INVESTOR CENTER RESEARCH

Oct-25 Portfolio Update

Date of publication October 30, 2025

Table of Contents

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Current Portfolio Snapshot

Here's where the model portfolio stands today.

Portfolio Summary	
Portfolio Snapshot Date	October-2025
Portfolio Value ($)	100,519
Cash %	70.5%
Invested %	29.0%
Cash ($)	70,884
Portfolio Gain (Ex-Cash)	1.8%
Portfolio Return (Inc-Cash)	0.5%

Name	Ticker	Date Added	Shares	Monthly Change in Shares Owned	Monthly Transaction Value	Average Entry Price	Current Price	Cost Basis	Market Value	Unrealized P&L (%)	Weight %	Dividends	Return
Evolution AB	EVO/EVVTY	Jun-25	88	+20	$1,379	$72.73	$68.97	$6,400	$6,069	-5%	6.0%	$0	-5%
United Rentals	URI	Jun-25	7			$698.67	$870.78	$4,891	$6,095	25%	6.1%	$13	25%
Transdigm	TDG	Jun-25	4			$1,414.48	$1,316.	$5,658	$5,264	-7%	5.2%	$360	-1%
Kaspi.kz	KSPI	Jul-25	44	+8	$600	$80.69	$75.	$3,550	$3,300	-7%	3.3%	$0	-7%
Coupang	CPNG	Sep-25	110			$32.83	$32.07	$3,611	$3,528	-2%	3.5%	$0	-2%
GFL Environmental	GFL	Oct-25	114	+114	$5,006	$43.91	$43.91	$5,006	$5,006	0%	5.0%	$0	0%
Cash									$70,884				

Figure 1 Portfolio Dashboard as of October 30, 2025

Need help decoding the table?
[Click here for the Portfolio Glossary], where we break down what each column means.

Transaction History

Company	Ticker	Transaction Date	Shares	Price per Share ($)	Total Value ($)
Evolution AB	EVO/EVVTY	Jun-25	68	73.83	5,020
United Rentals	URI	Jun-25	7	698.67	4,891
Transdigm	TDG	Jun-25	4	1,414.48	5,658
Kaspi.kz	KSPI	Jul-25	36	81.95	2,950
Coupang	CPNG	Sep-25	110	32.83	3,611
Evolution AB	EVO/EVVTY	Oct-25	20	68.97	1,379
Kaspi.kz	KSPI	Oct-25	8	75.00	600
GFL Environmental	GFL	Oct-25	114	43.91	5,006

Portfolio Dashboard Enhancement

We've refined our portfolio snapshot to provide better transparency around our monthly trading activity.

Key Changes:

- **Replaced the 'Status' column** with two new dynamic columns that show real-time portfolio movements
- **Added 'Monthly Change in Shares Owned'** - Shows the exact number of shares bought or sold in the current month (positive for purchases, negative for sales)
- **Added 'Monthly Transaction Value'** - Displays the dollar amount of any transactions executed during the month
- **Introduced a separate Transaction History table** - Provides complete visibility into every portfolio move with dates, quantities, prices, and our investment rationale

These enhancements give you immediate insight into what we're actively doing in the portfolio each month. Rather than a static indicator, you can now see precisely how we're adjusting positions - whether we're adding to winners, trimming positions, or deploying cash into new opportunities. The accompanying transaction history ensures full transparency by documenting every decision we make and why we make it.

This format better aligns with our commitment to keeping you informed about how we're managing the portfolio in real-time, while the transaction log creates a permanent record of our investment decisions and thinking.

Portfolio Update

The value of our portfolio declined 1.8% in the month of August. The return of our invested capital since June sat at 1.8%, whereas our return including cash was just 0.5% as our large cash position caused a drag on returns.

