2024 ANNUAL REPORT

Peterson Investment Fund I

Peterson Capital Management, LLC

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ANNUAL RETURNS TO PARTNERS

PIFI FUND PERFORMANCE VS. THE S&P 500

Period	PIFI Net Return	S&P 500 Return with Dividends	HFRI (Hedge Fund Index)
2011[1]	34.0%	11.8%	1.9%
2012	58.6%	16.0%	7.4%
2013	26.4%	32.5%	14.3%
2014	(5.8%)	13.7%	1.8%
2015	(25.5%)	1.4%	(1.0%)
2016	7.3%	12.0%	5.5%
2017	19.4%	21.8%	13.2%
2018	(26.2%)	(4.4%)	(7.1%)
2019	24.8%	31.5%	13.5%
2020	24.5%	18.4%	17.1%
2021	22.5%	28.7%	11.7%
2022	(18.6%)	(18.1%)	(10.2%)
2023	21.7%	26.3%	10.4%
2024	8.8%	25.0%	12.3%
Cumulative	265%	569%	131%
Annualized	10.3%	15.4%	6.5%

[1] Fund inception date was October 1, 2011.

Dear Partner,

INVESTMENT RESULTS

A $1 million investment in Peterson Investment Fund I (PIFI) at inception on October 1, 2011, has grown to over $3.65 million as of December 31, 2024, net of all fees and expenses. This represents a cumulative return of 265% over 13.25 years.

During 2024, PIFI delivered an 8.8% net return. Since inception, our annualized net return stands at 10.3%. The S&P 500 returned 25% in 2024. While our returns this year were more modest than the broader index, this was primarily due to a single volatile holding that temporarily moved against us in the fourth quarter. We expect this position to deliver significant returns in 2025 and beyond.

Time Horizon	Annualized Net Returns	Cumulative Net Returns
1 Year	8.8%	8.8%
3 Years	2.5%	7.7%
5 Years	10.4%	64.3%
Since Inception (13.25 Years)	10.3%	265.1%

We continue to adhere to our long-term value investment strategy, which focuses on compounding capital through ownership of exceptional businesses led by extraordinary management teams and purchased at attractive valuations. While market sentiment can drive price swings in any given year, our approach is centered on fundamental business performance rather than short-term price movements.

Our portfolio remains deliberately concentrated, ensuring that capital is allocated to our highest conviction investments. We are confident that as the intrinsic value of each holding continues to rise, this underlying strength will propel market prices upward, driving long-term appreciation of our portfolio.

RESULTS COMMENTARY

Peterson Investment Fund I, LP is a concentrated, long-term, value-based hedge fund. Our objective is to compound capital at a rate that outperforms the S&P 500—including dividends—over the long run. This objective is realized through a disciplined focus on fundamentally robust investments and a comprehensive value-oriented approach designed to capture long-term growth while navigating short-term volatility.

Over 13 years, our portfolio has delivered a cumulative net return of 265%, underscoring the critical importance of patience and discipline in realizing significant compounding effects. We view this year's results as part of the natural investment cycle particularly when investing in fundamentally strong but temporarily underappreciated businesses.

Our long-term returns are primarily driven by our "infinite compounders"[2], a carefully selected group of companies poised to compound value at superior rates for decades.

Our proprietary Structured Value[3] practices further enhance performance. By selling put options to acquire shares at attractive entry points and using covered calls to secure additional premiums upon exit, we effectively reduce our cost basis. This disciplined tactical approach complements our core compounders and significantly enhances our returns.

Additionally, our proprietary Structured Dividend Capture (SDC)[4] strategy generates valuable short-term cash flow. Leveraging advanced proprietary technology and our deep expertise in structured products, we systematically identify attractive dividend opportunities. By timing entries and exits precisely around ex-dividend dates-using strategic combinations of put and covered call options — we capture substantial premiums and dividend income over brief holding periods consistently generating strong annualized returns. Detailed examples of this method are provided in the Portfolio Commentary.

In 2024, our portfolio rose significantly during Q3 as our Alibaba position rose above $115 per share. By year-end, the shares dropped nearly 30%, closing below $85. These movements were amplified by our strategic options exposure, magnifying short-term volatility. Recognizing the temporary nature of these price swings, we capitalized on the Q4 decline to strategically harvest short term tax losses while amplifying our Alibaba exposure through multi-year call options. Our investment decisions are driven by long term strategy, not emotion. We expect continued quarterly volatility with potential for convex appreciation as the market inevitably recognizes Alibaba's high and growing intrinsic value.

Key contributors to our 2024 performance include:

- **Core Compounders:** Alphabet, Daily Journal, and Berkshire Hathaway continue to be instrumental in delivering substantial value for partners
- **Alibaba (BABA) Price Volatility:** Despite significant gains in Q3, Alibaba declined over 30% in Q4. This was primarily due to regulatory and geopolitical pressures impacting

[2] Infinite compounders refer to our portfolio of high-quality companies with exceptional business models, management teams and prices that we have no intention of selling.
[3] Structured Value lower cost basis by securing stock at below-market prices through options.
[4] Structured Dividend Capture (SDC): Using options around ex-dividend dates to capture dividends and premium income over short holding periods.

Chinese technology firms. Our long-term conviction remains strong given Alibaba's robust business fundamentals and compelling cash flow trajectory.

- **Alphabet (GOOG) Allocation:** Strategic margin deployment enabled us to capitalize on Alphabet's sustained competitive advantages by acquiring stock at attractive prices through expiring call options.
- **Occidental Petroleum (OXY) Positioning:** OXY's Q4 price weakness provided opportunities for tax-efficient rotation from short puts and equity holdings into long term call options. We remain committed to holding OXY into the 2025 calendar year.
- **Intrinsic Value Opportunities:** Temporary divergences between market prices and intrinsic values have created attractive opportunities for long-term capital appreciation, particularly in our Chinese holdings.
- **Geopolitical Considerations:** Geopolitical uncertainties influenced short-term market sentiment, particularly regarding Chinese technology exposure. However, such challenges represent normal market dynamics and do not diminish the underlying intrinsic value of our portfolio.

Each of our three proprietary strategies—the growth of our infinite compounders, our disciplined Structured Value practices, and our innovative Dividend Capture approach—operates independently of the S&P 500. Further, we are well diversified globally with exposure through Alibaba and Naspers in China and Talas in Turkey. This strategic diversification provides resilience in today's uncertain global environment.

We remain confidently focused on compounding capital through disciplined investment in quality businesses, even as transitory challenges—such as China-specific pressures and geopolitical tensions—create temporary price volatility. Our detailed portfolio commentary further elaborates on how these strategies are executed to build long-term value for our partners.

PORTFOLIO COMMENTARY

At the heart of our value-based strategy are our "infinite compounders" – a select group of seven high-quality firms that drive our long-term conviction. Global leaders such as Alphabet, Alibaba, Daily Journal, and Naspers, along with our strategic exposures to Berkshire Hathaway, Dhandho Holdings, and Talas Capital, boast robust balance sheets, consistent positive cash flows, and significant organic growth potential. Trading at deep discounts to their intrinsic, compounding value, these companies position us to capture meaningful price appreciation in the coming quarters and years, laying a resilient foundation for enduring wealth creation.

Our innovative approach extends well beyond traditional equity investments. Through our disciplined Structured Value strategy, we tactically sell put options to acquire shares at attractive prices and deploy covered calls to capture additional premiums—effectively lowering our cost basis and enhancing overall returns. Recent trades in 2024 have generated premium income that, on average, reduced our net entry prices by 12%, reinforcing our asymmetric risk-reward philosophy even amid market volatility.

Complementing this is our proprietary Structured Dividend Capture (SDC) strategy. Leveraging advanced, Python-based automation integrated within our AlphaOne platform, we systematically pinpoint and act on attractive dividend opportunities. By selling puts ahead of ex-dividend dates and executing timely covered calls to exit positions, we generate short-term returns that bolster our long-term compounding model. Backtested results and live performance data from 2023 confirm that this approach delivers reliable annualized cash returns.

Global diversification remains a cornerstone of our portfolio management. Our exposures span both emerging and established markets—including strategic positions in regions such as Turkey and carefully calibrated exposures in China—ensuring access to unique, high-growth opportunities. While intermittent geopolitical dynamics and tariff uncertainties contribute to short-term volatility, these factors are inherent to the natural market cycle and often present compelling entry points without diminishing the underlying strength of our holdings.

In today's era of rapid technological innovation, our portfolio is uniquely positioned at the forefront of the AI and tech revolution. Industry titans such as Alphabet and Alibaba are not only redefining their respective sectors—they are driving breakthrough innovations across multiple domains. Alphabet is leveraging artificial intelligence to enhance its search algorithms and power its YouTube recommendation engine, pioneering advancements in autonomous driving through Waymo, and expanding its cloud computing services via Google Cloud.

Meanwhile, Alibaba is transforming global e-commerce through its dominant platforms Taobao and Tmall, expanding its cloud computing capabilities with Alibaba Cloud, and advancing digital finance and media through Ant Group and its emerging content services. Despite temporary market pessimism, the robust fundamentals of these companies are undeniable. Notably, approximately 25% of our portfolio is allocated to long-term Alibaba call options that extend to 2027—an intentionally bold position that underscores our commitment to asymmetric upside. Should Alibaba's valuation normalize, we are strategically positioned to acquire up to one-third to one-half of its underlying equity, thereby further cementing our long-term holding and strengthening our conviction in the transformative power of technology.

Notably, approximately 25% of our portfolio is allocated to long-term Alibaba call options that extend to 2027—an intentionally bold position that underscores our conviction in the multi-year asymmetric upside. While our concentrated, high-conviction positions reflect confidence in the valuations, we remain committed to rigorous risk management practices to balance potential returns against portfolio volatility. Should Alibaba's price rise to more normalized valuations, we anticipate accumulating significant underlying equity later this decade, cementing our long-term holding.

Every public holding in our portfolio continues to generate robust cash flow, a testament to the operational excellence and strategic financial management of these companies. Our sustained focus on SaaS, AI-driven platforms, and other technology-led innovations continues to demonstrate our commitment to owning businesses with enduring competitive advantages.

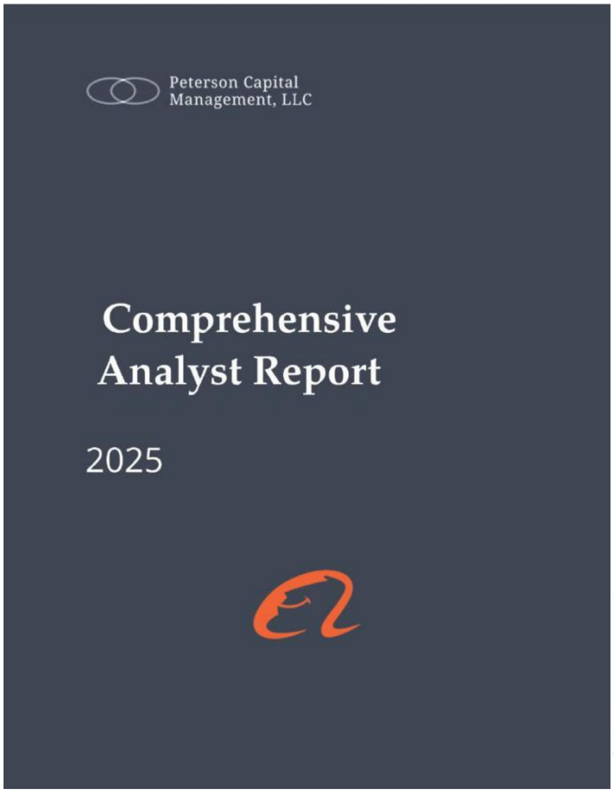
Advanced AI technologies have played a transformative role in our analysis this year. With top-tier access to ChatGPT, Anthropic, and Google Advanced, our proprietary AlphaOne platform now automatically aggregates and analyzes 13F filings from over 100 top value funds—prioritizing and accelerating analysis, reducing manual research time from weeks to minutes and uncovering opportunities at a scale unimaginable in the past. Our AlphaOne technology incorporates the most advanced LLM capabilities, capable of achieving top scores on a 6-hour CFA exam in minutes. The technology integrates real-time financial data directly from primary sources like the SEC and utilizes sophisticated models—such as decision trees to evaluate multiple future scenarios. This fusion of cutting-edge technology with timeless investment wisdom has enabled us to scale our analysis, providing a decisive advantage, and enhancing both our quantitative and qualitative insights.

A major development in 2025 is the full integration of our proprietary AlphaOne platform—a state-of-the-art tool that combines advanced Python algorithms with direct SEC API integration to deliver real-time comprehensive analyst reports. Our AlphaOne AI tool automates the extraction and quantitative analysis of financial filings. AlphaOne then evaluates comprehensive industry specific qualitative nuances spanning management quality, competition and sustainable competitive advantages. The result is a Bull, Bear and Base case intrinsic value report on any U.S.-listed company. This powerful functionality is now available to all partners via our website, offering deeper transparency and direct engagement with our research.

Our AlphaOne AI reports are improving rapidly as we enhance our Python algorithms and prompt libraries directing the research. As LLMs continue to thrive with more advanced chain-of-thought reasoning, these technologies will transform the work of world class analysts. Partners can request a report on our website.

Below please find sample pages from a report on Alibaba.

