



VMF's Security Selection

Key Takeaways:

- . Market leadership remains narrow, but the earnings advantage of the largest AI winners may be starting to fade.
- . We continue to believe a new golden age for stock picking may be approaching.
- . We are going to China to find a cash-rich, dominant platform positioned to use AI where it matters most...
- . Altius Minerals is beginning to validate our royalty thesis!

"You pay a very high price in the stock market for a cheery consensus."
Warren Buffett

"Value investing is at its core the marriage of a contrarian streak and a calculator."
Seth Klarman

Outside the Comfort Zone

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Welcome to the May issue of *VMF's Security Selection*.

At first glance, this looks like a terrible moment to be a **stock picker**. The main indexes are pressing against record highs. Valuation multiples are stretched. Market concentration remains extreme. And the most obvious winners of the AI boom have already been rewarded with the kind of enthusiasm usually reserved for once-in-a-generation themes.

In that kind of market, it is tempting to draw a simple conclusion:
Stocks are expensive.

But that conclusion is too blunt. The index may be expensive. The market may be concentrated. The largest companies may now command valuation multiples that leave very little room for disappointment. But that does not mean every great business has been priced for perfection.

In fact, the opposite may be true. The more concentrated the market becomes, the easier it is for investors to confuse the index with the opportunity set. And the more capital crowds into the same obvious winners, the more likely it becomes that high-quality businesses outside the spotlight are left behind.

That is where this month's issue begins.

Because beneath the surface of an expensive market, we believe there are still exceptional businesses trading at surprisingly undemanding prices. Not perfect businesses. Not comfortable businesses. And certainly not businesses without risk. But high-quality franchises where the market's fear, fatigue, or lack of imagination may have gone too far.

That distinction matters...

A market can be expensive and still contain bargains.
A theme can be crowded and still have underpriced second-order beneficiaries.
An index can look fully valued while individual stocks remain deeply mispriced.

That is the stock picker's opportunity.
And we are not alone in seeing it.

A **Stock Picker** is an investor who selects individual companies rather than simply buying the market through a broad index. The objective is to identify securities whose market price is meaningfully different from their intrinsic value. Good stock picking is not about guessing which chart goes up next. It is about business analysis, valuation, risk assessment, and patience. The stock picker asks: What is this business worth? What is the market missing? What could go wrong? And is the potential reward large enough to justify the risk? In plain English: index investing buys the basket. Stock picking asks whether one company inside or outside that basket is being mispriced.



Bill Ackman has recently made a similar point in his own way, arguing that some of the highest-quality businesses in the world are trading at unusually attractive valuations. That is not a small observation coming from an investor whose career has been built around concentrated ownership of durable, cash-generative franchises.

But the market's response to Ackman's own recent public listing was revealing. **Pershing Square USA Ltd.** raised a meaningful amount of capital, but far less than the ambitious levels once imagined. Its public debut was also lackluster, with shares quickly trading below the offering price.

We would not read that as a rejection of Ackman's argument.
We would read it as evidence of the very inefficiency he is describing.

Investors may admire quality in theory. But in practice, many still prefer what is easy to own: the index, the mega-caps, and the obvious AI winners that have already worked.

That gap is where stock pickers can still find opportunity.
Because when capital crowds into the same comfortable places, the price of consensus rises. And when the price of consensus rises, future returns often migrate to the businesses investors still hesitate to own.

That brings us back to the work we began in this month's issue of *VMF's Strategic Asset Allocation*. There, **we argued that the most visible side of the AI boom has already been discovered.** Semiconductors. Memory. Data centers. Power. These are the cleanest bottlenecks in the AI infrastructure buildout, and the market has increasingly learned to pay for them.

That does not mean the opportunity is over.
But it does mean the game has changed.

The better question now is simple: **Where does the AI trade go next?**

Our answer in *Tier One* was the application layer.

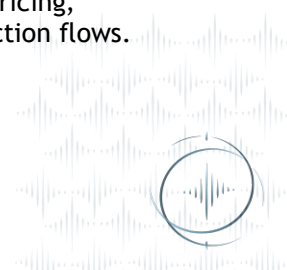
The hardware layer is where AI gets built.
The application layer is where AI gets used.

And that is where things become more interesting... and more uncomfortable.
Because the next opportunity may not sit in the cleanest story, the safest geography, or the most obvious stock. It may sit where the problems are visible, the discount is large, and the market still refuses to pay for optionality.

This month, in *VMF's Security Selection*, we are taking that argument one step further. Instead of expressing the idea through a broad vehicle, we will examine one specific company sitting directly inside the application layer of the AI economy.

It is not a frontier-model company.
It does not manufacture semiconductors.
It does not own data centers.
It is not one of the glamorous names investors instinctively associate with artificial intelligence.

And that is exactly why it interests us. Because AI will not only create value where models are trained or chips are sold. It will also create value where intelligence is deployed into real economic activity: commerce, search, discovery, pricing, advertising, logistics, merchant tools, consumer behavior, and transaction flows.



That is where AI stops being a demo.
It becomes monetization.

The company we will discuss this month sits in one of the largest, most competitive, most controversial, and most data-rich commercial environments in the world.

The market does not trust it... for understandable reasons.

We take those risks seriously. In fact, we will begin with the **bear case**, because any investment thesis that ignores why a stock is cheap is not analysis. It is hope. But after confronting the discomfort, we will ask the more important question:

What if the market is confusing discomfort with impairment?

And what if one of the cheapest large technology platforms in the world is also one of the most interesting stock-level expressions of the AI application-layer opportunity?

That is the tension we like.

Cheap, but not broken.
Controversial, but not mediocre.
Misunderstood, but not irrelevant.

There is a lot to do...

The Index Is Expensive. The Opportunity Set Is Not.

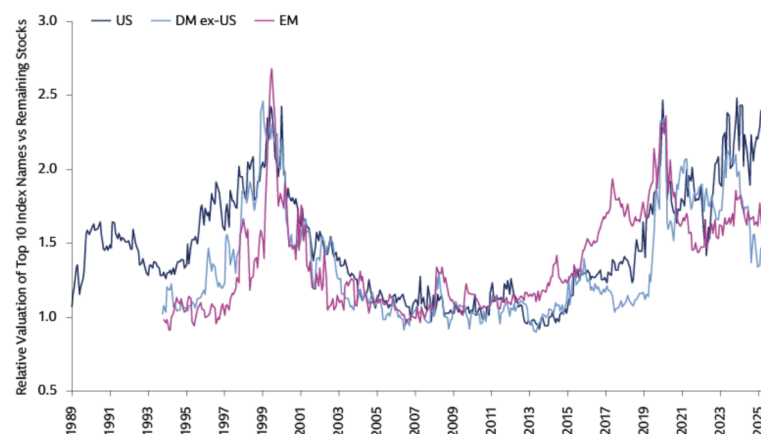
The U.S. market is not cheap.

As Goldman Sachs Asset Management shows, the valuation premium of the largest U.S. companies relative to the rest of the market has moved far above its long-term average. In plain English, the biggest names are not only large. They are also expensive relative to everything beneath them.

That matters because valuation is not just a number on a spreadsheet. It is a measure of how much future perfection investors are already willing to pay for today. And right now, a great deal of perfection is being priced into a very small group of companies.

This chart compares the valuation of the **top 10 companies in each index** with the valuation of the **remaining companies**. A ratio of **1.0x** means the largest companies trade at roughly the same valuation as the rest of the market. A ratio above **2.0x** means the top 10 stocks trade at more than twice the valuation of the remaining constituents. The message is clear: in the U.S., the largest companies are not only dominating index weight. They are also commanding a much richer valuation than the rest of the market. That does not automatically make them bad businesses. But it does show the price investors are now paying for consensus.

