

January 2026

Investor Letter 2025 – What the Hell is Water?

Dear Partners and Friends,

“There are these two young fish swimming along, and they happen to meet an older fish swimming the other way, who nods at them and says, ‘Morning, boys, how’s the water?’ And the two young fish swim on for a bit, and then eventually one of them looks over at the other and goes, ‘What the hell is water?’” David Foster Wallace, the great American novelist, opened his commencement speech at Kenyon College with this story in 2005, about three years before he died.

When I first read these words, I kind of chuckled and moved on. But like Michelangelo’s *David*, which might initially strike you as just a grand marble figure, profound words gain richer meaning over time with repeated encounters. At first, a simple speech like Wallace’s *This Is Water* might seem straightforward. With time, however, just as the sculpture’s intricate veins, poised tension, and hidden expressions emerge when viewed from different perspectives, words sink in, resonating more deeply as life’s experiences—especially our mistakes—add new layers of understanding.

I feel that much of what we experience in life is like water. Water is essential and ubiquitous, shaping and reshaping every aspect of our lives and our society. Yet we hardly ever pause to notice its significance. Likewise, the routines, assumptions, and cultural norms we swim in are so constant that they fade into the background, even though they define our reality. In this way, the currents of habit and expectation silently orchestrate our existence, eluding awareness until a deliberate gaze pierces the veil, if that happens at all.

The idea that much of what we experience in life goes undetected connects deeply to an issue that I’ve been pondering a lot lately: investors’ rigidity—or myopia—in judging companies’ valuations and assessing business durability. In the context of investing, the water in which we swim includes all of the ingrained assumptions, mental shortcuts, and dogmas that many investors accept, often without questioning. As Charlie Munger observed, “People tend to accumulate large mental holdings of fixed conclusions and attitudes that are not often reexamined or changed, even though there is plenty of good evidence that they are wrong.” This danger is particularly evident when considering the origins of enduring business success, an area where unexamined assumptions tend to blind investors to the subtle forces at play.

For example, I think it’s important to ask, why do “economic castles” exist? In other words, why do some companies possess such powerful competitive advantages and create so much shareholder value? This is a question that captivates me. I believe the answer—at least, partially—has to do with the environment that certain businesses consciously construct without the consumer being aware of it. These companies don’t merely sell products or services; they engineer entire ecosystems that redefine how we live, work, and interact. And because their competitive advantages generally go unnoticed and misunderstood until they become too evident to dismiss, they are often undervalued by the marketplace.¹ Fortunately, the market’s

¹ We consider a business undervalued when its current market price is below our estimate of its intrinsic value. We determine this intrinsic value ex-ante primarily through discounted cash flow (DCF) analysis, in which we project expected future free cash flows to equity holders and discount them back to the present using a discount rate that exceeds our minimum required

short-sightedness intermittently provides us with opportunities to invest at reasonable prices in exceptional businesses that have the potential to compound at high rates of return over long periods of time.

The Medium is the Moat: McLuhan’s Take on Tech’s Hidden Power

When I think about those ecosystems that gradually emerge beneath the surface of society, I’m reminded of some seminal insights from the media theorist Marshall McLuhan. He explored how media² and environments shape human perception and behavior, and he regarded James Joyce’s *Finnegans Wake* as one of the best guides to the effects of media—an experimental novel in which the primary “actors” are not people but interacting forms of communication. If you’re unfamiliar with McLuhan and want to learn more about media, consider watching Woody Allen’s *Annie Hall*, which features McLuhan in a memorable cameo role, and then take the plunge into *Finnegans Wake*.

Central to McLuhan’s philosophy is the concept that “new environments”—created by emerging technologies, tools, or media—exert a pervasive, often invisible influence on society. McLuhan argued that the medium itself, more than the content it carries, profoundly shapes our thoughts, interactions, and worldviews. This influence arises from the medium’s ability to subtly transform behavior, cognition, and social structures, often unnoticed and unchallenged.

A key aspect of McLuhan’s philosophy is humanity’s tendency to fixate on the content—a TV program, a social media post, or a book’s narrative, for example—while ignoring the medium’s profound structural effects. He noted, “it is the framework itself that changes with the new technology, and not just the picture within the frame.” We might argue over the details of a news story, say, yet overlook how the immediacy of social media or the visual impact of television can alter our very grasp of information. Our preoccupation with content blinds us to the deeper, more significant shifts produced by the architecture, pace, and sensory demands of the medium itself. Indeed, content engages us visibly, but the medium rewires our experiences fundamentally. Just think of social media platforms like X and Facebook. The algorithmic, instantaneous nature of the medium has an extraordinary capacity to fragment attention and redefine social bonds.

It’s easy to overlook the importance of environments because they integrate seamlessly into our senses and habits, becoming extensions of us. Consider the smartphone, which has revolutionized communication, productivity, and cognition. We tend to dwell on the content served up by the apps on our phones, yet we rarely contemplate a more profound aspect of what’s happening here: namely, the pervasive effects of perpetual connectivity. As McLuhan put it, “We shape our tools, and thereafter our tools shape us.”

This is consistent with philosopher Maurice Merleau-Ponty’s ideas on embodied perception—that our awareness is not just mental but deeply rooted in our bodily interactions with the world, shaping us invisibly like an extension of ourselves. For instance, Merleau-Ponty describes how a blind person’s cane becomes

return, thereby providing a margin of safety. Notably, undervaluation can exist even when a stock trades at a high price-to-earnings (P/E) ratio—including ratios based on projected earnings or variants like the cyclically adjusted P/E. Intrinsic value is forward-looking, reflecting the present value of all expected future free cash flows, whereas P/E ratios provide only a partial snapshot of a specific period’s earnings. These earnings may be temporarily depressed by heavy yet efficient reinvestment (e.g., R&D, sales and marketing, or capital expenditures) that, if successful, significantly enhances long-term value despite near-term profitability pressure. In contrast, inefficient reinvestment tends to destroy long-term value and is a clear sign of overvaluation.

² In Marshall McLuhan’s philosophy, “media” is the plural form of “medium,” referring to any extension of human beings—such as technologies, tools, or forms—that amplify or enhance human senses, capabilities, perceptions, or actions. The significance of media lies not primarily in their content, but in the structural changes they impose on human affairs, altering scale, pace, or patterns of interaction and society.

part of their body, not just a tool, allowing them to “feel” the environment without conscious effort. For better and for worse, our phones have become an equally indispensable extension of our minds and bodies.

In summary, McLuhan contended that new media environments command immense power by quietly reconfiguring human existence, with our gaze diverted by the content they convey. True comprehension demands that we redirect our focus to the medium’s form, structure, and the world it architects.

