Thai Capital Fund, LP

High conviction, concentrated US equity portfolio investing

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Strategy

Thai Capital Management, LLC runs a high conviction, concentrated equity portfolio investing in publicly traded US companies. Our strategy targets companies with demonstrated success and a clear trajectory for continued growth, but whose growth potential remains underappreciated by the broader market. We believe companies that serve varied customers and sectors have the potential to weather secular downturns better than less revenue diverse competitors. Our preference for revenue diverse companies is an element of our strategy's risk management process.

We aim to outperform the market over the long term by acquiring meaningful positions in companies that, in our view, have durable economic moats and significant competitive advantages. We generally exit positions only if, in our judgment, the company's fundamentals have materially deteriorated relative to our quality parameters, or if we identify an alternative investment we believe offers a more compelling opportunity.

A more detailed explanation of our investment process can be found in our 'How We Invest' brochure.

Philosophy

Five key beliefs comprise our investment philosophy:

1. **Mispriced opportunities exist in plain sight** — Even widely followed companies can be substantially undervalued.
2. **Directional accuracy is more important than precision** — It is sufficient to be directionally correct regarding stock price appreciation likelihood due to fundamental disparities between stock price and value.
3. **Business durability vs. macro noise** — Near-term macro conditions rarely erode the long-term economics of resilient, well-established companies. This belief allows us to avoid overreaction regarding any market sentiment of the time.
4. **Volatility as opportunity, not risk** — We embrace volatility as an alert to potential investment opportunities.
5. **Diversified revenue streams can provide a competitive moat + risk mitigation** — We believe companies that serve varied customers and sectors have the potential to weather secular downturns better than less revenue diverse competitors. Our preference for revenue diverse companies is an element of our strategy's risk management process.

Approach

Our portfolio is organized into two segments — core and tactical — with the aim of seeking to balance long-term growth with active risk and opportunity management.

Core

- 8-25 equity positions in highest conviction names prioritizing what we believe to be:
  - Durable competitive advantages
  - Exceptional cash flow
  - Management quality
- Minimal turnover to maximize power of compounding

Tactical

- Long-dated call positions adding exposure to core holdings
- Focused on actively addressing shorter-term market dynamics
  - Use short-dated puts to hedge high-probability, near-term risks
  - Use call options to capture opportunities

Our Edge

We believe our portfolio management edge lies in our context-driven analysis and conviction discipline.

- **Context-Driven Analysis** – An investment process that prioritizes understanding of how a company interacts with its ecosystem — suppliers, customers, competitors, and regulators — rather than relying solely on isolated financial metrics.

- **Conviction Discipline** – Once we establish theses grounded in fundamental analysis and allocate, we are willing to maintain our positions through market volatility, provided our original rationale remains intact. Unlike investors who chase short-term sentiment shifts, we focus on gaps between price and long-term value even when it requires contrarian discipline.

This gives us the potential to capitalize on market inefficiencies created by herd behavior and myopic thinking.

Methodology — Key steps overview

Step 1 — Screening

- <$1Bn Market Cap
- Excess debt - >0.5 cash to debt ratio
- Negative cash flow in last 3, 5, and 10 years

Step 2 — Cash Flow Analysis

- Utilize conservative estimates
- Treat discount rate as opportunity cost and apply to all companies
- Deduct calculated value by 50% to allow for margin of error

Step 3 — Company Ecosystem Analytics

To get a multi-dimensional understanding of a company and its ecosystem, our fundamental research and analysis investigate areas that include:

- Products/Services Portfolio
- Customer Dynamics
- Supplier Relationships
- Competitive Landscape
- Moat Durability & Threats
- Management & Strategy

Benefits of our Ecosystem Analytics

It leads us to identify:

1. a behavioral investment advantage
2. an informational investment advantage
3. an information interpretation investment advantage

Methodology — Key steps overview

Step 4 - Stock Selection, Sizing & Trading

- **Position sizing:**
  - **Initial equity allocations sized 5%-10% of NAV -** With opportunistic potential for additional allocation up to 15% of NAV
  - **Buy long-dated call options sized at 10% of the underlying equity position -** With opportunistic potential to be restrike and doubled
- **Rebalancing/Harvesting of options**
  - Rebalancing only applies to options; equity positions are either kept entirely or fully removed/replaced.
  - Call positions gaining more than 200% are usually harvested

