



PM UPDATE: OUR INSIGHTS FROM SHANGHAI, HONG KONG, AND TOKYO

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Steven and I recently returned from a trip overseas where over 12 days we visited with businesses we own or may like to own in Shanghai, Hong Kong and Tokyo. 3 amazing and different cities with a combined population of ~75m. We also met with analysts and PMs to talk shop.

Most of Shanghai is new, clean and efficient. It was great to see where Steven is from and he's of course very proud of his city. The mood was somewhat dulled by the fact that China is experiencing an economic downturn. A \$4 (!) haircut with someone who has cut Steven's hair for a long time was fun as was our walk through the beautiful yet empty (midday weekday and raining) People's Park. Virtually all western apps and websites aren't "available" in China... so if you're a heavy smart phone user looking for a break China may be for you! I gave up trying after a few hours and quite enjoyed limited internet access for a few days.

Hong Kong's infrastructure is certainly older and more tired but there is a distinct vibe and culture in the city that I really like. We met the CEO of one of the businesses we own (Plover Bay) as we landed in the airport as he was on his way to Singapore. We met another management team of an elderly care home facility manager (Kato) in the exercise room of one their facilities because they don't have physical offices and eschew unnecessary expenses (our type of operator!)... another business we own saw us entering through the loading bay and up the freight elevator to reach their offices. This type of lean focus by founders/owners was great to see and can only be experienced by conducting "boots on the ground" (gotta love Wall Street jargon) research.

Lastly, Tokyo is a fantastic city; clean, efficient, safe... frankly a model city for the rest of the world to aspire to. We took the bullet train (240km/hr) from Tokyo to Nagoya (past Mt Fuji) to visit with Tobil and had an amazing lunch with their founder and team. I love jogging when I'm in foreign cities and have now also added cold water (water much colder in Tokyo than HK!) dipping to my list of things to do. I became the tourist attraction at Odaiba Beach as people could not understand why I would want to sit in the 13C (frankly warm) water... I'm pleased to report I didn't grow a 6th finger or 3rd arm in the Fukushima ☢️ infused water!

We tried to get a sense for the geopolitical risk in the region and I'm not sure we're any wiser. We met people who had left HK, were thinking of leaving HK and others who told us we were asking stupid questions because nothing bad will happen and everything in between. Our conclusion is we don't play the macro or geopolitical prediction game and this will be no exception. There are certainly some high quality (on sale!) businesses we own and may like to own and will keep our exposure modest.

They say a picture is worth a thousand words; [CLICK HERE](#) for photos from our trip.

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