Dec-25 Portfolio Update

Date of publication Jan 03, 2026

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Current Portfolio Snapshot

Here's where the model portfolio stands today.

Portfolio Summary	
Portfolio Snapshot Date	January-2026
Portfolio Value ($)	99,247
Cash %	60%
Invested %	40%
Cash ($)	59,935
Portfolio Gain (Ex-Cash)	-1.9%
Portfolio Return (Inc-Cash)	-0.8%

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			$72.73	$67.77	$6,400	$5,964	-7%	6.0%	$0	-6.8%
United Rentals	URI	Jun-25	7			$698.67	$809.32	$4,891	$5,665	16%	5.7%	$25	16%
Transdigm	TDG	Jun-25	4			$1,414.48	$1,329.85	$5,658	$5,319	-6%	5.4%	$360	0%
Kaspi.kz	KSPI	Jul-25	44			$80.69	$77.54	$3,550	$3,412	-4%	3.4%	$0	-4%
Coupang	CPNG	Sep-25	240	+130	$3,067	$27.83	$23.59	$6,678	$5,662	-15%	5.7%	$0	-15%
GFL Environmental	GFL	Oct-25	114			$43.91	$42.95	$5,006	$4,896	-2%	4.9%	$0	-2%
InPost	INPOY	Nov-25	550			$5.83	$6.06	$3,207	$3,333	4%	3.4%	$0	4%
RB Global	RBA	Jan-26	49	+49	$5,061	$103.29	$103.29	$5,061	$5,061	0%	5.1%	$0	0%
Cash									$59,935				

Figure 1 Portfolio Dashboard as of Jan 03, 2026

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-30-25	68	$73.83	5,020
United Rentals	URI	Jun-30-25	7	$698.67	4,891
Transdigm	TDG	Jun-30-25	4	$1,414.48	5,658
Kaspi.kz	KSPI	Jul-30-25	36	$81.95	2,950
Coupang	CPNG	Sep-30-25	110	$32.83	3,611
Evolution AB	EVO/EVVTY	Oct-30-25	20	$68.97	1,379
Kaspi.kz	KSPI	Oct-30-25	8	$75.	600
GFL Environmental	GFL	Oct-30-25	114	$43.91	5,006
InPost	INPOY	Nov-30-25	550	$5.83	3,207
RB Global	RBA	Jan-03-26	49	$103.29	5,061
Coupang	CPNG	Jan-03-26	130	$23.59	3,067

Portfolio Update

We would have preferred to close out 2025 with the portfolio ahead of the index, but we remain in the early phases of building what we intend to be a concentrated collection of high-quality compounders. With 40% of the portfolio deployed and the balance held in cash, we are positioned to act decisively when the market presents genuine opportunities, which is precisely what occurred this month.

The data breach at Coupang created exactly the kind of dislocation we look for: a significant price decline driven by uncertainty and fear, rather than permanent impairment to the business. We responded by more than doubling our position, purchasing 130 additional shares at $23.59. This decision reflects our conviction that the long-term thesis remains largely intact while the market overreacts to a short-term issue clouded by headline risk. We discuss the situation in detail in the Coupang section below.

More broadly, we remain rational and patient. The temptation to chase performance by deploying capital into fully valued names is ever-present, particularly when indices march higher on the back of a narrow group of mega-cap stocks. We will resist that temptation. Our mandate is to compound capital over the long term, and that requires the discipline to wait for the right opportunities at the right prices. They will continue to arise, and when they do, we will act.

The final quarter of 2025 has provided a stark illustration of the disconnect that frequently emerges between fundamental business performance and short-term market sentiment. While global indices have been driven by momentum in a concentrated group of large-cap technology equities, the businesses within this model portfolio have continued to execute on long-term strategic objectives that strengthen their competitive moats. The portfolio ended the year with a significant cash position of 60%, representing a strategic reserve of ~$60,000 available for deployment into high-conviction opportunities where valuations remain depressed despite robust operational results.

