that I believe will arise from many of the very same reforms that are being poorly received by equity investors today.

Given my many reasons expressed above for continued holdings in Alibaba's shares due to its strong future prospects, our investors, I hope, have an idea why we believe the investment continues to make sense at the measured amount of Semper Vic Partner's capital allocated to Alibaba shares. We recognize the potential disruptions that had commenced in the first three or four reforms when we first invested eight months ago. We surely did not anticipate the full throttle of an additional 36 imposed reforms placed over the past eight months and surely do not expect a similar round of regulatory breach over the ensuing eight months.

Finally, I have been pleased to see just how much less the pressure has seemed to be driven by a political attack against Mr. Ma or other persons historically involved with Alibaba shares. Indeed, the measures have increasingly addressed issues across dozens of firms and increasingly do not seem to reflect a vendetta based on the culture or conduct of the once more flamboyant profile maintained by Alibaba might suggest.

With improvement in both business practices and with the breadth by which censure was being "democratised" broadly across companies beyond Alibaba, both financial benefits rising from such reforms and improved political collaboration leaves me comfortable with the positive reform beginning to take hold. I was comfortable to see that, against fiat selling by Western institutions, Alibaba was willing to engage its share repurchase program. It had already raised the share repurchase program size from $10 billion to $15 billion. Thus far, Alibaba has deployed nearly $4 billion in share repurchases (from its cash holdings of $72 billion) and does so at valuations that value its shares at roughly 8.5 times its commerce EV/EBITA. The above comments reveal our balancing process that supports our belief that we should be able to properly balance risk and future return over the long term through our holdings. That was our reasoning, at least up until last week, when Alibaba sadly found itself the center of controversy relating to poor conduct within the company.

You Cannot Make This Stuff Up

Just before this letter was to go to press, we learned that an executive at Alibaba had been accused of sexual predatory conduct. The event allegedly took place at a company-sponsored, mandatory gathering. There was allegedly severe pressures brought upon all who attended to drink in social manner, including shots of one of the world's most challenging beverages, Baijiu. After what was an alleged to be a far too long, liquid, and drawn out affair, one female colleague alleged that she was sexually assaulted.

Since publication of the lawsuit alleging sexual misconduct, Alibaba has taken on a full course of review of all conduct. Alibaba has assembled a team of its five most senior women to serve in an ongoing capacity going forward inside Alibaba to whom whistle blowers can direct complaints. Alibaba has installed electronic stations where complaints can also be processed. China's #MeToo movement is already up and running to combat such deplorable conduct. Tragically, such misconduct took place at Alibaba, which speaks poorly of its corporate culture. The immediacy of their official response, coupled with efforts to change corporate conduct may end up helping to rid Alibaba of all-too-long, mistakenly permitted practices.

There is, with this tragic episode, an interesting look across to several of our other portfolio companies. Over the past decade, Chinese companies have attempted to reign back excessive, allegedly coerced social drinking with work colleagues. The allegations show that as prominent a new world fashioned company as Alibaba might be, Chinese businesses, nonetheless, broadly still suffer from some of the worst practices from past Chinese corporate culture. Alibaba's Board Member, Wan Ling Martello, its Chief Financial Officer, Maggie Wei Wu, and a team of similarly powerful women present within Alibaba, I believe, will surely help craft internal Alibaba policy that will be designed to head off such future behavior. Alibaba is taking their #MeToo allegations very seriously, indeed.

A read across to the changes that are mandatory at Alibaba, as expressed by the allegations, informs our view on our own investments in international spirits company shares. I have held shares in leading European spirits companies for years, believing that Asian taste for Western-revered trademarks would drive successful adoption of their cherished brands (e.g., Chivas Regal, Martell Cognac). However, success has proved to be extremely elusive. It appears that an enormously high percentage of spirits consumption at meal occasions (especially business-mandated meal occasions) involve Chinese heritage spirits brands. Despite reverence expressed for Western spirits brands, such as Pernod Ricard's Martell and Chivas, and despite four decades of my patient investment hopes in Chinese adoption of Western brands, Chinese Baijiu retains primacy.

Western spirits welcome the opportunities for consumers to prefer their own brands at events that are open and non-coercive of company participation. The likely outcome is that business dinners over time will be forced to alter conduct in a way that will offer the ability of Western market celebrated trademarks to begin to reflect consumer tastes. In the more open choice of modern, social gatherings that do not require uniformity in what is required of one to drink, consumers will hopefully have, for the first time in decades, an explosion of choice that has long been stifled due to required conformity of business-related entertaining.

We will see how the second order outcome will evolve as we watch future consumption growth for Western premium brands as they grow in use as adherence to tradition is lessened. We will surely press Alibaba in all forums that they disclose to investors descriptions of added steps taken to drive away the risks that have arisen from such forced occasions as that in which today's recently alleged abuse occurred.

We will continue, as well, to stay vigilant in our research into the ongoing strength which Alibaba offers investors. We believe growth will remain at Alibaba Cloud as the largest participant in this important growth corridor. We believe that Alibaba core commerce business will continue to grow sharply through adoption of joint ventures and business partnerships with many of our fastest growing consumer goods companies in China. Finally, we do believe that Alibaba will atone for its #MeToo event which they confront head on today. Current Alibaba management must be resolute to oversee driving out such impermissible conduct everywhere within its entire ranks of 250,000 associates.

In addition to the above questions relating first to our long-standing practices in support of DEI, ESG, sustainability, etc., and our discussions about our most recent portfolio holding, Alibaba, I also wanted to address one limited partner's questions in general over our portfolio's top two holdings, Berkshire Hathaway and Nestlé. The amazing thing about both companies is that you could have asked questions about both of them at any time from their first appearance in my investor portfolios in 1982 for Berkshire Hathaway and in 1986 for Nestlé. Both have been remarkably productive investments, Berkshire Hathaway for over 40 years and Nestlé for roughly 36 years. I believe both remain very attractive, supporting their continued presence amongst our top three holdings (alongside of Mastercard).

Berkshire Hathaway

Berkshire Hathaway and Nestlé remain key holdings with portfolio weights generally at least 10 percent for Nestlé and 14 percent for Berkshire Hathaway across portfolios. Each are held for specific reasons. Berkshire Hathaway is held because of agency cost. It is my belief that Berkshire Hathaway has the least amount of agency cost of any company I follow. Agency cost is the propensity of managers of public companies to try to whittle away from owners as much intrinsic value as they can for themselves. The main way that this is done involves stock option compensation and collaboration with Wall Street analysts whose time horizon is unnecessarily short-term. I believe that Chief Investment Officers in a large percentage of US-based public companies underinvest for long-term growth, fearing adverse near-term pressure such investments often have on reported earnings.

I believe that agency cost arises mainly in the area of reinvestment decisions. Reinvestment is the engine of the growth that we covet from your holdings. Managements who underinvest to avoid inevitable burden on reported short-term profits, generated by investments intended to deliver long-term growth in intrinsic value, inevitably under-deliver on potential growth.