AlibabaGroup Holding Limited (NYSE: BABA)



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Metrics
3.02	4.08	5.14	7.94	12.25	18.26	24.25	33.18	39.57	41.41	45.94	50.96	Revenue/Share
1.24	1.79	2.34	3.15	4.67	4.91	6.43	8.72	4.15	7.88	7.31	6.97	FCF/Share
1.34	1.30	3.63	2.19	3.14	4.26	7.11	6.97	2.89	3.47	3.91	6.28	NetIncome/Share
-0.27	-0.41	-0.55	-0.88	-1.46	-2.41	-2.16	-2.00	-2.47	-1.64	-1.61	-1.21	Capex/Share
2.34	8.42	12.71	16.25	21.51	29.82	41.85	50.12	50.20	53.52	54.31	56.83	BV/Share
17,400 M	18,696 M	19,664 M	19,944 M	20,425 M	20,640 M	21,017 M	21,619 M	21,558 M	20,980 M	20,486 M	19,265 M	Wtd. Avg. Dil. Shares
107.3x	110.6x	39.6x	65.6x	45.8x	33.7x	20.2x	20.6x	49.7x	41.4x	36.8x	22.9x	PE Ratio
115.8x	80.2x	61.5x	45.7x	30.8x	29.3x	22.3x	16.5x	34.7x	18.2x	19.7x	20.6x	PCFC Ratio
61.5x	17.1x	11.3x	8.8x	6.7x	4.8x	3.4x	2.9x	2.9x	2.7x	2.6x	2.5x	PB Ratio
47.6x	35.2x	28.0x	18.1x	11.7x	7.9x	5.9x	4.3x	3.6x	3.5x	3.1x	2.8x	PSales Ratio

Capital Structure	2022	2023	2024	TTM
Total Debt	141,344 M	161,354 M	205,614 M	231,528 M
LT Debt	162,762 M	177,636 M	170,742 M	210,075 M
ST Debt	13,835 M	17,933 M	34,872 M	21,453 M
Preferred Equity	0 M	0 M	0 M	0 M
Shares Outstanding	21,558 M	20,980 M	20,486 M	19,265 M

Working Capital	2022	2023	2024	TTM
Cash, Equiv & STI	455,085 M	524,470 M	601,953 M	453,278 M
Receivables	45,001 M	41,176 M	38,943 M	181,382 M
Inventory	30,087 M	28,547 M	25,460 M	0 M
Total Current Assets	638,535 M	697,966 M	746,382 M	677,842 M
Payables	107,205 M	103,369 M	0 M	0 M
Short Term Debt	13,835 M	17,933 M	34,872 M	21,453 M
Deferred Revenue	81,730 M	84,592 M	72,818 M	0 M
Total Current Liab	383,784 M	385,351 M	421,507 M	457,359 M

2020	2021	2022	2023	2024	TTM	Metrics
509,711 M	717,289 M	853,062 M	868,687 M	941,168 M	981,767 M	Revenue
45%	41%	37%	37%	38%	38%	Gross Margin
34%	24%	12%	12%	12%	13%	Operating Margin
42,229 M	47,070 M	45,727 M	38,158 M	44,504 M	14,422 M	D&A
149,433 M	150,578 M	62,249 M	72,783 M	80,009 M	120,915 M	Net Income
29%	21%	7%	8%	9%	12%	Net Margin
221,051 M	266,002 M	254,751 M	312,615 M	324,875 M	220,483 M	Working Capital
139,367 M	163,933 M	162,762 M	177,636 M	170,742 M	210,075 M	Long Term Debt
879,651 M	1,083,634 M	1,082,193 M	1,122,921 M	1,112,599 M	1,094,795 M	Total Equity
1,312,985 M	1,690,218 M	1,695,553 M	1,753,044 M	1,764,829 M	1,854,964 M	Total Assets
29%	21%	7%	8%	9%	12%	Net Margin
39%	42%	50%	50%	53%	53%	Asset Turnover
149%	156%	157%	156%	159%	169%	Leverage Ratio
17%	14%	6%	6%	8%	11%	ROE

*Fiscal year ends 03-31

Annual Average Rates of Change (2014-2024)	10 Years	5 Years	1 Year
Sales	33%	20%	8%
Cash Flow	21%	8%	-10%
Net Income	13%	-2%	10%
Capex	21%	-8%	-4%
Book Value	39%	13%	-1%

Comparable Peers

Tickers	Market Cap	P/E	P/S	Net Margin	EV/EBITDA	Net Debt/EBITDA	5YR Rev CAGR
AMZN	2,295,250 M	38.6x	3.6x	9%	22.0x	0.5x	18%
JD	417,639 M	12.6x	0.4x	3%	8.8x	-0.2x	19%
PDD	1,322,746 M	12.2x	3.6x	29%	11.5x	-0.5x	80%
TCEHY	4,366,318 M	26.3x	6.8x	26%	19.9x	0.9x	14%
SHOP	149,636 M	73.8x	16.9x	23%	108.5x	-0.3x	41%
BABA	2,475,711 M	22.9x	2.8x	12%	16.9x	0.1x	20%
25th Percentile		12.4x	2.0x	0.1x	10.1x	-0.4x	0.2x
Average		32.7x	6.2x	0.2x	34.1x	0.1x	0.3x
75th Percentile		56.2x	11.8x	0.3x	65.3x	0.7x	0.6x

Quarterly Sales	Q1	Q2	Q3	Q4	FY
2022	205,740 M	200,690 M	242,580 M	204,052 M	853,062 M
2023	205,555 M	207,176 M	247,756 M	208,200 M	868,687 M
2024	234,156 M	224,790 M	260,348 M	221,874 M	941,168 M
2025	243,236 M	236,503 M	280,154 M		759,893 M

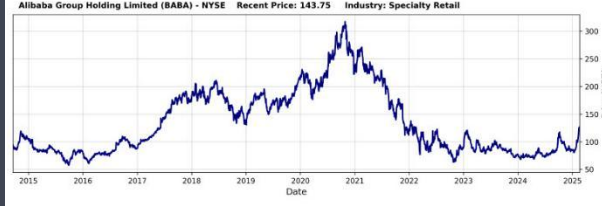
Quarterly EPS	Q1	Q2	Q3	Q4	FY
2022	2.08	0.25	1.29	-0.7525	2.8675
2023	1.07	-0.965	2.25	1.14	3.495
2024	1.68	1.36	0.72	0.165	3.925
2025	1.23	2.22375	2.54		5.99375

Quarterly Dividends PS	Q1	Q2	Q3	Q4	FY
2022					
2023					
2024					
2025		0.98	1.66		2.64

Business Description

Alibaba Group Holding Limited, through its subsidiaries, provides technology infrastructure and marketing reach to help merchants, brands, retailers, and other businesses to engage with their users and customers in the People's Republic of China and internationally. The company operates through seven segments: China Commerce, International Commerce, Local Consumer Services, Cainiao, Cloud, Digital Media and Entertainment, and Innovation Initiatives and Others. It operates Taobao and Tmall, which are digital retail platforms; Alimama, a proprietary monetization platform; 1688.com and Alibaba.com, which are online wholesale marketplaces; AliExpress, a retail marketplace; Lazada, Trendyol, and Daraz that are e-commerce platforms; Freshippo, a retail platform for groceries and fresh goods; and Tmall Global, an import e-commerce platform. The company also operates Cainiao Network logistic services platform; Ele.me, an on-demand delivery and local services platform; Koubei, a restaurant and local services guide platform; and Fliggy, an online travel platform. In addition, it offers pay-for-performance, in-feed, and display marketing services; and Taobao Ad Network and Exchange, a real-time online bidding marketing exchange. Further, the company provides elastic computing, storage, network, security, database, big data, and IoT services; and hardware, software license, software installation, and application development and maintenance services. Additionally, it operates Youku, an online video platform; Quark, a platform for information search, storage, and consumption; Alibaba Pictures and other content platforms that provide online videos, films, live events, news feeds, literature, music, and others; Amap, a mobile digital map, navigation, and real-time traffic information app; DingTalk, a business efficiency mobile app; Tmall Genie smart speaker; and Qwen, an artificial intelligence chatbot. The company was incorporated in 1999 and is based in Hangzhou, the People's Republic of China.

Alibaba Group Holding Limited (BABA) - NYSE   Recent Price: 143.75   Industry: Specialty Retail



Peterson Capital Management, LLC

1. Executive Summary

Executive Summary for Alibaba Group (BABA)

Financial Performance: For the fiscal quarter ended December 31, 2024, Alibaba Group reported total revenue of RMB 280,154 million (approximately USD 38,381 million), representing an 8% increase year-over-year from RMB 259,184 million in the same quarter of 2023. This growth was driven by a 9% rise in customer management revenue from Taobao and Tmall, which reflects the effectiveness of initiatives aimed at enhancing user experience and improving monetization strategies. Additionally, the Cloud Intelligence Group saw a significant revenue increase of 13%, continuing its trend of double-digitgrowth, with AI-related product revenue achieving impressive triple-digit growth for the sixth consecutive quarter.

Recent Developments: As part of its ongoing restructuring strategy, Alibaba has made significant operational changes. The company plans to spin off its Cloud Intelligence Group and aims for a public listing within the next 12 months. This strategic move will allow the cloud segment to develop and implement its own business strategies independent of Alibaba's consumer-focused operations. Furthermore, the Alibaba Board has approved plans for its subsidiaries, Freshippo and Cainiao, to initiate IPO processes within the next 12 to 18 months, signaling a clear commitment to enhancing shareholder value.

Additionally, the Alibaba International Digital Commerce Group is exploring avenues for raising external capital to support its global market expansion efforts. The success of these initiatives is contingent on various factors, including market conditions and regulatory approvals.

Key Insights: Alibaba is evolving into a holding company structure, having established a capital management committee under its Board of Directors to oversee capital allocation across its various business units. This shift aims to improve decision-making efficiency and foster a culture of autonomy while encouraging collaboration among its different segments.The company has demonstrated a strong commitment to operational efficiency, achieving positive EBITA growth in its core businesses during the quarter. Notably, Alibaba repurchased USD 5.8 billion in shares, underscoring its confidence in sustaining long-term growth and commitment to returning value to shareholders.

Conclusion: As of February 2025, Alibaba Group is navigating a pivotal phase characterized by strategic restructuring, robust financial performance, and a focus on innovation. The company's efforts to strengthen its core businesses while exploring new growth avenues through its subsidiaries highlight its commitment to maintaining competitiveness in a rapidly evolving market landscape. Continued investment in AI and user-centric strategies positions Alibaba favorably for future growth and market relevance.

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Peterson Capital Management, LLC

7. Comparable Companies Valuation

Comparable Public Companies and Valuation Output

Operating Statistics

Tickers	Market Cap	Cash Equivalents	Total Debt	Enterprise Value	Total Equity	LTM Revenue	LTM Gross Profit	LTM Gross Margin	LTM EBIT	LTM EBIT Margin	LTM EBITDA	LTM EBITDA Margin	LTM Net Income	LTM Net Margin	Revenue 5YR CAGR
AMZN	2,277,341 M	78,779 M	130,900 M	2,307,039 M	285,970 M	637,959 M	311,671 M	48.9%	70,919 M	11.1%	123,714 M	19.4%	59,248 M	9.3%	17.9%
JD	66,748 M	14,741 M	12,359 M	48,927 M	32,108 M	155,997 M	24,313 M	15.6%	6,311 M	4.0%	1,618 M	1.0%	4,857 M	3.1%	18.0%
GOOGL	2,199,218 M	23,466 M	22,574 M	2,126,135 M	325,084 M	350,018 M	203,712 M	58.2%	120,083 M	34.3%	135,394 M	38.7%	100,118 M	28.6%	16.7%
PDD	179,363 M	17,653 M	1,438 M	142,286 M	39,116 M	51,917 M	32,209 M	62.0%	17,704 M	34.1%	17,704 M	34.1%	15,090 M	29.1%	79.0%
NFLX	428,805 M	7,805 M	15,583 M	434,804 M	24,744 M	39,001 M	17,963 M	46.1%	10,684 M	27.4%	26,315 M	67.5%	8,712 M	22.3%	14.1%
SHOP	149,273 M	1,498 M	1,126 M	143,696 M	11,558 M	8,880 M	4,472 M	50.4%	2,228 M	25.1%	2,264 M	25.5%	2,019 M	22.7%	41.3%
Maximum	2,277,341 M	78,779 M	130,900 M	2,307,039 M	325,084 M	637,959 M	311,671 M	62.0%	120,083 M	34.3%	135,394 M	67.5%	100,118 M	29.1%	79.0%
75th Percentile	2,218,749 M	37,294 M	49,656 M	2,171,361 M	295,749 M	422,003 M	230,702 M	59.2%	83,210 M	34.2%	126,634 M	45.9%	69,466 M	28.7%	50.7%
Median	304,084 M	16,197 M	13,971 M	289,250 M	35,612 M	103,957 M	28,261 M	49.6%	14,194 M	26.2%	22,010 M	29.8%	11,901 M	22.5%	17.9%
25th Percentile	128,641 M	6,228 M	1,360 M	118,946 M	21,447 M	31,471 M	14,590 M	38.4%	5,290 M	9.3%	2,102 M	14.8%	4,148 M	7.7%	16.0%
Minimum	66,748 M	1,498 M	1,126 M	48,927 M	11,558 M	8,880 M	4,472 M	15.6%	2,228 M	4.0%	1,618 M	1.0%	2,019 M	3.1%	14.1%
BABA	361,855 M	25,701 M	28,407 M	305,655 M	133,978 M	134,257 M	51,301 M	38.2%	17,230 M	12.8%	25,033 M	18.6%	12,064 M	9.0%	18.4%

Valuation Statistics

Tickers	Market Cap	Enterprise Value	EV/LTM Revenue	EV/LTM EBITDA	P/S Multiple	P/E Multiple	P/B Multiple
AMZN	2,277,341 M	2,307,039 M	3.62x	18.65x	3.57x	38.44x	7.96x
JD	66,748 M	48,927 M	0.31x	30.24x	0.43x	13.74x	2.08x
GOOGL	2,199,218 M	2,126,135 M	6.07x	15.70x	6.28x	21.97x	6.77x
PDD	179,363 M	142,286 M	2.74x	8.04x	3.45x	11.88x	4.59x
NFLX	428,805 M	434,804 M	11.15x	16.52x	10.99x	49.22x	17.33x
SHOP	149,273 M	143,696 M	16.18x	63.47x	16.81x	73.93x	12.93x
Maximum	2,277,341 M	2,307,039 M	16.18x	63.47x	16.81x	73.93x	17.33x
75th Percentile	2,218,749 M	2,171,361 M	12.41x	38.55x	12.45x	55.40x	14.02x
Median	304,084 M	289,250 M	4.85x	17.59x	4.93x	30.20x	7.36x
25th Percentile	128,641 M	118,946 M	2.13x	13.79x	2.70x	13.28x	3.96x
Minimum	66,748 M	48,927 M	0.31x	8.04x	0.43x	11.88x	2.08x
BABA	361,855 M	305,655 M	2.28x	12.25x	2.70x	29.99x	2.70x

Implied Share Price

Tickers	Shares Outstanding	EV/LTM Revenue	EV/LTM EBITDA	P/S Multiple	P/E Multiple	P/B Multiple
Maximum	2,323 M	$ 934.06	$ 682.80	$ 971.52	$ 383.97	$ 999.50
75th Percentile		$ 715.88	$ 414.26	$ 719.46	$ 287.71	$ 808.53
Median		$ 278.87	$ 188.34	$ 284.72	$ 156.85	$ 424.73
25th Percentile		$ 122.16	$ 147.40	$ 155.93	$ 68.96	$ 228.32
Minimum		$ 16.96	$ 85.44	$ 24.73	$ 61.73	$ 119.90

- **Metrics and Multiples:**
  - All companies are large and generate positive earnings, so we will not focus on Revenue multiples. We place the less weight on P/E multiples given the variance in tax rates and non-recurring charges.
- **Target EV/EBITDA Multiple.**
  - The median LTM EV/EBITDA multiple is currently 17.59x.
  - Given that BABA's revenue growth, size are in line with median metrics of those for the comparable public companies, despite its lower margins, we think that EBITDA multiples in-line with the median of the set are justified.
- **Target Price.**
  - As a result, we selected an multiple of 17.59x, which results in an implied share price of approximately $188.34.

