The GoodHaven Fund
2024 Annual Letter to Shareholders

PERFORMANCE as of November 30, 2024

	1 Year Ended 11/30/2024	2 Year Annualized as of 11/30/2024	12/31/19-11/30/24 Annualized as of 11/30/2024	5 Years Annualized as of 11/30/2024	10 Years Annualized as of 11/30/2024	Since Incept.[1] Annualized as of 11/30/2024
GOODX	32.97%	26.45%	16.80%	17.60%	8.41%	8.61%
S&P 500 Index[2]	33.89%	23.43%	15.33%	15.77%	13.35%	13.88%
FT Wilshire 5000 Full Cap Index	33.22%	21.52%	12.96%	13.32%	10.66%	11.16%
CS Hedge Fund Index[3]	10.64%	7.89%	6.34%	6.56%	4.42%	4.43%

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%.

January 8, 2025

"The art of being wise is the art of knowing what to overlook." -- William James

We had what we consider to be very strong results for the fiscal year 2024 (ending November 30, 2024). The GoodHaven Fund was up 32.97%, just shy of the S&P 500's rise of 33.89%.

Our results since the start of GoodHaven 2.0 (12/31/19) through 11/30/2024 are a total return of 114.65% versus the S&P 500's total return of 101.67%. While we wonder if there is a perfect "category" for our unique portfolio we note that, according to Morningstar, we ranked (at 11/30/24) in the top 19%, 3% and 2% of our category for the trailing one, three, and five-year periods respectively.[4]

While we are happy with our recent results, as conveyed by the above numbers, there are a few other portfolio statistics that leave us even more pleased. The below table, which you've seen before, shows the portfolio

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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 11/30/24. Source: Bloomberg

[4] Per Morningstar (as of 11/30/2024 in the Large Cap value category), the GoodHaven Fund was ranked in the top 19% for 1YR (vs. 1138 funds), top 3% for 3YR (vs. 1063 funds), top 2% for 5 YR (vs. 1002 funds), and top 65% for 10YR (vs. 786 funds).

valuation and growth characteristics of The GoodHaven Fund. We have accomplished what we have with a portfolio that is trading at a much lower valuation than the S&P 500 and also has a better recent earnings growth profile. As you know, we do not utilize any portfolio leverage. In addition, the portfolio has recently accomplished these results with the drag of above average levels of cash/cash equivalents as we welcomed a material number of new fellow shareholders.

How one achieves returns matters for us, as well as the returns themselves. Such statistics also convey our long-term optimism for our future returns despite an overall backdrop of market excesses and speculation.

		GoodHaven	S&P 500
As of 12/31/2024			
Concentration	(# of Positions)	23	503
Growth Rate (2019 - 2024E)	5 YR EPS Growth Rate	21.5%	15.9%
Valuation	2024 P/E Ratio	18.0x	24.6x
Valuation	2025 P/E Ratio	16.8x	21.6x

In the past we articulated how we think about relative and absolute returns - and we reiterate those thoughts below:

> "People sometimes ask if we focus on relative returns (compared to a benchmark) or absolute returns (without regard to a benchmark). Our answer is—both—over the long-term. We won't be satisfied with mediocre long-term returns (even if they are positive) that trail the index. We also won't be celebrating a slightly less material decline than the index in a weaker period. However, we remind you that the portfolio is not designed to avoid volatility or periodic drawdowns over the short-term. We are striving for strong, long-term returns on a relative and absolute basis through our ownership of high-quality companies and opportunistic special situations that have outsized return potential, all purchased with a significant margin of safety. Ours is a concentrated portfolio and there will be some periods of underperformance in future periods."[5]