US Mega-cap valuation levels have soared above the historical mean



Source: Goldman Sachs Asset Management, May 6 2026



This does not mean the winners are bad businesses. Far from it. Many of them are extraordinary. They have dominant platforms, fortress balance sheets, powerful AI exposure, and some of the best economics ever seen in public markets.

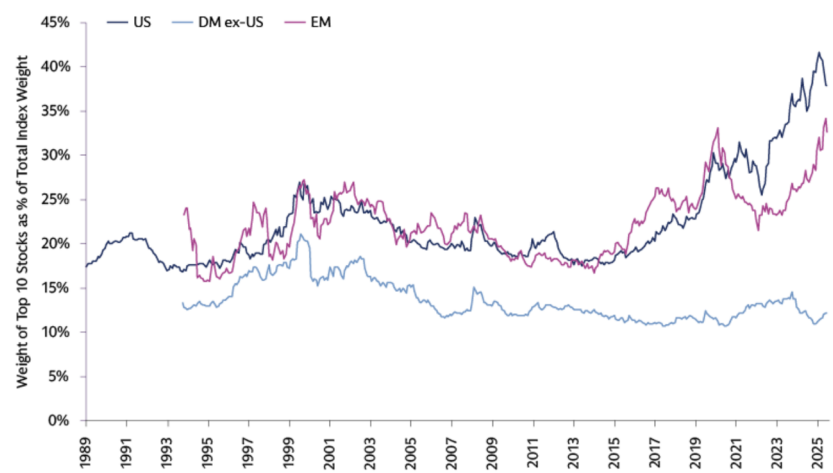
But even wonderful businesses can become dangerous investments when the price of consensus gets too high.

That is the first point.

The second point is even more important.

The index is no longer a neutral picture of “*the market*.” It has become a much narrower bet than many investors realize. As the next chart shows, the top 10 stocks now account for an unusually high share of the U.S. equity market. This is not merely a valuation issue. It is a concentration issue.

The Index weight of the top 10 stocks remains elevated



Source: Goldman Sachs Asset Management, May 6 2026

Not all indexes are built the same way. A **market-cap-weighted index** gives larger companies a larger weight. The *S&P 500* is the classic example: the bigger the company's market value, the more influence it has on the index. An **equal-weighted index** gives every constituent the same weight, regardless of size. The *S&P 500 Equal Weight Index* is an example. In this structure, Apple and a much smaller *S&P 500* company start with the same weight at each rebalance. A **price-weighted index** gives more influence to stocks with higher share prices, regardless of company size. The *Dow Jones Industrial Average* is the best-known example. A **fundamental-weighted index** weights companies based on economic variables such as sales, earnings, dividends, book value, or cash flow, rather than market value. Some “*smart beta*” indexes use this approach.

The key point is simple: an index is not neutral. Its construction method determines which companies drive its performance.

When the top of the market becomes this large, investors start making a dangerous mental shortcut.

They look at the index.
They see high valuations.
They conclude that stocks are expensive.

But the index is not the opportunity set. The *S&P 500* is market-cap weighted. And today, that means it is heavily influenced by a small group of mega-cap winners.

That is why we believe this environment is so interesting for stock pickers. Because the more the index becomes dominated by the same obvious companies, the more likely it becomes that other high-quality businesses are ignored, misunderstood, or left behind.

In other words, market concentration does not eliminate opportunity...

It changes where the opportunity hides.

The opportunity is less likely to be in the most admired businesses already priced for near-perfection. It is more likely to be in the companies that still require explanation. The ones with visible problems. The ones investors distrust. The ones



sitting outside the comfort zone of benchmark buyers.

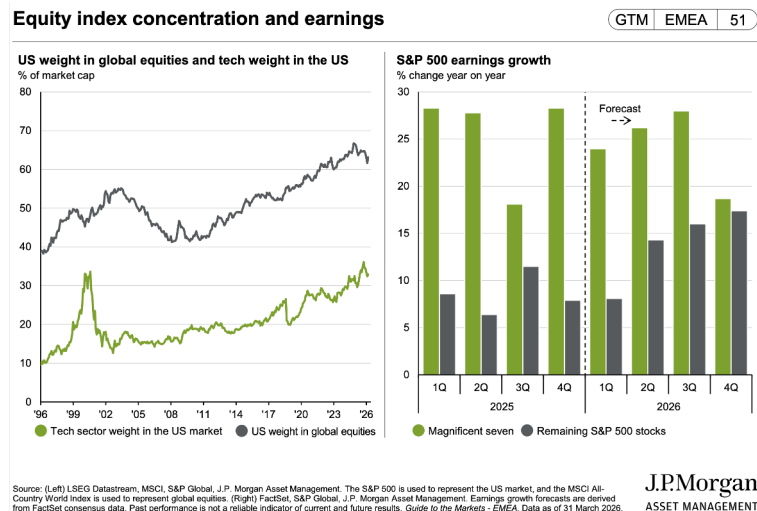
That is where the real work begins.

And this is where the chart below becomes especially useful.

J.P. Morgan's work shows that the U.S. equity market has become increasingly dominated by technology and by the United States itself within global equities. It also shows that the *Magnificent Seven* have been delivering much stronger earnings growth than the rest of the S&P 500.

The *Magnificent Seven* earned their market leadership by delivering much stronger earnings growth than the rest of the S&P 500. But the key point in this chart is forward-looking: according to FactSet estimates shown by J.P. Morgan, that earnings-growth gap is expected to narrow materially into late 2026. By the fourth quarter of 2026, *Magnificent Seven* earnings growth is expected to slow, while earnings growth for the remaining S&P 500 companies is expected to accelerate. That does not mean the AI leaders are finished.

It means the market may be entering a broader phase, where the next opportunities are less about owning the obvious winners and more about identifying the companies whose earnings power is still underappreciated.



Source: J.P. Morgan Asset Management, *Guide to Markets*, March 31 2026

So, let's be clear.

This concentration did not come out of nowhere. The winners have earned a great deal of their leadership. Their earnings growth has been superior. Their business models are exceptional. Their exposure to AI is real.

But this chart does more than explain the past. It also hints at the next phase.

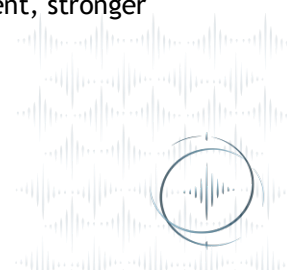
The earnings-growth gap is expected to narrow.

In fact, by the fourth quarter of 2026, FactSet's estimates show the *Magnificent Seven*'s earnings growth slowing materially, while the rest of the S&P 500 is expected to keep accelerating. If those forecasts are even directionally right, the market's leadership may already be preparing to broaden.

That does not mean the mega-caps will collapse. It does not mean the AI leaders are finished.

And it certainly does not mean investors should blindly rotate out of them... But it does suggest that the thesis we have been building across VMF Research is now beginning to show up in the numbers.

The first phase of the AI trade rewarded the companies building the infrastructure. The next phase may reward the businesses that can turn that infrastructure into better economics: higher revenue, wider margins, faster productivity, deeper customer engagement, smarter logistics, cheaper software development, stronger distribution, and superior capital efficiency.



And remember: the chart only shows the S&P 500.

Our opportunity set is much broader.

It includes international markets. It includes emerging markets. It includes individual companies outside the benchmark comfort zone. It includes businesses investors still distrust because of geography, regulation, complexity, size or recent disappointment.

