

# Welcome to Peter Partnership Fund 2025

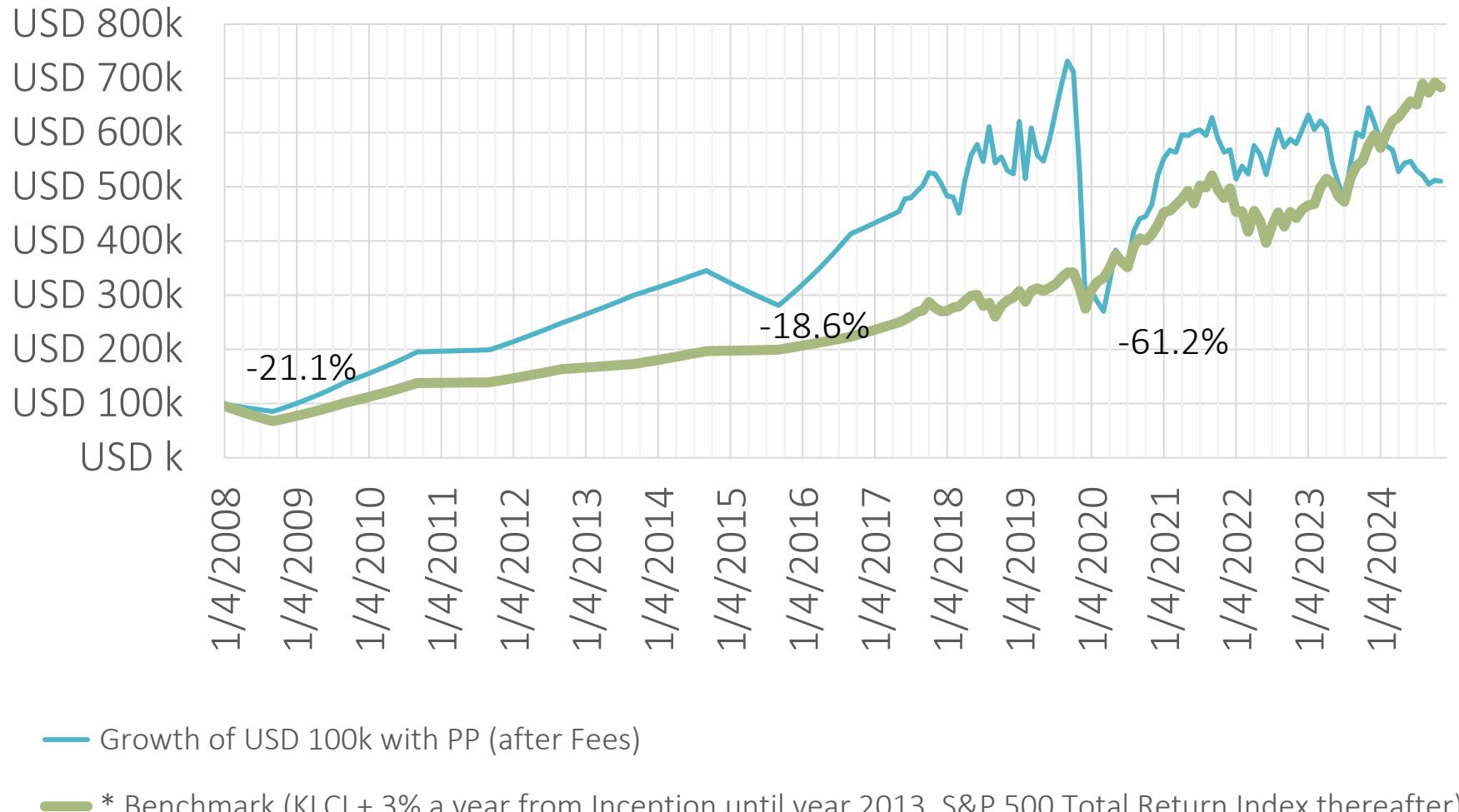
## Annual General Meeting (and 2025 three months review)

# Agenda

1. Review of Peter Partnership Fund's performance
2. A look into S&P 500's returns
3. A look into PPF's 2025 Portfolio
  - ✓ Evolution's Business Results and its Valuation
4. Berkshire's Valuation
5. Moving ahead
6. Q&A

# 1) Review of Peter Partnership Fund's performance

## Growth of USD 100k with PP vs. Benchmark\*



Annualised Return (USD to USD) (16.92 years)

Peter Partnership (PP) : 10.1%

Benchmark : 12.0%

# Source of underperformance: Evolution's stock price -30%

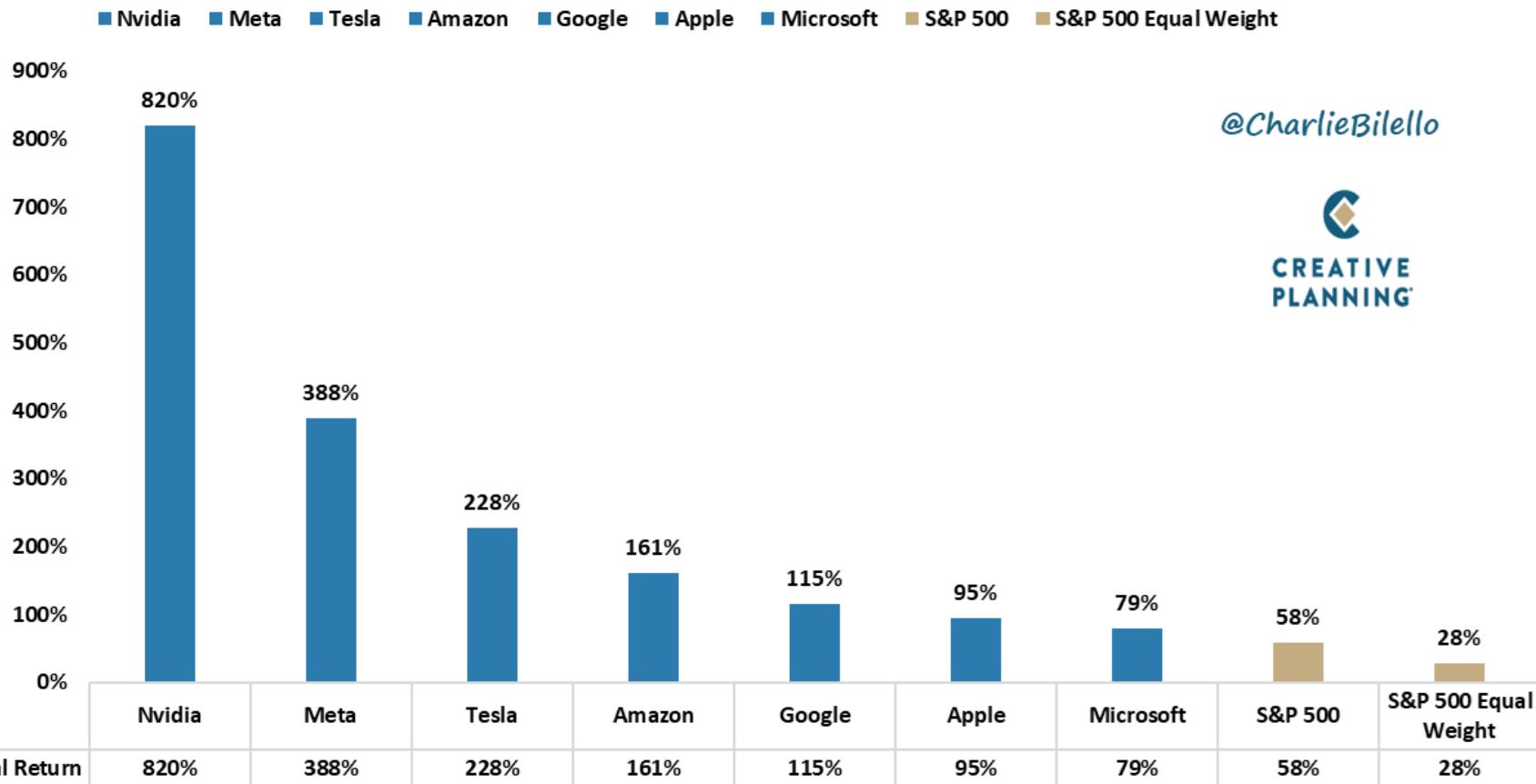
(while its revenue and operating earning rises by 14.9% and 11.2%)



2) A look into  
S&P 500's  
returns

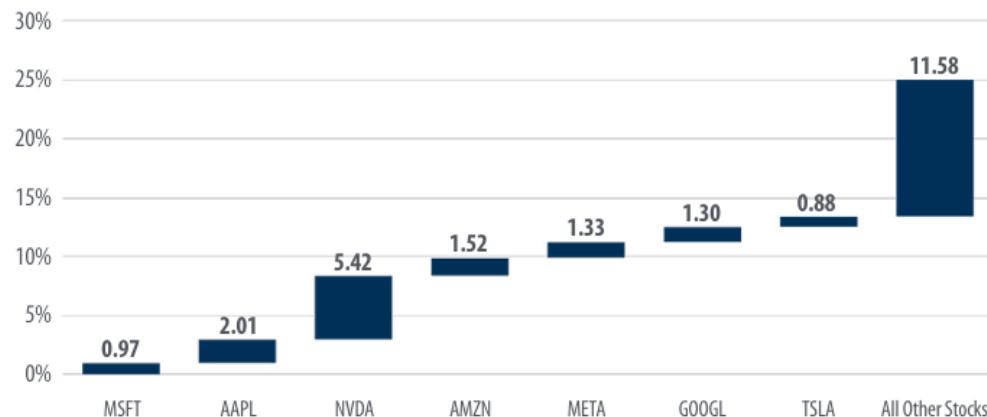
# Magnificent 7 drives up 2023 and 2024's S&P 500 returns