The McLuhan framework extends elegantly to contemporary disruptions like robotics and the advent of autonomous vehicles (AVs), helping to illuminate why certain companies thrive as “economic castles.”

In robotics, the real “medium” isn’t just the robots that are performing tasks—it’s the whole tech system that changes workplaces, economies, and society. This shifts job structures, needed skills, and power balances in ways that are often difficult to perceive without careful attention. People typically focus on the obvious “content,” such as job losses. But they tend to miss some of the bigger changes: human work becomes less valued; a disproportionate amount of the spoils go to workers with specialized skills; wealth gaps grow. These far-reaching effects are often obscured by what’s happening on the surface as the robotic economy drives greater efficiency and produces new structures, which blend in through seemingly mundane innovations like self-checkouts in stores.

For autonomous vehicles, the medium transforms transportation and city layouts, gradually shifting consumers away from owning cars toward sharing fleets. The content—for example, algorithms and safety stats—can easily distract us from noticing subtle, yet profound effects such as less personal control, lost jobs for drivers of trucks and taxis, a greater dependence on big tech companies that turn data into profit, the erosion of privacy, and changes to urban life as cities are designed more for AVs than public transport.

Building on these examples of robotics and autonomous vehicles as transformative media, we can see how McLuhan’s principles come to life in the strategies of visionary enterprises. These companies don’t just adopt such innovations—they actively forge them into competitive fortresses that redefine entire industries. For instance, Amazon’s robotic warehouses exemplify the medium’s power, where the content of swift deliveries masks an environment of unparalleled logistics efficiency, data mastery, and consumer lock-in that elevates barriers sky-high; pricing power, fully flexed or latent, almost always follows.

Costco’s membership ecosystem shapes a medium of habitual loyalty and bulk purchasing, while its content of deals obscures the profound behavioral shifts it instills. By intentionally forging these dominant ecosystems, these companies can quietly secure advantages that elude conventional metrics.

Why is this so important and relevant to us as investors? Because rich rewards are likely to accrue to the small minority that can peer beyond the surface to discern the true currents of innovation and value creation. This way of thinking requires an ability not only to recognize these underlying economic forces, but to position oneself patiently to benefit as these forces play out over many years.

This forward-thinking approach stands in stark contrast to traditional value investing strategies. As I see it, we’re most likely to find multi-baggers within these transformative domains, not in the comforting world of low price-to-earnings ratios. Most investors fixate on a single year of earnings—whether the past twelve months or the forward twelve months—and judge a company’s valuation based on those figures alone. But in order to capture superior returns, it’s important to envision the future: not just one year out, but five and even ten years out. That will ultimately determine where the price is going. When viewed through this long-term lens, stocks that appear optically expensive based on near-term earnings may actually be profoundly undervalued if their future cash flows are sufficiently large and durable. But let me be clear:

this does not justify paying any price. Even exceptional businesses can be poor investments if purchased at excessive valuations—especially when there is no margin of safety.

From S-Curves to Starlink: The Hidden Graphs of Exponential Disruption

As I reflect on the environments that visionary companies cultivate, I'm reminded of a speech I delivered at the *Latticework* and *Zurich Project* conferences, "*Investing in an Age of Disruption*."³ In that talk, I explored how rapid technological and business model shifts are reshaping industries at an accelerating pace, often catching investors off guard. Just as David Foster Wallace urges us to awaken to the world around us, and Marshall McLuhan compels us to look beyond content to the medium's profound influence, investing demands a similar vigilance. We must recognize the unseen, yet inexorable forces of transformation that redefine markets, lest we remain like those young fish, oblivious to the currents carrying us along.

This call to awareness finds vivid expression in the dynamics of disruption, which investors consistently underestimate in both speed and scale. Transformative change, whether through innovations like the steam engine (1712) or the iPhone (2007), often follows an S-curve: a deceptively slow start that erupts into exponential growth once critical tipping points are reached.⁴ This mirrors the process described by McLuhan, whereby media create easily overlooked effects that end up dramatically reshaping society. Similarly, feedback loops in volume-cost dynamics—such as those driving battery electric vehicles (BEVs) and solar energy—exponentially accelerate adoption at a relentless pace, while incumbents face entropy, their systems decaying like closed thermodynamic ones losing energy.

The very foundations of these disruptions lie in a paradigm shift from the tangible constraints of the material world to the limitless possibilities of the virtual world. Let's not forget that we were nurtured in a realm dominated by the laws of physics—gravity, friction, viscosity, the conservation of matter, the sonic and luminous barriers, and myriad other immutable constraints. Yet in the boundless expanse of the internet, such shackles evaporate: no gravity, no viscosity, no conservation of essence.

Companies that truly grasp this transcendent liberation and that value efficiency are best-positioned to prevail as the triumphant architects of tomorrow, while those who tenaciously adhere to archaic realms and antiquated paradigms of commerce succumb to obsolescence.

This liberation extends beyond physical laws to societal structures, democratizing opportunity in profound ways. In a parallel vein, the internet has shattered the longstanding barriers that once separated the achievements of the young from those of the old. In eras predating this digital revolution, building a fortune in one's youth was a rarity, given the advantages that came from hard-won experience, extensive networks, and resources that age alone could confer. Yet the internet, as a boundless extension of human intellect and connectivity, has empowered the young with instantaneous access to knowledge, capital, and global collaboration, transforming youth itself into a force capable of forging empires unbound by the traditional dictates of time and maturity. That's precisely why I devote so much time to pondering which new company—launched by a proverbial kid in a garage—might disrupt the businesses we already own.

³ Tsai, Christopher. "Investing in an Age of Disruption." *Tsai Capital*, 8 June 2023, <https://tsaicapital.com/investing-in-an-age-of-disruption.php>.

⁴ Tony Seba, a leading thinker on technological disruption whose work has influenced Tsai Capital's investment approach, observes that disruptions typically begin slowly, with new technologies achieving only modest initial market penetration of 1% to 2%. Once a critical tipping point is reached, however, adoption accelerates exponentially, rapidly capturing up to 80% of the market. Eventually, saturation sets in, and growth decelerates.

This digital emancipation underpins the transformative power of innovations like robotics and autonomous vehicles, which are not merely tools but extensions of the internet’s architecture, reshaping labor, urban design, economies, and societies. Leading companies harness the internet’s connectivity to create ecosystems in which real-time data aggregation fuels self-reinforcing cycles of innovation and dominance. Our brains, evolutionarily wired for linear progression, struggle to grasp these exponential shifts enabled by digital networks. As investors, clinging to outdated assumptions is akin to fixating on content while the medium—the internet-driven ecosystem—rewires and reconfigures the world.

