

# Columbia Heights Partners LP

January 1, 2026

## Consistent Outperformance vs S&P 500 Since Inception

	Columbia Heights Partners LP (Net)	S&P 500
1 Year	2%	16%
3 Year	62%	21%
5 Year	7%	13%
Since Inception (2019)	18%	15%
<b>Total Return</b>	<b>228%</b>	<b>173%</b>

*Note: Columbia Heights Partners LP Return is Net of Fees*

Dear Partners,

Columbia Heights Partners LP has compounded at **18% annually since its 2019 inception**, compared with **15% for the S&P 500**. A \$100 investment at inception is worth **\$328 today**, versus **\$273 in the S&P 500**, reflecting a 3.3x return versus 2.7x. All returns are net of fees.

2025 was an eventful year, and two themes dominate our outlook: **free trade and inflation**.

These issues repeat across history, as Smith, Ricardo, Friedman, and Hayek observed.

Adam Smith, the 18th-century Scottish economist, emphasized the power of free markets and self-interest. He wrote:

*“It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.”*

Smith’s “invisible hand” shows that free trade and voluntary exchange maximize value for all participants. The Industrial Revolution and London’s thriving markets prove the enduring relevance of this principle. Today, I seek companies that benefit from free markets and efficient capital allocation.

David Ricardo built on Smith with the concept of **comparative advantage**, demonstrating that trade benefits all countries, even when one is more efficient at producing all goods. He warned of inflation from uncontrolled money supply. As Ricardo wrote:

*“Under a system of perfectly free commerce, each country naturally devotes its capital and labour to such employments as are most beneficial to each.”*

Milton Friedman, Nobel laureate and champion of monetarism, reinforced the link between money supply and inflation. He famously stated:

*“Inflation is taxation without legislation. A society that destroys its money through inflation is a society that destroys itself.”*

Friedrich August von Hayek, a central figure in the Austrian School, emphasized economic freedom and the danger of government control over money:

*“The most effective way to prevent inflation is to limit the growth of money and credit.”*

These lessons are highly relevant today. The U.S. runs trillion-dollar deficits despite historically low unemployment and high equity valuations. Inflation risk is real, and our defense is simple: invest in scarce assets and companies with strong pricing power and durable market positions, such as FICO, MSCI, Visa, Mastercard, S&P Global, and Moody’s.

The AI boom illustrates the invisible hand in action. Innovation is global: ASML (Netherlands) produces advanced semiconductor equipment; TSMC (Taiwan) fabricates chips; SK Hynix and Samsung (South Korea) provide memory; NVIDIA and AMD (U.S.) lead design; and OpenAI, Google, Anthropic, Microsoft, Amazon and others dominate the application layer, employing talent worldwide. Open economies, free trade, and comparative advantage drive progress—closed economies stagnate.

## **Portfolio**

In 2025, Columbia Heights Partners LP added new positions, re-entered FICO, and exited two legacy holdings. FICO, first purchased in 2020 at \$340 with EPS of \$7, now projects **2026 EPS of ~\$40**, reflecting strong execution and market dominance. After a correction from \$2,400 to ~\$1,300, we re-entered at an attractive valuation (~32x forward PE). FICO embodies our **50/50/50 framework**: high ROE, high margins and long-term growth potential.

EchoStar, which sold spectrum to SpaceX, now trades at \$106 with a potential NAV of \$260–\$300 if a SpaceX IPO occurs in 2026. This represents a compelling risk/reward opportunity.

Our philosophy remains focused on **monopoly-like businesses with high ROE, strong margins and sustainable growth**. Only a small fraction of companies—roughly 1%—meet our standards. Both Columbia Heights Partners LP and Veda Global LP seek these “great” businesses, avoiding mediocre or capital-intensive firms with poor returns.

Veda Global LP, established in 2021, applies the same discipline in India, concentrating on financial services businesses with strong margins, pricing power, and growth profiles. India's economy, currently \$5 trillion, is projected to expand substantially, offering compelling long-term opportunities.

## Looking Forward

Short-term market movements are unpredictable, but over a **5+ year horizon**, our focus on **high ROE, scarce assets, and pricing power** positions the fund to withstand macro pressures such as currency debasement or inflation. We avoid sub 50% margin and low-ROE businesses, maintaining a high bar for quality.

Investing is a long-term game. Many young fund managers raise \$100m–\$1B with minimal track record, but true skill is proven over decades. As Jack Bogle reminds us:

*“As a group, active managers are average before costs and losers to the market after costs.”*

We remain committed to research-driven investing, seeking exceptional businesses for our partners.

Kind Regards,  
Gorav Khanna  
Managing Partner  
Columbia Heights Partners LP