- HISTORICAL RESULTS
- PORTFOLIO MANAGER
- INVESTMENT FACTORS
- FUNDAMENTAL VALUE
- EMBEDDED PATIENCE
- FUND MANAGEMENT

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Results

From LP Inception (July 1, 2008) through June 30, 2026		
Total Returns	Cumulative	Annualized
Infinity LP Gross Return:[1,2]	1194%	15.3%
Core S&P 500 Index Fund (IVV):[3]	720%	12.4%
All Country World Index (ACWI):[3]	353%	8.8%
MSCI Australia Fund (EWA):[3]	136%	4.9%

[1] Past results do not always indicate future results. (We expect to surpass historical returns with the present portfolio.)

[2] These are gross returns because the incentive fee changed. Net returns to investors may be estimated after management fees: 2% of net assets annually, and half of net value added over a benchmark return, historically the All Country World Index fund (ACWI). Initially known as Komodo Global Fund, the LP has had the same portfolio manager since it began.

[3] The iShares All Country World Index (ACWI), Core S&P 500 Index Fund (IVV) and MSCI Australia Fund (EWA) returns are published via https://ishares.com. (The LP's first investor is Australian.) Investors of $100+ million may select your own benchmark for the value added incentive allocation.

Portfolio Manager

Noam Grunes

2022 – Present: Chairman
Chairman of Infinity B, a public benefit corporation with fiduciary obligations to clients, shareholders and public benefit

2008 – Present: Managing Partner
Manager of Infinity LP, originally Komodo Global Fund LP, an investment partnership that has outpaced its ACWI (All Country World Index) benchmark cumulatively since the 2008 LP inception

2012 – 2014: Policy Contributor
Vidya contributor for TNS (triplenine.org)

2002 – 2007: Private Investor
Reading after university mostly near Sydney, Australia

1999 – 2001: CEO/Director
As CEO of Beaumonde Inc., on sabbatical from university, raised $2.5 million venture capital in 2000 H2 after a downturn began

1996 – 2002: Trustee Scholar
Trustee Scholar in the University Professors Program at Boston University with undergraduate and graduate studies by full-tuition academic scholarship

1992 – 1996: Minnesota
Among valedictorians at Minneapolis South High with some University of Minnesota credits; part-time canvasser, teacher, counselor and dish washer

Investment Factors:
AP⁸

1 Acceptable Politics

We seek durable relations among businesses, governments and citizens with inalienable rights.

2. Appropriate Processes

Appropriate processes include reporting with sensible key performance indicators and non-conflicted financial controllers.

3. Aligned Principals

We prefer investing with principals — decision-makers — whose financial interests align with ours.

4. Advantaged Products

Competitively advantaged products enable robust free cash flow and retained earnings growth. While favoring moats, we invest in merely moderately-advantaged businesses when priced attractively.

5. Attractive Price

"Price is what you pay, value is what you get" (Warren Buffett). Central PVE (price-to-value estimates) of securities remain a pillar of our operation.

6. Apportioned Portfolio

Subject to withstanding errors and risk factors, we aim to concentrate in our most attractive positions.

7. Active Patience

Patience enables investment with margins of safety. Active patience generates prospects. Prospects ease patience. Patience enables... (above).

8. Attuned Partners

Investing over decades, partners attuned in patience focus on fundamental value.

We work to profit by investing in securities and derivatives priced below their intrinsic, fundamental values.

Intrinsic, Fundamental Value

Intrinsic value "may also be called… 'fair value,' 'appraisal value,' and 'investment value'" (Benjamin Graham's & David Dodd's *Security Analysis*, 1951 edition). It "may be more or less distinct, depending on the particular case…. Even a very indefinite idea of the intrinsic value may still justify a conclusion if the current price falls far outside either the maximum or minimum appraisal" (*Security Analysis*, 1940 edition).

Charles & Colvard

- Charles & Colvard had over $30M tangible net assets with about a $6M market capitalization; seeing that, our managing partner visited its customer Moi Moi in Sydney, Australia.
- Even without earnings in a downturn, ordinary operations could turn its inventory into cash.
- The investment generated a rapid gain over 100%.

Granite REIT

- In rounded figures, we paid a slice of a $400M market capitalization for $1.5B commercial real estate at cost, indebted net $100M with $100M annual forthcoming operating income as an unprofitable division was being jettisoned.
- It soon generated a capital gain over 60%.

HFI Highbury Financial Inc.

- Managing mutual funds, Highbury Financial had $14M net financial assets with $2M–$3M annual cash earnings. We bought its warrants when the company's market capitalization was near $20M.
- That was near 2–3x its cash earnings net of financial assets while its investments were sound. Highbury's shares and warrants appreciated well over 100%.

