



August 2023

Dear Fellow Investors,

The Partners Fund returned approximately 4% in the first quarter.¹ Please check your individual statements for your returns.

In the last letter, I wrote about how a very narrow slice of companies have been driving the overall market returns despite their challenged growth prospects as they fight the law of large numbers. As a reminder, on a look-through basis, the fund managers that constitute the Partners Fund have effectively zero exposure to those current darlings and should benefit disproportionately if smaller companies ever return to favor.

In this letter, I am going to profile one of the managers in the Partners Fund, Travis Cocke of Voss Capital. Travis was one of the first investments that we made, meeting all the criteria we sought to find in a manager.

- One-person investment committee
- Concentrated holdings
- Reasonable amounts of capital (AUM)
- Significant personal investments (“skin in the game”)
- Original thinking
- Mindset: getting rich is not the point

There is no single recipe for a successful investment manager. There are some pedigrees that are more common than others, such as attending the Columbia Business School Value Investing Program or a long apprenticeship at a storied firm. Travis has cut his own path. He earned his undergraduate degree from Texas A&M University, which is better known for football and agriculture than spawning Wall Street stars. But even at a young age, Travis’ passion for investing, clarity of thought, and a contrarian streak shone through. Travis interned for both the well-regarded Teacher Retirement System of Texas and famed value investor Leon Cooperman, and then managed a pool of capital for a wealthy family before starting his own fund, Voss Capital, in 2011 at the age of 24.

I would characterize Travis as an investor with an excellent eye for value, balanced contrarianism, and the ability to be an effective activist when necessary. He is an investor with all the tools. When Travis speaks or asks a question, other investors listen. Travis is a skeptic by nature. If you are pitching an investment to Travis, each statement of the thesis is examined. The keyboard is clicking as he is looking up historical data.

Greenhaven Road’s main fund and Voss have overlapped on several investments over the years. I first got to know Travis about a decade ago, as we both had built large positions in the alternative asset manager, Fortress Investment Group. While many of you are familiar with Greenhaven Road’s investment in PAR Technology and may remember the fireside chat with CEO Savneet Singh at our 2019 annual meeting (not to mention my quarterly

¹ Performance: (i) is representative of a "Day 1" investor in the Partnership, (ii) represents returns earned by Class B investors assuming a 0.75% annual management fee and no incentive allocation, and (iii) is stated net of expenses, including commissions, legal, audit, administration, and other. Year-to-date performance for an individual investor may vary from the performance stated herein as a result of, among other things, the timing of their investment and the timing of any additional subscription and withdrawals.



reference to him since), it is unlikely that you know that Travis and Voss Capital played a very helpful role in recruiting Savneet to PAR. Voss had identified the buried value of the Point-of-Sale System (POS) software business as well as the company's lack of software experience on their board. Voss strongly encouraged PAR to hire Savneet as an outside director, which eventually led to his becoming CEO. You can get a sense of Voss' depth of analysis and clarity of thought from quarterly letters ([link](#)) and investment memos such as PAR ([link](#)).

An example of the contrarian streak can be seen in Voss' long-term bullishness on housing-related stocks. In the face of rising interest rates in 2022, Voss published a six-part research series on housing and the sustainable trends. The six-part series is interspersed chronologically through the firm's Substack ([link](#)). You may not agree with the conclusion, but in my opinion, it is certainly well-researched and grounded in data.

This bullishness can be seen in Voss's portfolio, where four of the top five holdings are housing related including:

- **Griffon (NYSE: GFF):** a garage door manufacturer where Voss has been an activist ([initial thesis](#)).
- **BlueLinx (NYSE: BXC):** a building materials distribution company.
- **CRH PLC (NYSE: CRH):** a building products and construction materials company.
- **Alta Equipment Group (NYSE: ALTG):** exposure to material handling and construction.

Rounding out the top five holdings of this unique portfolio is Extreme Networks (NASDAQ: EXTR), a technology company migrating from hardware to software. Time will tell if this bullishness on an out of favor portion of the economy is warranted, but Travis' historical returns suggest he has been right more often than he has been wrong.

Travis has assembled a team of 8, including 5 on the investment team. The core of the investment team includes Jon Hook and Taylor Henderson who have been at the firm for 8 years. There is also a new full time data scientist that helped craft the previously mentioned series on US housing. The operations team consists of three professionals who guided Voss through the rigorous SBAI, Standards Board of Alternative Investments, certification process.

The Partners Fund's criteria that generates the most questions is "Mindset: getting rich is not the point." I often point out that it is unlikely that the paycheck was Rafael Nadal's primary motivation for his 14th French Open. Getting rich is a motivation, but with Travis' path and personality, our interactions have led me to suspect that the "love of the game" is a powerful driver for him. I believe that finding interesting opportunities that generate returns for his investors (us) is what excites him. Travis has closed Voss to new investors to limit the amount of capital is evidence that he is motivated by the ability to effectively hunt in his opportunity set more than the personal gain of accumulating guaranteed fees. I am glad we became investors long before the fund was closed to new investors.

As I have said at the end of every letter, our fund of funds is going to be different. It will be smaller, the underlying holdings will be more esoteric, and I hope the managers will continue to collaborate more over time. I believe that it will be "good different," but only time will tell. Thank you for joining me on this journey. I will work hard to grow your family capital alongside mine.

Sincerely,



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