That is why this is becoming a stock picker's market.

Not because the index is cheap.

It is not.

Not because the macro backdrop is simple.

It is not.

And not because every beaten-down stock is suddenly a bargain.

Most are not.

It is a stock picker's market because the gap between what is loved and what is ignored remains extreme... while the earnings-growth gap that justified some of that concentration may already be starting to close.

When that happens, careful security selection becomes more valuable, not less.

That is why **Bill Ackman's** recent comments caught our attention.

In late March, Ackman argued that this is one of the best times in a long time to buy quality stocks. He urged investors to look past macro fears and focus on deeply discounted opportunities, even as markets were still wrestling with sticky inflation, rising energy prices, and geopolitical stress.

Bill Ackman says it's one of the best times in a long time to buy quality stocks

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Yuan Li
STYLIST/IGDB

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KEY POINTS

- Bill Ackman urged investors to look past macro fears and lean into what he sees as deeply discounted opportunities.
- His bullish stance comes at a time when markets have been rattled by rising energy prices and sticky inflation concerns.



Bill Ackman, founder and CEO of Pershing Square Capital Management, attends the Milken Conference 2025 in Beverly Hills, California, U.S., May 6, 2025.
Mike Rodden / Reuters

Source: CNBC, March 30 2026

Coming from Ackman, that is not generic bullishness. His entire investment career has been built around a very specific discipline: concentrated ownership of durable, cash-generative businesses when the market is temporarily unwilling to value them properly.

That is also the logic behind **Pershing Square USA Ltd (PSUS)**.



PSUS is Ackman's new U.S.-listed closed-end fund. In broad terms, it gives American investors access to the same style of concentrated, quality-focused investing that sits behind **Pershing Square Holdings (PSHD.L)**, the London-listed vehicle we already own in our Model Portfolios.

But the structure was more ambitious than a simple fund launch.

The transaction also included a second layer: **Pershing Square Inc. (PS)**, the management company itself. As part of the offering, investors who bought PSUS received shares in Pershing Square Inc. at no additional cost.

In other words, the asset-management company was used as a sweetener for the fund IPO. Buyers were not only getting access to Ackman's concentrated investment portfolio through PSUS... they were also receiving a direct interest in the economics of the Pershing Square platform itself. That made the listing a broader attempt to bring the entire Pershing Square ecosystem to public investors: the fund, the permanent-capital structure, and the management company behind it.

On paper, it was a major event.

PSUS raised \$5 billion, making it one of the largest closed-end fund IPOs in history. Ackman and his employees also committed roughly \$500 million to the offering, a meaningful signal of alignment. But the market reception was underwhelming. The fund traded sharply below its IPO price on the first day, and Ackman later blamed part of the weakness on retail investors who had overcommitted to the deal.

Ackman blames retail traders for fund's weak Wall Street debut

By Nell Mackenzie

April 30, 2026 6:17 PM GMT+1 · Updated April 30, 2026



Bill Ackman, founder and CEO of Pershing Square Inc., rings the opening bell to celebrate his company's IPO at the New York Stock Exchange (NYSE), in New York City, U.S., April 29, 2026. REUTERS/Brendan McDermid [Purchase Licensing Rights](#)

Summary Companies

- Ackman details trading patterns after weak debut
- Newly listed Pershing Square USA rebounds on second day
- Ackman and his employees put \$500 million into IPO

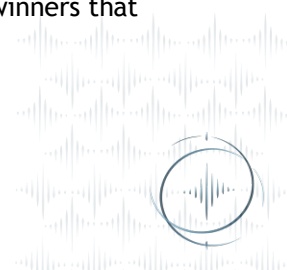
Source: Reuters, April 30 2026

We see a useful lesson in that contrast.

Ackman is telling investors that high-quality stocks are unusually attractive. At the same time, his own new vehicle for concentrated quality investing struggled to generate the kind of enthusiasm once imagined.

That gap is revealing.

Investors like the idea of quality. But in practice, many still prefer the familiar comfort of index exposure, mega-cap leadership, and the obvious AI winners that have already worked.



In other words, the market is still rewarding what is easy to own.

Our job in *VMF's Security Selection* is different.

We are not trying to time the exact moment when market leadership broadens. That is a more natural discussion for *Alpha Tier*. Here, we care about something narrower and more practical: individual securities where the risk/reward already looks compelling before the crowd is willing to agree.

And that brings us to this month's company.

The broader market is near all-time highs. By several measures, it looks historically expensive. But beneath that surface, we continue to find businesses where quality, growth and optionality do not line up with the prevailing pessimism.

This one sits directly inside the application layer of the AI trade we discussed in May's *Strategic Asset Allocation* issue.

It is not part of the most obvious infrastructure story.
It is not in the geography investors feel most comfortable owning.

It is in China, where sentiment remains depressed, valuations remain compressed, and many investors still struggle to separate country-level discomfort from company-level opportunity.

That is what makes the setup interesting.

We are moving from the index to the stock.
From infrastructure to application.
From crowded consensus to a business many investors still refuse to trust.

Now let's turn to the company itself.

PDD: China Price, Temu Optionality

The company is **PDD Holdings (PDD)**.

Not NVIDIA.
Not a South Korean memory champion.
Not a uranium miner.
Not a data-center landlord.

Not one of the obvious names investors now reflexively associate with artificial intelligence. And that is precisely why it belongs in this issue.

The first phase of the AI trade was easy to understand. More AI required more compute. More compute required more chips, more memory, more power, and more data-center infrastructure. The market could see the earnings bridge. So it paid for it.

The next phase is less obvious. It is not only about building the AI machine. It is about using that machine to improve real economic activity:
Commerce.
Search.
Discovery.
Pricing.



Advertising.
Logistics.
Merchant tools.
Consumer behavior.
Transaction flows.

That is where AI stops being a demo and becomes monetization.
And that is where PDD sits.

The market still sees PDD mostly as a Chinese e-commerce company, with all the usual baggage: weak consumer confidence, geopolitical tension, regulatory uncertainty, and growing scrutiny around *Temu*. That framing is understandable. But it is incomplete...

PDD is not entirely new to VMF Research.

In *VMF's Strategic Asset Allocation*, we recently increased our position in **KWEB**, the KraneShares CSI China Internet ETF. PDD is one of KWEB's largest holdings, at roughly 8.5%. That made sense for *Tier One*. KWEB gives us a diversified way to own China's internet platforms without pretending we can know, in advance, which company will capture the largest share of the application-layer opportunity.

But *VMF's Security Selection* has a different job. Here, we are not building a broad geographical or sector tilt. We are asking a more specific question:

Is there one company inside that basket where the risk/reward is strong enough to own directly?

That is the question we want to answer this month.

PDD also appears inside another VMF holding: **Scottish Mortgage Investment Trust**.

PDD Holdings A virtual bazaar 	What does it do? PDD is an innovative ecommerce platform providing buyers with value-for-money merchandise and fun and interactive shopping experiences. The company was founded with the aim of targeting the hundreds of millions of Chinese consumers who live in more rural provinces. Why do we invest? PDD is a young company with a very differentiated culture. It has firmly established itself as the value option in the Chinese consumer's mind. PDD built its platform to resemble a 'virtual bazaar' where buyers browse and explore a full spectrum of products while interacting with one another. Buyers can share product information on popular social networks and invite their friends and family to purchase together, through which they enjoy not only the fun of discovery and shopping but a comprehensive selection of value-for-money products. PDD is now the most extensive online marketplace for agricultural products in China, striving to improve the productivity and efficiency of the entire agriculture supply chain. By making agricultural products more easily discoverable and enabling the aggregation of demand, PDD is widening market access for farmers by increasing the potential pool of buyers and matching demand with supply. PDD sees enormous promise in agriculture as it is an industry with one of the lowest rates of digitalisation. The company could build an open and inclusive digital ecosystem and transform the manufacturing industry in China.
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Source: Scottish Mortgage Investment Trust

That is a different kind of signal.

