

Compounder Fund Living Will



COMPOUNDER FUND

GROWING YOUR WEALTH AND ENRICHING SOCIETY

As of 14 May 2020

We - CHONG Ser Jing and Jeremy CHIA Ming Wen - are the co-founders of Compounder Fund. The both of us are currently the only two people running the fund. As a result, there is significant key-man risk in Compounder Fund's operations.

We want to share our thoughts on two important things in the event that either of us meet an untimely demise or suffer from a permanent incapacitation of our mental abilities: (1) What happens to Compounder Fund's investment operations; and (2) the actions that Compounder Fund's investors can consider taking, with respect to their investments in the fund.

Do note that this *Compounder Fund Living Will* document that you are reading ***is not a legally-binding document***. It merely represents our thoughts. This document will be updated if we change our thinking and the latest version can be found on Compounder Fund's website, www.compounderfund.com.

Compounder Fund's investment operations

Right now, Ser Jing is the portfolio manager of Compounder Fund while Jeremy is an investment analyst and also runs investor relations. If...

- Something happens to Ser Jing, Jeremy will assume the role of portfolio manager and run the investment operations; he will be wearing two hats until a suitable replacement for his investor relations role is found.
- If something happens to Jeremy, Ser Jing will continue being the portfolio manager and will take over the investor relations role until a suitable replacement is found.

Actions to consider

Some of Compounder Fund's investors may not be comfortable with a one-man operation if something happens to either of us. In this case, we have some actions the investors can consider taking. Do note that the actions should **not** be seen as recommendations - they are merely suggestions.

We have two things in mind that investors can consider.

First, investors can consider redeeming their capital from Compounder Fund to invest in other funds with an investment mandate that focuses on global stocks. There is one such fund called [Fundsmith Equity Fund](#) that is based in the UK.

To be clear, we are **not** recommending Fundsmith Equity Fund (we cannot give any investment or financial advice). We see Fundsmith Equity Fund as an elder statesman of the funds management industry who we've long admired and learnt plenty from. We have immense respect for Fundsmith Equity Fund's portfolio manager and founder, Terry Smith. We share similar views on investing and fund-management as him. In fact, the creation of our *Compounder Fund Owner's Manual* was partly [inspired](#) by him.

Second, investors can consider redeeming their capital from Compounder Fund and invest the capital according to the latest prevailing portfolio-allocation for Compounder Fund that is published on the fund's website. Remember, we intend to run Compounder Fund transparently so that its return and actions can be a source for investor education. This means that we will regularly provide updates on Compounder Fund's portfolio allocations.

There is a key difference between the second suggested course of action and staying invested with Compounder Fund. The difference is that the investor who decides to implement the second course of action can have full control over his/her portfolio - this is not the case with staying invested with Compounder Fund after something happens to one of us.

Parting words

Compounder Fund's mission is to Grow **Your** Wealth & Enrich Society. We take the mission seriously and have a strong desire to work hard to fulfil the mission for many years to come. We're still young (33 at the time of writing!) and healthy. But life is uncertain and we need to plan for what happens if either of us is no longer around (physically or cognitively) while we're still relatively young.

Compounder Fund Living Will is a document to share our thoughts with Compounder Fund's investors about what's next if something happens to one of us. What we have in the document are our best suggestions at the time of writing, but do note that the suggestions may change in

the future. Also, do note that the suggestions are **just suggestions and *not* recommendations**.

We hope we can be around for a long, long time to run Compounder Fund - and we also hope Compounder Fund's investors think the same way too!

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