SUNG PARTNERSHIP

CONCENTRATED STOCK PICKING IN OVERLOOKED POCKETS OF GLOBAL MARKETS

Most investors fish in the same pond

Benchmarks, mandates, committee approvals, liquidity requirements, and career risk all funnel most capital into the same few hundred stocks, creating intense competition.

1. **The rise of passive and mega-cap concentration.** More money is chasing fewer names, meaning less capital is looking everywhere else.
2. **Research economics.** The sell-side can't build a coverage franchise on a company trading 100 shares per day, so they don't. The research doesn't get written, and the mispricing can persist for a long time.
3. **Inability to participate.** A $1bn fund can't build a meaningful position in a $50m market cap company with a 10% free float. Even if they saw the opportunity, they couldn't act on it.

There are >50k stocks listed globally.
Somewhere, something is always mispriced.
Sometimes, it's stupidly mispriced.

We fish where the most mispriced fish are

We hunt in parts of the market that are too small, too messy, too illiquid, too foreign, too weird, or too time-consuming for institutional capital.

Forced selling

Spinoffs, liquidations, restructurings, panic selling, non–ESG. Situations that create sellers whose decisions have nothing to do with what the business is worth.

Market orphans

Microcaps, low floats, family-controlled businesses. Too small or uncomfortable for institutions, leaving few natural buyers.

Buried assets

Hidden subsidiaries, excess cash, cross-holdings. Fair value gaps the market hasn't done the calculation on.

Other special situations

Tender offers, take-privates, holding company discounts. Complexity and uncertainty often create forced mispricing around catalysts.

Research vacuums

No coverage, no IR, foreign filings in foreign languages. When nobody does the work, prices can stay wrong for a very long time.

Structural mispricings

Situations large funds physically cannot participate in.

We don't care about themes or narratives, just the largest gaps between price and value.

Our size is our advantage

We do things easy and seek not to play at the table with the smartest, most well-funded players.

Above a certain size, the most attractive opportunities worldwide become inaccessible. Our best ideas live in companies too small, too illiquid, or too awkward for large pools of capital to touch. The moment we become one of those large pools, we've lost the edge.

Oliver Sung has all of his investable capital in the partnership. We eat our own cooking and act with discipline.

Therefore, we intend to cap fund size to preserve returns, maintain flexibility, and limit our business to a curated group of aligned, long-term partners.

Current AUM capacity

€60mn

Estimated capacity is subject to revision as market conditions and liquidity profiles evolve. We reserve flexibility to adjust capacity in both directions as dictated by our opportunity set.

Who this is for

This not a mass-market investment product. This is a niche partnership, designed to be the right fit for a small number of investors with the right expectations.

Not this

✕ A core passive allocation or benchmark substitute

✕ A low-volatility product you check on quarterly

✕ Something designed to smooth out your overall returns

✕ Capital you need back within the next year or two

✕ A product whose drawdowns you'll find hard to sit with

This

✓ A return-enhancing sleeve alongside other holdings, with the aim to beat the global market index by 5ppts p.a. over time.

✓ Exposure to parts of the market nobody else is touching

✓ Alignment: your manager has all his investable capital in the same pot

✓ Honest communication when things go wrong, not just the wins

What partners should expect

Our investment portfolio is very different from that of the broader market, and our method of operation is substantially different from that of mutual funds. We’re not in the business of forecasting broad stock market or economic shifts and we don’t promise returns. If you expect that from us or view it as vital to investing, the partnership is not for you. Partners should feel free to hold us to the following:

1. **Investments are made on value, not popularity.** We don’t buy stocks because they are fashionable, because other investors own them, or because the story is compelling. None of those things have anything to do with intrinsic value.
2. **The objective is to outperform the global market index over every five-year rolling period.** Not every year. The portfolio is concentrated and the investments are in parts of the market that tend to move independently of the index. Short-term variance relative to the market is expected and accepted. Five years is the minimum sensible measurement period.
3. **A margin of safety in every investment.** This is what makes being wrong recoverable. We do not take positions in the hope of getting lucky, and we do not speculate with partners' capital in pursuit of returns we cannot rationally underwrite.
4. **Candid communication at all times.** We’ll explain our reasoning, our errors, and our current thinking. We will not report selectively. If we got something wrong, partners will hear about it in plain language.

The daily hunt for mispricings

Most mispricing in the overlooked parts of the market is mispricing for a reason: the work is hard, the company is weird, the filing is impenetrable, the language is foreign, or the liquidity is non-existent. We go where few will follow, which means doing the work others will not do.

