

Greetings! I am Dooyong Kim, CEO of MUST.

I am writing a letter as part of our quarterly portfolio management report – the only way I can reach out to everyone – as I have been meaning to communicate with our clients and all those who have been rooting for MUST.

“Welcome to the one and only company that invests like MUST.”

This is a phrase I posted on my firm’s website every single word of which, just like a tattoo artist, I so painstakingly and meticulously constructed when I was starting my discretionary investment management business in early 2009.

To me, “Investing like MUST” meant a process of making persistent, tenacious endeavors under the firm’s motto, “There is no sustainable unearned income in investment.” An outcome of “investing like MUST” was translated into an internal goal of delivering at least 26% in annual average return without negative returns in any given year barring extraordinary circumstances. This would mean growing an investor’s assets at least ten-fold in a decade.

There have been trials and errors along the way. Fortunately, nonetheless, we were able to generate investment results befitting MUST’s name during the past ten or so years. All of us at MUST could also thankfully feel immensely fulfilled and proud at the thought of having brought to you a sense of security and happiness. For about a year since last summer, however, we have not been living up to our name in terms of investment performance. I cannot but say that I am profoundly sorry that I put you down.

During those months, I did a great deal of soul-searching about the way MUST has been investing and how best to reach out to our clients and supporters. More than anything else, we have been substantially lacking in the aspect of communication. Even for investments that ultimately reap strong returns, a process is just as crucial as an outcome in ensuring investors’ trust and peace of mind. As such, we will introduce significant changes in this respect.

Fund CIO Kihong Jung and I may find it beyond our capacities to be always engaged in direct communication as we are responsible for asset management and research. Nonetheless, I am determined to work towards more frequent communication even through the format of a letter like the one I am writing today. I will also endeavor to share the status of our funds and investment ideas, among others, through Soonseok Bae and James Lee in greater detail. I will leave their contact

information at the end of my letter.

Looking back on the firm's investment over the past year, I admit that there were things that could have been done better or differently. Still, at this time, when viewed in the strictest sense with an investment horizon of one, to be short, or up to two or three years in mind, our current investment portfolio is just as solid as the ones from any other time with equally strong expected return potential.

As a matter of principle for every investment decision, we ensure the following conditions are met.

- 1) A profoundly deep and dynamic research has been made of a business as if it were a living organism.
- 2) Such research is overwhelmingly more in-depth than any others in the stock market.
- 3) We are prepared to identify and respond to potential occurrences of significant variables to corporate fundamentals more accurately and quickly than any others.
- 4) Last but not least, current prices are attractive enough to make it difficult to anticipate a loss in a year or two barring extraordinary circumstances with a considerable expected return potential.

Whichever businesses we invest in wherever, MUST has been making investment decisions in strict observance of the above principles. A look at the exterior of our portfolio consisting of over 50% in U.S.-listed stocks might have you wonder whether our investment principles have changed. However, I can assure you that we have been observing our investment principles as faithfully as ever, if not more.

Now, let me share with you what led me to dedicating a significant portion of our portfolio to businesses listed in the United States.

MUST has never been defined simply as a value or growth investor, and it is certainly not bound by any mandate to invest a certain share of its portfolio in any given country.

Above all, MUST is an investment firm that focuses solely on the quality of investment ideas rather than "one's appetites and preferences." We invest in businesses mainly in Korea, the United States and Japan that are unreasonably priced at levels so undeserving that their clearly solid corporate fundamentals will inevitably correct such prices in the not-too-distant future.

During this past year or so, as you are aware, "money" has rapidly become a scarce resource due to interest rate hikes, and such macroeconomic circumstances have been ruthless in rendering corporate fundamentals of individual firms all but meaningless. Those posting negative earnings quarterly or yearly now – those who are "spending" such scarce resource, in other words - are being valued at levels tantamount to death sentences for them.

In the meantime, the strongest companies best positioned to overcome inflation are the ones with embedded growth potential who are also price setters. Based on this judgment, if we can find a handful of companies with both such price-setting power and growth potential through corporate analyses that apply "selectivity" in its strictest sense of the word and buy them at "death sentence" prices that would be completely unavailable if not now, we are presented with extremely attractive buying opportunities right at this moment. As such, any wise investment firms with a passion for strong returns would have to focus all their energies on catching signals being sent out by individual businesses from mid- to long-term perspectives instead of minding macro-noises with a short-term view.

To put it differently, currently, we are not investing in those businesses whose growths are warranted only by macroeconomic improvement. Instead, we are completely dedicated to exercising "investors' selectivity" to identify only those handful of businesses capable of posting dramatic independent growths regardless. Along with my research and management team members who have been together for over a decade, I am working around-the-clock towards that end.

Key stocks in our current portfolios are the ones so carefully selected through such intensive work. While we subject them to ceaseless research and monitoring to ensure that nothing about them goes un-noticed, they give us more reassurance and confidence as investment ideas the more they are reviewed and revisited.

While we are now discovering some good Korean businesses that are experiencing dramatic re-pricing and thus meeting the requirements of our investment principles, some of you may be concerned about the fact itself that we, as a Korean investment firm, are allocating a large portion of our position to U.S.-listed stocks.

Let me be clear and straightforward.

1) MUST does not claim to be an investor that knows everything. Yet, we are an investor who has a crystal-clear understanding of what we do know and do not. Frankly, we are aware that there are many firms, even among Korean businesses, that we do not know enough about, and, at the same time, we are confident that there are quite a few U.S. firms that we have a watertight understanding of. We have been deciding to invest only when we are confident that we know well enough about any companies – the most important principle we have never broken.

2) During the Asian financial crisis, U.S. investors made a huge return by going on a shopping spree for extremely underpriced Korean businesses that had been sentenced to death by Korean investors. While the current situation is simply the opposite from then, compared to the then-American investors' understanding of Korea and its language, MUST's understanding of the U.S. and its language is, in my view, substantially deeper. Korea may be a small country compared to the U.S., yet Koreans are no small people than Americans in terms of their competencies.

3) Most of all, MUST's research and management team members have been just as dedicated as any other U.S. investment firms when it came to the businesses they decided to hold, achieving the depth of research like no other.

It is never too often that high-quality businesses are traded at "death sentence" prices in the U.S. public market. Applying strictest selectivity, we will turn such opportunities into results.

Since I founded MUST, I have been investing almost all my available assets as well as the assets of my family and the firm in the same funds as you, making incremental contributions as investible assets grow. Key executives of the firm have been doing the same as well.

In other words, from the very beginning, the firm and myself have been on the same journey as our clients, going through the same ups and downs together. I hope we will all be able to enjoy good long-term investment outcomes collectively. I will exert my best effort to build mutual trust and give reassurances during that journey through communication and sharing.

"MUST exists solely for investment excellence."

This is an English motto inscribed like a tattoo at the entrance of my firm. I cannot promise that investment returns will improve in a short matter of months. Yet, I am resolved to repay your trust for a long time by delivering extraordinary returns befitting the reputation of MUST in the not-too-distant future. I hope you will keep the faith in us just a little while longer.

Sincerely,

Dooyong Kim,

CEO, MUST Asset Management

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