2022 ANNUAL REPORT

Peterson Investment Fund I

Peterson Capital Management, LLC

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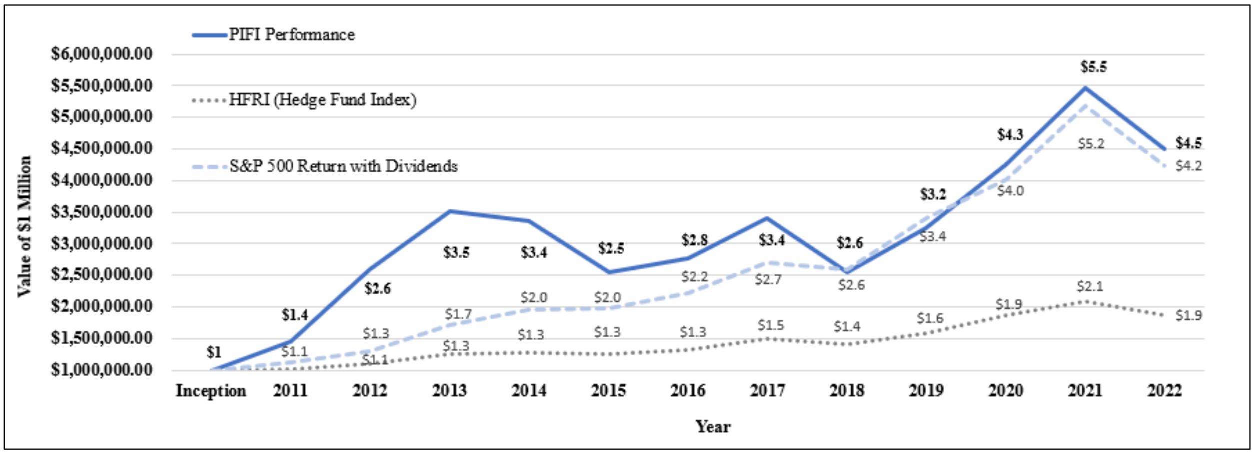
ANNUAL RETURNS TO PARTNERS

PIFI FUND PERFORMANCE VS. THE S&P 500

Period	PIFI Return[1]	S&P 500 Return with Dividends	HFRI (Hedge Fund Index)
2011[2]	45.2%	11.8%	1.9%
2012	78.5%	16.0%	7.4%
2013	35.4%	32.5%	14.3%
2014	(4.4%)	13.7%	1.8%
2015	(24.2%)	1.4%	(1.0%)
2016	9.1%	12.0%	5.5%
2017	22.4%	21.8%	13.2%
2018	(24.9%)	(4.4%)	(7.1%)
2019	27.2%	31.5%	13.5%
2020	31.2%	18.4%	17.1%
2021	28.2%	28.7%	11.7%
2022	(17.7%)	(18.1%)	(10.2%)
Cumulative	349%	324%	88%
Annualized	14.3%	13.7%	5.8%



[1] PIFI gross returns are represented in this performance chart before expenses and fees. Limited Partner net performance is provided on your Yulish statement and may be different for partners who joined the fund at different times.
[2] Fund inception date was October 1, 2011.

MANAGEMENT'S LETTER TO PARTNERS

Dear Partner,

INVESTMENT RESULTS

A $1 million investment in Peterson Investment Fund I (PIFI) at inception on October 1, 2011 grew to over $4.49 million on December 31, 2022. This amounts to a cumulative return of 349% in under twelve years.

PIFI grew by 27.78% during the fourth quarter of 2022 and declined by 17.7% in 2022. In comparison, the S&P 500 fell 18.1% during 2022. PIFI has generated annualized returns of 14.3% since inception.

This table provides a summary of gross performance since the Fund's inception and is just beginning to illustrate the underappreciated power of long-term compounding. We remain committed to our mission of providing a world-class capital appreciation vehicle that builds enormous wealth for our long-term partners.

Time Horizon	Annualized Returns	Cumulative
1 Year	(17.7%)	(17.7%)
3 Years	11.5%	38.4%
5 Years	5.8%	32.2%
Since Inception (11.25 Years)	14.3%	349.2%

Our portfolio remains deliberately concentrated, maintaining holdings of only the highest quality and growing businesses globally, with market prices far below the intrinsic value of these firms. Investing in the highest quality growing businesses with pricing power, a durable competitive advantage, a margin of safety, and a long-term mindset aligns the fund's success with the performance of the businesses owned. This investment philosophy is vastly superior to analyzing short-term market price movements.

The S&P 500 remains our benchmark because it is most investors' next best alternative to investing capital in our fund. Many market participants rightfully anticipate headwinds for growth in the benchmark over the next few years. Inflation and rising interest rates will ensure that demand for speculative assets is under pressure.

Our portfolio has high potential to outperform the more muted future gains in the S&P 500 as interest rates rise. Outperforming the benchmark over the long-term is a great accomplishment reserved for only the very best fund managers. And our best practices approach - including a focus on value, patience, applying structured products for optimal pricing, and remaining very concentrated - works to our advantage.

Our portfolio is uncorrelated with the S&P 500. By owning just nine positions, we have not committed the error of overdiversification to the point of closet indexing, which, at best, can lag market returns. By owning a portfolio of only high-quality, exceptional business that are each growing faster than the market, we put the odds of successful outcomes in our favor. Further, we use structured products advantageously to obtain prices below the cost in the market. We have diversity in exposure to private and international markets and have positions spanning industries and size. And we have written code to develop technological tools to identify unique situations like an abnormally high dividend payment to further enhance our returns.

We greatly prefer strategically owning the few strongest firms with outperformance capabilities and watching their business developments carefully. While market prices may fluctuate in the short-term, the businesses we own will continue to thrive. We are extremely pleased with the current composition of our portfolio. The asymmetrical risk-return model we have implemented puts us in a strong position to achieve robust future performance.

RESULTS COMMENTARY

Peterson Investment Fund I, LP is a concentrated, long-term, value-based, hedge fund. Our objective is to compound capital at a rate that outperforms the S&P 500, including dividends, over the long run.

Aggregate returns at PIFI are the result of three embedded value-based strategies:

First, most of our annual returns reflect the annual price changes of our infinite compounders. Over time, we expect these firm to grow substantially in value and price. Yet, over any given year or two, we expect short-term returns to be volatile.

Second, we derive great benefit from our Structured Value practices, including selling puts to purchase our compounders and writing covered calls in the rare situation where we exit. This notable purchasing strategy is advantageous for our performance.

Third, we execute a proprietary and lucrative dividend capture strategy utilizing fundamental knowledge of structured products and leveraging technology resources. We identify a basket of attractive opportunities and write puts and covered calls to hold important shares for a few days across ex-dividend dates. We can earn large premiums, dividend payments, and impressive rates of annualized returns by holding shares for only a week. More details and examples are provided in the portfolio commentary section of this letter.

Each of these three proprietary methods of compounding capital are relatively uncorrelated with the S&P 500. Our positions do not match gains on the way up, nor do they match markets on the way down. This is particularly advantageous during the current uncertain macroeconomic market conditions. As legendary investor Phil Fisher once said, "The stock market is filled with individuals who know the price of everything, but the value of nothing." Today, with speculation and meme stocks making daily headlines, we are uniquely positioned to implement sound fundamental strategies based on our deep understanding of what a business is worth.

The fear of inflation, rising interest rates and political conflict have caused the price of most securities to fall, and price multiple discrepancies between firms of high vs. low-quality earnings to compress. Sir John Templeton reminds us, “The best way to reduce the impact of inflation is to own the right companies that can pass on the costs to their customers.” We are keenly aware of the consequences from inflation and rising interest rates and are concentrated in businesses that have pricing power so they can shift costs increases to consumers.

This past year, although our gross performance beat the S&P 500, we also experienced some equity price declines. This is not especially concerning because we are seeing organic business growth in each holding. DJCO is an extraordinary, growing business, yet the price of the courthouse SaaS solution provider fell 30 percent in 2022. This is viewed as nothing more than an opportunity to buy, as the price will undoubtedly recover and climb substantially higher. It will be decades before DJCO has exhausted its growth potential and, when a well-run, profitable business is growing, market prices will follow.

The most significant cause of our portfolio decline resulted from our Structured Divided Capture strategy during the second half of August into October. During these months, US markets declined 15%. Rarely, this will cause portfolio losses on small positions that fall further in price beyond gains from the premiums and dividends received.

Backtesting results have projected that quarterly declines in our Structured Dividend Capture strategy are expected in 5% of quarters (one quarter in five years) and this is the price we must pay for high returns during the other 95% of profitable quarters. Structured Dividend Capture will remain highly profitable during periods of rising, flat, and even modestly declining markets. Periodically, we will encounter rare price declines and accept these with some offset from premiums and dividends. This is a repeatable strategy with attractive long-term expected returns. Our prosperous transactions in subsequent quarters more than compensates for a periodic decline.

The PIFI portfolio is attractively positioned for many years ahead. Our portfolio holdings are managed by extraordinary teams and are both selling at deep discounts to intrinsic value and growing. This is undoubtedly the strongest our portfolio has ever been. As capital market uncertainly wanes and cash flows back into equity markets, high quality holdings with strong market positions will be the stocks in great demand. Prices of our portfolio companies will rise, and we are well positioned to profit.

Despite macroeconomic headwinds challenging the larger market, our portfolio prices will be pulled upward by the success of each business holding. We are confidently optimistic that the portfolio is worth significantly more than it is selling for today. However, we anticipate the price path to be bumpy, reflecting the important concentration within our portfolio. This is why headlines continue to suggest that we are in a stock pickers market. Passive index holdings through ETFs are unlikely to match the performance of the last decade, yet our individual holdings will rise considerably in both value and price.

Some influential individuals are projecting fear and presenting clickbait messages that are far too timid and risk averse. This works to attract eyeballs and advertising dollars, but will ultimately be to the detriment of their followers. In the 1990s, Peter Lynch explained, “It would be useful to know what the stock market will do. It would be terrific to know the Dow Jones average a year from now would be X, that we’re going have a full-scale recession, or to know interest rates will be 12%. That’s useful stuff. You never know it, though.” Because nobody knows or can reliably predict these answers, including Chairman of the Federal Reserve Jerome Powell, the durability of competitive advantages, including the ability to adapt to a changing macroeconomic environment, is critical.

Cash flows in and out of the equity markets with greed and fear like the tide. As cash, currently built up in money markets on sidelines, flows back into equity markets, investors will be looking for structurally-sound businesses with strong fundamentals and solid financial statements. As demand for these quality businesses increases, so will their prices. Our portfolio businesses are inexpensive, while rapidly growing, making them desirable for thoughtful investors. To be successful, it is important to be the first to buy rather than the last. In time, it is inevitable that the market prices of our high-quality holdings will rise to adequately reflect their increasing value.

The subsequent sections describe how we were able to create a portfolio that provides confidence during uncertain times, and why we are at the beginning of many prosperous years.

PORTFOLIO COMMENTARY

Asymmetric expectations for positive performance with limited downside risk is a key theme among the positions in our portfolio. In our current portfolio, we see little possibility of any permanent loss over the next few years. In fact, this decade, absent significantly adverse business developments, it is unlikely that any of our infinite compounders will decline in price. Each business is growing in value, with most expected to double or triple revenues, cash flows, and earnings in the coming years. We have paid very attractive prices, and, over the next several years, our compounders will produce rewarding results for our partners.

Each of our seven infinite compounders, from Daily Journal Co. to Naspers, are both vastly underpriced and growing in value. As these firms continue to deliver positive results from considerable organic growth, prices will increase further due to price multiple expansion. Our portfolio firms exhibit the world’s top business models and best management teams. Combining these characteristics with uniquely low prices provides a strong recipe for future growth.

Our abiding goal is to identify strong, growing businesses with exceptional management teams that are trading at very low valuations. High quality compounding businesses selling for low prices are rare. We have no intention of selling the core basket of extraordinary positions that we own.

This basket of infinite compounders is comprised of seven long-term compounding firms: Alibaba, Alphabet, Berkshire Hathaway, Daily Journal, Dhandho, Naspers, and Talas Capital. Seritage Growth Properties and our Structured Dividend Capture Strategy complete the portfolio.

Given our concentrated approach, we carefully manage risk exposure by investing in businesses with distinct characteristics and risk profiles, spanning different sectors, sizes, public and private markets, as well as developed and developing regions.

During times of macro-economic uncertainty and market declines, upgrading a portfolio to include high-quality businesses is a wise investment strategy. This is exactly our approach.

This optimally diversified portfolio consists of a concentrated mix of holdings, ranging from SaaS and online retail to energy, insurance, and infrastructure. With exposure to developing, modernizing, and established markets like China, India, Turkey, and the United States, our holdings range from small- to large-cap companies, spanning valuations from $30 million at Dhandho Holdings to over $1.2 trillion at Alphabet.

Many of our public holdings have built their own internal public, private, and venture portfolios. This provides internal diversification, stability, and growth, and allows us to gain as these informed capital allocators access niche spaces and opportunities with their own business capital.

Who are the individuals with this important responsibility? These management teams are masters of business and finance, including Warren Buffett (Berkshire Hathaway), Charlie Munger (Daily Journal Co), and Mohnish Pabrai (Dhandho Holdings). These individuals are among the top investors and business executives that the world has ever known.

Some of our holdings are available to all US investors, others are rare and difficult to buy outside of the fund. Our basket of deeply depressed Turkish securities is nearly impossible for many individuals to access as these independent holdings require a Turkish Tax ID. We established four special entities to build a capital pipe enabling Peterson partners to gain access to these markets. Talas gained 71% for our partners during 2022 and remains substantially undervalued.

Similarly, Dhandho Holdings is another coveted and inaccessible position in our portfolio – we own a few percent of the Indian focused hedge fund managed by Mohnish Pabrai. As owners of the Indian Focused Dhandho fund, when Pabrai performs well for his partners, we receive distributions and dividends from the Dhandho business. Also, with extremely low trading volume for firms like DJCO, we have managed to obtain a 0.5% ownership stake of the entire firm, requiring an extended period of steady, patient purchases.

Software as a Service (SaaS) and Infrastructure as a Service (IaaS) platforms like cloud-based technology providers, are two of the most profitable business models in the modern global economy. Our portfolio holdings from Daily Journal, Alibaba, Tencent through Naspers and Alphabet all contain these models with durable competitive advantages and pricing power.

SaaS and IaaS firms exhibit recurring revenue business models. And, with high-quality products, they can maintain above average margins for many years. When these firms focus on long-term customer relationships, retention, and strong brand-building efforts, revenues and profits increase from both existing and new customers. Meanwhile, SaaS and IaaS providers can leverage scaled economics to reduce costs and create a flywheel effect that offers more competitive pricing, with a high level of quality.

Importantly, business models based on scaled economics, shared value creation, and positive feedback loops can also offer durable competitive advantages and pricing power. By optimizing operations, leveraging technology, and creating value for all stakeholders in the ecosystem, companies can increase efficiency, reduce costs, and create a virtuous cycle of growth and profitability, positioning themselves strongly in the market.

In the current environment, we see tremendous opportunities for both existing and new partners in the fund. Our portfolio is comprised of a diverse range of attractive opportunities. By adhering to our value-based principles and business owner mindset, we remain focused on achieving long-term wealth compounding and outperformance of the market.

We employ a business owner mentality and avoid the temptation to change positions, which will interrupt compounding and cause excessive tax. Steadily compounding over a long period of time is a wonderful thing.

This remains a unique period for capital allocation. The following includes several position updates including Seritage, Talas, and progress regarding our Structured Dividend Capture strategy.

Seritage Growth Properties (NYSE: SRG)

At the time of this publication, our thesis on SRG is evolving rapidly. We continue to consider market conditions and actively value each property and the potential sale timeframes. And our analysis continues to see deteriorating conditions in the commercial real estate market during 2023 and 2024.

We anticipate further interest rate hikes, lower demand for remaining property, and a potential US recession. Additionally, there are cracks appearing in the commercial real estate debt market, which may result in defaults when commercial real estate investors and borrowers attempt to refinance at higher rates. Lending may become constrained, causing delays in sales, lower pricing, and fewer and later dividends to equity holders. As a result, we believe the risk-reward for stockholders is inverting and share prices can go lower.

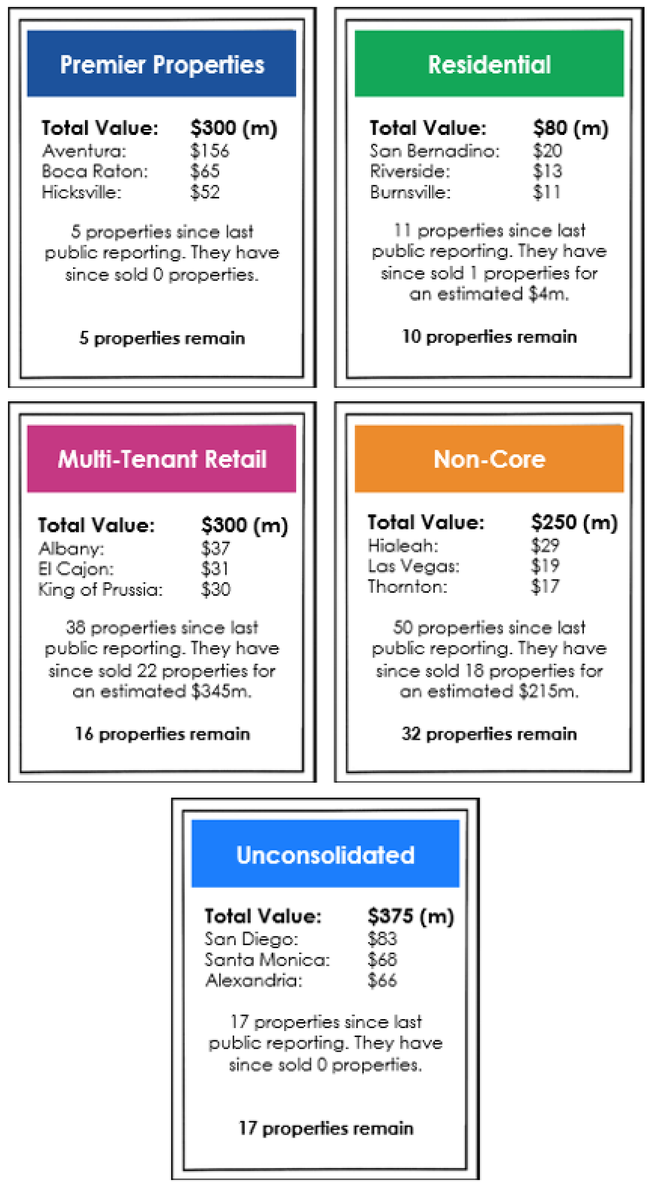
Over the past few years, our estimated property NAV for SRG has declined from $27 in 2021 to $18 in early 2022, and to $13 per share at the beginning of 2023. As of now, operating leverage and property value declines have caused us to value expected dividend distributions in 2024 at $0-$8, with some of this value expected to be taken private into a liquidation trust in Q4 2024. Although there is still potential for some success, and management did a fine job managing a difficult environment, we see limited upside and greater downside for these shares.

