



The GoodHaven Fund 2025 Semi-Annual Letter to Shareholders

PERFORMANCE as of May 31, 2025

| | 6 Months Ended <u>05/31/2025</u> | 1 Year Ended <u>05/31/2025</u> | 3 Year Annualized as of <u>05/31/2025</u> | 12/31/19- 05/31/25 Annualized as of <u>05/31/2025</u> | 5 Years Annualized as of <u>05/31/2025</u> | 10 Years Annualized as of <u>05/31/2025</u> | Since Incept. ¹ Annualized as of <u>05/31/2025</u> |
|----------------------------------|--|--------------------------------------|--|---|---|--|---|
| GOODX | -5.90% | 5.90% | 14.92% | 13.86% | 19.59% | 8.42% | 7.83% |
| S&P 500 Index ² | -1.35% | 13.52% | 14.41% | 13.56% | 15.93% | 12.85% | 13.24% |
| FT Wilshire 5000 Full Cap Index | -2.46% | 13.46% | 13.87% | 12.75% | 15.08% | 12.02% | 12.55% |
| CS Hedge Fund Index ³ | 2.97% | 6.52% | 5.90% | 6.31% | 7.82% | 4.38% | 4.49% |

Please click [here](#) for most recent standardized fund performance.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling (855) OK-GOODX or (855) 654-6639. The annualized gross expense ratio of the GoodHaven Fund is 1.10%.

“You never reach a final answer in this business - you reach a point of action that you take”

- Warren Buffett, 2025 Berkshire Hathaway Annual Meeting

July 7, 2025

After a long run of consistent outperformance, we underperformed in the 2025 semi-annual period. The Fund declined 5.90% versus the S&P 500's decline of 1.35%.

Our results since the start of GoodHaven 2.0 (12/31/19) through 5/31/25 are a strong total return of 101.99% versus the S&P 500's total return of 99.11%. We feel we have accomplished this while taking less risk than the market overall. While we wonder if there is a perfect “category” for our unique portfolio we note that, according to Morningstar, we ranked (at 5/31/25) in the top 1% of our category for both three and five-year periods.⁴

As we have said consistently over those prior periods of outperformance:

¹ The Fund commenced operations on April 8, 2011

² With dividends reinvested

³ Hedge Fund Index performance figures are supplied on a month end basis and are provided for illustrative purposes as a broad equity alternative asset class only. Accordingly, “since inception” hedge fund index performance figures reflect a start date of 3/31/11 and an end date of 05/31/25. Source: Bloomberg

⁴ Per Morningstar (as of 05/31/2025 in the Large value category), the GoodHaven Fund was ranked in the top 76% for 1YR (vs. 1040 funds), top 1% for 3YR (vs. 992 funds), top 1% for 5 YR (vs. 940 funds), and top 60% for 10YR (vs. 742 funds).