Step 5 - Tactical Portfolio Holdings Selection

- **Call Options Use:**
  - We primarily use call options to enhance the returns of our portfolio's core holdings
  - Typically, with our options positions, we will make money off the premium
  - We will seek to reduce call exposure as a form of short-term risk management
- **Use of Puts:**
  - Put options are used when we believe we need to hedge;
  - the case of hedging must be extremely compelling; and
  - expected ETA for the adverse event must be within a short time frame

Danny Thai

Founder and Portfolio Manager of
Thai Capital Management, LLC

Background:

- Thai Consulting Group, President – business solutions to enhance competitive position
- US Marine Corps, Sergeant – core values of honor, courage, and commitment
- Georgia Institute of Technology – BS International Affairs, Minor in Management, Summa Cum Laude

Responsibilities:

- Stock Selection
- Portfolio/Risk Management
- Business Development
- Operations

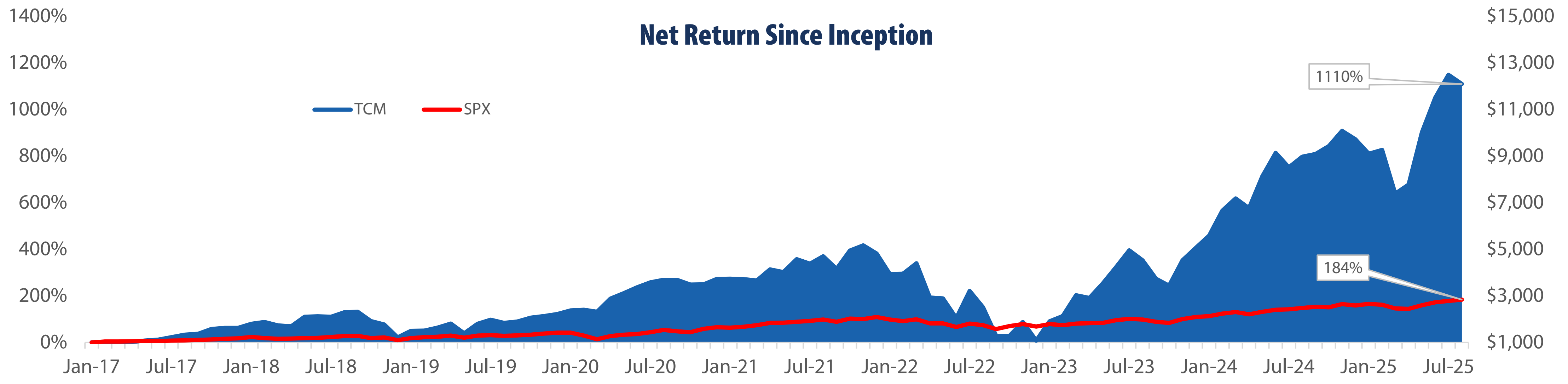
Net Performance

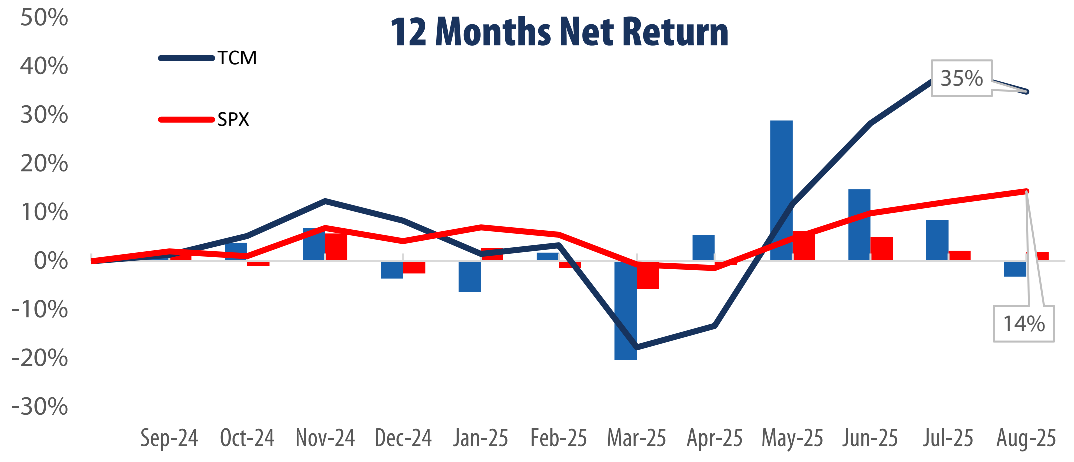
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	0.7%	0.2%	1.0%	0.7%	5.2%	4.2%	9.1%	8.6%	3.1%	14.9%	3.1%	-0.3%	62.3%
2018	11.0%	4.2%	-7.4%	-2.5%	24.1%	1.0%	-1.0%	9.0%	0.8%	-17.0%	-7.7%	-31.1%	-24.7%
2019	23.0%	0.2%	8.8%	10.6%	-23.2%	29.1%	10.2%	-7.1%	3.0%	8.7%	3.7%	3.8%	81.3%