As of this writing, we have eliminated the shares in our portfolio and now hold some legacy puts that may gain in value, as we expect shares to decline further. The following details our thesis:

Seritage Growth Properties is a United States Based Corporation formed during a sales leaseback arrangement with legacy Sears properties. The company was formed to unlock the underlying value of a high-quality retail real estate portfolio acquired from Sears Holdings in July 2015. The company operates in the space of owning, developing, management, and leasing diversified mixed-use properties throughout the United States.

The current portfolio consists of interests in 80 properties – some under current lease arrangements, others signed but not operating or under development, and approximately 10 million square feet of gross leasable area that will be liquidated.

In October 2022, shareholders approved a plan to sell all existing assets, pay off outstanding liabilities, and distribute the remaining proceeds to investors. This



decision was anticipated given the background of CFO, John Garilli, and his prior experience as Interim President and CEO of Luby's during its own liquidation process.

Seritage has made significant progress in its liquidation efforts, selling 132 properties to reduce the real estate portfolio from 212 original locations to the remaining 80.

The keen observer will note that properties are taken off the Seritage website when sold but are not publicly reported for up to 165 days (sold Oct 1st – reported March 15th). Since the fourth quarter of 2022, the company has successfully sold 41 properties for proceeds of approximately $565 million.

As properties have been sold, Seritage has made principal paydowns on its debt to Berkshire. With $470 million repaid since the beginning of Q4 2022, $800 million in liabilities remain. Importantly, Seritage has successfully met the conditions to exercise the two-year extension on remaining debt, extending the Berkshire loan maturity to July 31st, 2025. With this in mind, we hold little concern over the liquidity of Seritage.

The key consideration for investors now is the potential return from distributions to shareholders. Today, shares are available for approximately $10, and management has documented a range for expected distributions ranging from $18.50 to $29 per share. Through a thorough examination of Seritage's quarterly supplemental releases, and by independently valuing each of the 80 remaining properties, we have determined our own conservative estimate for distributions.

To understand per share NAV, we valued each property, including land, development costs, property category, and future stabilized operating income estimates with local capitalization and discount rates to find an objective price for each project. By subtracting debt and dividing by the fully diluted shares outstanding, we understand the conservative intrinsic value.

Property Portfolios	NAV Estimate
Premier Mixed Use	$300m
Residential	$80m
Multi-Tenant Retail	$300m
Non-Core	$250m
Unconsolidated	$375m
Total Equity Portfolio	**~$1.3 billion**
Cash	$100m
Total Assets	**~$1.4 billion**

Debt	Value
Berkshire Hathaway (7%)	$800m
Preferred Shares (7%)	$80m
Total Equity Portfolio	**~$880 million**
Estimated Capital Expenditure Through Liquidation	**~$120 million**

$400 million in net liquidation value with 56 million diluted shares equates to ~$7 in per share value.

We anticipate that debt will be fully repaid, and distributions will commence after Q2 2024. As October 2024 approaches and the properties are taken private in a liquidating trust, we expect shares to sell at a 30% discount to remaining property NAV. Today, we approximate per share equity value of \$3-\$8 with some, if not all payments coming beyond 2026 after the trust is dissolved. The stock should be bought and sold at a discount to the future expected cash proceeds from the business. Our rapid adjustment in estimate per share value from the teens at year end to below \$5 today results from a firm with no growth potential and high operating leverage during an increasing interest rate environment.

The appointment of CFO John Garilli, known for creating shareholder value in real estate liquidations, bodes well for the ongoing liquidation process. However, this holding has been removed from our list of infinite compounders because the value of the remaining properties does not present enough upside for share ownership.

Our shares were purchased around \$6 through the sale of puts, and capital was used to purchase stock in 2022. We were able to exit in 2023 at prices around \$11, resulting in a nice gain on our investment. While infinite compounders remain our preferred method of achieving gains, this investment was successful.

We have revised our thesis on Seritage because of the changing economic conditions. Our analysis indicates that the company faces significant debt and capital requirements of approximately \$1 billion, while its assets are valued at \$1.2-\$1.5 billion. We anticipate further headwinds as demand and prices for properties continue to decline. Moreover, with 56 million shares outstanding, and \$1 billion in debt and expenses, we do not foresee any dividends being paid until at least Q2 2024, and we expect that less than \$200-\$500 million will be available to shareholders. Given these factors, the risk-return opportunity with Seritage is no longer compelling for our portfolio.

Talas Turkey Value Fund

Talas delivered impressive results, generating a 71% return for Peterson Investment Fund I during 2022. As we continue to build our Turkish-focused capital pipeline, we gain access to a basket of Turkish securities in the least expensive equity market in the world.

Mesut Ellialtıoğlu, a highly experienced and knowledgeable equity analyst, is the portfolio manager of these assets. With his Turkish heritage and decades of focus on the Turkish equity markets from Istanbul, including his experience as the Chief Investment Officer of ABN AMRO, Mr. Ellialtıoğlu has solidified his reputation among the top Turkish equity analysts in the world. We are fortunate to have him managing our investments in Turkish securities through the capital pipe we have built ourselves, and Peterson partners use without incurring any fees. This unique and rapidly growing uncorrelated position is a valuable aspect of our fund.

Five percent of our portfolio capital is invested in the basket of positions made possible by Talas. The Talas positions include little-known, yet successful Turkish-based companies that are regional leaders across Europe, Africa, the Middle East, and the Asia-Pacific. In 2022, we observed a continued shift towards deglobalization and a growing preference for regional business investments which provided some appreciation of our Talas positions. This trend has presented unique opportunities for Turkish businesses to expand their market share, particularly as global firms with fewer competitive advantages are cutting their exposure to developing markets.

We have entered a new phase for the Turkish market, with several approaching catalysts that will drive prices higher. The uncertainty around the upcoming presidential election this June is one such catalyst. Post-election, political uncertainty will likely dissipate, and regardless of the outcome, more conventional economic policies will be implemented. These changes will support the market, increase demand for Turkish securities throughout the region, and drive Turkish equity prices higher.

Local investors in Turkey are currently seeking deeply discounted Turkish equities as a protection against high inflation in the country. Despite recent devastating earthquakes in southeastern Turkey near the Syrian border, we remain optimistic about the future growth prospects of our investments. By acquiring high-quality businesses at deeply discounted prices, we are positioned to capture these future developments. We anticipate multiple phases of growth related to both domestic and regional expansion.

Our long-term investment strategy in Turkey is focused on three multi-year phases of development. In the first phase, we are investing in regional exporters that have Turkish Lira-based costs and revenue in hard currencies (e.g., Euros, US Dollars, etc.). Second, as the domestic economy strengthens in the coming years, local market leaders will begin to flourish. Finally, as we get closer to 2030, the financial and banking sectors will perform well on the back of the strengthening regional economy.

The Turkish market offers a long runway for both organic growth and multiple expansion. Resulting from the country's sizable domestic market and customs union with the EU, there are sufficient opportunities to grow revenues and earnings within this portfolio. A growing acceptance of a new domestic private pension system in Turkey is also creating consistent long-term increases in demand for Turkish equities. This is a value investor's dream and will give a strong performance tailwind to our basket of securities over the coming decade.

Our confidence in Talas to deliver strong returns over a series of years is underpinned by the sustained growth of our portfolio companies. We often pay less than one-third of emerging market-based valuations for our positions, at times buying with a price-to-earnings multiple as low as three. Despite impressive gains from the Talas portfolio in 2022, the Turkish market remains ripe with opportunities and severely depressed prices. We anticipate volatile, superior, and uncorrelated returns with the S&P 500 in the years ahead.

Structured Dividend Capture:

Over the past two years, our team has developed and implemented a strategy that leverages outsized market volatility and high dividend-paying blue-chip stocks.

In 2020, through our standard practice of conducting a quarterly 13F analysis, we discovered that many prominent value investors were adding abnormally high dividend-yielding stocks to their portfolios. This piqued our interest because shares were exhibiting heightened volatility that, per the Black-Scholes model, is positively correlated with the option prices we sell.

We immediately recognized a considerable opportunity. With Structured Dividend Capture we aim to rapidly pick up a series of high dividends by selling a put that expires days prior to each ex-dividend date. We are paid a premium, and, if we buy the shares, we immediately receive a large dividend. After the ex-dividend date, we conclude the transaction by writing a covered call to exit the position.

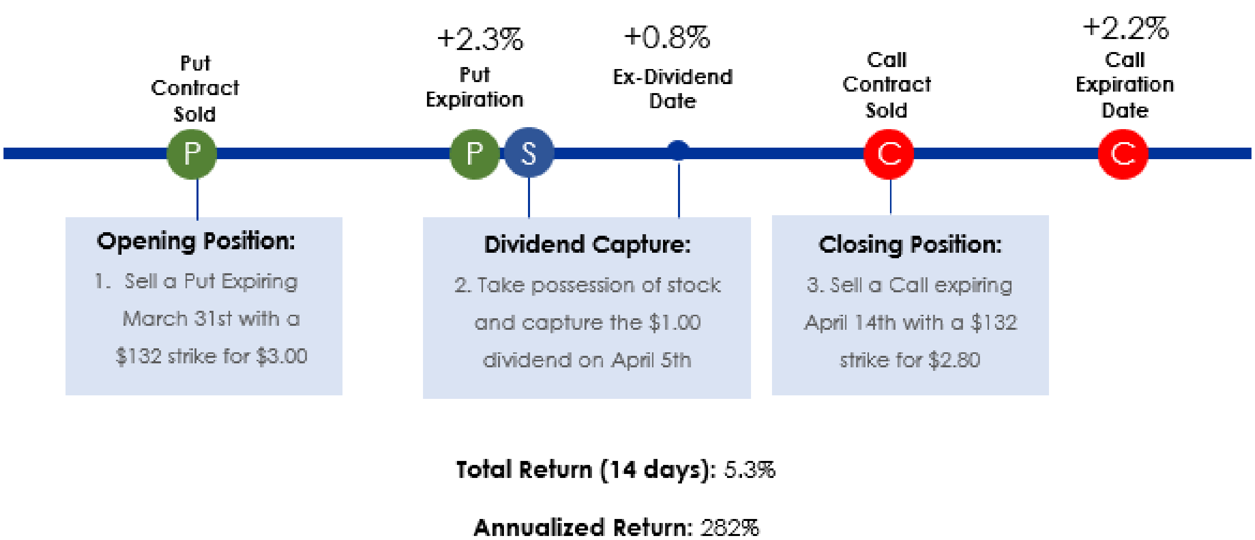
Because ex-divided dates are spread throughout a quarter, each week we simply move capital from one opportunity to the next, picking up premiums and dividends along the way. The data set and analysis required are enormous, thus we created a proprietary algorithmic tool built using Python to guide us through upcoming profit maximizing capital flows.

Consider this current and ongoing example on JPMorgan Chase (NYSE: JPM):

1. Sell $132 strike cash-secured put on JPM, for a premium of $3.00. Hold until expiration and buy the stock for a net price of $129.00

2. Receive a $1.00 dividend by holding equity across the ex-dividend date

3. Sell a $132 strike covered call on JPM, for a premium of $2.80, and exit at expiration

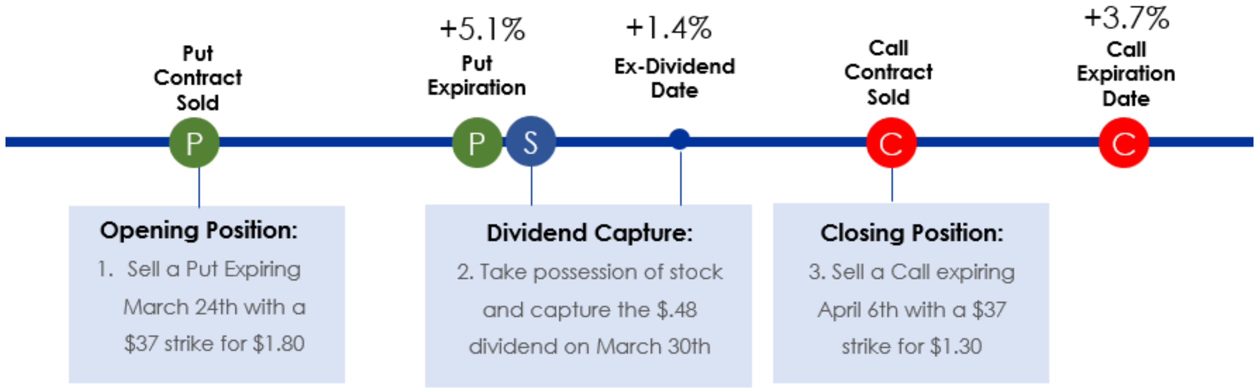


Below is an expected opportunity on U.S. Bancorp (NYSE: USB):

1. Sell $37 strike cash-secured put on USB, for a premium of $1.80. Hold until expiration and buy the stock for a net price of $35.20

2. Receive a $.48 dividend by holding equity across the ex-dividend date

3. Sell a $37 strike covered call on USB, for a premium of $1.30, and exit at expiration



Total Return (13 days): 10.2%

Annualized Return: 1,417%

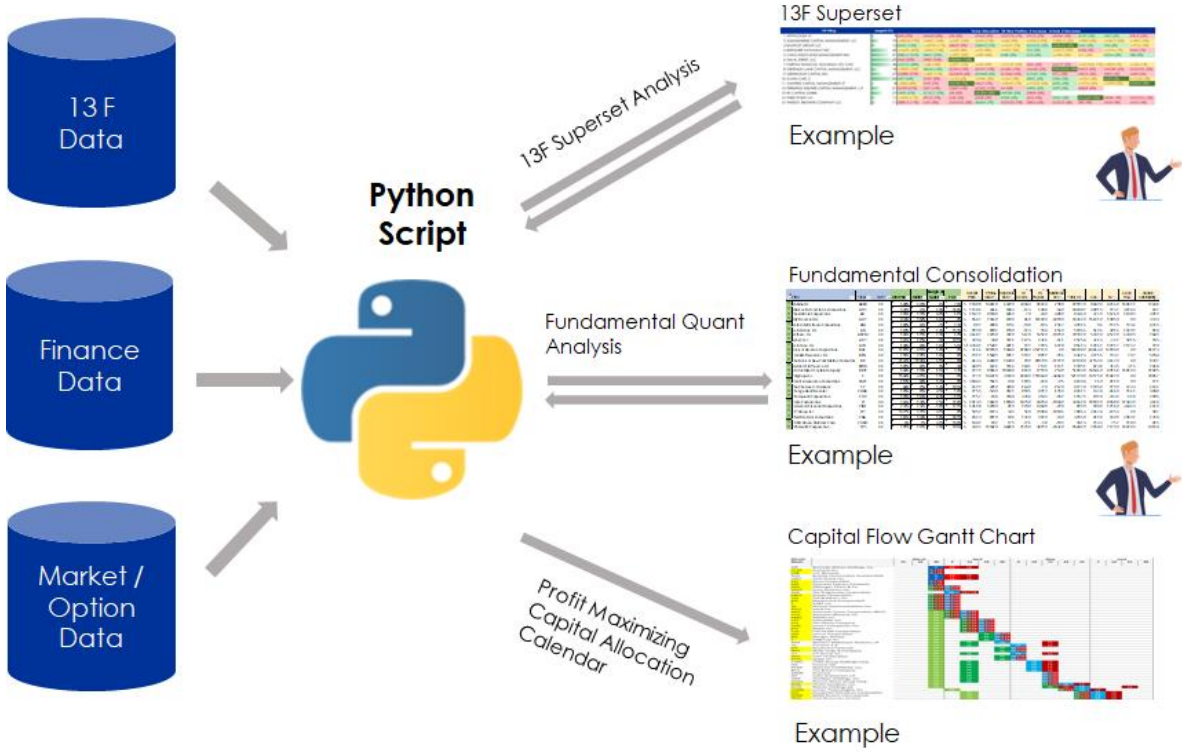
This strategy yields significant annualized returns on cash over a few days. In the case of JPMorgan Chase and U.S. Bancorp, over 250% annualized may be achieved. However, most firms pay dividends just four times each year. Thus, to achieve regular gains, we require many consecutive opportunities.

To execute this strategy successfully required the development of scripts using Python to automate the analysis of dividend payers from over 100 of the best, long-term value investor portfolios globally. Each quarter we analyze availability, pricing, and volume of options, and regularly discard positions that are risky or unstable based on fundamental analysis. The effort that used to require weeks of manual analysis prior to software development and now requires just one afternoon of running software. The output we receive includes months of profitable transactions that can be executed one after another.