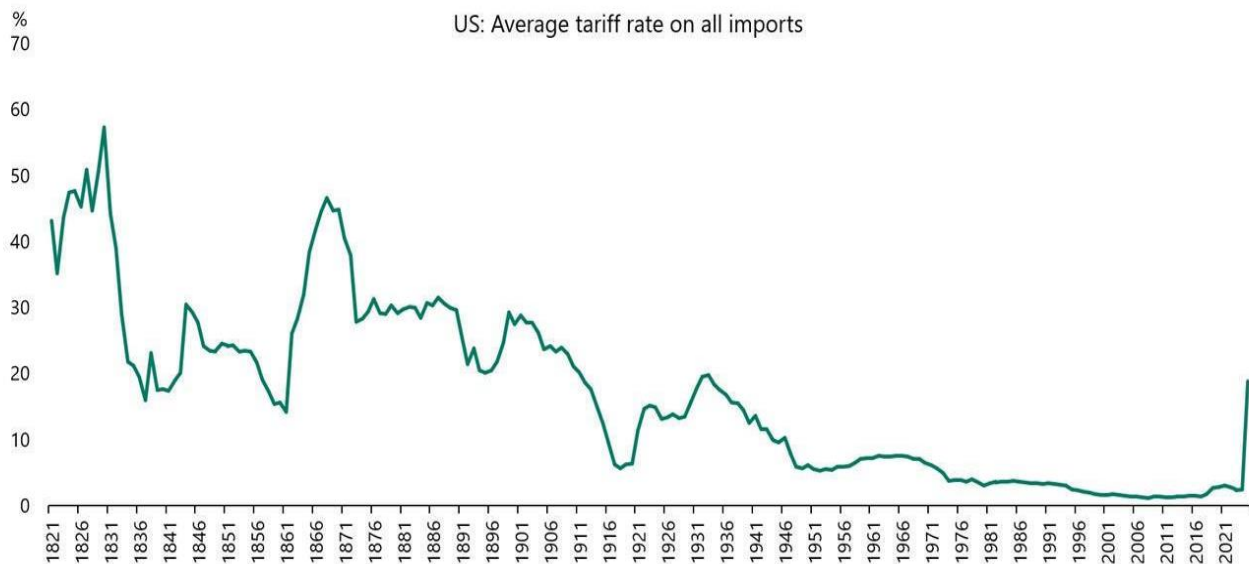


“While this period continues a string of strong results, we take this moment to remind you that our portfolio is managed striving for long-term outperformance, not short-term outperformance. We will underperform the market averages from time to time. We hope you will view such periods when they come as opportunities, as we expect we will.”⁵

We had no material realized losses in the period and our companies have overall delivered better recent business performance than we expected. The upside market potential of many of our holdings now looks more promising than it has recently.

Since we last wrote to you, a benign economic climate of modest growth and declining inflation has been replaced by volatile trade related economic conditions and a military conflict with Iran. The White House’s April announcement of proposed materially higher tariffs for many countries we have cross-border trade with has been followed by counter measures by some countries, and a confusing mixture of backtracking, negotiating, tentative deals and no shortage of economic and market volatility.

Below is a chart from Apollo’s Torsten Slok showing US average tariffs over time, however we note that current tariff rates are not final and are subject to change. During the 2018 trade war with China, the average tariff went up from 2% to 3%. Today, the average tariff is 18%.⁶



All volatile periods are different, and while the past holds clues to the future, a different set of unknowns always presents itself. I do not think this tariff focused approach is a thoughtful way to improve terms of international trade and/or our current account deficit. Material tariffs increase the risk of higher inflation, which has most recently returned to more normal levels, as well as potentially hindering overall economic growth. However, this approach is now part of the policy landscape.

⁵ [GoodHaven 2024 Semi Annual Letter to Shareholders](#)

⁶ <https://www.apolloacademy.com/the-negative-impact-of-tariffs-on-earnings/>



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We have a manageable overall exposure to companies directly impacted by these new tariffs. However, their magnitude and the potential second order negative impacts on many industries makes their potential economic impact more worrisome than it looked a few months ago. We know from prior volatile market and economic periods that volatility can create bargains in the securities markets. We also know that this situation may change materially from what we are looking at today.

Most importantly - we know that our portfolio is made up of high-quality businesses, modestly leveraged and trading at in aggregate below market valuations. We also feel that, as we have shown in the past, we know how to use difficult environments to position our portfolios for continued attractive long-term returns. Our strong returns since the start of GoodHaven 2.0 were due in no small part to opportunistic purchases made during the 2020 and 2022 downturns.

As I have mentioned in recent letters, the current structural make-up of markets brings with it more volatility, sometimes accompanied by actual economic dislocations, and sometimes unwarranted. Macro events are evolving and changing rapidly and we will continue to assess the underlying impact to the companies that we own.

TABLE OF TOP 5 CONTRIBUTORS & DETRACTORS (\$) FOR THE SEMI-ANNUAL PERIOD

Contributors (11/30/2024- 05/31/2025)

TerraVest Industries Inc.
Berkshire Hathaway Inc.—Class B
Federal Natl Mtg Assn Pfd 8.25% Sr T
Progressive Corp.
Chubb Limited

Detractors (11/30/2024 – 05/31/2025)

Builders FirstSource Inc.
Jefferies Financial Group Inc.
Lennar Corp Cl B
KKR & Co Cl A
Vitesse Energy Inc.