Berkshire Hathaway's orientation is just the opposite. Berkshire Hathaway is driven by maximizing, in a risk-reducing manner, long-term wealth on a per share basis. Often, the reason why investments appeal to Berkshire Hathaway has been that they offer maximum growth in reported wealth that is concealed by near-term adverse impact those investments have on reported short-term results. Warren Buffett's goal is to maximize long-term wealth on a per share basis. His interest in investments increase when great business franchises are available at below intrinsic value due to most investors' and most companies' misplaced focus on short-term reported profits.

Berkshire Hathaway's ability to invest in businesses, even when those investments depress near-term results, has given Berkshire Hathaway advantages over the decades as it assiduously drove investments for growth in intrinsic value on a per share basis. Berkshire Hathaway has evidenced a usual duality in its mindset during our decades of ownership. Berkshire Hathaway has, throughout the years, enjoyed the following two powers – i.e., "the ability to invest in anything" and "the willingness to do nothing." Since Mr. Buffett has effective voting control over Berkshire Hathaway, he has been able to protect his managers from outsized pressure when their investments to build long-term wealth inevitably depress reported profits. Mr. Buffett seeks companies with enduring competitive advantages that grow with scale (e.g., historic appeal of Nebraska Furniture Mart and other such companies in Berkshire Hathaway's fold).

Berkshire Hathaway's intrinsic value on a per share basis has grown as a result of this discipline. See's Candies, one of Berkshire Hathaway's earliest investments under Berkshire Hathaway's ownership, exemplifies the virtues Berkshire Hathaway possesses resulting in their lumpy but large amounts of underlying profits. Berkshire Hathaway was able to purchase See's Candies at a fair price (e.g., approximately $35 million) in part because the company had one aspect troubling to most investors, See's Candies only earned money four months of the year due to seasonality. Other potential buyers of See's Candies would have sought to smooth out

earnings across the year in seasons that would have been more conducive to soup (winter) or ice cream (summer). Berkshire Hathaway realized that such efforts would dilute from See's Candies intrinsic value as a premium confectioner whose products were received warmly as gifts.

Rather than force reinvestment, See's Candies was acquired as a source of recurring free cash flow. See's Candies has lived up to its reputation for quality chocolate, generating over $2 billion for Berkshire Hathaway over the years since its acquisition. See's Candies' relative lack of reinvestment potential troubled Berkshire Hathaway not a bit. Berkshire Hathaway did not force investments to diversify against low store traffic count during off seasons. Berkshire Hathaway allowed See's Candies to reinvest to its business' needs and deployed free cash flow, beyond funding those See's Candies-related needs, broadly across acquisitions that it funded via Berkshire Hathaway's handling of See's Candies cash flow elsewhere.

Berkshire Hathaway has been armed to make attractive investments in companies whose appeal was blurred by low reported profits in some instances because of burden on reported near-term earnings due to reinvestment. They were able to encourage subsidiaries that could reinvest, to do so, even despite burdens such investments would have on reported profits due to their reinvestment to achieve valued intrinsic value growth. At the same time, Berkshire Hathaway was able to steer cash from subsidiaries, for whom none was needed, given inability to profitably deploy additional capital.

Berkshire Hathaway's valuation, we believe, remains attractive, despite its recent run-up from $245,000 per share to over $415,000 per share. The fact that Berkshire Hathaway shares remain an attractive opportunity for growth in intrinsic value, despite its share price increase, simply suggests how deeply undervalued they were late last year. Since then, Berkshire Hathaway has unleashed its long, latent power to repurchase shares. Berkshire Hathaway has repurchased over $30 billion since January 2019, with acceleration taking place in 2020 and 2021. Repurchases at below intrinsic value on a per share basis has helped Mr. Buffett to secure his desired growth in intrinsic value for remaining shareholders.

I continue to believe that Berkshire Hathaway shares remain meaningfully underpriced, trading at just under $430,000 per share, compared to its intrinsic value on a per share basis of roughly over $525,000. This discount recognizes that Berkshire Hathaway will retain substantial cash at all times (i.e., over $50 billion held safely in US Treasury bills to reassure its reinsured). This Fort Knox-like balance sheet is intended to uphold its view of their insurance customers' comfort taken from Berkshire Hathaway's commitment to remain fortress rich in reserves sufficient to meet the worse insurance calamities knowingly underwritten by Berkshire Hathaway. Reassuring funds for reinsurance clients.

Today, we believe Berkshire Hathaway deserves its portfolio position for several reasons. First, the position reflects Berkshire Hathaway's continuing discount from intrinsic value on a per share basis. Second, the position reflects Berkshire Hathaway's continued commitment to growth. Third, the position reflects Berkshire Hathaway's unleashing of share repurchase to further reduce shares outstanding when markets fail to properly assign value to its shares.

Fourth, Berkshire Hathaway has resolved some uncertainty that overhang share price over the past decade with the announcement of senior management changes, naming excellent talent to handle key roles of public market investing and of portfolio oversight of Berkshire Hathaway's immense wholly owned subsidiaries.

Nestlé

I believe that Nestlé shares are well-positioned in our portfolios based on its global growth potential. Nestlé's global growth potential is a dividend from their trusted consumer brands' 100-year command presence in over 100 countries. Over these years, Nestlé has developed trusted and cherished iconic brands. For instance, Nestlé has over 30 brands that have over $1 billion of annual turnover. Nestlé benefits from a vast Total Addressable Market (TAM) available through developing and emerging market consumers shifting from subsistence economies to the introduction of market-based economies. Nestlé benefits from its market leadership in two key categories that evidence extremely high brand loyalty – global pet food/care and global premium coffee (led by Nestlé's globally leading Nespresso).

More importantly, Nestlé has a culture of long-term investing. Nestlé has long excelled at securing new markets and rolling out new products, often adjacent to long-standing brands. They also have a history of internal innovation (e.g., behind launch of new brand's single-service coffee platform, as a result of external acquisition of companies whose brands, technology, patent, manufacturing, route-to-market, adjacent category presence, etc., offer powerful long-term returns on incremental investments deployed to meet demands of growing consumers and growing affordability for those consumers of Western-style goods and services).

Like Berkshire Hathaway, Nestlé management is driven to find ways to reinvest Nestlé's massive annual free cash flow into new products, new geographies, and adjacent categories. They are aided in this search by their extensive global network of an extraordinary management team. Nestlé's senior most management are an extraordinary team of multi-national, multi-lingual (most of top 100 executives speak at least three languages), and multi-cultural. Quite simply, they know their way around the globe through global experience in ways that ought to empower Nestlé shareholder's management teams to obtain for Nestlé shareholders "their unfair share" of future growth amongst categories serviced by Nestlé's leading, trusted consumer brands.