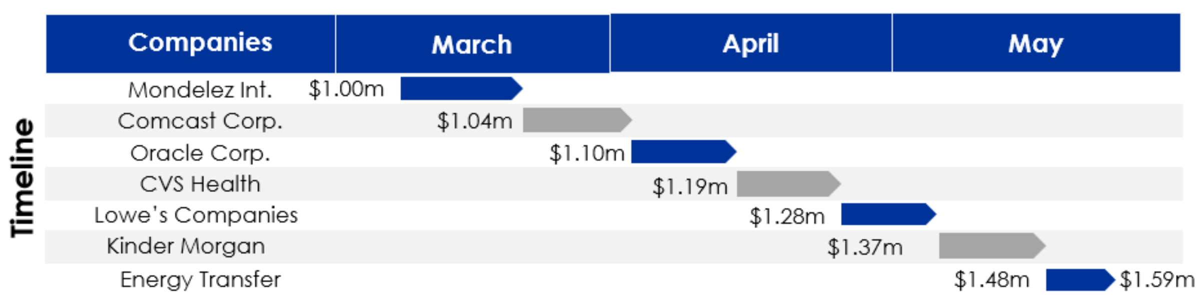
The diagram below illustrates how, with a few clicks and a few hours, we can now complete what had previously required weeks of dedicated analysis.

First, our system downloads SEC 13F data and analyzes the superset of holdings. We then extract fundamental financial data required for analysis of each asset within the superset. Finally, we overlay option availability, pricing data and other parameters to create our Capital Flow Gantt Chart, providing a schedule of dividend-paying securities with the optimal days to for writing puts and calls to capture the associated premiums and dividend.

This has been a powerful force within our portfolio, generating significant uncorrelated returns. Not every opportunity will be profitable on its own, however, on average as a basket, our backtesting has yielded impressive results. This is a great opportunity for immediate gains on any cash that is available for future allocation to a new or existing infinite compounder.



Below is an example of a simplified capital flow Gantt chart. This diagram illustrates how capital might flow through these seven positions in early 2023 to potentially generate over 50% returns in a single quarter. Not every asset will perform perfectly but the numbers are sufficiently attractive that we expect highly satisfactory performance from this activity over time.



Return Analysis

	Beg Balance	Put Yield	Div Yield	Call Yield	Equity Adj.	Total Yield	End Balance
Mondelez Int.	1,000,000	1.38%	0.58%	3.38%	-1.54%	3.81%	1,038,095
Comcast Corp.	1,038,095	3.17%	0.84%	3.05%	-1.45%	5.60%	1,096,263
Oracle Corp.	1,096,263	4.39%	0.47%	5.16%	-1.19%	8.84%	1,193,146
CVS Health	1,193,146	3.40%	0.82%	4.15%	-1.36%	7.01%	1,276,735
Lowe's Companies	1,276,735	4.66%	0.55%	5.05%	-2.62%	7.64%	1,374,252
Kinder Morgan	1,374,252	4.62%	1.72%	4.31%	-3.08%	7.56%	1,478,186
Energy Transfer	1,478,186	6.91%	2.52%	6.17%	-8.22%	7.38%	1,587,225

The capital allocation schedule provided above is a series of promising opportunities. Although we use a basket approach rather than relying on single holdings, the concept remains the same. For those with some courage and capability, you can use this schedule to make great returns.

Concluding Portfolio Comments

Global trends of inflation and rising interest rates are major macroeconomic challenges faced by investors today. Many are also fearful of the threats posed by political instability and the rising global power of China. Our unique holdings with exceptional management teams possessing superior capital allocation capability mean that these macroeconomic uncertainties do not present the same changes to us that are faced by others.

Owning firms with the most lucrative global business models, including SaaS and IaaS, and providing value through shared scaled economics is an excellent portfolio construction methodology. These business models have pricing power and possess tools to combat inflation challenges. We look to own firms with pricing power, little debt, and a durable competitive advantage that will allow businesses to maintain attractive margins.

Our portfolio is comprised of many of the strongest and fastest-growing businesses in the world. They combine superior business models with world-class business managers and are priced far below their compounding intrinsic value. Despite our concentration and the resulting lumpy returns, our portfolio management approach and return potential continues to be highly satisfactory.

As explained in the Market Commentary, our fundamental, bottom-up, value-based approach remains the surest way to overcome the dual challenges of inflation and rising interest rates. Businesses and their stocks can prosper during times of inflation. And, by purchasing a low-cost, high-quality business with pricing power, a durable competitive advantage, and exceptional management teams, the stock price will continue to perform well.

MARKET COMMENTARY

In 2023, the US and world will face continued inflationary pressures, increasing interest rates and bouts of market uncertainty, combined with volatility. As the world continues to reopen following the Covid-19 pandemic, historic government stimulus, rising commodity prices, supply chain disruptions and a strong labor market are likely to continue to contribute to higher inflation. As central banks continue to increase interest rates to curb inflation, market prices will adjust to account for changing fundamental factors.

Value investors often attempt to be contrarian, investing in companies that have been overlooked or misperceived by the market. However, it is a mistake to be irrationally contrarian. The objective is not only to have a unique perspective, but also requires the perspective to be correct. As Peter Thiel has remarked, "The most contrarian thing of all is not to oppose the crowd but to think for yourself."

One approach to understanding mispriced opportunity is to avoid believing the collective illusions within society. In his outstanding book *Factfulness*, Hans Rosling describes several such illusions where common knowledge is inaccurate. Within finance the many collective illusions cause confusion and losses, in part resulting from psychological and behavioral human biases. Illusions regarding diversification best practices, the wealth effect, financial expertise, and timing the markets are shockingly common. By being aware of the many mistakes being made by others, investors can make more informed investment decisions and avoid common pitfalls – and sometimes, without the need of being contrarian.

One impactful narrative over the next decade will be China's rise as a global superpower. Some remain in denial that the Chinese GDP will surpass the United States in approximately 15 years, becoming the world's largest and most dynamic economy. Despite the recent regulatory crackdown on Chinese technology companies, China's economy is still growing rapidly with expectations for GDP growth above 5% in 2023 against likely less than 1% GDP growth in the United States.

China will certainly play an increasingly important role in the global economy and financial markets. We remain committed to finding the best business models and firms with growing reliable earnings, high quality management teams, and discounted prices that can rise with the dual factors of organic business and earnings growth coupled with multiple expansion.

After the market decline in 2022, we are increasingly confident in its rise ahead. Bear markets and recessions are not comfortable, and markets are likely to be characterized by continued uncertainty and volatility. However, by thinking critically, investors can identify bottom-up firm specific opportunities, at great prices, and navigate this period with success.

Howard Marks has written extensively on the three stages of a bear market, including:

1. When a few people believe things won't stay better forever;
2. When most people see things are getting worse; and
3. When everyone believes things can only get worse.

We are in the third stage today, where 2022 conditions are being extrapolated into future years. Many people believe things are getting worse. Much of the world is highly fearful and market prices for many firms have fallen considerably. Perhaps in 2023 and most certainly by 2024, the public psychology will shift again and the next bull market will begin.

Howard Marks has concluded that the next three stages of the bull market will follow a similar cause-and-effect relationship:

1. When a few unusually perceptive people believe things will get better;
2. When most investors realize that improvement is taking place; and
3. When everyone concludes that things will get better forever.

The best time to buy anything of value is when demand is low, and others are selling. That action takes place in the third stage of the bear market, where we are today. When the next bull market starts there will be fewer sellers and more buyers, pushing up prices.

You cannot time the market because the future is unknowable. You can know that equities have been the fastest growing asset class for centuries. And you can rely on this fact to persist for your lifetime.

We remain focused on the long-term and maintain an optimally diversified portfolio that is aligned with our ambitious investment goals and risk tolerance.

POST-MORTEM

During the past 12 months, we eliminated five small positions from our portfolio. Positions in Bank of America and Discovery Communications were both positive, and a basket of three small special situations, including Indivior PLC, DIRTT Environmental Solutions, and Cardlytics, was negative. In aggregate, these five minor holdings amounted to break-even returns. Exiting these positions focuses future returns on our profitable and growing, high-quality compounders. Our 2023 portfolio is dynamic and robust, and we look forward to the advances in the years ahead.

Bank of America Corp (NYSE: BAC)

Bank of America is the second largest banking institution in the United States. They exercise conservatism in their operations, giving them strength during uncertain times. In 2008 and 2009, BAC received $45 billion in TARP funds from the Treasury, and they were able to make taxpayers whole by repaying all funds plus interest at the end of 2009. Under the leadership of CEO Brian Moynihan, the bank stabilized, grew deposits, and generated profits. For years following the financial crisis, as politicians debated too big to fail initiatives and confidence underlying the "Bernanke Put," the bank reduced risks while market prices lagged their improving financial metrics.

By 2016, the long dated 10-year TARP warrants offered by the US Treasury were extremely attractive. Further, they included anti-dilutive features that reduced the warrant strike price with each growing cash dividend payment. This was a striking risk reward scenario with a muted downside and an asymmetric upside. As the market prices climbed into the $30s, these warrants became profitable for the fund.

Bank of America has served several purposes in our portfolio. First, we were able to directly purchase government warrants sold to the public following the TARP bailouts in 2009. Next, upon expiration of these warrants, we took ownership of the shares and applied our Structured Value strategies to pick up repeated call premiums as we exited for faster growing and higher quality compounders. Finally, Bank of America today often shows up as highly profitable in our list of opportunities for Structured Dividend Capture. This suggests we may continue to sell short term puts and capture dividends from Bank of America when those opportunities present themselves.

Bank of America continues to be a well-run American financial institution. The price has come down over 25% since our exit and remains a reasonably attractive long-term holding for many. Yet, many aspects of the business are getting more competitive. Fintech, cryptocurrency, and alternatives to traditional banking are headwinds for this brick-and-mortar establishment. Bank of America is likely to perform acceptably for a long time, however, from this point of more rational pricing, the bank does not have the capability to greatly outperform the S&P 500, and we found other dominant opportunities like Alphabet, Alibaba and Naspers for our portfolio.

Discovery Communications (2022 Merger with Warner Brothers)

Discovery Communications, a leading media company and part of the Liberty Media empire led by Dr. John C. Malone, had a unique opportunity to capitalize on the growing trend of streaming with ads. The company's strong content library, which included popular channels such as the Discovery Channel, Animal Planet, and TLC, could be leveraged to create a compelling streaming offering (Discovery +), supported by both advertising and subscription revenue. Notably, in the wake of the streaming wars, content costs were soaring, and Discovery had inexpensive, in-demand content that enabled them to implement a global streaming strategy at scale. In the ongoing shift away from traditional linear TV, Discovery has the potential to capture a significant share of the streaming market, particularly among cost-conscious consumers who are willing to watch ads in exchange for lower subscription fees.

We entered this position writing puts to obtain premium and shares in late 2019 and early 2020. As prices declined during the start of the pandemic, we were assigned stock. In the following quarters, as the economic conditions worsened, we were increasingly concerned with the large debt profile at Discovery. Further, the competition in the streaming market intensified with Disney, Amazon, and YouTube providing very attractive alternatives to the Netflix monopoly.

We exited profitably through the sale of covered calls that expired in late 2021 and 2022. DISCK's recent merger with WarnerMedia is expected to further increase its content library and enhance its streaming offerings. We have enormous respect for John Malone and the many impressive businesses he has created, however, this space seems to be challenged with rising costs and increased competition. Thus, this business model is less compelling today than in the past.

Special situations are opportunities of unique attractiveness to value funds. Our expertise spans many financial products and industries, enabling us to recognize some exceptional value opportunities early. We do not hold any of these in 2023 but have regularly incorporated a small basket of special situations in the past. Special situations are uncorrelated to markets in nature. As opportunities present themselves, we expect to take advantage of special situations in the future.

One such situation may include an attractive Ben Graham net-net that does not satisfy our conditions as a Phil Fisher compounder. If the business is not compounding attractively, the firm does not warrant a permanent position among our infinite compounders. This situation may be an attractive one-to-two-year, short-term holding, where price has great upside with limited downside. Special situations typically require a catalyst such as a corporate event, restructuring, or change in management that can unlock hidden value.

We conduct thorough research and analysis to identify undervalued assets and catalysts that could potentially drive a positive outcome. By carefully assessing the risks and potential rewards of each special situation, we construct a portfolio that is well-positioned to generate attractive returns with limited downside risk. Over time, special situations are an effective tool for value funds to generate alpha for investors.

Three such special situations were available to us over the past couple years, including Indivior (INDV), DIRTT Environmental Solutions (DRTT), and Cardlytics (CLDX). INDV was profitable, while CDLX and DRTT were not. Each were exited in 2022.

Indivior PLC (LSE: INDV)

Indivior PLC is a specialty pharmaceutical company that focuses on developing treatments for addiction and related mental health disorders. Its primary product is SUBOXONE Film, a prescription medication for opioid addiction treatment. The company operates globally and has a strong track record of innovation in the addiction treatment space, making it a leader in the industry.

Uncertainty around a DOJ penalty in response to charges of a fraudulent marketing scheme drove the price down substantially. The price collapsed 90% in 2018 and 2019, yet in 2020 damages were assessed. Regulators did not intend to bankrupt the firm and so the stock price had significant upside from the depressed prices. This negative event created a compelling opportunity and prices appreciated as the market acknowledged the notably higher business value. We made gains of hundreds of percent on this small position.

DIRTT Environmental Solutions Ltd. (NASDAQ: DRTT)

DRTT, is a leading provider of modular interior solutions and offers a compelling solution for prefab construction that is less costly to customers over the long term, while creating less waste. The company's innovative approach to design and construction has helped it gain market share in the commercial and health care sectors. DRTT's ability to create flexible and sustainable interiors has also attracted interest from the education sector, where demand for modular solutions is increasing.

During the pandemic, DIRTT underwent significant challenges. In addition to lower demand for commercial space, competition was increasing as product substitutes were becoming available. Uncertainty around financials and changes to company management put additional downward pressure on the share price. The outlook is highly uncertain, and we accepted small aggregate losses on this holding in our basket.

Cardlytics, Inc. (NASDAQ: CDLX)

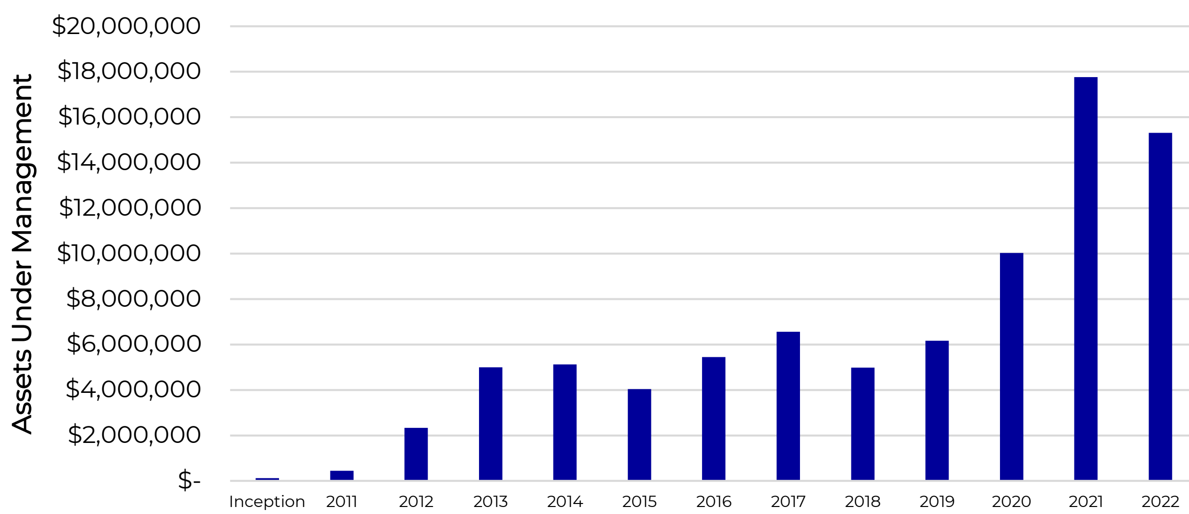
Cardlytics is an advertising and analytics platform, focused on B-to-C personalized advertising. The ability to leverage consumer data helped it attract large advertising clients such as McDonald's and Bank of America. The company's continued investment of cash flows into technology and innovation was expected to drive further growth. This thesis weakened considerably in the later stage of the pandemic, and pressures continue today in the face of rising interest rates. The debt profile today is a considerable concern. The business has been unable to create positive earnings and we do not see this changing in 2023 or 2024.

Each of these special situations were minor positions initiated with 1-3% of capital. Ultimately, we recorded a combined loss from this basket of an insignificant 2%. At opportune times, we may engage in small bets on asymmetric returns with large upside potential and limited downside.

WELCOME NEW LIMITED PARTNERS

We began 2022 with 61 Limited Partners (LPs) in 15 states: Arizona, California, Connecticut, Georgia, Illinois, Minnesota, New Jersey, New York, North Dakota, Oregon, South Dakota, Tennessee, Texas, Virginia, and Washington. Additionally, we have international LPs living in Australia, Japan, New Zealand, Switzerland, and the United Kingdom.

Each year, it is important to review and reiterate our investment and operational philosophy for all LPs. The next three sections address our investment philosophy, our operational commitments, and our alignment of interests with each partner.



INVESTMENT PHILOSOPHY

PIFI follows a fundamental value investing philosophy. Our long-term objective is to outperform the S&P 500, including dividends.

We use in-depth, fundamental analysis to selectively buy undervalued companies run by excellent people. We concentrate our portfolio on our best ideas. We keep our portfolio turnover low, holding most of our positions for many years. We focus on minimizing taxes and expenses. We avoid excessive leverage.

Alignment of General Partner (GP) and LP interests is a top consideration in every operational decision. The fund's unique fee structure places emphasis on performance and incorporates an annual hurdle rate and a high-water mark to further accomplish alignment objectives. Performance compensation is earned only after reaching new all-time highs (a high-water mark), and on returns above 5% each year.