The median forward price-to-earnings (P/E) ratio for the portfolio continues to sit well below that of the S&P500. This valuation gap persists despite the fact that the holdings in our portfolio exceed the average earnings growth trajectory of the index. The following report provides a comprehensive analysis of the portfolio's status at the close of 2025.

Evolution AB

Monthly Return: -3%
Cumulative Return: -6.8%

The investment thesis for Evolution AB has long been a study in the tension between operational dominance and narrative fragility. Evolution is the unrivaled global leader in B2B Live Casino solutions, holding a 70%+ market share in Europe and operating at EBITDA margins near 68%. However, its valuation has been persistently suppressed by legal overhangs and regulatory concerns.

Nothing material was reported that affects our position in Evolution during the month of December.

TransDigm

Monthly return: 0%
Cumulative return: 0%

The investment thesis for TransDigm remains centered on its dominance in the commercial aerospace aftermarket and its ability to generate private equity-like returns through disciplined M&A and operational efficiency. On December 31, 2025, TransDigm punctuated its fiscal year by announcing a definitive agreement to acquire Stellant Systems for approximately $960 million in cash. Stellant is a leading manufacturer of high-power electronic components and subsystems for the aerospace and defense markets, with manufacturing facilities in California, Pennsylvania, New York, and Massachusetts.

The Stellant acquisition is a classic execution of the TransDigm strategy. Approximately 50% of Stellant’s revenue is derived from the aftermarket, and nearly all its products are proprietary, highly engineered components.[2] This acquisition adds mission-critical technology, such as vacuum electron devices and solid-state power amplifiers, to TransDigm’s portfolio. With

Stellant expected to generate $300 million in revenue for 2025, the transaction is expected to be accretive to equity value and aligns with the company's objective of acquiring businesses with durable, high-margin revenue streams. This follows a strong Q4 2025 report where TransDigm saw commercial aftermarket sales grow 11% organically, an acceleration from 6% in the prior quarter. We estimate that TransDigm will generate roughly $2.5 billion in free cash flow in FY26, providing the capacity for an additional $10 billion in M&A activity over the coming year.

United Rentals

Monthly return: 3%
Cumulative return: 16%

United Rentals continues to demonstrate its position as a high-quality compounder in the equipment rental space, even as it navigates a bifurcated demand environment. While large-scale "mega-projects" in data centers and infrastructure remain robust, smaller contractor demand has lagged, necessitating roughly $30 million in extra spending during Q3 to transport equipment to high-utilization markets.[1] However, management's outlook for 2025 is optimistic, targeting revenue between $15.6 billion and $16.1 billion and a 10% increase in the quarterly dividend.[6]

Specialty rental revenue remains a standout growth driver, increasing over 30% year-over-year in Q4. Furthermore, the company's decision on November 24 to redeem $500 million in 5.5% senior notes due in 2027 using proceeds from a lower-cost note offering due in 2033 illustrates a proactive approach to managing the capital structure in a changing interest rate environment. We view the recent pullback of 20% from all-time highs as a potential opportunity to increase the position size in a business with a wide moat and strong cash flow generation.

Kaspi.kz

Monthly Return: 0%
Cumulative return: -4%

Kaspi.kz is a high-margin tech platform that currently holds a near-utility status in Kazakhstan's digital economy. The investment thesis centers on the "Super App" model, which integrates marketplace functionality, a proprietary QR-based payment network, and fintech services into a self-reinforcing flywheel.

Kaspi.kz represents a compelling opportunity as Kazakhstan's dominant digital infrastructure trading at a potentially depressed valuation. At a P/E of roughly 6-7x, the market is pricing in significant emerging market risks that management has historically navigated with a 4-year average Return on Equity (ROE) of 105%. In November 2025, Kaspi initiated a $100 million ADS buyback program, signaling that the board views the share price as significantly disconnected from intrinsic value. Combined with its consistent dividend payout, Kaspi offers a high single-digit to double-digit shareholder yield while continuing to compound earnings at 20%+ in local currency terms. Kaspi remains a high conviction position for us despite the emerging market volatility.