Nestlé's management added enormous value over the past decade. First and foremost, they were disciplined enough to retain their long-standing and sizeable holding in shares of L'Oréal (whose market value over the past eight years has moved from $22 billion to over $59 billion). While many investors believe that Nestlé should have divested L'Oréal shares, Nestlé instead has held firm, allowing their support of management to allow L'Oréal to reach further with investments intended for long-term results even if investment spending to do so burdened near-term reported profits. (Over these years, where activists suggested divestiture, the dollar value of Nestlé's stake in L'Oréal has advanced by over $37 billion in value.) Second, Nestlé's management strategically restructured their Galderma subsidiary, prior to selling the business for what I believe to be billions of dollars more than what they would have received had they not embarked upon such restructuring under the leadership of Nestlé's recently appointed new Chief Executive Officer, Ulf Mark Schneider. Third, Nestlé has partnered with countless

private equity pools to which they have sold legacy businesses in ice cream, confectionary frozen foods, etc. These partnerships are run separately but provide Nestlé with extraordinary ability to participate through equity holdings alongside of buyers of Nestlé divisions that had been rightfully deemed non-strategic.

One area of redeployment of cash raised from above-described restructuring, involved investments in younger food and beverage industry participants involving venture capital investments in digitally enabled and disruptive food and health start-up ventures. During the Pandemic, Nestlé's willingness to have made such venture investments provided reward when several of their venture portfolio companies sought to sell themselves. Nestlé's willingness to invest early on in such ventures gave Nestlé the only seat at the auction table that could possibly have been filled as their potential competitors were unable to act due to the inability to due diligence businesses offered for sale during the disruption in the world caused by COVID.

Nestlé's sole ability to due diligence these venture capital funded investments, which they knew well as a result of their long-standing investment presence, allowed Nestlé to acquire a handful of strategic investments with foreknowledge that other potentially interested parties could not have had. More importantly, potential competitive bidders could not due diligence such investments as they were unable to travel and visit due to COVID restraints. Nestlé's familiarity left them as sole contender when it acquired, for over $2 billion, Aimmune, the world's leading peanut allergy vaccine. Ironically, just at the same time that the FDA awarded Aimmune with the sole rights to advertise and market their product's ability to protect against this often fatal allergy, Nestlé was given the opportunity to purchase this important new line of business.

Nestlé similarly was able to acquire Freshly, a leading e-commerce-based food solutions company. Nestlé knew of the business dynamic as a result of their time spent as board members of Freshly during its venture capital funding era. Nestlé was familiar with management, with kitchens, etc., which they believe created the competitive advantage which made it an attractive investment. Others, without prior knowledge, were at a substantial disadvantage when it came to obtaining assurances required of traditional due diligence prior to substantial investments such as Nestlé made in Freshly. All totaled, since the Pandemic, Nestlé has sold businesses for proceeds of over $5 billion while acquiring interesting venture phase investments for several billion dollars and while investing in greenfield and expansionary projects in support of Nestlé's traditional businesses in excess of $5 billion.

Nestlé's ability to weather and, indeed, take advantage of disruptions caused by the Pandemic supports my long-held belief that Nestlé is, indeed, a combination enterprise – equal parts fixed income and equal parts venture capital. Nestlé's characteristic as a fixed-income investment reflects the extraordinary generation of free cash flow that its long-standing trusted brands generate. Such free cash flow from existing and often mature Western markets resembles fixed income, bond-like returns from previously established regions of the world. The free cash flow has been invested heavily back into Nestlé's business.

Much of the free cash flow went to support global growth in developing and emerging markets where Nestlé has long dominated its businesses' market shares through highly valued traditional route-to-market leadership. More recently, Nestlé has been investing in digitally disruptive marketing and promotion skills and increasing presence in core key categories such as pet food, global coffee, etc. A measure of the dramatic transformation that Nestlé has been funding is the rapid growth of Nestlé's global e-commerce business, which over the past year has risen dramatically from 8.6 percent of total sales to nearly 13 percent during 2020. Subsidiaries within Nestlé have seen even greater growth in e-commerce, such as pet food, whose bulky and heavy products helped to drive growth in its market share of Nestlé's pet food division. This division saw real revenue growth of over 10 percent, reaching CHF 14 billion in turnover!!! It is my sincere belief that gains garnered during Pandemic disruptions will endure, benefiting our holdings in Nestlé, as they have shown their globally branded retail brands to remain particularly relevant to consumers as consumers shifted their purchases to on-line.

Nestlé exited the Pandemic changed. Nestlé has a much clearer mandate to shorten innovation time, from ideation to consumer consumption. Nestlé is accelerating investment in developing and emerging markets. These markets represent nearly 41 percent of Nestlé's global business. Nestlé features, in such emerging markets, nutritional brands like NAN, Milo, Maggi, condensed milk, and infant formula. Nestlé has sold companies from their portfolio, as well, this year. Most notably, Nestlé sold Poland Spring, their US-based, domestic water business. Even though Nestlé deeply believed that this division was providing a valued hydration product, at the end of the day, management realized that despite many virtues, this was a category which had fallen afoul of valued ESG and sustainability allegations of wrongdoing.

Nestlé left the experience with Poland Spring more attuned today than ever before to the virtue and value of staying in stride with society and with increasingly effective ESG advocates. In addition to disposal of their mainstream water businesses, Nestlé has invested deeply in packaging enhancements, having joined consortiums which will spend over CHF 2 billion in gathering and recycling capabilities!!! They have declared target dates for discontinuation of any use of virgin plastics, migrating their whole demand to recycled resins. Nestlé has listened to consumers whose advocacy partially has driven the growth of plant-based meats. Nestlé recognized consumer advocate desires to reduce meat consumption and to lower bovine flatulence discharged from cattle raising. Over the past several years, Nestlé has internally innovated behind the launch of Nestlé's own Awesome Burger, the first version of which they named Awesome Burger 1.0, a phrase in development cycle with product launch urgency traditionally more aligned with Silicon Valley than with grocery stores. Nestlé has reoriented its route-to-market speed in driving flexible manufacturing to allow massive product delivery of Nestlé's plant-based burger substitute to market alongside competing launches of the two market leaders, Impossible Burgers and Beyond Meat "burgers."

Nestlé has found several learnings from their efforts to satisfy both ESG advocates by delivering meat substitutes and to satisfy consumers who abandon meat today for health and/or environmental reasons (i.e., anti-methane). Nestlé has adopted a fail-fast model in launching new products, reducing turnaround time from years to months for key product launches intended often to respond to other potentially disruptive innovations.

My long-standing belief that Nestlé invests often quietly, but deeply, to position itself best to act to seize value was affirmed during the Pandemic. The Pandemic has provided us with a backdrop against which to observe Nestlé at its best – able to leapfrog its share of their products' vast TAM.

Nestlé's appeal to us as investors is its extremely long ability to reinvest mature market cash flows into developing and emerging markets. There are few businesses which we believe offer as many ways to invest behind their future profitable growth than we find in Nestlé, justifying its 10 percent-plus portfolio position.

Nestlé remains attractively valued given its relatively modest recovery from the Pandemic. Nestlé remains a powerful and long-term portfolio presence as a result of our confidence in its future ongoing capacity to redeploy internal free cash flow in search of sharp growth in parts of the world that promise long-standing growth and demand for their iconic products.

Nestlé should win in its search for global growth for several reasons. First, Nestlé begins with trusted brands, many of which are centuries old and enjoy unrivaled price inelastic demand for products which loyal consumers, in many cases, believe that they "cannot live without." Second, Nestlé enjoys vast TAM for its dominant products – pet food and premium coffee.