My immediate family and I are among the largest partners in PIFI, with over 70% of our family's entire net worth invested in the fund alongside yours.

Finally, we strive to expand our circle of competence, maintain an open and rational mindset, and continually improve.

OPERATIONAL PHILOSOPHY

Peterson Investment Fund I, LP is built on a foundation of integrity designed to last for generations. Operationally, the fund focuses on minimizing frictional costs (e.g., fees, expenses, taxes, etc.). Over the long-term, this commitment will enhance returns and provide significant value to our LPs.

Quarterly statements and updates that present salient quantitative information are provided to each LP. Annual letters with commentary (such as this) are distributed to deliver relevant details regarding the fund. Each year, an audit report and K-1 or relevant tax documentation are provided to each LP.

Our exceptional team of third-party service providers delivers all statements, audits, and tax documentation.

ALIGNMENT OF INTERESTS

As noted, alignment of GP and LP interests is a top consideration in every operational decision. The unique structure of PIFI includes an annual hurdle rate, a high-water mark provision, extremely low fees, and an emphasis on performance-based compensation to achieve alignment objectives. A shared pursuit helps avoid conflicts of interest and allows us to maintain the integrity of the fund over the long run.

Proper incentives can significantly enhance and align motivations. Specific tangible, financial enticements have particularly notable power to alter actions or desires. A high management fee-based firm will attract highly paid and very successful salespeople because raising capital can deliver significant bonuses. Similarly, compensation based on long-term performance will attract those able to deliver long-term market out-performance. PIFI is aligned with the latter.

The General Partner earns compensation only after reaching new all-time highs (high-water mark) and only on the annual returns above 5% (annual hurdle rate). The economics are simple: we only make money when you make money.

MANAGEMENT AND COMPANY NEWS

Peterson Capital management has two share classes available for current and potential investors. Our zero-fee class with a minimum commitment of $2 million and our exception class for commitments of $250,000-$2 million. All partners must be accredited investors.

THE ZERO-FEE SHARE CLASS

Our theory for the zero-fee class is simple: to please three-Michelin-star partners, we must offer a three-Michelin-star menu. If we win your business, it will be because we deserve it.

The zero-fee share class represents our commitment to providing great value to our partners. This class has an annual management fee of zero.

Zero-fee share class terms:

- Minimum Investment: $2 Million
- Open for Investment: Quarterly
- Liquidity: Annually
- Partner Communications: Quarterly Statements, Quarterly Performance Summary, Annual Report, Annual Meeting
- Fees (annually):
  - Management 0.00%
  - Hurdle Rate 5%
  - Performance 25% above 5%
  - High Watermark Provision
- Tax: K-1 Tax Document Provided Each March

A zero-management fee structure combined with an annual hurdle rate and a high-water mark provision is extremely rare, yet it is among the most compelling and fairest fund fee structures in the world.

There are no fees paid for returns up to 5% every year, so Peterson Capital Management will earn nothing each year until annual performance exceeds 5%. Above 5%, investors keep three quarters of the gain and PCM keeps one quarter. When we return 9% in a year, PCM will earn 1%. If we return 5% in a year, PCM earns nothing. Many firms charge a 2% management fee and 20% performance with no hurdle. The compounded difference in net returns to partners under our structure is staggering.

Charlie Munger said, “Show me the incentives and I’ll show you the outcome.” This structure completely aligns our incentives to delivering extraordinary returns over a long period of time.

This zero-fee class is available to accredited investors with commitments exceeding $2 million. Liquidity is available each calendar year. Please contact me for details.

THE EXCEPTION SHARE CLASS

This exception class is available to accredited investors with commitments range between 250,000 and $2 million. Liquidity is available each quarter. Please contact me for details.

The exception share class represents our extended commitment to helping grow your wealth. For those who cannot enter with $2 million initially, this class allows for participation with the intention of reaching the $2 million class together over time. The exception class has a small annual management fee of 0.9% and a quarterly redemption allowance with 60 days' notice.

ANNUAL MEETING

The Peterson Capital Management Annual Meeting will be held virtually once again on August 19, 2023, at 5pm Eastern Time.

It was a pleasure to have so many partners and guests in attendance in 2022, including those joining from all over the world. The 2022 meeting is available on our YouTube channel and has received many thousands of views. We look forward to seeing you again in August 2023.

Your invitations will be sent electronically in June. Please save the date.

LIMITED PARTNER STATEMENTS

Each quarter, LP statements are delivered to you electronically by our third-party administrator, Yulish & Associates.

K-1 TAX DOCUMENTATION

Before March 15, K-1 and other relevant LP tax documentation are provided by our auditor, Spicer Jefferies.

ANNUAL AUDIT

Spicer Jefferies works hard to complete the audit as early as possible. It has been included with this Annual Report.

QUARTERLY AND ANNUAL LETTERS

Our Quarterly Letters provide updated performance numbers, important announcements, and salient financial detail, but generally contain minimal qualitative commentary.

Our Annual Report provides qualitative commentary, including a post-mortem analysis of exited positions.

OPEN TO NEW LIMITED PARTNERS

PIFI has 61 LPs across 15 states and four continents and is rapidly expanding. We are currently accepting capital from new accredited investors and existing LPs. We highly value and appreciate each partner.

Our zero-fee class is available for commitments above $2 million with zero management fee.

Our exception class has a $250,000-$2,000,000 minimum with quarterly liquidity for a low 0.9% management fee.

Upcoming commitment dates include April 1, 2023 or July 1, 2023.

All partners will benefit from an expanding capital base, as we are able to profit from new opportunities and have additional market influence. Please nudge me with a referral.

REDEMPTION POLICIES

The zero-management fee share class offers annual redemptions each December 31 with 60 days' notice.

Capital accounts under $2 million have quarterly redemptions available with 60 days' notice.

ACCEPTING QUALIFIED MONEY (401K ROLLOVERS, IRAS, TRUSTS, ETC.)

Some partners use Midland IRA or other self-directed account providers to participate in the fund using tax qualified accounts such as trusts and IRAs. These assets and their returns maintain their tax-advantaged status.

LOOKING AHEAD

This is an excellent opportunity to purchase high quality businesses with consistently growing earnings, pricing power, and a durable competitive advantage. During 2023, investors are likely to face increased inflationary pressures and steadily increasing interest rates on a global scale.

Owning the right businesses during times of inflation is essential for success. During this period, exceptional companies have seen stock market declines despite the ability to adjust their product prices to keep up with rising costs and maintain margins and profitability. These firms can continue expanding revenues, profits, and margins throughout this period of inflation.

During these rare times of economic uncertainty and fear, the price multiples between high-quality and low-quality firms has compressed. This provides a rare generational opportunity to identify companies with solid fundamentals, exceptional management teams, and a track record of growth that can withstand economic headwinds.

Our portfolio of infinite compounders comprises solely of top-tier businesses that exhibit strong growth potential and are poised to deliver significant value in the upcoming quarters and years. We have been carefully monitoring companies that are well-positioned to capitalize on long-term trends such as digitalization, e-commerce, and the shift towards strong earnings potential. By selecting high-quality growing companies that are undervalued, we maximize the likelihood of generating alpha for partners.

In addition to our strong portfolio of growth-oriented companies, we implement advanced unique strategies that give our fund a competitive advantage allowing performance that is uncorrelated with the market. We apply our Structured Dividend Capture strategy on cash to generate uncorrelated returns, while minimizing downside risk. Our indirect exposure to India through Dhandho and our direct Turkish exposure through Talas allows us further uncorrelated access to regional developing markets poised for growth.

Finally, our Structured Value approach of selling short put contracts as a tool to build our equity holdings allows us to pay below market prices for undervalued assets. By utilizing a diverse set of strategies and best practices, we have designed a fund that can generate consistent above average returns and outperform in a variety of market conditions. We will continue to execute on our value-based principles while managing a portfolio of high-quality firms run by exceptional individuals, trading at discounts to their intrinsic value.

Thank you for your continued interest, referrals, and support. Feel free to contact me with any questions or comments.

Warmly,

Matthew Peterson, CFA
Managing Partner

PETERSON CAPITAL MANAGEMENT ANNUAL MEETING TRANSCRIPT

Matthew Peterson is the managing partner of Peterson Capital Management, which he founded in 2011. He manages a long-term concentrated value-based fund with a very impressive 10-year annual track record that exceeds 15%. He's been a financial professional for two decades, is a chartered financial analyst and has worked for Goldman Sachs, Morgan Stanley, Merryll Lynch, American Express, and Ameriprise Financial. So, without further ado, Matt, I'll bring it over to you.

Thank you very much, Danielle. Welcome to the Peterson Capital Management Annual Meeting. This fund was established over a decade ago in 2011, and it is such a pleasure to have so many esteemed partners involved.

Today we have participants from over 25 states and at least 11 countries, many with inconvenient time zones. I appreciate you all being here. This compounding machine is well on its way to becoming a noteworthy entity. Our success has been noteworthy, our potential is significant, and I very much look forward to many decades with all of you.

Today we have some great news to discuss, and I will share some lucrative secrets, but we mostly want to get to your questions so we can answer what is on your mind.

That is why we will briefly discuss fund performance, provide an update on several wealth building compounders from the portfolio, and then share impressive details on a software we have built to execute a repeatable proprietary strategy that will add meaningfully to future performance.

Following my initial remarks, we will hear from a very special guest, Professor of Computer Science, Dr. Siddharth Krishnan, from the University of North Carolina in Charlotte. Regarding the remarkable work we have been doing with a team of students and interns.

Before the top of the hour, we will move into the Q&A portion of the meeting where we will address the questions that are on your mind.

So, we have a lot to cover and many new partners at this meeting so let us begin with our mission statement.

Our mission is to provide a world-class capital allocation vehicle that builds enormous wealth for our long-term partners.

As I will show, our research and portfolio are receiving significant new attention and we are steadily making progress toward achieving this ambitious and challenging mission.

This performance graph reflects returns into the middle of August. Our performance is illustrated in dark blue, and although returns are not linear, they have been highly satisfactory as expected over the long-term. $1 million in our fund has grown to $5.2 million. We are currently about 13% ahead of the S&P 500 at $4.6 million and nearly triple the value of the hedge fund index average.

Our performance is admirable because it is extremely difficult and rare for investors to outperform the S&P. Each year only around 20% professional funds beat the index and over a few years this advantage falls to just a few percent of funds globally that can outperform.

But we are not strongly correlated to the S&P 500 and use it as a benchmark because it's most partners' best alternative to the fund. During the first decade the S&P 500 index broke performance records that are unlikely to continue. The businesses we own however, do not share that same fate, and thus we see the potential to further differentiate our performance as the markets are pulled toward their multi-century average of 6.8% plus inflation.

But this is the very beginning. As I shared last year, because of our distinctive portfolio management process, and the long-term expected performance of the market, we anticipate our outperformance accelerating in the years to come.

This chart shows our returns vs the S&P 500 for each fiscal year and our annualized returns of 15% vs the 13.9% for S&P 500. You can see clearly that returns are not linear, and we do not expect them to be. We own a small number of exceptional businesses that have tremendous potential in the years to come. This is the proper approach to diversification. Our strict concentration subjects us to short-term price fluctuations resulting from noise that is not representative of the long-term business growth and performance trend.

Great fund managers evolve and improve as they gain knowledge and experience throughout their career. We have achieved market beating returns over more than a decade, which is extremely rare and I am a better investor than at any point in the past. This knowledge and experience make us far more likely to succeed in achieving outperformance and that bodes well for the future of the fund.

Our portfolio has enormous potential today and was remarkably oversold when we reported last quarter. Several holdings like SRG, Naspers and DJCO trade below their current liquidation value. And others like Berkshire are among highest quality assets in the market, selling for far below their rapidly growing intrinsic value.

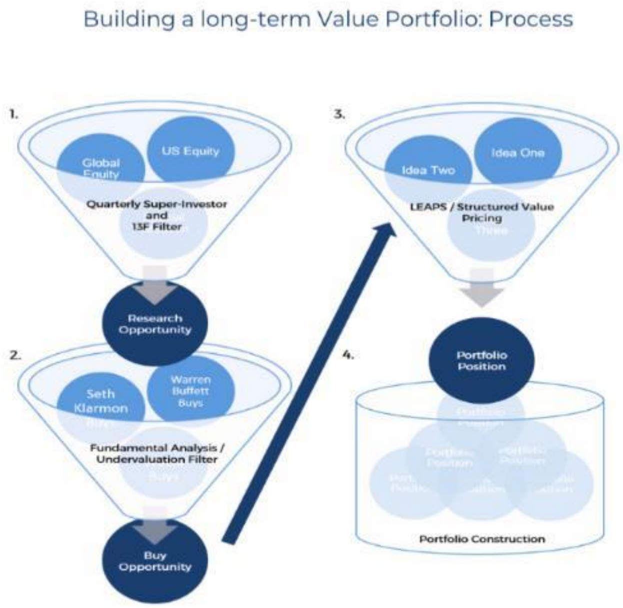
In just the first half of Q3, shares of Naspers are up 50% and Seritage is up over 100% and both firms can go up 100% or more from here.

With a concentrated portfolio these gains have pulled the fund up over 25% in a few weeks. We are now down less than 5% against a decline of 11% for the S&P 500.

During times of uncertainty and volatility in the markets are when we are most likely gain an advantage and widen our outperformance. These results will be lumpy. It is advantageous to be adding capital to the fund while markets struggle.

We have discussed the alpha producing components of our process extensively in our letters available online and in videos available on our YouTube Channel.

So, in summary, we can only control the process not the price outcome at a moment in time so we focus on executing with a dominant process that will lead on average to a market beating outcome.



We follow a proprietary four-step process. We start with a 13F analysis. Second, we perform fundamental analysis. Third, we analyze the possibilities to apply our Structured Value purchasing methods. And finally, fourth, we apply our portfolio construction philosophy, which includes considerations like the Kelly Criterion where we optimize position sizing and capital allocation practices. We have high levels of concentration because we have high levels of conviction, and our decisions are based on having an optimized level of diversification, not short-term reduction of volatility.

Our 13F analysis for example tracks the holdings of nearly 100 world class long-term value funds. Any firm with more than $100 million in assets is obligated to report their US holdings to the SEC each quarter. Value funds often make infrequent and high conviction and hold positions for years and decades, so we can easily analyze what admirable investors are buying and selling. Using Python, we have now automated what used to be a multiday analysis each quarter and here is an example of the output.

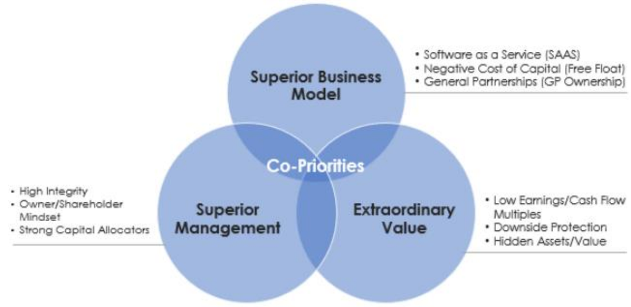
13F Filing	NAV (billion)	Top 10 Holdings (%)	Largest Holding (%)	Ticker Allocation: ⇧⇧ New Position, ⇧ Increase, ⇔ Hold, ⇩ Decrease								
12 WEST CAPITAL MANAGEMENT LP	1.6	83%	18%	⇩GDS (18%)	⇧TXG (12%)	⇧PCOR (11%)	⇧RGEN (9%)	⇩SHAK (7%)	⇧⇧SE (6%)	⇩RBLX (5%)	⇧CXM (5%)	⇔SMAR (5%)
ABRAMS CAPITAL MANAGEMENT, L.P.	3.7	82%	17%	⇔LAD (17%)	⇔CHNG (11%)	⇔ABG (10%)	⇔GOOGL (9%)	⇔TDG (8%)	⇔ET (6%)	⇔WTW (6%)	⇔KMI (6%)	⇔UHAL (5%)
ACR ALPINE CAPITAL RESEARCH, LLC	2.2	77%	9%	⇧VOD (9%)	⇧⇧LEN (8%)	⇧LBTYK (8%)	⇧BRK.B (8%)	⇧C (8%)	⇧GM (8%)	⇧JNJ (7%)	⇧⇧FDX (7%)	⇧MSFT (7%)
AKRE CAPITAL MANAGEMENT LLC	12.5	84%	15%	⇧MA (15%)	⇩AMT (14%)	⇧MCO (12%)	⇔V (8%)	⇩ORLY (8%)	⇧KKR (6%)	⇧KMX (5%)	⇩ROP (5%)	⇧ADBE (5%)
ALTAROCK PARTNERS LLC	3.2	100%	24%	⇧TDG (24%)	⇧GOOGL (23%)	⇧MSFT (22%)	⇧AMZN (10%)	⇧V (0%)	⇩CHTR (0%)	⇩MA (0%)	⇔MCO (0%)	⇩META (0%)
ANCIENT ART, L.P.	0.8	81%	14%	⇩FWONA (14%)	⇧META (12%)	⇩IBKR (9%)	⇧TWTR (8%)	⇩BABA (7%)	⇧UBER (7%)	⇧UPWK (6%)	⇧ULCC (6%)	⇩DESP (6%)
APPALOOSA LP	2.5	70%	13%	⇩GOOG (13%)	⇧AMZN (11%)	⇩META (8%)	⇩M (8%)	⇩MU (7%)	⇩OXY (6%)	⇩EQT (5%)	⇧MSFT (5%)	⇩ET (4%)
AQUAMARINE CAPITAL MANAGEMENT, LLC	0.2	97%	23%	⇔BRK.B (23%)	⇔AXP (17%)	⇔BAC (14%)	⇔MA (12%)	⇔RACE (9%)	⇔BRK.A (7%)	⇔MU (6%)	⇔MCO (4%)	⇔BABA (0%)
ASHE CAPITAL MANAGEMENT, LP	1.4	99%	29%	⇔FWONK (29%	⇔APPF (16%)	⇔DDOG (14%)	⇧TEAM (8%)	⇔LILAK (8%)	⇧⇧SHOP (6%)	⇩LBRDA (5%)	⇔FWONA (5%)	⇔Z (0%)
ATLANTIC INVESTMENT MANAGEMENT INC	0.3	99%	15%	⇩WRK (15%)	⇩HUN (13%)	⇩EMN (11%)	⇩UNVR (11%)	⇧TKR (10%)	⇩AVT (10%)	⇧GT (9%)	⇧LEA (0%)	⇧⇧RL (0%)
BAUPOST GROUP LLC	6.8	68%	16%	⇩LBTYK (16%)	⇧QRVO (10%)	⇔VSAT (7%)	⇧LSXMK (7%)	⇔VRTV (6%)	⇩GOOG (5%)	⇩INTC (5%)	⇩FISV (5%)	⇧LSXMA (4%)
BERKSHIRE HATHAWAY INC	368.6	87%	42%	⇧AAPL (42%)	⇔BAC (11%)	⇔AXP (8%)	⇧CVX (7%)	⇔KO (7%)	⇧OXY (4%)	⇔KHC (3%)	⇔MCO (2%)	⇔USB (2%)
BLOOMBERGSEN INC.	1.6	79%	18%	⇩CI (18%)	⇩CIGI (11%)	⇩WRB (9%)	⇩AON (9%)	⇩PGR (7%)	⇩CHTR (6%)	⇩HUM (6%)	⇩GOOG (5%)	⇧ECPG (4%)
BRAHMAN CAPITAL CORP	1.1	77%	15%	⇩GDDY (15%)	⇧DLTR (11%)	⇧VRT (8%)	⇩WBD (7%)	⇩AMBP (7%)	⇧EBAY (7%)	⇩HOG (6%)	⇩HLMN (5%)	⇩MAT (5%)
BRAVE WARRIOR ADVISORS, LLC	3.4	91%	20%	⇩ELV (20%)	⇧FNF (13%)	⇧APO (11%)	⇧PRI (9%)	⇧⇧LAD (8%)	⇧VVV (7%)	⇧RJF (7%)	⇧JPM (6%)	⇩PGR (6%)
BROAD RUN INVESTMENT MANAGEMENT, LLC	1.4	81%	12%	⇩BAM (12%)	⇩MKL (11%)	⇧AMT (10%)	⇩AON (10%)	⇩ECPG (9%)	⇧KMX (8%)	⇩ORLY (7%)	⇧SSNC (5%)	⇧NVR (5%)
CALEDONIA INVESTMENTS PLC	0.6	89%	12%	⇔MSFT (12%)	⇔ORCL (11%)	⇔WSO (11%)	⇔TXN (10%)	⇔PM (10%)	⇔TMO (9%)	⇧CHTR (9%)	⇔FAST (8%)	⇩BDX (6%)
CANTILLON CAPITAL MANAGEMENT LLC	12.0	41%	6%	⇩SPGI (6%)	⇩GOOGL (5%)	⇩AVGO (4%)	⇩ADI (4%)	⇩AMT (4%)	⇩TMO (4%)	⇩V (4%)	⇩A (3%)	⇩FIS (3%)