The Magnificent Seven: 2023-24 Total Returns  
(Data via YCharts)



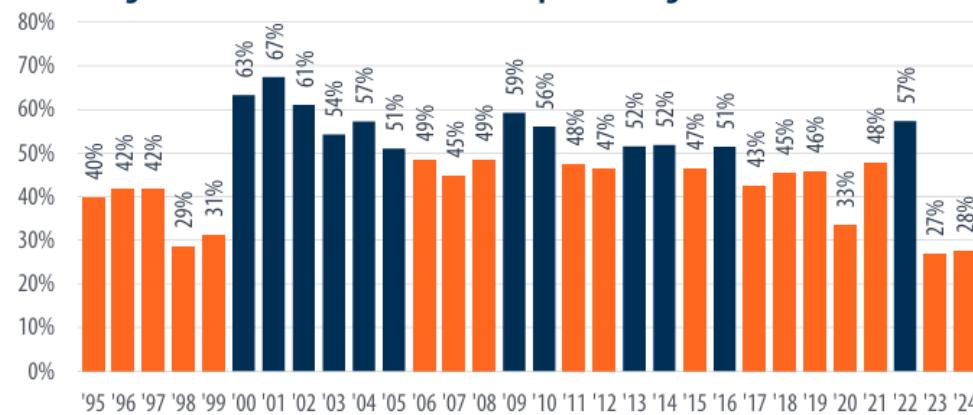
# Magnificent 7's contribution to S&P 500 2024 returns

**S&P 500 Index 2024 Attribution (Percentage Points)**



Source: Bloomberg, First Trust Advisors. Data from 12/31/23 – 12/31/24.

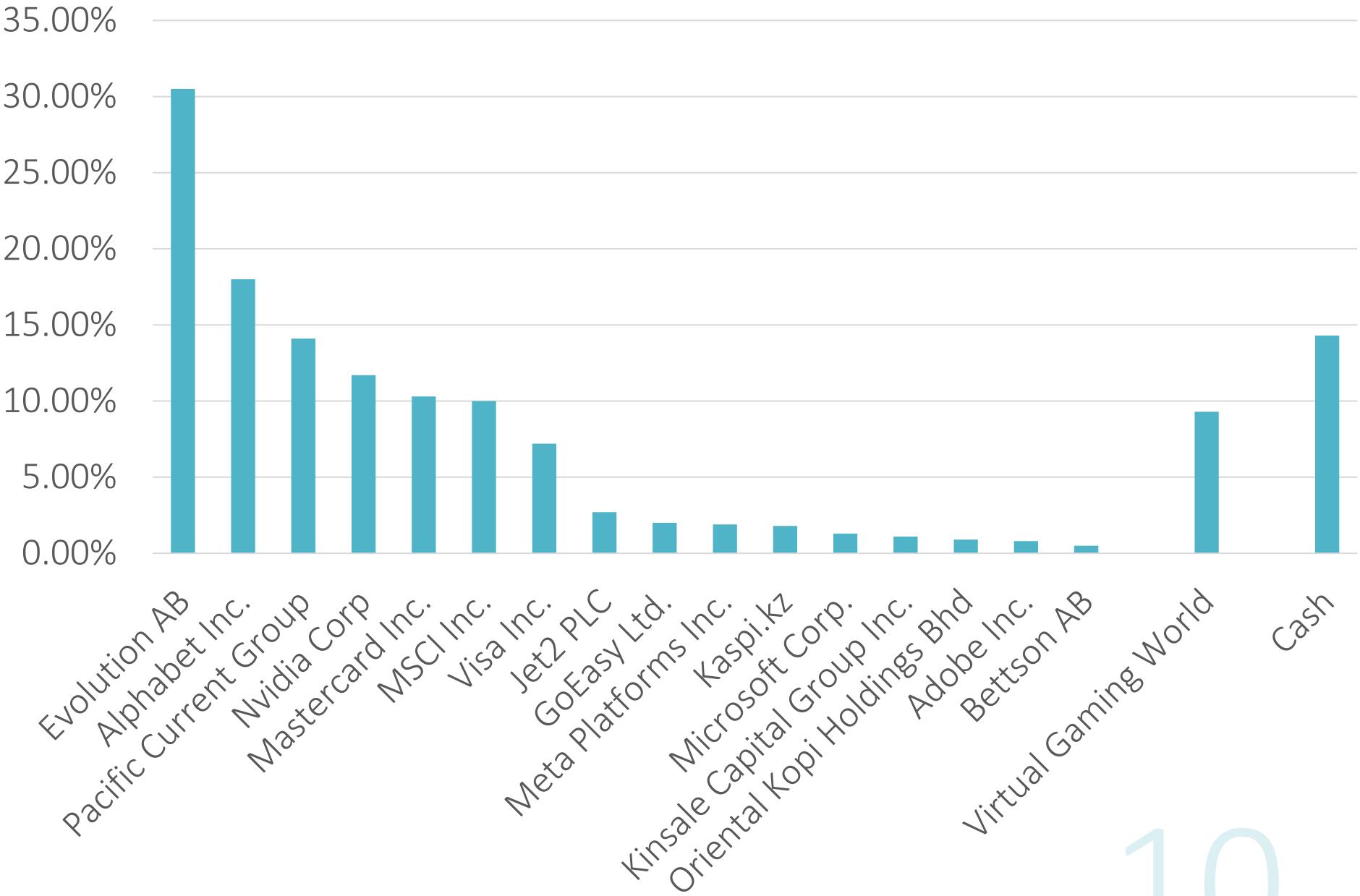
**Percentage of S&P 500 Index Members Outperforming the Index**



Source: Capital IQ, First Trust Advisors. Data from 12/30/94 - 12/31/24.

# 3) A look into PPF's Portfolio

## Exposure as a % of NAV



# Relationship between Price and Earnings

# Does Price follow earnings?



Goose = Price

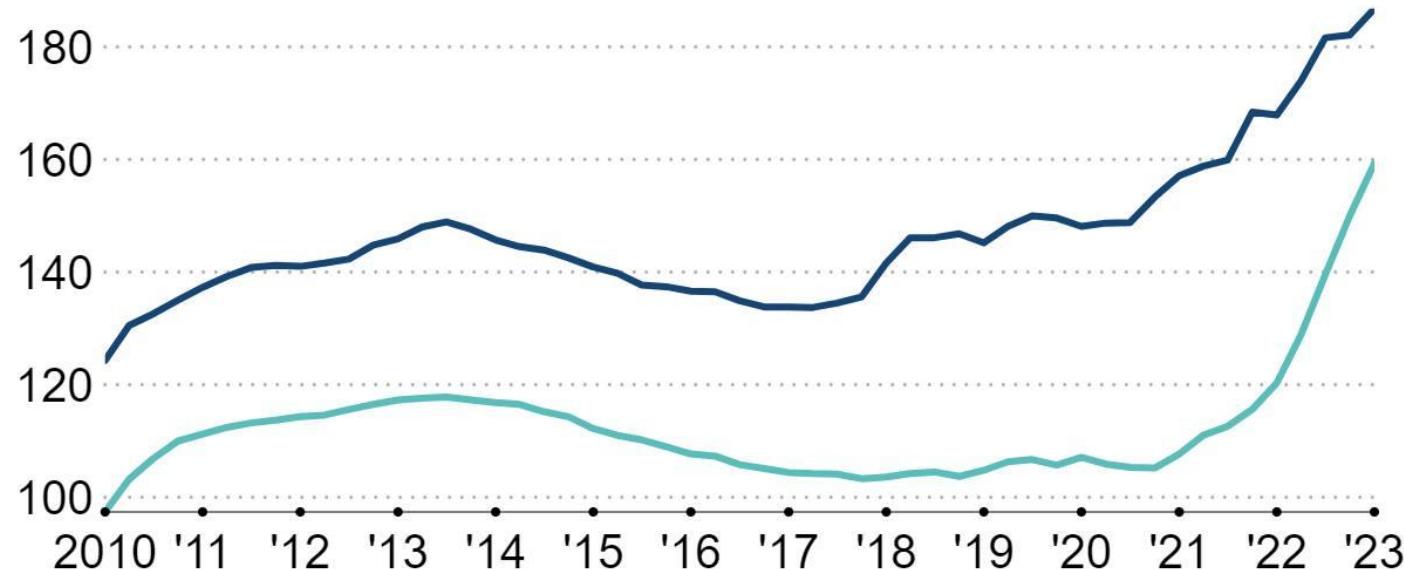
Eggs = Earnings

For instance, property prices increased because rental increases.

## Private property in Singapore is pricier than ever

(Non-landed properties, 2009 Q1=100)

■ Price Index ■ Rental Index



*Source: Urban Redevelopment Authority, Singapore*

Farms, Car Parks, Shop Lots, Coffee Shops, etc.