We work to own securities and derivatives that are intrinsically, fundamentally worth more than their prices.

Built for Investment

- **Equanimity**

  Warren Buffett's Berkshire Hathaway Inc. traded 50% below its prior peak about thrice (in 1974, 2000 and 2009) while rising from $10 to over $700,000 per (BRK.A) share. Measured in market prices rather than fundamental value, we expect large downturns in our portfolio too, including annually on occasion, generally among the most attractive opportunities. "After all," Warren wrote, "why should the time required for a planet to circle the sun synchronize precisely with the time required for business actions to pay off? Instead, we recommend not less than a five-year test as a rough yard stick of economic performance."

- **Patient investment with ample liquidity**

  Our first limited partner (unrelated to the manager) subscribed for over 18 years with ability to withdraw a portion of capital annually, enabling patient investment with ample liquidity.

The partnership was built for fundamental investment.

Portfolio Management

"So act that the maxim of your will could always hold at the same time as a principle establishing universal law."

How do we size positions? We imagine universalizing them. Say we estimate a position entails a 60% probability of returning 200% over 5 years and a 40% probability of losing 40%. Imagine we could fill a portfolio with positions that present the same odds with uncorrelated risks. Our annualized 5-year expected return would be 15.3%, and we may want several positions (N) to achieve a low total loss probability:

N	TLP
1	40%
2	16%
5	1%
10	0.2%
20	0.005%
30	0.00002%

If we'd want 20 of such positions, we'd assign it a 1/20 = 5% "Kant slice" and aim to size it up to 5% of our portfolio. (Other positions may far exceed 5% or be a basket grouped into a Kant slice.)

Positions, Est.			Guidelines				
Kant Slice	Price/ FVE	% of NAV	Base1	Base2	Sell	Add1	Add2
	48%	**100%**	30%	47%	0%	1%	8%
12.5%	**47%**	**11.6%**	7.8%	12.5%	0%	0%	1%
7.1%	65%	**4.1%**	2.7%	4.1%	0%	0%	0%
4.5%	72%	**3.6%**	1.1%	1.9%	0%	0%	0%
4.5%	53%	**3.5%**	2.3%	3.9%	0%	0%	0%
2.4%	76%	**3.4%**	0.3%	0.7%	0%	0%	0%
2.9%	57%	**3.0%**	1.5%	2.1%	0%	0%	0%
12.5%	67%	**2.4%**	3.1%	7.1%	0%	1%	5%
4.5%	80%	**1.1%**	0.6%	1.3%	0%	0%	0%
1.2%	53%	**1.0%**	0.6%	1.1%	0%	0%	0%
1.2%	**46%**	**0.9%**	0.8%	1.2%	0%	0%	0%
1.2%	59%	**0.7%**	0.5%	0.9%	0%	0%	0%
1.2%	93%	**0.4%**	0.0%	0.0%	0%	0%	0%
0.8%	52%	**0.3%**	0.4%	0.7%	0%	0%	0%
0.4%	91%	**0.3%**	0.0%	0.0%	0%	0%	0%
1.2%	66%	0.0%	0.3%	0.7%	0%	0%	1%
8.3%	**13%**	**11.2%**	8.3%	8.3%	0%	0%	0%
		4.4%		0%	1	0%	1
		0.0%		33%	7/8	47%	1
		0.0%		38%	6/8	51%	6/7
		0.1%		43%	5/8	56%	5/7
		0.0%		50%	4/8	62%	4/7
		0.0%		57%	3/8	68%	3/7
		0.0%		66%	2/8	75%	2/7
		0.0%		76%	1/8	83%	1/7
		48.0%		87%	0	91%	0

Should we want it to be a 5% position at once? After all, lower prices may appear tomorrow. Our Guideline #1 adds an eighth of a Kant slice at each successive 15% price discount from our fair value estimate. Our Guideline #2 adds a seventh of a Kant slice at each successive 10% discount. The range between these guidelines may facilitate patient trading.

Accumulating positions at successive discounts to fair value estimates can reserve outlays for buys that present large margins between prices we pay and values we perceive.

We aim to hold winners until another position is preferable. Preferable alternative positions include cash when a winner trades above our estimate of its fair value.

That's how we think about managing position sizes commensurate with estimated fundamental margins of safety.

"[I]f you can identify six wonderful businesses, that is all the diversification you need, and you're going to make a lot of money.... [S]ix is plenty, and I'd probably have half of it in what I liked best." – Warren Buffett