

# THE WALL STREET TRANSCRIPT

Connecting Market Leaders with Investors

## Using a Disciplined Approach to Value Investing



**KEITH TRAUNER** co-founded GoodHaven Capital Management, LLC and is the Co-Managing Partner and Co-Portfolio Manager along with Larry Pitkowsky. He is also the Chairman of the board of trustees of the GoodHaven Funds Trust, which oversees the GoodHaven Fund. Prior to forming GoodHaven, Mr. Trauner was affiliated with Fairholme Capital Management, and from 1999 through late 2008, he held a variety of roles at FCM, including Senior Analyst and Portfolio Manager, Chief Financial Officer and Chief Compliance Officer. In addition, for most of the period from 2002 through 2008, he was a director, the Secretary/Treasurer and a named portfolio manager of FCM's affiliated mutual fund. Prior to FCM, he founded and managed an investment advisory subsidiary of a private bank for nearly a decade.

### SECTOR — GENERAL INVESTING

#### **TWST: Are there multiple funds at the firm?**

**Mr. Trauner:** We manage a public fund called the GoodHaven Fund, which is a public, no-load, mutual fund whose ticker is GOODX. The GoodHaven Fund was up 19% YTD through Sept. 30 and about 16.5% YTD through Nov. 9. We also manage separate accounts.

#### **TWST: Is there a unique philosophy to the fund?**

**Mr. Trauner:** Larry and I have a long history in the business — more than 35 years of research and money management. We are concentrated, long-term, and disciplined value investors, and we're trying to very simply compound the money of our shareholders, and that includes us. We're probably the two biggest individual shareholders of the fund.

#### **TWST: Did you want to highlight a company that you find interesting now?**

**Mr. Trauner:** Before we get into companies, let me just make one or two comments about the general environment, and I think it's kind of interesting. Valuations on average are high by historic standards. The S&P, I think by some measures, is trading similar to the valuation levels of the market in 2000 at the peak of the tech bubble. But the really interesting thing about that is there's been an absolute flood of money into passive vehicles, including index funds, and these funds don't care about fundamental

value, and they don't care about business trends. Our belief is that just as in the period that followed 2000, the environment should eventually be very good for value investors like ourselves.

So our major philosophy and approach over the years is to go where we think there is value, and we focus first on what is unpopular or unloved or unwanted because you are more likely to find a bargain there than on the new high list. So we are not macro investors, but at any given time, we just want to try to avoid the macro elephants out there that seem foreseeable. That usually means we try to avoid excess valuation, we try to avoid excessive leverage, and we try to avoid what seems like obviously bad management. So with that, I'm happy to go into a few companies if you like.

#### **TWST: Sure. Why don't we start with the first one?**

**Mr. Trauner:** An interesting company today and something that I have personally followed and owned over many, many years is a company called **Leucadia National Corporation** (NYSE:LUK). **Leucadia** was founded by two guys who met at business school in the 1970s, Joe Steinberg and Ian Cumming. Ian retired within the last couple of years, while Joe remains Chairman of the company. During their tenure, **Leucadia** was one of the single best compounders of wealth out there for many, many years. In fact, over a 25-year period, their record was comparable to if not better than that of Warren Buffett of **Berkshire Hathaway** (NYSE:BRK.A).

From 1978 to 2012, **Leucadia** compounded its market value at roughly a 25% annual rate. And then, after the financial crises, they got caught a little bit — not in danger, but the company was squeezed a little bit and a lot of people thought that eventually they might liquidate. Instead, they had a large

Frank rules, and yet, they are far larger than most of their nearest smaller competitors, and they have a tremendous investment-banking franchise and tremendous bond-trading franchise. **Jefferies** is capable, over time, of earning very significant amounts of money, and we think we just started to see a

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investment in **Jefferies & Company**, and they ended up merging with **Jefferies** a few years later. We had not owned **Leucadia** at GoodHaven’s start but became shareholders because we were buyers of **Jefferies & Company** when that company was under fire.