# Alphabet's Price up 15x, Earnings up 13x (15 years history)



# Visa's Price up 16x, Earnings up 13x (15 years history)



## Reasons Evolution's Stock price doesn't increase when its earnings increase

- 1) One-off earnings
- 2) Fake Earnings
- 3) Short period of time
- 4) Valuation too high back then
- 5) Market is pessimistic of the company's future
  
- 6) Growth rates reduced
- 7) Valuation too low right now

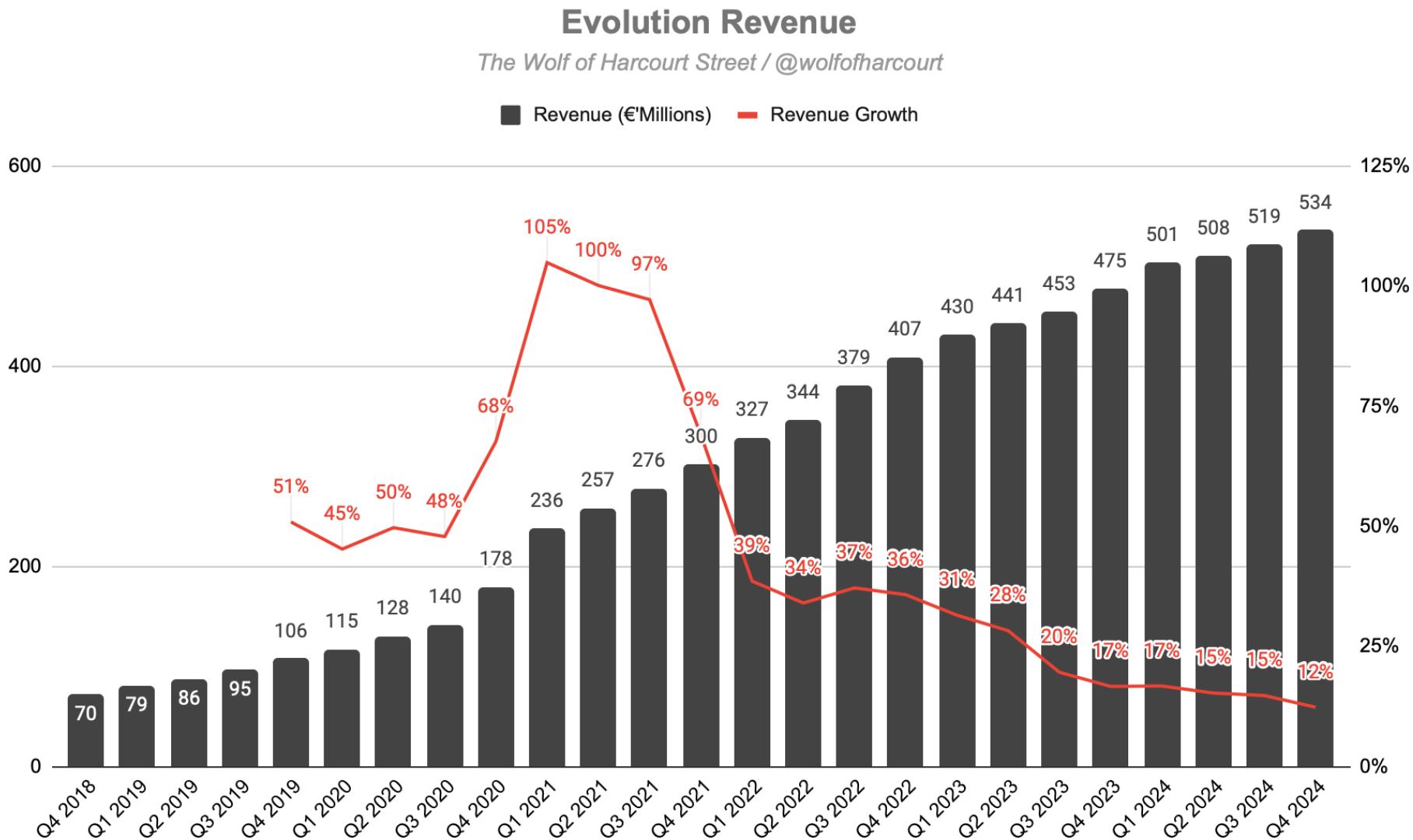
# 3) Evolution's Business Results and its Valuation

# Our largest holdings in 2023 and 2024, Evolution



Earnings rises but its stock price went down instead  
(in the last 4 years)

# Evolution's Revenue Growth rate slows down



# Evolution AB's PE ratio since listing



When I first invest in EVO  
Current P/E

~ P/E 33  
~ 13

## Reasons Evolution's Stock price doesn't increase when its earnings increase

- 1) One-off earnings - X
- 2) Fake Earnings - X
- 3) Short period of time – X
- 4) Valuation too high back then – Depends.
- 5) Market is pessimistic of the company's future - ✓
  
- 6) Growth rates reduced - ✓
- 7) Valuation too low right now - ✓

# Management/Directors buys too

| Date                                   | Name and position (if held)                    | Deal type         | Number of shares dealt            | Price per share | Value of trade | Shares remaining      |
|--|--|-------------------|-----------------------------------|-----------------|----------------|-----------------------|
| <b>THE CAPITAL GROUP COMPANIES INC</b> |  |                   |                                   |                 |                |                       |
| 17 March 2025                          | Investment Management Company                  | <span>Sell</span> | Regular sell transaction (market) | 9,780,512       | 797.00 SEK     | 7,795,068,064.00 SEK  |
| 13 February 2025                       | <b>Sandra Ann Urie</b><br>Independent Director | <span>Buy</span>  | Regular purchase transaction      | 350             | 842.80 SEK     | 294,980.00 SEK        |
| 10 February 2025                       | <b>Kenneth Bryan Dart</b><br>10% Owner         | <span>Buy</span>  | Regular purchase transaction      | 10,293,833      | 806.00 SEK     | 8,296,829,398.00 SEK  |
| 4 February 2025                        | <b>THE CAPITAL GROUP COMPANIES INC</b>         | <span>Sell</span> | Regular sell transaction (market) | 1,568,867       | 842.00 SEK     | 1,320,986,014.00 SEK  |
| 30 January 2025                        | <b>Jacob Claesson</b><br>Other CEO             | <span>Buy</span>  | Regular purchase transaction      | 1,000           | 818.94 SEK     | 818,940.00 SEK        |
| 30 January 2025                        | <b>Louise Wiwen-Nilsson</b><br>Group Director  | <span>Buy</span>  | Regular purchase transaction      | 2,450           | 816.80 SEK     | 2,001,160.00 SEK      |
| 27 December 2024                       | <b>Jacob Claesson</b><br>Other CEO             | <span>Buy</span>  | Regular purchase transaction      | 1,500           | 853.95 SEK     | 1,280,925.00 SEK      |
| 19 December 2024                       | <b>Kenneth Bryan Dart</b><br>10% Owner         | <span>Buy</span>  | Regular purchase transaction      | 10,327,959      | 911.20 SEK     | 9,410,836,240.80 SEK  |
| 14 November 2024                       | <b>Jacob Claesson</b><br>Other CEO             | <span>Buy</span>  | Regular purchase transaction      | 1,000           | 984.85 SEK     | 984,850.00 SEK        |
| 6 August 2024                          | <b>Kenneth Bryan Dart</b><br>5% Shareholder    | <span>Buy</span>  | Regular purchase transaction      | 11,168,406      | 966.40 SEK     | 10,793,147,558.40 SEK |
| 19 July 2024                           | <b>Jacob Claesson</b><br>Other CEO             | <span>Buy</span>  | Regular purchase transaction      | 2,000           | 1,043.73 SEK   | 2,087,460.00 SEK      |

[Source](#)

22

# Evo's management executes EUR 500 Mil Share repurchases recently

31/03/25

## **ACQUISITIONS OF OWN SHARES IN EVOLUTION AB (PUBL)**

Evolution AB (publ) ("Evolution") has, during the period 24 March – 28 March, acquired a total of 178,880 own shares within the framework of the repurchase programme introduced by the board of directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value.

24/03/25

## **ACQUISITIONS OF OWN SHARES IN EVOLUTION AB (PUBL)**

Evolution AB (publ) ("Evolution") has, during the period 17 March – 21 March, acquired a total of 207,854 own shares within the framework of the repurchase programme introduced by the board of directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value.

17/03/25

## **ACQUISITIONS OF OWN SHARES IN EVOLUTION AB (PUBL)**

Evolution AB (publ) ("Evolution") has, during the period 10 March – 14 March, acquired a total of 557,731 own shares within the framework of the repurchase programme introduced by the board of directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value.