This is where Occam’s Razor meets McLuhan in the marketplace: when explaining explosive growth or durable moats, the simplest sufficient cause is often the invisible network structure itself. The medium, once again, is the message—and the moat. We don’t need to fixate on superficial details, such as whether a company has beaten (or fallen short of) Wall Street’s quarterly earnings expectations or whether the business will be helped (or harmed) by macroeconomic forces that are exceedingly difficult (or impossible) to predict. When we mistakenly focus on this type of ephemeral content, we risk missing deeper truths about the way moats actually develop around these “economic castles.” Put simply, visionary companies don’t just compete; they architect digital infrastructures that compound value durably.

Credit for this architectural insight should go, in part, to the late Donella Meadows, an American environmental scientist and writer whose book, *Thinking in Systems: A Primer*, has profoundly shaped my approach to investing. For anyone with a peculiar fascination for systems and feedback loops, this book is essential reading! Meadows explains: “When a systems thinker encounters a problem, the first thing he or she does is look for data, time graphs, the history of the system. That’s because long-term behavior provides clues to the underlying system structure. And structure is the key to understanding not just what is happening, but why.”

In investing, if the price of a stock baffles us, we must probe this structure. Often, the market value aligns perfectly with it—we simply haven’t grasped this reality yet. Consider Apple in 2007, when its market value rivaled the combined worth of its major competitors. This valuation, seemingly lofty, was justified by the powerful network effects Apple was forging, positioning the company to dominate in a winner-takes-most market. As its business model evolved alongside these unseen structural shifts, it demanded evaluation through a fresh, discerning lens.

Such architectural prowess is vividly illuminated with the help of graph theory, a mathematical framework that models systems as nodes (representing individual elements, such as cars or satellites) and edges (the connections between them, such as data links or communication signals). Just as media environments have the capacity to subtly rewire society, so graph theory reveals the hidden structures underlying modern networks, where connectivity becomes an invisible force driving exponential value.

SpaceX’s Starlink constellation embodies this paradigm, with satellites as nodes forming a mesh of laser links and ground communications. This low-Earth orbit graph delivers global broadband, where adding nodes reduces latency and boosts resilience, akin to percolation theory⁵ and the emergence of a “giant connected component” for seamless coverage. These networks aren’t mere infrastructure; they are all-powerful environments that reshape access, commerce, and information flow, particularly in remote regions, outpacing legacy providers.

⁵ Percolation theory, a branch of graph theory and statistical physics, models the emergence of connectivity in random networks, such as Tesla’s vehicle data-sharing fleet or Starlink’s satellite mesh. It studies how nodes (e.g., cars, satellites) and edges (e.g., data links, laser communications) form a “giant connected component” above a critical connection threshold or tipping point, enabling robust, scalable systems. This mirrors the invisible network effects that drive competitive moats for visionary companies as connectivity thresholds amplify value and defensibility in their ecosystems.

At the heart of these advantages lie network effects, whereby a product's value surges with each new user or node, often following Metcalfe's Law.⁶ That's to say, the growth in value is proportional to the square of connected participants. This creates a virtuous cycle: more connections yield superior performance, attracting further adoption and erecting formidable barriers. New entrants grapple with the "chicken-and-egg" dilemma, lacking the scale to generate initial value, while incumbents benefit from plummeting per-user costs and data-driven innovations.

Like the water that Wallace describes or the media that McLuhan dissects, these network effects operate invisibly. Yet they gradually become integrated into daily life in ways that render these businesses mightily resistant to competition. Of course, these companies are not invincible. They can still jeopardize their advantages through mismanagement, and they remain vulnerable to regulation. But in connectivity-driven domains, it's remarkably difficult for rivals to break through the defenses of these modern-day "economic castles." For one thing, the dominant platform has built up considerable advantages in terms of data. Plus, it's expensive for users to switch to a new platform and risk losing the benefits of their social network.

Visionary companies generate outsized returns by mastering these graph-like environments, with their nodes and edges and emergent connectivity. Investors who succeed in identifying these businesses can reap extraordinary returns over many years or even decades. But, as you can see, this requires an unusually penetrating form of analysis that involves discerning the subtle currents beneath surface metrics.

As Indigenous Australian thinker and author Tyson Yunkaporta writes in *Sand Talk*, "People today will mostly focus on the points of connection, the nodes of interest like stars in the sky. But the real understanding comes in the spaces in between, in the relational forces that connect and move the points.... If you can see the relational forces connecting and moving the elements of a system, rather than focusing on the elements themselves, you are able to see a pattern outside linear time. If you bring that pattern back into linear time, this can be called a prediction in today's world."

In an era of disruption, peering beyond the content to perceive the architecture of the medium isn't just insightful. It's essential for investors who seek to own the multi-baggers that are redefining our world.

Fractal Growth: How Tech Giants Scale Exponentially

The scalability of technology companies often defies linear thinking, following a fractal-like pattern where growth accelerates at higher scales and often culminates in stark disparities. Indeed, Benoit Mandelbrot, the so-called father of fractals, observed that "Extreme inequality is a familiar pattern in nature and in the works of humans."

Unlike the smooth, predictable forms of Euclidean geometry, fractals reveal infinite complexity and non-integer dimensions that better model this exponential scaling in tech, where power-law distributions favor a few dominant players. For example, each order-of-magnitude increase in market capitalization—from \$10 billion to \$100 billion, or \$100 billion to \$1 trillion—might seem exponentially harder, like adding digits to a number. Yet, counterintuitively, the leap from higher levels is often easier. At \$100 billion, a company's momentum—fueled by network effects, data dominance, and operational leverage—reduces

⁶ Metcalfe's Law posits that the value of a network grows proportionally to the square of the number of its connected users or nodes, capturing the exponential power of network effects. In the context of companies like Tesla and SpaceX, this principle highlights how interconnected ecosystems—such as Tesla's data-sharing vehicle fleet or Starlink's satellite constellation—amplify value as more participants join, creating self-reinforcing moats that enhance scalability, resilience, and competitive dominance, often remaining invisible to participants (like water to a fish).

the relative risk of tenfold growth. These self-reinforcing feedback loops create a robust ecosystem that amplifies scale.

It seems to me that to figure out who will win any given technology race, we also need to look at the rate of acceleration of innovation and growth. That's because in any technological race, the company that ultimately dominates is not the one with the biggest base today, but the one with the steepest slope of acceleration. In other words, whoever compounds fastest eventually devours the competition—because in exponential races, slope crushes scale.

