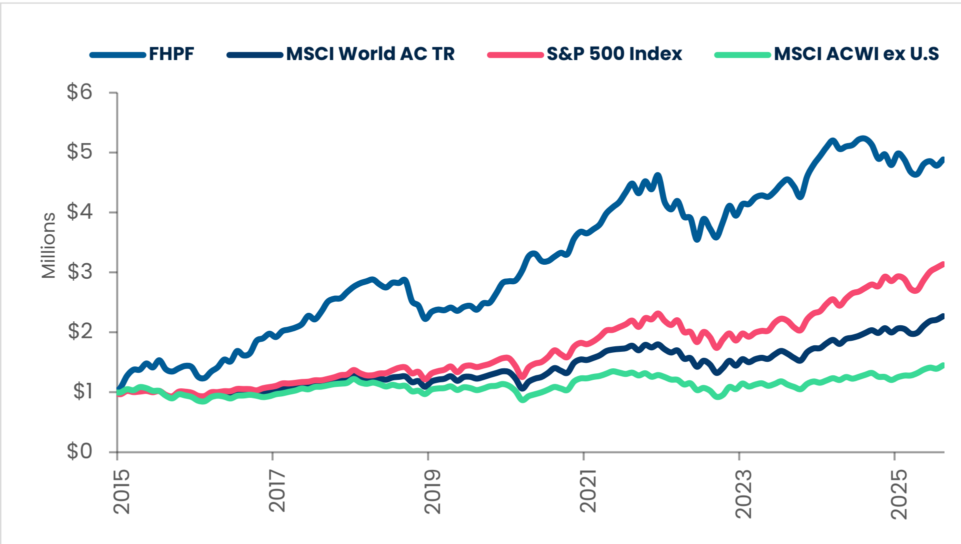
Fountainhead Partnerships Fund (FHPF)

Investor Letter

November 2025

Since the launch of Fountainhead Partnerships Fund (FHPF), we have remained committed to delivering superior risk-adjusted returns through non-consensus positioning while strictly protecting capital from large drawdowns. We have always maintained that a narrow, concentrated market, driven by a single expensive sector or a handful of stocks, is an inherently hostile environment for our fundamental valuation driven approach. The past sixteen months have exemplified precisely that challenge.

In this letter, we will share our current market view, outline the strategy required to navigate this regime shift, and detail how the portfolio is positioned to benefit. We will also draw lessons from legendary investment managers who successfully navigated similar episodes of market bubbles and extreme valuations in the late 1990s. If the performance of November 2025 foreshadows a protracted market decline, our performance this month may provide meaningful comfort to our investors.



The Importance of Discipline and the Long-Term View

"The Magellan Fund averaged nearly 29% a year during my tenure… The average investor made only 7%, many actually lost money because they jumped in and out at the wrong times." **— Peter Lynch**

Fountainhead's strategy has been consistent from day one: to invest in quality businesses that demonstrate a strong growth profile at attractive valuations. We have been fully transparent with our investors that FHPF will not participate in market manias or consensus positioning that chases returns in areas outside of our circle of competency. We asked our investors to view us as a portfolio diversifier, a component that performs well when the overall equity market may be under pressure.

We recognize that investors have appropriately raised questions regarding our underperformance over the last six quarters and our positioning. We maintain complete transparency about the businesses we own, and our conviction that these companies will generate strong future returns. Over a full market cycle, we will inevitably make mistakes, but we remain confident that our losers will be fewer than our winners. We are grateful for our investors' continued trust and support of our strategy and ability.

"Errors of omission are the big sins… The mistakes you don't see are way bigger than the ones you see. The nature of not doing very many things — and being careful about them — probably keeps you from making big errors of commission."* — *Warren Buffett

Introspection: Refining Our Process Through Lessons Learned

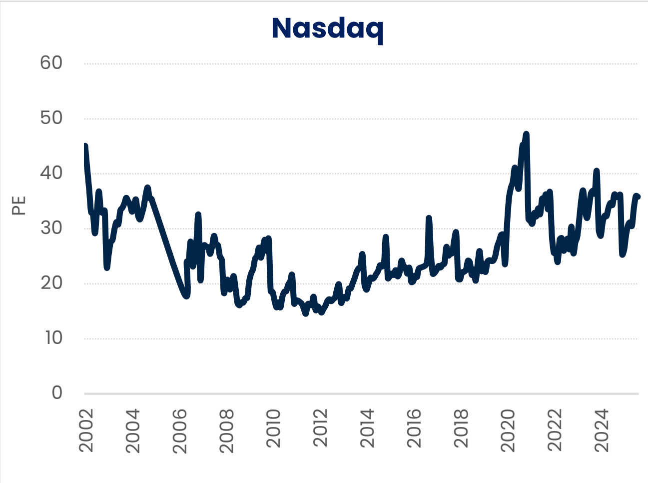
For the past six quarters, we have constantly challenged our approach to navigating the current market environment. A period of significant underperformance forces the question: Was the decision to reduce our technology exposure prudent?

