Dear Investors,

This is Dooyong Kim, CEO of MUST Asset Management.

It has been six months since our last letter, and I would like to take this opportunity to sincerely thank you for your continued trust and support of MUST throughout 2025.

2025 Performance Summary

Our investment performance for the year 2025 is as follows:

- **Korea Focus Funds (Funds 1–8):** +65.6% to +68.3%
- **Korea Only Fund (Fund 9):** +74.9% (vs. KOSPI +75.6%, KOSDAQ +36.5%)
- **U.S. Focus Fund (Fund 10):** +44.2% (vs. S&P 500 +16.4%, NASDAQ +20.4%)

* ***Korea Focus funds*** *invest approximately 75% in Korea and 25% in the U.S. and other markets;* ***Korea Only funds*** *invest exclusively in Korea;* ***U.S. Focus funds*** *invest approximately 75% in the U.S. and 25% in Korea and other markets.*

All of our funds recorded solid absolute returns over the year. That said, despite the KOSPI rising by approximately 23% in the fourth quarter, our funds delivered only about a 1% return during that period. As a result, performance that had been quite strong both in absolute and relative terms through the third quarter ultimately appeared more muted on a full-year basis. This outcome is deeply regrettable.

While MUST is a fund that pursues absolute returns rather than benchmark tracking, and while most of our investors take a long-term perspective of five to ten years, we fully understand and empathize with the disappointment felt by investors regarding the relative underperformance in the fourth quarter. With a sincere sense of responsibility, we would like to share a candid post-mortem focused on that period.

Reflections on the Fourth Quarter

As is well known, the extraordinary rally in the KOSPI during the fourth quarter was driven primarily by SK Hynix and Samsung Electronics, which together account for approximately 30–40% of the overall market. Over the three-month period, SK Hynix and Samsung Electronics rose by 87% and 44%, respectively. Under such circumstances, any investor not holding a 30–40% combined position in these two stocks would have found it structurally difficult to match market returns. Moreover, the concentration of capital flows into these two names created what can be described as a “liquidity black hole,” suppressing the share prices of many fundamentally sound Korean companies and making absolute return generation unusually difficult during this specific quarter.

Unfortunately, at the start of the fourth quarter, our combined exposure to SK Hynix and Samsung Electronics stood at only approximately 2%. While we have worked hard to understand the structural changes driven by AI and have successfully identified attractive investment opportunities both domestically and globally over the past several years, we failed to meaningfully increase exposure to memory semiconductors at the critical moment of a supply shortage. This was clearly an error in judgment, and we sincerely regret and apologize for it.

Current Positioning and Investment Philosophy

As of today, while closely monitoring the increasingly severe memory semiconductor shortage, we increased our exposure during the fourth quarter. Our combined allocation to SK Hynix and Samsung Electronics now stands at approximately 15%, and when including related materials and equipment companies, total semiconductor exposure is around 25%. While this is a meaningful allocation, it remains approximately 10–20 percentage points below the market's overall exposure.

Although our strategy will continue to evolve as we study and monitor the rapidly changing industry environment, we do not intend to materially increase exposure to this sector beyond current levels. I would like to briefly explain the reasoning behind this decision.

When we encounter highly attractive investment ideas, such as memory semiconductors today, where rapid price appreciation is anticipated, we naturally feel strong excitement during the research process. At the same time, however, we are keenly aware of the risk that such excitement may turn into operational overconfidence.

Some may believe that concentrating capital in high expected-value ideas is a superior strategy, and we do not entirely disagree with that view. However, since founding MUST based on the investment philosophy of "101026&0"—aiming to compound our clients' capital tenfold over ten years (approximately 26% CAGR) while avoiding negative annual returns—we have sought to balance not only strategies that maximize short-term expected value, but also those that minimize volatility and thereby maximize long-term compounded returns.

For this reason, we strive not to allocate more than 20–30% of the portfolio to investments tied to a single theme or cause. Having experienced the volatility of 2022, the only year of negative annual performance since we began investing in 2002 and founded the firm in 2006, we have further strengthened, systematized, and clearly communicated this philosophy to our investors.

Going forward, we remain committed to disciplined, unemotional portfolio management in pursuit of our shared objective: minimizing volatility while delivering strong long-term performance ("101026&0"). We ask for your continued understanding and support of this approach.

Looking Ahead

Looking cautiously toward the future, we believe that the remaining approximately three-quarters of our portfolio, excluding memory semiconductors, continues to offer highly attractive expected returns. Many of these investments have, over recent months, experienced:

1. A lack of investor attention despite improving fundamentals (an "attention black hole"), and
2. Share price stagnation or decline due to capital flow concentration elsewhere (a "liquidity black hole").

As a result, their investment attractiveness has increased meaningfully beyond prior levels. We expect that many of these companies will deliver strong, independent returns driven by company-specific fundamental performance, largely irrespective of broader market conditions. That said, we remain committed to continuously monitoring our holdings with a critical eye and executing disciplined investment decisions.

On Learning and Uncertainty in an Era of Rapid Innovation

Finally, I would like to share a broader reflection. As investors operating in an era of rapid technological innovation, we continuously strive to learn. Through this process, we know more each day, yet we are also reminded daily of how much remains unknown.

It is our responsibility to invest only within the bounds of what we clearly understand, including the fundamental changes brought about by technological innovation, such as the current memory semiconductor shortage. At the same time, it is equally important to maintain a portfolio resilient to unforeseen disruptions, those driven by future technological innovations that we cannot fully anticipate today.

We will continue to expand the scope of what we understand through diligent effort, while maintaining the humility and prudence necessary to prepare for what cannot be fully known.

If you continue to share a long-term perspective with us and look toward the distant horizon, we are confident, just as we have been over the past two decades, that we will repay your trust with satisfactory long-term results. We are deeply grateful for your partnership and will write again in six months.

In the year ahead, MUST will remain an investment firm singularly focused on doing one thing well: investing. Wishing you a very happy and prosperous New Year.

Sincerely,

Dooyong Kim
CEO
MUST Asset Management