We own Scottish Mortgage in *VMF's Security Selection* and *Alpha Tier* because it remains one of the market's most interesting vehicles for long-duration disruptive growth. Its portfolio is filled with companies trying to reshape large markets: SpaceX, TSMC, NVIDIA, ByteDance, Amazon, Stripe, Revolut, MercadoLibre, ASML, Anthropic and others.

And there, too, we find PDD.



As of Scottish Mortgage's March 2026 portfolio valuation, PDD represented 2.0% of the trust. Scottish Mortgage's own description of the company is also revealing: it calls PDD an innovative e-commerce platform built around value-for-money merchandise and interactive shopping experiences.

That is the first interesting point.

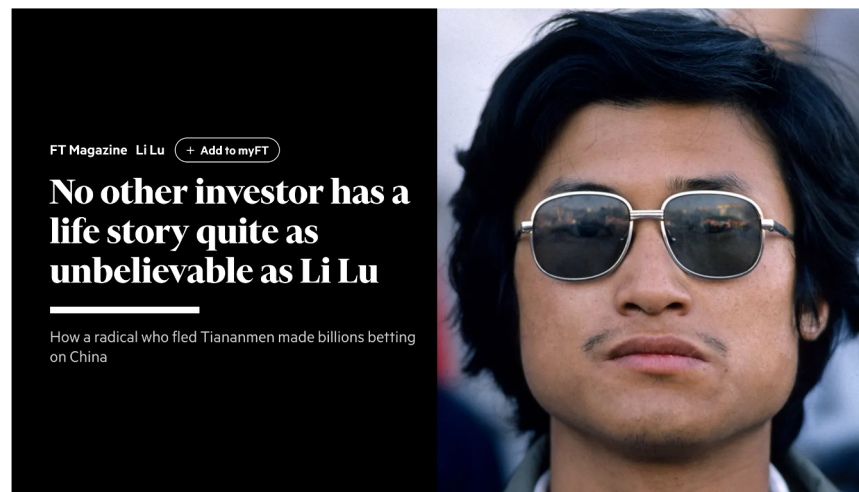
PDD is not only a China internet holding inside KWEB. It is also held by a manager whose mandate is to find exceptional growth companies capable of shaping the future economy. Scottish Mortgage is not buying PDD because it needs to hug an index. It is buying PDD because it sees something more durable than the market currently wants to recognize.

But the story becomes even more interesting when we look at who else owns it...

Because PDD is not only attracting growth investors. It is also attracting some of the most respected value-oriented investors with deep knowledge of China.

Li Lu's Himalaya Capital is one example. Li Lu is one of the most respected investors in the Buffett-Munger tradition, and Charlie Munger famously entrusted a meaningful portion of his own family capital to him. His disclosed U.S.-listed portfolio is highly concentrated, and as of the latest 13F data, PDD represented 14.64% of Himalaya Capital's holdings.

Li Lu's investment philosophy is built around a simple but demanding idea: buy a small number of exceptional businesses only when the margin of safety is large enough. His approach is not based on frequent trading or broad diversification. Himalaya Capital is known for running a concentrated portfolio, which means each major position has to carry real conviction. That is why his presence in PDD is interesting. It suggests the stock may not merely be "cheap" on screen. It may offer the kind of asymmetric setup value investors look for: a strong business, a large discount, and enough uncertainty to keep most investors away.



Li Lu in Tiananmen Square, June 3, 1989, the day before Chinese troops marched in and opened fire on the activists © Forrest Anderson/Getty Images

Source: Financial Times, September 7 2023

Duan Yongping is another.

Duan is one of China's most successful entrepreneurs and investors, with a reputation built over decades through businesses, capital allocation, and long-term ownership. Through **H&H International Investment**, his disclosed U.S. portfolio also includes a major PDD position. As of the latest filing, PDD represented 7.48% of the portfolio, making it one of his five largest disclosed holdings.

So, PDD sits in a very unusual place...

It is innovative enough to remain inside Scottish Mortgage.

It is cheap enough to attract world-class value investors.

And it is controversial enough for the broader market to still keep its distance.

That is the combination we find interesting.

Duan Yongping is one of China's most successful entrepreneurs and investors. He founded BBK Electronics and is closely associated with the business ecosystem behind consumer-electronics brands such as Oppo and Vivo. Over time, he also became known as a disciplined, long-term value investor, often compared with Warren Buffett in Chinese investment circles. His relevance to PDD is unusually direct. Duan was an early investor and mentor figure to Colin Huang, PDD's founder, and his disclosed U.S. portfolio has included a meaningful PDD position alongside companies such as Apple, Berkshire Hathaway, Alphabet, Alibaba, and Microsoft.



We are not buying PDD because other investors own it...

That would not be research. It would be imitation. But when a company appeals simultaneously to long-duration growth investors and deeply selective value investors, we pay attention.

Especially when the valuation looks like this.

PDD currently trades at roughly 10x trailing earnings, 8x forward earnings, just over 2x sales, and less than 9x free cash flow. On an enterprise-value basis, the valuation becomes even more striking, with the stock trading around 6x EBITDA and roughly 5x free cash flow.

And that is before fully appreciating the strength of the balance sheet.

A cash-rich balance sheet does not make PDD risk-free. But it changes the nature of the risk. A company with this much liquidity can absorb mistakes, fund international expansion, support merchants, invest through downturns, and wait for competitors to weaken.

It also gives management optionality: reinvestment, acquisitions, buybacks, dividends, or simply the ability to keep compounding without relying on external capital.

That is important in a business facing uncertainty around *Temu*, regulation, geopolitics, and consumer demand. The market is discounting the cash because investors do not know how it will ultimately be used or returned. That discount is fair. But even after applying a haircut, the balance sheet remains one of the reasons the downside looks more manageable than the controversy suggests.