Included in coffee is Nestlé's Nespresso home service business about which Nestlé's management is duly proud. Indeed, the development of Nespresso typifies Nestlé's willingness to endure near-term losses to develop products which they believe offer long-term reward and wealth. In fact, Nespresso did not break even for its first 15 years of its investment development. It has since grown to be a business with revenues approaching CHF 5.9 billion and very full margins. Nestlé exercised its "capacity to reinvest," using the best coffee sourcing technologies in the world. Nestlé evidenced, through its Nespresso discipline, its capacity for Nestlé management to "suffer" the investment spend process, even extending 15-plus years as was the case with their highly profitable Nespresso business.

Nestlé has continued to pursue global leadership in coffee through several recent transformative investments. Nestlé acquired the global rights to Starbucks' super market and other food service channel. Starbucks' partnership with Nestlé has hit the ground running with enormous positive reception. In addition, Nestlé has purchased several prominent boutique coffee vendors, among which is the widely acclaimed Blue Bottle Coffee stores and brands. We continue to expect significant redeployment of capital behind Nestlé's growing aspirations for coffee market share dominance.

Separately, Nestlé has proven both its "capacity to reinvest" and its managements' "capacity to suffer" burdens on reported profits when investments spent on future growth burden near-term reported results. Few evidenced this resolve more clearly than has Nespresso and the overall expansion into more coffee industry presence has done for Nestlé.

Third, Nestlé has ample cash flow generated largely from their mature Western markets that lack attractive reinvestment. Nestlé is blessed having outlets for such free cash flow without suffering from the tendency to redeploy capital back into now commoditized markets that cannot and do not generate future returns. Fourth, Nestlé enjoys globally effective management, fluent in local languages and local customs. Fifth, Nestlé has invested deeply in digitally disruptive technology to more effectively and efficiently drive advertising messages. Nestlé has invested heavily in getting its unfair share of e-commerce volumes for their trusted brands. Finally, Nestlé continues to invest deeply in meeting the fast-changing disruptions of global consumers' view of urgent compliance with today's increasing demands faced by firms' desiring to engage best business practices. Consumers look for compliance with high standards and are prepared to move consumption from producers whom they believe do not share their own desired high standards. Moving in concert with such shifting consumer beliefs not only allows Nestlé to keep well-aligned with changing social standards but also to inform ideas behind new product launches and development activities in areas like plant-based meats, etc. In addition, Nestlé has followed its consumers' broad-ranged interests in plant-based products by developing their offering of non-dairy, plant-based coffee creamers.

The remarkable unintended consequence of our dual large holdings in Berkshire Hathaway and Nestlé is the way in which they offer overlapping investment opportunities. Both are equally driven by growth in intrinsic value on per share basis. Berkshire Hathaway over time has operated mainly in North America. While some of Mr. Buffett's large and long-standing holdings have large global exposure (e.g., Apple Inc.'s near 67 percent of revenues sourced outside of the US), most of Berkshire Hathaway's direct holdings are domestic-based and domestic in their reinvestment opportunities. Nestlé, by contrast, though headquartered in Switzerland, generates over 98 percent of its global reinvestment opportunities outside of its home market. Nestlé has been a truly global company, servicing consumers of its trusted brands in over 100 markets for over 100 years.

Importantly, both holdings remain meaningfully valued below their intrinsic value on a per share basis. Both generate internally from existing operations cash flow amounts sufficient to further deepen their respective market shares, pricing power, management pool, and consumer goodwill through deep and ongoing investments. Such investments are increasingly scrutinized through lenses that are defined in their goals by principles of ESG, DEI, carbon neutrality, etc. Nestlé's 3 billion Swiss franc pledge to be carbon neutral by 2050 is simply one of dozens of deeply transformative steps Nestlé is taking to address demands placed upon companies to better address ESG concerns among their business lines, as well as DEI concerns about equity inclusion and diversity.

Nestlé has attention paid, as well, on their plans to invest up to CHF 2 billion specifically targeted to the elimination of the use of virgin plastics in food and to encourage the logistics in the global gathering capacities for recycled and reused plastic.

As the attached Compound Annual Return suggests, both Berkshire Hathaway and Nestlé have consistently delivered compound annual returns since the early 1990s. There are few companies in the world which I would believe capable of delivering similar returns going forward from today's valuations than the two companies, Berkshire Hathaway and Nestlé, which

collectively represent such a meaningful percentage of our holdings. Both companies are driven to fuel growth with internally sourced cash flow, leaving the businesses extremely well-funded.

In summary, Berkshire Hathaway demands growth, as do we. Much of Berkshire Hathaway's success has come from investing in businesses in which others have feared to tread. Growth has been realized because most companies avoid investing in businesses which report losses even when investments that generate such losses are designed to build long-term wealth. Berkshire Hathaway cares about increasing long-term wealth on a per share basis. Often, such investments deliver short-term reported losses that disappear over time but prevent most companies that seek to maximize short-term reported earnings (often at the expense of long-term wealth increases).

Two of my core investment principles that have guided my approach to global investing came from comments Mr. Buffett shared with my value investing seminar at Stanford Business School in the early 1980s. The first was to take advantage of the tax break generally given investors – i.e., the non-taxation of unrealized gains. Under the US Tax Code, gains must be realized for taxation to be owed. If one can invest in companies that can compound their owners' wealth without having to sell shares in such companies, capital gains taxation can be deferred indefinitely.

Mr. Buffett's second principle advised students who attended his Stanford Business School investing seminar to avoid the risk of agency cost. As discussed above, agency costs arise when managements takes steps that favor their interests in lieu of owners' interests. We have found, over the decades that family-controlled companies tend to allow for better alignment of long-term interests. Investors and management can more effectively reach for the longest-term gains with protection provided from Wall Street criticism when investments are made with the appropriate amount of long-term burden on near-term reported profits. Berkshire Hathaway allows managers to invest fully with cash flow from other subsidiaries which offer less promising reinvestment returns. The unrealized and untaxed gains accrue largely to the owners and not to the managers/agents. Both Nestlé and Berkshire Hathaway have provided their managers with shelter from takeover threats due to their long-term minded shareholder base. As a result, both Nestlé and Berkshire Hathaway have allowed their owners to enjoy the benefit of the growth on intrinsic value on a per share basis that arises, evidencing minimum amount of agency costs. Semper Vic Partners has enjoyed a 40-year journey with both those companies in leading positions.

However, obtaining tax deferral is not nearly as easy as it may seem. It is hard to find managements like those at Berkshire Hathaway and Nestlé that will work tirelessly to generate such long-term gain. Investors who have generated tax deferral, unrealized gains that can continue to grow in value, may offer greater investor benefit going forward, depending on the size and nature of the tax increases that investors will surely face over the coming decade. The Pandemic-related spending assures that higher tax rates will undoubtedly ensue if taxable gains continue as they have historically to require the realization of gains to trigger tax liability, then

investors who, like Semper Vic Partners, have had low annual turnover (please see attached Turnover Summary table) whose 8.5 percent portfolio turnover over decades will play a more meaningful role through tax deferral in an environment of sharply higher capital gains taxation rates.