Many other funds and retail investors setup screeners to identify cheap companies based on ratios and other fundamental factors. This is a far less effective method than our own because results from a screen will contain many false positives and reject false negatives.

A firm that screens cheap may simply have hidden problems.

While a rejected opportunity may have unique accounting attributes but be a very strong firm.

Our approach serves us better because we avoid more errors, and it quickly narrows down 10,000 potential opportunities to a few hundred firms that are likely to have promising characteristics and deliver promising results.



Our Fundamental analysis begins with understanding the financial statements and all public reporting. But further, it includes our co-priority framework shown here. We are looking for superior business models, superior management teams, and extraordinary value. This is an expansion of the Graham investment philosophy based in accounting to incorporate the Phil Fisher method of owning exceptional businesses.

In step 3, we also have another significant advantage where we look to use structured products like selling put contracts as a tool to purchase our shares for below market prices. We have developed this method of purchasing and selling securities over two decades. We call this unique approach to buying Structured Value and it is very unique. While it is clear that by paying less, we are going to outperform the traditional buy and hold strategy, most other funds are not doing this, Warren Buffett will use this at time but most funds simply do not know how. We will share real portfolio examples of approach in a moment.

Finally, in step four, once passing though these strict standards, we determine the portfolio allocation. There aren't many opportunities that meet our standards, which is why we are so pleased with the exceptional basket of compounders that make up most of our portfolio.

These are each extraordinary businesses with exceptional management teams, at very inexpensive prices that will continue compounding. They are all very unique businesses ranging in size, industry and regions with different sources of revenue.

Dhandho is our ownership of a $30 million Book Value India focused Hedge Fund run by famed value investor Mohnish Pabrai. We are not invested in the fund, we own the GP business that manages the fund. Indirectly, a great year in India will be a great year for us.

Talas includes a basket of successful firms selling on the Borsa exchange in Istanbul. We built this separate fund to allow us to navigate the Turkish legal requirement and put capital into what is currently the cheapest market in the world. At Peterson Funds, we use this external product in our portfolio free of any management or performance fees.

And while DJCO is a US-based $360 million market cap court software solution firm earning tax-based revenue from counties and states. Internally, Charlie Munger is managing a $350 million equity portfolio with zero fees. But I am getting ahead of myself.

Let's begin with the list of our infinite compounders.

This core group of holdings makes up nearly 80% of our portfolio. In fact, Berkshire, Seritage and Naspers are moving up so quickly that they have now grown to 50% of our AUM and the growth will continue.

All of these businesses have extraordinary management teams with strong capital allocation skills and owner-based mindsets. That causes them to prioritize actions that increase intrinsic value per share. The companies have great business models with a variety of competitive advantages and pricing power. And they are all cheap and growing today.

This means our portfolio is full of these asymmetric bets. They have limited downside because they are strong, inexpensive and growing firms. And, they have significant upside potential that will develop over the next few years.

One item we like to see is off financial statement value because it is a secret that can be revealed sometime in the future causing headlines and big stock price gains. These firms all exhibit tremendous off financial statement value, from the secret hidden revenue at Daily Journal, to the many competitive advantages within Berkshire Hathaway. These items don't appear on a balance sheet, there isn't a line item giving credit to a management team with exceptional capital allocation capability. But ultimately, these advantages flow into earnings and the stock prices will climb to reflect the success of the business.

A few of you have noticed the addition of a new compounder in our portfolio on the bottom right. We aren't going to talk about it much because we have been actively buying (well, selling puts). But I will say this: a market pull-back or crisis is an opportunity to upgrade to quality. There are a lot of great firms that are oversold and cheap this year. So, we are very pleased to own a business with some of the highest quality cash flows in the world the capability to reinvest this cash at astonishing rates of return for many years. We expect very satisfactory returns from here because of enormous asymmetric potential in many aspects of the business.

Let me provide some transparency on a few others.

First, quickly, Berkshire is doing very well. Berkshire, of course, has an impeccable business model and exemplary management teams throughout the entire organization. They have been rapidly buying back their stock because Buffett understands how cheap the shares have been recently.

In 2019, I disclosed a simplified model and our expected market cap in 2030 of $1.7 trillion.

Some very intelligent people pushed back suggesting this level of growth is impossible. Yet, these 2030 figures here remain unchanged since 2019 and I am confident that the shares will reach and perhaps surpass our 2030 estimate.

So, in this simple table we have the sum of three parts: the cash, the market value of the investment portfolio after removing the deferred capital gains tax (even though it is a liability that for a variety of reasons they may not ever pay), and a multiple on the growing earnings from its hundred-plus wholly owned subsidiaries like See's Candies, MidAmerican Energy and Burlington Northern Railroad.

Berkshire Hathaway ($665 Billion Market Cap)

THREE ASSET TYPES	2020 VALUE*	VALUE Today (Q2 2022)	2030 VALUE Prediction
1. Cash, Treasuries and Equivalents	$32 Billion Cash + $111 Billion US Treasury **$143B**	$27 Billion Cash + $75 Billion US Treasury **$101B**	Increasing at $25 Billion per Year and Reinvested **$400B**
2. Equity Portfolio Apple (~$156b), Coca Cola, Bank of America	$207 Billion - $61 Billion Deferred Tax **$146B**	$328 Billion - $77 Billion Deferred Tax **$250B**	Annual 10% Growth Net of 20% Deferred Tax **$480B**
3. Operating Companies 100 subsidiaries: GEICO, NetJets, Duracell, Business Wire	$22 Billion in Operating Earnings * 18 earnings multiple = **$396 B**	$30 Billion in Normalized Operating Earnings * 18 earnings multiple = **$540B**	$45 Billion in Normalized Operating Earnings * 18 earnings multiple = **$810B**

	2020 Price	2022 Value	2030 Prediction
Value	$680B $210 per share	~$891B 33% Upside Price $300 per share Value $400 per share	~$1.7T 133% Upside Value $700 per share (Unadjusted Prediction since 2019)

Berkshire Hathaway repurchased $1.0b of stock in Q2, $4.2b in H1, and $27.1b in FY 2022

*Values as of PCM Annual Meeting 2020

As of last week, in the middle column titled "Value Today", you can see $100 billion in cash, $250 billion in equity, and the value of their operating businesses of $540 billion. This suggests about $900 billion in value today, which is over a 30% upside to today's price, and it is growing which is why Buffett is spending tens of billions each year buying back Berkshire stock.

But of course, that's not all. We don't pay NYSE prices for our shares. We don't buy like a retail investor would buy. We use our Structured Value method to purchase stock.

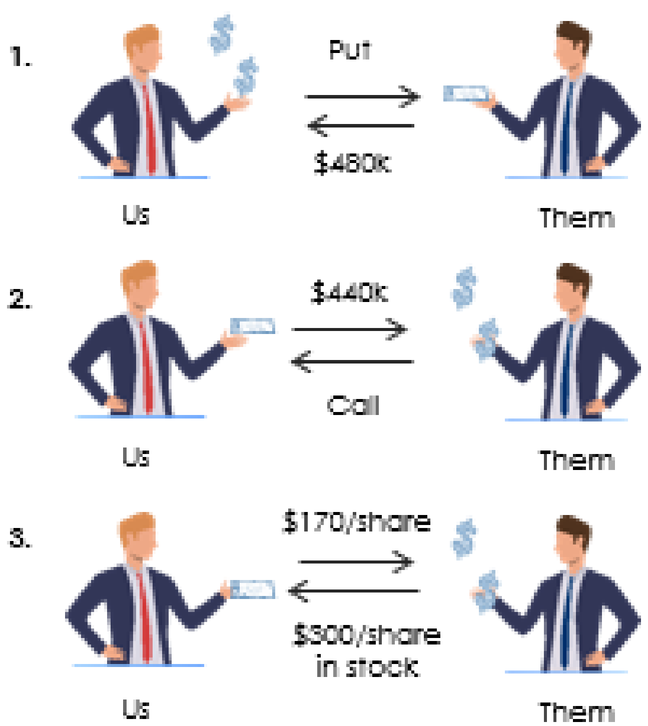
Since the inception of this fund, we've been strategically accumulating shares in Berkshire through the sale of puts that we use as a tool to get paid before someone puts their shares into our portfolio.

In Q2 of 2020, over two years ago, when during the pandemic, when Berkshire's price fell to a completely irrational level, we immediately sold puts and started picking up premium and committing to buy these shares for $170.

We earned, through this process, a fair amount of premiums of about a half a million dollars and that's illustrated here in step one. But we also needed to account for the unique period that we were in at the start of the pandemic.

As the unprecedented stimulus began flowing directly into the bank accounts in the US, the markets began moving up very quickly as people deployed their new cash into equities.

We recognized that there was very little chance that we would have access to these shares at these prices in 2022. Berkshire's price was going to basically be far higher than $170 when they had expired.



In step two, we used most of our put premium to buy in the money calls with $170 strike. By using those premiums to purchase the calls, they ultimately cost us zero. We paid nothing. In fact, we had we had some excess premiums. So, we obtained the calls and cash for free.

And, in step three, you will see that the calls recently expired this June. And we finally exercised our right to purchase the shares of Berkshire for $170 when the market price of the company was $300.

So, it's an extraordinary result. You should be pleased. The actions we took in 2020 were free. And our first cash outflow was less than two months ago. We spent $170 a share per stock, selling on the New York Stock Exchange for 300. And we have substantial upside from here.

Next, I will share some excellent results from Seritage Growth Properties. This has been a highly controversial position and it is really misunderstood. The shares today are selling for around $13 a share. And as I will explain, they are clearly worth about $27. And they can appreciate to that level quite quickly.

Further, I will show you that by selling puts over a two-year period to enter our position, we now have over half a percent of this entire business. We own half a percent of Seritage. And after all the premiums we received, our net cost has been whittled away to just $6.57 a share.

Seritage Growth Properties owns and leases and is now liquidating 150 remaining ex-Sears, mall-anchor and standalone stores that were spun off prior to the Sears bankruptcy. Some of these properties are not worth much. We know that. Others are in ideal locations like Santa Monica, California, Redmond, Washington, Dallas, Texas. The only reason that we've been able to hold onto this stock so competently is because we did the work to understand the value of each property.

Years ago, we began extensive valuation analysis of every single one of their original 212 properties across America. We visited many malls in person. We visited every mall on Google Maps. We called mall management offices on site. We talked to local brokers. We used CBRE data and online tools to understand the value for every square foot of these properties. And last November, I met with ex-CFO, Amanda Lombard, who was able to confirm our overly conservative estimate of some of these major properties.

So how long does this type of deep analysis take? It isn't easy. Each property is unique. And with everything involved and all of the moving parts, I would estimate it's about a thousand hours.

We can be confident because we have the information that nobody else has. And we monetize this information by buying stock through the sale of puts during dips rather than panicking and selling like many others.

I will show you an example of one of their five premier properties outside Fort Lauderdale called Aventura to give you a sense of how we do our analysis. So Seritage has redeveloped this year's footprint. There are 215,000 square feet of which 75% is in contract to long-term leases. At the bottom, we calculated average rent revenues of $100 per square foot. And net operating income of 65 per square foot.

CBRE publishes regional local cap rates on different property types. And they've observed a Fort Lauderdale suburb retail business is selling for a cap rate of 5% to 5.75%. So, we're using an even more conservative cap rate of six in our calculation on this property.

And in blue, I've even done the math for you. They are 65 dollars in operating income on each of the 160,000 square feet that's currently in lease contracts. And if we divide that by 6% to account for the cap rate, we can expect this property to be sold for around $170 million and maybe more.

And this is conservative.

Seritage has changed directions and is in the process of liquidating everything to maximize shareholder value. And they have stated publicly their expectations to make distributions of between $18.5 and $29 to every shareholder over the next 24 to 36 months. And our modestly size fund has managed to accumulate a half percent of this whole company.

It required about 10% of our capital this year. And the position has already grown to over 20% of our portfolio.

Let me show you the NAV estimates for each of our five property types. They categorize properties as Premier Mixed-Use, Residential, Multi-Tenant Retail, etc. And through our property-by-property analysis, we understand them to be conservatively worth about $2.9 billion, including cash.

Property Portfolios	NAV Estimate
Premier Mixed Use	$664m
Residential	$464m
Multi-Tenant Retail	$276m
Non-Core	$712m
Unconsolidated	$712m
Total Equity Portfolio	**$2.8 billion**
Cash	$100m
Total Assets	**~$2.9 billion**

Debt	Value
Berkshire Hathaway (7%)	$1.34b
Preferred Shares (7%)	$70m
Total Debt	~$1.4 billion

After they cover their debt, which is actually to Berkshire, of $1.4 billion, the stockholders are left with $1.5 billion to divide up and distribute to the 56 million shares.

By our calculation, $27 per share is reasonable and management has provided these estimates of $18.5 to $29 per share. And they have no incentive to exaggerate those numbers because they want a reputation of being successful. So, they are presenting figures that they expect to exceed.

Today, the stock is available for $13. Without using Structured Value, I fully expect the shareholder to pay out twice as much over the next 8 to 12 quarters. It's remarkable.

But of course, that's not how we operate in the market. And that's more than we paid for our shares. We sold puts and obtained millions in premiums to buy the stock from others before we bought the stock, really, from others.

And by the way, sort of noting, Warren Buffett bought a personal position in this stock and paid $35 per share for 5% of the company. Through selling puts and indirectly purchasing our shares, they cost us just $6.57. And furthermore, we didn't actually pay any cash out until just this year. So, we've already made 100% on Seritage.

We expect them to deliver 200% of today's stock price in cash to us over the next 8 to 12 quarters as they liquidate this business. So, this is now a 20% holding in our portfolio. When it doubles, the whole firm is going to earn 20% from a single position. And we're likely to receive basically three to four times our initial investment in cash. The funds went out in 2022 and the cash is going to come back in 2024, 2025.

We will continue to monitor the developments here very closely. As they wind this down, it is a very interesting time because we get to compare our estimates with what they are selling for. And we are finding ourselves to be quite conservative.

Finally, let's talk briefly about one more compounder, Daily Journal Corporation.

We have done more research on Daily Journal than anyone else in the world outside of the company. There is enormous financial off financial statement value. It has exceptional management. It is a wonderful business model. And it's completely misunderstood and totally undervalued.

I have posted several videos on YouTube. We have a YouTube channel. You can find the videos there that explain our thesis and how we've researched this for years, so I'll be brief here. I encourage you to watch those if you do want to learn more detail.

In brief, after attending many years of the annual meeting in Los Angeles, to see Munger speak, he began mentioning software in his opening remarks in just a word or two. But nobody I could find, I know a lot of people in that room, nobody had any idea what they were building. So, I found a customer training conference in Utah. I took a flight. I booked a room and I proceeded to converse with the customers in a lobby over a three-day period. And we obtained incredible insight.

