

A Note To Investors:

Mike and I wanted to share an update on upcoming changes you may notice as well as provide some clarity surrounding our specific roles and the investment management services we provide.

It is truly humbling looking back over the last four years and seeing how our incredible group of investors in the Saga Portfolio has grown. The success of the Saga Portfolio is directly tied to having investors who are long-term oriented and aligned with our investing philosophy. Any early success we may have had to-date is largely attributable to our investors supporting us through the inevitable ups and downs of the market. Mike and I do not take the burden of managing your hard-earned capital lightly.

What is changing:

New legal entity name and additional services: Before we launched the Saga Portfolio at the beginning of 2017, Mike was already running his own investment advisory that he started in 2011. Many of these accounts were managed in separate investment strategies. The Saga Portfolio was and continues to be an effort to focus on a core strategy. As our investors know, the Saga Portfolio is more concentrated and only focuses on our highest conviction ideas; thus, it is not necessarily suitable for everyone. After we launched the Saga Portfolio, Mike continued investing certain client accounts outside the Saga Portfolio based on their specific needs/suitability.

In order to better serve clients that may not be a fit for the Saga Portfolio, Mike will be formally offering additional portfolio strategies (more about these below). Saga Partners will not be managing these additional strategies or formally related from a portfolio management perspective. Therefore, in order to limit confusion we are changing the name of our parent legal entity to Luca Capital, LLC (www.lucacap.com/).

New analyst: We recently welcomed Richard Chu to the team as an investment analyst in August. He is extremely bright, has been fantastic to work with thus far, and has already provided great value. Richard will assist Mike and me with idea generation and research across all offerings. We are very excited to have him on the team!

What remains the same:

The Saga Portfolio: Absolutely nothing is changing in terms of the Saga Portfolio, how it is managed, or our partnership. Saga Partners will continue to have its own website (www.sagapartners.com), investors will continue to receive updated quarterly factsheets and semi-annual investor letters, and we will host our annual meeting for Saga Partners investors assuming social gatherings are permitted at that time. Saga Partners investors will not notice any change to their Schwab accounts. The investment advisor on your account statement will state doing business as Saga Partners.

Our structure:

My role: I will continue to work exclusively on the Saga Portfolio as the lead portfolio manager, maintaining final decision-making authority on investment activity. Mike will continue to provide support as co-portfolio manager of the Saga Portfolio as he has done historically.

Mike's role: In addition to helping manage the Saga Portfolio, Mike continues to provide consulting services and manages corporate, foundation, and ultra-high net worth clients. These assets and services are largely outside of the Saga Portfolio. As part of this work, Mike built out two other investment strategies mentioned above: The *Durable Growth Portfolio* started Oct. 1, 2019 and the *Wide-Moat Growth Portfolio* which he just launched Oct. 1st, 2020. Starting this quarter, he will be formally offering these strategies to outside investors under the Luca Capital, LLC name. Mike is the sole portfolio manager and decision maker for these strategies.

While nothing is really changing except that Mike will be formally offering other portfolio strategies and the name of the parent company will be Luca Capital, LLC, we hope this note helps to clarify our roles and the services we provide.

I could not have imagined a better business partner or co-portfolio manager than Mike. He pushes me, makes me a better investor, and makes the overall investing experience all the more enjoyable. Having Richard join our team has also been a truly wonderful experience so far.

Please reach out if you have any questions. We are always happy to hear from you. An updated quarterly factsheet for the Saga Portfolio will also be sent out shortly.

Regards,
Joe