I believe that Nestlé's shares are undervalued in light of Nestlé's ability to grow its business. Nestlé's growth will come from the growth in increasing standards of living in the vast developing markets in which it conducts over half of its business. Two main emerging markets, China and India, represent together nearly three billion consumers whose purchasing power will no doubt resume its growth if, as, and when world economies recover sufficiently to draw forward developing markets through their growing industrial bases. Nestlé's brands are staples in both the Indian market and the Chinese market. Both companies' products are ubiquitously displayed across categories, price points, geographies, etc. Both companies' trademarks are embedded in the global consumer's awareness, generating demand for our portfolio company brands.

Nestlé realizes that its main job is to acquire lifelong consumers. They find today that digitally disruptive methods of consumer communication drive vastly higher returns on marketing investments than what was available over time through linear, analogue media. Both companies supplement their dominant position in traditional rural village markets with fast growing presence in digital e-commerce. In both major developing markets, China and India, Nestlé has invested deeply to lower their "customer acquisition costs" (CAC) and to address their ever larger TAMs.

Nestlé's powerful and coveted brands will allow Nestlé to continue to convert their acquired consumers to adopt these aspirational products in sufficient quantity that Nestlé can calibrate acquired consumers' "lifetime values" (LTV).

The model of deep investment in CAC to acquire taste preferences that drive consumer LTV is at the heart of Nestlé's growth engine. I believe, that as world economies recover, Nestlé's top-line, real internal growth should restore to 4 to 6 percent. Nestlé's operating margin should grow faster than it has over the past several years, as their digital tools not only cost less but run more effectively. Together, Nestlé's operating profits should be capable of steady and enduring mid-to-high, single-digit growth. Such rates when combined with the power of reinvestment and the return of cash to shareholders should sustain low-teens compounded total returns for owners to underwrite future CAC with cash available from mature markets sufficient to meet reinvestment needs.

With its focus trained on emerging geographies, emerging product lines, and efficiency gains from use of digitally disruptive tools, I believe Nestlé seems poised to deliver returns that can continue to experience the benefit of unrealized gains as investors have historically through their holdings in Nestlé shares. Should interest rates remain as low as they are, the future profits promised by Nestlé's model could deliver even far higher net present values to their share price, given the historically low discount rate. Should dollar strength begin to wane, Nestlé could gain from strengthening currencies.

On a final note, please understand that, as much as we esteem our favorable position with two large holdings in Berkshire Hathaway and in Nestlé, the moment we discover information that changes our outlook, we will sell positions. If we learn through our standard research process that Nestlé management was untruthful or inattentive or short-term minded in their approach, we would surely reduce the position, possibly even a full withdrawal of the position, at once. (Please see the Table of Historic Holdings attached to this letter which documents just how many positions over the course of 30-plus years have been fully exited.) If any news arose challenging the integrity or the honesty of management, we would be perfectly comfortable exiting either position in their entirety.

In addition to the table which shows how I have fully exited dozens of companies over my 40 years of stewardship of Semper Vic Partners, L.P., I return your attention to the table attached which shows the long-term compound annual return of both Nestlé and Berkshire Hathaway, alongside of Semper Vic Partners, L.P.'s other long-term holdings. Berkshire Hathaway's share price has long suffered at a steep discount to its intrinsic value, due to concerns and fears over the lack of succession. Recently, with the lifting of some such market edginess around successions, etc., Berkshire Hathaway's shares have enjoyed a partial recovery. Nestlé's inclusion in the table of significant contributors to reasonable long-term partnership returns is a result of its ability to continue to redeploy capital through customer acquisitions, absorbing CAC in their effort to establish substantially greater LTV of their global consumers.

It is my hope that the above comments provided you with insights into the thought process behind the portfolio holdings in Berkshire Hathaway and in Nestlé, as well as the portfolio weighting of both holdings.

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 June 30, 2021

	ENDING MARKET VALUE	CONTRIBUTIONS WITHDRAWALS	TOTAL PORTFOLIO	EQUITY HOLDINGS	DJITR	SP500T	MSCIEAFE	MSCIEXUS	MSCIEM
Monthly									
June	842,015,179	(44,858)	(0.4)	(0.4)	0.0	2.3	(1.1)	(0.6)	0.2
May	845,039,429	3,444,205	3.3	3.4	2.2	0.7	3.4	3.2	2.3
April	814,135,962	(37,858,677)	8.0	8.1	2.8	5.3	3.1	3.0	2.5
March	791,200,931	(37,809)	3.0	3.0	6.8	4.4	2.4	1.3	(1.5)
February	767,908,889	(36,505)	3.3	3.4	3.4	2.8	2.3	2.0	0.8
January	743,005,763	(9,479,332)	(3.5)	(3.4)	(2.0)	(1.0)	(1.1)	0.2	3.1
Quarterly									
Second	842,015,179	(34,459,330)	11.1	11.4	5.1	8.5	5.4	5.6	5.0
First	791,200,931	(9,553,646)	2.7	2.9	8.3	6.2	3.6	3.6	2.3
Yearly									
06/30/2021	842,015,179	(44,012,976)	14.1	14.6	13.8	15.3	9.2	9.4	7.4
12/31/2020	778,590,057	(68,547,495)	5.1	6.1	9.7	18.4	8.3	11.1	18.3
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

Performance Review

Semper Vic Partners, L.P.

December 31, 1992 to June 30, 2021

	ENDING MARKET VALUE	CONTRIBUTIONS WITHDRAWALS	TOTAL PORTFOLIO	EQUITY HOLDINGS	DJITR	SP500T	MSCIEAFE	MSCIEXUS	MSCIEM
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
TIME-WEIGHTED CUMULATIVE RETURN			2,287.4	3,401.5	1,928.9	1,632.2	560.5	624.6	N/A
COMPOUND ANNUALIZED RETURN			11.8	13.3	11.1	10.5	6.8	7.2	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.

Semper Vic Partners, L.P. portfolio performance as represented on this table is generated by Gardner Russo & Quinn LLC's in-house accounting system, Advent APX. You will note slight differences from the reported performance on reports produced by the Partnership's administrator, Stone Coast Fund Services. These minor differences are a result of partnership accounting rules applied by the Fund administrator.

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Portfolio Valuation

Semper Vic Partners, L.P.

