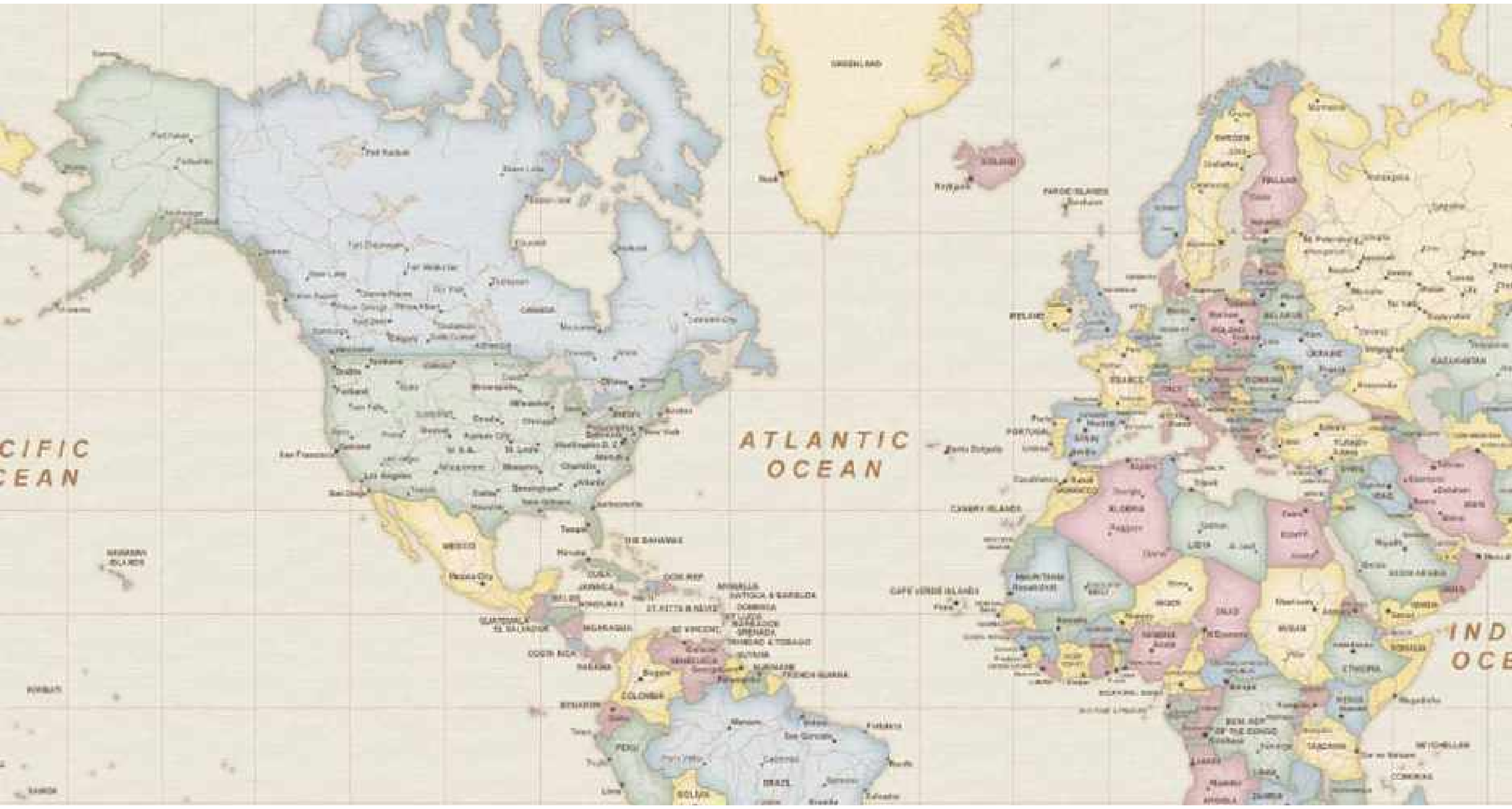
DASH INVESTMENTS

QUARTERLY UPDATE



DASHINVESTMENTS®

To Our Partners, August 2024

Overview
The purpose of this update is to inform our investors regarding the following subjects:

1. Discuss the key economic events that occurred during the 2nd quarter of 2024
2. A look ahead at the U.S. economy and the global markets
3. Updates regarding Dash Investments portfolios

The Economy
Spurred by surging business investment, the U.S. economy had a good second quarter, growing at an annual rate of 2.8%. With inflation easing slightly to 3% in June and the labor market showing signs of cooling off, the Federal Reserve's upcoming decisions on rates are even more critical in steering the economy into a soft landing.

