Dear Partners,
I am Dooyong Kim, CEO of MUST.

I am writing another letter as part of our 2022 year-end portfolio management report. First and foremost, I sincerely apologize for the disappointing performance this past year.

For 12 years since the inception of our discretionary investment business in 2009, we had generated an annualized return of +27% without a single negative return year. Most of our clients expected continuation of such strong performance. However, we performed far worse than our historical track records, with a 1.8% return in 2021 and -56.8% in 2022.

Investing is my only lifelong passion, and I have always believed that an investment firm exists solely for investment excellence. As gratitude and recognition from our clients have always been a great source of happiness in my life, recent results have devastated me with deep regret.

Most importantly, many of our clients continue to cheer and support us. This makes me even more remorseful as I deeply share the disappointment and distress that they must be enduring.

In 2017, we started looking globally in order to cross check our investment theses in Korea and find superior investment ideas abroad. Last year, we incurred large losses in the U.S. market from our investments in a few long-term growth ideas. While a portfolio concentrated in beaten-down growth stocks might be an attractive contrarian approach in the long run, our returns fell significantly in 2022 as a result of 1) rate hikes and a slowdown in macro environment that surpassed our expectation, 2) significantly increased downside volatility of growth stocks from fast rate hikes, 3) a macro-driven deterioration in the fundamentals of companies that we previously perceived to be solid, and 4) some misinterpretations in our research. In hindsight, we got stuck in our ways of using the very same investment approach used in 2020 because it had resulted in a better-than-average return. To be clear, GameStop, a stock we are often mentioned with in tandem by the media, was a small position in our portfolio in 2020, and we sold it before the big spike in mid-January of 2021. In fact, we had a larger position in GameStop bonds, which I believe is a better reflection of our investment style.

In retrospect, we lost sight of investment stability because we were too immersed in researching contrarian ideas. While our research could be right or wrong, we should have run a balanced portfolio where the investment outcome is always right. As a steward of our clients' assets, we should have been more sensitive to downside risk, but we failed to do so. Even as we continued to incur losses in July and August, we only thought about doubling down on our research efforts. We were not wise.

It was not until September/October when our returns made another significant decline that I finally realized our mistake and the cause of our poor performance. Why did we go from trying to avoid being wrong to trying to be right? Why did our style of deep contemplation become one of simply working tirelessly day and night to cover 300 companies in 30 countries? Why did we change from building our return step by step to chasing ultimate multi-baggers? We continue to reflect on our mistakes. Amid a big macro shift, we were overly absorbed in long-term contrarian investment opportunities.

While such investment approach could be suitable depending on the characteristics of capital, it strayed too far from MUST's investment style. We should not have taken such risk with our clients' assets. We were not prudent.

Even though it was already late, we have spent the last few months making drastic changes to return to MUST's original style. First, we reflected on and learned from our missteps and quickly transformed our research and investment back to MUST's original approach. We realigned the organizational structure and created an internal system to reinforce our teamwork, prevent mistakes, and further strengthen our competitive edge. We held fierce internal debates and acted swiftly based on those discussions. I solidified my role as CIO and reorganized the internal system and portfolio management team to complement my role. Fortunately, all our team members have been supportive, and we are more collaborative and determined than ever before.

Through these changes, we have overturned more than two thirds of our portfolio and returned to our original way of accumulating return steadily. We have also established an internal system aimed at maintaining our principles and preventing a recurrence of past mistakes.

It is a painful time, but I want to convey hope and communicate our resolution. With the fate of this firm on the line, we promise to achieve a 100% return as quickly as possible. It is the least we can do for our clients barring the opportunity cost from lost time. We will also never forget to limit downside risk. If we recover at the pace of our past performance of an 27% annualized return, it would take 3 years to achieve our goal. It will be a very difficult task, but it is my personal commitment to shorten the period by applying our original investment philosophy.

It is not possible to separate my identity from MUST, but these are my personal commitments. I will minimize my involvement with all other roles, including company management, and focus solely on portfolio management. All roles other than fund management will be actively delegated to either internal personnel or external hires. I will focus on the healthy recovery and stable increase of our return. MUST will never repeat such poor performance. With an unwavering passion for investing, we will continue to deliver on our long-term track record.

Lastly, as we enter 2023, we wish you a happy and healthy new year.

Best regards,

Must Asset Management Dooyong Kim

[Portfolio]

Our current portfolio consists of Korea (~70%), U.S. (~27%), Japan (~1.5%), and Europe (~1.5%). No single position has a portfolio weight greater than 10%. The portfolio is diversified with most positions with 2-5% weights.

[Taxes]

We will closely monitor the direction of the tax reform (e.g., capital gain tax) and invest to maximize their after-tax returns. For reference, tax issues do not arise until the fund price fully recovers to the last settlement price where profits were recognized.

** Return numbers mentioned in the letter are net of management fees but gross of performance fees.*