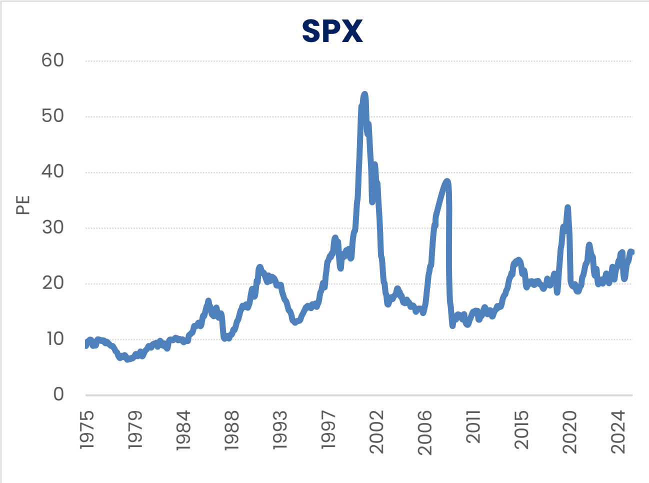
In our internal review, we concede that we underestimated both the velocity of AI adoption and, critically, overestimated the risk premium the market would assign to the large capital expenditure (capex) and regulatory headwinds faced by key technology companies. In our analysis most of our underperformance is due to the act of omissions- not buying tech stocks that were cheap, than acts of commissions- holding healthcare stocks through their biggest ever correction. We have made internal adjustments into our process and are reasonably confident that we would not be repeating the similar mistakes. While we successfully executed a timely trade in Meta in April 2025, entering near the bottom and exiting before the peak, we should have been more aggressive and open-minded when the fundamental valuations of quality tech names were attractive. We have made internal adjustments to our process, integrating a better framework for assessing secular change against valuation risk—and are confident this will prevent similar errors moving forward.

Positioned for the Trade Beyond AI

One of the most dangerous traps in investment management is drawing the wrong lessons from periods of underperformance. Fear of missing out (FOMO), combined with potential redemption pressure, has historically caused managers to capitulate at market peaks, effectively doubling down on style mistakes. We will not make that error.

Market Valuations: Very Expensive





Our current positioning is anchored by two core strategic views:

1. **Equity markets are significantly overvalued** versus historical norms. While the exact duration of this late-cycle bubble is debatable, starting from current valuations, long-term expected returns are inherently poor.

2. **The post-tech-bubble playbook is instructive**. Our detailed analysis of the 1990s cycle focused on comparison of current market structure, valuations, investor positioning, and corporate capital allocation to the late 1990s and identification of which investment managers/funds outperformed heading into the peak and, crucially, who performed better post-bubble burst.

Our conclusion is clear

The era of high-multiple, high-growth speculation is likely approaching its end. We anticipate a regime shift where companies with durable business models, defensible earnings, and modest but reliable growth will significantly outperform the richly valued growth complex. This is consistent with history. It is a fantasy to position aggressively for upside during a bubble and hope to exit unscathed; history shows almost no one consistently succeeds at this.

With patience, investors can produce strong returns even in a declining market by owning boring quality companies with attractive valuation and durable business models. Funds holding cheaper stocks and sectors eventually outperformed both the broader market and the technology sector after the last bubble.

Macro View: 1990s Bubble Comparison

The current AI cycle is most often compared to the late 1990s dot-com bubble for good reason. Both are hopefully "productive" bubbles, in that they generate useful long-term economic utility, unlike the 2008 financial crisis, which was just a disaster.

Crucially, the current environment shares another key similarity with the 1990s: diversification remains possible. While US large caps are expensive, numerous other stocks offer a decent risk-reward profile. In the hindsight of the 2000-2003 crash, which saw the S&P 500 fall 45% in real terms, it was still possible to generate money by owning stocks that were attractively priced and had sturdy business models.

Unlike the bubbles of 2007/08 or 2021, where few assets offered attractive prospects, today, value stocks both in US and globally, remain a compelling alternative.

If our assessment is correct and the current market overvaluation—driven largely by the technology sector—has reached its peak, then it becomes especially instructive to analyse how markets historically behave once technology leadership fades. The last tech bubble of 1990s provides some insight. Heading into the peak of the market in March 2000, technology sector went up 260% in the previous two and half years. During this period every other notable sector underperformed the broader market.

	Dec 1997- Mar 2000		**Apr 2000-Dec 2003**	
S&P 500		54%		-26%
Technology sector	Massive outperformance	260%	Massive underperformance	-65%
Industrials	Underperformed by 25%	29%	Outperformed by 20%	-7%
Healthcare	Underperformed by 29%	26%	Outperformed by 20%	7%
Financials	Underperformed by 40%	14%	Outperformed by 42%	16%
Consumers staple	Underperformed by 75%	-22%	Outperformed by 55%	30%

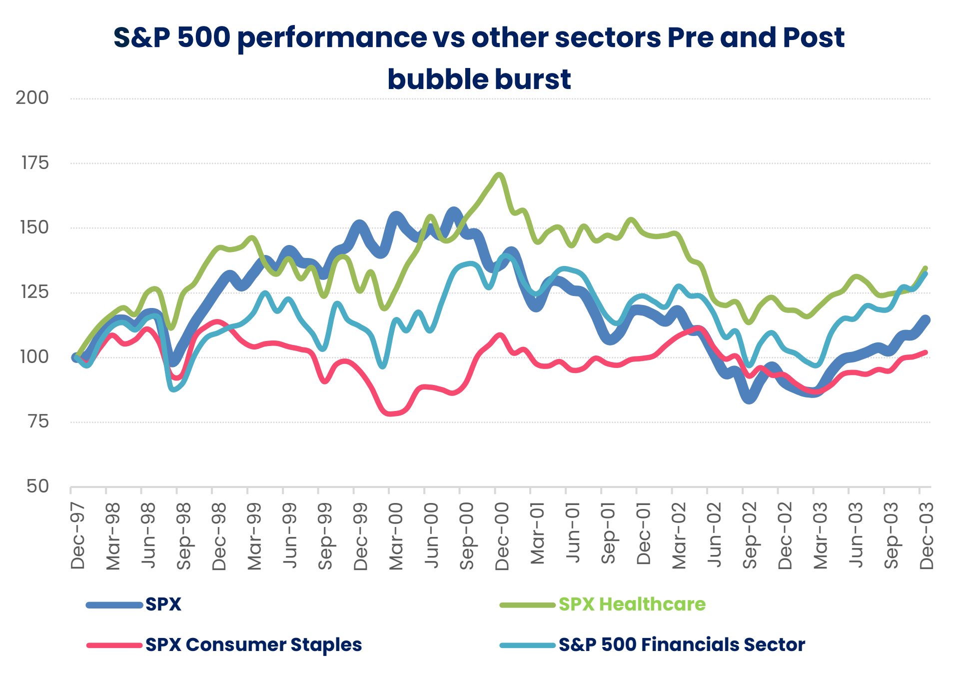
It is fascinating to see the similarities in how lopsided the market can become during the period of bubbles! Current stock market environment where technology is the only sector that has outperformed the market is very similar to what happened in 1990s tech bubble. Last two years look very similar both in absolute and relative terms to 1990s peak.