Notes	As of December 31,		
	2024	2025	2025
	RMB	RMB	US\$
ASSETS			
Current assets			
Cash and cash equivalents	57,768,053	108,900,587	15,572,577
Restricted cash	68,426,368	73,830,824	10,257,667
Receivables from online payment platforms	3,679,309	5,109,129	730,596
Short-term investments	4 273,791,856	313,407,682	44,816,702
Amounts due from related parties	16 7,569,180	10,205,128	1,459,314
Prepayments and other current assets	5 4,413,466	7,526,542	1,076,280
Total current assets	415,648,232	518,979,892	74,213,136
Non-current assets			
Property, equipment and software, net	6 879,327	1,306,044	186,762
Intangible assets	19,170	15,387	2,200
Right-of-use assets	7 5,064,351	4,863,332	695,447
Deferred tax assets	15 15,998	171,959	24,590
Other non-current assets	8 83,407,238	104,707,713	14,973,004
Total non-current assets	89,386,084	111,064,435	15,882,003
Total Assets	505,034,316	630,044,327	90,095,139
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities (including amounts of the VIE and its subsidiaries without recourse to the primary beneficiary of RMB99,001,888 and RMB108,493,208 (US\$15,514,323) as of December 31, 2024 and 2025, respectively)			
Amounts due to related parties	16 801,859	1,086,540	155,373
Customer advances and deferred revenues	2,947,041	3,378,789	483,160
Payable to merchants	91,655,947	107,407,160	15,359,020
Accrued expenses and other liabilities	69,141,831	81,657,839	11,676,915
Merchant deposits	16,460,600	17,708,197	2,532,238
Convertible bonds, current portion	10 5,309,597		
Lease liabilities	7 2,105,978	2,498,643	357,301
Total current liabilities	188,422,853	213,737,168	30,564,007
Non-current liabilities (including amounts of the VIE and its subsidiaries without recourse to the primary beneficiary of RMB443,132 and RMB520,081 (US\$74,371) as of December 31, 2024 and 2025, respectively)			
Lease liabilities	7 3,191,565	2,880,152	411,856
Deferred tax liabilities	15 106,774	41,851	5,985
Total non-current liabilities	3,298,339	2,922,003	417,841
Total liabilities	191,721,192	216,659,171	30,981,848
Commitments and contingencies			
20			
Shareholders' equity			
Class A ordinary shares (US\$0.000005 par value; 77,300,000,000 shares authorized, 5,568,585,848 and 5,693,585,848 shares issued and outstanding as of December 31, 2024 and 2025, respectively)			
	180	182	26
Additional paid-in capital	117,829,308	125,767,661	17,984,536
Statutory reserves	237,680	1,338,261	191,369
Accumulated other comprehensive income	12 7,824,545	2,115,683	302,539
Retained earnings	187,421,411	284,163,369	40,634,821
Total shareholders' equity	313,313,124	413,385,156	59,113,291
Total liabilities and shareholders' equity	505,034,316	630,044,327	90,095,139

Source: PDD Holdings Inc, Form 20-F, Annual Report 2025

At the end of 2025, PDD held RMB422.3 billion in cash, cash equivalents, and short-term investments, equivalent to roughly \$60.4 billion. If we subtract debt-like obligations, mainly lease liabilities, net cash still sits close to \$60 billion.

In plain English, a very large part of PDD's market value (\$136.3 billion) is backed by cash and liquid investments.

That is not how the market usually values a dominant, profitable, asset-light technology platform with exposure to one of the largest consumer markets in the world.

And the operating scale is just as important. In 2025, PDD generated RMB431.8 billion in revenue, or roughly \$61.8 billion, representing 10% year-over-year growth, despite a year in which investors remained deeply skeptical of Chinese equities, consumer confidence, and *Temu's* international expansion.



That leaves us with a paradox.

PDD is large.
It is profitable.
It is cash-rich.
It sits directly in the application layer of the AI economy.
It is held by sophisticated growth investors.
It is held by highly respected value investors.

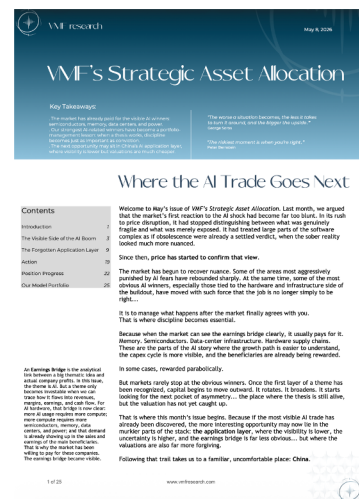
And yet the market values it like a business carrying a very large warning label. The obvious question is:

Why?

Let's begin where we should always begin when a stock looks this cheap... with the bear case.

The first layer is the country.

China remains one of the most difficult markets in the world for foreign investors to underwrite. We do not need to repeat the full discussion from this month's *VMF's Strategic Asset Allocation*, but the concerns are real: weak consumer confidence, the property downturn, regulatory scars, geopolitical friction, governance concerns, and the persistent fear that Chinese companies may create value without allowing outside shareholders to capture enough of it.



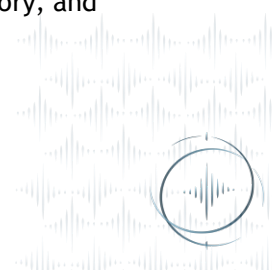
Source: VMF's Strategic Asset Allocation, May 8 2026

Then there is the VIE structure.

As we explained in detail when we recommended **Alibaba (BABA)** back in July 2024, many Chinese internet companies listed offshore do not give foreign investors direct ownership of the operating business inside China. PDD follows that same broad architecture. Investors in PDD's ADSs own shares in an offshore Cayman Islands holding company, not direct equity in the Chinese VIEs and their subsidiaries. Their economic exposure to the operating business is created through contractual arrangements rather than ordinary share ownership in the underlying operating assets.

That structure has worked for decades, but it is not the same thing as owning a conventional U.S. or European equity. It adds a layer of legal, regulatory, and political uncertainty that foreign investors are right to discount.

An **ADS**, or **American Depositary Share**, is the security that U.S. investors trade on a U.S. exchange when buying certain foreign companies. In PDD's case, each ADS represents four Class A ordinary shares of PDD Holdings Inc., the Cayman Islands holding company listed on Nasdaq. A **VIE**, or **Variable Interest Entity**, is a structure often used by Chinese internet companies when direct foreign ownership of certain operating businesses is restricted. Instead of owning the Chinese operating company directly, the offshore listed company uses contractual arrangements to receive economic benefits from, and exercise control over, the relevant domestic operating entity. In plain English: when investors buy PDD ADSs, they are not buying direct ownership of the Chinese operating company. They are buying shares in an offshore holding company whose economic link to parts of the Chinese business depends on contractual arrangements.



So, the China discount is not random.

It exists for a reason.

But in *VMF's Security Selection*, we cannot stop at the country label. Our job is to ask whether the country risk has overwhelmed the **company-specific reality**.

And with PDD, the company-specific concerns are also serious.

The first is *Temu*.

Temu has been one of the most aggressive e-commerce expansions of the past several years. It transformed PDD from a mostly domestic Chinese e-commerce story into a global discount-commerce force almost overnight. That created enormous optionality, but also a much harder underwriting problem.

International expansion is expensive.

Customer acquisition is expensive.

Logistics are complex.

Regulatory scrutiny is increasing.

And the model's early advantage depended partly on cross-border shipping economics that governments are now challenging...

Retailer Temu's daily US users nearly halve following end of 'de minimis' loophole

By Casey Hall and Ariana McLymore

June 4, 2025 3:32 PM GMT+1 · Updated June 4, 2025



Temu logo is seen in front of displayed U.S. flag in this illustration taken, Bosnia and Herzegovina May 4, 2025. REUTERS/Dado Ruvic/Illustration/Photo Purchase Licenses/Robta

Summary Companies

- US-China trade war weighs on e-commerce platform Temu
- De minimis exemption helped Temu and rival Shein keep prices low
- Temu's daily US users fell 48% in May compared to March, according to Sensor Tower

Source: Reuters, June 4 2025

The United States has already moved against the *de minimis* framework that helped low-value direct-from-China e-commerce packages enter the country at favorable economics. Reuters reported that *Temu's* daily U.S. users fell sharply after the end of that loophole, a reminder of how sensitive parts of the model may be to policy changes.

Europe is moving in the same direction. EU finance ministers agreed to accelerate customs duties on low-value parcels, a change expected to hit Chinese online retailers such as *Shein* and *Temu*. More recently, the EU also agreed to overhaul its customs system, with tougher enforcement and potential fines for platforms selling illegal or unsafe products into the bloc.



That is a real risk.

Temu's early model relied heavily on shipping low-cost goods directly from China to consumers abroad. That helped keep prices low and inventory risk limited. But as governments tighten rules around small cross-border parcels, that model may need to evolve. If *Temu* wants to keep growing in the U.S. and Europe, it may need more **local warehousing**, local fulfillment, product screening, returns infrastructure, and compliance systems. That would make the business more resilient, but also more capital-intensive and operationally complex.