Daily Journal, a small newspaper firm in Los Angeles was not a newspaper company at all. They were providing court software solutions for the justice system on a 10-year contract, getting 10-year contracts all across America.

Further, I learned that the RFP process and the technology development process for each courthouse was taking four to seven years to implement. And they were not building their customers until post-go live.

That means that Daily Journal had a pipeline of large sticky revenue that was completely missing from their financial statements. And nobody knew anything about it, they just hadn't billed the customer. And further, while the revenue was yet to arrive, the financial statements did include all of the embedded costs of this startup-like operation. So, you truly, you can't get a very good idea about what's going to happen by just reading the financial statements. This entity would not screen well at all.

But similar to the hard work we did on valuing all the properties of Seritage, we started on the West Coast. And for months, we studied the 3,300 counties across America. We read city council meeting minutes. We read the request for proposals. Anything we could find that would mention, that we could find mentioning Daily Journal or one of their products like e-Suite, that would suggest that a county might have a relationship with Daily Journal.

And we found through this method, over 100 contracts. We learned at the time that LA owed them $5 million, Austin owed them $1 million, and we found a contract in Australia for $89 million. And that's just the beginning.

To show you how inexpensive this high-quality firm is, I'm going to quickly remind you the three parts of this micro-cap. It's a $370 million business that's been run by Charlie Munger for 43 years. And his 300 carefully hand-picked employees. There's a newspaper business. And it makes money. And the revenues of around $11 million a year, we value it at zero just to be overly conservative. There's an equity portfolio run by Charlie Munger for the value of about $350 million. And if we add up the cash and real estate and subtract this unique debt, like the deferred capital gains tax, that has zero interest and no maturity for their margin loan, which has a rate of 2.25%. The net assets here are $220 million.

This leaves us with a debt-free software entity, earning tens of millions in sticky recurring revenue that make up the remainder of this portfolio. In the videos online, I explain in detail that Daily Journal Co. can grow their revenues to $100 million by the year 2030. And with very sticky revenue from these long contracts, these governmental contracts, and that Journal Technologies, the Journal Technologies subsidiary alone could be worth a billion dollars or more.

We're incredibly fortunate to have this exceptional holding as one of our core compounders. And I'm pleased to say that, today, we also own a half a percent of this business. We own a half percent of the equity portfolio of the software and of the newspapers.

And so, I'll show you their portfolio for a moment. And then I'm going to elaborate on one aspect that I think is confusing a few people at the moment.

This is the current stock portfolio inside of Daily Journal. And if you think about it for a moment, with their cash, real estate and assets managed by Munger, DJCO is that the portfolio inside of DJCO is now larger than the market cap of the entire firm.

How can this be? Oh, they have debt. I mean, that's the common consideration. Well, they have this debt that's being inflated out of existence. The weighted average cost of their debt is 1.1%. They pay less than 2 million annually in interest. And the dividends from their investment portfolio service the entire debt obligation.

It's extraordinary how cheap this company pays trades right now. Some of you may have read the book, Hundred Baggers. And it talks very specifically about firms that can compound and earn investors a hundred times their original investment. It would turn $10,000 into a million. DJCO is already almost a 200-bagger. And it's currently selling for below its liquidation value.

Now, I mentioned that you can't really understand what's happening just by looking at the financial statements. What people are missing about the business is that the revenue right now appears slower than reality because they have strategically discontinued the JustWare product life. They are encouraging customers to upgrade from JustWare to their e-Suite products. And this action temporarily eliminates $68 million annual revenues. And Journal Technologies is only earning about $34 million. So, if they deliver anything close to $34 million this year, that would suggest that the e-suite product is on track for 20%+ growth, and this can accelerate.

So don't think of last year's revenue as $34 million. The current product line was earning about $26 – $28 million. So, you can figure out better growth estimates if you're looking at a consistent set of products.

Finally, I'll mention that Charlie Munger recently appointed a new CEO, Steven Myhill-Jones. I had the honor of meeting with him over a zoom call this summer. And in fact, I was told that it was the first meeting with an outside shareholder after he joined the firm.

So, he is obviously a fantastic leader, very smart and motivated. And Charlie has called him whip smart full of energy, exactly the kind of leader we need at Daily Journal and Journal Technologies to take our business into the future.

And as a side note, as Steven and I were being introduced via email, I was quite honored that he responded saying, yes, I'm familiar with Matthew Peterson's report. Indeed, it was a resource that helped inform my decision to join Daily Journal. So, I'm really pleased to see that our research is providing this type of unexpected value for our holdings. It's phenomenal.

This brings us to a very exciting aspect of the fund where we have begun earning enormous returns on our large cash pile. I have been honing our Structured Value stock purchasing strategy for nearly 20 years. And since the inception of the fund this has allowed us to build into our long-term compounders for below market prices giving us world class returns.

One challenge is that we always have a lot of cash. This cash often sits idle for quarters and years as it is held to purchase the intended stock when our short put contracts expire. Cash basically earns 0% while we wait for expiration or today you might earn 2.6% if it is held in US

Treasurys. So, we earn this nice premium by selling a put contract but if we could obtain a sizable yield on our cash while we wait to buy the stock, we can perform far better.

For over a decade I have been looking for potential solutions for our cash but until recently it has always been earning nothing. In fact, 5 years ago in Switzerland I spoke at a VALUEx conference hosted by Guy Spier on some pair trade arbitrage opportunities that I had found for value funds, and in the talk, I explained the challenges and why they were failing in practice. Most of these opportunities fail due to timing, or liquidity, wide bid-ask spreads, or external forces like taxes. I share this because it is important to recognize we have analyzed hundreds of possibilities that don't work to finally discover one that does, and the partners of this fund are going to make a fortune.

We call this allocation Structured Dividend Capture because we use structured products to capture high dividends in the market over a day or two and then exit back to cash. We treat this as a single fund holding but it is really our cash alternative and provides a huge return.

We start by collecting a premium as we write an out of the money put on a good firm that expires days before a large dividend payment. We are then put the shares for as short as a week while capturing the dividend and then exit that Friday by collecting a premium on a covered call.

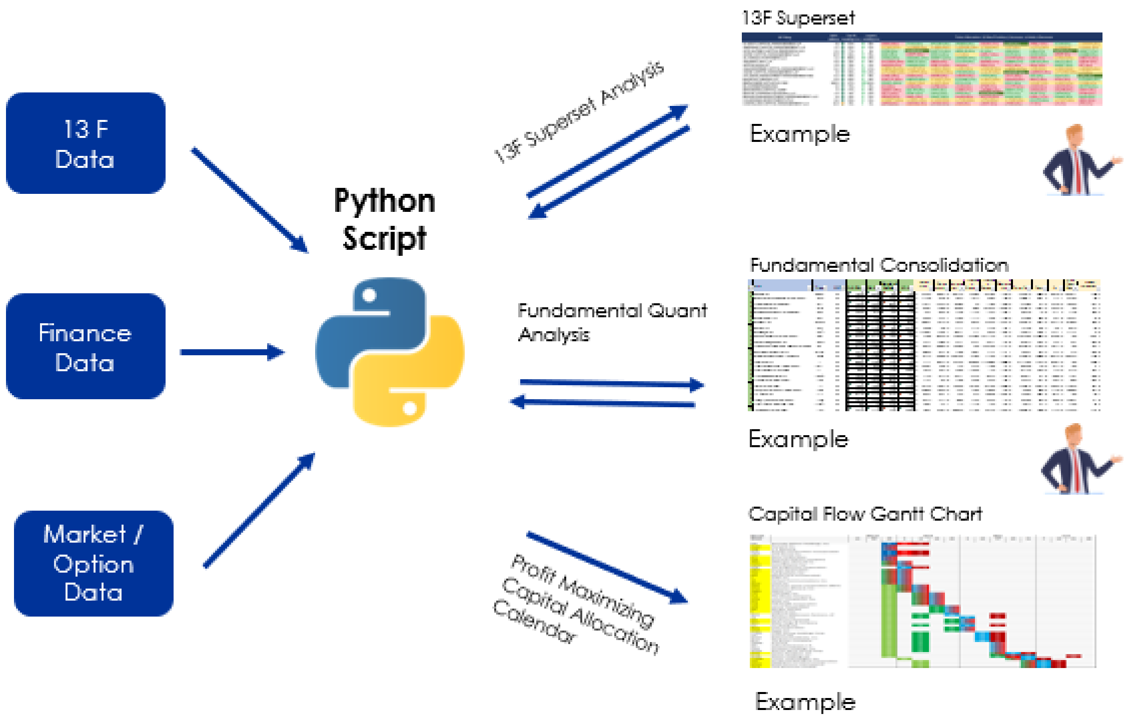
So over about 15 business days we pick up a put premium, a stock dividend and a call premium and are left with our cash holding. Furthermore, we are doing this with dozens of securities at the same time so any single holding may only account for 1% of the portfolio for a short period so even if a few shares decline, it will not cause any significant harm to our performance or the fund. Finally, our 13F analysis guides our decision to select securities from a pool of the 300 companies held by the top fund managers in the world.

One of the major challenges is that it required months of data analysis. There are businesses, prices, options, and considerations for hundreds and globally thousands of opportunities. How do we know when and where to allocate capital to capture all this yield?

We need an automated solution.

This is a flow diagram of the proprietary software solution we built to aid our analysis. Using Python, we have reduced the time for analysis from months each quarter to just a few hours.

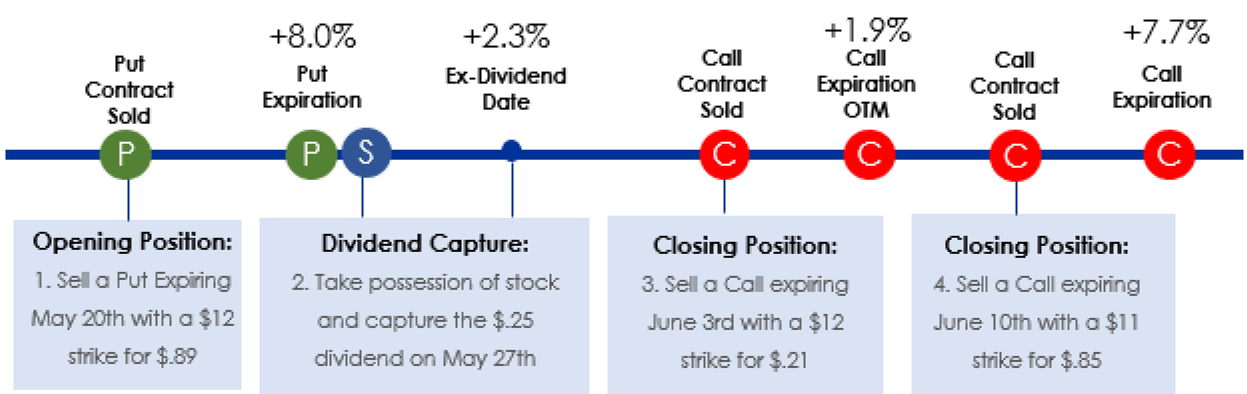
The software we built gathers data from three different subscriber databases. It creates a 13F superset from SEC data, it then breaks down financial metrics for us based on financial statement fundamentals so we can eliminate any firms with red flags like too much debt, and then the software recommends an ideal capital flow and provides a Gantt chart to maximizing the IRR on an annualized basis.



So let me provide you with some real examples from the last few months to help clarify.

Similar to the 13F analysis performed in the first step of our investment process, we create this super set of stocks held by the super-investors of today for consideration.

Once we identify the optimal capital flow, our cash is put to work and as this diagram explains:



Change in Strike Price: -$1.00 (8.3%)

Change in Stock Price: -2.7%

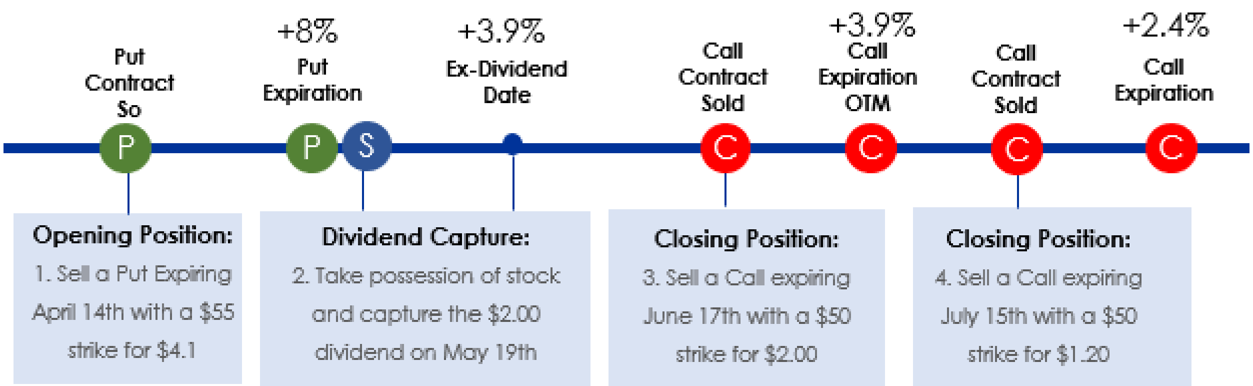
Total Return (51 days): 2.8%

Annualized Return: 21.8%

In this first example we show results from transactions around Lumen Technologies. The blue line indicates time and we begin with selling a $12 strike put on Lumen and receive a 0.89 cent or 8% premium giving us a net cost for the shares of $11.11. Then we hold the shares across the ex-dividend date on May 27 and receive a 0.25 cent or 2.3% dividend. Finally we attempt to exit with a $12 strike call but the stock price is under the strike on June 3rd so we do not exit the shares. We then immediately sell a call expiring the following week with a strike of $11 and earn another call premium of .85 and exit at expiration.

This means, on our net cost of $11.11 we earn a .25 cent dividend and call premiums of .21 and .85 and lost 0.11 cents between our net buy and call strike. So during 51 days as the shares fell 2.7% we made a 2.8% gain for an annualized return of 21.8%.

Next, we have Icahn Enterprises:



Change in Strike Price: -$5.00, (9%)

Change in Stock Price: -4%

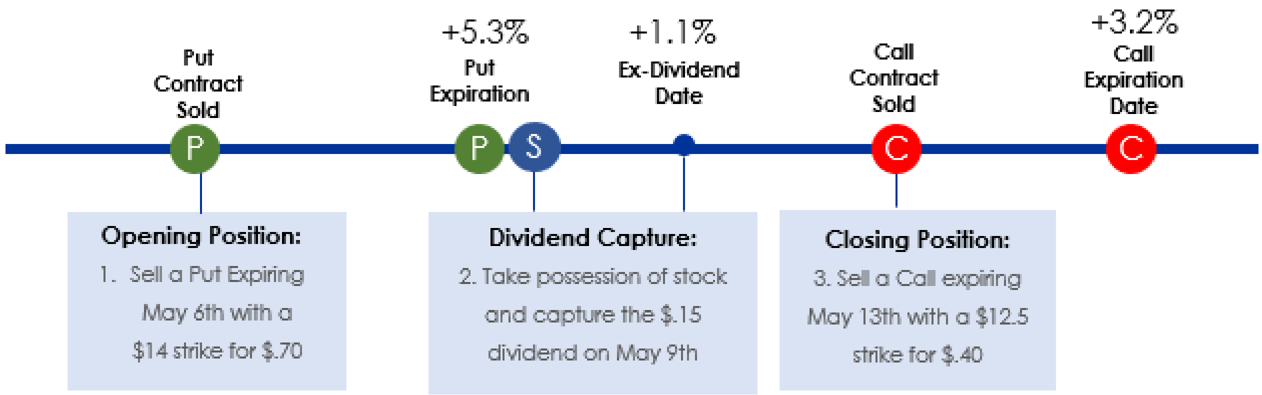
Total Return (123 days): 8.5%

Annualized Return: 27.4%

Here we sell a $55 strike and picked up $4.10 for our net cost per share of $50.90. We then receive a 3.9% dividend of $2 and then write a $50 strike call to exit for $2, another 3.9%. Again, shares were just below $50 so we wrote a call for the next available expiration and earned a final $1.20 or 2.4% from the call.

Down at the bottom you see we had to adjust our strike prices by $5 to exit as the stock declined 4%, yet we still earned 8.5% over this timeframe which is a 27.4% compounded annualized return.

Finally, we will illustrate a loss because not every situation is expected to be positive:



Change in Strike Price: -$1.50 (11.3%)

Change in Stock Price: -7.6%

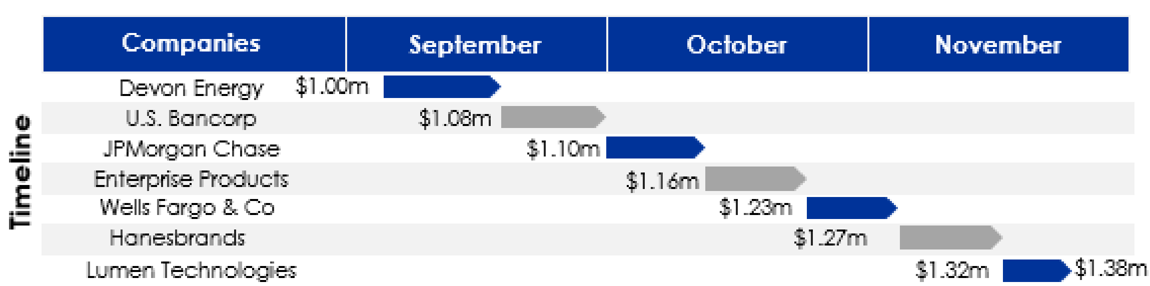
Total Return (34 days): -1.9%

HanesBrands fell 7.6% during our holding period. We received our 3 payments, the put premium of .70 cents, the dividend of .15 cents, and the call premium of .40 cents. However, we were down $1.5 because of the necessary reduction in the call strike price.