June 30, 2021

UNITS	SECURITY	PRICE	MARKET VALUE	UNIT COST	TOTAL COST	GAIN/LOSS	% OF ASSETS	ANNUAL INCOME	% YIELD
CASH AND EQUIVALENTS- usd									
	Cash And Cash Equivalents		13,740,614		13,740,614		1.6	0	0.0
	Dividends Accrued		735,115		735,115		0.1	0	0.0
	PAS Admin Cash Account		1,000		1,000		0.0	0	0.0
			14,476,729		14,476,729	0	1.7	0	0.0
COMMON STOCKS- usd									
294	Berkshire Hathaway Inc Cl A	418,601.00	123,068,694	64,067.54	18,835,857	104,232,837	14.6	0	0.0
693,750	Nestle SA-Spons ADR	124.74	86,538,375	15.58	10,810,446	75,727,929	10.3	1,788,771	2.1
234,250	Mastercard Inc Cl A	365.09	85,522,333	20.03	4,692,688	80,829,645	10.2	412,280	0.5
33,000	Alphabet Inc Cl C	2,506.32	82,708,560	1,248.45	41,198,998	41,509,562	9.8	0	0.0
567,000	Philip Morris International Inc	99.11	56,195,370	25.68	14,557,969	41,637,401	6.7	2,721,600	4.8
542,750	Heineken Holding NV	100.74	54,677,832	14.34	7,783,151	46,894,681	6.5	580,743	1.1
246,000	Pernod Ricard	222.00	54,612,118	57.81	14,222,086	40,390,032	6.5	555,960	1.0
450,000	Compagnie Financiere Richemont SA	121.11	54,500,460	12.64	5,686,989	48,813,471	6.5	328,500	0.6
705,000	Unilever PLC ADR	58.50	41,242,500	29.13	20,535,259	20,707,241	4.9	1,384,409	3.4
237,500	J.P. Morgan Chase	155.54	36,940,750	88.46	21,009,802	15,930,948	4.4	855,000	2.3
90,000	Martin Marietta Materials	351.81	31,662,900	18.43	1,658,820	30,004,080	3.8	205,200	0.6
366,000	Anheuser-Busch InBev SA	72.11	26,393,936	62.44	22,851,523	3,542,413	3.1	223,260	0.8
112,000	Alibaba Group Hldg Ltd Spons ADR	226.78	25,399,360	250.51	28,056,967	(2,657,607)	3.0	0	0.0
391,750	Comcast Corp New Cl A	57.02	22,337,585	10.68	4,183,102	18,154,483	2.7	391,750	1.8
289,000	Brown-Forman Corp Cl A	70.50	20,374,500	3.73	1,078,315	19,296,185	2.4	207,502	1.0
176,500	Ashtead Group PLC	74.10	13,078,823	52.53	9,270,783	3,808,040	1.6	94,339	0.7
6,075	Cable One Inc	1,912.81	11,620,321	2,019.21	12,266,715	(646,394)	1.4	60,750	0.5
			826,874,415		238,699,469	588,174,946	98.2	9,810,063	1.2
WARRANTS- usd									
990,000	Compagnie Financiere Richemont Warrants Expiring 11/15/23	0.67	664,034	0.00	0	664,034	0.1	0	0.0
			664,034		0	664,034	0.1	0	0.0
TOTAL ASSETS			**842,015,179**		**253,176,198**	**588,838,981**	**100.0**	**9,810,063**	**1.2**

Performance Contribution by Security

Gross of Fees | US Dollar
12/31/2020 - 6/30/2021

Semper Vic Partners, L.P.

Classification	Portfolio Avg Wgt	Portfolio Return	Portfolio Contrib
Berkshire Hathaway Inc Cl A	15.08	20.30	3.00
Mastercard Inc Cl A	11.44	2.43	0.21
Nestle SA-Spons ADR	10.48	7.60	0.77
Alphabet Inc Cl C	9.23	42.96	3.50
Heineken Holding NV	6.71	7.55	0.50
Philip Morris International Inc	6.65	22.82	1.45
Pernod Ricard	6.55	15.67	0.98
Compagnie Financiere Richemont SA	6.04	33.66	1.86
Unilever PLC ADR	5.45	-1.29	-0.17
J.P. Morgan Chase	5.14	23.91	1.23
Martin Marietta Materials	3.94	24.35	0.90
Anheuser-Busch InBev SA	3.36	3.92	0.09
Comcast Corp New Cl A	2.77	9.70	0.27
Brown-Forman Corp Cl A	2.61	-3.61	-0.12
Alibaba Group Hldg Ltd Spons ADR	2.16	-13.60	-0.36
Ashtead Group PLC	1.18	46.19	0.51
Cable One Inc	1.15	-14.22	-0.11
Compagnie Financiere Richemont Warrants Expiring 11/15/23	0.05	157.78	0.05
Berkshire Hathaway Inc Cl B	0.01	0.92	0.00
Security Total	**100.00**		**14.56**

