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## Moor Funds Quarterly Investor Letter

1st March 2025

Dear Investor, thank you for your investment with Moor Funds; **for the 3-month period ending 28<sup>th</sup> February 2025A the Moor US Select Equity strategy returned -0.22%, outperforming the S&P 500 by +1.10% during the period. Over the trailing 12-month period the Moor US Select Equity strategy returned +18.39% vs S&P 500 return of 16.30%, outperformance of +2.09%. Over the prior 10-quarters Moor US Select has outperformed the S&P 500 in 9 of the last ten quarters.**

**Up to and including 28<sup>th</sup> February 2025 Moor US Equity Market Neutral strategy delivered an absolute return of +4.64% over the trailing 12-months. In addition, the Moor International Select Equity strategy returned +29.73% over the trailing 12-months.**

### What a time to be alive...

In our September 2023 Annual Investor Letter, we laid out a bullish case for Tesla (TSLA) reaching a trillion-dollar valuation based on its expansion beyond the EV passenger segment, including its potential to disrupt ride-hailing through autonomous taxis and revolutionize long-haul freight via Tesla's automotive IP.

Unfortunately, we did not foresee Mr. Musk appearing to abandon his role as value-creating CEO in favor of becoming, by most measures, a distracted public figure. Slashing prices and undermining the value proposition of your core product, alienating your core customer base, and engaging in ill-advised stage antics at political events are not sound strategies for a company banking on brand loyalty and ecosystem expansion.

The recent slew of stock upgrades—by analysts whose consistency in being wrong is a feature, not a bug—suggests the market may be headed for a reckoning. We wouldn't be surprised to see TSLA trading near \$100 in due course. We echo the sentiment that perhaps it's better when billionaires wield their influence a bit more quietly—and focus on building businesses.

Over at the Federal Reserve, Chairman Powell is likely workshopping adjectives to replace “transitory” as he prepares to explain away whatever recessionary conditions the U.S. will soon face. Our view is that the Fed will wait until the pain becomes unavoidable—only then will policy shift meaningfully, implying that any serious rate cuts are unlikely until well into the next downturn.

That said, volatility is back—and with it, opportunity. The low-VIX environment of 2023 and early 2024 is behind us. We expect consistent VIX spikes and persistent volatility throughout 2025. In that environment, active managers must earn their keep. Moor has done just that, landing in the top 10% of U.S. active managers beating the S&P 500 over the past three years.

**Our approach remains unchanged: we focus on companies with strong operational momentum—defined by rising customer engagement, sequential revenue growth, and accelerating cash flow. Moor does not trade themes, nor do we rely on market conditions to validate an investment style. We buy stocks we believe will rise, avoid those we believe will fall, and aim to consistently outperform our benchmarks.**

Sincerely,

**Edwin Hagan, Managing Partner**

**IMPORTANT DISCLOSURE**

In considering investments investors should carefully consider the fund's investment objectives, risks, charges, and expenses. For further details on the funds presented in this document please request a summary fund brochure by contacting Moor Funds LLC by email at [invest@moorfunds.com](mailto:invest@moorfunds.com) or by telephone at +1 800 819-5185.

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