10/03/25

## **ACQUISITIONS OF OWN SHARES IN EVOLUTION AB (PUBL)**

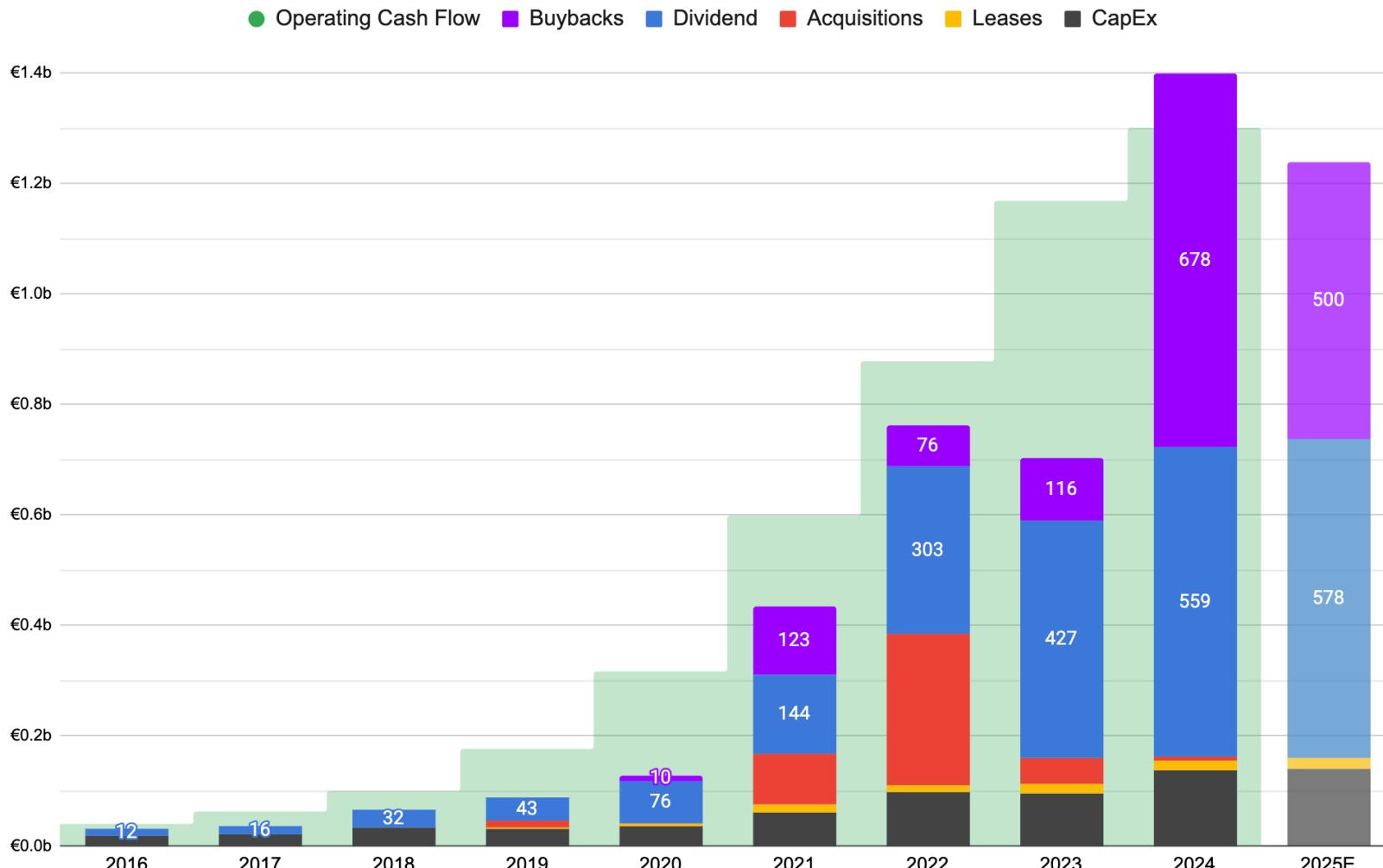
Evolution AB (publ) ("Evolution") has, during the period 03 March – 07 March, acquired a total of 297,324

**EUR 154 Million have  
been bought so far**

Since 11 February up to and including 24 March, a total of 2,100,081 shares have been acquired within the scope of the programme. A maximum of 15,912,359 shares in total may be acquired.

23

## Evolution: Sources & Uses of Cash



Virtually all the company's profits are returned to shareholders thru Dividends and Buybacks

# Evolution's Valuation

## 1) Dividend Yield

= Dividend per share / Share Price  
= (EUR 2.80 \* 0.7) / EUR 70 (@SEK 780)  
= 4% before Withholding tax, or  
= 2.8% after Withholding tax

## 2) Buyback Yield

= Buyback \$ for the year / Market Cap  
= EUR 500 Mil / EUR 14.45 Bil  
= 3.5%

## 3) Growth in EPS

~ estimate 8% to 15% a year

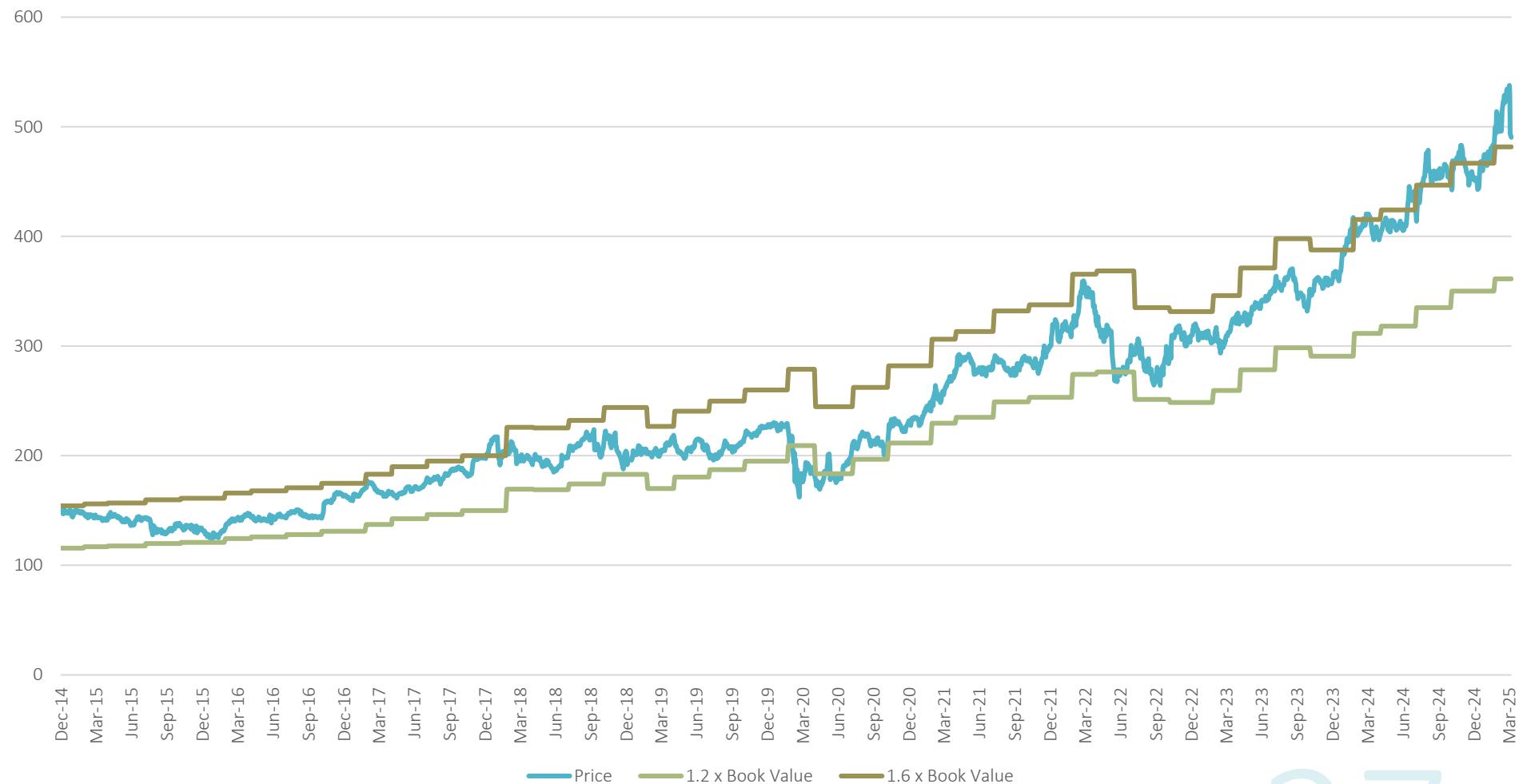
## 4) Change in P/E

: Could be positive or negative.