This fractal-like scalability manifests in real-world examples, such as Starlink's satellite mesh, which strengthens its dominance in global broadband as each new satellite enhances coverage and revenue potential. These self-similar patterns—akin to fractals in nature—emerge across growth, strategy, and market dynamics, driving outsized returns for leading technology companies. The network effects modeled by Metcalfe's Law and percolation theory create exponential value as nodes (users, devices, or satellites) multiply, while data dominance enables AI-driven innovations that further entrench market leadership. Operational leverage, where fixed costs spread over growing output, drives margins higher, making scale a moat in itself. Indeed, multi-trillion-dollar valuations have already become a reality for several companies and are poised to emerge for even more, as these dynamics continue to amplify, particularly for dominant businesses.

For investors, it's vital to understand that these fractal-like growth patterns signal that multi-baggers emerge not from static metrics like low price-to-earnings ratios but from companies that architect scalable, connected environments. Missing these opportunities by clinging to linear assumptions and heuristics is akin to ignoring the water that Wallace describes in his story about those naive young fish.

It is precisely this awareness that guides our investment approach at Tsai Capital. We are dedicated to seeing the world through new eyes, investing your hard-earned capital in companies led by visionary management teams and in technologies that are scalable and transformative. Our portfolio companies lead the charge, embracing change and navigating challenges with clarity and purpose.

Why Should It Be Easy?

While we see tremendous upside potential in the visionary companies we own, it's important to recognize that all great growth businesses inevitably experience growing pains. Realizing their full potential demands not just insight into disruption and scale, but also the patience to let the magic of compounding unfold amid uncertainty and volatility.

In *The Power and Challenges of Compounding*⁷, I emphasized that, during market tumult, restraint often outshines impulsive action. As we know from decades of investor behavior studies, attempts to time the market are fraught with peril. Nonetheless, human instincts, shaped by eons of survival, typically impel investors to act rather than pause—a compulsion that is now intensified in an age of ceaseless information and unsettling predictions of looming losses.

Bruce Lee, the legendary martial artist, declared, "I fear not the man who has practiced 10,000 kicks once, but I fear the man who has practiced one kick 10,000 times." So, too, in the craft of investing: the most effective practitioners are those who exhibit consistent discipline and steadfast patience. Instead of yielding

⁷ Tsai, Christopher. "The Power and Challenges of Compounding." *Tsai Capital*, <https://tsaicapital.com/the-power-and-challenges-of-compounding.php>.

to fleeting emotions or chasing ephemeral trends, they keep plugging away, studying industries from a multidisciplinary perspective and remaining anchored in a rigorous commitment to business fundamentals.

This disciplined mindset is indispensable in compounding capital over decades—and it’s particularly crucial in periods when stocks falter or stagnate. Many investors can’t resist the temptation to sell prematurely and chase performance elsewhere. The trouble is, this impatience often leads them to forfeit the dazzling surges that frequently follow. Consider Tesla: since its 2010 initial public offering, 90% of its gains have occurred in just 5% of trading days—fewer than 13 days a year, on average!⁸

No one can reliably predict those pivotal moments. Yet most investors fixate on short-term news or stock price fluctuations, which I view as the least revealing metric. The true driver of long-term value creation is a company’s return on capital, which may be temporarily suppressed by aggressive capital reinvestment into growth as part of its core business model. Understanding a company’s business model is, therefore, essential, and this requires deep work and a first-principles approach to uncover value that many overlook due to the effort involved. With that in mind, let’s examine the tangible results of our investment approach.

Portfolio Update and Performance Review

For the year ended December 31, 2025, the Tsai Capital Growth Equity Strategy gained 8.5% before fees and 7.6% after fees, compared with a total return of 17.9% for the S&P 500 Index.

Since its inception 26 years ago, the Tsai Capital Growth Equity Strategy has gained 970% cumulatively before fees and 658% after fees, compared with a total return of 639% for the S&P 500 Index.

Tsai Capital’s performance since inception equates to an annualized return of 9.7% before fees and 8.2% after fees, compared with an annualized return of 8.1% for the S&P 500 Index.

Since fees are based on the amount of assets under management and therefore vary by investor, gross returns are presented to offer a clear view of the portfolio’s underlying performance. More information on historical returns is provided in Exhibit I at the end of this letter.

Performance of the strategy, since inception, was achieved without the use of leverage, derivatives, and short selling.

Our goal is to invest for the long term in outstanding companies that can rapidly and profitably deploy capital into the best ideas and people. However, I remain ready to divest swiftly if I believe that I’ve made a mistake—or if significantly better opportunities arise.

Today, the portfolio consists of 17 high-quality growth companies across sectors as diverse as asset management, building materials distribution, digital payments, electric vehicles and robotics, insurance, and veterinary diagnostics. Similar to last year, we hold little cash, as we do not engage in market timing.

You should know that our top five investments—our highest conviction ideas on a risk-adjusted basis—represent an outsized portion of capital. In fact, our strategic target calls for the top five positions to account for 50% of capital. Our top five positions are listed below in alphabetical order, along with our latest insights and the year when the stock first entered the portfolio. Please note that your individual account allocation may vary from these targets due to market conditions and other factors.

⁸ Source: Tsai Capital analysis

- Amazon.com (AMZN—Year of First Purchase: 2017)

Established in 1994 by Jeff Bezos within the humble confines of his garage, Amazon has evolved into a colossus that commands unparalleled dominance across its diverse markets. Despite its immense scale, the company's e-commerce arm continues to capture additional market share with remarkable agility. Meanwhile, its cloud computing powerhouse, Amazon Web Services (AWS), stands as the undisputed leader in its domain. We estimate that AWS currently accounts for more than 50% of Amazon's aggregate operating profits.

Both the retail operations and AWS have significant competitive advantages and offer exceptional value to customers. Eschewing the temptation to exploit its vast stature for immediate profit maximization, Amazon embraces a scale-economies-shared business model, generously redistributing a substantial share of its margins back to consumers. This strategic benevolence ignites a virtuous flywheel, perpetually strengthening the company's ecosystem.

By channeling substantial investments into its operations today to create even greater shareholder value tomorrow, Amazon obscures the true magnitude of its latent earnings potential. As shoppers increasingly pivot from brick-and-mortar retail to digital marketplaces, and as vast troves of data transition from local servers to cloud environments, we anticipate that Amazon's revenues will expand at a compound annual growth rate of approximately 10% over the next five years, with earnings per share poised to more than double during that timeframe.

- Apple (AAPL—Year of First Purchase: 2016)

We initiated our Apple investment in 2016 and elevated it to a core holding in 2018, the same year the company unveiled its redesigned 13-inch and 15-inch MacBook Pro models. Under Tim Cook's far-sighted leadership, Apple has continually redefined innovation across hardware and software.

Today, Apple's ecosystem powers about 2.4 billion active devices, bolstered by a rapidly expanding subscription services base. This approach has supercharged customer engagement and spending. In fiscal 2025 (ended September), the high-margin, stable subscription services segment accounted for roughly 42% of total gross profits, up from about 39% the previous year.

