

OWNER'S MANUAL

ULVEMAN PARTNERSHIP A/S

WHY AN OWNER'S MANUAL?

At Ulveman Partnership, we want you to have an Owner's Manual. This document will help you understand who we are, how we view the partnership, our goals, our time horizon, the cost structure, and how we approach challenging years.

In short, our goal is to ensure clear communication and mutual understanding.

WHO ARE "WE"?

The fund is managed by Rasmus Ulveman (referred to as 'I' from now on), I am the fund's sole employee, and all my liquid assets are invested in the fund alongside our investors. **This alignment of interests is perhaps the most important feature of the fund.**

I view the fund as a partnership, where our interests are fully aligned. I strongly believe that managers should never take risks with other people's money that they are not willing to take with their own. If you lose money, I lose more.

My time is dedicated to reading, analyzing stocks and markets, and patiently waiting for the right opportunities to emerge

WHAT IS OUR GOAL?

Our goal is to build the best fund in existence and, more importantly, the best fund you've ever owned. By 'best fund,' we mean one that delivers the highest returns over the long term, with little regard for short-term volatility.

We aim to outperform the market by the widest possible margin over a multi-year period. An average return of around 20% per year is a realistic target, which would allow us to double our money every 4-5 years after taxes.

Over the past six years, before the fund's establishment, I achieved an average annual return of 23%.

HOW DO WE SEE RISK?

Stocks are volatile, but they are not inherently risky as a group. We define risk as the 'risk of permanently losing capital.' By this definition, cash and bonds can be far riskier than stocks, as they lose permanent value during inflationary periods. Short-term fluctuations in the stock market don't concern us—volatility is simply the price we pay for achieving strong long-term results.

Bad years are inevitable, and we don't aim to avoid them entirely. Instead, our focus is on outperforming the market over the long term.

WHAT'S THE TIME HORIZON?

We believe in remaining invested in stocks for the rest of our lives. This is the only sensible approach, as compound interest works its magic over a long time horizon. As a partner (investor), we require a minimum commitment of one year, though we hope to build a longer-lasting journey together.

WHAT ARE WE INVESTED IN?

Stocks are the most volatile asset class, but they offer the best long-term returns. Given that our time horizon spans several decades, we believe in focusing on the highest-yielding asset class without being overly concerned about short-term volatility. For this reason, we aim to remain predominantly invested in stocks over the long term.

That said, the fund is not confined to a single asset class. We have the flexibility to invest in a range of asset classes, including bonds, commodities, currencies, and other financial instruments, as well as across different countries.

We also reserve the right to take short positions, but only when markets are overhyped and fundamental indicators signal significant risks. While shorting can be highly profitable, it is inherently risky and requires careful execution.

Cash is held only temporarily while we wait for more compelling opportunities.

WHAT ABOUT CONCENTRATION?

We invest in the best opportunities, and, if necessary, 100% of the fund's assets could be allocated to a single investment. While there's no defined minimum or maximum, we generally prefer to maintain a portfolio of 8-15 positions.

Fun fact: Out of the \$80 trillion invested globally, only \$800 billion—about 1%—is held in concentrated portfolios. Interestingly, 40% of that \$800 billion is managed by Berkshire Hathaway, Warren Buffett's company, which remains the best-performing investment vehicle of all time.

HOW'S THE FEE STRUCTURE?

There are no management fees. I only get paid if the fund outperforms the S&P 500 Price Index in a given year. You should never pay me—or any money manager—for underperformance.

I charge 25% of the outperformance. For example, if the fund generates a 20% return and the index gains 10%, I would charge 25% of the 10% outperformance, which equals 2.5%. You keep the remaining 17.5%.

WHAT'S THE MINIMUM "BUY-IN"?

Danish Financial Supervision Authority (Finanstilsynet) doesn't allow for investments of less than €100,000, so that's the minimum.

WHAT ABOUT REPORTING?

Each year, you will receive a detailed report outlining my key thoughts on the market and other relevant topics. Additionally, I will occasionally share my insights on the website and LinkedIn. The primary focus of the fund is to deliver above-average returns for you, rather than frequently reporting on performance. However, as an investor, you are always welcome to request an update on how the fund is performing.

I WOULD RATHER LOSE 10 %...

I would rather have a down year of 10% when the market is down 30% than be up 20% when the market is up 30%. The goal is to beat the market by the widest possible margin—not necessarily to make money every single year.

REMEMBER...

While Warren Buffett is widely regarded as one of the greatest investors of all time, he has underperformed the market in 19 out of the past 54 years (approximately 35% of the time). Similar to Buffett, our goal is to achieve the highest possible returns and outperform the market over the long term – not necessarily every single year.

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