Temu may need more **local warehousing**, more compliance spending, more merchant support, more customer-service infrastructure, and more regulatory adaptation than early bulls expected. The international business may still be valuable, but it is unlikely to be frictionless.

The second concern is **profitability**.

PDD is highly profitable at the group level, but investors still struggle to understand how durable those profits really are...

How much comes from the core China platform?

How much is being reinvested into *Temu*?

How much margin pressure should we expect as the company supports merchants, localizes operations, and defends its international model?

That uncertainty is part of the discount. A low multiple is less useful if the "E" in the P/E ratio becomes difficult to trust.

The third risk is **competition**.

In China, PDD competes with Alibaba, JD.com, Douyin, Kuaishou, and other platforms fighting for consumers, merchants, advertising budgets, and transaction volume. The market is enormous, but it is also ruthless. Promotional intensity can rise. Merchant subsidies can increase. Delivery expectations can tighten. Consumer weakness can push platforms into more aggressive price competition.

Internationally, *Temu* competes not only with *Shein*, Amazon, *AliExpress*, and local retailers, but also with governments, regulators, and increasingly hostile political narratives around Chinese imports.

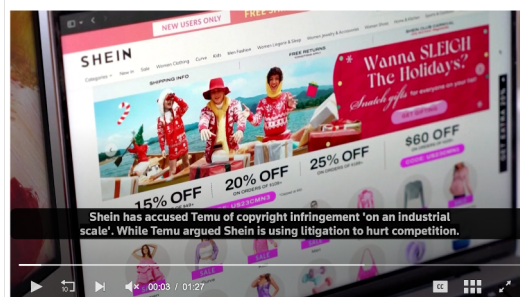
This is not a clean battlefield.

The fourth risk is **legal and regulatory scrutiny**.

Shein accuses Temu of 'industrial scale' copyright breaches in UK legal battle

By Reuters

May 11, 2026 1:11 PM GMT+1 - Updated 21 hours ago



Companies

PDD Holdings Inc

Follow

LONDON, May 11 (Reuters) - Online fast-fashion platform Shein accused Temu of copyright infringement "on an industrial scale", while Temu countered that Shein is using litigation to stifle competition, as a trial opened at London's High Court on Monday.

The case is part of a global legal battle between the fast-growing rivals, with potential implications for platform practices, supplier relationships and the enforcement of intellectual property rights across global e-commerce.

Source: Reuters, May 11 2026



Which brings us to the other side of the question.

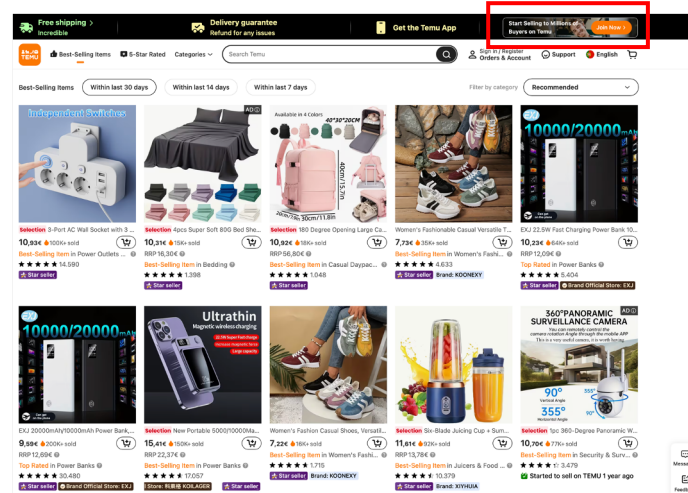
What exactly is the market missing?

And above all, what are elite growth and value investors seeing that the broader market still refuses to recognize?

In our view, the answer begins with a simple distinction:

PDD is not a retailer. Not really...

A retailer buys inventory, marks it up, manages stores or warehouses, carries working-capital risk, and hopes the customer shows up. That is not the right mental model here.



Source: Temu.com

PDD is closer to a marketplace intelligence engine.

Its real asset is not inventory. It is the system sitting between consumers, merchants, products, prices, advertising, demand signals, logistics partners, and transaction flows. The company's own description points in that direction: *Pinduoduo* pioneered a team-purchase model, uses social sharing to aggregate demand, connects merchants and buyers, and helps merchants offer more competitive prices and customized products.

Temu follows the same broad operational logic internationally, bringing together buyers, merchants, manufacturers, brands, logistics vendors, and fulfillment partners.

That is why the application-layer framing matters so much. PDD does not need to build the world's best frontier model to benefit from AI. It only needs to keep deploying *intelligence* into commerce more effectively than its competitors.

- Better product discovery.
- Better pricing.
- Better ad targeting.
- Better merchant ranking.
- Better demand forecasting.
- Better logistics coordination.
- Better fraud detection.
- Better software development.



Better matching between what consumers want and what merchants can supply.

That is not AI as a press release.

That is AI as operating leverage.

And this is where we think the market is being too narrow. It sees a controversial Chinese discount-commerce company. We see a cash-rich, asset-light platform that has already proven it can change consumer behavior in China, and that now owns a global option through *Temu*.

The core of the thesis, however, is not *Temu* alone...

That point is important.

Temu is the upside option. It is also where much of the controversy lives. But our base case does not require it to become the “*next Amazon*,” or even close. We do not need every regulatory, tariff, logistics, and profitability question around the international business to resolve perfectly.

The domestic Chinese operation already gives us enough to work with.

That is the foundation.

In the **Financial Model**, the figures in blue come directly from PDD's annual reports. Everything from **2026 onward** represents our own estimates. Those estimates are deliberately conservative. We are not assuming a return to PDD's historical hypergrowth. We are not assuming aggressive margin expansion. And we are not giving full credit to the company's cash balance. Most importantly, we are not building the base case around what *Temu* could become. *Temu* may prove to be a highly valuable global platform, but visibility is still limited. That is why we treat it as an option rather than the foundation of the valuation.

The point is simple: if the domestic business, a discounted cash balance, and modest assumptions already support meaningful upside, then *Temu* becomes additional optionality rather than something we need to believe in blindly.