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Berkshire Hathaway, Inc. (NYSE: BRK.A, BRK.B)

Berkshire Hathaway remains a cornerstone holding due to its extraordinary ability to compound intrinsic value consistently. Led by Warren Buffett, Berkshire exemplifies disciplined capital allocation, adaptive risk management, and long-term strategic clarity—attributes aligning seamlessly with our core investment philosophy.

Strategically, Berkshire is proactively managing contemporary risks essential to sustainable value creation. Buffett explicitly emphasizes robust cybersecurity across subsidiaries, reinforces climate-aware practices within insurance underwriting, and strategically maintains substantial liquidity via Treasury securities to navigate macroeconomic volatility.

Central to Berkshire's enduring outperformance is disciplined capital allocation anchored in intrinsic value, intensified by strategic stock repurchases and effective utilization of insurance float as a low-cost capital source. Further, Buffett's heightened commitment to technological integration—enhancing operations across BNSF, GEICO, and numerous subsidiaries—and transparent succession planning solidifies Berkshire's competitive resilience and operational continuity.

We remain highly confident in Berkshire Hathaway's continued strategic evolution, financial resilience, and ability to deliver substantial, enduring shareholder value, strengthening its foundational role within our portfolio.

Structured Dividend Capture

Our proprietary Structured Dividend Capture (SDC) strategy turns any available capital into a high-yield, income-generating engine. By strategically deploying funds around ex-dividend dates, we capture robust dividend payouts along with attractive option premiums—boosting returns while maintaining liquidity in our capital.

How SDC Works:

1. Sell a Cash-Secured Put: Prior to the ex-dividend date, we sell a put option to earn a premium upfront and secure a discounted entry.

2. Capture the Dividend: If assigned, we hold the shares just long enough to receive the dividend.

3. Sell a Covered Call: Shortly after, we sell a call option to exit the position and collect another premium.

4. Recycle Capital: Proceeds are swiftly redeployed into the next opportunity.

Our proprietary AlphaOne platform, with advanced Python-based analytics and direct SEC API integration, continuously identifies and schedules these opportunities with precision.

Our capital is now fully allocated in high-conviction, long-term investments, leaving us without idle cash. Nonetheless, we want to continue to execute SDC using any available liquidity. With additional capital inflows, we anticipate significantly ramping up SDC activity.

Further, we have received overwhelming demand for a standalone or alternate fund dedicated to this enhanced cash management strategy through SDC. We are considering the capital interest in a dedicated SDC fund in 2025, which will enable a more focused and more scalable execution of the strategy without affecting our long-term compounding portfolio. Let us know if this is of interest to you and stay tuned!

Below are several examples for consideration.

eBay Inc. (NASDAQ: EBAY) Q4 2024:

1. Sell $62.5 strike cash-secured put on EBAY, for a premium of $1.87. Hold until expiration and buy the stock for a net price of $60.63.

2. Receive a $0.27 dividend by holding equity across the ex-dividend date.

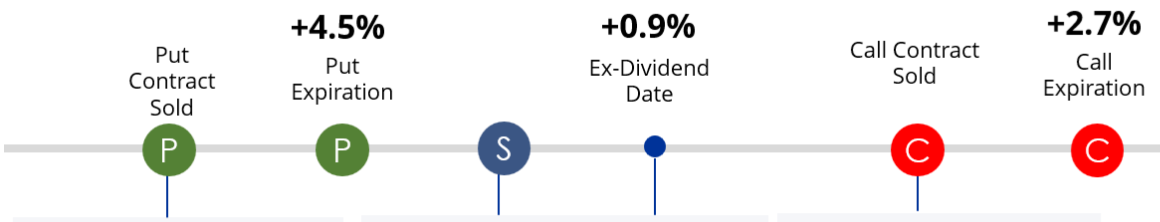
3. Sell a $63 strike covered call on EBAY, for a premium of $0.83 and exit at expiration.

Nordstrom Inc. (NYSE: JWN) Q3 2024:

1. Sell $22.5 strike cash-secured put on JWN, for a premium of $0.96. Hold until expiration and buy the stock for a net price of $21.54.

2. Receive a $0.19 dividend by holding equity across the ex-dividend date.

3. Sell a $22.5 strike covered call on JWN, for a premium of $0.59 and exit at expiration.



Opening Position:

1. Sell a Put Expiring Aug 30th with a $22.5 strike for $0.96

Dividend Capture:

2. Take possession of stock and capture the $0.19 dividend on Sep 3rd

Closing Position:

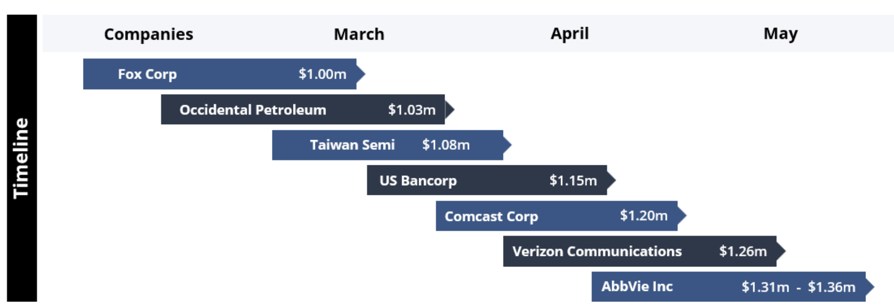
3. Sell a Call expiring Sep 6th with a $22.5 strike for $0.59

Total Return (30 days): 8%

Annualized Return: 157%

This strategy yields significant annualized returns on cash over a short period. For JWN, over 150% annualized may be achievable. However, most firms pay dividends quarterly. Therefore, achieving consistent gains requires many consecutive opportunities.

The following capital flow diagram displays a series of promising opportunities. Success depends entirely on disciplined strategy execution. Although we use a basket approach, rather than relying on individual holdings, the concept remains the same. Not every trade will be positive and in practice, a fraction of this outcome is achievable. We find these gains far superior to idle cash holdings.



Return Analysis

	Beg Balance	Put Yield	Dividend Yield	Call Yield	Equity Adj.	Total Yield	End Balance
Fox Corp	1,000,000	3.42%	0.47%	2.85%	-3.51%	3.23%	1,031,271
Occidental Petroleum	1,031,271	2.82%	0.49%	2.54%	-1.03%	4.82%	1,079,638
Taiwan Semiconductor	1,079,638	4.00%	0.38%	3.81%	-1.35%	6.83%	1,150,553
US Bancorp	1,150,553	2.66%	1.12%	2.13%	-1.12%	4.79%	1,204,204
Comcast Corp	1,204,204	3.17%	0.93%	2.40%	-1.41%	5.09%	1,263,589
Verizon Communications	1,263,589	1.65%	1.58%	1.80%	-1.17%	3.86%	1,311,591
AbbVie Inc	1,311,591	2.17%	0.82%	1.86%	-1.25%	3.60%	1,357,753

36% 3-Month Total Return

245% Annualized Return

We can now be even more selective before allocating to new long-term portfolio holdings with our cash as we can confidently collect double digit returns while we wait.

Concluding Portfolio Comments

Multiple forces are propelling our portfolio's ascent. It is anchored by seven strong compounders with superior business models, world-class management teams, and prices far below their compounding intrinsic value. Our portfolio management approach offers strong overall return potential.

Our strategies for compounding are built upon:

- Investing in infinite compounders with enduring growth potential
- Leveraging innovative Structured Value and SDC strategies to lower our cost basis and generate income
- Aligning interests through our zero-fee share class and management co-investment

Our fundamental, bottom-up, value-based approach is the most effective way to compound capital and navigate market uncertainty. Quality businesses and quality management teams can prosper in a variety of market conditions. With this foundation, we are confident that our portfolio will continue to grow substantially in the years ahead.

MARKET COMMENTARY

2024 marked a transformative year within a rapidly shifting global market landscape. U.S. equities surged, driven by easing inflation, resilient GDP growth, and a 100-basis point interest rate cut—from 5.5% to 4.5%. The U.S. presidential election resulted in a victory for Donald Trump, adding a new dimension of geopolitical and economic considerations, particularly influencing market sentiment and trade policy expectations. These developments underscore our strategic focus on identifying undervalued companies with strong pricing power and sustainable competitive advantages. While investor sentiment remains bullish, elevated market multiples relative to historical norms reinforce our expectation that long-term market returns will normalize closer to their historical averages. This favors active over passive investment strategies for the decade ahead.

Globally, market conditions remain notably fragmented. China enters 2025 under considerable bearish pressure, driven primarily by ongoing distress in its real estate sector and intensified tariff threats exacerbated by the recent U.S. election outcome. As a result, Chinese equity valuations have fallen to historic lows, reaffirming our conviction that extreme market pessimism often yields significant contrarian investment opportunities.

Beyond macroeconomic and geopolitical factors, major shifts in business models present considerable investment opportunities and challenges:

- Subscription and As-a-Service Models: Industries ranging from transportation and healthcare to consumer goods continue shifting toward subscription-based and as-a-service models, providing recurring revenue streams and deeper customer relationships that improve long-term business stability.

- Hybrid Digital-Physical Experiences: Companies are merging digital innovation with physical interactions. Retail and service sectors are increasingly leveraging augmented reality (AR), virtual reality (VR) and AI to create immersive consumer experiences that enhance engagement and drive new revenue streams.

- AI-Driven Personalization and Automation: Companies successfully integrating AI technologies into their operations are significantly improving productivity, enabling real-time personalized customer experiences, and securing long-lasting competitive advantages.

The most significant transformation on the horizon is the rise of AI Agents—autonomous AI systems that will fundamentally reshape industries by actively managing tasks and executing decisions on behalf of businesses and consumers. These AI Agents represent the next significant evolution in automation, autonomously conducting financial transactions, executing trades, optimizing supply chains, and negotiating contracts. Such advancements will dramatically accelerate productivity, reduce operational costs, and enhance strategic decision-making capabilities.

AI Agents are set to revolutionize multiple sectors, including finance, legal services, e-commerce, and healthcare. In finance, AI-powered platforms will autonomously rebalance portfolios and dynamically manage risk. Customer service sectors will experience significant automation, with AI handling complex interactions traditionally requiring human input. Supply chain and inventory management will benefit immensely from AI-driven predictive analytics and dynamic optimization. This impending shift will distinctly separate businesses equipped to thrive from those vulnerable to disruption.

While AI Agents will unlock substantial market opportunities, they will concurrently increase competition. Investors must carefully distinguish between organizations genuinely integrating AI technologies at scale and those employing superficial AI narratives. Only companies embedding AI deeply into their core operations will sustain meaningful competitive advantages and achieve long-term growth.

Entering 2025, our disciplined, quantitative approach—strengthened by our proprietary AI-powered AlphaOne platform—uniquely positions us within the increasingly complex investment landscape. By leveraging advanced real-time data analytics, quantitative modeling, and macroeconomic forecasting, we can efficiently process vast datasets, swiftly identifying and capitalizing on emerging market opportunities.

Despite current U.S. market strength, we anticipate increased volatility and moderated returns as valuations recalibrate. China's notably depressed valuations simultaneously offer significant contrarian upside potential for investors willing to navigate short-term uncertainties. This environment strongly reinforces our conviction in active investment strategies deeply rooted in fundamental analysis and strategic flexibility.

Our investment philosophy continues to emphasize high-quality companies with resilient cash flows and conservative leverage, providing essential downside protection amid market downturns. This disciplined approach positions us effectively to seize opportunities arising from market dislocations. Ultimately, our unwavering commitment to innovation, rigorous analytical standards, and strategic adaptability uniquely positions us to deliver sustained long-term wealth creation for our partners.

POST-MORTEM

While many funds churn through numerous holdings each year to capture short-term gains, our approach has remained resolutely focused on long-term compounding. Our portfolio of infinite compounders—carefully selected for their robust fundamentals and enduring growth potential—required only minor, strategic adjustments throughout the year. This disciplined, low-turnover strategy underscores our commitment to maintaining a clear and coherent investment thesis, rather than reacting impulsively to every market fluctuation.

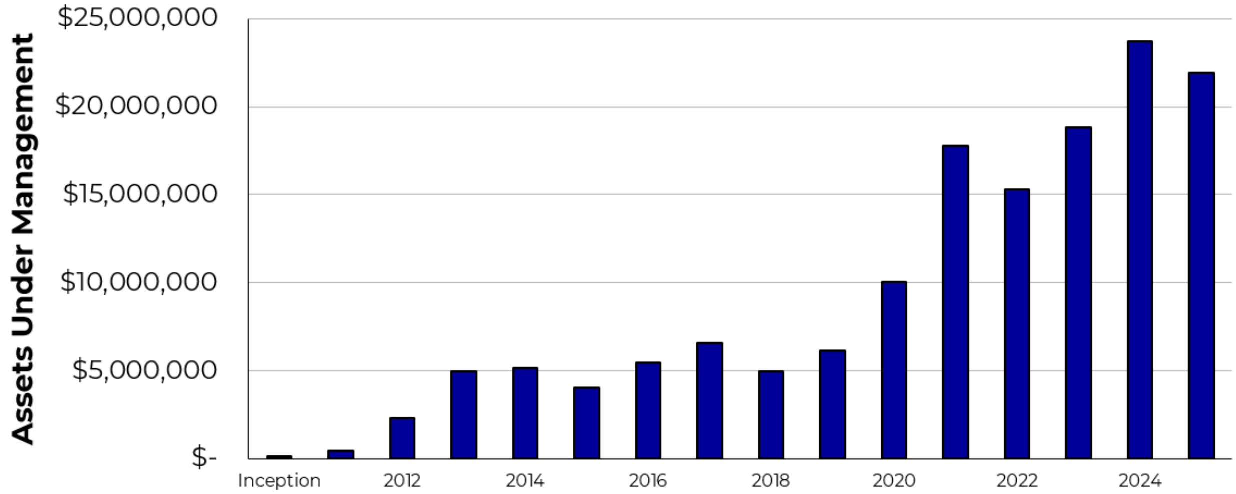
The year passed without any material sales or disruptive distributions, a testament to our conviction in the quality of our holdings and our ability to withstand market noise. Rather than diluting returns with excessive trading – which can introduce errors and incur taxes and other frictional costs – we allowed our portfolio to simply compound. In a market where overtrading is all too common, our deliberate restraint has helped us preserve capital and capture the full benefit of long-term value creation.