1. **Starting with the A's.** We flip every stone in the market bottom up rather than relying on screeners. The best ideas come from places nobody is looking.
2. **Deep primary source work.** We rely most on primary source research: annual reports, exchange filings, ownership disclosures, tender docs, and industry material. Many opportunities exist simply because few investors are willing to do the work.
3. **Ownership and incentive mapping.** We spend significant time understanding who controls the business, how capital gets allocated, and where incentives sit. In overlooked markets, management behavior often matters as much as the underlying business itself.
4. **Valuation with a margin of safety.** We seek layers of redundancy: resilient balance sheets, conservative assumptions, rational management, and prices that leave room for things to go wrong.

Our investments split into two categories

Generals

Undervalued stocks where we have no set timeline for price correction to intrinsic value. Generals can pay off quickly or take years. There's no clear catalyst for gains, but their lack of buzz keeps them cheap, offering value and margin of safety. While our investment categories vary with opportunity set, this is typically our biggest category.

Special situations

Tied to specific corporate actions, as opposed to market supply/demand. Typically have predictable timelines: we can reasonably forecast returns, timing, and risks. Examples include mergers, liquidations, reorganizations, and spin-offs. This group of investments delivers returns mostly independent of broader market swings. If we hold a big chunk of special situations during a market down year, we shine; in a big up year, we may lag.

Typically 5-15 positions dependent on opportunity set. No leverage.

Example 1 of 3

A billion-dollar asset buried in the footnotes

"There I was, going through my kanban list, when it hit me: the stock was trading at 0.9× earnings and 0.55× book. The company had earned more than its entire market cap in a single year. My curiosity lit up like fireworks."

The setup

— Obscure US-listed foreign tech company

— Unusual business model

— Messy corporate structure and reporting

— Weak reported profitability

— Essentially no institutional ownership or coverage

What we saw

→ A large minority stake in a rapidly growing consumer tech company buried inside the filings

→ After the investee's IPO, the stake is worth several times the company's enterprise value

→ Net cash alone represents more than half of the market cap

→ The core business remains modestly profitable and cash generative

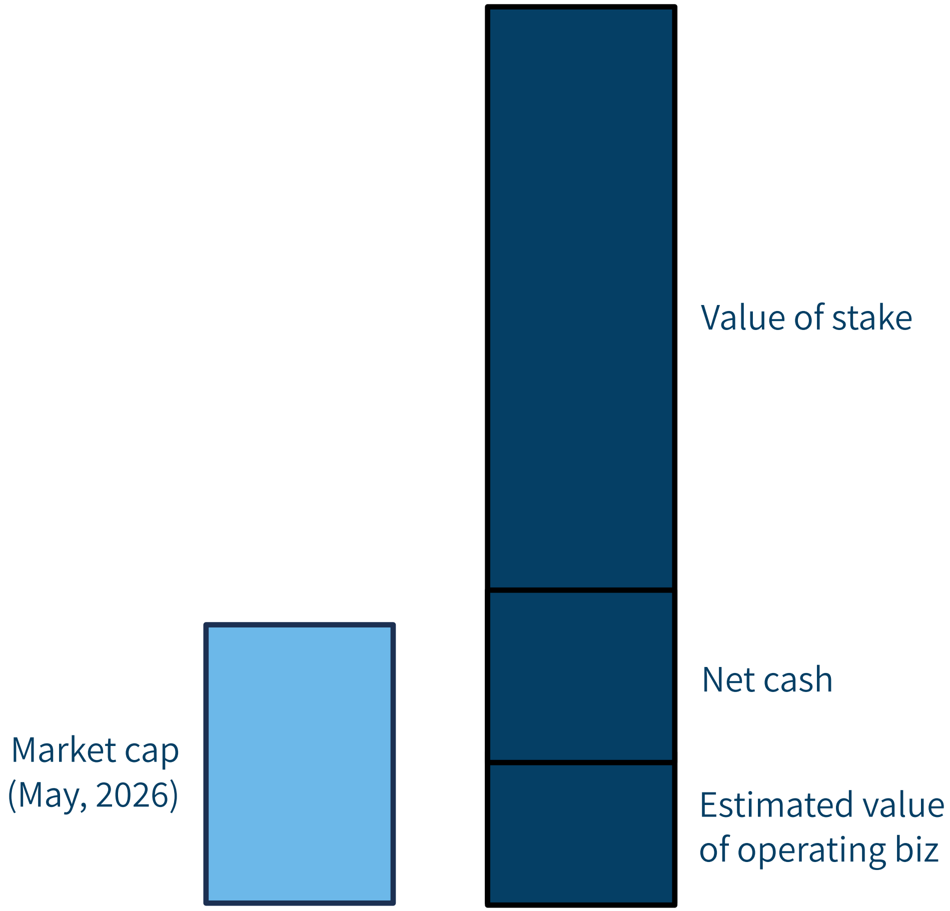
Example 1 of 3

The research and the disconnect

Buried deep in the latest annual filing sat what initially looked like a throwaway footnote: a minority ownership stake in a rapidly growing consumer technology company that had already gone public. The strange part wasn't discovering the stake existed, but realizing the market still didn't seem to care. Even after the IPO, the company continued trading at a valuation that barely reflected the value of the stake, while giving no credit to the huge net cash position or the underlying operating business.