Income Statement									
RMB mm, except per-ADS data									
	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E
Revenue	130 558	247 538	393 836	431 846	457 756	489 799	528 963	566 012	599 973
Revenue Growth	80.7%	59.0%	59.0%	9.7%	6.0%	7.0%	8.0%	7.0%	6.0%
Cost of Revenue	31 462	91 724	153 900	188 802	205 990	220 410	232 753	246 215	257 988
% Revenue	24.1%	37.0%	39.1%	43.7%	45.0%	45.0%	44.0%	43.5%	43.0%
Gross Profit	99 095	155 916	239 936	243 044	251 766	269 390	296 231	319 797	341 985
Gross Margin	75.9%	63.0%	60.9%	56.3%	55.0%	55.0%	56.0%	56.5%	57.0%
Sales & Marketing	54 344	82 189	111 301	125 288	137 327	146 940	156 050	164 144	170 992
% Revenue	41.6%	33.2%	28.3%	29.0%	30.0%	30.0%	29.5%	29.0%	28.5%
General & Administrative	3 965	4 076	7 553	8 158	9 155	9 796	10 051	10 754	10 800
% Revenue	3.0%	1.6%	1.9%	1.9%	2.0%	2.0%	1.9%	1.9%	1.8%
Research & Development	10 385	10 952	12 659	16 496	19 226	21 551	24 333	27 169	29 999
% Revenue	8.0%	4.4%	3.2%	3.8%	4.2%	4.4%	4.6%	4.8%	5.0%
Total Operating Expenses	68 693	97 217	131 513	149 942	165 708	178 287	190 434	202 066	211 790
% Revenue	52.6%	39.3%	33.4%	34.7%	36.2%	36.4%	36.0%	35.7%	35.3%
Operating Profit	30 402	58 699	108 423	93 102	86 058	91 103	105 797	117 731	130 194
Operating Margin	23.3%	23.7%	27.5%	21.6%	18.8%	18.6%	20.0%	20.8%	21.7%
Interest & Investment Income, net	3 997	10 238	20 553	25 584	22 888	23 021	23 275	23 207	22 799
% Revenue	3.1%	4.1%	5.2%	5.9%	5.0%	4.7%	4.4%	4.1%	3.8%
Other Income / (Expense), net	2 072	2 988	3 708	760	(2 747)	(1 959)	(1 058)	-	-
Profit Before Tax	36 419	71 881	132 684	119 446	106 199	112 164	128 014	140 937	152 993
Income Tax Expense	4 726	11 850	20 267	21 733	21 240	22 433	25 603	28 187	30 599
Tax Rate	13.0%	16.5%	15.3%	18.2%	20.0%	20.0%	20.0%	20.0%	20.0%
Share of Equity Investees	(155)	(5)	17	129	-	-	-	-	-
Net Income	31 538	60 027	112 435	97 843	84 960	89 731	102 411	112 750	122 394
Net Margin	24.2%	24.2%	28.5%	22.7%	18.6%	18.3%	19.4%	19.9%	20.4%
Shares & EPS									
Diluted Ordinary Shares (mm)	5 761	5 840	5 917	5 930	5 989	6 049	6 109	6 170	6 232
Diluted ADS Equivalents (mm)	1 440	1 460	1 479	1 482	1 497	1 512	1 527	1 543	1 558
Diluted EPS (RMB/ADS)	¥21.90	¥41.12	¥76.01	¥66.00	¥56.74	¥59.34	¥67.05	¥73.09	¥78.56
Cash Flow									
Cash from Operations	48 508	94 163	121 929	106 939	89 208	95 115	109 580	121 770	132 186
CFO Margin	37.2%	38.0%	31.0%	24.8%	19.5%	19.4%	20.7%	21.5%	22.0%
Capital Expenditures	636	584	967	1 145	1 831	1 959	2 116	2 264	2 400
Capex % Revenue	0.5%	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
Free Cash Flow	47 872	93 579	120 962	105 794	87 377	93 156	107 464	119 506	129 786
FCF Margin	36.7%	37.8%	30.7%	24.5%	19.1%	19.0%	20.3%	21.1%	21.6%

Source: VMF Research

PDD has a scaled marketplace in one of the largest consumer markets in the world. It generates substantial free cash flow. It has a fortress balance sheet. And as we noted earlier, even after a more difficult year, revenue still grew 10% in 2025 to RMB431.8 billion, or roughly \$61.8 billion. We also highlighted the balance-sheet strength: at year-end, the company held RMB422.3 billion in cash, cash equivalents, and short-term investments, equivalent to roughly \$60.4 billion.

We should not value that cash the same way we would value cash sitting inside a U.S. blue-chip.

That deserves to be said clearly.

There is less visibility around how it will be reinvested, whether it will eventually be



returned to shareholders, and how much of it should be discounted because of China, the VIE structure, currency controls, and capital-allocation uncertainty.

So, we do not give it full credit.

In our valuation model, we apply a significant haircut to the cash balance. Even then, it remains a major source of margin of safety.

That is the beauty of the setup...

A Valuation Model should not create a false sense of precision. For a company like PDD, the right question is not whether our fair value estimate is “*exactly right*.” It will not be. The right question is whether the investment still looks attractive after applying conservative assumptions to the variables that matter most. That is why we view this exercise as a hurdle test. If the stock only looked cheap under aggressive growth, generous margins, full credit for cash, and a low discount rate, we would not be interested. But when a valuation still works after building in friction, uncertainty, and a demanding return requirement, the conclusion becomes more meaningful.

DCF Detail	Bear	Base	Bull
RMB mm, except per-ADS data			
FCF Adjustment vs. Base Case	70,0%	100,0%	125,0%
WACC	14,0%	12,0%	10,5%
Terminal Growth	1,0%	2,5%	3,5%
Cash Haircut	40,0%	60,0%	80,0%
Temu Option Value	-	67 894	237 629
2026E FCF	61 164	87 377	109 221
2027E FCF	65 209	93 156	116 445
2028E FCF	75 225	107 464	134 330
2029E FCF	83 654	119 506	149 382
2030E FCF	90 850	129 786	162 233
PV of Explicit FCF	251 318	378 361	492 440
Terminal Value	705 837	1 400 324	2 398 726
PV of Terminal Value	366 590	794 582	1 456 026
Core Operations	617 907	1 172 943	1 948 466
Cash & Short-term Investments	422 308	422 308	422 308
Less: Debt-like Obligations	5 379	5 379	5 379
Net Cash	416 929	416 929	416 929
Cash Value Credited	166 772	250 158	333 544
Equity Value	784 679	1 490 994	2 519 639
Diluted ADS Equivalents (mm)	1 482	1 482	1 482
Value / ADS (RMB)	¥529,33	¥1005,80	¥1699,71
Value / ADS (USD)	\$77,96	\$148,14	\$250,35
Current Price / ADS (USD)	\$98,50	\$98,50	\$98,50
Upside / (Downside)	(20,8%)	50,4%	154,2%

Source: VMF Research

In plain English: we are not trying to predict the future perfectly. We are testing whether today's price already assumes too much failure.

As the valuation work on these pages shows, the investment case does not depend on a perfect story or heroic assumptions.

We are paying a discounted price for a strong domestic profit engine, receiving only partial credit for a very large cash balance, and getting *Temu* as a valuable option rather than as the entire thesis.

Our base case is intentionally conservative.

We assume revenue growth in the mid-single to high-single-digit range over the next five years, far below the explosive growth PDD delivered earlier in its life. We also assume only gradual margin improvement, despite the company's asset-light structure and the operating leverage that could emerge if *Temu's* losses moderate or the domestic business continues to scale efficiently.

We also use a demanding cost of capital. Our base case applies a **12% WACC**, which is much higher than what we would use for a comparable U.S. platform business. That is deliberate. PDD deserves a China discount. It deserves a governance discount. It deserves a *Temu* uncertainty discount. We are not trying to make the valuation work by pretending those risks do not exist.

Even with those assumptions, our base case reaches roughly **\$148 per ADS**, implying just over **50% upside** from our reference price of \$98.50.

That is the central point. The stock does not need everything to go right...

It just needs the market to stop treating every risk as if it will resolve in the worst possible direction.



Our **bear case** is also useful. There, we give *Temu* no value, haircut the cash much more aggressively, and penalize the free-cash-flow forecast. Under that scenario, we arrive at roughly **\$78 per ADS**, or around **20% downside** from today's price.

That is not trivial. But it is acceptable for a 2% position when the base and bull cases offer substantially better upside.

In the **bull case**, the numbers become much more interesting. There, the domestic business compounds better, the market gives more credit to the cash balance, and *Temu* proves it is more than a temporary play on tax, shipping, and regulatory "*arbitrage*." It becomes a durable global commerce platform. Under that scenario, our valuation reaches roughly **\$250 per ADS**, or more than **150% upside**.

But again, that is not our base case.

The bull case requires *Temu* to matter.

The base case does not require *Temu* to become a global winner. It only assumes that *Temu* has some option value, while the domestic platform and the balance sheet carry most of the valuation.