By staying true to our strategic blueprint, we not only avoided unnecessary churn but also positioned ourselves to capitalize on opportunities. Our holdings remain deeply undervalued and continue to grow. These minimal adjustments are not a sign of inaction, but rather a sign of a disciplined, well-defined investment process that prioritizes enduring growth over short-lived trends.

WELCOME, NEW LIMITED PARTNERS

We began 2025 with 70 Limited Partners (LPs) in 17 states: Arizona, California, Colorado, Connecticut, Georgia, Illinois, Massachusetts, Minnesota, New Jersey, New York, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Virginia, and Washington. Additionally, we have international LPs living in Australia, New Zealand, Switzerland, and the United Kingdom.

Each year, it is important to review and reiterate our investment and operational philosophy for all LPs. The next three sections outline our investment philosophy, our operational commitments, and how we align our interests with each partner.



INVESTMENT PHILOSOPHY

PIFI follows a fundamental value-investing philosophy. Our long-term objective is to outperform the S&P 500, including dividends.

We use rigorous, fundamental analysis to selectively buy undervalued companies led by excellent management teams. We concentrate our portfolio on our best ideas. We keep our portfolio turnover low, holding most positions for many years. We focus on minimizing taxes and expenses, while avoiding excessive leverage.

Alignment of General Partner (GP) and LP interests is a top consideration in every operational decision. The fund's unique fee structure prioritizes performance and incorporates an annual hurdle rate and a high-water mark to meet alignment objectives. Performance-based compensation is earned only after reaching new all-time highs (a high-water mark), and on returns exceeding 5% annually.

My immediate family and I are among the largest partners in PIFI, with over 70% of our total net worth invested in the fund alongside yours.

Finally, we strive to expand our circle of competence, maintain a rational, open mindset, and continually improve.

OPERATIONAL PHILOSOPHY

Peterson Investment Fund I, LP is built on a foundation of integrity designed to last for generations. Operationally, the fund focuses on minimizing frictional costs (e.g., fees, expenses, taxes, etc.). Over the long term, this commitment enhances returns and provides significant value to our LPs.

Quarterly statements and updates detailing salient quantitative information are provided to each LP. Annual letters with commentary (such as this) offer deeper insights into the fund. Each year, an audit report and K-1 or relevant tax documentation are provided to each LP.

Our exceptional team of third-party service providers handles all statements, audits, and tax documentation.

ALIGNMENT OF INTERESTS

As noted, aligning GP and LP interests is a top consideration in every operational decision. PIFI's unique structure includes an annual hurdle rate, a high-water mark provision, extremely low fees, and a strong emphasis on performance-based compensation to achieve alignment objectives. This shared pursuit helps prevent conflicts of interest and ensures the integrity of the fund over the long run.

Proper incentives can significantly enhance and align motivations. Specific tangible, financial enticements can significantly alter actions or desires. A firm with high management fees will naturally attract highly paid salespeople, as raising capital can deliver significant bonuses. In contrast, compensation based on long-term performance will attract those able to deliver long-term market outperformance. PIFI is aligned with the latter.

Our fee structure ensures we only earn when you do. For example, if our annual return is 9%, we earn only 1% -- representing 25% of the 4% return above the 5% hurdle. This structure directly aligns our incentives with your long-term wealth creation. The economics are simple: we only make money when you make money.

MANAGEMENT AND COMPANY NEWS

Peterson Capital Management offers two share classes available for current and potential investors: a zero management-fee class with a minimum commitment of $2 million and an exception class for commitments of $250,000-$2 million. All partners must be accredited investors.

ZERO-FEE SHARE CLASS

The Zero-Fee Class offers extraordinary value and has zero management fees.

Our rationale for the zero-fee class is simple: it offers unmatched value, directly aligns our success with yours, and creates incentive-based competitive advantages for all partners. The Zero-Fee Class has a 0% management fee, an annual hurdle rate of 5% and a 25% performance fee applied only to annual gains exceeding the hurdle rate. Further, no fees are earned unless you surpass your high-water mark or previous highest value.

Zero-fee share class terms:

- Minimum Investment: $2 million
- Open for Investment: Quarterly
- Liquidity: Annually
- Partner Communications: Quarterly Statements, Quarterly Performance Summary, Annual Report, Annual Meeting
- Fees (annually):
  - Management 0.00%

    - Hurdle Rate 5%
    - Performance 25% above 5%
    - High Watermark Provision
- Tax: K-1 Tax Document Provided Each March

A zero-management fee structure combined with an annual hurdle rate and a high-water mark provision is extremely rare, yet it is among the most compelling and fairest fund fee structures in the world.

There are no fees paid for returns of 5% or less every year, so Peterson Capital Management will earn nothing each year until annual performance exceeds 5%. Above this threshold, investors keep three-quarters of the gain and PCM keeps one quarter. Thus, when we return 9% in a year, PCM will earn 1%. If we return 13% in a year, PCM earns 2%. Many firms charge a 2% management fee and 20% performance fee with no hurdle. The compounded difference in net returns to partners under our structure is staggering. The reported LP results in this report are net of all fees and expenses.

Charlie Munger once said, “Show me the incentives and I’ll show you the outcome.” This structure fully aligns our incentives to deliver extraordinary returns over a long period of time.

This zero-fee class is available to accredited investors with commitments exceeding $2 million. Liquidity is available once per calendar year. Please contact me or Andrew for details.

EXCEPTION SHARE CLASS

This exception class is available to accredited investors with a commitment range between $250,000 and $2 million. Liquidity is available quarterly. Please contact me or Andrew for details.

The exception share class represents our extended commitment to generating wealth. For those who cannot enter with $2 million initially, this class allows for participation with the intention of reaching the $2 million class together over time. The exception class has a small annual management fee of 0.9% and a quarterly redemption allowance with 60 days’ notice.

ANNUAL MEETING

The Peterson Capital Management Annual Meeting will be held virtually on August 16, 2025, at 5:00 pm Eastern Time. Please save the date.

It was a pleasure to have so many partners and guests attending the Annual Meeting in 2024, including those joining from all over the world. Past meetings are available on our YouTube channel and have received many thousands of views. We enjoy responding to comments and counting our views so please search YouTube for Peterson Capital Management and join our growing community.

Your Annual Meeting invitations will be sent electronically in June. We look forward to seeing you on August 16.

LIMITED PARTNER STATEMENTS

Each quarter, LP statements are delivered to you electronically by our third-party administrator, Yulish & Associates.

K-1 TAX DOCUMENTATION

Before March 15, K-1 and other relevant LP tax documentation are provided by our auditor, Spicer Jeffries.

ANNUAL AUDIT

Spicer Jeffries works hard to complete the audit as early as possible. It has been included with this Annual Report.

QUARTERLY AND ANNUAL LETTERS

Our Quarterly Letters provide updated performance numbers, important announcements, and salient financial detail, but generally contain minimal qualitative commentary.

Our Annual Report provides qualitative commentary, including a post-mortem analysis of exited positions.

OPEN TO NEW LIMITED PARTNERS

In strict adherence to Regulation D under the Securities Act of 1933, our fund is capped at 99 accredited partners.

As of January 1, 2025, only 29 partnership spots remain. We do not anticipate structural changes to this limit, and any inquiries received beyond this threshold will be placed on a waitlist. We encourage prospective partners to secure their commitment promptly, as early entry guarantees your place in our fund and preserves the flexibility to adjust your investment in the future.

New capital commitment windows will close on January 1, April 1, July 1, and October 1, 2025.

REDEMPTION POLICIES

Our redemption policies are designed to balance the need for liquidity with the long-term stability of our investment strategy:

ZERO-FEE SHARE CLASS

Redemptions are available annually on December 31, provided that a 60-day notice is submitted.

EXCEPTION SHARE CLASS

Redemptions are offered on a quarterly basis, also subject to a 60-day notice requirement.

This structured approach ensures that while partners have access to liquidity, the integrity and long-term focus of our portfolio are maintained.

ACCEPTING QUALIFIED MONEY (401K ROLLOVERS, IRAS, TRUSTS, ETC.)

We also welcome investments from tax-qualified accounts—including 401(k) rollovers, IRAs, and trusts—through established providers. This arrangement ensures that your tax-advantaged status remains intact while you participate in our fund's growth.

LOOKING AHEAD

Our unwavering objective is to compound capital at superior rates over the long term. With our proven strategies and disciplined approach, we are well-positioned to capitalize on the opportunities that 2025 will bring.

The outlook is defined by compelling opportunities. U.S. equities have performed strongly, yet elevated market multiples suggest that returns for the index will eventually revert toward the historical norm of around 6.8% annually after inflation. This environment underscores the importance of active management, as selective and disciplined capital deployment will be essential when exuberance gives way to more sustainable levels.

Globally, conditions remain uneven. In China, deep financial difficulties plague the economy. Our disciplined, bottom-up strategy continues to focus on high-quality, cash-generating companies with sustainable competitive advantages. For instance, our significant allocation to long-dated call options on Alibaba positioning us to benefit when this mispricing corrects.

Coupled with our exposures in emerging markets like Turkey, our portfolio is well poised to harness global opportunities amid uncertainty.

Moreover, our integration of advanced AI tools—leveraging premier access to ChatGPT, Anthropic, and Google's advanced models via our proprietary AlphaOne platform—has fundamentally transformed our decision-making process. This technological edge allows us to analyze real-time data with precision, converting market volatility into actionable insights and reinforcing our ability to act swiftly and effectively.

As we transition into 2025, we remain guided by timeless investment principles: patience, discipline, and the power of compounding. By staying committed to our long-term vision and focusing on high-quality, undervalued opportunities, we continue to position our portfolio to generate enduring, compounded wealth.

Our approach ensures that even during anticipated periods of short-term volatility, we capture significant value and maintain a clear, strategic path for sustained growth. As we navigate the anticipated volatility ahead, our disciplined selection of robust companies combined with strategic AI-driven insights positions us distinctly to capitalize on market dislocations and deliver consistent, long-term value.

It is deeply rewarding to have such outstanding partners, an exceptional team, and dedicated service providers. As we look ahead, we encourage every investor to start early, invest consistently, and leverage the extraordinary power of compounding to shape the next chapter of your financial success.

Thank you for your continued interest, referrals, and support. Feel free to contact me with any questions or comments.

Warmly,

Matthew Peterson, CFA
Managing Partner

PETERSON CAPITAL MANAGEMENT ANNUAL MEETING TRANSCRIPT

[Chloe Lin]

It's my great privilege to introduce the Portfolio Manager of Peterson Capital Management, Matthew Peterson. Matthew is the Managing Partner of Peterson Capital Management, a firm that he founded in 2011. With nearly 13 years of experience as a Portfolio Manager, Matthew has built a world-class track record, delivering double-digit net returns to partners for well over a decade.

So, without further ado, it's my honor and my pleasure to hand over the floor to Matthew Peterson. Matthew, the stage is all yours. So, without further ado, Matthew, I will hand it over to you.

[Matthew Peterson, CFA]

Thank you, Chloe. That was a terrific introduction. The Arigato Investor. We're so pleased to have you here. It is a real pleasure to have you moderating this year's Peterson Capital Management Annual Meeting. Welcome, everyone, to the 2024 Peterson Capital Management Annual Meeting.

Our agenda today covers a wide range of comprehensive activities that we've been focused on. We're going to start with the fund's performance, we'll talk about our portfolio compounders, and then we'll move into our application of technology and AI to execute our proprietary strategies, like the structured dividend capture, where we generate income by capturing repeated dividends in the market to augment the returns on our cash holdings.

But first, before we get going, a few words from legal. We'll begin with our mission statement. Our mission is to provide a world-class capital allocation vehicle that builds enormous wealth for our long-term partners. And this mission began 13 years ago. We have now delivered net results through July, exceeding 300%, at a rate exceeding 11% annualized, net of all fees and expenses.

Period	PIFI Net Return	S&P 500 Return with Dividends	HFRI (Hedge Fund Index)
2011	34.0%	11.8%	1.9%
2012	58.6%	16.0%	7.4%
2013	26.4%	32.4%	14.3%
2014	(5.8%)	13.7%	1.8%
2015	(25.5%)	1.4%	(1.0%)
2016	7.2%	12.0%	5.5%
2017	19.4%	21.8%	13.2%
2018	(26.2%)	(4.4%)	(7.1%)
2019	24.8%	31.5%	13.5%
2020	24.5%	18.4%	17.1%
2021	22.5%	28.7%	11.7%
2022	(18.6%)	(18.1%)	(10.2%)
2023	21.7%	26.3%	10.4%
YTD 2024	18.4%	16.7%	6.3%
Cumulative	**312%**	**524%**	**122%**
Annualized	**11.6%**	**15.7%**	**6.5%**

But our mission to build enormous wealth for our long-term partners is vague. What is enormous wealth? I haven't really shared this publicly because it was early in our progress, but with our enhanced credibility, I'll share that my internal objective is to build an entity that delivers 10,000% returns to our partners. 10,000% is equal to 100 times your capital. So we've delivered 300%. Today we have 9,700% to go. That means we're at the very beginning.

And if a partner makes a $2 million investment into the zero-fee class, building that capital toward a $200 million goal represents enormous success in accomplishing our mission.

It's worth mentioning that the human mind doesn't handle exponential growth very well. It seems like building a 10,000% track record is an unobtainable objective, but it is obtainable. We just think about the capacity and portfolio's ability to double. Our next double would bring our returns to 600%, then 1,200%, 2,400%, 4,000%, 8,000%, 9,600%. That's just five doubles. So achieving a 10,000% return might require 25 or 30 years. And I think we're going to do it.

So it's going to require some patience and a long-term mindset. And you're probably best off occupying your time with something else. This entity is built and intended to build enduring wealth and value for all of the partners involved.

It's also worth reflecting on the progress that the S&P 500 has made over the last 13-plus years. Since essentially the financial crisis, the gains have been exceeding 15% annually. And I have some bad news. This is not sustainable. The historical norm of the S&P 500 is 6.8% plus inflation every year over 200 years. This means that the index average will be between 9 and 10% for gains in a given year. So the easy index investing is coming to an end. The market has gotten ahead of itself. It's gotten ahead of the economy.

You can actually go and look up some of these figures. I'll tell you that the S&P 500 to US GDP ratio is right now at a 50-year high. The S&P 500 price-to-sales ratio is at a 50-year high, and the price-to-book value ratio is at nearly a 40-year high.