Even though **Jefferies’** business was fine — I don’t know if you remember the episode where **MF Global** under Jon Corzine went out of business. At that time, it was interesting because a guy on CNBC got up on a soapbox and said that he thought that **Jefferies** was next to fail. But we knew the firm, we knew the managers of **Jefferies**, we knew they were very risk-averse, and we started to buy **Jefferies** stock while it was under tremendous pressure — below tangible book value and a low multiple of earnings power, which is a little bit of a hallmark of how we like to buy. We love to buy things that we think we understand well, particularly when they are under pressure. And subsequent to those purchases, which worked out very well, **Jefferies** merged into **Leucadia**, and Rich Handler and Brian Friedman, who together ran **Jefferies**, became the CEO and President of **Leucadia**, with Joe Steinberg as Chairman.

So what’s interesting about **Leucadia** is, aside from having a pedigree of being a terrific moneymaker, they had a few businesses that, for the last couple of years, really were sputtering. The biggest was **Jefferies & Company**, which we think occupies a unique position in the investment-banking world because they are not big enough to come under the most onerous of the Dodd–

significant upturn in that company’s earnings. Last quarter, the **Jefferies** division started to earn closer to their historical rate, and we think, over time, they can do better than that.

Another big business **Leucadia** owned was a meatpacking business that had suffered because there was an unusual period of very high cattle price. Well, that business, which was breakeven a year ago, through the first nine months of this year, has generated pretax income of about \$190 million. So there’s been a tremendous swing there. And the company also owns interests in real estate, manufacturing businesses and an Italian telecom provider. They also have a commercial mortgage servicing business in partnership with **Berkshire Hathaway**. It’s really a mini-conglomerate, and for that reason, a lot of people don’t try to analyze it because it’s not easy, even though they’ve had a long history of being truly great moneymakers.

So we think the earnings are turning up. We think they have interest rate sensitivity. In other words, high interest rates are good for **Leucadia**, and recently, the company was selling at less than 80% of its tangible book value, which has historically used very conservative accounting. In our view, the company is clearly worth a premium to its book value, let alone its tangible book value. So I think it’s bounced a bit recently but still selling close to its tangible book value of about \$19, while stated book is about \$26. So we think there is really \$30 worth of value here, and we believe it should start to show itself in due course.

### Highlights

*Keith Trauner discusses GoodHaven Capital Management, LLC and the GoodHaven Fund. Mr. Trauner is a value investor. He uses a concentrated, long-term and disciplined investment approach. The goal of the fund is to compound the shareholders’ money, and Mr. Trauner is one of the two biggest shareholders in the fund. When looking for investments, Mr. Trauner focuses on what is unpopular, unloved or unwanted. He also tries to avoid excessive valuation, excessive leverage and bad management teams. Mr. Trauner doesn’t worry about the things he can’t control, and if he can’t find investments at prices that offer a cushion against loss and reasonable returns, he won’t invest and will hold cash.*

*Companies discussed: Leucadia National Corp. (NYSE:LUK); Berkshire Hathaway (NYSE:BRK.A); Barrick Gold Corporation (NYSE:ABX); HP (NYSE:HPQ); Hewlett Packard Enterprise Co. (NYSE:HPE); WPX Energy (NYSE:WPX); Williams Companies (NYSE:WMB); Verizon Communications (NYSE:VZ); AT&T (NYSE:T); T-Mobile US (NASDAQ:TMUS); Sprint Corp. (NYSE:S) and Yahoo! (NASDAQ:YHOO).*

**TWST:** And do you think it could be impacted by things like the Brexit vote and just even the Trump presidency, where investors and people in general are a little bit unsure of what direction the country and the economy might go in?

**Mr. Trauner:** One of the great hallmarks of **Leucadia** and **Jefferies** is that they have been wonderfully opportunistic investors. In other words, they love to swoop in after stresses have created a problem for somebody, and they've done it a couple of times fairly recently. A few years ago, one of the big trading firms on Wall Street, **Knight Capital**, got into trouble because it updated its software, which went haywire and caused a very large loss, and it was going to put them out of capital compliance overnight. **Jefferies** essentially came in, contributed new capital in exchange for a big chunk of equity and made a ton of money on that opportunistic investment.

