



MONTHLY INVESTMENT COMMENTARY

Hop In... We Are All Going for a Ride into the Future

FROM THE PORTFOLIO MANAGER

A Quarter to Remember... and a Meaningful Leap Forward

The cadence of financial markets is measured in quarters. Companies report earnings quarterly, and investment managers report performance quarterly. The portfolio has performed well in the third quarter relative to the benchmarks. The more significant development this quarter, however, has unfolded behind the scenes: Helianth has taken a meaningful leap forward over the summer. I am pleased to share that Helianth now deploys a proprietary, artificial intelligence-based tool that evaluates the investment prospects of individual securities using the same tried-and-true methodology that has produced your portfolio's track record to date. It is the most exciting tool I have had in my hands in my entire investing career.

What It Is

The HIM Priced-in-Growth model, or PIG (as in piggy bank), seeks to measure the amount of growth implied in a stock's current market price, and then render an AI-informed judgment on what that company can reasonably achieve over the next three to five years. When a favorable gap exists between these values, it triggers a human analysis of that company. After three evaluation passes across nearly 450 public companies, consuming more than ten billion tokens and three months of sustained human effort, the tool is now deployed into our daily investment process. It casts a meaningfully wider net with considerably finer mesh than I could have envisioned when the project began, and it is designed to grow in breadth and precision over time. It is hyper-customized to our methodology and 100% unique to Helianth.

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THE INVESTMENT CASE

What It Is Not

The new tool is not a replacement for the human judgment and personal interaction on which Helianth's investment process has always been built; it is a substantial upgrade. It will never access your accounts, make trades, or initiate transfers. It does not even know we exist. Its role is data analysis, nothing more. It is not a high-frequency trading system competing in milliseconds; that ground has been covered by others with considerable efficiency. The model renders comprehensive, data-informed judgments about a company's future prospects based on its historical business record. Importantly, because the model operates on a longer-term prediction window of one, three, and five years, it will be subjected to rigorous statistical testing every six months and calibrated accordingly. The market has a reliable way of sifting the wheat from the chaff over time, and that, proven repeatedly across market cycles, is the very essence of successful investing.

What Stays the Same

The risks inherent in equity markets remain unchanged. Markets overreact to the upside and the downside, trade on rumors and fears that may or may not prove accurate, and every company carries genuine competitive risks that cannot be fully anticipated. We are all attempting to take the intelligent risks and avoid the uninformed or unnecessary ones. The new AI tool helps define those risks with greater precision.

Last winter, the investing world, and more personally your portfolio, was consumed by the AI Doom Loop scenario, in which artificial intelligence threatened to render knowledge work and the software industry itself unnecessary. As a knowledge worker who invests in the software sector, the prospect was a genuine provocation to act. I embarked on the AI learning curve, invested in AI-specific infrastructure, and invested the most precious commodity of all: time. I am now sufficiently conversant in the technology to understand AI as the ability to engage with a system that has access to both data and knowledge, one that answers questions and generates better questions in return. It is an infinite loop of learning. Helianth is at the vanguard of the application of artificial intelligence for individual investors. Hop in. We are all going for a ride into the future. It is going to be extraordinary.

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