In this scenario, while the shares fell 7.6%, we only saw a decline of 1.9% because of the three incoming cash flows that offset the equity decline.

So how good can this get?

Application of Structured Dividend Capture through a $1m allocation across 7 high-quality positions, representing an 38% gain over 3 Months



Return Analysis

	Beg Balance	Put Yield	Div Yield	Call Yield	Equity Adj.	Total Yield	End Balance
Devon Energy	1,000,000	3.2%	2.4%	3.4%	-1.6%	7.5%	1,075,000
U.S. Bancorp	1,075,000	2.4%	0.9%	1.5%	-2.0%	2.8%	1,104,778
JPMorgan Chase	1,104,778	3.1%	0.8%	1.3%	0.0%	5.2%	1,162,262
Enterprise Products	1,162,262	4.3%	1.7%	1.7%	-1.8%	5.9%	1,230,518
Wells Fargo Co	1,230,518	1.8%	0.7%	1.5%	-1.1%	2.9%	1,266,364
Hanesbrands Inc.	1,266,364	6.4%	1.4%	5.5%	-9.1%	4.1%	1,318,170
Lumen Technologies	1,318,170	4.5%	2.2%	2.2%	-4.3%	4.5%	1,377,774

Here is a capital flow diagram that starts with an allocation to Devon Energy and concludes with the allocation to Lumen. What you see here is that by picking up each of these dividends using the Structured Value purchase and sale method, we receive 21 premium and dividend payments on these 7 securities and over a three-month period this earns 37%. It's phenomenal.

In practice, we use a basket of multiple opportunities but here is a simplified version that a single track of capital might take. This is forward looking so you can follow along or try this yourself. We do not expect or need each position to work perfectly to achieve outstanding results.

We start by selling the put on Devon Energy, we earn 7.5% and move to US Bank, JP Morgan, and by the time we exit Enterprise Product we are up 23%. After Wells Fargo, HanesBrands and Lumen you can see on the bottom right that we have turned $1m into $1.37m for nearly a 38% gain over a three-month period.

We have done years of hard work for you.

And why does this exist? We estimate our ability to put about $30 million or more into this strategy but that is nothing for a big Wall Street Bank. Not only are they unaware of this situation but earning 15 or even 50% on $30 million is immaterial for their earnings, so they leave this space alone.

Further, retail investors typically lack the knowledge and capability to execute on this effectively. Some of you will want to test this on your own and will be successful and I would be delighted to hear your stories, but this space is wide open and we are printing money.

By the way, this doesn't cap our fund at $30 million because 80% of the capital is already allocated to our long-term compounders. As long as this situation remains profitable, we can operate a fund with many hundreds of millions while keeping $30 million in cash, ripping these premiums and dividends out of the market.

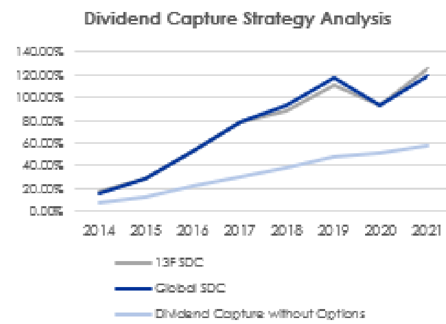
In case you are still not convinced:

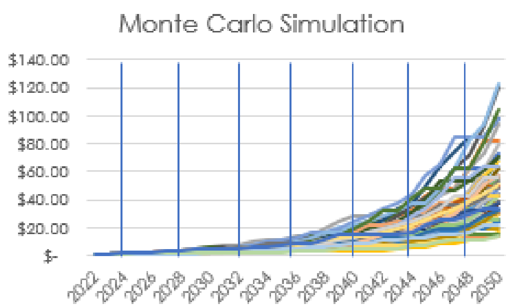
In collaboration with Computer Science Professor Siddharth Krishnan and his graduate student Lavanya, we recently completed 25 years of back testing so we could examine results during periods like the Asian crisis, Dot-com collapse, 9-11, the financial crisis, the pandemic and the current debatable recession.

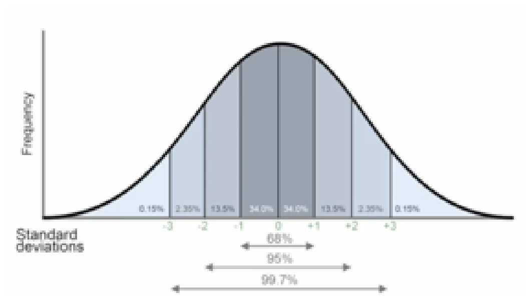
The results are incredible. Since 1997, over a 25-year period, executing this strategy would turn $1m into $27 million. Compared to our benchmark, the formidable S&P 500 that would have grown to $10 million. This provides us with nearly a 15% annualized return, that returns about 50% more than the S&P 500 each year. We have tested our system and it outperforms our benchmark by an astonishing 5% annually. Incredibly we have 100 quarters of data and results and there are only 4 quarters out of 100 with a small net loss.

But we still are not done.

Year	13F SDC	Global SDC	Dividend Capture without Options
2014	16.61%	15.50%	6.77%
2015	27.86%	28.96%	12.88%
2016	53.24%	52.75%	22.84%
2017	78.67%	78.59%	30.76%
2018	87.76%	93.07%	38.97%
2019	110.25%	116.69%	47.80%
2020	92.48%	92.31%	50.76%
2021	125.34%	118.25%	57.53%







With this test available we can now test minor changes, writing an in the money contract vs an out of the money contract. Testing our 13F output vs the global set of securities. As an example, the graph on the top right shows a shorter period of 7 years where are 13F results are starting to outperform global securities. The blue upward slopping line at the bottom shows results from capture dividends without using structured products. As expected, we are on the profit maximizing path.

Finally, on the lower row, I have illustrated our intensions of producing Monte Carlo simulations so we can look forward with statistical confidence as well as backward.

If we run millions of simulation paths through the model with price fluctuations that stress-test our variables, we will increase our confidence on expected returns and the standard deviation of our data set.

Now, let me reassure everyone, we are a long-term, value-based fund with a concentrated portfolio of exceptional businesses run by extraordinary management teams that are selling for deep discounts to their intrinsic value. None of that has changed.

And, we have always used the Structured Value approach, selling puts as a tool to equity ownership, to purchase these long-term positions and through considerable analysis and a constant passion to maximize gains we have found a way to pull cash out of the market in the form of premiums and dividends while we sit cash allocated to the future purchases of our compounders.

Although we continue to grow, today we have far more opportunities than capital, send us your money before our October 1 close date because we can put it to work immediately, and future looks very promising.

I want to say a big thank you to our team. We now have three interns who are all extremely bright, hardworking and honest. They are such a pleasure to work. We will continue brining in top students as needed and these three are exceptionally prepared candidates for the career path of their choice.

We also want to thank our service providers, from our administrators Josh and Kathryn at Yulish and Associates, to our Auditors at Spicer Jeffries, we quite literally cannot operate without their consistent efforts. I am also pleased to share that these service providers have been with us since the inception of this fund, and we hope to continue working with these teams for many years to come.

Finally, our sincere appreciation goes out to Dr. Sidd Krishnan and Mahalavanya Sriram.

Our collaboration is opening areas of great opportunity and importance. It is a pleasure working with them. They bring an academic mindset and are helping us combine finance with technology to produce something much larger than the sum of the parts.

Now it is my great pleasure to have Dr. Krishnan here and he will say a few words before we move into the Q&A. Danielle, I will turn the meeting back over to you.

INDEPENDENT AUDITORS' REPORT

PETERSON INVESTMENT FUND I, LP

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

PETERSON INVESTMENT FUND I, LP CONTENTS

SPICER JEFFRIES LLP
Certified Public Accountants

4601 DTC BOULEVARD • SUITE 700
DENVER, COLORADO 80237
TELEPHONE: (303) 753-1959
FAX: (303) 753-0338
www.spicerjeffries.com

INDEPENDENT AUDITORS' REPORT

To the Partners of
Peterson Investment Fund I, LP and Talas Turkey Value Fund, LP

Opinion

We have audited the accompanying consolidated financial statements of Peterson Investment Fund I, LP and Talas Turkey Value Fund, LP (the "Fund"), which comprise the consolidated statement of financial condition, including the consolidated condensed schedule of investments, as of December 31, 2022, and the related consolidated statements of operations, consolidated changes in partners' capital, and consolidated cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Fund as of December 31, 2022, and the results of its consolidated operations, and its consolidated cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Spicer Jeffries LLP

Denver, Colorado
March 15, 2023

PETERSON INVESTMENT FUND I, LP
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2022

ASSETS		
INVESTMENTS, at fair value (cost of $22,137,563)	$	22,161,188
DUE FROM BROKER (Note 4)		45,278
CASH & CASH EQUIVALENTS		751,450
DIVIDEND AND INTEREST RECEIVABLE		2,468
	$	**22,960,384**
LIABILITIES AND PARTNERS' CAPITAL		
LIABILITIES:		
Investments sold, not yet purchased, at fair value (proceeds of $912,930)	$	199,182
Due to Broker (Note 4)	$	5,146,684
Subscriptions received in advance		497,400
Accrued expenses		27,250
Due to investors		80,215
Other liabilities		1,591
Dividend/Interest payable		9,151
Total liabilities		5,961,473
CONTINGENCIES (Note 6)		
PARTNERS' CAPITAL		16,998,911
	$	**22,960,384**

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS

DECEMBER 31, 2022

		Fair Value	Percentage of Partners' Capital
Investments in securities, at fair value:			
Private equity:			
United States:			
Dhandho Holdings, L.P. (cost of $400,000)	$	334,000	1.96
Dhandho Holdings Qualified Purchaser, L.P. (cost of $222,129)		236,591	1.39
Total United States Private Equity, at fair value (cost of $622,129)		570,591	3.36
Common stocks:			
United States:			
Technology		3,948,485	23.23
Consumer Discretionary		2,134,824	12.56
Finance		3,089,000	18.17
Total United States common stocks, at fair value (cost of $9,592,032)		9,172,309	53.96
Turkey:			
Finance		318,093	1.87
Industrials		194,210	1.14
Consumer Cyclical		971,939	5.72
Consumer Defense		209,937	1.24
Health		55,413	0.33
Utilities		23,723	0.14
Basic Materials		223,659	1.32
Energy		512,022	3.01
Communication		121,332	0.71
Total Turkey common stocks, at fair value (cost of $1,849,072)		2,630,328	15.48
China:			
Consumer Discretionary (cost of $421,784)		440,450	2.59
Total investments in common stocks, at fair value (cost of $11,862,888)		12,243,087	72.03
Real Estate Investment Trust:			
United States:			
Finance (cost of $3,025,267)		3,079,349	18.11

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS

DECEMBER 31, 2022
(concluded)

	Fair Value	Percentage of Partners' Capital
American Depositary Receipt		
South Africa:		
Finance (cost of $2,375,045)	$ 3,300,000	19.41
Options:		
United States:		
Technology	572,535	3.37
Finance	481,438	2.83
Total United States options, at fair value (cost of $1,466,015)	1,053,973	6.20
China:		
Consumer Discretionary (cost of $2,386,219)	1,914,188	11.26
Total investments in options, at fair value (cost of $3,852,234)	2,968,161	17.46
Total investments in securities, at fair value (cost of $21,737,563)	**$ 22,161,188**	**130.37**
Investments in marketable securities sold, not yet purchased, at fair value:		
Options:		
United States:		
Technology	42,485	0.25
Consumer Discretionary	5,120	0.03
Finance	105,779	0.62
Healthcare	11,550	0.07
Industrials	13,798	0.08
Total United States options, at fair value (proceeds of $831,187)	178,732	1.05
China:		
Consumer Discretionary (proceeds of $81,743)	20,450	0.12
Total investments in options, at fair value (proceeds of $912,930)	199,182	1.17
Total investments in marketable securities sold, not yet purchased, at fair value (proceeds of $912,930)	**$ 199,182**	**1.17**

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2022

INVESTMENT INCOME:	
Dividend and interest income	$ 285,264
EXPENSES:	
Management fees (Note 3)	106,254
Professional fees and other expenses	41,144
Dividend and interest expense	65,755
Total expenses	213,153
Net investment income	72,111
NET REALIZED LOSS AND CHANGE IN UNREALIZED DEPRECIATION OF INVESTMENTS:	
Net realized loss on investments	(1,345,529)
Change in unrealized depreciation of investments	(1,016,953)
Net realized and unrealized loss on investments	(2,362,482)
NET DECREASE IN PARTNERS' CAPITAL RESULTING FROM OPERATIONS	**$ (2,290,371)**

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' CAPITAL

YEAR ENDED DECEMBER 31, 2022

	General Partner	Limited Partners	Talas Partners	Total Partners' Capital
BALANCES, December 31, 2021	$ 514,762	$ 16,658,614	$ 504,078	$ 17,677,454
Contributions	104,426	1,951,975	953,982	3,010,383
Decrease resulting from operations:				
Net investment income	2,976	45,303	23,832	72,111
Net realized loss	(39,140)	(1,306,304)	(85)	(1,345,529)
Change in unrealized depreciation	(50,778)	(1,694,731)	728,556	(1,016,953)
Performance allocation (Note 2)	202,441	(43,853)	(158,588)	-
Capital withdrawals	(429,980)	(968,575)	-	(1,398,555)
BALANCES, December 31, 2022	**$ 304,707**	**$ 14,642,429**	**$ 2,051,775**	**$ 16,998,911**

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net decrease in partners' capital resulting from operations	$	(2,290,371)
Adjustments to reconcile net decrease in partners' capital resulting from operations to net cash used in operating activities:		
Net realized gain on investments in securities		1,345,529
Change in unrealized appreciation of investments in securities		1,016,953
Purchases of investments, net of sales		(12,240,830)
Increase in due to/from broker		10,587,519
Increase in due to investor		63,997
Increase in accrued expenses		3,865
Increase in dividend/interest payable		8,715
Decrease in Dividends/Interest Receivable		3,803
Net cash flows used in operating activities		(1,500,820)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions including subscriptions received in advance		3,507,783
Withdrawals		(1,398,555)
Net cash flows provided by financing activities		2,109,228
NET INCREASE IN CASH		608,408
CASH, at beginning of year		143,042
CASH, at end of year	**$**	**751,450**

The accompanying notes are an integral part of this statement.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Peterson Investment Fund I, LP (the “Partnership”) is a Delaware limited partnership organized for the purpose of investing in and trading a wide range of securities and other financial instruments. The Partnership commenced operations on October 3, 2011. Peterson Capital Management, LLC, a Delaware limited liability company organized in May 2010, serves as the General Partner and Investment Manager of the Partnership.

The Partnership has three primary objectives: capital preservation, long-term capital appreciation in excess of market indices (S&P 500), and limitation of downside risk. These objectives will be pursued with a long-term mentality rather than for temporary gain. Additionally, the Partnership will seek to limit investment turnover to reduce frictional costs (such as taxes and transaction fees).

The Partnership shall continue until December 31, 2099 unless it is terminated sooner by the General Partner or otherwise as permitted under the Limited Partnership Agreement.

Interests offered to investors are without registration under the Securities Act of 1933, as amended, or the securities laws of any state, in reliance on the private offering exemption contained in Rule 506 of Regulation D issued under the Securities Act of 1933 and in reliance on similar exemptions under applicable state laws. Under Rule 506 and certain state laws, the Partnership must determine that a person, or a person together with a purchaser representative, meets certain suitability requirements before offering to sell interests to such an individual.

Basis of Presentation

The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiary, Talas Turkey Value Fund LP, a Delaware Limited Partnership (collectively referred to as the “Fund”). All intercompany balances and transactions are eliminated in consolidation. The Partnership is an investment company and follows the accounting and reporting guidance in FASB Topic 946.

Basis of Accounting and Trading and Valuation of Investments

The Fund records its securities transactions on a trade-date basis. Realized gains or losses are recorded upon disposition of investments calculated based upon the difference between the proceeds and the cost basis determined using the specific identification method. All other changes in the valuation of portfolio investments are included as changes in the unrealized appreciation or depreciation of investments in the statement of operations. Dividend income and expenses are recorded on the ex-dividend date and interest income and expense are recorded on the accrual basis.

The Fund values its investments in accordance with Accounting Standards Codification 820 - Fair Value Measurements (“ASC 820”). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting and Trading and Valuation of Securities *(continued)*

In determining fair value, the Fund uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

> Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and blockage discounts are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.
>
> Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
>
> Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Fund values investments in derivatives, securities and securities sold, not yet purchased that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year.

Many cash and over-the-counter ("OTC") contracts have bid-and-ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. For securities whose inputs are based on bid-ask prices, the Fund's valuation policies require that fair value be within the bid-ask range. The Fund's policy for securities traded in the OTC markets and listed securities for which no sale was reported on that date are valued at their last reported "bid" price if held long, and last reported "ask" price if sold short. The Fund considers these investments as level 1 securities for active markets and level 2 securities for thinly traded markets.

The Fund's investment in nonpublic securities consists of a direct private equity investment. The utilization of the net asset valuations provided by the underlying investment and/or their administrators is an appropriate estimate of fair value of a private company. The Fund considers any restrictions on the dispositions of the interest in its determination of fair value. These nonpublic investments are included in Level 3 of the fair value hierarchy.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting and Trading and Valuation of Securities *(continued)*

The industry classifications included in the condensed schedule of investments represent the General Partner's belief as to the most meaningful presentation of the classification of the Fund's investments.

Option Contacts

Options which are listed on major securities exchanges are valued at their last reported sales price as of the valuation date or based on the midpoint of the bid-ask spread at the close of business on the valuation date by the relevant exchange or board of trade. Over-the-counter options are valued by a third-party pricing service using techniques that consider factors including the value of the underlying instrument, the volatility of the underlying instrument and the period of time until option expiration. Depending on the frequency of trading, listed options are generally classified in Level 1 or 2 of the fair value hierarchy.