Jan 2023- October 2025			PE multiple (31-Oct-2025)
S&P 500	78%		25.8
Technology sector	174%	Massive outperformance	38.4
Industrials	58%	Underperformed by 20%	27.9
Healthcare	6%	Underperformed by 72%	19
Financials	53%	Underperformed by 25%	17.2
Consumers staple	9%	Underperformed by 70%	21.8

Valuation Regains Its Rightful Place

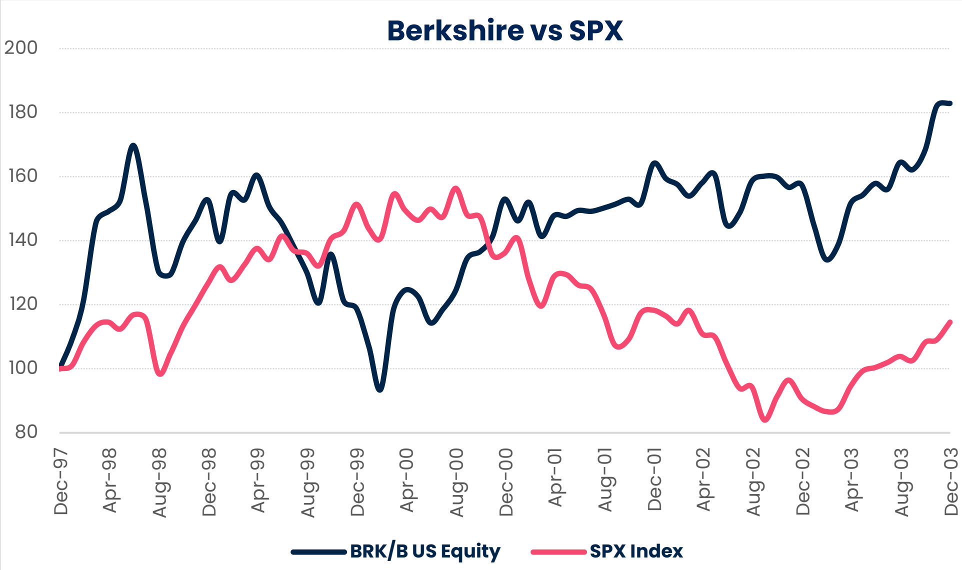
Long-term returns are determined by three main drivers: Growth, Quality, and Valuation. During periods of irrationality (when capex is driven by market share battles or survival rather than disciplined ROI), the vast majority of investors favor Growth overwhelmingly. Companies, particularly in the tech sector, invest heavily to avoid obsolescence, leading to massive overcapacity and intense competition.

Healthcare outperformed due to secular/long term drivers. Financials outperformance was driven by explosion of derivates at wall street.



Eventually, investors pivot, questioning the overspending and lack of return on invested capital. At this point, Valuation regains its rightful place as the most important driver of future returns. Market leadership then rotates toward sectors with defensible growth and away from highly speculative sectors.

Berkshire Hathway: Heading into market peak, Berkshire stock had a negative return for previous 2.5 years. It went up 47% over the next four years while the S&P 500 fell 23%. Over the full 1997–2003 cycle, Berkshire delivered an 83% return versus just 15% for the



Our deep research into funds during the 1997-2003 period confirms this discipline. However, during those phases, even the greatest investors felt the pain, as evidenced by Berkshire Hathaway's 1999 shareholder letter:

The numbers on the facing page show just how poor our 1999 record was. We had the worst absolute performance of my tenure and, compared to the S&P, the worst relative performance as well.

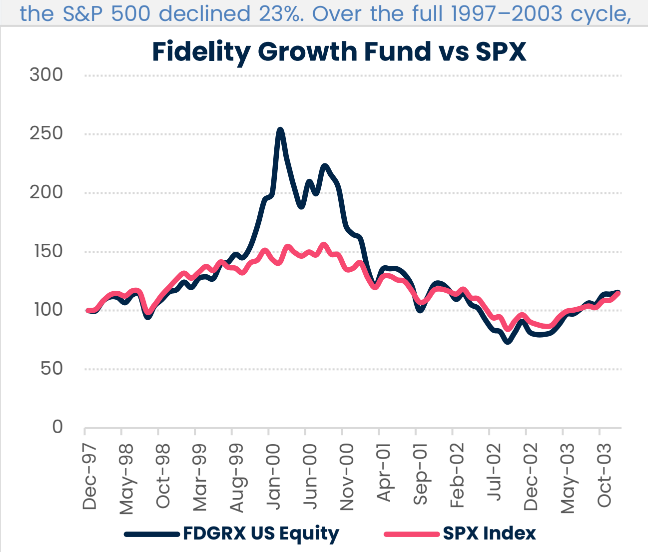
Berkshire Hathaway 1999 shareholder letter

