February, 2021
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Keez Partners

To All,

I would like to welcome all who read this.

First, I would like to welcome our initial limited partners, and express gratitude for taking the time to listen to us as well as placing your faith in us to invest on your behalf. Second, I would like to say that we are very excited to be starting this fund, as it has taken us some time to get things set up, with all of the nuances of daily life getting in the way. Our third-party vendors have been nothing short of amazing through this process of working with each other in ensuring continuity. For that we are grateful.

For the 2020 year, we have operated for five months between August-December, and report an annualized return of 20.1%, before any fees on total capital. The annualized return on invested capital is slightly above 23%, as the fund kept 12.8% of the capital invested in cash. While this return may seem fit, fund returns would have been closer to the 150-180% range, had we launched in our initial time frame in March, 2020. Due to family circumstances, I was only able to launch in August. While it is not in my nature to report off what would have happened or what could have been achieved, these letters will also serve me as a reminder that one must be ready for the opportunities at hand before it becomes too late to take full advantage of.

I understand that 2020 was a very unique year for all of us. A once in a lifetime pandemic provided many of us with an experience that will be felt for years to come. During the early days of the pandemic, I was working at a New York City hospital system, and experienced first-hand the chaotic and unnerving circumstances that were felt by so many. While I will not dwell on my experience or the experience of others close to me, my first-hand experience along with my knowledge in both things medical and finance/economic related, allowed me to connect the two and understand the effects of the pandemic restrictions on businesses, supply chains, and employment. My understanding of it early on was that there would be much of what we call now a “K shaped recovery”. While it is impossible to calculate the economic affect and length of hardship for those on the bottom half of the K curve, it is important to note that the government and Federal Reserve has responded appropriately, and jobs in the service-related sector that was hit the hardest, will return before long and bring down the unemployment rate to a much more respectable level. The pandemic serves as an extraordinary learning point, based on how it has affected our economy and businesses directly and what proper governmental intervention entails.

During the early period of the pandemic, companies well poised to serve the public during this time, such as healthcare suppliers, large retailers, delivery and distribution companies, fast food restaurants, indoor online entertainment providers, or those that provided remote services such as telecommunication and cloud-based services saw

immense growth in market share in terms of total consumer dollars spent. The low interest rate environment and the call for distancing among people has also spurred a large increase in home sales and construction, and related home furnishing businesses. While I believe there were many opportunities in March and April, that window of opportunity has closed. Stock market indexes have reached all-time highs, and stocks poised to return to profitability once the opening of the economy commences, have already priced these factors in. While I do not believe the market is priced exorbitantly high, I have much reason to believe that growth in profitability of companies and their stock prices will have limited growth in the near term. While certain companies will continue to do well, due in part to their low or nonexistent inventory expense and asset base, minimal labor costs, and the avoidance of bad debt expense based on the upfront payment structure, these companies will continue to succeed. Most of the expenses will instead come from acquisition costs and R&D expenses for these companies.

We must maintain that the Federal Reserve's easing of monetary policies, such as a low interest rate environment and printing of dollars to provide direct stimulus to Americans help to maintain spending and keep this money circulating in the economy to stimulate growth. Some of that stimulus has found its way to the stock market. This along with margin leverage provide increased income to many Americans who are new to the market and are in search for ways to increase income, thereby directly increasing the price of certain securities. My main concern is inflationary pressure that these easy monetary policies may have on the economy. Although there is no direct link between inflation and the price of securities, any major inflationary pressure can stall the growth of the economy as a whole, of which publicly traded companies are a part of, and indirectly and negatively affect the price of securities. If the Federal Reserve is able to manage inflation, it will later have to grapple with deflation.

Regarding our investments, after the initial price appreciation, some of these investments could have been held for long term dividend income and appreciation between 3-5%, beating the 10-year bond rates which currently stand at 1.083%, by a large margin. However, due to the environment I am currently investing in, the fund operations do not allow for this to be fully taken advantage of. Capital employed is limited until we can scale further and bring in new members, which we are currently in the process of doing. The capital employed can also fluctuate from year to year, as limited partners may decide to withdraw a portion of their capital at any given time. Therefore, the environment rewards us to sell on price appreciation and punishes us if we held for dividend income.

The reason for mention is that our goal for the fund is to provide an advantage for our partners as well as the organization as a whole. We believe that the path to doing this is by raising enough capital through our limited partners, using that capital to complete a targeted takeover of a private company, and converting over to a C corporation where all limited partners who choose to do so, would become full partners. The other option would be to do a targeted takeover of a publicly traded company. Either way, the goal is to create a permanence of capital, so that the full amount of investor capital can be invested without the worry of capital being extracted on a yearly basis. While we

acknowledge the disadvantage of income taxes on corporations, the permanence of capital plus other factors provides us with the benefit of going this route. There is advantage to having set up a structure that provides us with 50% income from future business operations and 50% income from securities via price appreciation and dividend income to reduce risk.

Moving forward, due to the rapid rise in valuations, we will be searching for investments that have a low, single P/E ratio based on 2019 earnings per share numbers. We will assess which businesses will remain viable and are able to continue their growth trajectory after the US vaccination program is completed and normal social conditions return. Alternatively, we may choose to move into cash for the time being if investments become difficult to come by. Although we may find undervalued securities, any macro-economic decline in the markets will affect securities as a whole, and already undervalued securities are no exception.