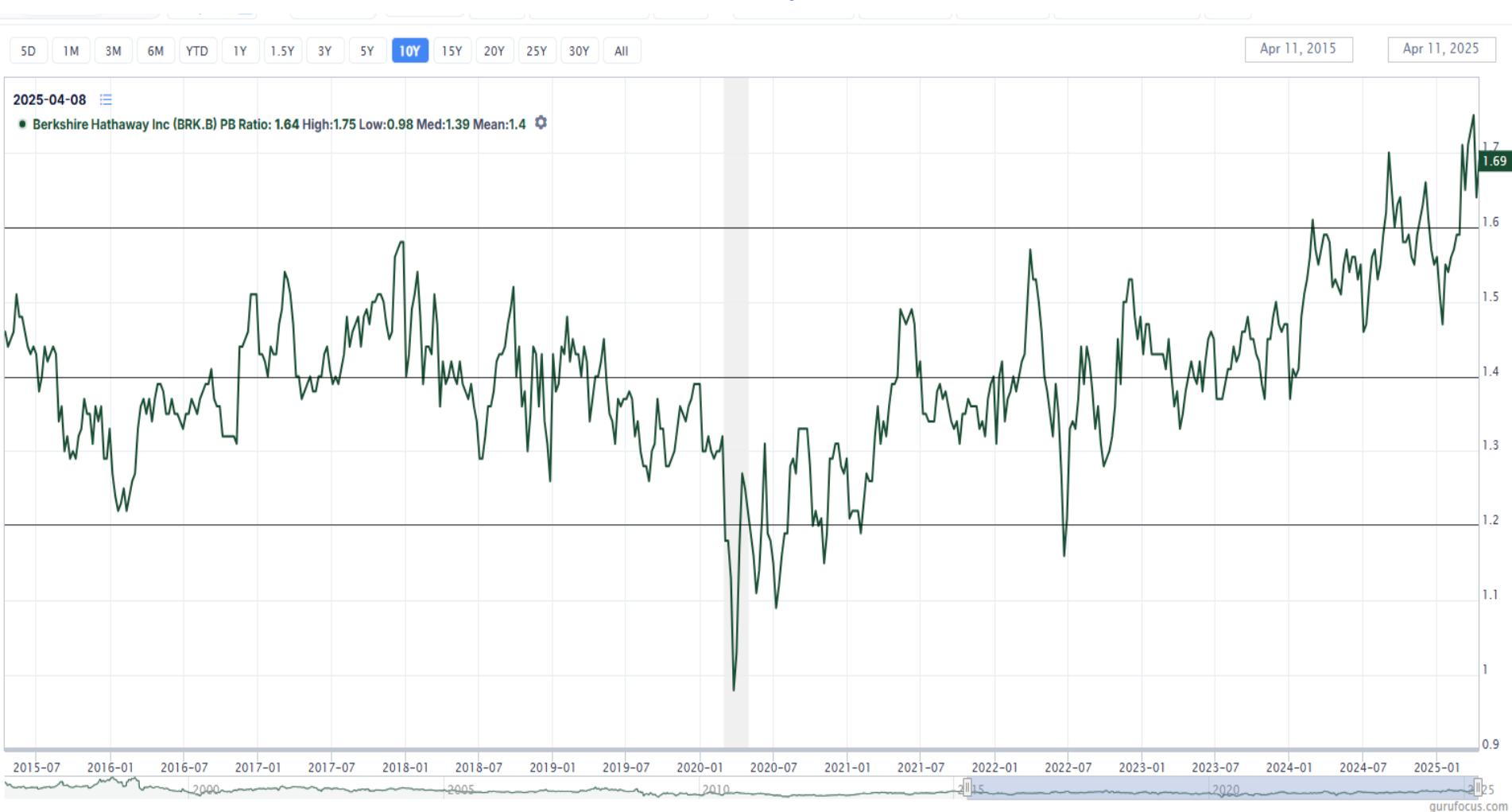
But at current P/E 13, I believe the drop (if any) would be minimal.

# 4) Berkshire's Valuation

# Berkshire's Stock Price, with 1.2 and 1.6 times its Book Value per share



# Berkshire's Stock Price in relation to its Book Value in the last 10 years



In short, Berkshire is currently trading at the high end of it's valuation

## Moving Ahead:

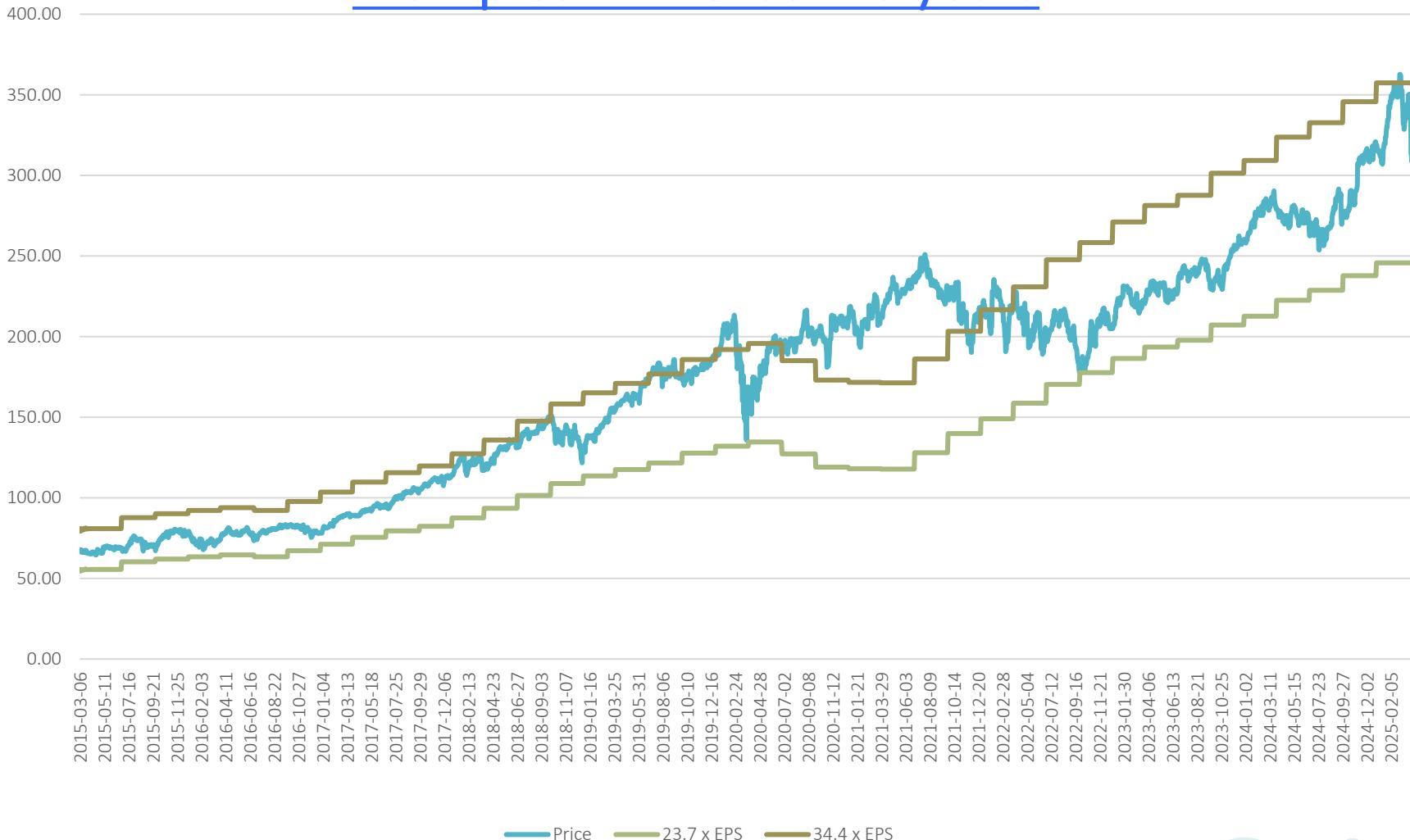
- ✓ I will invest in Berkshire when it is fairly priced, and buy more if the valuation gets cheaper.
- ✓ If Berkshire is not fairly priced (or when there's cash in the fund), I'll invest in other stocks. Will not go above 30% in a single stock.
- ✓ Uses little or no debts (so that there's no margin call / forced selling).
- ✓ As always, my wife and I will invest virtually all our wealth in the fund alongside you.

# Selected Stocks and its maximum %

## (if the fund have excess cash)

| Stocks             | Maximum Exposure in % | Current Exposure in % |
|--------------------|-----------------------|-----------------------|
| Berkshire Hathaway | 250%                  | 0%                    |
| Evolution AB       |                       | 30.5%                 |
| Mastercard Inc.    | 30%                   | 10.3%                 |
| Visa Inc.          |                       | 7.2%                  |
| Alphabet Inc.      | 20%                   | 18.0%                 |
| VGW                | 10%                   | 9.3%                  |