2020	7.4%	1.0%	-3.5%	24.1%	8.3%	7.9%	6.5%	3.0%	0.0%	-5.6%	0.2%	6.7%	68.2%
2021	0.3%	-0.6%	-1.5%	13.2%	-3.0%	13.8%	-4.2%	7.4%	-11.7%	19.1%	4.5%	-6.8%	29.4%
2022	-18.1%	0.2%	11.4%	-33.5%	-1.3%	-29.3%	57.1%	-21.9%	-48.9%	0.4%	45.8%	-42.6%	-77.7%
2023	77.1%	11.7%	42.2%	-4.0%	21.4%	19.8%	17.1%	-8.5%	-17.5%	-8.1%	31.7%	11.8%	369.6%
2024	10.5%	19.2%	7.8%	-5.8%	20.3%	12.2%	-6.8%	5.4%	1.3%	3.8%	6.8%	-3.6%	92.2%
2025	-6.3%	1.8%	-20.3%	5.4%	28.9%	14.8%	8.5%	-3.1%					24.5%

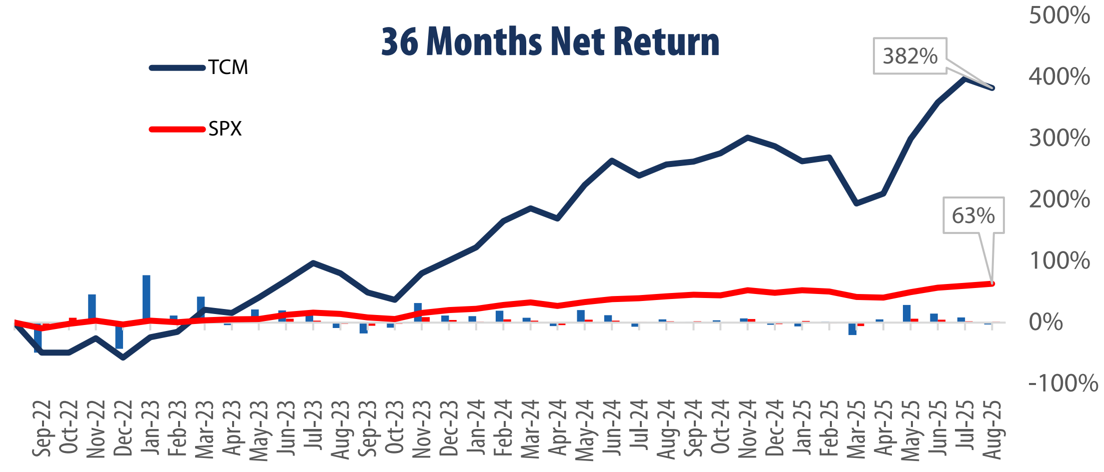
Portfolio Statistics	TCM	SPX
Cumulative Net Return	1109.56%	183.93%
Annualized Net Return	33.33%	12.80%
12 Months Net Return	34.86%	14.37%
12 Months Volatility	41.47%	12.41%
Upside Deviation	50.86%	12.26%
Downside Deviation	34.58%	10.45%
Upside Capture Ratio	374.48%	1
Downside Capture Ratio	185.79%	1

Performance results of Thai Capital Management (TCM) are shown net of the Fund's management fees and include the reinvestment of dividends. Past performance is not indicative of future results. All investments involve the risk of loss, including loss of principal. The S&P 500 index (SPX) is shown below for comparison purposes only; it reflects the reinvestment of dividends and does not represent the strategy's portfolio. The index may not be the lost relevant benchmark for all investors.

