

**Mutoro Group Partners, LP**  
First Quarter 2021 Letter

May 15, 2021

*“Each crisis also has its unique individual features – the nature of the shock, the object of speculation, the form of credit expansion, the ingenuity of the swindlers and the nature of the incident that touches off revulsion. But if one may borrow a French phrase, the more something changes, the more it remains the same. Details proliferate; structure abides.”*

– Charles P. Kindleberger and Robert Aliber

*“The gods are just, and of our pleasant vices / Make instruments to plague us.”*  
– *King Lear* (5.3.162-163)

Dear Partner,

For the first quarter of 2021, the fund returned 1.4% on a gross basis. Net of fees and expenses, it returned 0.8%. We started and ended the quarter with the same 14 portfolio holdings. Our cash as a percentage of the portfolio nearly doubled to 12.9%.

News headlines during the first three months of the year were full of sudden, fleeting crises. We saw stories on a series of bizarre short squeezes, massive fund implosions, and rampant speculative fervor in alternative assets. Beyond the capital markets, amid the ongoing pandemic, the period also saw an insurrection at the capitol that threatened American democracy. A lot happened.

While I was concerned with these events as a citizen, I hope I am not erring in suggesting it is unlikely most of them had a lasting negative impact on the earning power and competitive positioning of our current holdings. Our businesses fluctuated in price as they always do, but, in my estimation, they continued to grow their intrinsic value strongly. Of the 14 companies we hold, only two did not rise in price; one of those two was our largest holding, Company G, which declined a tenth, temporarily lowering our overall results. I am unbothered by this.

The exhibit below shows the composition of our portfolio at the end of the quarter:

Cash and Cash Equivalents	12.9%
European Public Equities	10.4%
<u>U.S. Public Equities</u>	<u>76.7%</u>
Total Portfolio	100.0%

Thank you for your partnership, capital, and confidence. Please let me know if you have any questions or comments.

Sincerely,



Godfrey M. Bakuli  
Managing Partner