The GoodHaven Fund
2024 Semi-Annual Letter to Shareholders

PERFORMANCE as of May 31, 2024

	6 Months Ended 05/31/2024	1 Year Ended 05/31/2024	2 Year Annualized as of 05/31/2024	12/31/19-05/31/24 Annualized as of 05/31/2024	5 Years Annualized as of 05/31/2024	10 Years Annualized as of 05/31/2024	Since Incept.[1] Annualized as of 05/31/2024
GOODX	18.15%	33.67%	19.68%	15.73%	17.24%	6.32%	7.98%
S&P 500 Index[2]	16.34%	28.17%	14.82%	13.54%	15.77%	12.66%	13.20%
FT Wilshire 5000 Full Cap Index	15.26%	25.75%	12.28%	10.84%	12.79%	9.79%	10.39%
CS Hedge Fund Index[3]	6.95%	12.07%	5.58%	6.26%	6.49%	4.29%	4.33%

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%.

"To have an opinion is not the same as having an idea" - Anonymous

July 3, 2024

We had another period of very strong relative and absolute results for our GoodHaven Fund. For the most recent fiscal period (ending May 31, 2024) the Fund was up 18.15% versus the S&P 500's rise of 16.34%. This was accomplished despite the material drag of above average levels of cash/cash equivalents for the period as we welcomed a material number of new fellow shareholders.

Our results since the start of GoodHaven 2.0 (12/31/19) through 5/31/24 are a total return of 90.73% versus the S&P 500's total return of 75.27%. While we wonder if there is a perfect "category" for our unique portfolio we note that, according to Morningstar, we ranked (at 5/31/24) in the top 7%, 1% and 3% of our category for the trailing one, three, and five-year periods respectively.[4]

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[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 05/31/24. Source: Bloomberg

[4] Per Morningstar (as of 05/31/2024 in the Midcap value category), the GoodHaven Fund was ranked in the top 7% for 1YR (vs. 394 funds), top 1% for 3YR (vs. 376 funds), top 3% for 5 YR (vs. 363 funds), and top 87% for 10YR (vs. 283 funds).

If some of our comments on the macro backdrop sound repetitive, it is because they are. However, if the prior comments are still relevant and still express something we think is important, we see no need to "reinvent the wheel." We are trying to efficiently communicate relevant points to fellow shareholders, not pretend we are writing a work of great literature.

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. Also, despite our best efforts and alignment as material fellow shareholders, we will make an occasional bad investment. Having said that, we like our current portfolio, and continue to feel that our portfolio is undervalued (though not as undervalued as it was when we last wrote to you in January 2024) and possessing strong long-term growth potential which we feel has material long-term upside. We are pleased (but never satisfied) with our recent results.

There is never a shortage of macro and geo-political things to worry about. Today is no different, maybe it's worse. Just because we don't think we (or most investors) can consistently predict these things and just because we don't construct portfolios around such themes, doesn't mean we don't consider how extreme outcomes in these areas might impact us. Here are just a few quotes/headlines of some recent conundrums:

> "American consumers feel the strain. Nowhere is the pain clearer than in credit-card data. According to the San Francisco Fed, households burned through the last of their $2.1 trillion of pandemic-era excess savings in March."
> – Economist, June 8, 2024[5]
>
> "US borrowing binge risks market strains, analysts warn. Federal Reserve may be forced to end quantitative tightening early, as stock of Treasury bills forecast to soar above $6 tn." -- Financial Times, June 22, 2024[6]

A worry for us contrarians is that only 6% of those surveyed in a recent BofA Fund Manager Survey expect a weaker economy vs. the S&P 500 index.[7]

On the positive side of the macro ledger, amongst other notable things - is the decline of inflation in much of the western world:

> "UK Inflation hits Bank of England's 2% target in May" - Financial Times, June 19, 2024[8]

As we said in our last letter:[9]

> "Plenty has been written in the financial press about the dominance of a small number of tech companies (now called the Magnificent Seven) on the results of the S&P 500, and how their price performance obscures the recent less robust performance of most of the index, much less other equity indexes that are not dominated by these companies. We have long felt this is a topic worth paying some attention to, just not nearly as much attention as many think it warrants".