The September 2025 iPhone 17 launch—featuring the iPhone 17, iPhone 17 Pro, iPhone 17 Pro Max, and the new ultra-thin iPhone Air (replacing the Plus)—has posted one of the strongest early sales cycles in recent years. Key drivers include the A19 chip, larger displays, and 120Hz refresh rates across all models.

We expect rising revenues from new product launches, services, margin expansion, and share repurchases to fuel approximately 10% annual growth in earnings per share over the next several years. A decade after we first purchased shares, we believe Apple remains one of the highest-quality businesses on the planet.

- Brookfield Corporation (BN—Year of First Purchase: 2025)

Brookfield Corporation, headquartered in Toronto, Canada, stands as a preeminent global alternative asset manager and operator, harnessing a vast permanent capital base of over \$180 billion to invest in and scale high-quality businesses across infrastructure, renewable power, private equity, real estate, and beyond. With more than \$1 trillion in assets under management through its

majority-owned asset management arm (Brookfield Asset Management) and a growing \$135 billion insurance solutions platform, the company deploys patient, opportunistic capital into real assets that power the global economy—delivering resilient, inflation-protected returns in an era of accelerating energy transition and digital infrastructure demand.

Brookfield’s culture of disciplined value creation and long-term stewardship serves as its bedrock competitive moat, fostering a collaborative ecosystem where operators, investors, and entrepreneurs thrive under a unified philosophy of prudent risk-taking and operational excellence. This ethos not only attracts top-tier talent and proprietary deal flow but also amplifies the flywheel of compounding insights and relationships, positioning the firm to capitalize on market dislocations with unmatched agility and insight.

We are confident that Brookfield is on track to achieve its ambitious five-year targets, supported by robust fundraising, accelerating fee-related earnings growth, and disciplined deployment of capital at attractive internal rates of return. This positions the company to deliver its stated goal of 15%+ annualized total returns for shareholders through the cycle, driven by expanding recurring fee streams, strong investment performance across its platforms, and the powerful secular tailwind of institutional investors shifting trillions of dollars into alternative assets in the coming years.

Under the steady hand of CEO Bruce Flatt and a world-class management team, we are profoundly optimistic about Brookfield’s positioning as a generational compounder. The company’s masterful capital allocation—reinvesting float-like permanent capital into undervalued opportunities while maintaining fortress-like balance sheets—has consistently unlocked outsized value, and we believe it will continue to do so amid a favorable macro backdrop for real assets. A cornerstone of enduring quality in our portfolio, Brookfield exemplifies the rare blend of scale, sophistication, and shareholder alignment that defines exceptional businesses.

- QXO (QXO—Year of First Purchase: 2024)

In 2024, we initiated a position in QXO at approximately \$11 per share. Under Brad Jacobs’ leadership, the company is in the early stages of executing a bold plan to consolidate and disrupt the \$800 billion building products distribution industry. Having previously invested in two of Brad’s highly successful ventures—United Rentals and XPO Logistics—Tsai Capital is excited to back his latest endeavor.

Our strategy focuses on partnering with exceptional capital allocators. Having followed Brad’s remarkable career for nearly three decades and spent countless hours in discussions with him, I rank him among the very best. His personal commitment of \$900 million to QXO further aligns his interests with ours.

In August 2025, QXO completed its first acquisition: Beacon Roofing Supply, Inc., purchased in an all-cash deal valued at approximately \$11 billion and funded with a mix of equity and debt. With 8,000 employees and 110,000 customers, Beacon is North America’s largest roofing products distributor, also offering complementary building products and waterproofing materials.

Beacon stands to benefit directly from a four-million-unit housing shortage in the U.S. and from the country’s aging housing stock. We view this acquisition as comparable to Brad’s 2015 purchase of Con-way for XPO, which doubled cash flow in just 3.5 years.

Brad and his talented management team have already implemented operational changes at Beacon, including streamlining its nine-level legacy organizational chart. We expect the team to expand Beacon's EBITDA margins by about 500 basis points and to double cash flow within four years. Ultimately, we envision QXO achieving over \$50 billion in revenue with returns on capital of 17-23%.

- Tesla (TSLA—Year of First Purchase: 2020)

Tesla is a leading artificial intelligence (AI) company that has formidable competitive advantages across various sectors, including electric vehicles, software, and energy storage. Our investment in Tesla traces its origins to February 2020, when we acquired shares at an average initial cost of \$41.66 per share⁹.

Tesla stands as a profound anomaly in the corporate landscape, charting an utterly unconventional course that frequently engenders bewilderment in the markets and draws sharp rebukes from short sellers and skeptics alike.

Guided by Elon Musk, a controversial yet highly skilled capital allocator, Tesla has embraced a scale-economies-shared business model, strategically reducing prices to amplify the allure of its offerings, accelerate widespread adoption, and broaden the horizons of its total addressable market.

With its distinctive innovations, vast operational scale, and impressive cost efficiencies, Tesla is steadily eroding the foundations of entrenched legacy automakers, burdened as they are by hundreds of billions of dollars in obsolescent infrastructure amid the inexorable shift toward electric vehicles—and, in due course, fully autonomous mobility. Although competition is destined to escalate, we foresee Tesla significantly increasing its vehicle production and deliveries as the overall market for electric vehicles expands.

We also believe Tesla's AI capabilities remain underestimated—and consequently undervalued. In fact, we think the company is at the beginning of a hypergrowth phase. We anticipate that it will eventually operate millions of autonomous vehicles and will own the majority of the autonomous market; that it will extend licenses for its self-driving software to rivals, generating recurrent revenues with 70-80% margins from those licenses; and that it will scale substantially in robotics.

Looking to the Future, with the Wind at Our Backs

Let's return for a moment to David Foster Wallace and his precious insight that the most important realities are often the hardest to see—the water in which the fish swim. At Tsai Capital, we strive never to be those fish. Our work demands constant awareness of the deeper currents influencing the economy and financial markets: the invisible architectures of networks, incentives, and feedback loops that separate fleeting winners from enduring, trillion-dollar franchises.

This penetrating awareness lies at the heart of everything we attempt to do. We seek visionary leaders who do not merely react to change but shape the very ecosystems in which their businesses thrive. Challenges

⁹ The average purchase price is calculated on a dollar-weighted basis over the entire period from February 2020 through April 2020, inclusive of commissions and adjusted for splits. An individual investor's average purchase price may differ from the average purchase price across the firm's managed accounts due to market conditions and/or other factors. Past performance is not indicative of future results.

will always arise—recessions, technological ruptures, regulatory shifts—but history consistently rewards those who align with progress instead of resisting it.