Nothing material was reported that affects our position in Kaspi during the month of December.

Coupang

Monthly Return: -12%
Cumulative return: -15%

December was a turbulent month for Coupang following the disclosure of South Korea's largest-ever data breach. On November 29, the company confirmed that 33.7 million customer accounts (roughly two-thirds of the Korean population) had been compromised after a former employee exploited an unrevoked security key to access customer records. While the breach exposed names, addresses, phone numbers, and order histories, no payment credentials or passwords were taken. Management's response was widely criticized as slow and opaque: founder Bom Kim did not publicly apologize until late December, and the newly appointed interim CEO's vague answers at a National Assembly hearing did little to quell public anger.

We have published a comprehensive deep-dive analyzing the incident, which we encourage members to read here. Our assessment is that the market's 25% selloff represents a significant overreaction to what is fundamentally a one-time operational failure: serious, but not thesis-breaking. The structural drivers of the investment case remain intact: Rocket WOW ecosystem lock-in continues to demonstrate resilience (early data shows only single-digit DAU declines, not the mass exodus one might fear), the logistics moat and scale advantages are untouched, and Coupang's $7.3 billion cash position comfortably absorbs the estimated $2–2.5 billion in cumulative costs (compensation vouchers, fines, and remediation). While regulators have floated the possibility of a business suspension, precedent strongly suggests fines and corrective orders rather than operational shutdown, Korean authorities have never suspended a major platform company for a data breach.

We view the current dislocation as an opportunity created by uncertainty rather than fundamental impairment. As such, we have more than doubled our position, purchasing an additional 130 shares at $23.59. This brings our total holding to 240 shares and lowers our average cost basis from $32.83 to $27.83, meaningfully improving our margin of safety. We believe the gap between the current share price and intrinsic value has widened attractively, and we will continue to monitor management's follow-through on promised security improvements.

GFL

Monthly return: -6%
Cumulative return: -2%

GFL Environmental remains a differentiated opportunity within the defensive North American waste management sector. In Q3 2025, the company reported EBITDA 2% above consensus with margins of 31.6% and pricing power holding firm at 6.3%.[1] Management signaled its intention to continue its aggressive consolidation strategy, stating that it expects to spend "well in excess" of $1 billion on M&A within its existing operational footprint.

GFL currently trades at a discount to slower-growing peers like Waste Management and Republic Services, offering potential for multiple expansion as the company continues to scale its pure-play solid waste operations.

InPost

Monthly return: 4%
Cumulative Return: 4%

InPost is a disruptive force in last-mile logistics, operating Europe's largest Automated Parcel Machine (APM) network with over 57,000 lockers across nine countries. The investment thesis rests on a structural cost advantage where an InPost courier achieves a 10x productivity multiplier over traditional door-to-door delivery. In the final quarter of 2025, InPost demonstrated that it is successfully replicating its dominant Polish playbook in the UK and France.

InPost reported a record-breaking Q3 2025, with group parcel volumes growing 34% year-over-year to 351.5 million parcels. For the first time, international revenue accounted for over half of the group total, marking InPost's definitive transition to a pan-European platform.

The **United Kingdom** has become InPost's primary growth engine following the acquisitions of Menzies and Yodel. UK parcel volumes more than tripled year-over-year in Q3, and the APM network expanded to 12,000 machines. Prior to the Yodel acquisition, the UK business had already crossed the profitability threshold with margins above 20%; the integration of Yodel's door-to-door volume into the higher-margin APM network is expected to drive UK EBITDA margins toward 30% in the medium term.

In **France**, Mondial Relay handled 83.5 million parcels in Q3, with APM volumes growing 24%. InPost is aggressively converting Mondial Relay's legacy PUDO network into a high-margin locker network, which has already led to EBITDA margin expansion from 11% to over 15%.

