

# Fundamental Equity Investors **Focused on the Future**

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Q2 2024



See clearly.  
Invest confidently.



# Investment Strategy



Our strategy is structured for long-term investors seeking growth. We target companies trading below what we view as their fair value, with catalysts for future growth. We prioritize innovative businesses with a clear value proposition and strong growth potential.

# A core equity strategy for long-term investors

## OBJECTIVE:

Long-term capital appreciation with the goal of outperforming the S&P 500 Total Return Index over a rolling 5-year period.

## KEY CHARACTERISTICS

Growth-Oriented U.S. Equities

Long-Only

High Conviction “Best Ideas”

Horizon of 3+ Years

No Leverage

# Equity Growth Strategy Performance<sup>1,2</sup>

[ INVESTMENT STRATEGY ]

## INCEPTION

July 1, 2012

## MARKET CAP

Agnostic

## SECTOR

Agnostic

## CONCENTRATION

~15-25 Securities

## LEVERAGE

None

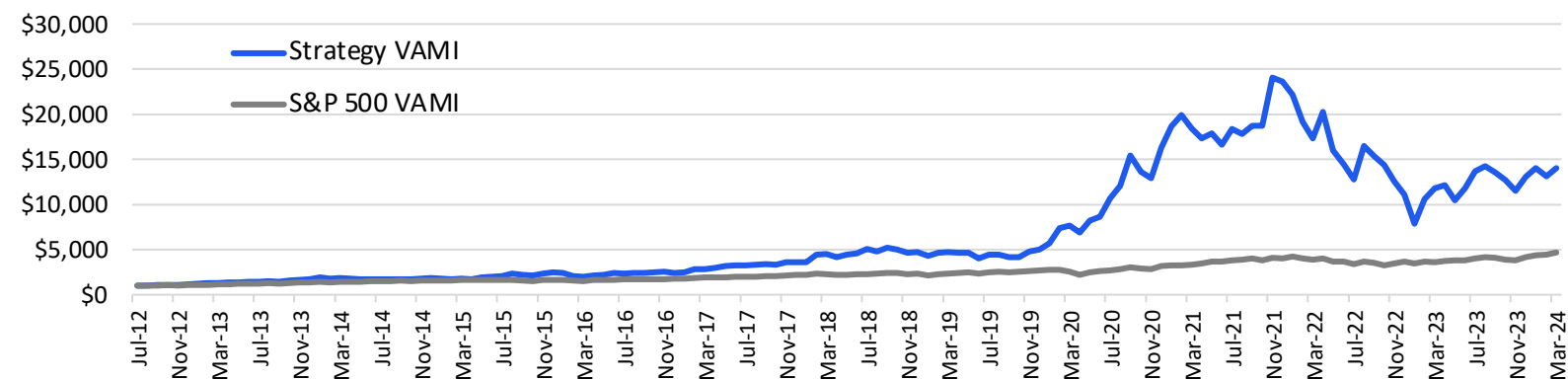
## BENCHMARK

S&P 500 TR Index

Strategy Net vs Benchmark Performance (%), as of March 31, 2024

	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Equity Growth Strategy Net	-0.26	15.44	-6.85	24.56	23.06	25.20
S&P 500 Total Return Index	10.56	29.87	11.50	15.06	12.96	14.34

Net Performance (VAMI), as of March 31, 2024



<sup>1</sup> See the Equity Growth Composite Disclosure Presentation in the Appendix for additional information and disclosures.

<sup>2</sup> Past performance is not indicative of future results. Returns for periods over 1 year are annualized.



# Research Process

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Our view of the stock market boils down to one simple idea: all companies are, to some extent, mispriced. Some are more mispriced than others, creating opportunities for investors with a long-term outlook.

# Deep, independent research & collaborative teamwork.

[ RESEARCH PROCESS ]

## RESEARCH FRAMEWORK

## PURPOSE

01	Vertical Segmentation	Select sectors based on where we believe mispricings are most likely to occur
02	Value Chain Analysis	Identify players within the sector(s) with traits that we view are likely to lead to outperformance
03	Focused Research	Develop internal notes, memos and financial models based on thorough research into a specific company
04	Valuation	Perform forward-looking valuation based on our research
05	Recommendation	Produce the investment memo (aka stock thesis) to be shared with the investment team
06	Decision & Implementation	Go, no-go decision to be made by the Chief Investment Officer; typically implemented following the Quarterly Portfolio Review

# 01 Vertical Segmentation

[ RESEARCH PROCESS ]

# 01

We focus our research efforts where mispricing may be most pronounced, in our view.