Better returns for the patient investors

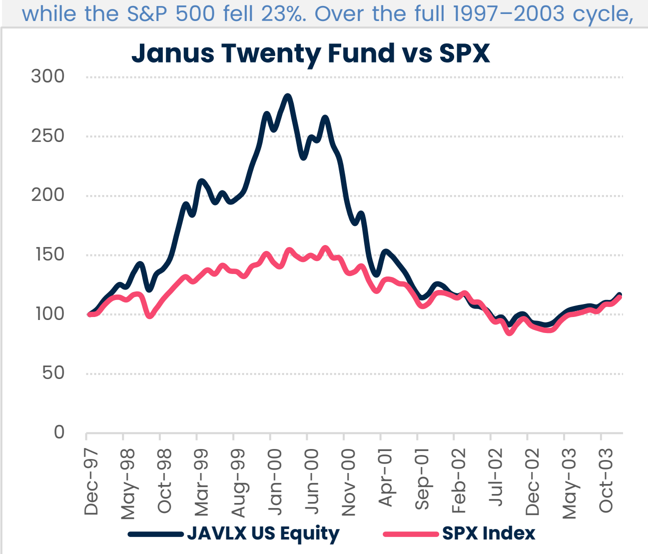
Name	Dec 1997- Mar 2000	Apr 2000-Dec 2003	Dec 1997-Dec 2003 Over the entire cycle
S&P 500	**54%**	**-23%**	**15%**
Berkshire Hathaway	**18%**	**47%**	**83%**
OAKMARK SELECT FUND	15%	53%	75%
AMG YACKTMAN FUND	-39%	85%	8%
JANUS TWENTY FUND	184%	-55%	17%
FIDELITY GROWTH COMPANY	129%	-44%	16%

It was interesting to analyse the reputable investors track record of pre and post bubble period (1998-2000 and from Mid 2000 to 2003). Funds dominated by technology, like Janus Twenty and Fidelity Growth, posted massive returns leading into the peak, only to suffer catastrophic losses afterward. In contrast, valuation-biased funds like Oakmark and Yacktman—despite severe underperformance in the run-up—not only made up the weak performance but significantly outperformed over the entire cycle.

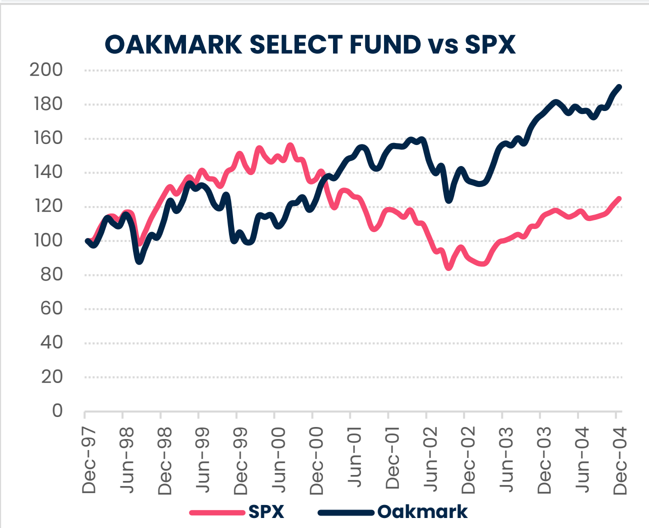
Fidelity Growth Fund: Up 128% heading into the 2.5-year market peak. Then fell 44% over the next four years while the S&P 500 declined 23%. Over the full 1997–2003 cycle,



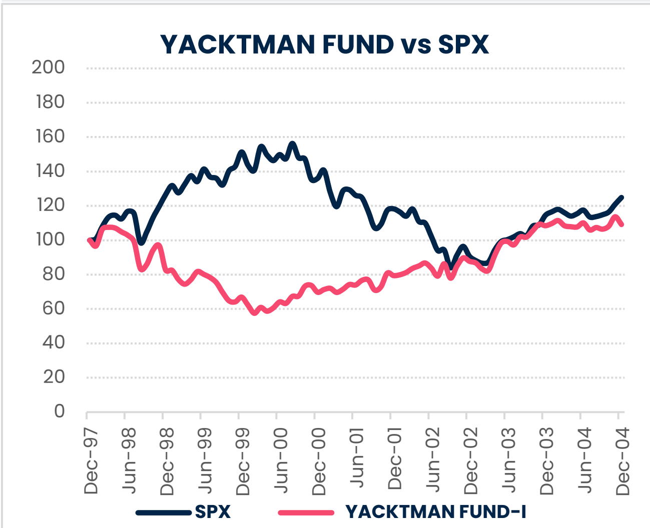
Janus Twenty Fund: Up 184% heading into the 2.5-year market peak. Then declined 55% over the next four years while the S&P 500 fell 23%. Over the full 1997–2003 cycle,