This situation has gotten worse lately - as well articulated by the WSJ recently.[10] We are open minded and not dogmatic about sectors and companies to invest in. We need to have a margin of safety, and real confidence in what the company and industry

[5] https://www.economist.com/finance-and-economics/2024/06/04/is-americas-economy-heading-for-a-consumer-crunch
[6] https://www.ft.com/content/404d2277-e6d3-4f56-93bb-c40e1ab22e68
[7] https://www.barrons.com/articles/stock-market-fund-managers-cash-bdadb3b6
[8] https://www.ft.com/content/87e15930-b81d-4ce5-9e73-33e2b05548cb
[9] GoodHaven 2023 Annual Report
[10] https://www.wsj.com/finance/stocks/the-quarter-that-split-the-market-in-six-charts-2967f139

will look like down the road. However, these distortions are important to be aware of. We have been able to outperform the S&P 500 at GoodHaven 2.0 without owning some of the index's biggest recent winners. We are not emphatic about where we find ideas and we also won't write pages of excuses when we periodically lag the index. We continue to show our results in the above table versus some additional indexes which we think are relevant. Our active share continues to be a pretty high ~95%.[11]

Our biggest purchases in the period were increases in our holdings of Berkshire Hathaway, Exor NV, and Vitesse Energy as well as the initiation of a new holding in Arrow Electronics.

As we said back in our May 31, 2021 report when discussing our exposures to "financial companies" we said[12]:

> "Our portfolio in aggregate has a material exposure to businesses that are in many ways "financial companies." Holdings that are directly/indirectly involved in commercial banking, investment banking/trading, asset management, insurance, and conglomerates with investments in those sectors, include: Jefferies, Bank of America, JP Morgan, Berkshire, Brookfield Asset Management, Alleghany, Progressive, KKR, Exor, Chubb, and Guild Holdings. Many of these sectors have remained undervalued over the last few years, beset by different investor worries such as 1) low interest rates/spreads will never improve, and may worsen, ala "Japanification," 2) newer "fintech" competitors will take material market share from existing players, 3) trading and loan losses will overwhelm capital in a downturn, ala the global financial crisis, and 4) climate change will increase insurance risks and more. These are good concerns, and we feel we have good answers, and so we have found these areas to be a fertile category for new and larger investments. We are pleased with our exposure and results from this eclectic group."

We think there are potentially more positive tailwinds in some parts of this sector today than when we first wrote this.

Vitesse's business has evolved well - as have certain industry trends. I discussed Vitesse in a recent Bloomberg interview - which you might find worthwhile.[13]

Our biggest sales in the period were the exiting of our positions in Arhaus Inc, Ligado Debt, and Peapack-Gladstone Financial and reducing our profitable holding in Academy Sports. We conceptually like the occasional distressed debt special situation. However, we changed our mind on our view of Ligado's upside/downside and so sold at a loss. We still like and admire the folks at Peapack-Gladstone but for now we felt better following the progress from afar - and sold for a loss. In our report of only a year ago we said the following about Arhaus[14]:

> "In March 2023, we developed some concerns about our position in RH and then sold a material amount of our holding – actually swapping it into shares of competitor Arhaus, Inc. As RH's stock price increased during the rest of the period, we sold the balance."

The folks at Arhaus have done a great job, and Mr. Market has taken notice with the shares up about 105% since our purchases. Given risk-free returns and our assessment of the future we exited, for now.

The aggregate positive contribution of the above transactions was approximately 0.85% in the Semi-Annual period.

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[11] Active share is measure of the percentage of stock holdings in a manager's portfolio (GOODX) that differs from the benchmark index (SP500). The active share of GOODX is approximately 95%.
[12] GoodHaven Fund 2021 Semi-Annual Report
[13] https://www.goodhavenfunds.com/wp-content/uploads/2024/02/Larry-Pitkowsky-Bloomberg-Radio-06_11_2024.mp3
[14] GoodHaven Fund 2023 Semi-Annual Report

The activity level in our portfolio has been quite low by industry standards. This suits our skill set, our goal for long-term tax efficient returns and also our personalities. For us, not trading is not the same as doing nothing.

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

Contributors (11/30/2023- 05/31/2024)	Detractors (11/30/2023 – 05/31/2024)
TerraVest Industries Inc.	Ligado Networks LLC Debt
Alphabet Inc. – Class C	Peapack-Gladstone Financial Corp.
Berkshire Hathway Inc. – Class B	Global Industrial Company
Bank of America Corp.	Brookfield Reinsurance Ltd Cl A Exch Vtg
Jefferies Financial Group Inc.	FNMA Preferred 5.10% E

If you're like me - every month you eagerly look forward to receiving the next issue of LP Gas Magazine (The Propane Industry's Most Trusted Resource). This is the industry our top gainer TerraVest inhabits. Since our last report, TerraVest reported strong earnings and recently announced another "typical TerraVest" acquisition. TerraVest entered into an agreement to acquire Advance Engineered Products based in Regina, Saskatchewan. Advance is a leading Canadian manufacturer and service provider in the tank trailer industry in Canada. We think they paid a very attractive price for Advance. TerraVest also recently issued some shares in a secondary offering - to reduce leverage subsequent to this acquisition. We applaud their recent moves and despite a share price that about doubled in the period we think TerraVest still sells at a reasonable price.