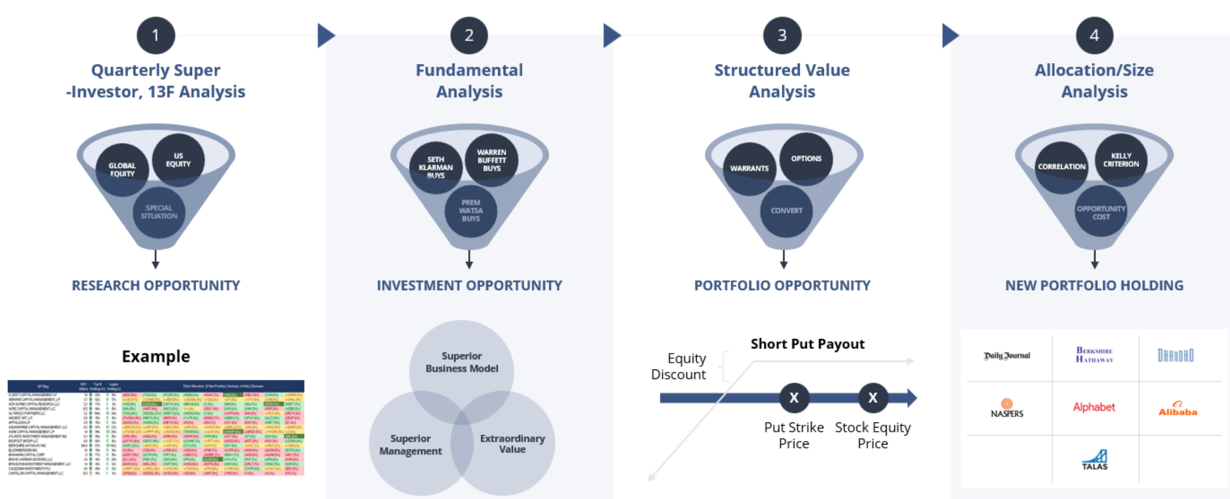
I don't think that we're headed for an immediate recession because, frankly, human productivity is improving dramatically with the advent of AI. Interest rates look pretty stable, inflation's coming down, and the employment figures are still good. We also expect that interest rates will start to decline, likely this September.

But we're not allocating capital based on these unpredictable macroeconomic speculative assessments. The success of our portfolio is not predicated on the direction of interest rates. We're just two years into this bull market. It began in October of 2022. And statistically speaking, bull markets can easily develop over a five to seven year period. But this momentum will be interrupted by market corrections of 10 to 20%, as we recently experienced with the NASDAQ. It's very normal. We are still in the heart of this bull market.

But our view is that, with over a decade of 15% gains for the S&P 500, it's now poised for a much more volatile and flat period as the US economy grows into the current market prices. And that makes the current market environment an active investor's market, where your analysis and skill can lead to outperformance.

As we look out for the next 10 years, index investing is likely to revert back to the mean of 6.8% plus inflation, so selecting individual securities with promising characteristics is a much more prudent strategy than buying the general index. So all of this is good news for our portfolio because, as I will show you, our portfolio is nothing like the S&P 500.

First and foremost, our firm continues to grow. Our AUM began with less than a million dollars 13 years ago, and it's rapidly approaching 25 million. And as Charlie Munger emphasized, the first rule of compounding is to never interrupt it unnecessarily. With the future unknowable, we can't control the outcome. So we have to focus on designing and executing a superior process that has the potential to lead to a superior outcome. And thus, our outcomes are no accident. They result from our robust process that has been designed to integrate fundamental analysis, rigorous research, portfolio management best practices, and our deep understanding of market dynamics.



Each step in this process is designed to provide alpha, or the manager's enhanced returns. We start here with this 13F analysis. We track the evolving portfolios of the top long-form value funds in the world. We then move to fundamental analysis. We focus on the qualitative and quantitative aspects of the business by focusing on business models, management teams, and valuation. And then we move into the structured value purchasing step of our process. We often use cash-secured puts as a tool to obtain better-than-market prices for our purchases.

And then finally, in portfolio construction, we utilize tools and mathematical concepts like the Kelly Criterion to optimize our allocation and to build out a portfolio with conviction. And so this disciplined process also shapes the portfolio architecture. These are our infinite compounders. We have rigorous requirements, and our portfolio is meticulously designed around high-quality firms with an infinite time horizon. These emphasize their resilience, internal diversification, and long-term value creation.

Infinite compounders:

Infinite compounders	Share exposure & market value	Percent owned
Berkshire Hathaway	10,000 Shares $4.3M	0.0005%
Daily Journal	8,659 Shares $3.7M	0.6%
Alphabet	45,000 Shares and call Options $6.5M	0.00037%
Alibaba	200k Shares via Call Options $4.3M	0.009%
TALAS	17% of Partnership $1.1M	17.0%
DHANDHO	200,000 Shares and 149,741 QP Shares $0.6M	2.3%
NASPERS	100K Shares $4.1M	.011%

Each compounder has:

1. **Net Cash and Equivalents**
2. **Positive Cash Flow**
3. **Growth Value**

1. **Asymmetric Risk/Reward:** Limited Downside
2. **Off Financial Statement Value:** Significant Upside
3. **A Growing Business:** Price Increases Organically

These are not just holdings. As you look across the columns, these are our own partnerships. We've designed this to leverage the inherent strength and growth of the businesses we own. And just like Warren Buffett, we're only interested in buying something that we're happy to own for 10 years. And we would be happy to own those businesses if the markets just shut down entirely. We have no intention of selling anything in our Infinite Compounder portfolio.

And here, we show quite a few of these details rather than hiding the progress. We are really proud. We came from very humble beginnings, and it's remarkable that the partnership now owns over 2% of Dhandho Holdings, half a percent of Daily Journal, and, as Baba continues its massive buyback program, we may be in a position to own 0.01% of one of the world's most important leading e-commerce and technology firms, Alibaba.

It's worth noting also that every one of these compounders is growing. These compounders all have net cash and equivalents, they have positive cash flow, and they're growing in value.

And they have asymmetric risk-reward because of their strong balance sheets and cash flows. They have muted downside, and in many cases, asymmetric upside. There's off-financial-statement value, meaning there's a lot of value at these firms that just isn't captured in GAAP analysis. And all of these businesses I mentioned are growing, so the price will be pulled up organically.

Figures in Billions	BABA	TSLA	META	AMZN	GOOGL	NVDA	MSFT	AAPL
Market Capitalization	189	684	1,359	1,864	1,996	3,019	3,130	3,417
Enterprise Value	176	667	1,339	1,933	1,924	2,999	3,152	3,365
Revenue	132	95	150	604	328	80	245	386
EBITDA	24	12	75	104	115	49	129	132
EBIT	18	7	62	54	102	48	109	121
Net Income	10	12	51	44	88	43	88	102
P/E	17.9x	146.8x	35.9x	55.1x	30.9x	100.9x	46.6x	46.2x
EV/EBITDA	7.3x	49.4x	17.2x	16.4x	16.1x	60.5x	23.9x	22.8x

Alibaba and Alphabet Fundamentals Suggest Enormous Opportunity Relative to Sector Peers

We've put together a slide here to just illustrate some of the comparable quantitative metrics among the leading technology firms. And we're very pleased to have captured some exposure to Alphabet and Baba. And metrics like these, enterprise value to EBITDA ratios for Baba, are incredibly compelling, with potential for earnings growth and multiple expansion for decades. These are incredible gems that we have in our Infinite Compounder portfolio.

So let's take a brief look at a few of these positions in detail. We'll start here with Alibaba because Alibaba remains a cornerstone of our portfolio. With its leadership in e-commerce, cloud computing, and digital payments, it's positioned for sustained global growth. It's available today for a huge discount to its intrinsic value.

China Commerce (BABA): $276b
($200 + $28 portfolio + $48 net cash)

	Today (b)	2025	2030
Rev	85	5% / 94	3%/109
EBIT	25	29% / 28	31%/34
Value (8xEBIT)	200	224	272

- Includes $28b in stocks/private investment and $48b net cash; Freshippo IPO by May '24

International Digital Commerce:
$10b (External Capital Raise)

	Today (b)	2025	2030
Rev	10	15% / 13	15%/26
EBIT	-1.2	-5% / -0.65	0.5%/0.1
Value (1xRev)	10	13	26

- BABA currently exploring capital raising options

Cloud: $17b (Spin Out)

	Today (b)	2025	2030
Rev	11	15% / 15	10%/24
EBIT	-0.75	-2% / -0.3	5%/1.2
Value (1.5xRev)	17		36

- Stock spinoff to BABA shareholders by Mar 24

Digital Media Entertainment:
$5b (TBD)

	Today (b)	2025	2030
Rev	4.6	1% / 4.7	1%/5.1
EBIT	-0.65	-3% / -0.14	-2%/-0.1
Value (1.2xRev)	5.5	5.6	6

- Possible listing of YOUKU/combine Alibaba Pictures

Cainiao Smart Logistics:
1.6b (IPO)

	Today (b)	2025	2030
Rev	8	15% / 10	12%/18
EBIT	-0.5	0.5% / 0.0	3%/0.5
Value (0.3xRev)	2.4		5.4

- IPO spinoff by Sep 24. 67% BABA ownership

Local Consumer Services:
$3.6b (TBD)

	Today (b)	2025	2030
Rev	7	10% / 9	10%/14
EBIT	-3.4	-11% / -1	-5%/-0.7
Value (0.5xRev)	3.6		7

- No 2 in China Food delivery and Ride hailing

There is currently 50% upside to reflect the Alibaba value of over $300B Today.

The Value is growing

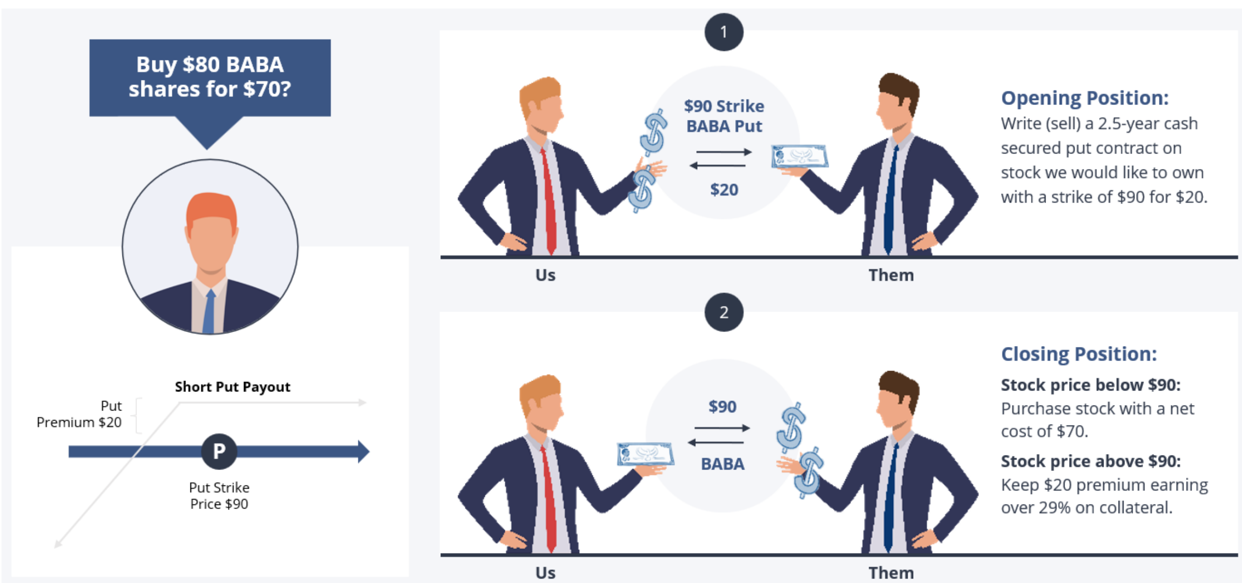
As discussed last year, Alibaba is undergoing a major organizational transformation. They've decentralized the operations into six segments, and they have a diverse set of subsidiaries operating globally with values that are at least 50% higher than its current market price. Many of these businesses are growing. This last quarter, Alibaba repurchased $5.8 billion in stock, amounting to 2.3% of the entire shares outstanding. They just reduced those shares outstanding in a single quarter.

They also have an initiative in place to repurchase more than 10% of the market cap. Because it's so undervalued before 2027, they're planning to spend another $26 billion of the $55 billion they have in cash to buy back shares from just a $200 billion market cap. So, as these cash flows grow to $25 billion and $30 billion a year, Alibaba is selling for just $150 billion net of cash. It's going to be worth double what we're buying it for today. It's an incredible opportunity.

Alibaba is currently undertaking one of the largest internal share repurchase initiatives in the world's history. They allocated $35 billion to buying back their company's shares. And when it's completed, Alibaba will reduce its share count to below 2 billion. We may be in a position to own 0.01% of the entire firm.

The BABA earnings call was last Thursday. It was great to hear from Eddie Wu and management on all of their progress and their exciting AI initiatives. We are in a very strong period for Alibaba and these firms.

But that's not all. As you may remember, we don't pay retail prices for our investments. This is our first example of structured value in practice. This shows how to buy a stock trading for over $80 for just $70 per share by selling a cash-secured put contract.



We start by writing a put and we receive cash from our counterpart. We would receive $20 in cash in this example. We commit to buying it for $90 over the next 28 months, and they have paid us $20. We hold $70 of our own collateral in cash, and we receive the $20 from them. At expiration, they will either put the shares to us or they won't, based on whether the price of the shares is above or below the $90 strike price at expiration.

So if the shares are above $90, we keep the $20 premium on our $70 in collateral, which is a 28% return, or approximately 1% each month for 28 months. However, if they remain below $90, we will buy shares at the extraordinary price of just $70 in December of 2026.

So, structured value allows us to buy more with less. It's a huge advantage, and we'll be coming back to a few more of these structured value examples. But before we do that, let's take a look at another price compounder run by one of the greatest investors who has ever lived: Berkshire Hathaway, Warren Buffett, and Berkshire Hathaway.