It was not a good month for the share prices of many of the portfolio companies. Evolution, United Rentals and Kaspi all experienced material share price declines this month. In the cases of Evolution and United Rentals, these declines were driven by Q3 results that disappointed the market. In the case of Kaspi, it was largely driven by macro-economic noise and standard emerging market stock volatility.

Despite these share price declines, our conviction in all our portfolio companies remains strong and our investment theses remain intact. As Buffett has reminded us many times, if you are a net buyer of stocks, you should be content when the prices of stocks you own decline as it enables you to buy them at more attractive valuations. Indeed, this is how we have felt this month, having added to both Evolution and Kaspi. We cover our reasoning behind these moves below. This month provided us with opportunities to accelerate the deployment of our cash, with the % of portfolio's capital invested increasing from 21.6% to 29.0%

Our approach is to buy exceptional businesses at reasonable prices and hold them for a multi-year period. We know that volatility is the price one has to pay in order to outperform over the long term.

We remain unphased by the recent portfolio volatility and are excited by the potential of our portfolio companies and the attractive investment opportunities we see in our current research pipeline.

Now for the individual company updates.

Evolution AB – (5)% return

Evolutions shares declined from $85.10 to $68.97 this month. This sharp drawdown was largely caused by disappointing Q3-25 results. Revenues declined by 2.4% YoY (or grew at just 3.9% on a constant currency basis). This result was principally driven by developments in Europe & Asia. In Europe, revenues declined by 6.5% YoY which was due to the European ring-fencing measures which we have discussed at length in previous reports. In summary, Evolution voluntarily blocked all European players in regulated markets from accessing Evolution games via unlicensed offshore casino providers in Q2-25. This caused a one-time dip in European revenues as it meant the company was no longer generating commission from unregulated offshore casino activity in Europe. We view this as a short-term commercial setback which actually strengthens Evolution's position in European by better aligning the company with European regulators.

Of more concern are the troubles in Asia. As covered in previous reports, Evolution's Asia business is grappling with a piracy issue where the company's livestreams are being hijacked and sold to unregulated casinos without Evolution receiving its rightful commission. This is a complex technical issue that the company has yet to resolve and there is uncertainty as to the long-term impact it will have on Evolution's business. As a result, Asia revenues declined by 6.5% YoY. However, much of this quarter's decline was not caused by the piracy itself but Evolution's response to it. Management explained in the Q3 earnings call that they were too aggressive in their counter-measures against the piracy which caused disruptions to their legitimate service in Asia. Indeed, when looking at the Q2 results, it's clear that the counter-measures were beginning to work as Asia revenue growth resumed, reaching 10% YoY. This adds credibility to management's comments that the Q3 decline was driven by overly aggressive counter-measures. It's imperative that the company resolve the Asian piracy issue as Asia represents a critical market for growth given the size of the land-based casino market and the relative immaturity of the online casino industry.

When the market reacts badly to disappointing results, we think it's helpful to take a long-term, big picture view. Online live casino represents just 8% of global gambling revenues yet in the most mature regulated markets, it represents 35% of total gambling revenues. Maturation of early-stage markets could bring a 10-15% global industry CAGR over the next 5-10 years. Evolution remains the dominant player in an oligopolistic market. The company has huge scale, cost and brand moats that are very difficult to disrupt. Evolution's management and the board have high levels of insider ownership which enable them to think long-term and act in alignment with the best interests of shareholders.

While we don't know how long it will take the company to resolve its current headwinds or how the share price will move in the short-term our long-term conviction remains strong given all of the factors listed above. As such we have meaningfully added to the position following the share price decline.

TransDigm – (1)% return

Nothing noteworthy happened at TransDigm this month. We will report back after the Q3 results are posted.