Net Returns







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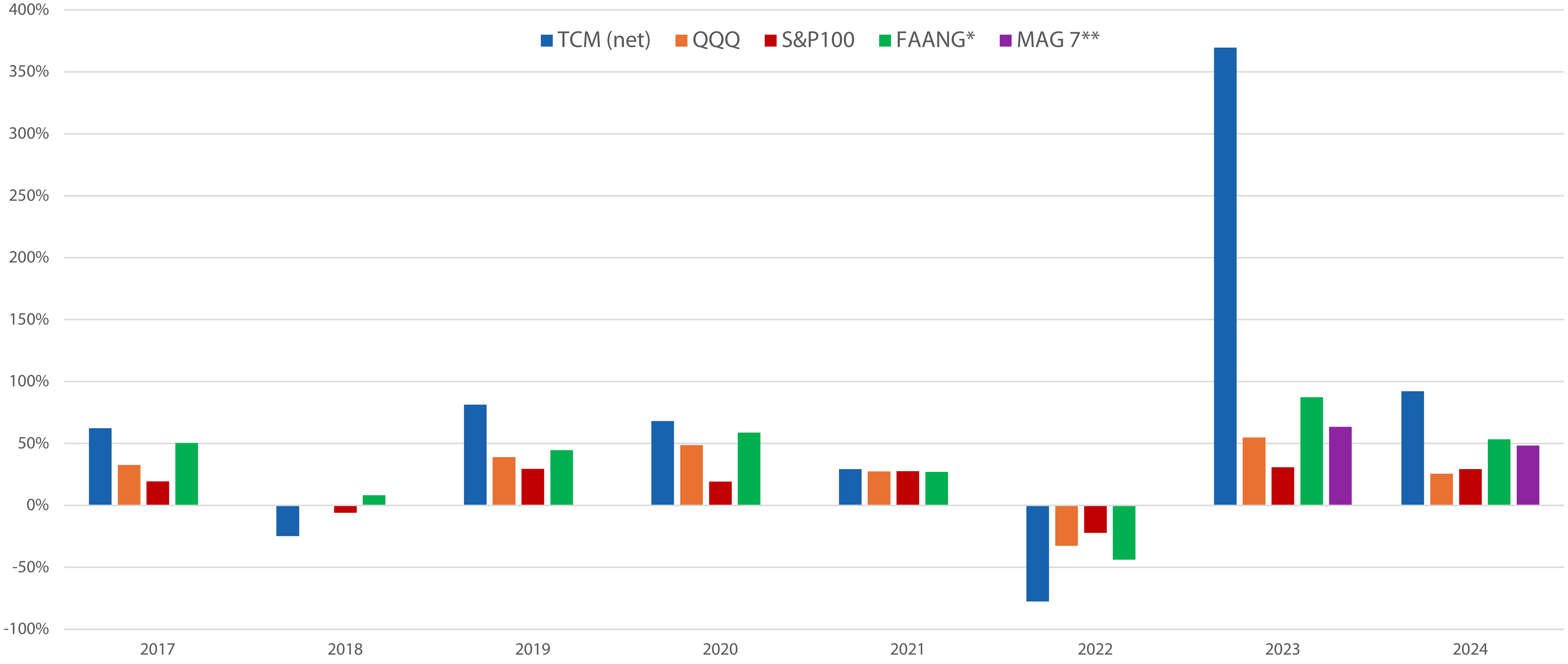
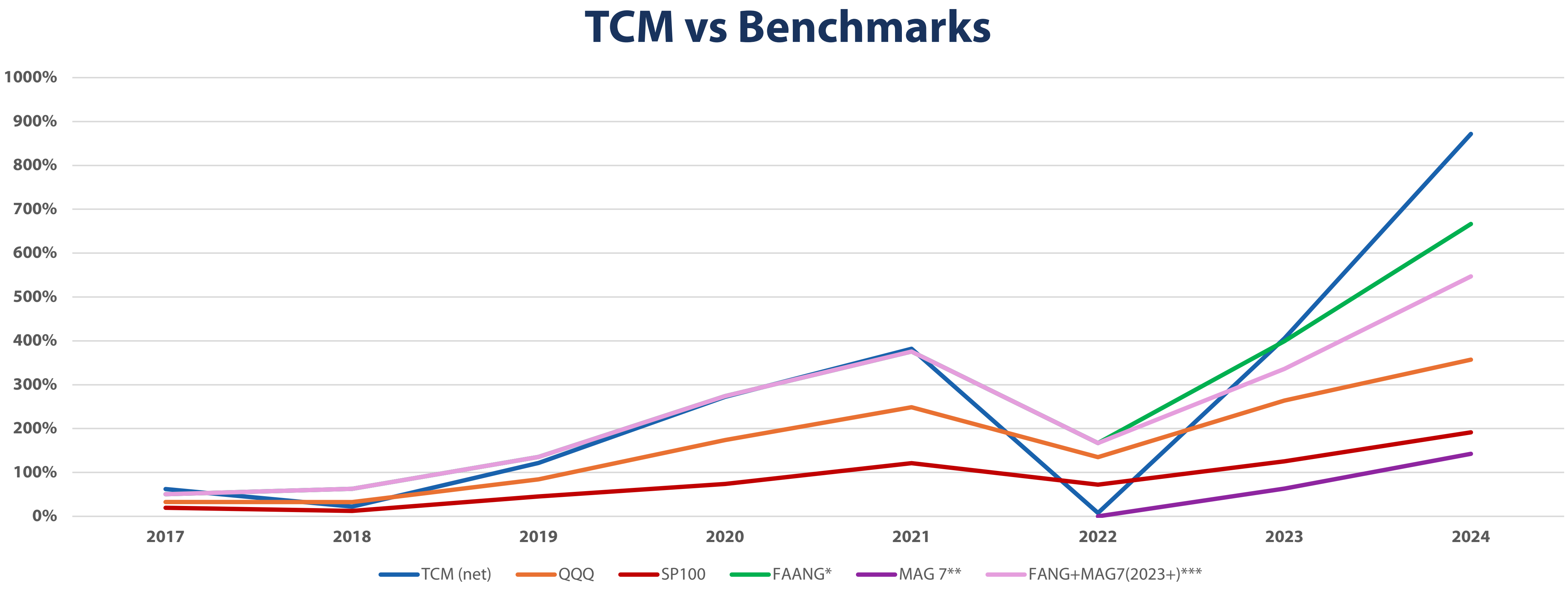
Annual Returns