Our biggest detractor in the period was our long-time successful holding Builders FirstSource. Our historic thesis on Builders reads well today - as they navigate through a period of lower housing starts and lumber prices. We expect over time to own a greater percentage of this unique company as they opportunistically continue to shrink their outstanding shares:

“Since the inception of its buyback program in August 2021 through April 30, 2025, the Company has repurchased 99.3 million shares of its common stock, or 48.1% of its total shares outstanding, at an average price of \$80.90 per share for a total cost of \$8.0 billion, inclusive of applicable fees and taxes.”⁷

Builders’ Chairman Paul Levy personally purchased approximately \$55 million of Builders shares in May 2025 at about \$111/share - one of the largest personal insider purchases we have seen lately. We too think we have much upside potential in our Builders position from recent levels.

Our next biggest decliner was our historic winner Jefferies.

Last period, recapping our strong 2024 results, we wrote to you and said:

“However, we too have benefited from some of our holdings now trading at higher earnings multiples than previous. We strive to simultaneously think about both the upside and the downside of both the underlying value of our holdings and their market prices in relation to such value. We will normally not sell an attractive long-term holding just because its market price is no longer as cheap as it was or is fairly valued. Cutting the flowers and watering the weeds can be a very counterproductive exercise over time to compound returns, not to mention being

⁷ <https://investors.bldr.com/news/news-details/2025/Builders-FirstSource-Announces-500-Million-Share-Repurchase-Authorization/default.aspx>



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tax inefficient. However, we will also seek to avoid holding something we like if we feel the market price has borrowed too much from future performance.”⁸

We wrote this as a general market and portfolio observation and reminder of our approach. But we also had in mind at the time a few of our holdings, including last year’s biggest winner - Jefferies.

The last few years were filled with strong progress at Jefferies, and their business outlook at fiscal year-end was promising and its stock price reflected as much. However, the last few months have instead been met with an abrupt and material slowdown in capital markets activity partially offset by increased trading volumes recently, and less robust results at Jefferies. This led to a material recent stock price decline. Jefferies has done well with the things they can control, but they cannot control the capital markets overall climate.

Our long-term outlook for continued value creation at Jefferies remains. With a stock price now trading around stated book value, and a bit over 10x earnings in an improving, but not robust environment, much upside exists.

Our biggest dollar gainer in the period was TerraVest. One of the unseen but important portfolio “activities” we have performed in the last few years was not selling any of our TerraVest shares as the price increased materially. This long-term perspective was rewarded as near the end of the period TerraVest caught “the big one”, announcing the acquisition of EnTrans International in March 2025.

EnTrans, based in Tennessee, was purchased for over \$500 million, TerraVest’s biggest acquisition by far. EnTrans is the industry leading manufacturer of tank trailers, heavy haul trailers and LPG transportation equipment. In typical TerraVest fashion, the acquisition price of 7X EBITDA (before synergies) is an attractive price for this high-quality company. This deal has the potential to increase TerraVest’s normalized free cash flow 30% in the near-term. Like some of our other successful holdings we remind ourselves that there is cyclicity to some of TerraVest’s businesses.

Berkshire was our next biggest gainer in the period. In another selfless act amidst a lifetime of selfless behavior Mr. Buffett, and subsequently the Berkshire Board of Directors, confirmed that Greg Abel will assume the CEO role at Berkshire after year-end 2025. Mr. Buffett, who at 94 still thoughtfully tackled hours of questions at this year’s meeting, will for now remain Chairman. Contrary to criticisms of Berkshire’s succession plans, this is one of the more well telegraphed plans we’ve seen. We shall at some point write much more about Mr. Buffett. Berkshire’s business results have been solid and our returns since we made it a larger holding have been attractive - as we’ve previously articulated.

Our biggest additions in the period were; Arrow Electronics, Chubb, Lennar (B) and Asbury Automotive. Our largest sale was Millrose Properties, a spin-off we received from Lennar, which we sold when the shares were publicly traded. In addition, we fully exited our holding in Academy Sports in March of this year.

We also eliminated our holdings in Camden Property, Fannie Mae (common) and Global Industrial, as well as reducing Bank of America. We initiated a new position in Toll Brothers.

We experienced shareholder outflows in the period which impacted some of our activity.

Subsequent to the period end Guild Holdings - a smaller holding - agreed to be purchased in a going private transaction. While we had hoped to own Guild shares for a long time, our total return on the position since our purchases in 2021 is approximately 65% including special dividends and assuming the acquisition price of \$20 in cash.

⁸ [GoodHaven 2024 Annual Letter to Shareholders](#)



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Although corporate M&A optionality is not a core thesis for our positions, we do note that Guild Mortgage represents the third company of ours recently taken over. As a reminder the other two were STORE Capital and Alleghany in 2022.