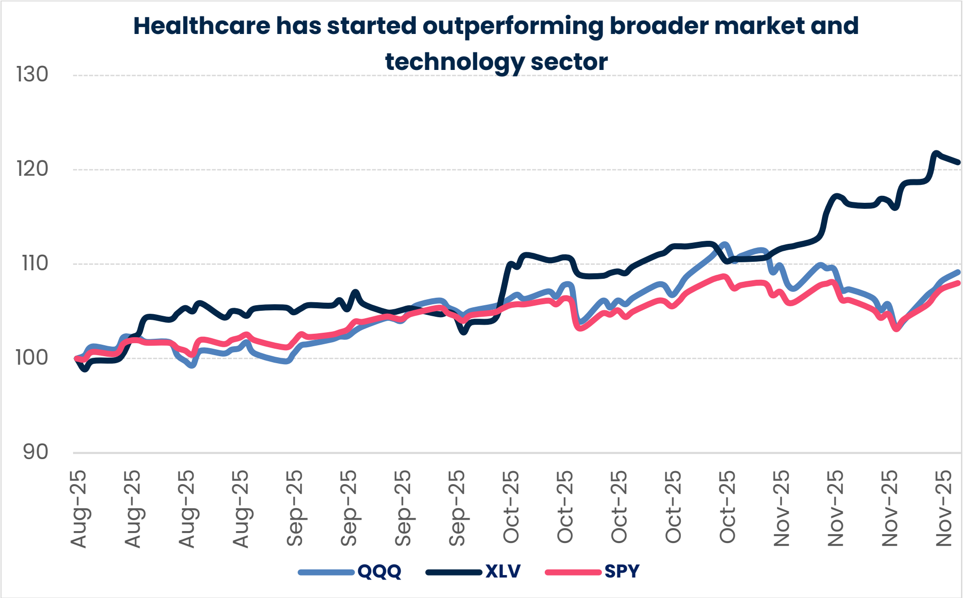


Oakmark Fund: Zero return for 2 and a half years heading into market peak. Then went up 90% in the next 4 years whole market was still down 30% from its peak.



Yacktman Fund: Down 40% heading into 2 and a half years market peak. Then went up 120% in the next 4 years whole market was still down 30% from its peak.





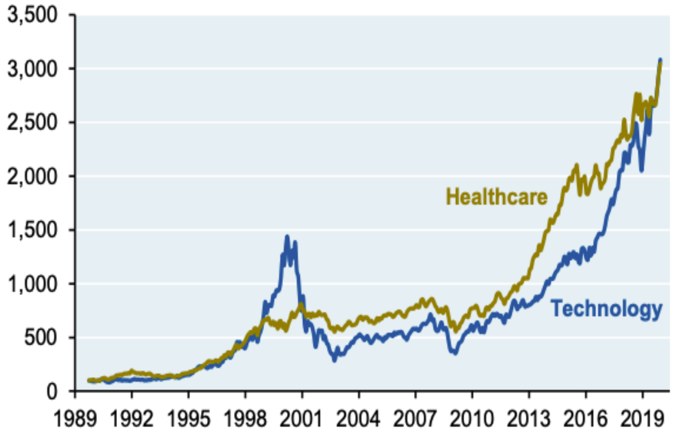
Healthcare: Our Anchor and Opportunity

While it is impossible to convincingly call a market top or bottom, signs are emerging that the technology-driven market has reached an inflection point, with other sectors, like Healthcare, starting to outperform the broader market.

Our portfolio is currently heavily weighted toward healthcare and lower-valuation stocks. This pivot toward a more value driven bias has been painful but necessary and disciplined.

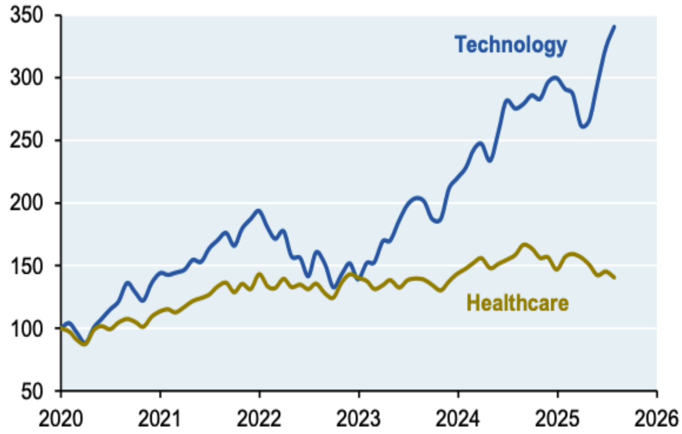
Healthcare has always been a defining strength of FHPF, generating over 70% of our cumulative returns since inception (2015). Yet, the last 18 months have been the toughest period for the sector in decades, with healthcare falling 20% from peak to trough while the S&P 500 rose 10%.

S&P 500 healthcare vs technology, 1989-2019
Total return index (100 = September 1989)



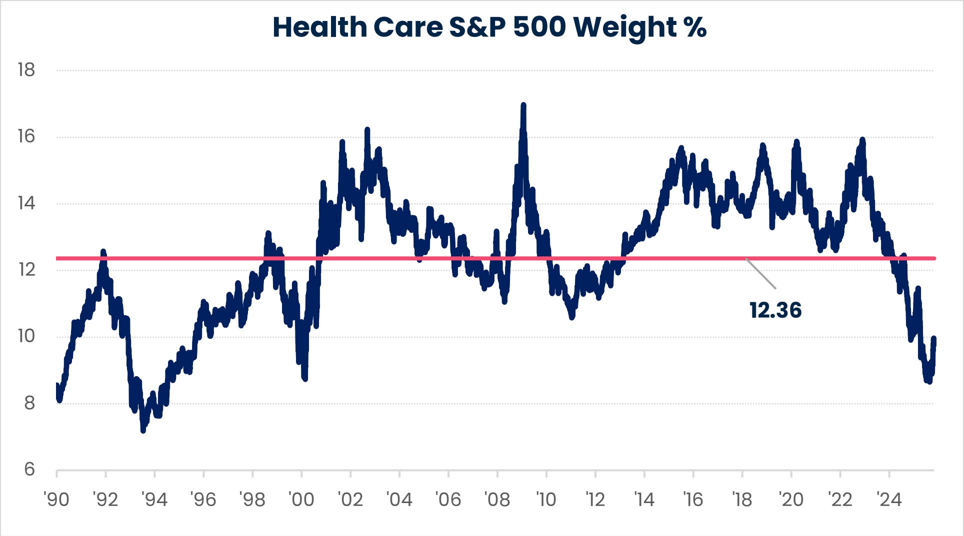
Source: Bloomberg, JPMAM, July 2025

S&P 500 healthcare vs technology, 2019-2025
Total return index (100 = December 2019)