**Our team collaborates to segment the broader economy into different industry verticals.**

We focus on specific industries or industry sectors that are undergoing change in business or technology dynamics or those that may have fallen out of favor.



**Once our team has identified a specific industry sector where we believe a mispricing has occurred, we begin a rigorous and deliberate research process.**

This process strives to understand players within a given industry, with the goal of identifying which businesses are most likely to outperform.

# 02 Value Chain Analysis

Within a specific industry sector, we identify companies whose business models align with what we believe are value drivers.

[ RESEARCH PROCESS ]

# 02

## BUSINESS MODELS WE LIKE

### #1 Value Proposition

We look for customer-centric businesses relentlessly focused on improving their value proposition

### Land-grab Mentality

We want to own businesses that can be geographically diverse and accessible internationally

### Optimized For Scale

Industry verticals are trending towards “winner take all” or “winner take most” dynamics

### Platform Models

We love companies that act as a bridge between a mass audience and product / content producers

### Effective Capital Allocation

We look for management that generates cash flow and invests it back into the business through R&D, product development, etc.



# 03 Focused Research

Core to our team approach is capturing, sharing and discussing research and insights.

## KEY PILLARS OF OUR RESEARCH PROCESS:

- Sustainability
- Accountability
- Outcomes that improve performance

**Goal of research process:** Create long-term positive performance through a system that proactively identifies new opportunities and properly manages risk.

## Risk Controls + Idea Generation

- Daily risk monitoring
- Monday research huddle
- Bi-monthly new idea brainstorm
- Quarterly all-hands meeting and portfolio review
- Annual process refinement

# 04 Valuation

We focus on identifying the long-term cash-generating potential of each company's assets.

## CUSTOM VALUATION & MODELING

We create a custom valuation and modeling framework for each holding that we believe best **reflects its future business prospects and stage of maturity.**

The foundation for our valuation work is predicated on the discounting of future cash flows.

For current positions within the strategy, models are reviewed at least quarterly and updated as necessary to incorporate new information.

## Why custom valuations?

Each company and industry is unique. Where we look for opportunities, there is often a great deal of disagreement on future prospects.

By tailoring our valuation process to each opportunity, we believe we provide ourselves with the best chance of gaining an edge on the market.

# Portfolio Guidelines

[ PORTFOLIO MANAGEMENT ]

## PORTFOLIO DESIGN

- New positions are not greater than a 5% weighting
- The portfolio typically holds 15 to 25 securities
- The largest position will generally not exceed 15%; the smallest position will generally not be lower than 2.5%
- The portfolio is typically fully invested with no more than 5% of its assets in cash or cash equivalents

### **We adhere to a strict sell discipline. Scenarios under which we sell**

- 01** The company is approaching, meeting, or exceeding our valuation target
- 02** We believe we made a mistake in our evaluation and analysis
- 03** We believe there is a better use of capital



# Investment Team

[ TEAM ]



**Arne Alsin**

Chief Investment Officer & Founder

**Arne** is the founding CIO and portfolio manager of Nightview Capital. He brings over three decades of investment expertise, commencing in the mid-1990s.

Prior to Nightview, Arne founded and served as the CIO of Alsin Capital Management, where he managed The Turnaround Fund, a mutual fund focusing on value-oriented investments.

Degree and accreditation. Arne received his Doctor of Jurisprudence degree from the University of Oregon School of Law in 1984. He obtained his CPA certificate in 1985, gaining experience at KPMG Peat Marwick.

Recognition. Throughout his career, Arne has received national recognition across media outlets, including CNBC, Forbes, and Institutional Investor magazine.