# Visa's stock price in relation to its high and low PE multiples in the last 10 years

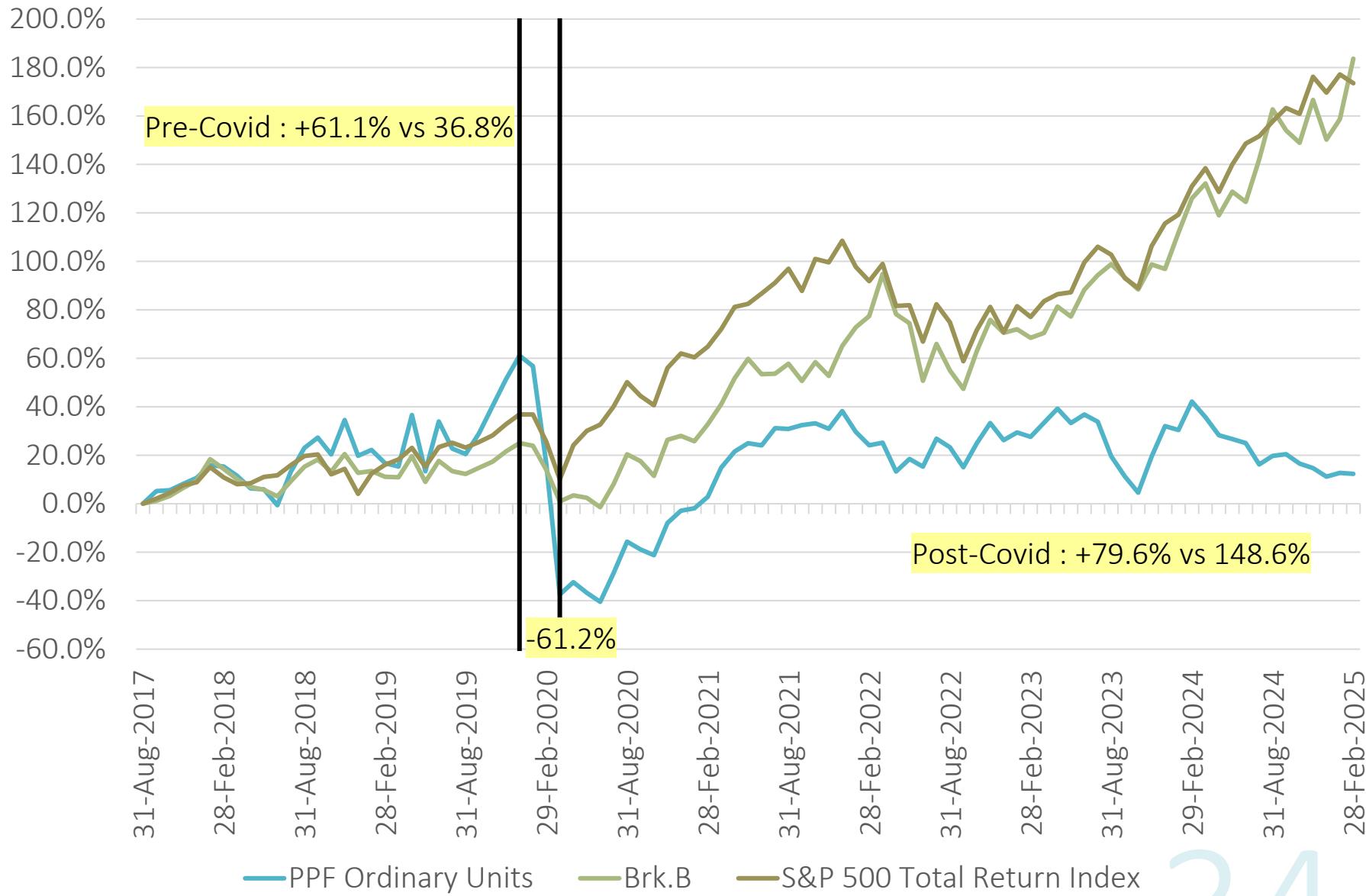


# Q & A

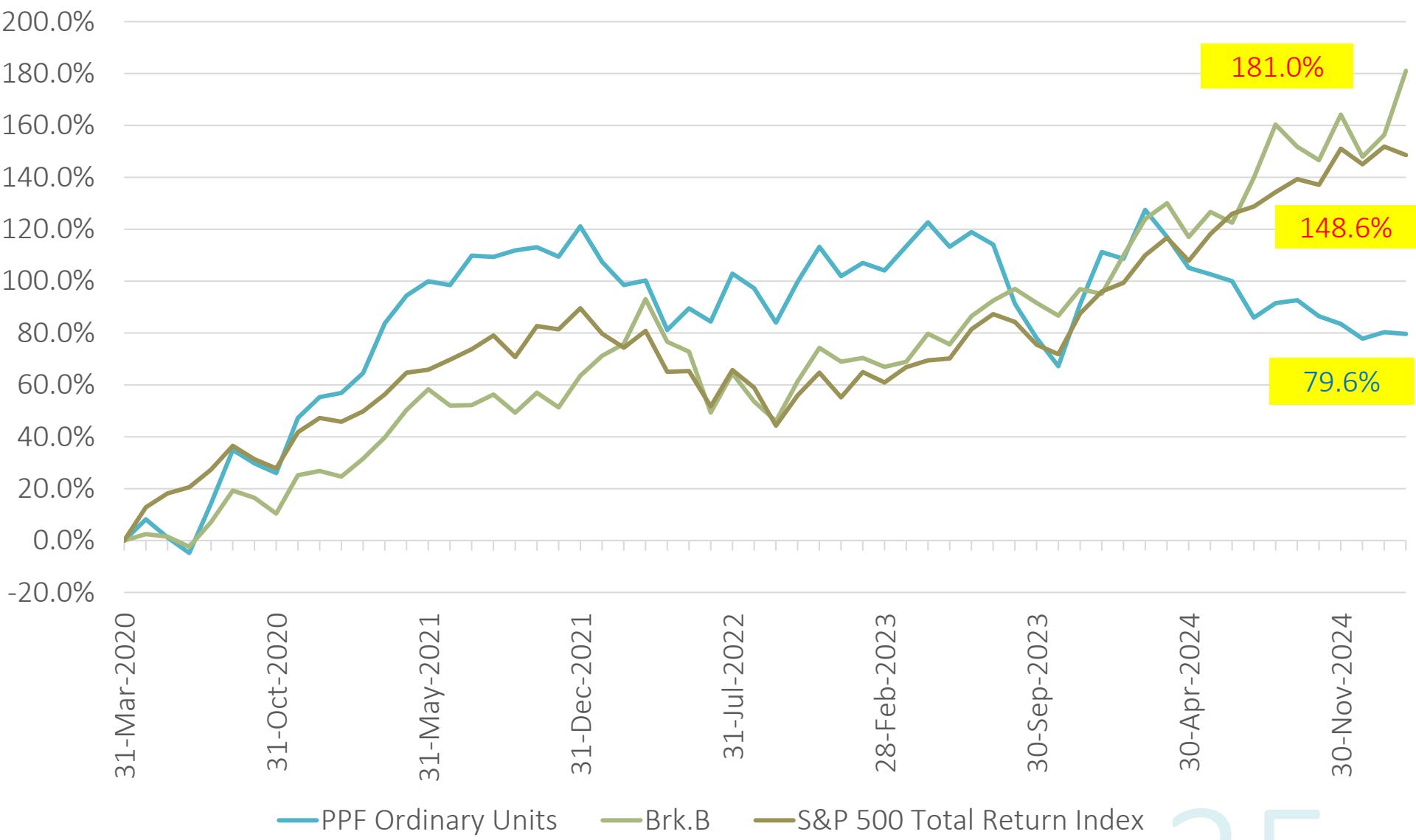
~ Peter Lim.

Other  
slides

## PP Fund Ordinary Units vs Benchmarks



## Post Covid-19: PP Fund vs Benchmarks



# Evo's share repurchase of EUR 500 Mil (in Feb 2025)



Press release 10 February 2025 at 16:00 CET

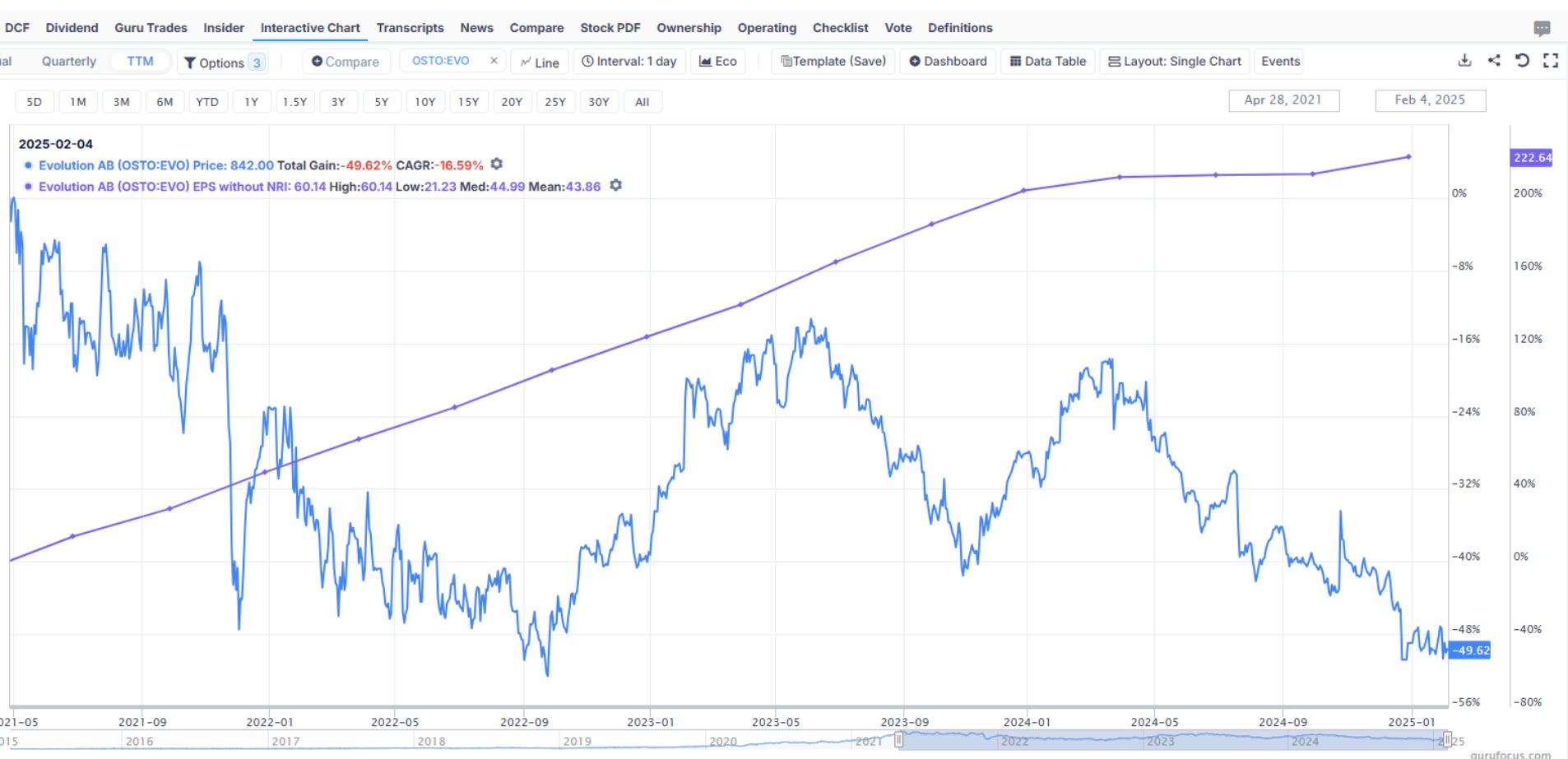
## **The board of directors of Evolution AB (publ) has resolved on acquisitions of own shares**

**Evolution AB (publ) (“Evolution”) has, based on the authorisation from the annual general meeting 2024, resolved that the company shall acquire own shares in accordance with its capital allocation framework. The purpose of the acquisition of own shares is to optimise and improve the capital structure of the company by reducing the capital, thereby creating added shareholder value.**

Pursuant to Evolution’s capital allocation framework, excess capital can be distributed through the repurchase of own shares. On 18 July 2024, the company announced a repurchase programme of EUR 400 million which, as announced on 23 October 2024, has been completed.