Data other than TCM (net) source: Interactive Brokers. Performance results of Thai Capital Management (TCM) are shown net of the Fund's management fees and include the reinvestment of dividends. Past performance is not indicative of future results.
* FAANG is an acronym referring to Facebook, Amazon, Apple, Netflix, and Google.
** Mag 7 refers to the Magnificent Seven – a group of dominant, high performing stocks in 2023 consisting of Meta, Amazon, Apple, Google, Microsoft, Nvidia, and Tesla. Because Mag 7 was initially coined in 2023, only data from 2023 is selected for comparison.

Cumulative Returns



Data source: Interactive Brokers

Cumulative returns are calculated using geometric means. Performance results of Thai Capital Management (TCM) are shown net of the Fund's management fees and include the reinvestment of dividends. Performance results of Thai Capital Management (TCM) are shown net of the Fund's management fees and include the reinvestment of dividends. Past performance is not indicative of future results.

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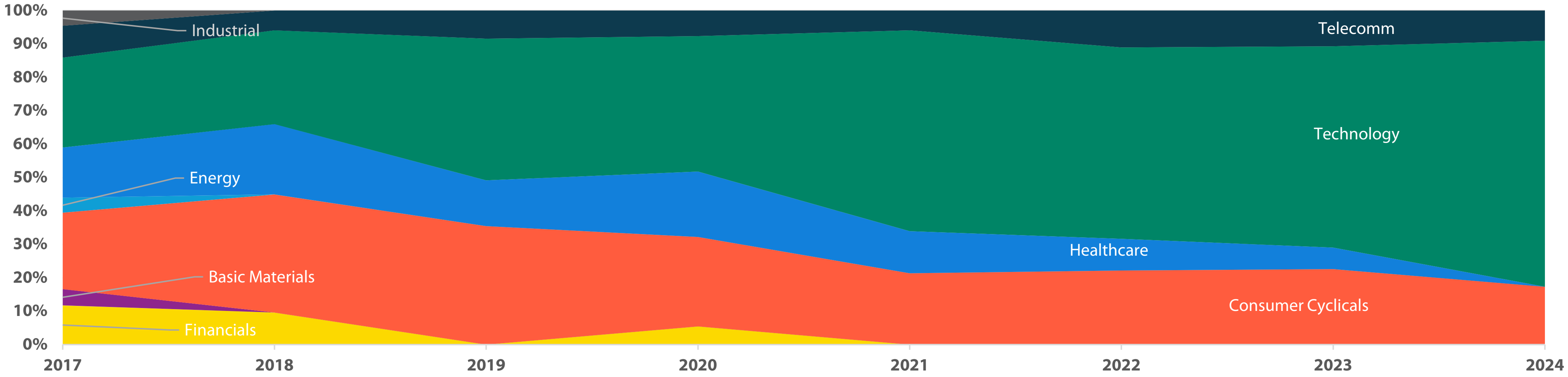
*** FAANG+Mag7(2023+) is a fictional portfolio that swapped positions from investing in FAANG to investing in Mag 7 when the term was coined in 2023 at the end of 2022.