In 2025, we took various steps to ensure that we remain positioned to ride the most powerful currents. Most important, we are delighted to welcome Nadim Abi Abdallah as our Senior Research Analyst. Working directly with me, Nadim brings a rare blend of engineering rigor (dating back to his undergraduate days at McGill), strategic depth (honed in a Master’s program at HEC Paris), seven years of buy-side experience, and a genuine passion for Philip Fisher-style scuttlebutt on exceptional, multi-decade compounders.

We were also fortunate to add Sam Korus and Richard Piliero to the Tsai Capital Advisory Committee. Their independent thinking, intellectual honesty, and long-term orientation will sharpen our perspective for years to come.

While some chroniclers of modernity—George Orwell in *Nineteen Eighty-Four*, T.S. Eliot in *The Waste Land*—foresaw a descent into chaos, others greeted the future with wonder. I place myself firmly in Isaac Asimov’s camp, exhilarated by the possibilities of robotics, AI, and human ingenuity unbound. Your portfolio has been deliberately constructed to profit from these transformative waves. As my father, Gerald Tsai, Jr., often reminded me, lasting success belongs to those who feel the wind at their back.

I am deeply grateful for your trust and partnership. Together, let’s continue to focus on seeing what others miss, embracing change rather than fearing it, and building wealth with patience, discipline, and joy.

Our success remains a collective endeavor. My sincere thanks go to our expanded Advisory Committee, our service providers, and the remarkable CEOs of the companies we own (Exhibits IV, V, and VI) for their indispensable contributions.

With gratitude,
Christopher Tsai

Exhibit I
Performance Since Inception (26 Years)
January 1, 2000 – December 31, 2025

Annual Returns

Year	Tsai Capital Gross	Tsai Capital Net	S&P 500 TR	Excess Return (Net)
2025	8.5%	7.6%	17.9%	-10.3%
2024	24.5%	23.0%	25.0%	-2.0%
2023	57.0%	55.3%	26.3%	29.0%
2022	-49.5%	-50.3%	-18.1%	-32.2%
2021	19.5%	17.8%	28.7%	-11.0%
2020	67.0%	64.6%	18.4%	46.2%
2019	39.5%	37.5%	31.5%	6.0%
2018	-3.7%	-4.9%	-4.4%	-0.5%
2017	18.3%	16.9%	21.8%	-4.9%
2016	5.6%	4.5%	12.0%	-7.5%
2015	-5.8%	-6.0%	-0.5%	-5.5%
2014	6.7%	5.4%	13.7%	-8.3%
2013	21.9%	20.4%	32.4%	-12.0%
2012	12.9%	11.6%	16.0%	-4.4%
2011	11.7%	10.7%	2.1%	8.6%
2010	14.5%	12.7%	15.1%	-2.4%
2009	26.8%	25.2%	26.5%	-1.3%
2008	-34.9%	-35.8%	-37.0%	1.3%
2007	15.9%	14.3%	5.5%	8.8%
2006	8.7%	7.2%	15.8%	-8.6%
2005	-1.2%	-2.6%	4.9%	-7.5%
2004	-5.2%	-6.6%	10.9%	-17.5%
2003	23.1%	20.9%	28.7%	-7.7%
2002	-1.9%	-3.6%	-22.1%	18.5%
2001	24.8%	22.4%	-11.9%	34.3%
2000	14.9%	12.6%	-9.1%	21.7%

Summary Performance

Period	Tsai Capital Gross	Tsai Capital Net	S&P 500 TR	Excess Return (Net)
Last 1 Year	8.5%	7.6%	17.9%	-10.3%
Last 3 Years (Annualized)	28.6%	27.3%	23.1%	4.2%
Last 5 Years (Annualized)	5.1%	3.8%	14.5%	-10.7%
Last 7 Years (Annualized)	16.9%	15.4%	17.3%	-1.9%
Last 10 Years (Annualized)	13.7%	12.3%	14.9%	-2.6%
Since Inception (Annualized)	9.7%	8.2%	8.1%	0.1%
Since Inception (Cumulative)	970%	658%	639%	19.3%
\$10M Invested in 2000 →	\$107.0 million	\$75.8 million	\$73.9 million	+\$1.9 million

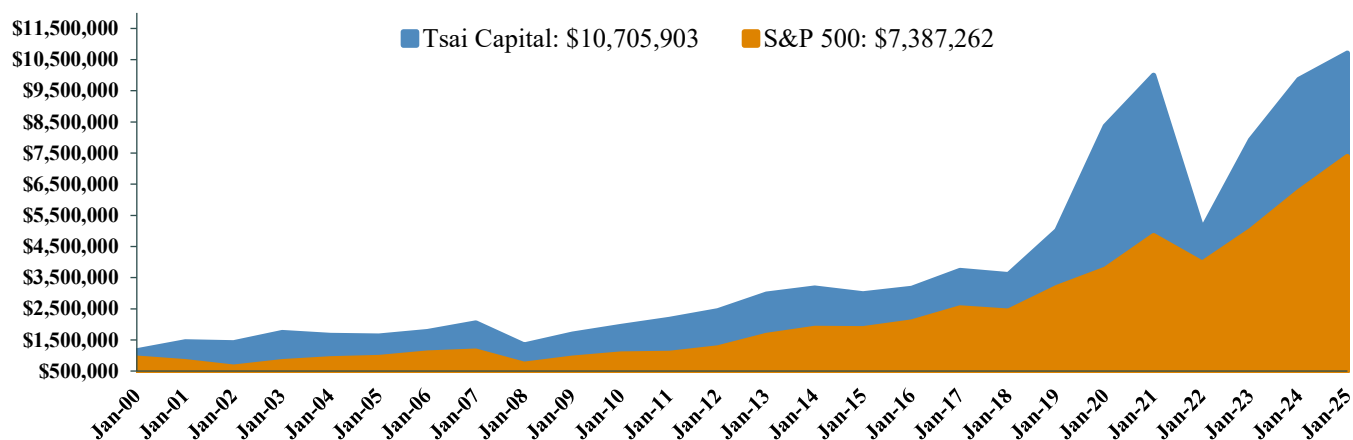
Exhibit I (Continued)

Risk Statistics

Period (Since Inception)	Tsai Capital Gross	Tsai Capital Net	S&P 500 TR
Standard Deviation	23.7%	23.3%	18.0%
Beta	0.90	0.89	1.00
Alpha	3.6%	2.2%	n/a
R ²	47.0%	47.5%	100.0%
Upside Capture Ratio	106.5%	98.1%	100.0%
Downside Capture Ratio	54.5%	63.5%	100.0%

The S&P 500 Index is used as a performance benchmark due to its widespread recognition. Most professional investors underperform this index over time. Alternative indices, such as the Dow Jones Industrial Average or MSCI World Index, could also be used. The Tsai Capital Growth Equity Strategy composite's returns are presented net and gross of fees and expenses. The S&P 500 Index returns include dividends to ensure a comparable assessment. All risk statistics (Standard Deviation, Beta, Alpha, R², Upside Capture Ratio, and Downside Capture Ratio) are calculated by Tsai Capital using since inception gross-of-fees and net-of-fees annual returns versus the S&P 500 Index. Beta, Alpha and R² are derived from linear regression of the strategy returns against benchmark returns. Standard Deviation is calculated using sample methodology. Upside and Downside Capture Ratios follow standard industry methodology.