THREE ASSET TYPES	2020 VALUE*	VALUE Today (2024)	2030 VALUE Prediction*
1. **Cash, Treasuries and Equivalents**	$32 Billion Cash + $111 Billion US Treasury **$143B**	$37 Billion Cash + $235 Billion US Treasury **272B**	Increasing at $25 Billion per Year and Reinvested **400B**
2. **Equity Portfolio** Apple (~$84b), Coca Cola, Bank of America	$207 Billion - $61 Billion Deferred Tax **146B**	$284 Billion - $101 Billion Deferred Tax **183B**	Annual 10% Growth Net of 20% Deferred Tax **$480B**
3. **Operating Companies** 100 subsidiaries: GEICO, NetJets, Duracell, Business Wire	$22 Billion in Operating Earnings * 18 earnings multiple = **$396B**	$42 Billion in Normalized Operating Earnings * 18 earnings multiple = **$756B**	$45 Billion in Normalized Operating Earnings * 18 earnings multiple = **$810B**
	2020 Price	**2024 Value**	**2030 Prediction**
Price vs. Value	**$680B**	**~$1.2T 25% Upside**	**~$1.7T 42% Upside**
	$210 per share	**Price $430 per share Value $570 per share**	**Value $700 per share** (Unadjusted Prediction since 2019)

Berkshire Hathaway has been in our portfolio for over a decade. In 2019, we projected their growth to over $1.7 trillion by 2030. These numbers here are unchanged. Many thought it was too aggressive, and we've made a habit of showing these developments year by year. And it appears we may have underestimated the eventual progress. We're very pleased to hold on to one of the highest-quality and most diversified entities in world history.

Buffett now owns $280 billion in U.S. Treasuries, so with a $950 billion market cap, that makes up almost a third of the market capitalization of Berkshire. So this entity is both contrarian and robust, and the upward trajectory of the business growth and price growth will continue.

So we'll shift now to a past holding, Seritage Growth Properties. We actually exited this position in 2013 with a significant gain, and we continue to monitor the special situation very carefully. Seritage Growth Properties is a real estate investment trust that is managing the liquidation of the legacy Sears malls property. When we began this analysis, they owned 212 malls, and we valued every single one. Andrew and I worked tirelessly for over a year valuing these properties.

Today, just 22 malls remain, and the stock price is volatile. We're patiently waiting for an opportunity to become owners again. Our approach to Seritage has been to carefully value assets and monitor the liquidation progress with a careful eye on the per-share value and the expected future dividends.

So today, with 22 malls remaining in the Seritage portfolio, we could see most of the value remaining in the non-core and premier properties. As Howard Marks has reminded us, you can't predict, but you can prepare. And we are very prepared if this opportunity presents itself.

Here, we break down all of the categories and remaining properties. We have 22, and we've listed out each of these. They're available on the website, so you can monitor them very carefully like we can. What we show here is a breakdown of the total valuation, the assets, and the liabilities as they finalize toward liquidation. We can see here that they have $850 million in assets that they're going to be selling, and they have $350 million in liabilities. We expect it to cost $100 million for the firm as they run the firm through to liquidation.

So that leaves at the bottom $400 million in value with 56 million shares outstanding, and we expect the stockholders to receive dividends of $7 per share in 2026. So here, we've put together a detailed timeline of the expected sales and cash flows that will take place in the future for Seritage. Essentially, we're expecting Seritage to pay out $7 in 2026.

Property Portfolios	NAV Estimate
Premier Mixed Use	$350m
Residential	$10m
Multi-Tenant Retail	$100m
Non-Core	$55m
Unconsolidated	$250m
Total Equity Portfolio	**~$765 million**
Cash	$87m
Total Assets	**~$852 million**

Debt	Value
Berkshire Hathaway (7%)	$280m
Preferred Shares	$70m
Est. Remaining Capex Through Liquidation	$100m
Total Debt	**~$450 million**

So what we have to consider is how much we would pay for that today. Under $3 gives an opportunity to make 100% in under three years. And it's very interesting because here's something we were able to do just last week. Seritage has option contracts going out until January of 2026, 16 months. Last week, we were paid 50 cents to commit to buying Seritage stock for $3. That means we will either buy Seritage for a net cost of $2.50 or we will make 20% on the premium on our collateral over 16 months.

So this scenario results in this binomial outcome. We can get the stock for $2.50, or we're going to receive $7 in dividends in 2026. We either keep 50 cents or make $7 in dividends on our $3 purchase. Both outcomes are highly satisfactory here.

Next up, our team has been focused on technology development. So we're going to shift gears and look at some of the technology initiatives underway at Peterson Capital Management. Over the last few years, we've been aggressively developing Python scripts and an AI-based software called Alpha One. This assists us with our portfolio management, risk management, business analysis, and helps us expand the quality and quantity of our research.

We've had to incorporate a lot of core technologies. Here are some of the fundamental technologies that we're utilizing. We had to become experts in systems, from Docker to GitHub, Copilot, ChatGPT 4.0, Google Gemini software, and Cloud 3.5 Sonnet. Our capabilities continue to expand.

Proprietary AlphaOne System

Just take a look at what we're able to automate now. We have now automated capabilities including the 13F analysis, where we analyze over 100 extraordinary fund managers each quarter. We prioritize our research, create earnings calendars, and even have auto-generated research reports. We've purchased data, and we use AWS to run back-testing, data analytics, and help us manage risk and exposure.

So now, we have so much capability that, in a moment's notice, we can run our software and assess how the current environment compares with historical results. When we look across the 13Fs that are reported by the greatest managers globally, do the aggregate managers have more or less concentration in their portfolios? What sectors are seeing increasing capital flows? And based on the managers, we've selected these aggregate portfolios, and you can see here at the bottom that they strongly outperform the S&P 500. This is an excellent starting position.

We've been talking about this for years. Most portfolio managers will screen for metrics that they find attractive, but screening results in all sorts of false negatives and false positives. This is a much different approach. We are looking directly into the portfolios that are run by the greatest value investors in the world. These aggregate portfolios strongly outperform the S&P 500.

And we begin with this pool of assets as our research pool because that is where the gems are. Value investors are searching for needles in a haystack, and this 13F is a great starting point. It sorts through all of the best firms and puts them right here in front of us.

We have also used AI to create multiple prompt libraries with embedded nested prompts that auto-populate frameworks that we like to look at. Things like a SWOT analysis, Porter's Five Forces, Phil Fisher's scuttlebutt analysis. We even gather data to calculate a discounted cash flow analysis.

So this report generation is a starting point for future research. But it would take several weeks to create one of these manually. It currently requires about a day to run the prompts. With our large language models (LLMs), we are constantly improving this, and we believe we're going to be in a position where we can create and run one of these and automate it entirely. We really are operating at the cutting edge as we implement technology into all of our processes at the firm.

That's why we are starting to build our auto-GPT agent. This tool is helping us use loops to run reasoning and to run prompts repeatedly. If it's successful, we'll be able to perform extensive first-principle research very efficiently.

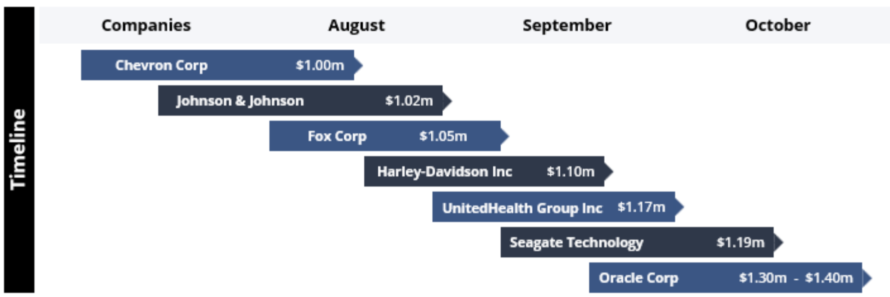
So all of these developments with technology and structured value have led to the discovery of an enormous opportunity that we identified. To capitalize on this "pile of gold" that we are harvesting, we developed our structured dividend capture strategy.

Okay, this is a very real example of our structured dividend capture strategy that I'm going to walk through. We begin this scenario just like structured value. We sell a put on AT&T that expires, and we will either take delivery of the shares or not. But in this case, we set it up so that the contract expires the Friday before AT&T's ex-dividend date.

Here, we can pick up a dollar to buy the shares for a net cost of $38. Then we receive a 24-cent dividend, and we exit with a one-week call for an additional 40 cents. During this holding period, we actually benefited from a rise in the stock price. So, while we purchased for a net cost of $38, we exited via our covered call option with a strike of $40, and then $40.64 when you include the call premium and dividend.

So, if we earn $2.64 on $38 in collateral, this delivers a 7% return over 35 days. If you could do this continuously, you'd have 100% annual gains. But the dividends are only paid four times a year, so we need AlphaOne to evaluate the superset of opportunities in the 13Fs to line up the most compelling set of special situations with capital allocations. This will allow us to capture a series of repeated large dividends week after week.

And here we show you the upcoming flow. These slides are so fresh; this data is so fresh. Andrew was running this yesterday. This is great information for everyone here. You can literally execute this recipe. We start by selling puts on Chevron, then Johnson & Johnson, Box, Harley Davidson, United Health, Seagate, and Oracle.



Return Analysis

	Beg Balance	Put Yield	Dividend Yield	Call Yield	Equity Adj.	Total Yield	End Balance
Chevron Corp	1,000,000	0.51%	1.11%	1.09%	(0.68%)	2.03%	1,020,273
Johnson & Johnson	1,020,273	1.18%	0.78%	2.35%	(1.58%)	2.74%	1,048,210
Fox Corp	1,048,210	1.50%	0.70%	5.73%	(2.60%)	5.32%	1,103,997
Harley-Davidson Inc	1,103,997	3.06%	0.48%	5.29%	(2.79%)	6.05%	1,170,806
UnitedHealth Group Inc	1,170,806	1.12%	0.35%	1.85%	(0.94%)	2.39%	1,198,762
Seagate Technology	1,198,762	4.00%	0.73%	4.94%	(1.04%)	8.63%	1,302,244
Oracle Corp	1,302,244	6.62%	0.36%	5.36%	(4.46%)	7.88%	1,404,884

40% 3-Month Total Return

297% Annualized Return

We can now be even more selective before allocating to new long-term portfolio holdings with our cash as we can confidently collect double digit returns while we wait.

Not every position will work, but on average, the strategy delivers significant returns. It's highly liquid, rotating back to cash every few weeks. Over these three months, AlphaOne has shown us a way to capture 40% returns if everything works perfectly. So realistically, we'll capture a piece of this opportunity, and we're getting better quickly every day in every way.

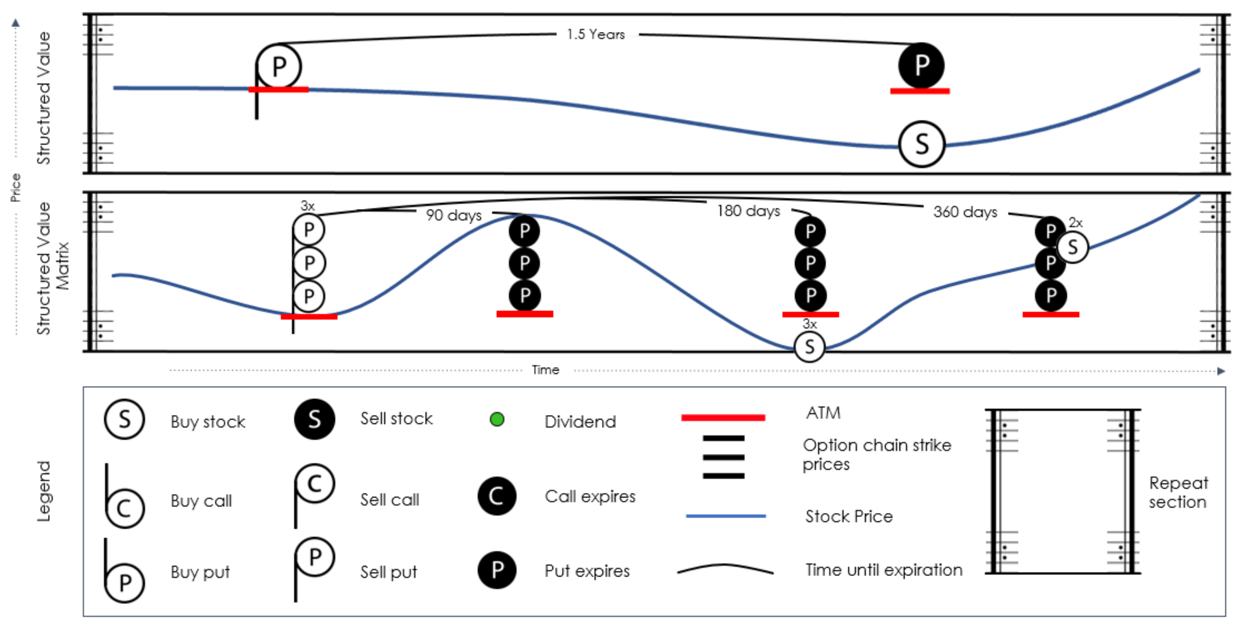
We've now run an extensive 20-year data backtest, which required actually the purchase of data for our analytics. We've determined the best practices for our theta and vega variables in options. We just recently recognized the advantages of some of the new strategies from our testing. Here, we ran a test on the outcomes of in-the-money versus out-of-the-money puts and calls. Clearly, one of these outperforms.

Just recently, after running this 20-year backtest, we can now see the true outcome of these variables and can put our money more strategically into this process. So as our testing improves, our implementation of the strategy and the returns that we capture are also improving.

But these are backtesting results that show consistent performance year over year. In 20 years of backtesting, we're showing 24% annualized gains. If we execute on the AlphaOne instructions, there are only three years where we are negative, and in most years, we are outperforming the S&P 500. Over the long run, we are completely crushing the S&P 500. This is a very attractive strategy. We'll be working very hard to capture as much of this as possible over the coming years.

To implement the strategy takes considerable discipline. We absolutely require a rules-based system to remove any emotions from the transactions, which will potentially lead to the automation of the strategy.

So, a bit of a warning: don't be alarmed. The diagrams that I'm about to show you are used internally for discussions, development, technology development, and our execution. They're quite complex; they contain detail from our testing results and will help anyone execute these strategies and greatly improve their performance. James has been extremely helpful in putting all of these diagrams together and even defining how we can represent our actions.



Let's walk through these, starting with structured value. Many execute this plain-vanilla strategy. Many of you have executed this plain-vanilla strategy: selling a put, the stock price moves around, and if you get put the stock, you hold it for the long term. That is all that's happening.

In that first row, structured value: we write a put. The stock is down below the red line, the strike price, and we get put the shares as stock.

Alright, so let's take a look here at this legend. It's at the bottom. You can see the bubbles have a P, a C, or an S, representing the puts, the calls, and the stock. You can see a stem down means that you would sell, or write, a stem up means that you would buy. An open bubble represents initiating a position, and a closed bubble means it's expiring or being removed.