United Rentals – 25% return

United Rentals released its Q3 2025 results this quarter. Revenue came in ~2% above expectations while EBITDA was ~1% below. EBITDA was lower than expectations due in large part to URI spending an extra approximately $30 million repositioning rental equipment in the quarter. This is a result of the ongoing bifurcation in demand: large project activity remains robust, while small contractor demand continues to lag. As major projects reach completion, URI increasingly needs to redeploy and transport large volumes of equipment throughout the United States to chase utilization, rather than simply leaving assets idle in soft markets. We view this dynamic as temporary and should alleviate once demand starts to improve more broadly.

On the positive side, URI increased its rental fleet capex for 2025 by $300 million. Importantly, this is split roughly 50/50 between capex for General Rent and Specialty equipment. This is the first time in a couple of years where URI has allocated growth capex to General Rent equipment, a positive sign for the demand environment heading into 2026. All aspects of the URI thesis remain intact and we continue to view the company as a high quality compounder with attractive growth potential.

Kaspi.kz – (7)% return

Kaspi's share price fell 8% in October, primarily driven by Kazakhstan's central bank delivering a surprise 150 basis point rate hike to a record 18% on October 10th. The move surprised economists (none surveyed by Bloomberg expected such a drastic increase) as the National Bank battled inflation running at 12.9%. While rate hikes are nothing new for a business operating in emerging markets, the combination with regulatory noise around consumer lending created a perfect storm for sentiment.

October also brought draft legislation aimed at overhauling Kazakhstan's banking framework, with authorities signaling tighter oversight of consumer lending. The regulatory chatter matters because Kaspi's FinTech division, which contributes roughly 30% of consolidated net income, relies heavily on consumer finance products. Reports emerged suggesting authorities are considering reducing the annual effective interest rate (AEIR) cap from the current 56% to 46% for unsecured loans, though these remain proposals working through government channels.

Here's our take: the macro headwinds are temporary noise that Kaspi's management has navigated before. The rate environment will normalize as inflation moderates, and Kazakhstan's central bank has a long history of aggressive tightening followed by equally aggressive easing cycles. More importantly, the regulatory concerns appear overblown. Analysts estimate Kaspi's consumer finance AEIR sits around 25-28%: well below both the current 56% cap and any proposed 46% threshold. Even if regulators surprised with a draconian cut to 20%, the impact would be minimal given consumer finance represents only half of the FinTech lending book, which itself is just one-third of total net income.

The selloff has created opportunity. Kaspi now trades at a forward P/E of just 6.2x, despite the company continuing to execute flawlessly on its Super App strategy. We view October's weakness as disconnected from fundamentals, a classic case of emerging market volatility creating value for patient investors. Our conviction remains high, and we've added to our position at these levels. The long-term thesis of owning Central Asia's dominant digital ecosystem at a single-digit multiple remains as compelling as ever.

Coupang – (2%) return

Nothing noteworthy happened at Coupang this month. We will report back after the Q3 results are posted.

Stock spotlight: why we're buying GFL

GFL represents a differentiated opportunity within the North American waste management industry, a sector known for high barriers to entry, durable pricing power, and stable, recurring cash flows. Within this defensive and highly consolidated space, GFL stands out as the fastest-growing of the four large integrated operators.

The company offers the resilience of an essential service business with the growth profile of a compounder, combining inflation-linked pricing and predictable free cash flow with superior earnings growth driven by disciplined M&A and operational execution.

Following the sale of its Environmental Services segment, GFL is now a pure-play solid waste operator with a cleaner balance sheet and an improving credit profile. Management has demonstrated consistent success integrating smaller acquisitions, extracting synergies, and enhancing efficiency through self-help initiatives such as fleet optimization, ancillary surcharges, and procurement savings.

Despite this strong execution and a long runway for consolidation across a still-fragmented market, GFL trades at a discount to slower-growing peers like Waste Management and Republic Services. As the company continues to scale, improve margins, and deliver free cash flow growth, we see meaningful potential for multiple expansion.

In essence, GFL offers investors the best of both worlds, the stability and pricing power inherent to the waste industry, combined with the compounding growth and value creation potential of an agile, acquisition-driven platform.

