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2a Park Hill, Bury Old Rd, Prestwich, Manchester, M25 0FX

26.04.22

Dear Investor,

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Due to the relatively concentrated nature of the portfolio and length of participation with WCM, some managed accounts will not include investments that occurred before the account was opened. Consequently, account performance will vary.

WCM takes all precautions necessary to ensure that all accounts are treated fairly, and no single account is prioritised over another, fully in line with the FCA Principles (PRIN 2.1.1).

I begin with a brief overview of some of our existing holdings holding. You will find additional detail in the previous quarterly letters.

Rimini Street "RMNI"

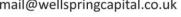
Rimini Street full year earnings for 2021 was positive with sales increasing 14% year over year. For full year 2022, guidance for growth is only 8% and was not what anyone was expecting. Management is still focused on growing revenue to \$1Bn by end of 2026. US sales growth was 8% and international sales growth was 29%. Recent hiring in the US would indicate that they are dealing with the slow sales growth of the US.

Franklin Covey "FC"

FC recent reported earnings on for the quarter ending Feb 22' and continues to show solid sales growth, increasing its profit margins, and as expected continues to have a clean balance sheet. The company previously raised full year guidance for 2021 and now raised guidance for 2022 from Ebitda \$34-\$36M to \$38-\$39M. Revenue increased by 18% year on year. Deferred revenue increased by 24%. \$60Million of cash is on the balance sheet, with zero debt. Sales are growing at a faster pace than costs of sales. Management has the ability to utilize the cash in the best way possible, to increase shareholder returns.

FC is well on its way to achieve the \$1Bn company that management previously indicated as there target.







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KASPI "KSPI"

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Kaspi released its 1st quarter earnings report just yesterday and continues to fire on all cylinders: (comparatives to last years 1st quarter)

- DAU (Daily average users) of the app increased 34% to 7.2 million whilst MAU (Monthly average users) increased by 14% to 11.4M
- Merchants increased 233% year-over-year to 292k
- 302K active Kaspi pay POS devices up 99% year-over-year
- By number of transactions Kaspi pay acquiring accounted for 85% of in store purchases, compared to 15% of 3rd party acquiring
- Kaspi continues to roll out the Postomat locker network, which will further enhance Kaspi Smart Logistics value proposition for consumers, merchants, and delivery partners. So far c.1000 has been installed with around a total of 3000 lockers to be installed by end of 2022
- Kaspi Travel is now the no.1 online flight and rail booking service with a 9% market
- Kaspi announced a \$100M buyback program that is due to commence immediately
- Last year, Kaspi partnered with the largest grocery chain 'Magnum' to offer online grocery purchases and delivery. The growth rate is incredible. Albeit from a small base, the number of purchases has increased 22.8X since last year and active consumers increases 10.4X in the same period. This is just the start

"Management comment" At this stage, even considering reduced macro visibility, we continue to expect Kaspi.kz's consolidated adj. net income to grow by between 20-30% year-over-year in 2022.

The stock price has declined since we invested, due to two factors. 1) The initial civil unrest in early 2022, against the Kazakh Government. The Government response was with brute force and protests has since subsided. For the time being the Government has promised change to increase living standards. 2) The Russia-Ukraine war has left investors worried. Russia borders with Kazakhstan. Concerns are that Russia may invade Kazakhstan next, and that Kazakhstan be the target of Western sanctions due to the Russian-Kazakh ties, but Kazakhstan is attempting to distance themselves from any Russian connection. The businesses of Kaspi in general do not appear to be affected in any material way, and as such I am still content to hold. These events are unfortunate. There is political & geographical risks, hence the price decline, though from an investment point of view Kaspi is too undervalued for a business that is profitable, has little to no competitors and is growing at 20-30% per year. At the current share price of 10 times free cash flow I think the reward outweighs the risks.











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Berkshire Hathaway "BRK"

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Berkshires stock has increased somewhat this quarter. The initial investment thesis was based on cash management, and I do not view this as a permanent investment, but to hold some capital here until I am able to invest in other undervalued companies. This is a company that consistently increases shareholder value year over year albeit at a slower pace than other companies that we are invested in.

North Media "NORTHM"

The most recent earnings outlook for 2022 was a little dampened as rising costs were not fully passed on to the end customers. In addition a recent tuck-in acquisition of Boligmanager is causing a small drag on profits due to costs for growth and upscaling purposes. The good news is that c.40% of the market capitalization of NorthM consists of cash and liquid assets. The market is clearly leaving NorthM for dead. The share price declined since the beginning of this year, and I believe management should be upping the game to achieve better shareholders returns. There are multiple levers for management to pull to increase the stock price within an extremely short time frame, and I have voiced my concern and opinion on this matter and am continuing the dialogue with management.

JDC Group AG "JDC"

The business continues to excite me. More than 60 Banks will be onboarded this year. Revenue from the newly onboarded Banks will be small, but next year revenues will increase significantly. Guidance for 2022 is 165-175MEur a 17% increase on 2021 revenue. JDC continues winning the tenders to onboard insurers and banks. Due to the operating leverage, profits will increase at a higher rate than the revenue growth figures.

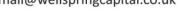
AIMIA

Following on from my comments in my previous letter, on the 8th of Feb, Aimia entered a binding letter of intent to divest its stake in PLM loyalty program for net proceeds of up to \$517MCAD or \$5.58Cad per share. Shares currently trade at c.\$5

After completion of the above, Aimia will have more cash per share on its balance sheet. Management confirmed they have a few acquisition targets and will also return some of the cash to shareholders via dividends or share buybacks.









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Last few words

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In terms of our stock holdings the stock prices, so far for year 2022 has not had a good start, though most of our underlying businesses are in excellent shape and have positive outlooks. Eventually stock prices follow the trend of the performance of the underlying businesses. We are investing for the longer term and not focused on the short-term results. The markets in general are having it tough due to the various big themes of 2022 namely the Russia-Ukraine war, the rise of interest rates, the increase in energy prices, the increase in raw materials and importantly the increase in the basic commodity food. I do not predict what will unravel in the short term, though I do believe the economy will revert to the norm at some point.

Finally, a warm welcome to the new investors that joined WCM this past quarter, and I thank you all for trusting me to invest your capital alongside my own. For those that would like to join or know someone who is interested to learn more about WCM can contact me directly at an@wellspringcapital.co.uk

Please contact me if you have any questions.

All the best.

Avrohom Neumann

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