

Dear Partner,

I hope this message finds you well. As we mark the close of the first half of 2025, I first want to express our sincere gratitude for entrusting us with your capital. This letter outlines our progress, philosophy, and positioning—reaffirming the principles guiding our partnership for the long term.

The Purpose of this Letter:

These communications are designed to do far more than review quarterly results. Our primary goal is to articulate the why and how behind our decisions, ensuring you understand the process driving your capital's stewardship. Markets are irrational in the short term, swayed by sentiment rather than sense. Over years, however, they inevitably align with business fundamentals. By focusing on intrinsic value and disciplined selection, we aim to compound wealth patiently—not chase fleeting wins.

Our commitment to transparency stems from a straightforward principle: We treat your capital as we would our own.

Before we begin, a brief note on logistics: You'll receive quarterly updates outlining portfolio adjustments and market context, followed by a comprehensive annual report each December. We avoid frequent performance updates intentionally—daily or weekly reports often distract from disciplined execution. That said, we're always available by phone or email for direct inquiries.

Performance Snapshot and Summary

The Future Fortune Capital results for the six months to June 2025 as well as since inception are shown below.

Period	Return	Compounded Return
2023	27%	27%
2024	47%	74%
2025 Q1 (January to March)	5.2%	79.2%
2025 Q2 (April to June)	8.3%	87.5%

2025 Q2 numbers are as of 27 June, 2025. The 2023 and 2024 are audited results. 2025 numbers are under the current investment fund structure. These returns are gross and do not reflect the performance-based fee.

While these results outpace broader markets, both you and I should not place much emphasis on the quarterly figures. To reiterate, our singular focus remains outperforming indices and inflation over full business cycles (5-7 years), not arbitrary periods. Short-term underperformance is bound to happen and will not alter our discipline or approach. It is also important to note we have not used leverage, shorting, cryptocurrencies or financial derivatives.

Amid significant global market volatility, we remain disciplined, investing only where we see clear opportunity. This quarter, we executed a short-term exit, realizing ~30% returns on a position that represented ~5% of the portfolio. While we are fundamentally long-term holders, we act decisively when an investment thesis matures faster than anticipated, especially in our undervalued and event driven strategies.

Concurrently, we are establishing positions in two high-quality companies that are being served to us at compelling valuations. In our assessment, the portfolio's upside potential remains solid, as the investment theses for our major holdings are still unfolding. We will vigilantly monitor developments while exercising patience as markets recognize value.

Our geographical mix of investments remains more or less consistent with the last quarter with Europe (40%) | Asia (27%) | US (16%) | North America (Ex-US) (4%) | LATAM (6%) | Cash (7%)

In terms of allocation to our three different strategies, High quality compounders (73%) | Undervalued Businesses (13%)| Event Driven (7%)| Cash (7%)

We currently hold 7% in cash reserves. While we are conscious that idle capital dilutes long-term returns, we remain committed to investing only when opportunities meet our stringent criteria.

On the potential impact of tariffs (more details later in the letter), only ~1% of our portfolio faces direct tariff risk. While 77% non-U.S. exposure of our portfolio demands vigilance, our analysis shows a contained fundamental impact. We actively monitor second-order ripple effects (supply chains, demand shifts, FX) but view volatility as opportunity to invest more in our high-conviction holdings

On the question of the level of concentration vs diversification (more details later in the letter) of our portfolio, we have allocated 80% of capital across eight holdings - businesses with dominant market positions, durable advantages, and aligned management to maximize long-term compounding. This deliberate focus enables rigorous research and capitalizes on rare high-conviction ideas. The remaining 13% targets are allocated towards 14 tactical opportunities (undervalued/event-driven), capitalizing on mispricings, that are short to medium term holdings, while 7% cash reserves enable opportunistic deployment.

There have been few questions from the partners on adding ongoing investments to the fund. We welcome additional/recurring investments and we will pro-rate the returns.

While our core principles may be familiar to returning partners, we intentionally reiterate them in all communications - both to reinforce these foundations for existing stakeholders and to orient our newer partners.

Core Principles of our fund

We do not—and cannot—guarantee returns. Markets are inherently uncertain. What we can pledge is unwavering adherence to these principles:

Value Over Hype

We invest in businesses priced below intrinsic worth, not fleeting trends or Wall Street darlings.

Capital Preservation as Priority #1

We obsess over minimizing permanent loss risk. Volatility is noise; capital erosion is the enemy.