Against this background, the board of directors of Evolution has, based on the authorisation from the annual general meeting 2024, resolved that the company shall acquire its own shares on Nasdaq Stockholm or another regulated market before the annual general meeting 2025. The maximum amount for which shares may be repurchased under this repurchase programme is EUR 500 million. The board of directors also intends to seek an authorisation from the annual general meeting 2025 to resolve on repurchases of own shares and, provided that the authorisation is approved by the annual general meeting, to utilise the authorisation to carry out any repurchases that could not be completed before the annual general meeting 2025.

# Since 28<sup>th</sup> April 2021 (highest Evolution Stock price)



Price down nearly 50%, while Earnings have increased to 3.2x

# Evolution's PE Ratio

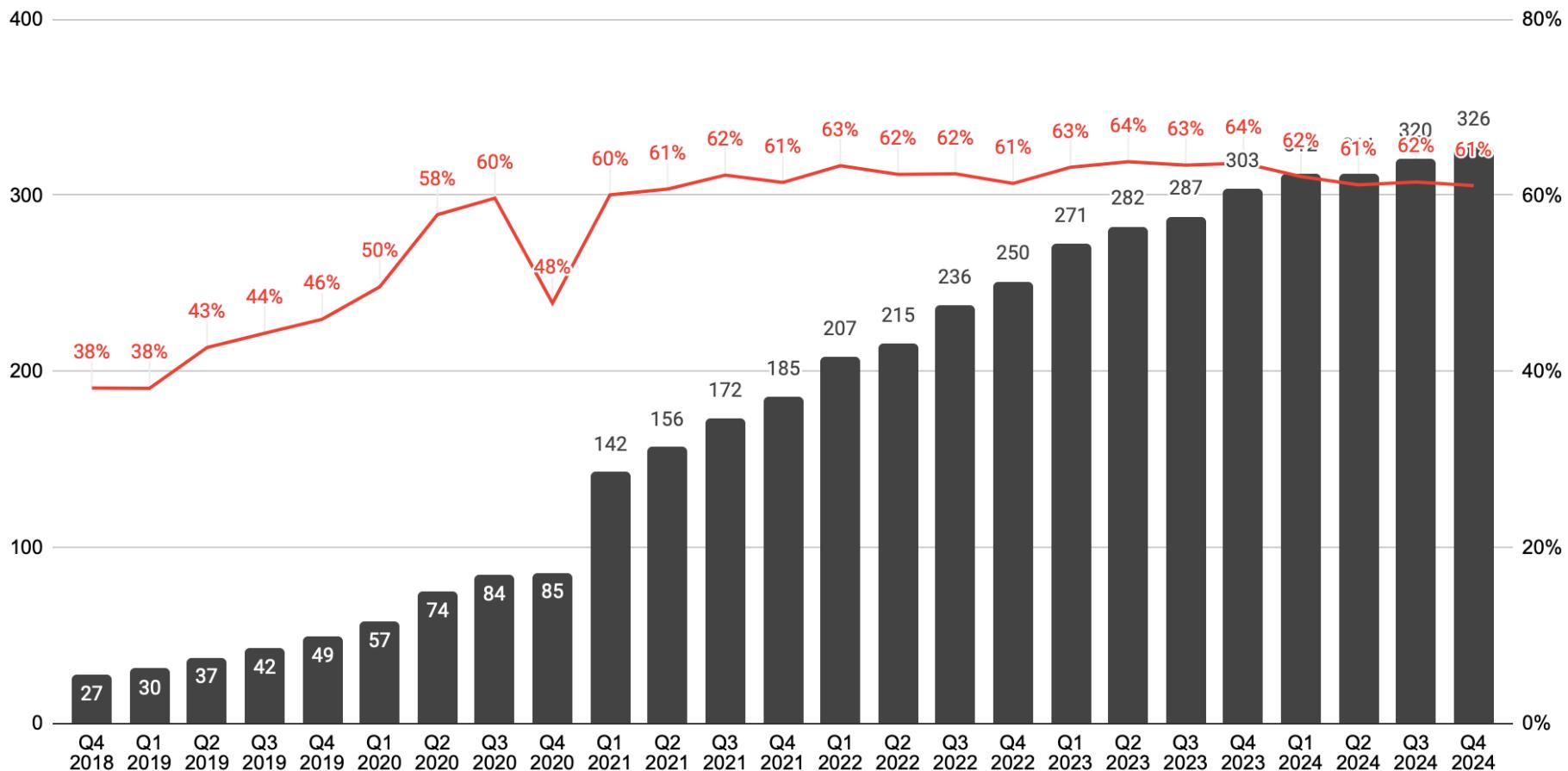


PE at its peak... 90  
Current PE ... 14

## Evolution Operating Income

*The Wolf of Harcourt Street / @wolfofharcourt*

■ Operating Income (€'Millions) ■ Operating Margin



# Evolution in the year 2024

- 1) labour strikes at the **Georgian studio**,
- 2) **cyber-attacks in Asia**,
- 3) **an increased tax rate**, and
- 4) **significant foreign exchange headwinds**.

**Despite all of this, Evolution still managed to grow revenue by 15% while maintaining a 64% operating margin**—an impressive feat given the headwinds.