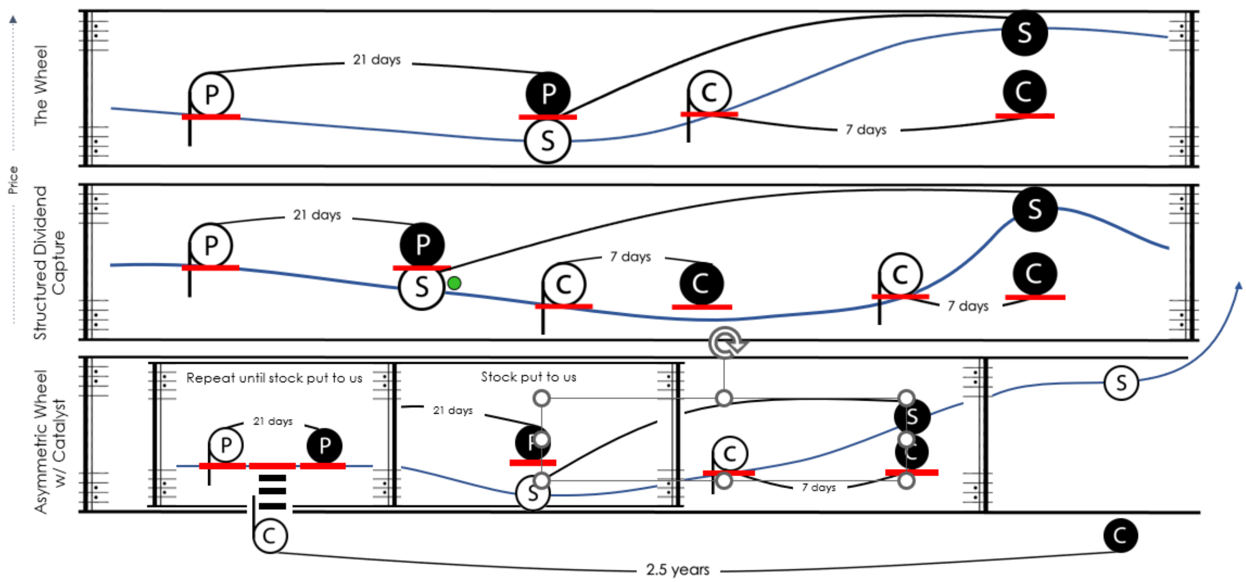
The at-the-money red line is important because it shows you how far to write your contracts in or out of the money based on our backtesting. The ties between the connected positions show you the delta, the days to expiration. This is what you need to execute this strategy.

So let's look at the second row. Everybody assumes we're executing structured value, but we're really executing a structured value matrix. We don't just sell a single put. We sell puts at different strikes that expire at different expiration dates.

So here, what we've shown is we have three in-the-money puts that we're writing at the initiation of this trade. And we're actually doing it three times. The first will expire in 90 days, then 180, and then 360. The blue line represents where the stock price might fluctuate.

What you can see here is that first, the stock climbs above the closing puts, and we don't receive any of that stock. We just keep the premium. Then the stock falls, in this scenario, below the strike price of the next puts, and we purchase all three.

As the stock price climbs through the last matrix of puts, we buy two and are out of the money on one. This would result in us selling and receiving nine premiums and then buying five stocks. This is a much more thorough example of how we approach structured value at the firm.



So let's take this one step further. Here, on top, we illustrate what's called the wheel strategy. We execute the wheel on firms like Occidental. We sell an in-the-money put with about 21 days to expiration. If we get put to stock, we simply sell an out-of-money call to exit. We make a great return doing that.

If you look across the top line, we sell a put in the money, it expires, the blue line is below the money, we get the stock, we write a call, the stock price climbs, the stock gets pulled away, and we're back to cash. It's called the wheel. You put the cash in, and the cash comes right back out.

So what is structured dividend capture? We've been talking about it for a couple of years. You can take a look here at the middle row. We write a put 21 days to expiration. But in this case, we're targeting a firm that's about to pay a high dividend. We have that contract expire just the Friday before the ex-dividend date.

If we receive the stock the next week, we get paid a dividend and we write a call. The following week, we're back to cash. In this situation, we added—because many ask—what happens if you're out of the money on your call? Well, then we just write another call the following week. It's not that complicated. We would just write repeating calls.

Each time we're writing a call, we're getting 1% or more. If we do that weekly, we'll do just fine.

So, in the second diagram, this is exactly what we're running for: Chevron, Johnson & Johnson, AT&T. The third diagram is the asymmetric wheel—something for a firm that has a catalyst. When we encounter a company that has the potential to go parabolic, we don't want to miss that upside.

As we look through this diagram, you'll see that we start by repeating with a short put position. If you ignore the bottom call that we buy, we just carry that right on through. If we get put the stock, we run the wheel and then remove that stock from our portfolio. Ultimately, what we're doing is generating some capital that enables us to buy a deep In-the-money call that goes out two and a half years, to capture the parabolic upside.

In the end, we buy free call options and put them in our portfolio. This is how we built our Google position, and this is how we built our Alibaba position. I do think these diagrams are really essential to implementing consistent best practices. So, I encourage you all to review these. You can send us feedback on these as version 1.0. I expect these will evolve; they may not always look so much like music notation, but a lot of this music notation has stood the test of time.

In these diagrams, we've embedded many years of work and research, and now you can take these and implement them yourself.

Before we go into the Q&A portion of the meeting, I want to recognize our incredible and growing team. Andrew Park has been with us for about five years, and we work very closely with Mesut and Kutay from the Talas team for efficiency. At Peterson, this summer, we have three incredible interns: Ashley, Surya, and James. In just a moment, you'll have a chance to hear from them.

We've had amazing interns in the past, and I'm sure we'll have great interns in the future. But this is by far the most comprehensive and outstanding team we've ever had. These interns are ultimately here for hire, so I highly recommend reaching out to these extraordinary candidates for their resumes.

Just before we get to that portion of the meeting, I will recognize our service providers. Eric Brill retired last year, so we joined forces with the Investment Law Group, which has a longstanding track record of excellence. We recently moved from Wells Fargo to Chase. LPs that have recurring contributions to Wells Fargo will need to reach out to either myself or Andrew, and we can set you up with the new wire instructions for ongoing commitments.

We're really pleased with the ongoing work from folks like our administrators, Yulish, our auditor Spicer Jeffries, and Midland, who some of you have used for your self-directed IRAs. They've merged and undergone a name change, but everything else remains the same under their new name, Equity Trust.

I just want to remind everybody: this is not the time to be buying index funds. This is a stock-picker's market. You need to perform deep fundamental analysis and adopt a long-term mindset. There will be some volatility, but I think you will be rewarded. Our portfolio is packed with potential for the coming decade, and we're extremely pleased to have all of you involved.

For anyone looking to join, you can visit our website, petersonfunds.com, or reach out to me or Andrew at andrew.park@petersonfunds.com. We'll get you the limited partner agreement so you can populate the subscription document and join.

So, Chloe, with that, thank you very, very much.

INDEPENDENT AUDITORS' REPORT

PETERSON INVESTMENT FUND I, LP

FINANCIAL
STATEMENTS

YEAR ENDED DECEMBER 31, 2024

PETERSON INVESTMENT FUND I, LP CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Partners of
Peterson Investment Fund I, LP

Opinion

We have audited the accompanying financial statements of Peterson Investment Fund I, LP (the "Fund"), which comprise the statement of financial condition, including the condensed schedule of investments, as of December 31, 2024, and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Spicer Jeffries LLP

Denver, Colorado
February 3, 2025

PETERSON INVESTMENT FUND I, LP
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2024

ASSETS

INVESTMENTS, at fair value (cost of $18,962,503)	$ 27,637,974
CASH AND CASH EQUIVALENTS	826,610
	$ 28,464,584

LIABILITIES AND PARTNERS' CAPITAL

LIABILITIES:	
Securities sold short, at fair value (proceeds of $9,454)	$ 9,800
Due to broker (Note 4)	6,572,896
Withdrawals payable	125,227
Dividends and interest payable	37,290
Accrued expenses	31,245
Total liabilities	6,776,458
CONTINGENCIES (Note 6)	
PARTNERS' CAPITAL	21,688,126
	$ 28,464,584

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
CONDENSED SCHEDULE OF INVESTMENTS

DECEMBER 31, 2024

	Fair Value	Percentage of Partners' Capital
Investments, at fair value:		
Private Investment Companies:		
United States:		
Talas Turkey Value Fund, LP (cost of $400,000)*	$ 914,555	4.22
Dhandho Holdings, L.P. (cost of $320,000)	330,000	1.52
Dhandho Holdings Qualified Purchaser, L.P. (cost of $184,694)	254,560	1.17
Total Private Investment Companies, at fair value (cost of $904,694)	1,499,115	6.91
Common stocks:		
United States:		
Technology	4,918,225	22.68
Finance	4,532,800	20.90
Communication	3,999,240	18.44
Total investments in common stocks, at fair value (cost of $7,786,407)	13,450,265	62.02
American Depositary Receipt		
South Africa:		
Finance (cost of $2,375,045)	4,385,000	20.22
China:		
Technology (cost of $18,707)	22,375	0.10
Total investments in American Depositary Receipts, at fair value (cost of $2,393,752)	4,407,375	20.32
Options:		
United States:		
Energy	2,334,659	10.76
Communications	716,584	3.30
Total United States options, at fair value (cost of $2,705,865)	3,051,243	14.06
China:		
Consumer Discretionary	5,228,476	24.11
Technology	1,500	0.01
Total China options, at fair value (cost of $5,171,785)	5,229,976	24.12
Total investments in options, at fair value (cost of $7,877,650)	8,281,219	38.18
Total investments, at fair value (cost of $18,962,503)	**$ 27,637,974**	**127.43**
Derivative contracts (liabilities), at fair value:		
Options:		
United States:		
Real estate (proceeds of $9,454)	**$ 9,800**	**0.05**

* Affiliated private investment company

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2024

INVESTMENT INCOME:	
Dividend and interest income (net of foreign tax withheld of $5,363)	$ 496,431
EXPENSES:	
Dividend and interest expense	832,491
Management fees (Note 3)	156,530
Professional fees and other expenses	69,144
Total expenses	1,058,165
Net investment loss	(561,734)
NET REALIZED LOSS AND CHANGE IN UNREALIZED APPRECIATION OF INVESTMENTS:	
Net realized loss on investments	(1,601,519)
Change in unrealized appreciation of investments	4,023,318
Net realized and unrealized gain on investments	2,421,799
NET INCREASE IN PARTNERS' CAPITAL RESULTING FROM OPERATIONS	**$ 1,860,065**

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
STATEMENT OF CHANGES IN PARTNERS' CAPITAL

YEAR ENDED DECEMBER 31, 2024

	General Partner	Limited Partners	Total Partners' Capital
BALANCES, December 31, 2023	$ 11,977	$ 18,839,798	$ 18,851,775
Reallocation	68	(68)	-
Contributions	156,668	2,300,694	2,457,362
Transfers	(2,572)	2,572	-
Increase resulting from operations:			
Net investment loss	(557)	(561,177)	(561,734)
Net realized loss	22	(1,601,541)	(1,601,519)
Change in unrealized appreciation	(55)	4,023,373	4,023,318
Performance allocation (Note 2)	185,800	(185,800)	-
Capital withdrawals	(291,888)	(1,189,188)	(1,481,076)
BALANCES, December 31, 2024	**$ 59,463**	**$ 21,628,663**	**$ 21,688,126**

The accompanying notes are an integral part of this statement.

PETERSON INVESTMENT FUND I, LP
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase in partners' capital resulting from operations	$ 1,860,065
Adjustments to reconcile net increase in partners' capital resulting from operations to net cash provided by operating activities:	
Net realized loss on investments	1,601,519
Net change in unrealized appreciation of investments	(4,023,318)
Purchases of investments in securities	(307,641,016)
Sales of investments in securities	302,243,687
Changes in operating assets and liabilities:	
Due from broker	6,734,001
Dividends and interest payable	(93,297)
Accrued expenses	9,395
Net cash flows provided by operating activities	691,036
CASH FLOWS FROM FINANCING ACTIVITIES:	
Capital contributions, net of change in advance capital contributions	2,059,363
Capital withdrawals, net of change in capital withdrawals payable	(2,273,294)
Net cash flows used in financing activities	(213,931)
NET INCREASE IN CASH	477,105
CASH, at beginning of year	349,505
CASH, at end of year	**$ 826,610**

The accompanying notes are an integral part of this statement.

YEAR ENDED DECEMBER 31, 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Peterson Investment Fund I, LP (the "Fund") is a Delaware limited partnership organized for the purpose of investing in and trading a wide range of securities and other financial instruments. The Fund commenced operations on October 3, 2011. Peterson Capital Management, LLC, a Delaware limited liability company organized in May 2010, serves as the General Partner and Investment Manager of the Fund.

The Fund has three primary objectives: capital preservation, long-term capital appreciation in excess of market indices (S&P 500), and limitation of downside risk. These objectives will be pursued with a longterm mentality rather than for temporary gain. Additionally, the Fund will seek to limit investment turnover to reduce frictional costs (such as taxes and transaction fees).

The Fund shall continue until December 31, 2099, unless, it is terminated sooner by the General Partner or otherwise as permitted under the Limited Partnership Agreement.

Interests offered to investors are without registration under the Securities Act of 1933, as amended, or the securities laws of any state, in reliance on the private offering exemption contained in Rule 506 of Regulation D issued under the Securities Act of 1933 and in reliance on similar exemptions under applicable state laws. Under Rule 506 and certain state laws, the Fund must determine that a person, or a person together with a purchaser representative, meets certain suitability requirements before offering to sell interests to such an individual.

Basis of Presentation

The Fund is an investment company and follows the accounting and reporting guidance in FASB Topic 946.

Basis of Accounting and Trading and Valuation of Investments

The Fund records its securities transactions on a trade-date basis. Realized gains or losses are recorded upon disposition of investments calculated based upon the difference between the proceeds and the cost basis determined using the specific identification method. All other changes in the valuation of portfolio investments are included as changes in the unrealized appreciation or depreciation of investments in the statement of operations. Dividend income and expenses are recorded on the ex-dividend date and interest income and expense are recorded on the accrual basis.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting and Trading and Valuation of Investments *(continued)*

The Fund values its investments in accordance with Accounting Standards Codification 820 - Fair Value Measurements ("ASC 820"). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Fund uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

> Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and blockage discounts are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgment.
>
> Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
>
> Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Fund values investments in derivatives, securities and securities sold, not yet purchased that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year.

Many cash and over-the-counter ("OTC") contracts have bid-and-ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. For securities whose inputs are based on bid-ask prices, the Fund's valuation policies require that fair value be within the bid-ask range. The Fund's policy for securities traded in the OTC markets and listed securities for which no sale was reported on that date are valued at their last reported "bid" price if held long, and last reported "ask" price if sold short. The Fund considers these investments as level 1 securities for active markets and level 2 securities for thinly traded markets.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting and Trading and Valuation of Investments *(concluded)*

The Fund values private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Fund applies the practical expedient to its private investment companies on an investment-by-investment basis and consistently with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the NAV of the investment.