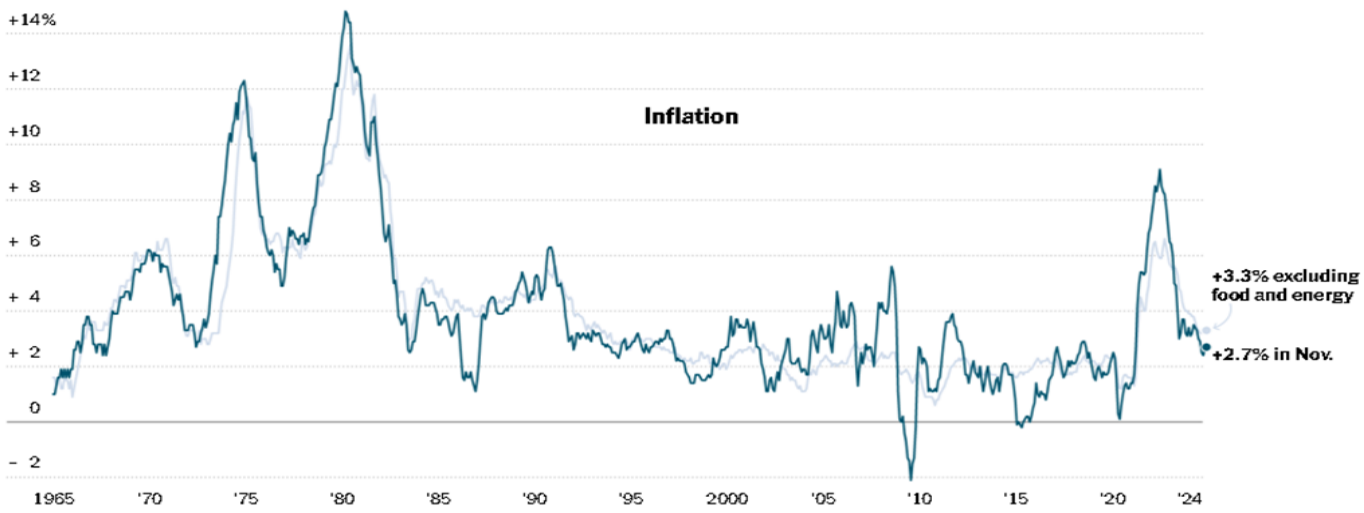
We hope you will view such weaker periods when they come as opportunities, as we expect we will. Also, despite our best efforts and alignment as material fellow shareholders, we will make an occasional unsuccessful investment. Having said that, we like our current portfolio, which we feel has material long-term upside. We are pleased (but never satisfied) with our recent results.

The domestic macro backdrop continues to be one of modest economic growth, much lower inflation versus a few years ago, modestly lower short-term interest rates and continuing unhealthy levels of Federal debt outstanding. We note that consumers on the upper end are, on a relative basis, faring better versus consumers of more modest means.

[5] GoodHaven Fund 2022 Semi-Annual Report

We recall the long list of "experts" who not long ago vehemently predicted the impossibility of reducing inflation without creating a serious recession. It's not that we predicted differently. It's that we realize how difficult and counterproductive trying to make such predictions can be to long-term portfolio management. The more recent debate centers on if the inflation declines have ended and might now be increasing.

For a historical perspective on inflation here is a useful chart from The New York Times:[6]



Year-over-year change in the Consumer Price Index • Source: Bureau of Labor Statistics • By Karl Russell

As you know, we observe, respect, and monitor the macro. We then return to turning over rocks in search of new investments that fit our mandate, circle of competence, and can be purchased with what we believe is a margin of safety. We of course always closely observe current and likely future business trends for our existing holdings.

We have regularly commented on perhaps the two biggest financial market topics of recent times: the dominance of a small number of tech companies (now called the Magnificent Seven) on the results of the S&P 500, and the rise of non-fundamental trading (of all sorts) as a percentage of overall market activity. A recent white paper from Apollo makes some thoughtful observations, summed up below:

> "The rise of passive investing has had a significant impact on financial markets in the last three decades, especially on its contribution to higher asset-price volatility, reduced liquidity, and possible contribution to heightened market concentration. By analyzing the substantial shift of assets from active to passive strategies—particularly through the growth of Exchange Traded Funds (ETFs) and retirement-savings plans, such as 401(k)—this paper illustrates how passive investors, who primarily track major indices, have contributed to reduced price elasticity and market responsiveness, which, in turn, have led to amplified price movements, decreased liquidity, potential macroeconomic inefficiencies, and a disproportionate concentration of market influence in a few dominant stocks, such as the so-called "Magnificent Seven."[7]

[6] https://www.nytimes.com/2024/12/11/business/inflation-cpi-november.html?smid=em-share
[7] https://bit.ly/42lOq9t

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 will look like down the road. However, these distortions are important to be aware of. We have been able to materially outperform the S&P 500 at GoodHaven 2.0 without owning most 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 will strive to continue to use market volatility to help us establish, increase or exit our holdings opportunistically. We continue to show our results versus some additional indices which we think are relevant.