More recently, I guess it was about a year or two ago, when the Swiss franc — I don't know if you remember it — it rose against the dollar by about 20% in one day I believe, or 10% or 20% overnight. That move nearly put the largest retail forex brokerage — **FXCM** — out of business, and again, they were able to cut a deal under stress that has made them a tremendous amount of money. So one of the hallmarks of **Leucadia** and **Jefferies** has been their ability to make money from significant shifts in the market environment.

**1-Year Daily Chart of Leucadia National Corp.**



Chart provided by [www.BigCharts.com](http://www.BigCharts.com)

Let me add just one more thing about **Leucadia**. In the last quarter or two, the company has also repurchased shares, something that it has done very infrequently over the 30 years or so that I followed them. So that's probably a strong indication by management and the board that the recent trading price is simply too low compared to intrinsic value.

**TWST:** Do you want to mention a second company?

**Mr. Trauner:** We have a significant stake in **Barrick Gold** (NYSE:ABX), and **Barrick** is a very, very interesting business. We are not gold bugs, and interestingly, neither is the Executive Chairman of **Barrick**. The situation is analogous to **Hewlett-Packard** after that company made a really stupid

acquisition, leveraging up to do it. That acquisition, once it became apparent how bad it was, forced major governance changes at the company. That was when Meg Whitman was chosen to run **HP**, and management and the board almost completely turned over and successfully turned around the company. We invested on the way down — all the way to the low teens, pre-split up of the company into **HP Inc.** (NYSE:HPQ) and **HP Enterprise** (NYSE:HPE) — and over the next few years, that worked out very nicely for us.

**1-Year Daily Chart of Barrick Gold Corporation**



Chart provided by [www.BigCharts.com](http://www.BigCharts.com)

At **Barrick**, a few years ago, prior management went out and they bought a copper company at the top of the copper market with little or no due diligence, and they levered up to do it. The deal turned out to be a complete bust, and the company recruited a gentleman by the name of John Thornton, who was a former senior exec at **Goldman Sachs & Company**, and they brought him in as Chairman of the board, and he was one of the guys who was — over a two- or three-decade period, he was responsible for building a big chunk of **Goldman's** Asian business. John laid out a plan for **Barrick** that reduced leverage, reduced costs and focused the company on free cash flow per share rather than size. He wanted to create the old **Goldman** partnership and ownership culture, and if you go read some of **Barrick's** public documents from early 2015, it'd feel like you were reading something out of a **Berkshire Hathaway** report or from another really well-run business.

It was obvious that he had a plan that radically changed the focus of the company, and at the same time **Barrick** had these problems, it also had what arguably were the best and lowest-cost major properties in the entire industry. So we bought while the stock was under tremendous pressure in the last year or two, as did John Thornton personally. At current metals prices, we believe the core properties generate billions of dollars in cash flow and very significant free cash flow, and that with today's cost structure, the company can generate free cash probably below a \$1,000 ounce of gold price at this point. So here is a company that has essentially, for the last year and half done,

everything they said they would, created a vehicle that we think can prosper through the up and down price cycles of commodities and that can create significant wealth for owners.

So as far as the metal price, we don't think about it much. We've always viewed gold as essentially an alternate currency, one that's roughly held value for thousands of years for good reason. Most investors have never studied the history of paper currency, as Jim Grant will be happy to tell you, and for the last several years, you've had central banks around the world vastly inflating money supplies in an effort that largely continues to this day. Notwithstanding a minor uptick in interest rates recently, we just think that, in many ways, it's a very, very valuable call option on currency upset in the world as well as an operating business with some of the lowest costs in its industry. But more importantly, you now have reduced leverage. The company paid off about \$4 billion of debt in the last 18 months.

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So we think we have a great management team, some tremendous assets and a company with the ability to grow NAV in any reasonable gold price environment. We think that's a little bit of the magic of having very strong capital allocators at the top of the company, so we think there's a lot more room to run. The stock price is well off recent highs, even though it's up quite a bit from the lows of earlier this year.

