

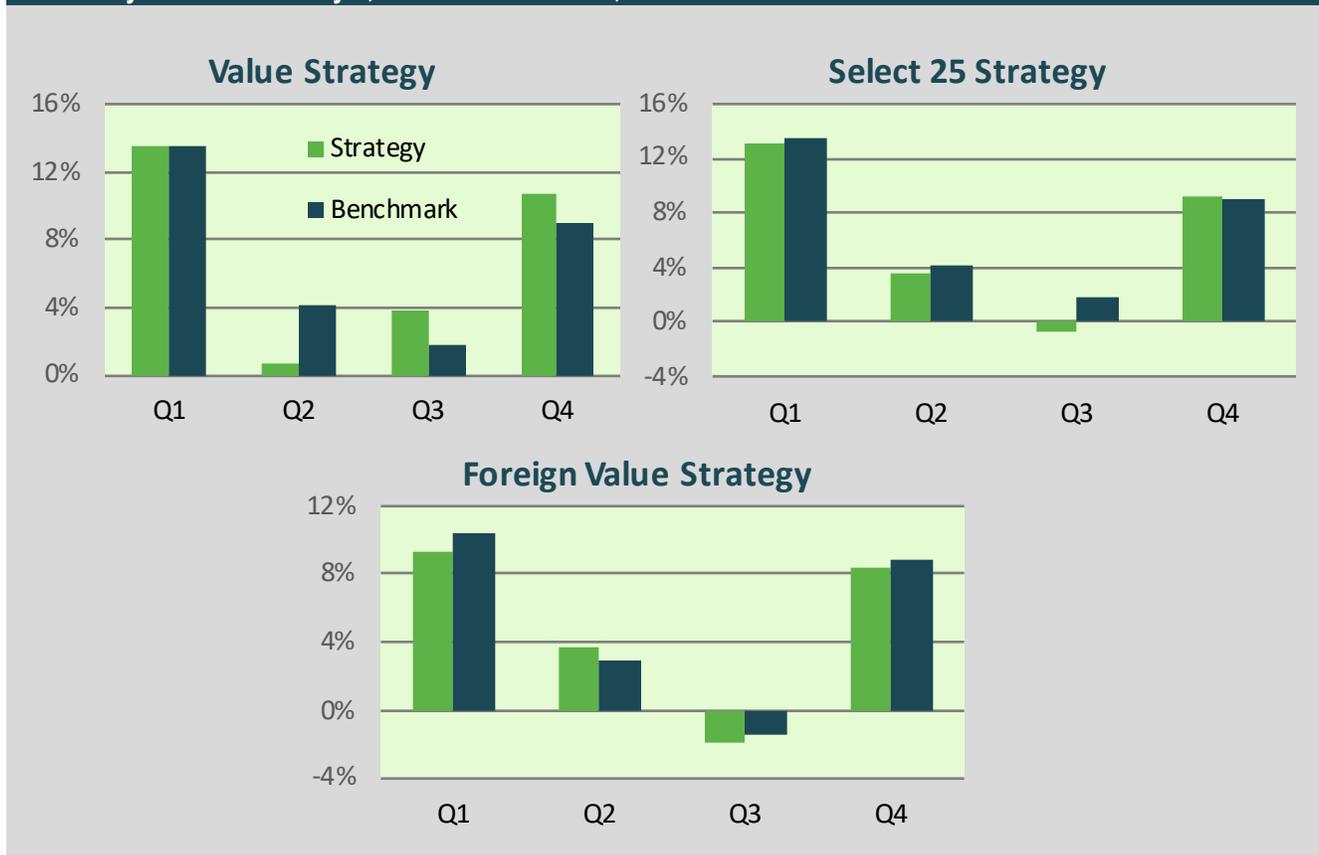
Fourth Quarter 2019 Performance Review

The fourth quarter was a strong finish to a very strong year, with the S&P 500 rising over 30%. Keep in mind that about half of the rise simply offset the losses we experienced in the last quarter of 2018. But even with this in mind, the performance was exceptional and at least partially driven by very low interest rates. Foreign stocks also had a strong year, but fell short of U.S. stocks. Strategy performance was mixed in the fourth quarter with the Value Strategy outperforming, Select 25 managing a slight beat, and Foreign Value trailing slightly. For the year, the Select 25 Strategy was a disappointment and I have made changes to the strategy in an effort to improve its performance.

	Q4 2019	Benchmark	Outperformance	Prior 12 months	Benchmark	Outperformance
Foreign Value Strategy	8.4%	8.9%	-0.5%	20.6%	21.8%	-1.2%
Select 25 Strategy	9.3%	9.0%	0.3%	27.0%	31.2%	-4.2%
Value Strategy	10.7%	9.0%	1.7%	31.6%	31.2%	0.4%

Strategy returns are before fees

Quarterly Returns January 1, 2019 - December 31, 2019



Several Changes for 2020

From time to time registered Investment Advisors must complete a books, records, and compliance review. Haas Capital Management completed such a review in the previous quarter. A few small changes will be implemented as a result of this review. In addition, Interactive Brokers has announced a new optional pricing structure that you should be aware of.

Strategy Performance Reporting Will End

The regulatory burden that is required to continue performance reporting for each strategy is simply too burdensome. In addition, I have been considering the value of this reporting for the last few years, since the performance of many individual accounts has varied from the representative accounts as a result of deposits, withdraws, tax planning, rebalancing, etc. I believe the best time to review performance is during annual reviews, and these will continue unchanged. I will, of course, continue to track strategy performance internally for the purpose of improving strategies over time. This is the last quarterly letter to include performance reporting.

Clients Must Complete a Suitability Survey

Although I am aware of the financial situation of each of my clients, it is a requirement that this be documented by each client. This will be a short survey that will be completed in the next few months.

Interactive Brokers New Pricing

You've probably heard on the news that several brokerages have cut their commission on U.S. stock trades to zero. Interactive Brokers also offers a zero commission pricing plan they call "IBKR Lite". However, the interest rate on cash in the IBKR Lite plan is 1% lower than the current plan. I expect that most clients will be worse off with the Lite plan because they will lose more in interest than they will save in commissions. As a reminder, there are two primary reasons cash is held in accounts. The first is in order to rebalance between strategies, and within strategies. For example, the Value Strategy may have one cohort that has done much better than other cohorts. When this cohort is sold the excess profits will be held in cash until they are allocated to other cohorts. The second reason for holding cash is the buyout of one or more stocks. Currently, about 1% to 2% (varies by account) of the Value Strategy may be in cash due to the buyout of Celgene.

No action is required to continue with your current Interactive Brokers pricing structure.