Skin in the Game

My family's entire net worth is invested alongside yours. Our incentives are indivisible.

No Market Oracles Here

We focus on individual opportunities, not macroeconomic divination. We are not in the business of predicting the direction of the general stock market. If you think I can do this, or think it is essential to an investment program, you should not be invested in this fund

Transparency in Reporting

Performance figures reflect gross unrealized gains/losses (market value at period-end compared to the start of the period). Taxable outcomes may differ materially.

Market context

This quarter was one of those special times when years of change happen in weeks. Tariffs and global conflicts show how fast things can move. We never invest based on big economic shifts. But when the game changes, we play the hand we're dealt.

Accordingly, what follows is not political commentary but a structured assessment of potential impact of tariffs on our portfolio. As a globally focused fund with significant non-U.S. exposure (77% of our portfolio), understanding trade realignment is critical to our risk management. We intend to leverage this framework to be directionally correct in our analysis. In general, we like to be approximately correct rather than precisely wrong.

We evaluate impacts through two lenses:

First-order effects - direct revenue and cost impacts from trade policy on our portfolio companies. Only 13% of our capital is deployed in goods-centric businesses (>85% revenue from goods). Within this segment, merely 8% (or ~1% of total portfolio value) derives material revenue from bilateral trade flows vulnerable to new tariffs. This translates to minimal fundamental exposure.

Second Order Effects (Ripple consequences): In economics, every structural shift demands we ask: "and then what?" Trade realignment may trigger secondary waves: consumer behavior shifts, production relocations, and supply chain redesigns. While these broader consequences cannot be predicted with accuracy, we mitigate the uncertainty through disciplined monitoring.

Market volatility may pressure valuations during macro shifts, but we remain focused on business fundamentals. In fact, we view such moments as potential opportunities to deploy more capital into our highest-conviction holdings.

Do we run a concentrated portfolio? If so, Why?

Investing, like life, offers multiple paths to success. While extreme diversification may suit passive investors, our actively managed fund pursues outperformance through deliberate concentration. Here's why:

Depth Over Breadth Mitigates Risk

Concentrating capital, forces deeper research and stricter selection—reducing the real risk of misanalysis. We invest only when we thoroughly understand a business and trust its management.

Great Ideas Are Rare

No one builds wealth on their 30th-best idea. We allocate meaningfully to high-conviction opportunities and hold on to them in our high quality strategy.

Embracing Volatility for Long-Term Gains

We accept short-term lumpiness to capture compounding's full potential. Academic definitions of "risk" (like beta) ignore business fundamentals—we measure risk as permanent capital loss, not price volatility.

A quick look at our portfolio reveals the above characteristics

80% of our portfolio is concentrated in 8 holdings

These businesses - selected with margin of safety form our enduring wealth-creation core.

They exhibit:

- Simple and understandable business model
- Dominant Market position in an industry that has a long runway for growth
- Enduring competitive advantage
- Favorable unit economics
- Competent management that is aligned with the interest of Shareholders

The remaining 13% of our portfolio (excluding 7% cash) is deployed across 14 tactical positions

These holdings are predominantly in Undervalued/Event-Driven strategies

These holdings are to capitalize the temporary dislocations, spin-offs, merger arbitrage etc. The time horizon is typically short to medium term.

This allocation reflects our current conviction, not dogma. Our philosophy is fixed; our capital deployment responds to market realities.

A Final Word:

Thank you for partnering with us. If you know investors who value discipline over hype, we'd welcome an introduction. Our capital grows alongside yours—we succeed only when you do.

If you have any questions, please don't hesitate to reach out.

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Until next time,

Sincerely
Praveen KumarGovindarajan

Forward-looking information:

Some information set forth in this letter constitutes forward-looking information which involves uncertainties and other known and unknown factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. When used in this letter, words such as “expects”, “anticipates”, “intends”, “may”, “believes” and similar expressions generally identify forward-looking information. In developing the forward-looking information contained in this letter, the manager has made assumptions (for ex.: with respect to the outlook for the global economy and publicly traded companies). These assumptions are based on the manager’s perception of factors believed to be relevant (for ex.: historical trends, current conditions, expected future developments). Although the manager believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Actual results or events may differ materially from those expressed or implied in the forward-looking information. Future Fortune Capital LLC undertakes no obligation to publicly update or revise these forward-looking statements