EXCLUDING CASH AND EQUIVALENTS

Semper Vic Partners, L.P.
Compound Annual Returns Analysis[1]
6/30/21 - 12/31/90

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Mastercard	34.6%	35.7%	36.9%	35.4%	36.2%	35.2%	38.4%	41.5%	47.1%	44.0%	46.1%	42.3%	60.5%	54.6%	135.5%	152.9%															
Alphabet	26.3%	24.5%	24.1%	23.8%	25.8%	25.1%	27.3%	25.8%	29.4%	26.5%	28.9%	32.0%	39.3%	29.3%	68.9%	75.6%	120.9%	126.8%													
Cable One	26.0%	34.2%	31.2%	20.7%	21.7%	25.7%	8.8%																								
Ashtead	22.3%	21.2%	20.4%	19.3%	21.1%	20.4%	20.4%	21.7%	20.8%	18.5%	15.6%	14.7%	11.1%	6.9%	13.5%	18.9%	19.6%	14.7%	1.9%	5.0%	15.2%	22.1%	30.3%	31.6%	42.8%	39.3%	36.5%	39.8%	41.7%	12.7%	59.0%
Berkshire Hathaway	14.5%	14.1%	14.5%	14.6%	15.1%	14.8%	14.5%	15.8%	15.3%	14.6%	14.5%	15.6%	15.3%	16.0%	19.7%	19.1%	18.8%	20.2%	21.5%	22.0%	24.7%	26.7%	26.7%	34.1%	31.8%	31.2%	36.9%	32.2%	34.7%	32.7%	35.6%
Cie Financiere Richemont	14.3%	13.5%	13.3%	12.9%	14.8%	13.9%	14.8%	16.4%	17.6%	17.1%	15.5%	17.2%	14.7%	12.0%	16.9%	16.6%	15.3%	14.1%	12.1%	10.7%	11.5%	16.9%	17.2%	11.8%	9.3%	15.5%	20.2%	14.7%	13.9%	11.2%	65.4%
Comcast	13.9%	13.8%	13.6%	13.0%	14.0%	13.9%	13.5%	14.1%	14.0%	12.9%	11.2%	11.0%	9.9%	10.4%	11.8%	15.6%	13.0%	16.0%	16.9%	15.2%	21.8%	26.1%	32.1%	27.8%	21.1%	13.6%	16.9%	17.0%	41.8%	19.6%	30.2%
Brown- Forman	13.8%	14.3%	14.1%	13.5%	14.4%	13.3%	14.6%	14.3%	14.0%	13.7%	13.2%	13.0%	12.3%	12.1%	13.9%	13.8%	15.1%	13.4%	13.9%	11.6%	12.1%	13.8%	13.3%	18.9%	16.3%	15.1%	12.7%	10.3%	11.0%	11.9%	21.2%
Martin Marietta Materials	13.5%	12.8%	13.2%	11.5%	13.2%	13.8%	11.9%	11.2%	11.2%	11.4%	10.5%	12.5%	13.0%	14.5%	18.4%	17.5%	15.9%	13.4%	13.1%	8.7%	16.4%	17.3%	20.0%	38.9%	29.5%	16.8%	18.7%				
Nestle	13.5%	13.4%	13.5%	12.7%	13.3%	13.0%	13.6%	14.0%	14.4%	14.4%	14.2%	14.9%	14.4%	13.7%	15.5%	14.5%	14.0%	13.8%	14.3%	13.8%	15.0%	17.6%	16.3%	20.9%	17.7%	14.1%	17.4%	17.1%	18.8%	23.0%	18.6%
Pernod Ricard	13.0%	12.6%	12.8%	12.8%	13.1%	11.9%	12.6%	13.0%	13.6%	14.2%	13.6%	14.3%	14.4%	13.8%	17.5%	17.2%	16.2%	16.1%	14.4%	12.1%	10.7%	10.4%	8.8%	11.1%	10.8%	10.8%	12.8%	16.1%	22.3%	26.7%	39.2%
Alibaba	11.8%	14.4%	15.3%	7.2%	18.4%	-8.1%	-21.8%																								
JP Morgan Chase	11.7%	10.6%	11.7%	9.6%	10.9%	9.7%	7.7%	7.6%	7.4%	4.2%	0.3%	4.1%	4.5%	-1.9%	7.3%	15.2%	0.0%														
Heineken Holding NV	11.6%	11.5%	12.0%	11.8%	12.9%	11.8%	12.7%	12.2%	12.7%	12.5%	11.4%	12.2%	12.6%	10.6%	16.0%	14.5%	12.8%	14.0%	14.1%	13.7%	14.8%	18.6%	18.3%	26.5%	17.6%	21.5%	28.7%	21.4%	13.1%	4.8%	
Philip Morris International	11.0%	9.7%	10.2%	8.2%	13.6%	12.9%	13.4%	13.4%	16.2%	17.9%	19.7%	13.7%	7.5%	-0.8%																	
Unilever	10.3%	10.5%	10.6%	10.6%	11.0%	10.0%	10.5%	10.4%	10.8%	10.8%	10.7%	10.4%	11.1%	9.6%	11.9%	11.6%	10.8%	11.1%	11.4%	11.6%	11.9%	13.9%	13.4%	21.5%	19.2%	15.4%	12.9%	10.6%	12.8%	12.3%	19.8%
Anheuser-Busch InBev	8.4%	8.4%	9.7%	8.8%	12.5%	12.7%	14.6%	14.7%	15.1%	14.2%	11.7%	12.0%	12.1%	2.6%	14.8%	12.8%	6.1%	4.2%	-7.2%	-16.4%	-20.4%										
Semper Vic Partners, L.P.	12.2%	11.9%	12.1%	11.7%	12.7%	12.2%	12.6%	12.9%	13.2%	12.8%	12.3%	12.5%	12.1%	11.4%	14.6%	15.0%	14.6%	15.5%	15.8%	14.4%	15.9%	17.7%	17.9%	20.7%	20.2%	19.5%	19.6%	18.6%	20.8%	20.2%	27.4%
Dow Jones	11.4%	11.2%	11.2%	10.7%	11.3%	10.7%	10.5%	10.9%	11.0%	10.2%	10.2%	10.3%	10.1%	9.4%	12.5%	12.7%	12.3%	13.1%	13.7%	12.6%	15.5%	17.9%	20.7%	19.9%	20.2%	19.4%	17.5%	13.1%	16.0%	15.6%	24.5%
S & P 500	11.0%	10.7%	10.4%	9.8%	10.3%	9.9%	9.8%	10.2%	10.0%	9.1%	8.8%	9.1%	8.8%	7.9%	11.4%	11.8%	11.5%	12.0%	12.1%	10.8%	14.4%	17.5%	20.9%	20.8%	19.8%	17.6%	16.6%	11.9%	15.6%	18.5%	30.5%
EAFE [2]	5.6%	5.4%	5.3%	4.7%	5.5%	4.7%	4.9%	5.1%	5.5%	4.7%	4.2%	5.0%	4.9%	3.6%	7.4%	7.1%	6.0%	5.4%	4.3%	1.9%	3.5%	6.6%	9.3%	7.5%	6.0%	7.0%	7.6%	7.1%	7.4%	-2.6%	10.2%

For each year the compound annual return is calculated from inception.

1) Dividends assumed to be received on last day of period.
2) Represents total return for 2002 through the present and simple price appreciation for prior periods.

Turnover Summary

Semper Vic Partners

2002 - 2021

	LP	QP
2002	10.22%	
2003	5.59%	partial
2004	9.59%	2.50%
2005	4.72%	0.50%
2006	4.08%	0.60%
2007	8.28%	6.19%
2008	13.67%	18.24%
2009	7.17%	6.89%
2010	10.59%	9.37%
2011	3.18%	1.59%
2012	4.77%	0.74%
2013	4.78%	1.33%
2014	2.80%	5.61%
2015	7.83%	8.34%
2016	4.97%	5.18%
2017	1.71%	1.51%
2018	4.47%	6.53%
2019	3.24%	3.08%
2020	10.92%	15.11%
2021*	5.94%	5.96%
3 Year Average	6.70%	8.05%
3 Year Median	5.94%	5.96%
5 Year Average	5.26%	6.44%
5 Year Median	4.47%	5.96%
10 Year Average	5.14%	5.34%
10 Year Median	4.78%	5.40%
15 Year Average	6.29%	6.38%
15 Year Median	4.97%	5.96%
20 Year Average	6.43%	
20 Year Median	5.28%	

*2021 Turnover is through 6/30/21 and is not annualized.

Semper Vic Partners, L.P.
Table of Historical Holdings
Presented as of June 30, 2021