**TWST: When investors look at gold as an option, how do they distinguish between a serious fund and maybe those that you see that advertise on TV late at night?**

**Mr. Trauner:** Of course, those are very different economic propositions, right? We own a business that has certain business characteristics and metrics. One of those is operating leverage that's sensitive to the price of gold, but it also has a balance sheet. It also has plenty of liquidity and options for that liquidity, and that's a very different animal from simply owning a physical metal outright. There are many ways it's more attractive.

**TWST: You also get the advantages if gold prices are increasing.**

**Mr. Trauner:** Right. I mean just to give you an idea, I mean, it's fascinating. Five years ago, when gold probably averaged \$1,800 an ounce, **Barrick** earned probably close to \$4 a share and traded over \$50 a share, even though it had a much higher cost structure. Today, with greatly improved corporate governance, a much better balance sheet, much better management, much better liquidity and probably similar leverage to the gold

price, they should have significantly higher earnings power than they had relative to the price of gold than they did four, five years ago — even with modestly lower production — and yet the stock price today is \$16. So lots of upside, we think, is still there.

**TWST: Did you want to mention another company?**

**Mr. Trauner:** Sure, happy to. We also own shares in a company called **WPX Energy** (NYSE:WPX). **WPX** was a spinout of **Williams Companies** (NYSE:WMB) in 2012. It was the exploration and production arm of the **Williams Companies**. And it was a company with a big pile of assets but a very high cost structure. And what initially attracted us to the company was, in the spring or summer of 2014, they hired a new CEO by the name of Rick Muncrief, who had a long history in the energy business. He had come up through **Burlington Resources** and had become the Senior VP of Operations of **Continental Resources**, which is Harold Hamm's company, one of the most successful shale operators in the Bakken Formation in North Dakota.

We were attracted by Rick's pedigree and his plans for the company — although, of course, oil prices were much higher, and our timing was not ideal. Subsequently, we bought a lot more at much lower prices, and Rick Muncrief has completely remade the company from a gas-focused business with disparate assets to a Permian Basin oil-focused business. Rick made a series of divestitures and acquisitions that he was able to accomplish under difficult conditions at reasonable prices in an environment where, frankly, it was very difficult to get deals done. The management and the board of **WPX** bought a tremendous amount of stock for themselves along the way. If you judge them based on the things that they control, they've just done a fantastic job.

And last summer, he did a signature deal where he bought a private company in the Permian Basin where he paid about \$2.7 billion for the company. Recent comparable transactions lead us to believe that the value of that business is maybe twice what he paid a year ago, which is a tremendous accomplishment. So the company has reduced leverage. It's hedged for the balance of this year, about 70% hedged at \$60 a barrel and gas at \$4. It's probably about 65% hedged in 2017 at over \$50 a barrel of oil.

But more importantly, they are now playing offense as opposed to defense, and we believe that, in the next couple of years, there's a good chance — next two to three years — they're going to double their oil production at significantly lower cost than what has been the case in the company generally in recent

years. And so we think the NAV of the company, even at relatively low oil prices today, is significantly above the recent trading price of around \$12 or so. And so you now have a company with a terrific management team, terrific assets, a vastly improved balance sheet and the liquidity that's going to allow them to ramp up spending. The result I think is going to be a much, much more valuable energy company, even assuming that oil prices don't do very much, but I would point out, energy is still out of favor, and there's been a huge decline in capital spending across the industry — something that should lead to higher prices eventually.

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I think Wood Mackenzie estimated that over \$1 trillion of projects have been delayed or canceled in the last two years, and that is very likely to lead to significantly higher oil and gas prices over time. This is a business where depletion is real, and you have to spend money to continually develop additional assets and maintain production. When spending really slows down, supply is actually going to start shrinking on its own, if it hasn't already happened. And so you now have a company, again, which we think can prosper at current prices, but if they get a little bit of help from the commodity, we believe there is more potential profit from current levels.

**TWST: Would it benefit, too, that the new President is an advocate of energy independence for the United States?**

**Mr. Trauner:** We look at political risk a little bit. We don't pay too much attention, as things have to get through Congress. That's not always easy, but a minimum, I think our view would be that those sorts of policies certainly take some risk off the table and may in fact turn out to be a tailwind. If it does, it'll be fantastic.