Source: Bloomberg, JPMAM, July 2025

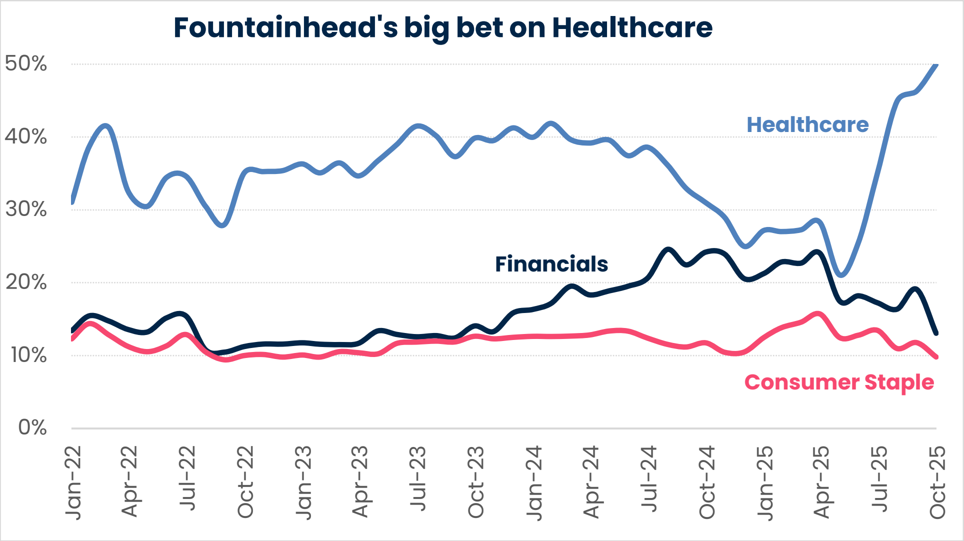
We favor healthcare stocks because companies in this sector possess all the attributes for long-term compounding: sturdy, defensive earnings, strong long-term secular growth tailwinds, and highly attractive valuations. Historically, the healthcare sector has delivered the best risk-adjusted returns in the stock market over the very long term.



We believe the sector has bottomed and is poised for significant outperformance as:

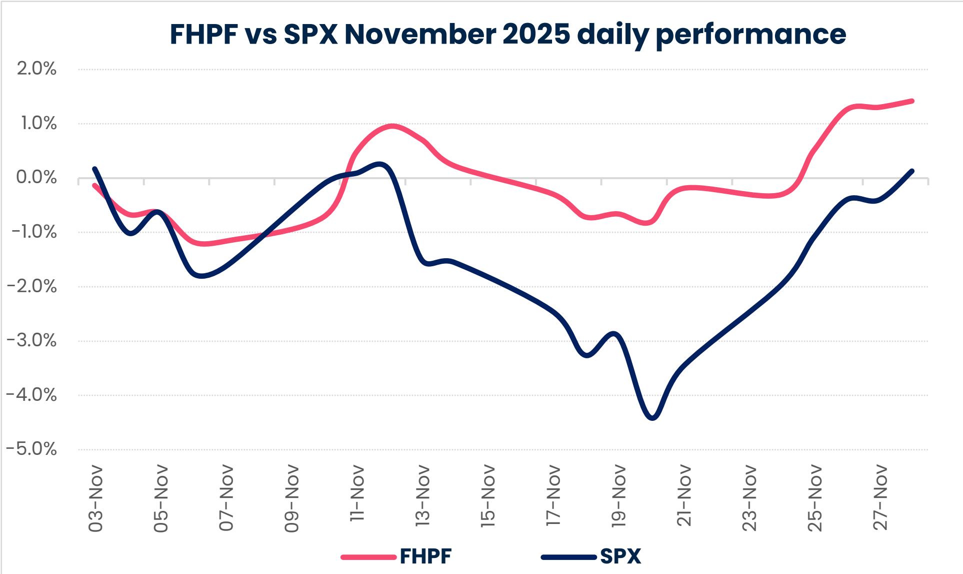
- **Macro headwinds** (interest rates, policy noise) have peaked.
- **Micro headwinds** (earnings resets, GLP-1 fears, CRO/CDMO concerns) are largely behind us.
- **Valuations** are at multi-decade lows.
- The sector remains significantly under-owned by institutional investors.

We believe the rebound in healthcare is in the early stages of a multi-year bull market, as the sector remains unloved and deeply mispriced.



November Validated Our Positioning

November was an example of a month that validated our current positioning. During the correction in the first three weeks of November, the most consensus positions fell, and FHPF generated positive returns during the market's initial 5% correction.