The industry classifications included in the condensed schedule of investments represent the General Partner's belief as to the most meaningful presentation of the classification of the Fund's investments.

Option Contacts

Options which are listed on major securities exchanges are valued at their last reported sales price as of the valuation date or based on the midpoint of the bid-ask spread at the close of business on the valuation date by the relevant exchange or board of trade. Over-the-counter options are valued by a third-party pricing service using techniques that consider factors including the value of the underlying instrument, the volatility of the underlying instrument and the period of time until option expiration. depending on the frequency of trading, listed options are generally classified in Level 1 or 2 of the fair value hierarchy.

The Fund may buy and sell (write) both call options and put options, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Fund's option transactions, if any, may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

The Fund is exposed to counterparty risk from the potential that a seller of an option contract does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Fund is the fair value of the contracts and the premiums paid to purchase its open option contracts. The Fund considers the credit risk of the intermediary counterparties to its option transactions in evaluating potential credit risk.

Foreign Currency Transactions

Investment securities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not isolate the portion of the results of operations resulting from changes in foreign currencies in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Reported net realized foreign exchange gains or losses arose from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

Cash and Cash Equivalents

The Fund considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Income Taxes

The financial statements do not include a provision for income taxes because the Fund is not a taxable entity and its partners are taxed on their respective share of the Fund's earnings.

The Fund is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. The Fund files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states. The Fund is not subject to income tax return examinations by major taxing authorities for years before 2021. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Fund recording a tax liability that reduces net assets. However, the Fund's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Fund recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income taxes payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – LIMITED PARTNERSHIP AGREEMENT

Allocation of Net Profits and Losses

Net profits are allocated to all partners in proportion to their relative opening capital balances. At the end of each calendar year, the General Partner will receive a performance allocation equal to 25% of each limited partner's share of net profits for such a year, subject to a "hurdle" rate of 5% of returns each year and a high-watermark. If a limited partner makes a withdrawal of capital at a time other than the end of a calendar year, the General Partner will receive a partial performance allocation at the time of that withdrawal in proportion to the reduction in that partner's capital account balance caused by the withdrawal.

The General Partner received a performance allocation for the year ended December 31, 2024 in the amount of $185,800.

Net losses are allocated to all partners in proportion to their relative opening capital balances. If such allocation of net losses would result in a negative capital balance in the account of any limited partner, such losses will be allocated to the General Partner.

Capital Contributions and Withdrawals

Capital contributions may be made as of the first business day of each calendar month or at any other time at the General Partner's discretion. The minimum initial contribution to the Fund is $250,000. Additional contributions may be made in amounts of at least $25,000 for Peterson Investment Fund I, LP and $100,000 for the subsidiary.

NOTE 2 - LIMITED PARTNERSHIP AGREEMENT (concluded)

Capital Contributions and Withdrawals (concluded)

There is one additional share class. We have offered our zero management fee share class on contributions of $2 million and up with quarterly commitments and year end annual redemptions available following a 36 month soft lockup with annual early redemption allowance. Additional details include a 5% hurdle rate, 25% performance fee above the hurdle, and a high watermark provision. K-1 tax documents will be provided each March.

The General Partner, at its sole discretion, may waive the minimum initial contribution amount or the minimum additional contribution amount. Beginning with the twelfth full fiscal quarter after a limited partner's initial capital contribution, a limited partner may, subject to certain conditions, on at least sixty (60) calendar days prior written notice to the General Partner, withdraw all or part of its capital account as of the last day of the calendar quarter. If a limited partner redeems its capital balance prior to the twelfth quarter, the redemption shall be subject to a 3% withdrawal fee. Partial withdrawals must be at least $100,000.

Any of these conditions may be waived by the General Partner in its sole discretion. The General Partner also may suspend the limited partners' withdrawal rights under certain circumstances.

All partner classes are held to the same conditions. Withdrawal payments generally will be made within 30 days after the effective withdrawal date. The retention period generally will not exceed 90 days from the withdrawal request, though the General Partner may extend it until completion of the audit for the fiscal year in which the withdrawal occurs. If a limited partner withdraws more than 90% of its capital account during the year or at year-end, the Fund will distribute 90% of the limited partner's estimated capital balance. The remaining 10% will be distributed after completion of the audit of the Fund for the year in which the withdrawal took place.

NOTE 3 - RELATED PARTIES

The Fund pays a management fee to General Partner equal to 0.225% per quarter in advance (0.9% per annum) of the balance in each limited partner's capital account. Limited Partners who have made a commitment of $2,000,000 can elect to join the zero fee class, where they are not charged management fees. Limited partners who are permitted by the General Partner to contribute capital on a date other than the first day of the quarter are charged a prorated management fee as to that contribution. The General Partner, in its sole discretion may agree to waive or reduce the management fee rate for certain limited partners and may agree with any limited partner to change the fee rate.

The General Partner has agreed to allow a limited number of non-accredited Limited partners to be charged a 2% management fee and not be charged a performance allocation. The Fund incurred management fees of $156,530 for the year ended December 31, 2024.

Certain limited partners are affiliated with the General Partner. The aggregate value of the General Partner's and affiliated limited partners' share of the Fund's capital as of December 31, 2024 was $1,507,271.

NOTE 4 -DUE FROM BROKER

Amounts due from and to brokers may be restricted to the extent that they serve as deposits for securities or securities sold short. In addition, margin borrowings are collateralized by certain securities and cash balances held by the Fund. The Fund is subject to interest on its margin balances. In the normal course of business, substantially all of the Fund's securities transactions, money balances and securities positions are transacted with Interactive Brokers LLC. At December 31, 2024, the amount due to this broker is $6,572,896 which is reflected in the statement of financial condition as due to broker.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with ASC 820. See Note 1 for a discussion of the Fund's policies.

The following table presents information about the Fund's assets and liabilities measured at fair value as of December 31, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV	Balances as of December 31, 2024
Assets:					
Private investment companies:					
Talas Turkey Value Fund, L.P.	$ -	$ -	$ -	$ 914,555	$ 914,555
Dhandho Holdings, L.P.	-	-	-	330,000	330,000
Dhandho Holdings Qualified Purchaser, L.P.	-	-	-	254,560	254,560
Common stocks:					
Technology	4,918,225	-	-	-	4,918,225
Finance	4,532,800	-	-	-	4,532,800
Communication	3,999,240	-	-	-	3,999,240
American Depositary Receipt:				-	
Finance	4,385,000	-	-	-	4,385,000
Technology	22,375	-	-	-	22,375
Options:				-	
Energy	2,334,659	-	-	-	2,334,659
Communications	716,584	-	-	-	716,584
Consumer Discretionary	5,228,476	-	-	-	5,228,476
Technology	1,500	-	-	-	1,500
Total assets	**$ 26,138,859**	**$ -**	**$ -**	**$ 1,499,115**	**$ 27,637,974**
Liabilities:					
Options:					
Real estate	**$ 9,800**	**$ -**	**$ -**	**$ -**	**$ 9,800**

The Fund did not have any significant transfers between Level 1 and Level 2 during the year ended December 31, 2024.

The Fund did not have any purchases or sales of level 3 assets during the year ended December 31, 2024.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS (continued)

The Fund holds security positions that are in excess of 5% of partners' capital. The following is a schedule of these positions as of December 31, 2024:

	Number of Shares/Contracts	Fair Value	Percentage of Partners' Capital
Investments,			
at fair value:			
Common stocks:			
Berkshire Hathaway Inc.	10,000	4,532,800	20.90 %
Daily Journal Cp	8,659	4,918,225	22.68
Alphabet Cl C	21,000	3,999,240	18.44
Options			
Alibaba Group Holding ADR	2,575	5,228,476	24.11
Occidental Petroleum	2,740	2,334,659	10.76
Alphabet Cl C	50	716,584	3.30
American Depositary Receipt:			
Naspers Ltd.	100,000	4,385,000	20.22
Total investments in excess 5% of partners' capital		26,114,984	120.41
Total investments not in excess 5% of partners' capital		1,522,990	7.02
Total investments, at fair value		$ 27,637,974	127.43 %

In the normal course of business, the Fund utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The primary underlying risk of the Fund's derivative activities and exposure to derivative contracts is equity price risk. In addition to this primary underlying risk, the Fund is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF INVESTMENTS (continued)

Volume of Derivative Activities

The Fund considers the notional amounts at December 31, 2024, categorized by primary underlying risk, to be representative of the volume of its derivative activities during the year ended December 31, 2024.

	Long exposure		Short exposure	
Primary underlying risk	Notional amounts	Number of contracts	Notional amounts	Number of contracts
Equity Price				
Options	$ 36,341,865	5,465	$ 45,320	110

Notional amounts presented are based on the fair value of the underlying shares as if excercised at December 31, 2024.

The following table identifies the fair value amounts of derivative instruments included in the statement of financial condition as derivative contracts, categorized by primary underlying risk, at December 31, 2024.

Primary underlying risk	Derivative assets	Derivative liabilities
Equity Price		
Options	$ 8,281,219	$ 9,800

The following table identifies the realized and unrealized gain and loss amounts included in the statement of operations, categorized by type of contract, for the year ended December 31, 2024.

Primary underlying risk	Realized profit (loss)	Unrealized profit (loss)
Equity Price		
Options	$ 12,735,944 a	$ (1,605,150) b

a The above amount is part of Net realized loss on investments on the Statements of Operations

b The above amount is part of Change in unrealized appreciation of investments on the Statement of Operations

NOTE 6 - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS AND CONTINGENCIES

In the normal course of business, the Fund enters into various financial transactions. The execution of these transactions may result in off-balance sheet risk or concentration of credit and price risk. The Fund records securities transactions on a trade-date basis and, therefore, is exposed to credit risk in the event that the Fund's counterparties are unable to fulfill contractual agreements on the date of settlement.

Price risk is comprised of interest rate, market, and currency risk. Interest rate risk is the risk that the value of financial instruments (mainly investments) may fluctuate as a result of changes in market interest rates. Market risk is the risk that the market values of investments change due to changes in market conditions. Investments in equities and options are subject to market and interest rate risk. Currency risk is the risk that the value of instruments may fluctuate as a result of changes in foreign exchange rates. As of December 31, 2024, all assets and liabilities of the Fund were denominated in United States dollars.

The majority of the securities transactions of the Fund are cleared by one United States registered broker-dealer pursuant to a customer agreement. At December 31 2024, a majority of the investments and due from broker are positions with this broker and the Fund has all its individual counterparty concentration with this broker.

Cash includes cash balances maintained with financial institutions that may exceed FDIC limits. In the event of a financial institution's insolvency, recovery may be limited. At December 31, 2024, the Fund held cash in an FDIC insured account in excess of the FDIC insured limit of $250,000 by $576,610.

The Fund's financial instruments, including cash and cash equivalents, due from broker, subscriptions received in advanced, accrued expenses, dividend/interest payable, other labilities, and due to investors are carried at amounts which approximate fair value due to the short-term nature of these instruments. Investments are valued as described in Note 1.

NOTE 7 - FINANCIAL HIGHLIGHTS

The information presented below represents the financial highlights for the year ended December 31, 2024, applicable to the Fund taken as a whole.

Operating Performance:	
Total return before performance allocation to General Partner	9.95 %
Performance allocation to General Partner	(1.01)
Net return after performance allocation to General Partner	**8.94**
Ratios to Average Net Assets:	
Total expenses	4.82 %
Performance allocation to General Partner	0.85
Total expenses and performance allocation to General Partner	**5.67**
Net investment loss	**(2.56)**

An individual's total return and ratios may vary from these returns and ratios based on the timing of capital transactions and variations in management fees and incentive arrangements from those set forth in the Limited Partnership Agreement.

NOTE 8 - SUBSEQUENT EVENTS

The Fund has performed an evaluation of subsequent events through February 3, 2025, which is the date the financial statements were available to be issued. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.

TEAM AND SERVICE PROVIDERS

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GENERAL PARTNER

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MATTHEW PETERSON, CFA

Matthew Peterson is the Managing Partner of Peterson Capital Management, LLC. Matthew founded Peterson Capital Management in 2010 and has been working as a financial professional for over two decades. His experience includes working with global financial services firms Goldman Sachs, Morgan Stanley, Merrill Lynch, American Express, and Ameriprise Financial.

Prior to forming Peterson Capital Management, LLC and launching Peterson Investment Fund I, LP, Matthew split time between Wall Street and London consulting for Goldman Sachs and other Investment Banks as a Capital Markets Manager at Diamond Management and Technology Consultants. Matthew worked as a member of both the US and UK offices, with expertise spanning risk management and derivative processing. During his tenure with Diamond, Matthew worked with top-tier investment banks, global payments firms, and international insurance companies to deliver high impact solutions to his clients' most challenging business problems.

In 2010, Diamond was purchased by PWC and became Diamond Advisory Services.

Before Diamond, Matthew worked with Merrill Lynch and founded M. Peterson Financial Services, a financial planning firm that offered client planning services to American Express Financial Advisors.

Matthew holds a Chartered Financial Analyst (CFA) designation. He earned his Bachelor of Science in economics and minor in mathematics from the University of Puget Sound. Matthew has lived and worked in China, England, and the United States. Matthew and his wife, Gamze, have two children, Isabel and Adrian.

The performance data presented represents that of Peterson Investment Fund I, LP.

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Please contact us if you would like any materials such as our investment presentations, legal documents, or web access.

We have compiled all information herein from sources we believe to be reliable but cannot guarantee its accuracy.

HOW TO SELECT A FUND MANAGER

Renowned business manager Peter Kaufman is the CEO of Glenair, a former director of the Daily Journal Corporation and partner of Charlie Munger, and author of *Poor Charlie's Almanack*. At a Daily Journal Corporation annual meeting, Kaufman shared wise advice on how to select an exceptional fund manager using what he calls "the five aces." (Five aces is the highest possible hand in a game of wildcard poker.) Kaufman's five aces are:

1. Total integrity
2. Deep fluency
3. A fee structure that is fair in both directions
4. An un-crowded investment space
5. A long runway

He then advised that, if you ever find a money manager who possesses all five of these characteristics, you should:

1. Immediately put your money with them
2. Put as much as you are allowed

Our firm is built on a foundation of integrity, designed to last for generations. This list of aces is very encouraging because, without any coordination, we have structured our business around each of these factors.

Just as important, not only do we believe that we exhibit these five qualities today, but every day we strive to further align with these principles. These values provide a moat for our business. As mentioned before, our strategy is to win your business because we deserve your business.

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