

Hartmutson Starts and Presents its Partner's Manual

Frankfurt am Main, Germany – April 12, 2021 – Hartmutson is pleased to announce that today it launches its investment fund on Etoro.com and presents its comprehensive partner's manual, detailing what Hartmutson is trying to achieve and how we approach it.

Dear Fellow Co-Investor and Partner,

The following principles embody values and beliefs I wholeheartedly embrace and serve as the foundation for authentic and trustworthy conduct. If you share this perspective, I invite you to invest in our Fund. If not, I completely understand.

1. When our partners and I refer to annual gains or losses, we are referring to market values. These figures reflect how our assets, valued at market prices, have changed from the beginning to the end of the year. Any maximum loss or drawdown shown in our Fund represents a change in market value and should not be equated with an actual loss of capital.
2. My performance is measured against the S&P 500 Total Return Index. If our Fund's annual return exceeds this benchmark, we consider it a successful year, regardless of whether the return is positive or negative. If the Fund does worse than the benchmark, I regard the performance as below expectations.
3. The evaluation of the Fund's performance is based on a rolling five-year period. Naturally, there will be years when the Fund's results lag behind the benchmark. However, if a period of at least five years shows consistent underperformance, I have failed, and we should seek better opportunities to invest our hard-earned money. The only exception is if those five years include a speculative bubble.
4. I believe it is nearly impossible to predict the stock market, accurately interpret macroeconomic data, or forecast economic cycles. Therefore, these tasks are not part of my role. If you expect me to perform these functions or consider them essential for investment decisions, then this Fund may not be the right choice for you.
5. I cannot promise profits.
6. What I do promise is the following:
 - Investments in the Fund are chosen based on value investing principles, arising from independent analysis rather than following market trends.
 - A consistently rational and thorough business analysis grounded in logic and sound reasoning, aimed at selecting securities that offer the highest potential return with the lowest possible risk.
 - A commitment to minimizing the risk of permanent capital loss (as opposed to short-term market fluctuations) by applying a substantial margin of safety for each investment and ensuring portfolio diversification.
 - My family and I are personally and significantly invested alongside you in the Fund.

If you've made it this far, we invite you to spend a few more minutes learning about how we invest and think at Hartmutson. We believe it will be time well spent.

Our Investment Philosophy: A Disciplined and Fact-Based Approach

At the core of our investment approach lies a commitment to economic facts and a clear rejection of market predictions. We believe that relying on forecasts, whether economic or stock market-related, is futile. Instead, our focus is grounded in the reality that every stock represents ownership in a real company. Understanding the business behind each investment is paramount to our decision-making process. We only invest in companies we thoroughly comprehend, keeping our strategy straightforward—if it's not clear to us, we simply don't buy it.

Our portfolio centers on our 20 highest conviction ideas, reflecting our belief in depth rather than breadth. We maintain a strong preference for long positions, avoiding short sales entirely, confident that time inherently favors great companies. Volatility, while often viewed as a risk, is for us an opportunity—provided we fully understand the companies we own. We recognize market downturns as inevitable, with typical corrections of 10% occurring every two years and more severe declines of 25% or more about every six years. Discipline, more than anything else, gives us our edge in navigating these fluctuations.

We prefer founder-led businesses with leadership that demonstrates genuine commitment—those with “skin in the game.” Our ideal companies exhibit durable, double-digit revenue growth, stable or growing gross margins, and operate with an asset-light model alongside low or no debt. These characteristics offer resilience and growth potential, aligning with our long-term perspective.

Acknowledging the realities of investing, we admit that mistakes will happen. Therefore, risk management through careful allocation is essential. We never invest more than 10% of our cost base in a single position, allowing us to diversify risk. Our approach to portfolio management is dynamic: we add to winning positions and trim losing ones, understanding that a few strong performers typically drive overall returns.

In essence, our philosophy combines rigorous analysis, patience, and disciplined execution—principles that underpin our pursuit of sustainable, long-term investment success.

Over the coming years, we will write in detail about our strategy and thinking in relation to our investments in our annual Co-Investor Letters, giving you an even clearer picture of how we aim to grow capital. We would be very pleased if you joined us on this journey