LVS ADVISORY

Investment Results	Full Year 2019	Full Year 2020	Year-To-Date 2021	Since Inception[1]
LVS Growth Portfolio (net of fees)	**-**	**61.8%**	**30.0%**	**110.3%**
Benchmark: S&P 500 Total Return Index	-	*16.3%*	*20.4%*	*40.0%*
LVS Defensive Portfolio (net of fees)	**7.0%**	**13.2%**	**7.6%**	**30.3%**
Benchmark: Barclays High-Yield Bond Index	*13.4%*	*5.0%*	*3.5%*	*23.2%*

Note: investment performance is presented net of all fees and expenses. Investment results are as of August 31, 2021.

(1) LVS Defensive was incepted on January 1, 2019. LVS Growth was incepted on January 1, 2020.

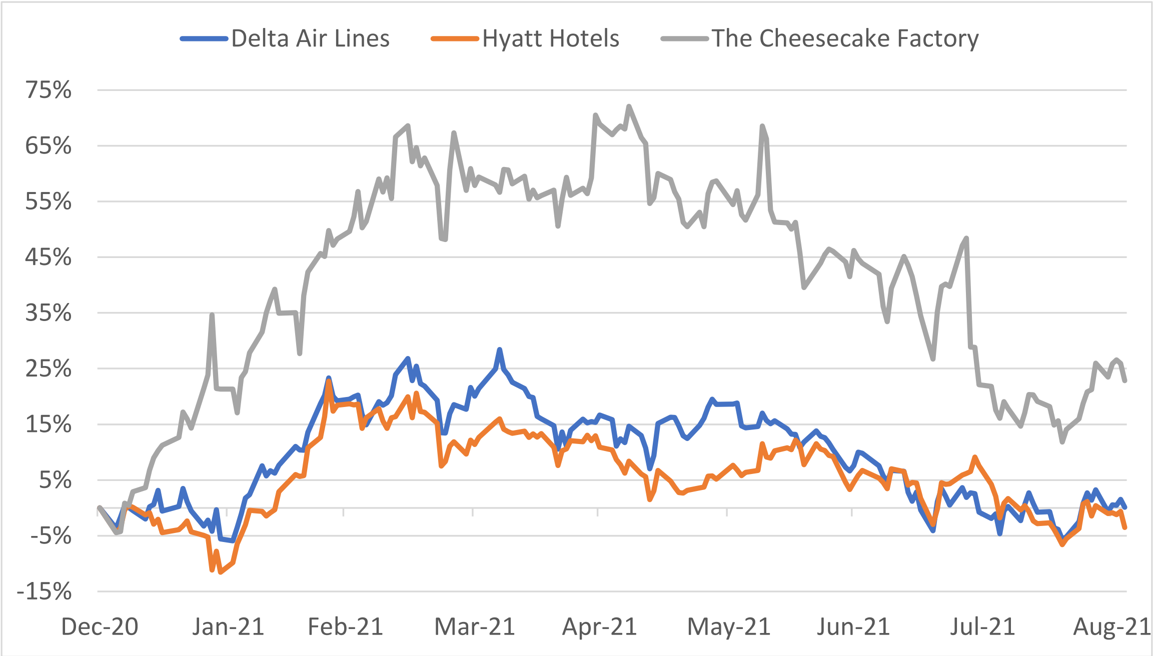
September 8, 2021

Dear Investors,

Summer has come and gone and we are in the home stretch for the year. Continuing on the theme from 2020, this year has been a Rorschach test of conflicting data points and uncertainty.

One of the more pronounced investment debates this year has been the reopening / reclosing trades. At the start of 2021, with the vaccine rolling out, investors cheered the basket of stocks that would benefit from a pending economic re-opening. Restaurants, hotels, and other cyclical stocks roared higher.

However, as we rolled into the summer months and learned about the covid Delta variant, many of those same stocks that gained earlier in the year lost ground.



I am often asked what my view is on reopening/reclosing and how I think the Delta variant could impact our stock selection. While it is fascinating to read about the latest developments, we strive to find investments where the impacts of the current economic cycle have little bearing on our stock picking.

Some investors may have a good process for trading around short-term economic news but that is a very difficult game to play. No one could have predicted the rise of the Delta variant or its impact, and surely many investors were burned attempting to trade the headlines.

We focus on investing for the long term. In February 2021, I wrote about searching for stocks with "inevitable outcomes". For example, we believe that Twitter will continue to increase in relevance over time as it has proven to be an indispensable social media platform. If we ignore the impacts of the pandemic and move five years into the future, we are highly confident that Twitter will have many more users and will have found more ways to monetize its global social network. With our thesis based on where Twitter will be in five to ten years, it doesn't matter a whole lot whether the economy re-opens in August 2021 or May 2022.

There is value in monitoring current data points but with a focus on how the data points inform our long-term views on where the world is heading.

Investment in MoneyGram + podcast interview

MoneyGram is a relatively new investment in the Growth Portfolio. MoneyGram is a global money transfer business primarily helping immigrants send remittance payments to their home countries. The stock is quite cheap at 7x EBITDA because the market views the company as an old-school financial services provider that will be disrupted by fintech players such as PayPal or cryptocurrency.

Our contrarian view is that MoneyGram is actually one of the companies pushing the disruption as it has a rapidly growing digital payments business. Unlike its rival Western Union, MoneyGram is going all in on the digital payments growth opportunity by directing all of its capital reinvestment to this new business. We believe this aggressive investment in digital will pay off handsomely as the company has clearly found product-market fit with its mobile app and benefits from very attractive dynamics regarding customer lifetime value and customer acquisition costs (LTV/CAC).

MoneyGram is a cheap stock today but that is most likely due to structural reasons. With a market capitalization below $1 billion, the stock simply isn't on the radar of most professional investors. Furthermore, the digital transformation has occurred within the last 3 years and was significantly boosted by the Covid-19 pandemic – the impact of which isn't clearly reflected in the company's recent financial statements.

The stock will be supported by growth stemming from the digital business. We also believe the valuation multiple has room to expand as investors wake up to the idea the MoneyGram is a fintech leader and not a legacy laggard.

I recently joined my friends Ryan Henderson and Brett Schafer on the Chit Chat Money podcast to discuss our investment in MoneyGram (in detail). You can listen to the conversation on Apple podcasts here or on Spotify here.

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Until next time

Thank you for your continued support and interest in LVS Advisory. I look forward to connecting again soon.

Best regards,

Luis Sanchez

Luis V. Sanchez CFA

ABOUT LVS ADVISORY

LVS Advisory is a full-service financial advisory firm providing active investment management, financial planning, and institutional investment research services for individuals, families, and institutions. Luis V. Sanchez CFA is the Founder and Managing Partner of LVS Advisory. Luis' professional experience includes working in investment banking, consulting, and investment management. Luis is a licensed Investment Adviser Representative and a CFA Charterholder. LVS Advisory LLC is a Registered Investment Adviser based in New York City.

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