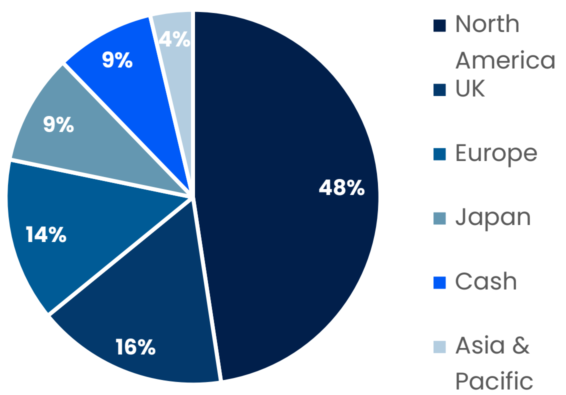


Beyond healthcare, we have deliberately repositioned into low-valuation compounders with reasonable, sustainable growth profiles, including:

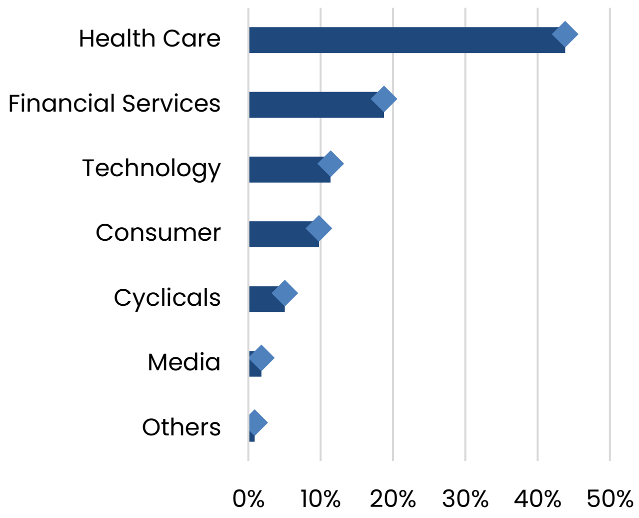
- **Corpay (Financials):** A business with a durable, high-ROIC model trading at a significant discount to intrinsic value.
- **Reckitt Benckiser (Consumer Staples):** A globally diversified consumer staple business offering defensive earnings and a high margin of safety.
- **LYFT (Rideshare):** An operationally improving business priced for significant pessimism, offering asymmetric upside potential.

We remain confident that our current positioning—anchored in healthcare leadership and low-valuation, high-quality businesses—is the correct strategic alignment for the next market regime.

Portfolio Allocation by Geography



Portfolio Allocation by Sector



Global Equity

Risk Score: ●●●●○

Fountainhead Partnerships Fund

Cayman Fund | November 2025

General Terms

• **Fund**	Fountainhead Partnerships Fund
• **Fund Manager**	Conduit Asset Management Pte Ltd
• **Investment Focus**	Global Equity
• **Target Return**	10% - 12%
• **Management Fee**	1.6%
• **Performance Fee**	15%
• **Sub/Redemption**	Monthly
• **Auditor**	PWC
• **Custodian and Broker**	Julius Baer
• **Administrator**	NAV Fund Services
• **Fund Structure**	Open-Ended Cayman Fund
• **ISIN**	KYG3660R1166

Key Holdings

Stock	Country
Icon plc	North America
Novo Nordisk A/S	Europe
Ryan Specialty Holdings	North America
Zoetis Inc	North America
Lyft Inc	North America
SMS Co Ltd	Japan
Hikari Tsushin Inc	Japan
Reckitt Benckiser Group	UK
Watches of Switzerland Group	UK
Stryker Corporation	North America

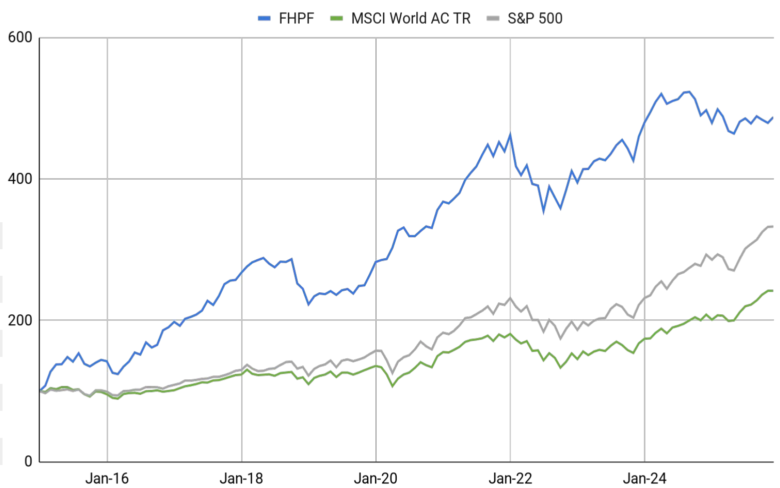
Overview

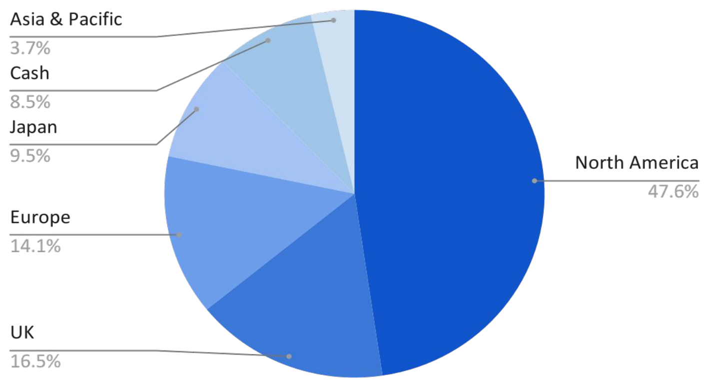
The investment objective of the Fund is to achieve long term capital appreciation primarily through investing in global equities with market risk hedging. The Fund may also invest in other asset classes to achieve the investment objective.