**Eric Markowitz**

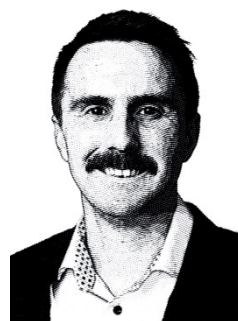
Director of Research

**Eric** directs all high-level research at the firm and actively participates in the day-to-day decision-making of the portfolio. He is also the author of The Nightcrawler, a popular, idea-driven weekly newsletter about investing, business, and technology. Eric joined Nightview Capital in 2016.

He previously worked as an award-winning investigative business journalist with bylines in *Inc.*, *The New Yorker*, *GQ*, and *Newsweek* magazine.

Degree. Eric graduated cum laude from New York University, holding a BA in Journalism with a concentration in Business.

Recognition. Eric is a prolific speaker and writer who has appeared on NPR, CNBC, and Fox Business. He is also a 2015 recipient of a Best in Business Award from the Society for Advancing Business Editing and Writing.



**Dan Crowley, CFA**

Portfolio Manager

**Dan** is responsible for investment research, financial modeling. He also plays a pivotal role in day-to-day investment decisions and portfolio construction.

With experience gained from previous positions at Gupta Wealth Management and Merrill Lynch, Dan brings a wealth of expertise to his role since joining Nightview Capital in 2016.

Degrees and accreditation. Dan is a graduate of Boston University with an MS in Investment Management. He also earned a BA from the University of Colorado with a degree in Molecular, Cellular & Development Biology. He is a CFA Charter holder.



**Cameron Tierney**

Research Analyst

**Cameron** is actively engaged in researching all investment opportunities while overseeing the firm's internal Research Management System (RMS). He is deeply committed to conducting in-depth, in-person research and due diligence for every potential investment. Cameron is also the author of Nightpixels, a weekly data-driven visual blog about investing, business and technology.

Cameron joined Nightview Capital in 2022.

Degree. Cameron graduated Summa Cum Laude with a BS in Finance from Bentley University in January 2022.

# Operations Team

[ TEAM ]



**Zak Lash, CFA**

Chief Operating Officer & CCO

**Zak** oversees the day-to-day operations of Nightview Capital, managing service providers, ensuring compliance, and handling internal management.

With a wealth of experience gained from previous positions at Altegris Investments, Commonwealth Financial Network, and Gupta Wealth Management, Zak brought his expertise to Nightview Capital in 2016.

Degree and accreditation. Zak is a CFA Charter holder and a graduate of the University of New Hampshire with a BS in Business Administration.



**Emily Bullock**

Compliance Officer

**Emily** oversees day-to-day compliance operations and collaborates with service providers to ensure the smooth functioning of the firm. She leverages her skills to uphold regulatory standards and enhance operational efficiency.

With a wealth of experience in compliance for registered investment advisers, regulatory audit support, compliance program formation and implementation, as well as compliance training, Emily brings invaluable expertise to her role. She joined Nightview Capital in 2020.

Degree. Emily holds a BA from the University of North Carolina.

# Equity Growth Composite Disclosure Presentation

[ GIPS COMPOSITE PRESENTATION ]

Year End	Total Firm Assets (USD Millions)**	Composite Assets (USD Millions)	Number of Accounts	Annual Net Performance Results Composite	S&P 500 Total Return	Composite Dispersion	Composite 3-YR Std. Dev.	Benchmark 3-YR Std. Dev.
2024***	70	17	1	-0.26%	10.56%	N.A. <sup>1</sup>	47.81%	17.35%
2023	103	17	1	79.07%	26.27%	N.A. <sup>1</sup>	47.95%	17.29%
2022	64	13	1	-64.56%	-18.10%	N.A. <sup>1</sup>	52.60%	20.87%
2021	341	38	1	18.71%	28.72%	N.A. <sup>1</sup>	40.86%	17.17%
2020	346	32	1	228.09%	18.40%	N.A. <sup>1</sup>	40.23%	18.53%
2019	88	11	1	32.25%	31.50%	N.A. <sup>1</sup>	25.82%	11.93%
2018	102	9	1	19.67%	-4.38%	N.A. <sup>1</sup>	23.69%	10.80%
2017	115	58	53	43.07%	21.83%	1.62%	19.59%	10.07%
2016	84	72	55	3.36%	11.96%	N.A. <sup>1</sup>	20.10%	10.74%
2015	93	76	69	37.84%	1.38%	5.56%	19.05%	10.62%
2014	71	59	61	-7.12%	13.69%	2.17%	N.A. <sup>2</sup>	N.A. <sup>2</sup>
2013	73	59	51	55.44%	32.39%	5.34%	N.A. <sup>2</sup>	N.A. <sup>2</sup>
2012*	36	25	31	22.09%	5.95%	N.A. <sup>1</sup>	N.A. <sup>2</sup>	N.A. <sup>2</sup>

\*Composite and benchmark performance are for the period July 1, 2012, through December 31, 2012.