**TWST: Did you want to mention another company?**

**Mr. Trauner:** Sure, we could talk a little bit about **Verizon** (NYSE:VZ). We're always attracted to look at businesses that are relatively insensitive to economic trends, where there are only a few providers of a critical service. And **Verizon** is the leader in a business that's dominant, where people cannot live without the service. I'm fond of saying that people would rather forego meals than give up their smartphone.

**Verizon** has the best spectrum footprint in the United States. It's starting to deliver much faster speeds across its network, which of course increases their attractiveness relative to other providers but also may start to make mobile competitive

with some of the weaker cable companies. Some of the price wars of the past for service seem to be receding, and the subsidies for phones seem to have largely disappeared, except for the recent iPhone upgrade. So you have very sensible management, you have material optionality with higher speeds and adding IoT devices, and you have cash earnings that are higher than the nominal reported earnings due to several nonoperating factors.

So we look at the company that's selling for roughly 12 times or 13 times expected real earnings with 5% dividend yield, which is attractive on an absolute basis, and it's much cheaper than

other predictable companies in the marketplace. Some of these others were viewed as kind of clockwork businesses, were starting to sell at 20, 30 times earnings, 35 times earnings, which makes almost no sense to us. And **Verizon** had announced that earnings would be flat for a year, they increased spending in a couple of areas, and I think it scared a lot of people. But over time, **Verizon** should have significant pricing power in its core service simply because, in today's world, there's nobody who can do without mobile service, and they only have a couple of alternatives.

You can go to **AT&T** (NYSE:T), you can go to **T-Mobile** (NASDAQ:TMUS), or you can go to **Sprint** (NYSE:S), but right now, that's it. And of those four companies, I think it's pretty clear that **Verizon** has the best network and the greatest capacity, and the greatest spectrum capacity and value. So over time, the company is not going to grow at a very rapid pace, but we think, clearly, they should be able to sustain moderate growth for a very long period of time.

**TWST: Do you have any concerns about the Yahoo deal and if that deal could be in trouble following the big data breach?**

**Mr. Trauner:** Yes, the jury's out. I mean, I would say the jury's still out on the pending deal. **Verizon** seems to have indicated that while they're still interested that they consider the **Yahoo** (NASDAQ:YHOO) security breach to be a material event, which would suggest that at a minimum, even if they complete the deal, you might see a renegotiation of the price lower. Our view generally on some of these issues is that we're agnostic about some of these acquisitions. I think it probably does help **Verizon** with advertisers, but it's not critical, and even if it turned out that half the deal value was flushed down the toilet, it probably wouldn't bother us.

**TWST: Looking ahead to 2017, are you getting some sense from investors what concerns they have?**

**Mr. Trauner:** The last few years, I think generally it's been a confusing time. People have been concerned and hesitant about what to do with money. They've been squeezed out of traditional yield investments, because rates were so low, and forced into yield instruments that may not behave as expected once rates increase. Tremendous fear came into areas like mining and energy. You've had crazy situations where you've had \$10 trillion, \$15 trillion of sovereign debt trade at negative yields. A lot of these things are pretty much unprecedented.

What we have said to people is that our job is not to worry about things that we can't control but to be disciplined about where we are willing to part with money to make an investment and to behave in an economically sensible manner. So all we try to focus on, and we tell people, is that we try to be disciplined investors in businesses, and that's it. We want to buy at a price that we think offers us a cushion against loss and, at the same time, offers a reasonable return on our capital. And if we can't kind of find that, we don't want to invest.

So we do have liquidity today. We have a significant chunk of cash in our fund and our managed accounts. We tell people that we don't view cash as a permanent investment, but we do view it as having tremendous optionality. We're not afraid to hold some cash if we can't find investments we like. What most people don't understand about cash is that its value multiplies under great stress in terms of what it can buy. And so if you want to be an investor, if you're kind of genetically wired, as we think we are, you look for those areas where people are disgusted or fearful. That's not a sufficient condition, but it's a great place to start, and I think we've behaved very consistently.