Read the full deep dive

We encourage you to read the full research report on GFL by clicking this link.

If you haven't set up your member account yet, you can create your password here.

Portfolio Risk Lens

While we build the portfolio deliberately, risk management is already front of mind. With only ~30% of capital deployed, our exposure is limited, but the quality and nature of our early positions still matter.

Here are the key risks we're watching across our first four holdings:

- **Macro & rate sensitivity**
  All five companies rely, in different ways, on robust economic activity. A sharp

slowdown, or a sustained rise in real interest rates, could weigh on both earnings and valuations. TransDigm's high leverage and Kaspi's lending and payments exposure make this especially relevant. Heightened interest rates in Kazakhstan are weighing on Kaspi's net income growth while the prospect of lower rates in the USA is driving positive sentiment on United Rentals.

- **Regulatory overhangs (diversified but present)**
  All five businesses operate in environments that can shift suddenly with policy changes. Although these risks all fall under the regulatory umbrella, they are highly diversified; each company interacts with different regulatory bodies across different jurisdictions, reducing the risk of a single point of failure. Regulatory and legal risks are driving negative sentiment towards Evolution stock.

- **Capital allocation execution**
  Each company leans heavily on disciplined reinvestment. Coupang by investing shrewdly into promising adjacencies, Evolution by launching new games, TransDigm by acquiring niche suppliers, URI by managing capex cycles and Kaspi by launching new verticals. Success depends on staying sharp and avoiding missteps. That said, the management teams at all five businesses have track records of highly effective capital allocation and are well-aligned with shareholders.

- **Currency Risk**
  While the majority of our capital is invested in US business, we are exposed to currencies underperforming the US dollar. Evolution has global operations and takes payment in many currencies. 97% of Kaspi's business is generated in the volatile Kazakh Tenge. All of Coupang's revenue is generated in Korean Won and New Taiwan Dollars (which has underperformed USD in the last few years).

- **Cash drag & currency debasement**
  With a significant portion of the portfolio still in cash, the largest short-term risk is inflation and currency debasement. While cash gives us flexibility and downside protection, it also means we're exposed to the slow erosion of purchasing power until more capital is deployed into productive, high-quality assets. Since we expect to be more than 70% deployed into stocks within the next 8 months, we don't expect this risk to cause a major issue. We view high-margin compounders as the best hedge once deployed.

As always, we're focused on long-term, fundamental risks, not short-term market noise. You can expect us to revisit and reframe our thinking around risk in every monthly update.

Watchlist: What We're Researching Next

In addition to the companies already in the portfolio, we maintain a live watchlist of the names we're most excited about and actively researching. These are businesses we may add to the model portfolio, pending valuation and completion of our deep-dive process.

Here's what's on our radar right now:

- **InPost (INPST)**
  Europe's leading out-of-home parcel locker network, riding the secular shift to e-commerce with a capital-light, high-margin model.

- **Ingersoll Rand (IR)**
  A high-quality industrial platform benefiting from secular tailwinds in sustainability, automation, and mission-critical air systems.

- **Rollins (ROL)**
  The quiet compounder of pest control, with steady pricing power, recurring revenue, and a history of smart M&A.

- **Prosus (PRX)**
  A Dutch holding company with deep exposure to Tencent and high-growth technology companies around the world. The company trades at a significant discount to NAV and has developed an effective capital allocation strategy.

These aren't the only names we're researching, and not all of them will make it into the portfolio, but they represent the kind of businesses we want to own: durable, capital-efficient, and compounding machines.

We'd Love Your Feedback

Your input is incredibly valuable. We're still shaping Investor Center Research, and you have a front-row seat.

If you have 2-3 minutes, we'd love to hear:

- What part of this update did you find most useful?
- Is there anything you'd like to see more (or less) of next time?

Just click this link to input your answers. We read every response.

Keep compounding,

Team Investor Center