



Quarterly Letter, July–September 2019

	Jul	Aug	Sep	Q3 2019	YTD	Since Inception	Annualized
Curreen Capital Partners LP	-6.71%	-11.04%	1.80%	-15.51%	8.00%	87.2%	10.4%
S&P 500	1.44%	-1.58%	1.87%	1.70%	20.55%	108.0%	12.3%
MSCI World (US Gross)	0.52%	-2.00%	2.16%	0.63%	17.93%	71.2%	8.9%

Dear Partner,

Our fund was down 15.5% in the third quarter. We added no new positions; while I analyzed several interesting opportunities during the quarter, none was superior to the investments that we already own.

We continue to own excellent businesses, run by capable management teams who are working to benefit shareholders, selling at extremely attractive prices. As much as I think that a bear market for the S&P 500 is likely, our holdings continue to be extremely attractive investments. That does not mean that the market will recognize their value in the next week, quarter, or year – but our companies become more valuable as time passes, and I am comfortable waiting for the market to eventually recognize their qualities.

After reflecting on conversations that I had with some of you at our Partners meeting this past spring, I decided that I would like to include a full listing of our investments in these quarterly letters going forward. At Curreen Capital, we believe that the best way to beat the market is with independent thinking that goes far beyond conventional financial wisdom. These snapshots will let you to see behind the curtain, with my assessments of what I believe matters most about each of our investments.

I hope that you find this snapshot useful, and would love to hear your feedback. Our small size and personal approach means that you and your money are more than just numbers in an impersonal system. As always, please email or give me a call if you have any thoughts or questions.

Thank you, I appreciate your commitment to Curreen Capital.

Sincerely,

Christian Ryther
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Appendix Curreen Capital Investments

Garrett Motion (GTX)

Garrett designs and delivers advanced turbochargers for automobile OEMs, primarily in Europe and China. The company operates in a duopoly with BorgWarner, and Garrett's returns on capital exceed 100%. Garrett spun out of Honeywell in October 2018. Garrett is an "ick" stock, with debt, an obligation to pay a portion of Honeywell's asbestos liabilities, exposure to both European and Chinese auto sales, and the threat of the internal combustion engine's obsolescence. Management uses free cash flow to reduce debt. Currently trading for around 4x trailing earnings, Garrett has an extremely attractive upside-to-downside ratio.

GetBusy (GETB:GB)

GetBusy provides online document exchange systems, primarily for accountants in the U.K., and its Australian/New Zealand and U.S. business are growing well. GetBusy spun out of Reckon in August 2017, and has continued to grow since then. GetBusy does not earn money, investing through higher expenses to grow its existing businesses and attempting to launch a new product. The underlying businesses are profitable and sustainable in the UK, and potentially in the U.S. and Australia/New Zealand.

Kontoor (KTB)

Kontoor designs inexpensive jeans, primarily for North American consumers. Kontoor spun out of VF Corp in May 2019. Kontoor does not grow, and its returns on capital are about 20%. Management uses free cash flow to repay debt and to pay a dividend. Currently trading at about 12x estimated 2019 earnings, with a 6% dividend yield, Kontoor has an attractive upside-to-downside ratio.

Kopparbergs Bryggeri (KOB:SS)

Kopparbergs manufactures and markets alcoholic pear cider, primarily in the UK and Sweden. Kopparbergs generates returns on capital around 20%, and management uses free cash flow to grow the business, launch new products and pay a dividend. Kopparbergs is managed and controlled by its founders, who have a long track record of successfully building the business. Currently trading at about 15x trailing earnings, Kopparbergs is an excellent business with exceptional management, selling at a reasonable price.

Micro Focus (MFGP, MCRO:LN)

Micro Focus acquires and manages declining software businesses. Management buys businesses from disappointed and pessimistic sellers, and then maximizing the cash flows from these acquisitions. Management uses free cash flow to buy other business, or distributes it to shareholders through dividends, special distributions and share repurchases. Currently trading for less than 7x trailing free cash flow, Micro Focus has an extremely attractive upside-to-downside ratio.

Nilörn Group (NILB:SS)

Nilörn designs and delivers tags and labels for European clothing brands. The company combines just-in-time delivery with quality design that can elevate the customer's products in the eyes of the end consumer. Management uses free cash flow to grow the business and pay a dividend. The company's returns on capital are about 30%. Currently trading around 10x trailing earnings, with a 7% dividend yield, Nilörn has an extremely attractive upside-to-downside ratio.

TopBuild (BLD)

The largest installer and distributor of insulation in the U.S., the business is driven by housing starts. TopBuild spun out of Masco in July 2015, and has been growing revenues and profits ever since. Management uses free cash flow to acquire related businesses and to repurchase stock at good prices. The company's returns on tangible capital exceed 30%. I believe that housing starts remain well below what 330 million US residents require, which gives TopBuild plenty of runway for further growth.



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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.