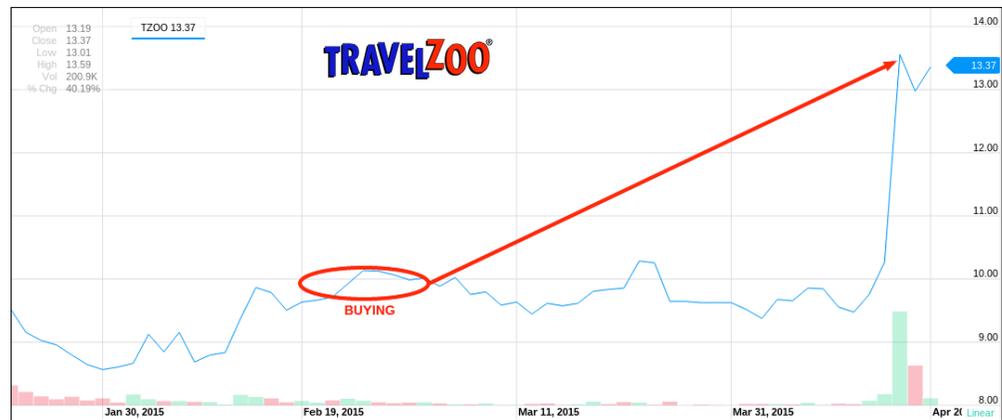


"I think you have to learn that there's a company behind every stock, and that there's only one real reason why stocks go up. Companies go from doing poorly to doing well, or small companies grow to large companies." - Peter Lynch

- We've been busy lately! With April trips to New York, Toronto, and Omaha, we've been checking on current investments and searching for new opportunities.
- Despite this severely overvalued market, we're excited about some new investments we've uncovered that fit Lynch's mold from the quote above. Several smaller stocks have recently shrunk in price, piquing our interest after going on sale by 60-80% off.
- One in particular is Travelzoo (TZOO) which stock price has already increased 40% in the past week on higher than expected earnings. At ~\$13, it's still well off its all time high of \$95. We think it can still double to \$25-30 per share if management executes on their strategy. We'll be cheering them on!
- Founded in 1998 by Ralph Bartel (who still owns 50% of the company), TZOO is a global internet media firm offering more than 27m members the best deals on travel and entertainment.
- The company is debt free with more than \$55m in cash built by its high profit margins and returns on capital, despite large recent investments in a new hotel booking platform.
- The legacy advertising business model is being replaced with a more profitable hotel search (e-commerce) model. Wall Street hates the kind of uncertainty around a business model change, hence the opportunity for us.
- Highly regarded activist investor, Osmium Capital, owns more than 5% of the company at prices far greater than our clients have paid.
- TZOO is just one of several new investments we're excited about. We'll have more to share in coming letters.
- Speaking of sharing investments, if anyone asks what we have you invested in, please don't give any specifics. Good ideas are hard to come by and are for the sole benefit of our clients. It's in everyone's best interest to treat our ideas as proprietary. If someone is curious, please send them our way.
- Save the date of October 3rd, 2015 for FSI's Annual Bash!

As always, we're thankful to have such great partners in this wealth creation journey.

Jake & Lonnie



Performance since Jan 2008*

FSI (after all fees)	+70%
S&P 500 (w/ dividends)	+65%

* Based on auditable track record of our flagship fund.