Our next biggest gainer was Alphabet. The negative recent headlines questioning Alphabet's competitive position in an AI driven world have been replaced by those recapping what was a strong Q1 2024 earnings result. All the key segments including Search, YouTube, and Google Cloud saw strong revenue gains while delivering strong adjusted operating margins of ~33%, a result of more disciplined operating costs and spend. Core search - which was one of the concerns of increased AI adoption - actually saw market share gains and increased revenue 14% y-o-y. Google's internal generative AI has gradually been rolled out in key markets and initial results have been positive and has shown increased search usage by users. YouTube ad revenues increased by ~20% y-o-y, and Google Cloud revenue increased by ~28% y-o-y. It is early days in the AI evolution, but one only has to look at the capital spending numbers from the likes of Alphabet, Microsoft and Meta to wonder if "the customer" is the big winner here.[15] We are confident Alphabet will navigate this aspect sensibly.

Berkshire was our next biggest winner - and we point to our comments earlier in this letter for our thoughts.

Rounding out the winners was Bank of America (BAC). To paraphrase what we said about BAC in our last letter[16]:

> "Our biggest purchase in the period (by far) was a material increase in our existing holding in Bank of America. Bank of America (BAC) needs no explanation, but some comments on the opportunity we see for this holding is warranted. BAC's shares recently traded at a P/E of 8x (an earnings yield of 12%) and 80% of stated book value and pays a 3.5% dividend. BAC's return on equity is a depressed 11%+. BAC has a mix of "main street" traditional deposit gathering and lending, large corporate banking functions and a top tier investment banking franchise and wealth management business via the original Merrill Lynch businesses. The investment banking and wealth management segments contribute to approximately 40% of BAC earnings, and at the recent depressed valuations, we were getting these franchises at a discount. We historically found management's slow and steady approach to growth and returns sensible and still do. Management's decision to invest a material amount of the COVID era deposit

[15] As a reminder various regulatory and legal actions against Alphabet are pending and some may get decided sooner vs. later.
[16] GoodHaven 2023 Annual Report

> influx into longer dated treasury and mortgage bonds a few years ago was a bad decision – but it is manageable and well known by all – to say the least. If the economy weakens, loan losses will increase. However, with a stable deposit base, strong lending controls, recurring earnings from the non-banking businesses, healthy capital and liquidity, the potential benefit from higher interest rates and a cheap stock price (down recently about 50% from recent highs and back to 2017 price levels), we like our risk reward here."

Things have evolved at BAC about as we hoped they would.

As we have said many times in the past[17]:

> "Along those lines we remind all that as we've written for a few years now about the structural makeup of financial markets today; with so much trading day to day dominated by non-fundamental investment strategies, this continues to create enormous price volatility and periodic market dislocations. We have strived to use this dynamic to our long-term advantage, but we are well aware that at some point this makeup of markets is far from ideal."

Finally - you'll notice that we now distribute this letter as a separate document and that the new regulatory format for what was the Semi-Annual and Annual report is now the Form TSR (Tailored Shareholder Report) that can be viewed here: www.goodhavenfunds.com/communications

We have been fortunate to have some existing shareholders refer other high quality new shareholders to the Fund. We appreciate you all continuing to keep us in mind.

As of May 31, 2024, my family and I and the team here at GoodHaven Capital Management, LLC, the investment advisor to the GoodHaven Fund, owned approximately 127,441 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 shareholder 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.

Larry Pitkowsky

[17] GoodHaven Fund 2022 Annual Report

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.

Per Morningstar (as of 05/31/2024 in the Midcap value category), the GoodHaven Fund was ranked in the top 7% for 1YR (vs. 394 funds), top 1% for 3YR (vs. 376 funds), top 3% for 5 YR (vs. 363 funds), and top 87% for 10YR (vs. 283 funds). Morningstar Rankings represent a fund’s total return percentile rank relative to all funds in the same Morningstar Category for the same time period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. It is based on Morningstar total return, which includes both income and capital gains or losses and is not adjusted for sales charges or redemption fees. Past performance does not guarantee future results.

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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