Company	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Berkshire Hathaway Inc	14.6%	14.4%	13.0%	14.4%	12.3%	12.6%	10.5%	12.6%	10.7%	10.4%	9.7%	10.2%	9.9%	11.4%	11.0%	9.1%	8.4%	7.2%	7.2%	7.7%	7.3%	5.0%
Nestle SA	10.3%	11.4%	10.6%	9.8%	9.2%	9.5%	10.1%	10.3%	10.4%	10.5%	10.3%	11.8%	12.1%	11.9%	9.1%	6.8%	6.3%	5.1%	5.1%	5.2%	5.2%	5.2%
Mastercard Inc	10.2%	13.8%	15.0%	12.8%	9.6%	8.1%	8.0%	7.9%	8.2%	6.0%	5.3%	2.8%	-	-	-	-	-	-	-	-	-	-
Alphabet	9.8%	7.7%	3.7%	0.9%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Philip Morris International Inc	6.7%	6.7%	6.0%	5.8%	7.6%	8.2%	8.3%	7.2%	9.2%	9.4%	12.9%	10.4%	9.1%	9.0%	-	-	-	-	-	-	-	-
Heineken Holding NV	6.5%	7.1%	6.9%	7.4%	7.5%	6.5%	7.4%	6.2%	6.4%	7.3%	6.2%	6.5%	7.9%	6.4%	7.5%	5.8%	4.8%	4.8%	4.6%	4.8%	5.2%	6.7%
Pernod-Ricard SA	6.5%	7.0%	7.0%	8.0%	7.0%	5.9%	5.8%	5.7%	5.6%	6.4%	6.1%	6.2%	6.1%	4.9%	3.0%	2.6%	2.3%	1.6%	-	-	-	-
CIE Financiere Richemont SA	6.5%	5.8%	6.3%	6.3%	7.6%	6.8%	6.8%	6.7%	7.1%	8.2%	6.4%	8.3%	7.2%	5.0%	5.2%	5.1%	4.9%	4.8%	3.9%	3.3%	3.0%	3.9%
Unilever NV	4.9%	6.4%	5.3%	6.4%	5.8%	5.2%	5.4%	5.0%	4.6%	4.4%	4.3%	4.1%	4.1%	3.0%	3.4%	2.6%	2.4%	2.0%	-	-	-	-
JP Morgan	4.4%	5.1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Martin Marietta Materials Inc	3.8%	3.6%	3.4%	2.6%	2.8%	3.3%	2.3%	1.9%	1.9%	2.1%	2.3%	2.9%	3.4%	4.7%	4.9%	4.3%	4.2%	3.6%	3.5%	2.8%	3.2%	2.7%
Anheuser-Busch InBev	3.1%	3.8%	4.8%	4.5%	5.4%	6.2%	7.0%	5.3%	5.3%	4.9%	3.7%	2.9%	-	-	-	-	-	-	-	-	-	-
Alibaba Group	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comcast Corp	2.7%	2.7%	2.0%	1.9%	2.0%	2.1%	1.9%	2.2%	2.4%	2.4%	1.9%	3.1%	4.1%	4.4%	3.7%	5.5%	3.5%	4.3%	3.9%	4.1%	3.3%	3.4%
Brown-Forman Corp	2.4%	2.9%	2.7%	2.7%	2.9%	2.5%	3.1%	2.7%	2.7%	2.8%	3.2%	3.0%	3.0%	3.8%	3.1%	3.0%	3.9%	3.0%	3.2%	2.9%	2.6%	2.6%
Ashtead Group PLC	1.6%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cable One	1.4%	0.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Diageo PLC			2.0%	2.3%	2.3%	2.2%	2.4%	2.5%	2.9%	3.1%	3.0%	3.0%	3.4%	3.5%	3.4%	3.6%	3.2%	3.1%	2.8%	3.0%	3.6%	3.8%
The Swatch Group AG			2.6%	3.3%	3.6%	3.1%	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JCDecaux SA			1.5%	1.6%	2.0%	1.6%	1.3%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Altria Group Inc			0.7%	2.6%	3.3%	3.6%	3.5%	3.6%	3.2%	3.4%	4.5%	3.9%	3.9%	3.9%	9.5%	9.0%	9.1%	7.7%	7.7%	7.2%	8.3%	7.6%
Wells Fargo & Company			5.3%	5.3%	5.1%	6.8%	6.9%	7.3%	6.7%	5.6%	4.7%	4.5%	3.8%	5.1%	4.2%	4.0%	4.2%	3.6%	3.9%	4.1%	3.8%	5.0%
British American Tobacco PLC					2.9%	3.0%	2.9%	2.9%	3.1%	3.6%	4.6%	4.0%	3.4%	2.3%	-	-	-	-	-	-	-	-
Scripps Networks Interactive						0.6%	0.6%	0.9%	1.3%	1.3%	1.4%	1.9%	3.1%	1.9%	-	-	-	-	-	-	-	-
SABMiller PLC							2.7%	6.2%	6.2%	6.6%	6.4%	6.7%	7.0%	4.6%	-	-	-	-	-	-	-	-
Graham Holdings Co								0.6%	0.8%	0.6%	1.0%	1.6%	2.5%	2.2%	2.9%	2.7%	3.1%	4.3%	3.9%	5.5%	4.6%	4.8%
Berner Gruppen AS									0.2%	0.3%	0.4%	0.5%	0.4%	0.7%	1.2%	1.0%	1.1%	1.0%	0.8%	1.1%	0.5%	0.6%
NHST Media Group									0.1%	0.1%	0.2%	0.2%	0.2%	0.3%	0.5%	0.4%	0.4%	0.3%	0.3%	0.5%	0.4%	1.1%
Hasbro Inc										0.3%	0.4%	0.9%	0.8%	1.0%	1.6%	2.1%	2.3%	2.5%	3.2%	1.9%	2.3%	0.7%
Cadbury													3.9%	1.7%	2.7%	2.4%	2.2%	1.7%	-	-	-	-
Telegraaf Holding														1.0%	3.4%	3.3%	3.3%	4.5%	4.8%	4.6%	4.4%	5.3%
Philip Morris CR														0.5%	0.4%	0.5%	0.8%	0.9%	1.0%	1.7%	1.6%	0.9%
EW Scripps Company														0.1%	2.8%	3.0%	3.3%	3.4%	3.8%	4.7%	4.7%	5.4%
UST Inc															4.8%	4.8%	4.0%	4.9%	3.8%	5.1%	5.7%	3.8%
American International Group Inc															4.0%	4.1%	4.4%	3.8%	3.8%	3.2%	4.6%	4.4%
H&R Block Inc															1.4%	2.1%	2.7%	2.9%	3.7%	3.1%	3.5%	-
McClatchy Company															1.4%	2.7%	2.0%	2.3%	2.5%	2.7%	2.2%	1.6%
Kraft Foods Inc															1.3%	1.4%	2.1%	2.9%	2.7%	3.3%	2.9%	-
Schweitzer-Mauduit International Inc															1.1%	1.6%	1.9%	3.0%	2.9%	3.2%	3.1%	2.0%
International Speedway Corp															1.0%	1.4%	1.5%	1.7%	1.5%	1.6%	1.7%	1.7%
Readymix PLC															0.2%	0.4%	0.8%	1.0%	1.3%	1.0%	0.9%	1.1%
Partridge Fine Art															0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%
Citigroup Inc																3.2%	3.1%	3.0%	3.3%	3.1%	1.7%	2.0%
Wegener NV																0.9%	1.5%	2.0%	1.6%	1.1%	0.5%	0.4%
Weetabix																			8.2%	4.2%	5.0%	4.7%
Corby Distilleries Ltd																					0.3%	0.4%
Morgan Stanley Dean Witter Discover																						1.3%
Fortnum & Mason PLC																						0.1%
Total common equity	98.1%	98.8%	98.9%	98.7%	99.1%	97.8%	99.3%	97.9%	99.0%	99.7%	98.8%	99.5%	99.2%	93.2%	98.6%	99.4%	97.8%	97.2%	99.2%	97.1%	96.5%	88.4%
Cash and other	1.9%	1.2%	1.1%	1.3%	0.9%	2.2%	0.7%	2.1%	1.0%	0.3%	1.2%	0.5%	0.8%	6.8%	1.4%	0.6%	2.2%	2.8%	0.8%	2.9%	3.5%	11.6%
Total partnership	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%