

NOVEMBER LETTER TO CLIENTS

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To Focused Compounding Capital Management Clients:

In last month's letter, I said you should expect your account to be: 1) More fully invested **and** 2) More highly concentrated. As I write this, your account is now: 28% in 1 stock, 50% in 2 stocks, 67% in 3 stocks, 83% in 4 stocks, and 98% in 5 stocks.

In the future, your account may hold non-U.S. stocks

I'm considering buying a U.K. stock. This is not a done deal. However, if and when I do buy a U.K. stock, I'll discuss exchange rates and their influence on your account.

I will talk performance only once a year – in my January letter

You can see your account's performance at any time. Contact Andrew for details. However, there will be no comments from me on performance except in my January 1st letter.

We may put out presentations on positions you own

Andrew and I have long discussed whether we should put out presentations on stocks you own. We would only do this once we were certain we'd finished buying a position for your account. As we may add to positions you own that have not yet reached the upper limit of how concentrated we'd like you to be – we could never be 100% sure we were done buying a stock unless that stock already made up more than 25% of your account. Right now, there is one and only one stock that makes up more than 25% of your portfolio. I'm unlikely to buy more shares of that stock for your account – regardless of how much I might like that stock – because I want to maintain a minimum level of diversification in your account. For that reason, it's possible Andrew and I might put out a presentation on that stock sometime in the next few months.

Sincerely,

Geoff Gannon

If you have any questions about your account, call or text Andrew at 469-207-5844 or email him at info@focusedcompounding.com