Growth of \$1 Million Since Inception (26 Years) January 1, 2000 – December 31, 2025



We have displayed the above supplemental performance graph before fees to provide investors with clear insight into the portfolio's underlying performance. Individual account performance and fees vary depending upon the amount of assets under management. Net and gross performance information for the Tsai Capital Growth Equity Strategy composite is listed on the previous page.

Exhibit II Core Disciplines

All-in and Win-Win: Tsai Capital, today, is the result of a quarter century of hard work and continuous, incremental improvement in all areas of the business. Our success—and our clients’ success—would not be possible were it not for an aligned group of investors who share a similar mindset. We are all-in.

It’s our mission to bring a scientific spirit and integrity to the business of investment management and to create win-win outcomes. We seek to build long-term relationships with all our counterparties while being guided by the African proverb: “If you want to go quickly, go alone. If you want to go far, go together.”

Remember Einstein: In choosing individual securities, Tsai Capital ignores (or exploits) short-term volatility and focuses instead on the potential for long-term capital appreciation. This approach broadens the universe of our investment opportunities as other market participants, generally operating under institutional constraints, have a much shorter time horizon.

Once we have made an investment, we seek to hold it for many years. This long-term strategy is inspired by an insight widely attributed to Albert Einstein: “Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn’t, pays it.”

Invert, Always Invert: Preservation of capital is of paramount importance to successful long-term investors. How come? Well, just consider this simple mathematical principle: while a 50% loss reduces \$1 of capital to 50 cents, a 100% gain is then necessary to recover the initial \$1 of capital. Moreover, this phenomenon expands in a non-linear fashion: for example, a 400% gain is required to offset an 80% loss. Carl Jacobi’s famous exhortation—“invert, always invert”—clearly applies to investing, where the best way to make money is first not to lose it.

That’s why we always require a margin of safety before purchasing any stock. No matter how outstanding a business may be, we will commit capital only when we believe the market offers us a large discount to the company’s intrinsic value.

Never Forget Tussman: Knowledge acquired through a multidisciplinary approach is essential to understanding the world and to minimizing risk. Our extensive network of fellow investors, analysts, executives, and business owners helps in idea generation and due diligence.

We strive to be open-minded in order to understand all the major factors that might affect the outcome of an investment. Our goal is to eliminate blind spots. Our research process is inspired by the late Joseph Tussman, a philosophy professor and educator who observed, “What the pupil must learn, if he learns anything at all, is that the world will do most of the work for you, provided you cooperate with it by identifying how it really works and aligning with those realities.”

Follow the Business, Not the Market: We are convinced that nobody can consistently predict what the market will do. That’s a fool’s game. Our capital allocation strategy is, therefore, market agnostic. Instead of obsessing, as so many others do, about the direction of the general market, we focus on business fundamentals. All of our attention is devoted to finding the best individual investments that offer significant upside potential and a margin of safety at the time of purchase.

It's All in the Swing: Our preference for inaction motivates us to swing hard when we see a pitch we like. This results in a relatively focused portfolio—which may substantially deviate from our benchmark over short time frames.

We are solely focused on investing in compounders, which we define as high-quality growth companies with durable competitive advantages and the capacity to reinvest capital at high rates of return over long periods of time.

Finally, in our quest to invest in truly exceptional companies, we prefer certain business models—particularly those that benefit from a network effect or some other kind of positive feedback loop. That's because growth created in a self-reinforcing manner can be highly durable.

Exhibit III How We Invest

We believe in transparency. This is particularly important at the beginning of a relationship, so investors can make a sound decision in choosing whether to invest with Tsai Capital.

There's an old African proverb that says, "If you want to go quickly, go alone. If you want to go far, go together." I couldn't agree more. Therefore, in order to encourage an alignment of interests, this letter is sent to all prospective investors before we engage in a deeper conversation.

Historically, the S&P 500 Index has outperformed the great majority of money managers and most other indices. It's my belief that this index is a suitable alternative to Tsai Capital; I therefore propose it as a *long-term* benchmark to use in assessing our performance.

I must, however, clarify one point. Over the short term, our performance may yield surprising results—good or bad—relative to the benchmark. But this should neither be cause for concern nor celebration. That's because our approach is to compound capital over the long term, ideally in businesses that we can own for a decade or more. With this in mind, I ask investors to judge our performance using evaluation periods in excess of five years—the same period of evaluation we judge our portfolio companies. Anything less than that is far too short a time frame to evaluate our results.

As an investor, my only objectives are the preservation and long-term growth of capital. My team and I utilize the Tsai Q-System, our proprietary analytical framework, to seek out and compare the absolute and relative quality of our portfolio and non-portfolio companies. But first, let's address what many people are obsessed with: namely, the general market. Trying to predict where it's headed is a fool's game. So, all of my attention is devoted to finding the best individual investments that I believe offer significant upside potential and a margin of safety at the time of purchase.

Ideal investments are hard to find, especially in times of market euphoria. I seek to avoid investing in trees that appear to grow to the sky—that is, situations in which valuations drastically exceed intrinsic business values. This disciplined approach has helped us to successfully navigate an array of perilous periods, including the dot-com bubble that burst in 2000, the housing bubble that triggered the Global Financial Crisis, and the outbreak of COVID-19. And since our buying and selling decisions are not tied to general market behavior, we may be spectators for long periods of time.

Our preference for inaction motivates us to swing hard when we see a pitch we like. This results in a relatively focused portfolio, which, as previously mentioned, may substantially deviate from our benchmark over short time frames. But these fluctuations are of little importance to the long-term investor. I ignore them, and I ask you to do the same.

Finally, let me be clear that volatility is not the same as risk. Volatility is price fluctuation, whereas risk is the potential for permanent capital loss. Unlike many others, we think of volatility as our friend because it occasionally grants us the opportunity to buy shares in high-quality growth businesses at large discounts to their intrinsic value. I focus on preserving capital so that we'll be in a strong position to seize those rare and precious opportunities when they arise. Over time, this patient and disciplined investment approach allows the eighth wonder of the world—compounding—to perform its miracles.