That is exactly how we want to underwrite this kind of position.

Core business first.

Cash with a haircut.

Temu as an option.

No fantasy.

No blind faith.

No assumption that China risk suddenly disappears.

A **Sensitivity Analysis** asks a simple question: what happens if our assumptions are wrong?

Instead of relying on one fair-value estimate, we flex the key variables in the model and observe how much the conclusion changes. In PDD's case, that means testing different discount rates, terminal growth rates, cash haircuts, and values for *Temu*. This is especially useful when the investment case includes several uncertain inputs.

The important point is that the valuation does not collapse when we change the assumptions. Across a wide range of reasonable scenarios, the results continue to cluster around outcomes that look much closer to our base case than to the market price. That does not prove the base case will happen. But it does suggest the current share price may be discounting too much pessimism.

Base Case Value / ADS (USD): WACC vs Terminal Growth

WACC / g	1,5%	2,0%	2,5%	3,0%	3,5%
10,0%	\$166,90	\$173,37	\$180,71	\$189,10	\$198,78
11,0%	\$151,98	\$156,95	\$162,50	\$168,75	\$175,82
12,0%	\$139,93	\$143,83	\$148,14	\$152,94	\$158,29
13,0%	\$129,99	\$133,11	\$136,54	\$140,30	\$144,47
14,0%	\$121,66	\$124,20	\$126,97	\$129,99	\$133,29

Base Case Value / ADS (USD): Cash Haircut vs Temu Option Value

Cash Haircut / Temu \$mm	0	10 000	20 000	30 000	40 000
40,0%	\$133,11	\$139,86	\$146,60	\$153,35	\$160,10
50,0%	\$137,25	\$144,00	\$150,75	\$157,49	\$164,24
60,0%	\$141,40	\$148,14	\$154,89	\$161,63	\$168,38
70,0%	\$145,54	\$152,29	\$159,03	\$165,78	\$172,52
80,0%	\$149,68	\$156,43	\$163,17	\$169,92	\$176,67

Source: VMF Research

The sensitivity tables reinforce the same conclusion.

Even when we flex the key variables (discount rate, terminal growth, cash haircut, and *Temu* option value) the valuation work still points to a wide range of outcomes above today's share price.

That is important because it tells us the thesis is not dependent on one fragile assumption. The stock does not need a perfect WACC. It does not need full credit for the cash. And it does not need *Temu* to be valued like a proven global winner.

Across reasonable scenarios, **the current price appears to discount a great deal of failure already.**



What the market may be missing is that PDD does not need to become a clean, Western-style compounder to be mispriced. It only needs to remain a highly profitable, cash-generative, asset-light marketplace while proving that *Temu* is not a permanent value destroyer.

That is a much lower bar than the market seems to be setting...

PDD Valuation: Paying for the Core, Getting the Option			
Our base case implies meaningful upside without requiring Temu to become the next Amazon.			
Current PDD ADS Price		\$98,50	
Scenario	Key Assumption	Implied Value / ADS	Upside / Downside
Bear	Temu worth zero, heavy cash haircut, low core multiple	\$78	(21%)
Base	Conservative growth, partial cash credit, modest Temu value	\$148	+50%
Bull	Temu becomes a true global platform	\$250	+154%

Source: VMF Research

And it explains why sophisticated investors from very different schools can end up in the same place.

A growth investor can look at PDD and see a platform with enormous application-layer optionality.

A value investor can look at PDD and see a cheap, cash-rich marketplace with a strong domestic profit engine.

We look at it and see both.

That does not make the investment easy.
But it does make it interesting.
And at this price, it makes it investable.

So, here is what we are going to do:

- **Let’s add a 2% allocation to the Value Model Portfolio to PDD Holdings (PDD) @ \$95.83.**

Conclusion

Investing in PDD is a high-risk, high-reward proposition. The company's valuation is highly sensitive to its growth prospects, particularly in the Temu market. While the current price offers a significant discount to our base case, investors must be prepared for volatility and the potential for a sharp decline if the market's assumptions prove incorrect.

The following table summarizes our findings:

The current price of PDD ADS is \$98.50. Our base case valuation of \$148 represents a 50% upside. The bear case, assuming no value for Temu, results in a 21% downside. The bull case, assuming Temu becomes a true global platform, results in a 154% upside. The key assumption for the base case is conservative growth, partial cash credit, and modest Temu value. The key assumption for the bull case is that Temu becomes a true global platform. The key assumption for the bear case is that Temu is worth zero, heavy cash haircut, and low core multiple.

We do not make any recommendation on whether to invest in PDD.

Investing in PDD is a high-risk, high-reward proposition. The company's valuation is highly sensitive to its growth prospects, particularly in the Temu market. While the current price offers a significant discount to our base case, investors must be prepared for volatility and the potential for a sharp decline if the market's assumptions prove incorrect.



talks. The rules are real. The demand is real. But when demand becomes demand enough, this can also mean a certain corporate growth opportunity. That is the context in which we are looking for the best value creation.

Frankly, having that understanding of demand could lead to a long-term plan.



VMF research



VMF research

The script is free. The execution isn't.

What you see blurred below is the active, absolute-return Model Portfolio for Alpha Tier. It translates the long-form storytelling into position progress, asset weights, and concrete risk management.

Talk is cheap, but allocations aren't.

The strategy sample is open to everyone. The actual capital allocation belongs to our subscribers.

ACCESS THE LIVE PORTFOLIO



Source: VMF research, based on historical data from 2010 to 2020.

The chart above is the key. It can potentially serve as a key to the VMF research, which is a highly complex, multi-layered system. The chart is a key to the VMF research, which is a highly complex, multi-layered system. The chart is a key to the VMF research, which is a highly complex, multi-layered system.



According to the company's website, different models are available depending on the number of people who will be affected. Each person's bedroom, bathroom, kitchen, living room, the family room, a morning nook and a terrace are included in the package. The cost will depend on the morning, as it affects the number of people who will be affected. The cost will be \$100,000 for the morning, \$100,000 for the afternoon and \$100,000 for the evening.

and the different sides of the story is becoming more favorable as well.



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The authors have been through one of the toughest winters ever in our field. However, the most painful problem remains an increase in the number of deaths and serious injuries, mostly related to drug use, and the possibility that the anti-drug war may have begun to backfire.

Investments reported by profit share plan trustees representing about 1.5% of profit forecasts, and are in those very shares in the year. Results suggest that management reports continued improvement across the business life cycle.

The chart on the next page tells the story better than any paragraph could. After a brutal collapse, the stock has begun to rebound. It is still far below its prior highs, and we are not predicting returns. But this is why we continue to look for high-quality businesses that the market is pricing into the discount.



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Variable	Mean	SD	Min	Q1	Median	Q3	Max	Skewness	Kurtosis
Age	35.2	12.5	18	25	30	35	55	0.5	3.2
Gender	1.2	0.4	1	1	1	1	2	-0.1	1.5
Education	12.5	2.1	9	11	12	13	16	-0.2	2.8
Income	45000	15000	20000	30000	35000	40000	70000	0.8	4.5
Health	2.5	0.8	1	2	2	3	4	-0.3	2.1
Stress	3.2	1.1	1	2	3	4	5	0.6	3.5
Life Satisfaction	4.1	0.9	3	4	4	5	6	-0.4	2.3
Work Satisfaction	3.8	1.0	2	3	4	5	6	0.5	3.1
Family Satisfaction	4.3	0.8	3	4	4	5	6	-0.2	2.4
Overall Well-being	4.5	0.7	3	4	4	5	6	-0.1	2.2

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