TABLE OF TOP 5 CONTRIBUTORS & DETRACTORS ($) FOR THE FISCAL YEAR

Contributors (11/30/2023-11/30/2024)	Detractors (11/30/2023-11/30/2024)
Jefferies Financial Group Inc	Devon Energy Corp
Berkshire Hathaway Inc Cl B	Occidental Petroleum Corp Warrants Exp 080327
TerraVest Industries Inc	Exor NV EUR
KKR & Co Inc Cl A	Global Industrial Company
Bank of America Corp	Arrow Electronics Inc

Our biggest dollar detractor in the period was a decline in our long-time holding Devon Energy. During the period Devon closed on its sensible acquisition of Grayson Mill Energy and delivered solid operating results. At Devon's recent share price, the stock is trading for less than 8x forward free cash flow. We feel plenty of upside exists, and we have opportunistically added to our holdings in the period and note the company's increased recent share repurchase pace.

Recently, Devon CEO Rick Muncrief announced his upcoming retirement, with COO Clay Gaspar stepping into the role. Rick astutely navigated its predecessor WPX Energy through some rough seas before thoughtfully merging WPX with Devon and showing the industry how disciplined capital allocation is done. We have been invested alongside Rick for a long time and appreciate the value he has created for us all and look forward to what Clay will do in the big chair.

Occidental Petroleum Warrants were the next biggest detractor in the period.

Our biggest gainer in the period was Jefferies. Not so long ago, Jefferies CEO Rich Handler articulated a vision to focus on gaining market share in investment banking, exit opportunistically its legacy merchant banking investments, and IF the share price remained attractive, embark on a material share repurchase program.

We were in the minority in our view that this could be done. Rich's (and President Brian Friedman's) 2024 letter excerpt and the statistics that follow sum up well the accomplishments:

> "Since 2017, we have repurchased 159 million shares at an average price of $24.03 per share. At the same time, we increased our annual dividend in seven of the last eight years (including today) and have paid out $1.5 billion in cash dividends to our shareholders, as well as distributed a further nearly $1 billion from our Spectrum Brands share dividend in 2019 and our spin-off of Vitesse in January 2023, the performance of which has been outstanding. In aggregate, during the past seven years, we have returned to our shareholders $6.4 billion (or 83% of our tangible equity at the beginning of the period), have had our credit ratings upgraded by all three rating agencies, and find Jefferies in its strongest financial and human-capital position in our history."[8]

In addition, Jefferies continues to make significant market share gains in investment banking. As they also said in the 2024 letter:

> "Our market share across M&A, ECM and Leveraged Finance established us as the world's 6th largest investment bank, according to Dealogic, a record for our firm. We are also proud to have ranked 5th globally in M&A (a record), 6th globally in ECM (tied with our record result in 2023) and 3rd in global Financial Sponsor M&A (a record). Many of the senior investment bankers who have joined us over the past few years are only now beginning to deliver full results, giving us confidence in our ability to drive continued revenue and market share growth over the coming years."[8]

Our next biggest gainer was Berkshire Hathaway - which we remind you became a top holding in 2020.

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

> "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."[9]

This was a non-consensus point of view at the time.

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[8] https://s204.q4cdn.com/176394273/files/doc_financials/2024/ar/Jefferies-2024-Shareholder-Letter.pdf; M&A is an abbreviation for Mergers and Acquisitions; ECM is an abbreviation for Equity Capital Markets

[9] GoodHaven Fund 2021 Semi-Annual Report

If we are guilty of harboring any macro thinking, it's that perhaps risk-free interest rates don't return to their unusually low levels of some years ago and that the forward yield curve structure allows for better interest rate spreads for financial companies. As it relates to Property & Casualty Insurance rates and trends, it's hard not to notice the consistently elevated level of industry claims and consider their impact. As the FT recently said:

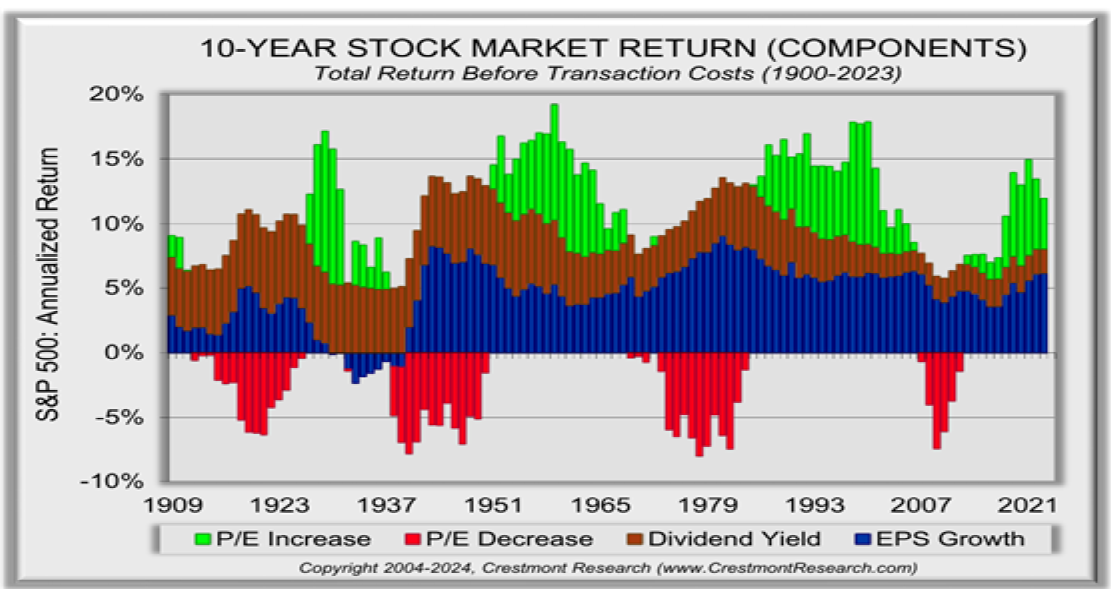
> "This is the fifth consecutive year that natural catastrophe losses have passed $100bn, prompting calls for more investment in measures to tackle the root causes of severe weather."[10]

Our next biggest dollar gainer was our long-time holding TerraVest. While some prefer an all-nighter in Las Vegas, I recently had an exhilarating trip to visit the TerraVest subsidiary Granby's oil tank plant in Cowansville, Quebec. Charles Pellerin's (Executive Chairman) capital allocation wisdom and TerraVest's solid operating results have not gone unnoticed, with the shares having more than doubled in the period. We still feel plenty of long-term upside remains.

On the special situation front, our mix of holdings in the common and preferred shares of Fannie Mae were notable gainers given the modest size of the exposure. We articulated our thesis back in our 2021 Semi-Annual Report and we continue to like the potential for these holdings while mindful of the uncertain and complex nature of such a thesis.

Our biggest additions of capital in the period were new or increased holdings in: Berkshire, Chubb, Arrow Electronics, and Exor.

Sometimes stock prices underperform the businesses they represent and sometimes the opposite is true. Lately for much of the market the latter has been the case - the fun chart below conveys much:



[10] http://bit.ly/4gIjCUm; As we go to print the devastating and destructive fires in California rage - causing terrible human trauma and likely leading to increased insurance rates in certain lines of business.

We don't own "the market" and we conveyed some important, and we feel compelling, statistics about our holdings earlier in this letter. We also note that our largest holding, Berkshire Hathaway, now holds a record $300 billion plus in cash/equivalents, giving it more downside protection.

However, we too have benefited from some of our holdings now trading at higher earnings multiples than previous. We strive to simultaneously think about both the upside and the downside of both the underlying value of our holdings and their market prices in relation to such value. We will normally not sell an attractive long-term holding just because its market price is no longer as cheap as it was or is fairly valued. Cutting the flowers and watering the weeds can be a very counterproductive exercise over time to compound returns, not to mention being tax inefficient. However, we will also seek to avoid holding something we like if we feel the market price has borrowed too much from future performance.

While we are always striving to be more fully-invested, we point out that while we wait, the return on cash/equivalents is more competitive than historically versus the earnings yield on major indexes.

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 November 30, 2024, my family and I and the team here at GoodHaven Capital Management, LLC, the investment advisor to the GoodHaven Fund, owned approximately 127,504 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

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.

P/E is price to earnings ratio which is a way to value a company by comparing the price of a stock to its earnings. The S&P 500 P/E ratio is a gauge of how the US stock market is performing.

Per Morningstar (as of 11/30/2024 in the Large Cap value category), the GoodHaven Fund was ranked in the top 19% for 1YR (vs. 1138 funds), top 3% for 3YR (vs. 1063 funds), top 2% for 5 YR (vs. 1002 funds), and top 65% for 10YR (vs. 786 funds). 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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