That single footnote sent us down the rabbit hole: hundreds of pages of foreign-language filings, ownership disclosures, and prospectus material translated and reconstructed paragraph-by-paragraph. The more work we did, the less the valuation made sense.

And the market still hasn't connected the dots.



A wonderful business sitting in permanent exile from polite capital

A small, unsexy tobacco company that has been in family hands for over a century trading like it's dying.

Tobacco

ESG mandates exclude it entirely. Many institutions are outright prohibited from owning tobacco at any price.

Geography

A small-cap far from any benchmark. The post-crisis country risk premium stops most allocators before they get to due diligence.

Tiny free float

Median daily volume over the past year: ~100 shares. Some days, zero trades. No fund of meaningful size can build a position.

Almost completely family-owned

Split between two family factions with a documented history of disagreements. Minority investors are passengers.

No investor relations

Annual reports only available in English since FY22. No earnings calls. No guidance. No management outreach.

Huge cash pile

Net cash and investments comprise almost 90% of the market cap, sitting off-balance-sheet mostly outside the domestic banking system.

The economics are absurd: EV <2x operating income, growing organically, and earning >40% returns on capital.

The exchange is pulling the trigger

The company's domestic exchange has issued a new rulebook with a new free float requirement. If failing to reach the requirement, the company gets a grace period, then a move to an alternative market, then a potential delisting. The company was flagged immediately, and the deadline is approaching, rewriting the investment case for a potential value catalyst.

1 Sell down shares

Unlikely

The family has controlled this business for more than a century. Voluntarily diluting their stake to satisfy an exchange requirement seems unlikely. Neither parts of the family is likely to loosen their grip.

2 Transfer to alternative market

Possible, but self-defeating

Escaping main market obligations sounds nice. But it would look like a governance failure, weaken the "public mark" the family uses for estate valuations and collateral, and almost certainly reignite an inter-family feud.

3 Go private via tender offer

Base case

The family already owns so much that buying out minorities at a premium wouldn't even dent the cash pile. A tender at a meaningful premium could be the way forward.

4 Strategic sale

High-upside scenario

The major global tobacco cos would have strategic interest in the company's distribution footprint across markets still early in next-gen adoption. The operators are ageing. At 8–12× EBIT, the implied upside for shareholders is 80–130%.

Example 3 of 3

A take-private attempt on the cheap where activists are yelling and we’ve done the math

“When a minority owner (and in this case two) publicly pushes back at a take-private attempt while claiming that the company is worth a full >3x the proposed bid, supported by a usually market-hugging sell-side claiming a price target at 2x the price, you gotta zero in and see whether the company is worth a closer look.”

The setup

— US payments company

— ~60% insider-controlled

— Controller-led take-private bid

— Stock had collapsed after earnings

— Two activists publicly oppose the bid

— Industry undergoing consolidation

What we saw

→ Bid implies only ~6.6x EBITDA, with comparable transactions at ~12–17x EBITDA, and activists argue intrinsic value at 2–3x the bid

→ Multiple plausible outcomes point higher, and the downside cushioned by the bid itself

→ A messy capital structure clearing up big time and a business whose true economics are finally becoming visible

Almost every path points higher

"All told, we have a situation where the upside in scenario 1 is the current ~6% spread, the downside in scenario 2 looks well cushioned, and neither is the most likely outcome. Instead, there's a collection of reasonably likely paths that almost all point higher. I like that risk/reward."

Small upside

1 Deal closes at the bid

The special committee accepts the bid without pushback. Possible, but the valuation disconnect, the activist presence, and Delaware's high bar for controller take-privates make this the path of greatest legal wall for the directors.

Small downside

2 The deal fails

The bid disappears, but so does the overhang. A failed take-private reminds the market that someone with perfect inside information was just willing to write a very large check, even if the price was self-serving.

Larger upside

3 Committee extracts higher bid

The smart move for the committee. It demonstrates independence, reduces litigation risk, and lets the controller appear "cooperative" while still getting what they want. This seems like the path of least resistance for everyone involved.

