Dear Partner,

Our fund was up 20.46% in the first quarter. I made few changes to our portfolio, because we continue to own a marvelous group of businesses. While my view of the companies has not changed very much, the stock market has flip-flopped in its assessment of these same companies. After tossing them aside in the fourth quarter like yesterday’s news, the market expressed greatly renewed interest in the first quarter.

We own an outstanding portfolio, and I am proud that you are unlikely to see these same seven stocks in other investment portfolios. Curreen Capital’s holdings are different from those of the indices and other funds because we do our own work and think for ourselves. Regardless of what others are saying and doing, I invest our money when I have done my own work and come to my own conclusions. As a result, our portfolio looks and often performs differently from what you will see anywhere else.

Our independent-mindedness also appears in a difference in how I communicate with you. I was somewhat surprised to see that our Q4 2018 letter was one of the very few from any fund that expressed any contrition regarding the losses that many investors experienced late last year.

Respected peers suggested that I avoid being so transparent as to admit any fault—which I recognize is often misinterpreted as weakness—but that is not how I want to communicate with you. My goal is to report on what we are doing in a way that I would like to be communicated with if our roles were reversed, which means that I will not try to shift blame or gloss over any mistakes that I make. I write for you—a sophisticated investor who ‘gets it’—and I will continue to give you full and fair reports.

And if past history is any guide – me reporting on our portfolio’s struggles is a sign that things are looking up.

I am also optimistic about our future investing opportunities. Several spinoffs are coming, and both Kontoor and Life Fitness are the kind of turnaround/spinoffs that light me up. I get excited when a business resembles a stalled airplane falling out of the sky. To push this analogy, there is an opportunity because we can usually buy a seat at a very attractive price. The questions are: how powerful are the engines (business), and is the captain (management) able to turn them back on.

Time will show whether either of those two businesses meet our three key criteria, and I continue to search for new opportunities that do.
If you would like to be part of something different, Curreen Capital accepts new and additional investments on the first of every month. Drop me a line – I would be happy to chat about what we can accomplish together.

In closing, thank you. I appreciate your commitment to Curreen Capital, and take great pride in earning your trust as a steward of your capital.

Warmly,

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An investment in the Fund is speculative and may involve substantial investment and other risks. Such risks may include, without limitation, risk of adverse or unanticipated market developments, risk of counterparty or issuer default, and risk of illiquidity. The performance results of the Fund can be volatile. No representation is made that the General Partner’s or the Fund’s risk management process or investment objectives will or are likely to be achieved or successful or that the Fund or any investment will make any profit or will not sustain losses.

Unless otherwise stated, the performance information contained herein is for the Fund and is net of a 1.50% annual asset-based management fee and a 20% annual profit-based performance allocation. As with any hedge fund, the past performance of the Fund is no indication of future results. Actual returns for each investor in the Fund may differ due to the timing of investments. 2013 – 2018 returns were prepared based on audited financial statements, and 2019 performance information contained herein has not yet been independently audited or verified. While the data contained herein has been prepared from information that Curreen Capital GP, LLC, the general partner of the Fund (the “General Partner”), believes to be reliable, the General Partner does not warrant the accuracy or completeness of such information.