So at the end of last year, I don't know if you remember, December/January — January this year, December of last year — all of the headlines were, for example, oil wasn't going to \$30; it was going to \$10 or \$20. Gold was going to \$800 an ounce. The headlines were negative. They were more than negative, they were screaming disaster, and it turned out to be an absolute wonderful time to be a buyer of anything energy- or mining-related. After 35 years in the business, that's a very common theme. So we try to stay away from overpriced merchandise. We

tell people that the S&P is expensive today, and the next decade, there's a chance that it plays out similar to the way the world played out after the tech bubble peaked in 2000.

So here's a very interesting exercise. If you had said to somebody in 2000 or somebody had said to you, "I don't want to invest any money because the market is expensive. Prices seem crazy. How can I make money from here?" Well, the answer was, you couldn't own the overpriced securities that everybody wanted, anything tech-related, right? And we didn't. In our previous lives, we refused to go there for the last 15 months or 18 months of the tech bubble, and a lot of people thought we were crazy. A lot of people called us names, but what happened subsequent to the peak of the bubble stocks then is that the things that we were buying that had been under pressure started to rally, and most of the world was weighed down because they had purchased a lot of very overpriced merchandise.

Today, you may be looking at a similar setup, where disciplined value investors, the active managers that are disciplined about price may be about to have another run of better relative performance because they're investing at a time where, on average, the popular indexes look fairly expensive by historic standards. So we think there's plenty of opportunity out there. We like to behave opportunistically. Our philosophy and approach have been very consistent over the years, but the areas that we focus on change when the set of opportunities changes. I mean, that's partly why we like to think of ourselves as go-anywhere investment managers because we try to go where the opportunity is, and we're not very constrained about what we can invest in.

**TWST: Thank you. (ES)**

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<b>GoodHaven Fund Performance</b>	<b>YTD as of 09/30/2018</b>	<b>One Year Return as of 09/30/2018</b>	<b>Five Year Return as of 09/30/2018</b>	<b>Annualized Since Inception<sup>1</sup> as of 09/30/2018</b>
<b>GoodHaven Fund</b>	<b>1.86%</b>	<b>5.89%</b>	<b>-0.35%</b>	<b>4.24%</b>
S&P 500	10.56%	17.91%	13.95%	13.44%

<sup>1</sup> Inception date is 4/08/2011

Total Annual Fund Operating Expenses: 1.10%

*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 1-855-OK-GOODX (1-855-654-6639).*

*The Fund imposes a 2.00% redemption fee on shares held for less than 60 days. Performance data does not reflect the redemption fee. If it had, return would be reduced. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.*

*Fund holdings and sector weightings are subject to change and are not recommendations to buy or sell any security.*

As of August 31, 2018 the top ten holdings of the Fund were: WPX Energy, Inc. (11.3%), Barrick Gold Corp. (7.7%), Alphabet Inc. – Class C (6.4%), Jefferies Financial Group Inc. (5.6%), HP Inc. (4.9%), Berkshire Hathaway Inc. – Class B (4.9%), Birchcliff Energy Ltd. (4.7%), Spectrum Brands Holdings, Inc. (4.2%), American Airlines Group Inc. (4.1%), and Verizon Communications Inc. (3.5%). [Total top ten: 57.3%]. Please note that top ten holdings excludes cash, money market funds and Government and Agency Obligations.

*The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 1-855-OK-GOODX (1-855-654-6639) or by visiting [www.goodhavenfunds.com](http://www.goodhavenfunds.com). Read carefully before investing.*

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice. References to other mutual funds should not be interpreted as an offer of those securities.

**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 mid and smaller capitalization companies, which involve additional risks such as limited liquidity and greater volatility. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund may invest in REIT's, 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. Investment in lower-rated, non-rated and distressed securities presents a greater risk of loss to principal and interest than higher-rated securities. Diversification does not assure a profit nor protect against loss in a declining market.**

While the Fund is no-load, management fees and other expenses will apply. Please refer to the prospectus for further details.

Cash flow: Earnings before depreciation, amortization, and non-cash charges.

Tangible Book Value: The total net asset value of a company minus intangible assets including goodwill.

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

One cannot invest directly in an index.

The GoodHaven Fund is distributed by Quasar Distributors, LLC.