Potential multibagger

4 A third party shows up

The controller’s proposal letter omitted the standard language used to signal they won't entertain a sale of their stake. That's not proof, but it leaves the door open. Industry comps sit at 12–17× EBITDA, and the core operations have strategic value.

Preparing partners for the inevitable

If you expect us to outperform every year, the partnership isn't right for you.

1 What will happen

There will be periods, possibly up to a couple of years, where we lag the market. That isn't a sign something has gone wrong, but a mathematical consequence of how we invest.

2 Why it doesn't mean we're wrong

Besides special situations, mispricings take time to correct. A company nobody is looking at can stay mispriced for a long time. Patience is the thesis.

3 What we ask of partners

Measure us over five-year rolling periods. If you find yourself putting too weight on monthly statements, we are probably not the right fit.

Partners are inside the research process

Most investment firms distribute polished conclusions. We prefer sharing the thinking, research, mistakes, and evolution behind them.

1. **Semi-annual letters to partners.** Twice a year, partners receive detailed letters discussing some of the portfolio, new investments, mistakes, capital allocation decisions, and the evolution of our thinking.

2. **Research.** Partners also receive access to our research through Oliver's newsletter, intended to be a direct window into how we think, research, and operate at the partnership.

The investment manager

Oliver Sung

Sung Partnership ApS was founded by Oliver Sung in September 2025. Oliver manages the partnership through Sung Capital ApS, the appointed fund manager.

Prior to founding the partnership, Oliver was with Baillie Gifford, a large Edinburgh-based investment management firm. Oliver departed Baillie Gifford in 2025 to found Sung Capital ApS and the partnership. Previous to that, Oliver worked as investment manager at a Copenhagen-based family office and founded several companies, some investment-related. Oliver graduated from Copenhagen Business School with an MSc in Economics and Business Administration.

Organization and support

General partner: Sung Capital ApS

Brokers: Interactive Brokers and Saxo Bank

Bank: Danske Bank

Legal counsel: DLA Piper

The Board of Sung Capital

The Board provides oversight and guidance to the partnership.

Oliver Sung

Chairman

Founder of Sung Capital. Previously worked as an investor at Baillie Gifford and a Copenhagen-based family office, and has founded several investment-related businesses.

Michaela Norland Winther

Director

An experienced financial services executive with expertise in client relations, business development, and governance. Has worked with several financial institutions and serves as Chair at Nordflint Capital Partners.

Thomas Winther Sørensen

Director

Experienced investor and board member with >20 years of experience in asset management and equity research. Has held senior investment roles at BLS Capital, Nordea, and Carnegie.

Costs and fees

Costs

The annual fixed costs, which are borne proportionally between the Fund's shareholders, are expected to amount to 0.1% annually and consist of audit, legal counsel, and insurance costs.

Fees

- Management fee: The Investment Manager charges the company a fixed fee of 1% annually of the capital under management. The management fee is calculated monthly based on capital under management at the beginning of the month plus the ongoing costs of the month. The fee is settled semi-annually between the Investment Manager and the Fund, respectively per June 30 and December 31.
- Performance fee: The Investment Manager charges a performance fee of 25% of the excess return that the Fund has generated in a calendar year, provided that: 1) the total return since the beginning of the calendar year exceeds a hurdle rate of 6% p.a. for the relevant period, and 2) the settled net asset value exceeds the most recently settled high watermark. The excess return is calculated as the total return, including unrealized gains and losses, after deducting all ongoing costs, including — but not limited to — management fees, trading costs and operational expenses.

Entry and exit

Entry

Minimum investment is EUR100,000.

Entry takes place at the net asset value calculated at the time of subscription of the shares according to the same principles as used in the annual report, with a cover for registration costs and transaction costs etc. These costs constitute 0.3% of the commitment.

Exit

Shares in the Partnership may be redeemed with at least 90 days' notice at net asset vale per share, net of a 0.3% redemption charge.

About the partnership

Sung Partnership ApS is a private alternative investment fund (“AIF”) engaged in the business of acquiring non-controlling positions in a concentrated number of generally smaller capitalization companies. The partnership’s objective is to outperform the global market index on a five-year rolling basis.

An AIF is a collective investment vehicle that pools capital from investors to invest according to the investment manager’s principles. Compared to other investment vehicles, AIFs generally have limited liquidity, are complex, and are meant for sophisticated investors with a high-risk capacity.

Sung Partnership ApS was incorporated under Danish corporate law on September 19, 2025. The partnership has appointed Sung Capital ApS (the “fund manager”) as its fund manager. Sung Capital ApS was founded by Oliver Sung on August 5, 2025, as its sole owner and operator. The fund manager is responsible for administering the partnership and for investing the partnership’s assets in accordance with Sung Capital ApS’s investment policy.

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