A key development in late 2025 was InPost's partnership with **Bloq.it** to deploy more than 20,000 NEXT parcel locker units across Europe.[37] These lockers are "off-grid" and battery-powered, meaning they operate independently of the power grid or solar panels. This technology allows InPost to install lockers in locations that were previously inaccessible due to lack of power infrastructure or planning restrictions, further increasing network density. As part of the multi-year agreement, InPost also acquired a minority stake in Bloq.it, ensuring its access to next-generation smart locker technology.

Research commissioned by InPost in December 2025 revealed a dramatic acceleration in locker adoption in the UK. During the 2025 festive season, 44% of consumers planned to use lockers to receive parcels, up from 34% in the prior three months. Younger shoppers (18-34) are the primary drivers of this trend, with 53% having used a locker recently. This cultural shift is critical because it validates the "Density Flywheel": as more consumers choose lockers, volume density increases, unit costs drop, and InPost can further reinvest in its network to widen the gap against legacy couriers like Royal Mail.

Stock spotlight: why we're buying RB Global (RBA)

We are buying RB Global because the market is effectively assigning zero value to its subsidiary, IAA, regaining market share from its largest competitor, Copart. The current market narrative assumes IAA's previous share loss is a result of structural deficiencies in IAA's business relative to Copart, when in reality its prior market share losses were driven by fixable operational issues that are already reversing under RB Global ownership. Our work shows IAA's real estate footprint is not a competitive disadvantage versus Copart on the dimensions that matter most to insurers, and since the acquisition, execution has improved materially. The most important metric being Tow Compliance (percentage of vehicles picked up in the contractually required timeframe), which has risen from ~89% to ~99.5%. These improvements are translating into tangible results, including three consecutive quarters of market share gains and the recapture of a large customer.

As IAA regains share in a duopolistic industry with highly attractive unit economics, incremental volumes should flow through at very high margins, enabling IAA alone to drive double-digit EPS growth for RB Global through the end of the decade. This upside is not reflected in the current valuation, which also assigns little credit to a recovery in the legacy Ritchie Bros equipment auction business as construction markets normalize. At ~24x forward earnings for a high-quality, defensible marketplace business with credible paths to 10–15% earnings compounding (and mid-to-high teens in a bull case), we view the risk-reward as compelling.

Read the full deep dive

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

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

Portfolio Risk Lens

As the portfolio becomes more invested, risk management remains a primary focus. The risks are diversified across geographies and regulatory environments, reducing the probability of a single point of failure.

Macroeconomic and Interest Rate Sensitivity

The portfolio has a high sensitivity to real interest rates, particularly in Kazakhstan where high rates are currently squeezing Kaspi's fintech margins while attracting savers to the ecosystem. In the United States, United Rentals is positioned to benefit from potential rate cuts in 2026, which would likely stimulate smaller contractor construction activity. TransDigm's high leverage (targeting 5-7x) remains a key monitoring point, although its FY26 free cash flow projection of $2.5 billion provides substantial coverage.

Currency Volatility

The model portfolio is exposed to structural currency depreciation, particularly the Kazakh Tenge and the Korean Won. Kaspi generates 97% of its revenue in Tenge, which has depreciated roughly 10% annually. However, historical evidence demonstrates that the earnings growth of companies like Kaspi and Coupang has significantly outperformed their respective currency depreciations over the last five years.

Regulatory and Legal Evolution

The resolution of the Evolution-Playtech dispute in late 2025 has significantly reduced the "regulatory fear" component of the Evolution thesis. In Kazakhstan, the new "Draft Law on Banks" is expected to modernize the digital asset landscape rather than impair Kaspi's super-app model. InPost's primary regulatory risk involves "visual pollution" concerns in Poland and planning permissions in the UK, both of which are being addressed through the deployment of more compact and off-grid locker technology like Bloq.it NEXT.

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:

- **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.
- **Wise (WISE)**
  A British financial technology company focused on global money transfers.
- **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