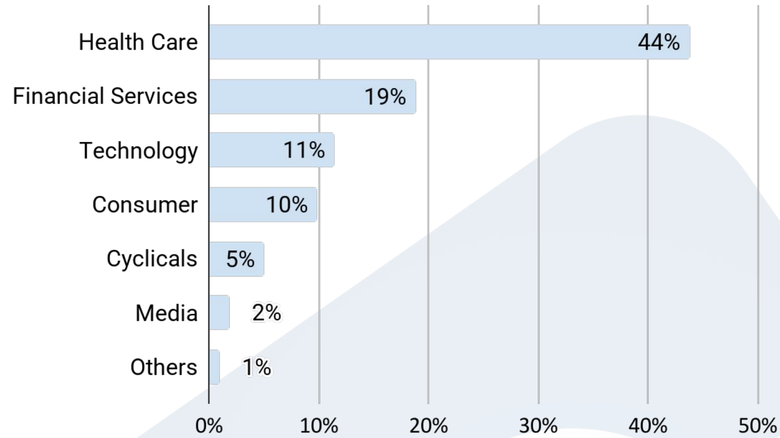
Strategy

The Fund’s strategy focuses on identifying and capitalising on secular long-term trends, such as the aging population, evolving consumption patterns, and advancements in automation. We allocate capital towards these themes with a commitment to superior returns over the cycle.

Relative Performance







Performance History (Net of Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	4.0%	-2.0%	-4.3%	-0.8%	3.6%	1.0%	-1.5%	2.2%	-1.0%	-0.9%	1.7%	-	1.7%
2024	3.0%	3.0%	2.2%	-2.7%	0.8%	0.5%	1.8%	0.2%	-1.9%	-4.5%	1.5%	-3.6%	-0.1%
2023	4.8%	0.1%	2.6%	0.9%	-0.5%	2.1%	2.8%	1.7%	-2.7%	-3.9%	8.0%	4.3%	21.5%
2022	-9.6%	-3.0%	3.4%	-6.3%	-0.6%	-9.2%	9.7%	-4.0%	-4.0%	7.2%	7.0%	-4.0%	-14.6%
2021	-0.7%	1.9%	2.2%	4.8%	2.6%	2.1%	3.9%	3.4%	-3.6%	4.6%	-2.9%	5.3%	25.7%
2020	1.0%	0.5%	5.6%	7.9%	1.4%	-3.7%	0.0%	2.3%	2.0%	-0.6%	7.7%	3.3%	30.2%
2019	5.1%	1.7%	-0.4%	2.8%	-2.2%	2.7%	0.8%	-2.6%	4.5%	0.4%	6.2%	6.6%	26.9%
2018	3.3%	2.1%	1.2%	1.0%	-2.8%	-1.8%	2.9%	-0.1%	1.4%	-12.0%	-3.0%	-9.0%	-16.7%
2017	-2.8%	5.1%	1.3%	1.6%	2.7%	6.5%	-2.6%	5.7%	7.1%	2.0%	0.4%	3.9%	35.1%
2016	-11.5%	-1.5%	8.5%	5.4%	9.0%	-1.9%	11.4%	-4.3%	2.3%	12.4%	2.3%	4.0%	39.2%

Global Equity

Risk Score: ●●●●○

Fountainhead Partnerships Fund

Cayman Fund | November 2025

Monthly Return Summary (as of 11/30/2025)

	FHPF	MSCI	S&P500
Annualized Volatility	16%	15%	15%
Annualized Return (CAGR)	16%	8%	12%
Correlation		0.60	0.59
Sharpe Ratio	0.71	0.30	0.51
Sortino Ratio	0.93	0.35	0.61
Upside Capture Ratio		77%	68%
Downside Capture Ratio		67%	75%
Total Capture Ratio		115%	91%
Max Drawdown	-23%	-26%	-25%
Worst Monthly Return	-12%	-13%	-13%
Best Monthly Return	18%	12%	13%
Returns Kurtosis	1.3	0.8	0.5
Avg Return in Down Month	-3%	-4%	-4%
Avg Return in Up Month	4%	3%	3%
1 Year Return	-2%	16%	14%
3 Year Return	17%	58%	68%
5 Year Return	37%	62%	89%

MSCI: MSCI World AC ETF
S&P500: S&P 500 Index

Fund Holdings Summary (as of 11/30/2025)

Number of Holdings	35
Weight of Top 10 Holdings	46%
Weight of Largest Holding	11.2%
Weight of Smallest Holding	0.9%
Largest Market Cap (USD bn)	1,634
Smallest Market Cap (USD bn)	0.6
Average Market Cap (USD bn)	120
Median Market Cap (USD bn)	24

Key Statistics (as of 11/30/2025)

Ratio	Fund	MSCI World	S&P 500
P/E	17	23	26
P/B	5	3.5	4.5
ROE	30%	15%	17%
Div Yield	2%	1%	1%
Sharpe Ratio	0.7	0.3	0.5

Cumulative Return (as of 11/30/2025)

	FHPF	MSCI World (AC)	S&P 500 Index
1 year	-2%	16%	14%
2 years	6%	44%	50%
3 years	17%	58%	68%
4 years	11%	38%	50%
5 years	37%	62%	89%
6 years	84%	82%	118%
7 years	99%	103%	148%
Inception*	387%	141%	233%

Annual Performance (Net of Fees)

	FHPF	MSCI World (AC)	S&P 500 Index
Inception*	16%	8%	12%
2017	35%	22%	19%
2018	-17%	-11%	-6%
2019	27%	24%	29%
2020	30%	15%	16%
2021	26%	16%	27%
2022	-15%	-20%	-19%
2023	22%	22%	24%
2024	-0.1%	15%	23%
2025	1.7%	20.4%	16.4%

Notes:
i) Total return on FHPF net of TER vs ishares MSCI World ACWI ETF and S&P 500 Index.
ii) Inception is CAGR since 2015*