We have been writing for a while about the long-term unsustainable path the domestic fiscal deficit is on, and concurrent long-term worries about the US Dollar. The administration's tariff policy may exacerbate this. Additionally, the Congressional Budget Office (CBO) in May 2025 reported that the then proposed new tax bill, subsequently signed into law, would increase the deficit by approximately \$3.3 trillion over the 2025 - 2034 period.⁹

We also consciously have a decent sized exposure to companies domiciled outside the United States including TerraVest and Exor. A weaker US Dollar, all else being equal, should be beneficial to the carrying value of these holdings, where we do not hedge our foreign currency exposure.

Speaking of Exor, the company recently announced a reverse tender, which we think is a thoughtful approach to repurchasing shares. We continue to like Exor's long-term outlook and did not tender any shares.

As I typically do annually, I added to my Fund holdings in the period.

As of May 31, 2025, my family and I and the team here at GoodHaven Capital Management, LLC, the investment advisor to the GoodHaven Fund, owned approximately 132,529 shares of the Fund. It is management's intention to disclose such holdings (in the aggregate) in this section of the Fund's Annual and Semi-Annual letters on an ongoing basis.

I thank all fellow shareholders for their continued confidence as GoodHaven 2.0 continues to unfold. I also thank our Fund Board of Trustees and our long-time partner and investor Markel for their support and wise counsel.

Stay healthy and safe and forward we go.

A handwritten signature in black ink, appearing to read "Larry Pitkowsky", with a stylized, cursive flourish.

Larry Pitkowsky

⁹ <https://www.wsj.com/opinion/make-america-solvent-again-growing-risk-debt-financial-crisis>



Mutual fund investing involves risk. Principal loss is possible. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund invests in midcap and smaller capitalization companies, which involve additional risks such as limited liquidity and greater volatility. The Fund may invest in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are enhanced in emerging markets. The Fund may invest in REITs, which are subject to additional risks associated with direct ownership of real property including decline in value, economic conditions, operating expenses, and property taxes. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in lower-rated, non-rated and distressed securities present a greater risk of loss to principal and interest than higher-rated securities.

The opinions expressed are those of Larry Pitkowsky through the end of the period for this report, are subject to change, and are not intended to be a forecast of future events, a guarantee of future results, nor investment advice. This material may include statements that constitute “forward-looking statements” under the U.S. securities laws. Forward-looking statements include, among other things, projections, estimates, and information about possible or future results related to the Fund, market or regulatory developments. The views expressed herein are not guarantees of future performance or economic results and involve certain risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially from the views expressed herein. The views expressed herein are subject to change at any time based upon economic, market, or other conditions and GoodHaven undertakes no obligation to update the views expressed herein. While we have gathered this information from sources believed to be reliable, GoodHaven cannot guarantee the accuracy of the information provided. Any discussions of specific securities or sectors should not be considered a recommendation to buy or sell those securities. The views expressed herein (including any forward-looking statement) may not be relied upon as investment advice or as an indication of the Fund’s trading intent. Information included herein is not an indication of the Fund’s future portfolio composition.

Fund holdings and sector allocations are subject to change and are not a recommendation to buy or sell any security. Please see the Schedule of Investments for a complete list of Fund holdings.

It is not possible to invest directly in an index. Must be preceded or accompanied by a prospectus.

The S&P 500 Index is a capitalization weighted index of 500 large capitalization stocks which is designed to measure broad domestic securities markets.

The FT Wilshire 5000 Full Cap Index is designed to measure the full market capitalization of equities in the US Market. This index replaced the Wilshire 5000 Total Market Index (full-cap) as of May 31, 2023.

CS Hedge Fund Index is an asset-weighted hedge fund index derived from the TASS database of more than 5000 funds. The index consists of funds with a minimum of US \$10 million under management and a current audited financial statement. Funds are separated into primary subcategories based on investment style. The index in all cases represents at least 85% of the assets under management in the universe. The index is rebalanced monthly, and funds are reselected on a quarterly basis. Index NAVs are updated on the 15th of each month.

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References to other mutual funds should not be interpreted as an offer of these securities. Please see the Schedule of Investments for a full list of fund holdings.

The GoodHaven Fund is distributed by Quasar Distributors, LLC

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