

## Mid Quarter Updates

The first six weeks of 2021 have seen a lot of action in the capital markets. With the trading in companies like GameStop and AMC Entertainment capturing a lot of headlines and attention, it would be easy to overlook the significant movements taking place in other areas of the markets. In fact, there are numerous companies that have seen their share prices appreciate by amounts that investors would hope to achieve over a period of years, not weeks. While some of them are the darlings of social media, many more are companies with solid underlying businesses that have been seemingly overlooked by investors for some time now.

The performance of our portfolios has been strong to start the year. While we certainly don't expect this pace to continue, we are encouraged to see the stock prices of many of our holdings moving up, as other investors appear to be recognizing the value that we see in the companies held in your portfolios.

The narratives around social media hyped stocks like GameStop may make for entertaining reading, but it is important to remember that operating results drive company values and stock prices in the long run. On that score, we are currently in the reporting season for the quarter that ended on December 31, 2020 and, thus far, results have generally been good. Another key driver of returns is the price paid to acquire an ownership interest in a company. Not surprisingly, in addition to the operational results and ongoing business prospects for a company, this is a key area of focus in our research. We want to be buyers in situations where we believe the stock price does not adequately reflect the underlying value of a company, and sellers in cases where the stock price exceeds our assessment of that underlying value. Given the breakneck pace of appreciation in the stock prices of some companies thus far this year, you would probably not be surprised to hear that we have been taking profits in some positions where we think prices have gotten ahead of company fundamentals. Overall, we continue to see value in our holdings and are happy with the portfolio of businesses that we own and their prospects going forward.

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## International Holding Highlights: CK Hutchison

Many clients are unfamiliar with all of our foreign holdings. Here is an interesting short video highlighting the large scale and scope of blue-chip CK Hutchison. The company has a wonderful portfolio of solid assets in wireless communications, ports, infrastructure, health & beauty, and other areas.

Please watch the company's video [here](#).

***As always, it is a pleasure and a privilege to service your portfolio needs,  
and we thank you for your trust and business.***



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