# Almost all writers in SeekingAlpha rate Evolution as a Buy (or Strong Buy)

## Analysis



**I'm All In On Evolution AB: Stock Price May Shoot Up Following U.S. Expansion**

**STRONG BUY** Eugenio Catone • Wed, Apr. 02 • 19 Comments •



**Evolution AB: Don't Miss This High-Quality Business**

**STRONG BUY** Yield Partners • Wed, Apr. 02 • 2 Comments •



**Evolution AB - A Good Stock To Put Chips Down For**

**BUY** Richard Edkins • Wed, Mar. 05 • 6 Comments •



**Evolution AB: This Stock Won't Stay Cheap Forever**

**STRONG BUY** Investor's Compass • Wed, Feb. 26 • 6 Comments •



**Evolution: A Global Compounder Trading At Half The Valuation Of US Peers**

**BUY** Broylhill Asset Management • Fri, Feb. 07 • 19 Comments •



**Evolution AB: Why I Keep Buying This Fallen Knife**

**STRONG BUY** Eugenio Catone • Thu, Jan. 30 • 27 Comments •



**This Sin-Stock Is Offering Heaven-Like Potential**

**STRONG BUY** Finance Flash • Thu, Jan. 23 • 12 Comments •



**Evolution AB: Deep Dive Into A Long-Term Compounder On Sale**

**STRONG BUY** Stock Research Platform • Wed, Jan. 01 • 31 Comments •



**Evolution AB: Worth The Gamble**

**STRONG BUY** Patrick Kroneman • Sun, Dec. 22, 2024 • 45 Comments •



**Evolution AB: The Sin Stock That Can Spike Your Dividend Income**

**STRONG BUY** Eugenio Catone • Tue, Nov. 26, 2024 • 59 Comments •



**Evolution AB: The Market Keeps Overlooking This Cash Flow Machine**

**STRONG BUY** Investor's Compass • Thu, Nov. 14, 2024 • 5 Comments •



**Evolution: Evolving Into An Intriguing Opportunity**

**BUY** Adam Rosander • Wed, Oct. 09, 2024 • 18 Comments •



**Evolution AB: This Bargain-Priced Compounder Has Massive Upside Potential**

**STRONG BUY** Investor's Compass • Tue, Sep. 24, 2024 • 8 Comments •



**Evolution AB: The Odds Look Solid For This Beaten-Up Gaming Operator**

**BUY** Thomas Lott • Mon, Jul. 22, 2024 • 17 Comments •



**Evolution AB: Galaxy Gaming Acquisition Accelerates U.S. Expansion**

**BUY** Eugenio Catone • Sun, Jul. 21, 2024 • 14 Comments •



**Protean Funds - Evolution: Has Kept Sliding, But Has The Potential To Be Excellent**

Fund Letter Stock Ideas • Wed, Jun. 12, 2024 • 11 Comments •



**Evolution AB: Thesis Still On Track**

**BUY** Dragon Rock Capital • Tue, Jun. 04, 2024 • 7 Comments •

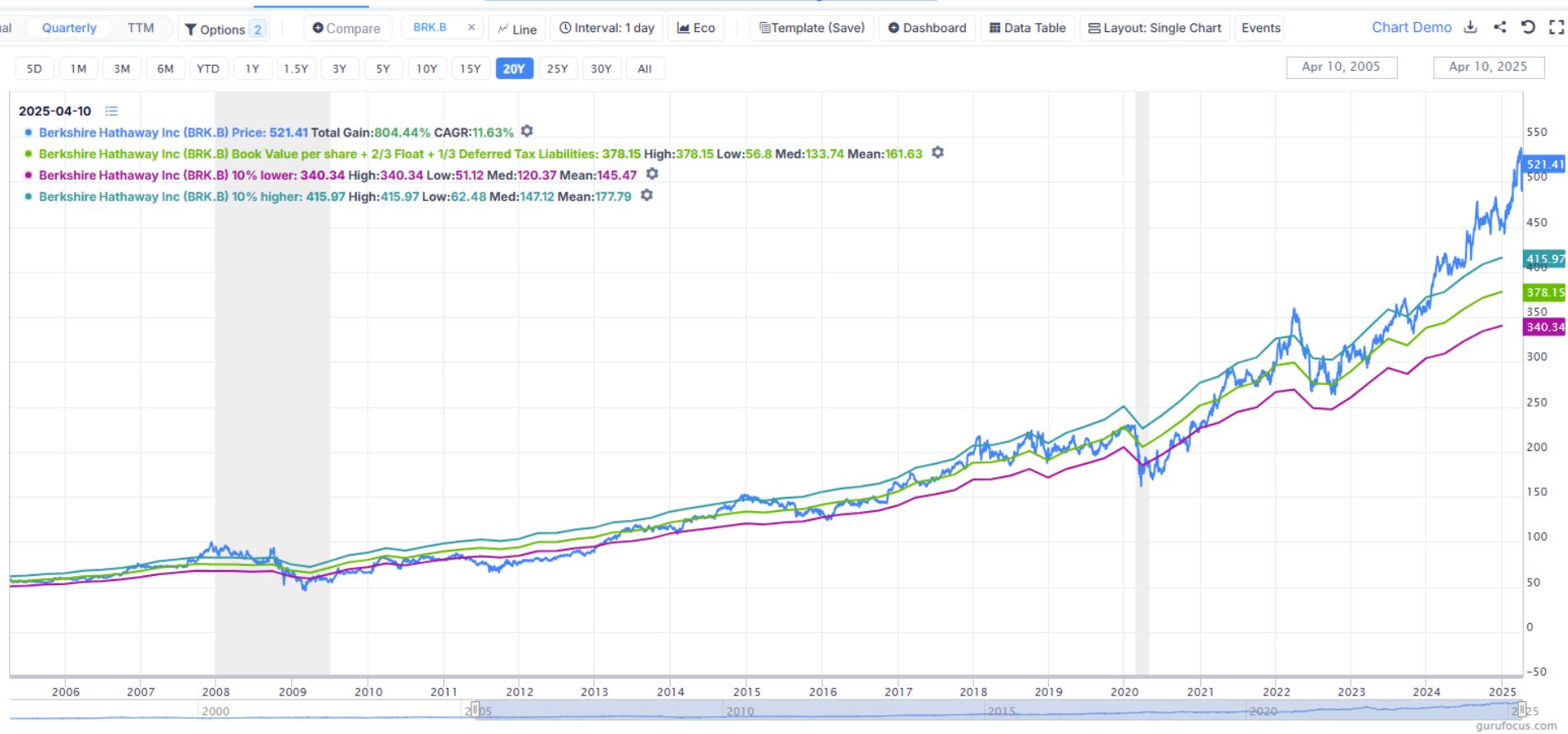


**Evolution AB: A More Robust Execution Needed**

**HOLD** EQ Research • Mon, May 06, 2024 • 10 Comments •

41

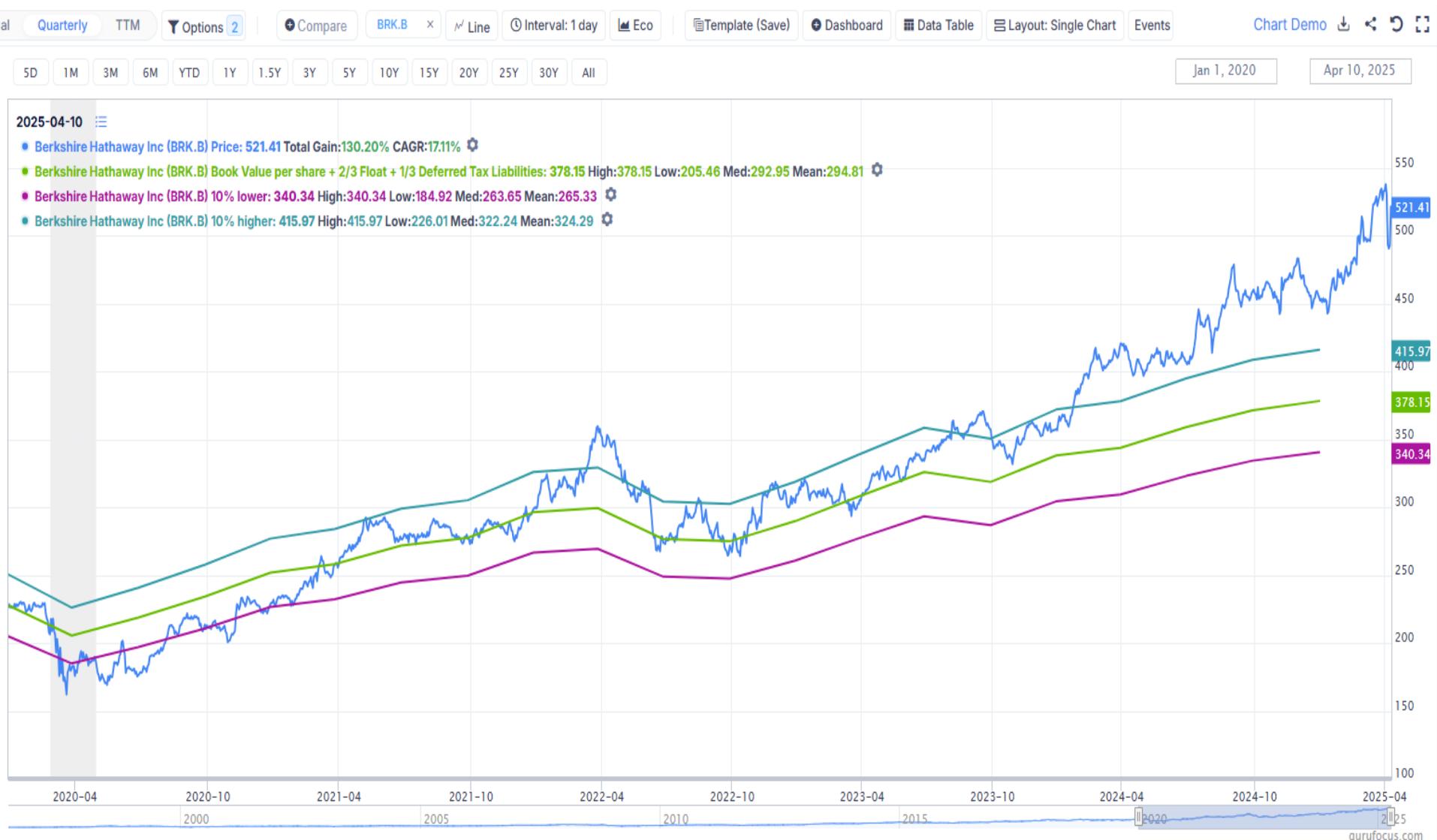
# Berkshire's Market Cap vs Intrinsic Value in the last 20 years



In short, Berkshire is trading at a very high valuation currently (in relation to its 20 years history)

Intrinsic Value = Book Value + 2/3 Float + 1/3 Deferred Tax Liabilities

# Berkshire's Price vs Intrinsic Value since 2020



# Why cost is not shown

Fund's position in week x1

| Financial Instrument Description     | Company Name      | Exchange | Position | Currency | Market Value | Market Price      | Average Price      | Unrealized P&L |
|--------------------------------------|-------------------|----------|----------|----------|--------------|-------------------|--------------------|----------------|
| GOOGL NASDAQ.NMS Apr04'25 135 CALL   | ALPHABET INC-CL A | AMEX     | 66       | USD      | 143,485.85   | 21.74             | 19.85 <sup>8</sup> | 12,429.21      |
| GOOGL NASDAQ.NMS Apr04'25 157.5 CALL | ALPHABET INC-CL A | AMEX     | -49      | USD      | -9,827.30    | 2.00 <sup>6</sup> | 2.32 <sup>2</sup>  | 1,555.08       |
| GOOGL NASDAQ.NMS Apr04'25 160 CALL   | ALPHABET INC-CL A | AMEX     | -17      | USD      | -1,744.26    | 1.02 <sup>6</sup> | 1.24 <sup>4</sup>  | 371.44         |

Fund's position in week x2

| Financial Instrument Description     | Company Name      | Exchange | Position | Currency | Market Value | Market Price      | Average Price     | Unrealized P&L |
|--------------------------------------|-------------------|----------|----------|----------|--------------|-------------------|-------------------|----------------|
| GOOGL NASDAQ.NMS                     | ALPHABET INC-CL A | NASDAQ   | 6,600    | USD      | 1,009,865.96 | 153.01            | 135.00            | 118,865.96     |
| GOOGL NASDAQ.NMS Apr11'25 157.5 CALL | ALPHABET INC-CL A | AMEX     | -16      | USD      | -836.43      | 0.52 <sup>3</sup> | 0.61 <sup>5</sup> | 148.19         |
| GOOGL NASDAQ.NMS Apr11'25 155 CALL   | ALPHABET INC-CL A | AMEX     | -17      | USD      | -2,125.68    | 1.25              | 1.15 <sup>2</sup> | -165.63        |
| GOOGL NASDAQ.NMS Apr11'25 152.5 CALL | ALPHABET INC-CL A | AMEX     | -37      | USD      | -9,212.76    | 2.49              | 2.05 <sup>6</sup> | -1,604.30      |