The Fund is exposed to counterparty risk from the potential that a seller of an option contract does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts and the premiums paid to purchase its open option contracts. The Fund considers the credit risk of the intermediary counterparties to its option transactions in evaluating potential credit risk.

Foreign Currency Transactions

Investment securities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not isolate the portion of the results of operations resulting from changes in foreign currencies in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arose from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

Cash and Cash Equivalents

The Fund considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Short Sales

The Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in amount, will be recognized upon the termination of a short sale.

Income Taxes

The consolidated financial statements do not include a provision for income taxes because the Fund is not a taxable entity and its partners are taxed on their respective share of the Fund's earnings.

The Fund is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. The Fund files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states. The Fund is not subject to income tax return examinations by major taxing

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (concluded)

authorities for years before 2019. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Fund recording a tax liability that reduces net assets. However, the Fund's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Fund recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income taxes payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended December 31, 2022.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - LIMITED PARTNERSHIP AGREEMENT

Allocation of Net Profits and Losses

Net profits are allocated to all partners in proportion to their relative opening capital balances. At the end of each calendar year, the General Partner will receive a performance allocation equal to 25% of each limited partner's share of net profits for such a year, subject to a "hurdle" rate of 5% of returns each year and a high-watermark. If a limited partner makes a withdrawal of capital at a time other than the end of a calendar year, the General Partner will receive a partial performance allocation at the time of that withdrawal in proportion to the reduction in that partner's capital account balance caused by the withdrawal.

The General Partner received a performance allocation for the year ended December 31, 2022 in the amount of $202,441.

Net losses are allocated to all partners in proportion to their relative opening capital balances. If such allocation of net losses would result in a negative capital balance in the account of any limited partner, such losses will be allocated to the General Partner.

Capital Contributions and Withdrawals

Capital contributions may be made as of the first business day of each calendar month or at any other time at the General Partner's discretion. The minimum initial contribution to the Fund is $250,000. Additional contributions may be made in amounts of at least $25,000 for Peterson Investment Fund I, LP and $100,000 for the subsidiary.

There is one additional share class. We have offered our zero management fee share class on contributions of $2 million and up with quarterly commitments and year end annual redemptions available following a 36 month soft lockup with annual early redemption allowance. Additional details include a 5% hurdle rate, 25% performance fee above the hurdle, and a high watermark provision. K-1 tax documents will be provided each March.

The General Partner, at its sole discretion, may waive the minimum initial contribution amount or the minimum additional contribution amount. Beginning with the twelfth full fiscal quarter after a limited partner's initial capital contribution, a limited partner may, subject to certain conditions, on at least sixty (60) calendar days prior written notice to the General Partner, withdraw all or part of its capital account as of the last day of the calendar quarter. If a limited partner redeems its capital balance prior to the twelfth quarter, the redemption shall be subject to a 3% withdrawal fee. Partial withdrawals must be at least $100,000.

Any of these conditions may be waived by the General Partner in its sole discretion. The General Partner also may suspend the limited partners' withdrawal rights under certain circumstances.

NOTE 2 - LIMITED PARTNERSHIP AGREEMENT (continued)

All partner classes are held to the same conditions. Withdrawal payments generally will be made within 30 days after the effective withdrawal date. The retention period generally will not exceed 90 days from the withdrawal request, though the General Partner may extend it until completion of the audit for the fiscal year in which the withdrawal occurs. If a limited partner withdraws more than 90% of its capital account during the year or at year-end, the Fund will distribute 90% of the limited partner's estimated capital balance. The remaining 10% will be distributed after completion of the audit of the Fund for the year in which the withdrawal took place.

NOTE 3 - RELATED PARTIES

The Fund pays a management fee to General Partner equal to 0.225% per quarter in advance (0.9% per annum) of the balance in each limited partner's capital account. Limited Partners who have made a commitment of $2,000,000 can elect to join the zero fee class, where they are not charged management fees. Limited partners who are permitted by the General Partner to contribute capital on a date other than the first day of the quarter are charged a prorated management fee as to that contribution. The General Partner, in its sole discretion may agree to waive or reduce the management fee rate for certain limited partners and may agree with any limited partner to change the fee rate.

The General Partner has agreed to allow a limited number of non-accredited Limited partners to be charged a 2% management fee and not be charged a performance allocation. The Fund incurred management fees of $106,254 for the year ended December 31, 2022.

Certain limited partners are affiliated with the General Partner. The aggregate value of the General Partner's and affiliated limited partners' share of the Fund's capital as of December 31, 2022 was $1,395,827.

NOTE 4 -DUE FROM BROKER

Due to broker represents monies due to the custodian broker from settled and unsettled trades. The due to broker amount is subject to interest at the prevailing interest rates charged by the custodian broker. The Partnership has a policy of reviewing, as considered necessary, the credit standing of each broker with which it conducts business.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 1 for a discussion of the Fund's policies.

The following table presents information about the Fund's assets and liabilities measured at fair value as of December 31, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balances as of December 31, 2022
Assets:				
Private equity:				
Dhandho Holdings, L.P.	$ -	$ -	$ 334,000	$ 334,000
Dhandho Holdings Qualified Purchaser, L.P.			236,591	236,591
Common stocks:				
Technology	3,948,485	-	-	3,948,485
Consumer Discretionary	2,575,274	-	-	2,575,274
Finance	3,407,093	-	-	3,407,093
Industrials	194,210	-	-	194,210
Consumer Cyclical	971,939	-	-	971,939
Consumer Defense	209,937	-	-	209,937
Health	55,413	-	-	55,413
Utilities	23,723	-	-	23,723
Basic Materials	223,659	-	-	223,659
Energy	512,022	-	-	512,022
Communication	121,332	-	-	121,332
Real Estate Investment Trust:				
Finance	3,079,349	-	-	3,079,349
American Depositary Receipt:				
Finance	3,300,000	-	-	3,300,000
Options:				
Technology	572,535	-	-	572,535
Consumer Discretionary	1,914,188	-	-	1,914,188
Finance	481,438	-	-	481,438
Total assets	**$ 21,590,597**	**$ -**	**$ 570,591**	**$ 22,161,188**
Liabilities:				
Options:				
Technology	(42,485)	-	-	(42,485)
Consumer Discretionary	(25,570)	-	-	(25,570)
Finance	(105,779)	-	-	(105,779)
Healthcare	(11,550)	-	-	(11,550)
Industrials	(13,798)	-	-	(13,798)
Total liabilities	**$ (199,182)**	**$ -**	**$ -**	**$ (199,182)**

The Fund did not have any significant transfers between Level 1 and Level 2 during the year ended December 31, 2022.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS (continued)

The following table presents additional information about Level 3 assets measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Fund has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs.

Changes in Level 3 assets measured at fair value for the year ended December 31, 2022, are as follows:

	Level 3 Beginning Balance December 31, 2021	Net Transfers In and/or (Out) of Level 3	Purchases	Sales and Settlements	Realized and Unrealized Gains (Losses)	Level 3 Ending Balance December 31, 2022	Change in Unrealized Gains (Losses) for Investments Still Held at December 31, 2022
Investments:							
Private equity	$ 881,347	$ -	$ -	$ (174,871)	$ (135,885)	$ 570,591	$ (32,809)

Valuation techniques and unobservable inputs of Level 3 assets measured at fair value as of December 31, 2022 are as follows:

Level 3 Fair Value Measurements	**Fair Value at December 31, 2022**	**Valuation Technique**	**Unobservable Inputs**
Investments:			
Private equity	$ 570,591	Net asset value	Private placement sale price

The Fund invests a portion of partners' capital into a private equity investment valued at $570,591 (approximately 3% of partners' capital). Fair value of this investment has been valued utilizing the net asset valuation provided by the private equity investment in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation, the estimated value may differ from the value that would have been used had a ready market for the investment existed, and the difference could be material.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS (continued)

The Fund holds security positions that are in excess of 5% of partners' capital. The following is a schedule of these positions as of December 31, 2022:

	Number of Shares/Contracts	Fair Value	Percentage of Partners' Capital
Investments in securities,			
at fair value:			
Common stocks:			
Berkshire Hathaway Inc.	10,000	$ 3,089,000	18.17
Daily Journal Cp	6,900	1,728,519	10.17
Alphabet Cl C	44,500	3,948,485	23.23
Real Estate Investment Trust:			
Seritage Growth Properties	260,300	3,079,349	18.11
American Depositary Receipt:			
Naspers Ltd.	100,000	3,300,000	19.41
Total investments in excess 5% of partners' capital		15,145,353	89.09
Total investments not in excess 5% of partners' capital		7,015,835	41.27
Total investment in securities,			
at fair value		**$ 22,161,188**	**130.37**

In the normal course of business, the Fund utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The primary underlying risk of the Fund's derivative activities and exposure to derivative contracts is equity price risk. In addition to this primary underlying risk, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS (continued)

Volume of Derivative Activities

At December 31, 2022, the volume of the Fund's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

	Long exposure		Short exposure	
Primary underlying risk	Notional amounts	Number of contracts	Notional amounts	Number of contracts
Equity Price				
Options	$ 7,495,779	1,914	$ 17,126,402	6,628

Notional amounts presented are based on the fair value of the underlying shares as if excercised at December 31, 2022

The following table identifies the fair value amounts of derivative instruments included in the statement of financial condition as derivative contracts, categorized by primary underlying risk, at December 31, 2022. Balances are presented on a gross basis, prior to the application of the impact of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of master netting arrangements and have been adjusted by the application of cash collateral receivables and payables with its counterparties.

Primary underlying risk	Derivative assets	Derivative liabilities
Equity Price		
Options	$ 2,968,161	$ 199,182

The following table identifies the net gain and loss amounts included in the statement of operations from derivative contracts, categorized by primary underlying risk, for the year ended December 31, 2022:

Primary underlying risk	Realized profit (loss)	Unrealized profit (loss)
Equity Price		
Options	$ 2,876,028	$ (1,247,932)

NOTE 6 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS AND CONTINGENCIES

In the normal course of business, the Fund enters into various financial transactions. The execution of these transactions may result in off-balance sheet risk or concentration of credit and price risk. The Fund records securities transactions on a trade-date basis and, therefore, is exposed to credit risk in the event that the Fund's counterparties are unable to fulfill contractual agreements on the date of settlement.

Price risk is comprised of interest rate, market, and currency risk. Interest rate risk is the risk that the value of financial instruments (mainly investments) may fluctuate as a result of changes in market interest rates. Market risk is the risk that the market values of investments change due to changes in market conditions. Investments in equities and options are subject to market and interest rate risk. Currency risk is the risk that the value of instruments may fluctuate as a result of changes in foreign exchange rates. As of December 31, 2022, all assets and liabilities of the Fund were denominated in United States dollars.

The Fund engages in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require securities sold short, not yet purchased, to be acquired at prices which may be significantly higher than the market value reflected in the statement of financial condition.

Investments in private companies are not readily transferable; the Fund's investments are illiquid and generally can only be redeemed at the ultimate liquidation of the private companies or in connection with a private share sale or merger acquisition. Consequently, neither the Fund nor any partner has any ability to liquidate its investment(s) in a timely manner. The actual proceeds that may be received upon the future liquidation of an investment in a privately held company may be more or less than amounts indicated in the financial statements and the differences could be material.

The majority of the securities transactions of the Fund are cleared by one United States registered broker-dealer pursuant to a customer agreement. At December 31 2022, a majority of the investments and due from broker are positions with this broker and the Fund has all its individual counterparty concentration with this broker.

Cash includes cash balances maintained with financial institutions that may exceed FDIC limits. In the event of a financial institution's insolvency, recovery may be limited. At December 31, 2022, the Fund held cash in an FDIC insured account in excess of the FDIC insured limit of $250,000 by $320,723.

The Fund's financial instruments, including cash and cash equivalents, dividends and interest receivable, due from/to broker, subscriptions received in advanced, accrued expenses, dividend/interest payable, other liabilities, and due to investors are carried at amounts which approximate fair value due to the short-term nature of these instruments. Investments are valued as described in Note 1.

NOTE 7 - FINANCIAL HIGHLIGHTS

The information presented below represents the financial highlights for the year ended December 31, 2022, applicable to the Fund taken as a whole.

Operating Performance:	
Total return before performance allocation to General Partner	(14.43)
Performance allocation to General Partner	(0.59)
Net return after performance allocation to General Partner	**(15.02)**
Ratios to Average Net Assets:	
Total expenses	1.37
Performance allocation to General Partner	1.31
Total expenses and performance allocation to General Partner	**2.68**
Net investment income	**0.45**

An individual's total return and ratios may vary from these returns and ratios based on the timing of capital transactions and variations in management fees and incentive arrangements from those set forth in the Limited Partnership Agreement. The total return of the subsidiary is not presented due to the low impact of the subsidiaries return.

NOTE 8 - SUBSEQUENT EVENTS

The Partnership has performed an evaluation of subsequent events through March 15, 2023, which is the date the financial statements were available to be issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

TEAM AND SERVICE PROVIDERS

GENERAL PARTNER

Peterson Capital Management, LLC
Matthew Peterson, CFA
10815 Ranch Rd 2222
Bldg 3B #100
Austin, TX 78730
Phone: (858) 754-9379
www.petersonfunds.com
matthew.peterson@petersonfunds.com

AUDITOR/TAX

Spicer Jeffries LLP
Sean P. Tafaro, CPA
Liliya Baers, MSA
Michael Monaco
4601 DTC Boulevard, Suite 700
Denver, CO 80237
Phone: (303) 753-1959
www.spicerjeffries.com

ADMINISTRATION

Yulish & Associates
Josh Sack, CPA
Katherine Yulish, CPA
2 Turquoise Way
San Francisco, CA 94131
Phone: 415-641-8600
Fax: 866-514-0105
www.yulish.com

GENERAL COUNSEL

Brill Law
Eric A. Brill, Esq.
235 Montgomery Street
17th Floor
San Francisco, CA 94104
Phone: 415-954-4480
www.brill-law.com

COMPLIANCE

Gordian Compliance Solutions, LLC
150 Spear Street, Suite 825,
San Francisco CA 94105
Phone: 415-762-2845
Fax: 415-970-5062
www.gordiancompliance.com

PRIME BROKER

Interactive Brokers Group
8 Greenwich Office Park
Greenwich, CT 06830
Phone: (800) 442 2757
www.interactivebrokers.com

CORPORATE BANKING

Wells Fargo Bank
3110 N. Sepulveda Blvd.
Manhattan Beach, CA 90266
Phone: 310-545-4062
Fax: 310-545-7423
www.wellsfargo.com

TECHNOLOGY SOLUTIONS

Global Solutions India
Office No 601, Orbit Heights
SP Road, Pune - 46101
Phone: 91-20-23804029
www.globalsolutionindia.com

MATTHEW PETERSON, CFA

Matthew Peterson is the Managing Partner of Peterson Capital Management, LLC. Matthew founded Peterson Capital Management in 2010 and has been working as a financial professional for two decades. His experience includes working with global financial services firms Goldman Sachs, Morgan Stanley, Merrill Lynch, American Express, and Ameriprise Financial.

Prior to forming Peterson Capital Management, LLC and launching Peterson Investment Fund I, LP, Matthew split time between Wall Street and London consulting for Goldman Sachs and other Investment Banks as a Capital Markets Manager at Diamond Management and Technology Consultants. Matthew worked as a member of both the US and UK offices, with expertise spanning risk management and derivative processing. During his tenure with Diamond, Matthew worked with top-tier investment banks, global payments firms, and international insurance companies to deliver high impact solutions to his clients' most challenging business problems.

In 2010, Diamond was purchased by PWC and became Diamond Advisory Services.

Before Diamond, Matthew worked with Merrill Lynch and founded M. Peterson Financial Services, a financial planning firm that offered client planning services to American Express Financial Advisors.

Matthew holds a Chartered Financial Analyst (CFA) designation. He earned his Bachelor of Science in economics and minor in mathematics from the University of Puget Sound. Matthew has lived and worked in China, England, and the United States. Matthew and his wife, Gamze, have two children, Isabel and Adrian.

The performance data presented represents that of Peterson Investment Fund I, LP.

This document does not constitute an offer to sell, or a solicitation of an offer to buy membership interests in Peterson Investment Fund I, LP. We will not make such offer or solicitation prior to the delivery of a definitive offering memorandum and other materials relating to the matters herein. Before making an investment decision with respect to the fund, we advise potential investors to carefully read the offering memorandum, the operating agreement, the related subscription documents, and to consult with their tax, legal and financial advisors.

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We have compiled all information herein from sources we believe to be reliable but cannot guarantee its accuracy.

HOW TO SELECT A FUND MANAGER

Renowned business manager Peter Kaufman is the CEO of Glenair, a former director of the Daily Journal Corporation and partner of Charlie Munger, and author of *Poor Charlie's Almanack*. At a Daily Journal Corporation annual meeting, Kaufman shared wise advice on how to select an exceptional fund manager using what he calls "the five aces." (Five aces is the highest possible hand in a game of wildcard poker.) Kaufman's five aces are:

4. Total integrity
5. Deep fluency
6. A fee structure that is fair in both directions
7. An un-crowded investment space
8. A long runway

He then advised that, if you ever find a money manager who possesses all five of these characteristics, you should:

1. Immediately put your money with them
2. Put as much as you are allowed

Our firm is built on a foundation of integrity, designed to last for generations. This list of aces is very encouraging because, without any coordination, we have structured our business around each of these factors.

Just as important, not only do we believe that we exhibit these five qualities today, but every day we strive to further align with these principles. These values provide a moat for our business. As mentioned before, our strategy is to win your business because we deserve your business.

Peterson Capital Management, LLC
10815 Ranch Rd 2222
Bldg 3B #100
Austin, TX 78730
www.petersonfunds.com