

Dear Investors,

This is Dooyong Kim from Must Asset Management.

It has been six months since our mid-year 2024 letter, and I am pleased to share our year-end letter with you. First, I would like to sincerely thank you for your continued dedication and encouragement throughout the past year.

[Performance Overview]

During the volatile second half of 2024, when the market experienced significant declines (KOSPI: -14.2%, KOSDAQ: -19.3%), all of Must's funds managed to deliver positive returns of +3% to +4%.

Combining this with the strong performance from the first half, our full-year 2024 performance is as follows:

- **Korea Focus Funds (#1 – #8):** +54.5% to +63.9% (vs. KOSPI -9.6%, KOSDAQ -21.7%)
- **Korea Only Fund (# 9):** +52.6%
- **U.S. Focus Fund (# 10):** +46.9% (vs. S&P 500 +23.3%, NASDAQ +28.6%)

* *Korea Only Fund* invests exclusively in Korean stocks. *Korea Focus Funds* allocate approximately 75% to Korean stocks and 25% to other markets, including the U.S. *U.S. Focus Fund* invests about 75% in U.S. equities and 25% in Korean and other markets.

[The Korean Market]

Looking back at the Korean stock market in 2024, which is our primary investment focus, we faced an exceptionally challenging environment:

1. There were fewer investment opportunities that met rational criteria for scale, making it challenging to find opportunities large enough to deploy capital meaningfully.
2. An unusually high number of irrational short- to mid-term stock price movements occurred, making it particularly challenging to manage returns over periods shorter than one year.
3. The market was frequently impacted by large external events, complicating volatility management.

In summary, 2024 was an exceptionally difficult market for generating returns across all time horizons—short, medium, and long term. This challenging outlook has led many investors to exit the Korean market altogether.

[Our Strategy]

Following our approach in 2023, we focused on the following in 2024:

- a) Strict diversification (by analyzing cause-effect relationships between various macroeconomic factors and our portfolio holdings) to manage volatility effectively.

- b) Minimizing reliance on short- and medium-term price predictions.
- c) Pursuing rational, well-defined, and rare investment ideas akin to diamonds, avoiding speculative ideas.
- d) From early 2024, we began building a data-driven discovery system to proactively identify such ideas ahead of other market participants.

[Discovery System]

The process of forming an investment idea involves two key steps:

1. **Discovery:** Identifying companies that have potential to become strong investment ideas.
2. **Deep Research:** Conducting in-depth research to achieve a profound understanding of these companies and finalize them as investment ideas.

In the second stage (Deep Research), the process involves making every possible effort to deeply analyze a specific company, which limits the extent to which a system can assist human efforts. On the other hand, in the first stage (Discovery), a system can significantly complement human effort and provide substantial support. By identifying, collecting, and processing meaningful data from thousands of domestic and international companies we monitor, the system can offer proactive and insightful understanding of company developments. It can also help us determine, based on specific data signals, "Now is the time to focus our research on this company." If this discovery function is implemented effectively, it can greatly overcome the limitations of manual work. Although we still have a long way to go, we are committed to investing in and further developing this initiative at the company level.

[Expanding Global Presence: U.S. and Europe]

As part of our efforts to enhance our investment capabilities, we have established offices in the U.S. and Europe. These offices aim to facilitate on-the-ground research and build robust research networks locally. We also expect to strengthen our ability to respond effectively to trading needs, sudden disclosures, and breaking news during local market hours. To support this, we have strategically relocated one member of our investment team to the U.S. and plan to gradually expand our local presence.

Through these efforts, we aim to achieve the following:

- a) Conduct on-the-ground research on overseas companies,
- b) Analyze Korean companies expanding into global markets, and
- c) Gain deeper insights into foreign investors' perspectives on Korean listed companies, as their views are expected to play an increasingly significant role in determining the stock prices of Korean companies.

[Gratitude and Humility]

I have shared some of the efforts that Must has undertaken on its own. However, throughout the

past year, I often felt that our efforts alone were not enough. Perhaps because of this, the emotions I felt most strongly over the past year were gratitude and humility.

- a) First, I came to deeply appreciate the management teams and employees of the companies we invested in, who exceeded expectations in enhancing the value of their businesses (specifically, the per-share value).
- b) Second, I was reminded to be thankful to the many individuals who contributed to Must's success in ways that cannot be fully captured by the term "network."
- c) Most importantly, I gained a profound sense of gratitude for the "good fortune of avoiding significant misfortunes."

Beyond these, I realized there is much to be grateful for, and with that gratitude comes the need for humility.

[Closing Thoughts: A Lesson from Life]

Finally, I would like to share a TV interview that has stayed with me personally. It is from Singer #5, Kim Master, on JTBC's *Sing Again 3* in 2023:

**“We don’t put our *lives* on the line. We put our *life journey* on the line.”
“You only have one life, but life is long.”**

Looking back, the years when we “put our lives on the line for investing”—2020, 2021, and 2022—are now behind us. Whether it was the remarkable success of 2020 or the significant challenges of 2022, in hindsight, they feel the same. Since 2023, we have shifted to “putting our life journey on the line for investing,” and two years have passed since then.

As an investment firm, Must Asset Management—along with its employees and the countless fund investors who entrust us with their capital—aims to be a partner for the long journey of life. We are committed to continuing as a firm that invests with a long-term perspective and dedication.

Thank you sincerely.

Dooyong Kim
Must Asset Management