Return Contribution by Sectors

	2019	2020	2021	2022	2023	2024
Basic Materials	-1.52%	-	-	-	-	-
Consumer Cyclicals	25.45%	29.01%	12.17%	-25.80%	40.34%	16.97%
Consumer Non-Cyclical	-	-	-	-	-	-
Energy	-	-	-	-	-	-
Financials	5.66%	3.40%	0.14%	-	-	-
Healthcare	7.52%	15.01%	-8.91%	-10.20%	5.98%	-1.04%
Industrials	-	-	-	-	-	-
Real Estate	-	-	-	-	-	-
Technology	48.91%	27.76%	40.65%	-42.98%	188.11%	85.22%
Telecomm	4.03%	4.82%	0.03%	-11.23%	35.71%	6.40%
Utilities	-	-	-	-	-	-

Data source: Interactive Brokers
Past performance is not indicative of future results. All investments involve the risk of loss, including loss of principal. The chart above illustrates return contribution by sectors for the entire stock market during the relevant periods.
It is not indicative of TCM's performance.

Sector Exposures Over Time



	2017	2018	2019	2020	2021	2022	2023	2024
Financials	11.71%	9.58%	-	5.44%	-	-	-	-
Basic Materials	4.91%	-	-	-	-	-	-	-
Consumer Cyclicals	22.86%	35.35%	35.47%	26.75%	21.35%	22.16%	22.58%	17.31%
Energy	4.48%	-	-	-	-	-	-	-
Healthcare	15.06%	21.08%	13.69%	19.63%	12.57%	9.50%	6.46%	-
Technology	26.88%	28.07%	42.39%	40.53%	60.15%	57.31%	60.25%	73.62%
Telecomm	9.53%	5.91%	8.45%	7.66%	5.93%	11.02%	10.71%	9.06%
Industrial	4.57%	-	-	-	-	-	-	-

Data source: Interactive Brokers

Selection Effects

	2019	2020	2021	2022	2023	2024
Basic Materials	-1.22%	-	-	-	-	-
Consumer Cyclicals	1.57%	13.46%	6.13%	-108.13%	-1.87%	13.60%
Consumer Non-Cyclical	-	-	-	-	-	-
Energy	-	-	-	-	-	-
Financials	0.15%	0.22%	-1.94%	-	-	-
Healthcare	-12.02%	8.03%	-0.18%	-34.39%	4.41%	0.34%
Industrials	-	-	-	-	-	-
Real Estate	-	-	-	-	-	-
Technology	8.64%	-0.52%	11.09%	12.38%	34.08%	41.22%
Telecomm	-3.12%	9.12%	-0.52%	93.48%	7.82%	1.67%
Utilities	-	-	-	-	-	-

Data source: Interactive Brokers
Selection Effect: Measures the contribution to excess return from a manager's decision to pick specific stocks within a sector that performs differently than the sector benchmark itself. It isolates the manager's stock-picking skill. The formula for the Selection Effect in a given sector is:

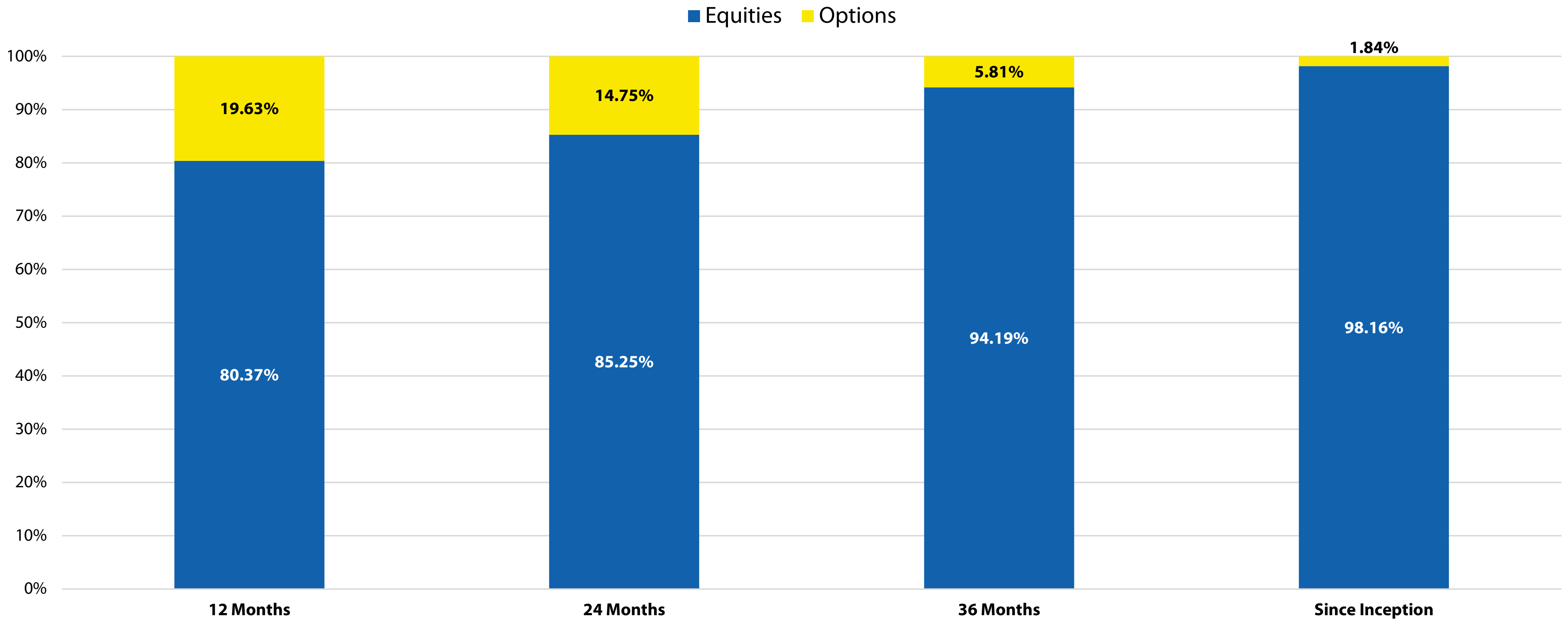
Selection Effect = (Weight of Sector in Portfolio) × (Return of Portfolio's Stocks in that Sector - Return of Benchmark's Stocks in that Sector)

In mathematical terms:
Selection = Wp,i × (Rp,i - Rb,i)

Where:
Wp,i = Portfolio's weight in sector i
Rp,i = Return of the portfolio's holdings in sector i
Rb,i = Return of the benchmark's sector I

The crucial takeaway is that the -108% is not an absolute loss of capital. It is a relative attribution number. It means that the manager's stock selection choices in the Consumer Cyclicals sector detracted 108 percentage points from the portfolio's excess return (portfolio return - benchmark return). If the benchmark return was -20%, and the selection effect was -108%, it implies the portfolio's return was dramatically worse than the benchmark, largely due to this one disastrous decision. In short, that -108% is a powerful signal of a massive stock-picking error in a sector where the manager had placed a very large bet. It's the attribution model's way of saying, "This is where things went terribly, terribly wrong relative to the index." Past performance is not indicative of future results. The selection effect figures do not represent TCM's net performance returns during the relevant periods.

Performance Contribution by Instrument



Data source: Interactive Brokers

Service Providers

Administrator	STP Investment Services
Custodian	Interactive Brokers
Broker	Interactive Brokers
Auditor	Spicer Jefferies
Legal Counsel	Cott Law Group
Compliance	Regulatory Compliance Solutions Inc.

Terms & Conditions

	Class A	Class B	Class C
Minimum Subscription	200K	2M	10M
Redemption Frequency	Quarterly	Quarterly	Quarterly
Management Fee	2.0%	2.0%	1.5%
Performance Fee	25%	20%	15%
Subscription Frequency	Monthly	Monthly	Monthly
Written Notice	60 Days	45 Days	45 Days
Lockup	12 Mo	12 Mo	12 Mo
High Water Mark	Yes	Yes	Yes

Investors are encouraged to review Thai Capital Fund's offering memorandum and limited partnership agreement for more information on the Fund's terms and conditions.