\*\*Total firm assets presented prior to October 1, 2016, are those of Alsin Capital Management, Inc.

\*\*\*Composite and Benchmark data are for the period January 1, 2024 through March 31, 2024.

1 Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire period.

2 The three-year annualized standard deviation measures the variability of the composite net returns and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2012 through 2014 due to less than 36 months of composite and benchmark data.



## [ GIPS COMPOSITE PRESENTATION, CONTINUED ]

Equity Growth Composite: is comprised of a private fund managed by Nightview Capital that seeks long-term capital appreciation by investing in a portfolio of publicly traded equity securities identified as potentially exhibiting superior and sustainable growth compared with the broad market. The strategy will typically be concentrated in its top 5-10 holdings. There is no limitation or restriction on the industry and market capitalization of investments held or targeted. This strategy is highly concentrated and will have more stock specific risk and potentially lower correlation with the benchmark than a fully diversified strategy. This strategy may also be more volatile than the benchmark or a fully diversified strategy. Leverage is not used. The benchmark for this strategy is the S&P 500 Total Return Index. This index is a market-value weighted index that measures the total return, including price and dividends, of 500 leading companies in leading industries in the U.S. economy. It is not possible to invest directly in this index. The Equity Growth Composite inception date is July 1, 2012 and creation date is October 1, 2016. Prior to 8/1/2018 this composite contained separately managed accounts.

Nightview Capital, LLC ("Nightview Capital") claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Nightview Capital has been independently verified for the periods October 1, 2016 through December 31, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firmwide basis. The Equity Growth Composite has had a performance examination for the periods October 1, 2016 through December 31, 2022. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The information presented prior to 10/1/2016 occurred while the Portfolio Management Team was affiliated with a prior firm, Alsin Capital Management, Inc. ("Alsin Capital"). Alsin Capital was independently verified for the periods July 1, 2012 through September 30, 2016. While the composite was at the prior firm it received a performance examination. The prior firm track record has been reviewed by an independent accounting firm and conforms to the portability requirements of the GIPS standards.

Nightview Capital is a SEC registered independent investment adviser registered in accordance with the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill of training. More information about Nightview Capital, including investment strategies and objectives can be found in the firm ADV which is available upon request. A list of composite and pooled fund descriptions is also available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. Composite returns represent investors domiciled primarily in the United States. Past performance is not indicative of future results. This is not a recommendation to buy or sell any particular security and you should not assume that any security, sector, or holding discussed are or will be profitable, or that recommendations Nightview Capital makes in the future will be profitable or equal the performance herein. Nightview Capital reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.

The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees from 7/1/2012 through 9/30/2016. Starting 10/1/2016 and through 7/31/2018, net of fee returns were calculated using an annual model management fee of 2% which is the maximum fee charged to any account in the composite in such period. Effective 8/1/2018, net returns are calculated using actual management fees. These are net of accrued fund expenses as well as the management fee. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the net return of accounts in the composite the entire year prior to 1/1/17 and an equal-weighted standard deviation from 1/1/17 onward. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for the composite is 1.25%. The management fee schedule for the private fund, which is included in the composite since 3/1/18, and is the only account within the composite starting 8/1/2018, is 1.25% and the expense ratio as of 31 December 2023 was 1.5%.

As of January 1, 2024, the firm name was updated from Worm Capital, LLC to Nightview Capital, LLC.



# Thank You



See clearly.  
Invest confidently.

## Contact Us

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COO & CCO

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\*The Nightcrawler is a weekly collection of research that lets you stay abreast of all things technology, innovation, and long-term investing. The Nightcrawler is written by Eric Markowitz, Nightview Capital's Director of Research. Sign up at [nightviewcapital.com](https://nightviewcapital.com).