Earlier this year, there was a general expectation that the Fed would taper rates several times by year-end. However, they kept rates higher due to stickier inflation and a tight labor market. And now, after signs of cooling inflation and more sluggish job growth, the Fed still wants more evidence of sustained low inflation.

The Fed has said they are seeking to balance the need to keep rates high enough to control inflation without keeping them too high for too long and causing a recession. Most Fed observers predict a rate reduction in September will help the Fed strike that balance and position the economy for a soft landing.

The Markets
We have said for a while that after two years of trimming excess and building balance sheets, corporate America was ready to hit the gas. You can see this in their capital expenditure plans, big cash buffers, return-to-earnings growth, and improved guidance for both earnings and revenues. Companies had the will and the firepower, and now they are reaping more fruit. Stocks have seen this coming, and we think this year's rally has partly pre-priced it. But we suspect there is more to come.

In the second quarter, AI continued to dominate market narratives. Companies identified as AI beneficiaries saw their share prices significantly outperform those with less immediate benefits. This trend was most evident in the semiconductor industry, which rose 19% during the quarter.

During the early stages of any technological shift, it makes sense that the biggest winners are often hardware and semiconductors. For instance, companies like Corning, Cisco Systems, and Sun Microsystems saw tremendous stock market gains during the tech bubble.

However, as the tech buildout reached its peak, demand for these products decreased, and competition increased. In contrast, long-term winners like Amazon and Google leveraged the initial hardware boom to build more sustainable businesses. This pattern was also seen in the transitions to mobile computing and cloud computing.

Investors often expect continuous hypergrowth in semiconductors and hardware, but growth typically slows down. Initially, customers order in large quantities to build capacity, but eventually, they reassess and add capacity more incrementally. This leads to the boom-and-bust cycles seen in cyclical industries like hardware. When the cycle peaks, the valuation of these companies is scrutinized, and revenue and earnings may decline, revealing their susceptibility to intense cyclicality despite being perceived as secular growth companies.

Investment Portfolio Update

Our portfolio does not include semiconductor companies currently profiting from the demand for foundational AI hardware. However, we believe that, in the long run, the majority of the economic benefits from GenAI will flow to IT services and software businesses, where we have made substantial investments. More than 50% of our portfolio is invested in companies projected to gain significant revenue from GenAI, with most of this revenue recurring, as opposed to the highly cyclical nature of hardware companies.

As long-term, quality growth managers, we recognize that such environments can be frustrating for investors who might prefer chasing the latest fad. But our focus remains on quality, growth, and predictability. We are cautious about investing in businesses with extremely high growth but low predictability or paying high valuations for quality businesses with little to no growth. Allocating capital to these areas will likely lead to poor outcomes in the long run despite favorable short-term stock price movements.

We have found that a systematic approach to compounding earnings growth leads to compelling long-term returns for our clients. Our strategy is more tortoise than hare, emphasizing durable mid-teens earnings growth, 2-3 times the Index's long-term average earnings growth. This approach has contributed to the strong track record observed in our global strategy over the past 20 years. Since the inception of Dash Investments in 2004, our unwavering focus has been on durable earnings growth, and it will continue to be our priority as we strive to deliver long-term value for our clients.

We believe our portfolio companies, consisting of businesses with stronger balance sheets, higher profitability, and faster growth than average, can thrive in any economic climate and are well positioned to drive our investment returns with long-term earnings growth of 10% or better.

In Closing

As always, we thank you for your continued trust and partnership with Dash Investments.

Please note that our next written communication will be via the Q3 2024 update. However, if you have any questions or need information before that time, don't hesitate to contact us directly.

"The focus of most investors differs from that of value investors. Most investors are primarily oriented toward return, how much they can make, and pay little attention to risk, how much they can lose."

— Seth Klarman

Respectfully,

J. Dash

Jonathan Dash
CEO & Chief Investment Officer

Forward-Looking Statement Disclosure

The discussion of our investments represents the views of the Company's portfolio manager at the time of this report and is subject to change without notice. References to individual securities are for informational purposes only and should not be construed as recommendations to purchase or sell individual securities. As portfolio managers, one of our responsibilities is to communicate with clients in an open and direct manner. Insofar as some of our opinions and comments in our letters to our partners are based on current management expectations, they are considered "forward-looking statements," which may or may not be accurate over the long term. While we believe we have a reasonable basis for our comments and we have confidence in our opinions, actual results may differ materially from those we anticipate. You can identify forward-looking statements by words such as "believe," "expect," "may," "anticipate," and other similar expressions when discussing prospects for particular portfolio holdings and/or the markets, generally. We cannot, however, assure future results and disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. Further, information provided in this report should not be construed as a recommendation to purchase or sell any particular security.

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