Christopher Tsai

Exhibit IV Team Tsai

Key Personnel & Advisory

Christopher Tsai, President and Chief Investment Officer

Christopher Tsai is President and Chief Investment Officer of Tsai Capital, an investment management firm focused on the preservation and long-term growth of capital on behalf of select families and organizations. With more than a quarter century of experience, and as a third-generation investor whose financial roots date back to World War II, Mr. Tsai leads the firm's investment activities and is Chairperson of the firm's advisory committee.

Mr. Tsai pursues a value-oriented investment approach and seeks high-quality growth companies that offer significant upside potential and a margin of safety at the time of purchase. He uses a multidisciplinary approach to identify companies that he believes have a sustainable competitive advantage and can compound earnings at an above-average rate over the long term. Companies in his portfolio tend to have strong balance sheets, a history of producing high rates of return on capital, and a culture of innovation.

Mr. Tsai's investment approach has been most influenced by Warren Buffett, Charlie Munger, and Phil Fisher, as well as by his grandmother and father, the late investor and philanthropist Gerald Tsai Jr., who was the first Chinese-American to lead a Dow Jones Industrial company.

Mr. Tsai's financial roots date back to World War II, as his grandmother, Ruth Tsai, was the first woman to trade shares on the floor of the Shanghai Stock Exchange.

Prior to forming Tsai Capital, Mr. Tsai was an equity analyst at Bear, Stearns & Co. Inc., John A. Levin & Co., Inc., and Gabelli Asset Management.

When not looking at businesses, he loves running in nature, quiet time with his books and family, submersing himself in the arts, and a perfectly steeped pot of tea.

Mr. Tsai received a Bachelor of Arts degree in philosophy and international politics from Middlebury College.

Nadim Abi Abdallah, Senior Research Analyst

Nadim Elie Abi Abdallah is Senior Research Analyst at Tsai Capital, working directly with Christopher Tsai to source and analyze exceptional businesses capable of compounding capital over decades.

A McGill engineering graduate with a master's in strategic management from HEC Paris, Nadim began building his own portfolio in his early twenties and has spent the past seven years as a buy-side analyst at value-oriented investment firms. At In Practise, he led primary research through in-depth interviews with CEOs and industry operators, sharpening his understanding of durable competitive advantages and long-term growth dynamics.

Influenced by Philip Fisher's scuttlebutt method, Nadim seeks outstanding companies led by aligned, visionary management teams and underpinned by strong cultures and organic innovation.

Outside of investing, he is a voracious reader of history and behavioral economics, an avid traveler, competitive tennis player, trail runner, and daily practitioner of mindfulness meditation.

Sam Korus, Advisory Committee

Mr. Korus is the Director of Research for Autonomous Tech and Robotics at ARK Invest. He joined ARK over a decade ago and has been an integral team member as the firm grew its assets under management from tens of millions to tens of billions of dollars. Throughout his tenure at ARK, Sam has contributed to building, articulating, and open sourcing high-conviction theses across some of the most cutting-edge sectors by combining top-down and bottom-up research.

Mr. Korus received a Bachelor of Arts degree from the University of Pennsylvania in Cognitive Science with a concentration in Computation and Cognition.

Jason D. Papastavrou, Advisory Committee

Dr. Jason Papastavrou is the founder and Chief Investment Officer of ARIS Capital Management, LLC. Previously, he was the founder and Managing Director of the Fund of Hedge Funds Strategies Group of Banc of America Capital Management (BACAP), President of BACAP Alternative Advisors, and a Senior Portfolio Manager with Deutsche Asset Management.

Dr. Papastavrou was a Tenured Professor at the Purdue University School of Industrial Engineering and a member of the board of directors of GXO Logistics, Inc. (NYSE: GXO), United Rentals, Inc. (NYSE: URI) and XPO Logistics, Inc. (NYSE: XPO).

Dr. Papastavrou holds three degrees from the Massachusetts Institute of Technology, including a doctorate in electrical engineering and computer science.

Richard A. Piliero, Advisory Committee

Mr. Piliero is a British investor and private equity pioneer with 23 years of global cross-border leadership across emerging markets. Based in Dubai, Mr. Piliero is the co-founder of a Swiss-based Digital Family Office platform that integrates AI, blockchain, and alternative assets for ultra-high-net-worth family offices and Independent Wealth Managers.

Recruited by Dr. Mark Mobius, Mr. Piliero co-architected Franklin Templeton's global emerging markets private equity strategy and served as a founding member of all four Templeton Strategic Emerging Markets Funds (I–IV), managing over \$650 million in combined AUM. During his 23-year tenure, Mr. Piliero executed more than 30 growth equity transactions across Southeast Asia, North Asia, Europe, and Latin America—including the highest-multiple exit in the fund series' history.

Mr. Piliero held board directorships at Indo Trans Logistics, Globus Spirits, China High Speed Transmission, APAR Industries, and Philippines Urban Living Solutions. Earlier, at Investor AB's Investor Growth Capital, Mr. Piliero helped originate and execute the early-stage investment in Intuitive Surgical (Nasdaq: ISRG). Mr. Piliero began his career in M&A at Bear Stearns in New York.

A Brown University graduate (B.A., magna cum laude, Business Economics & International Relations; Phi Beta Kappa), Mr. Piliero also studied P.P.E. at Oxford University (Worcester College). His career spans residency in Switzerland, Singapore, the United States, and the UAE. Fluent in English and French, he also speaks conversational Italian and Mandarin.

Kristofer Segerberg, Advisory Committee

Mr. Segerberg is Managing Partner at Settian Capital LP and has over twenty years of equity investing experience with major investment firms, including nine years as an equity long/short portfolio manager with Soros Fund Management LLC in New York. At Soros, Mr. Segerberg managed and co-managed large cap global equity portfolios using long/short equity strategies that combined bottom-up micro fundamental value equity analysis with top-down macro-economic and technical considerations.

Prior to Soros, Mr. Segerberg was a senior equity analyst/portfolio manager with John A. Levin & Co., Inc. in New York, managing and co-managing over \$7 billion of value equity accounts pursuing value-with-a-catalyst equity strategies. Prior to Levin, Mr. Segerberg worked in mergers & acquisitions corporate advisory at Macquarie Bank in Sydney, Australia and in mergers & acquisitions and portfolio investments for Brierley Investments in California, USA.

Mr. Segerberg received an MBA degree from Harvard University (1989), supported by full scholarships awarded by the Wallenberg Foundation of Sweden and the Governor-General of New Zealand. Mr. Segerberg received a Bachelor of Science (Honors) degree, with First Class Honors, from the University of Auckland, New Zealand (1985), receiving the Senior Scholarship in Applied Mathematics and the Senior Prize in Pure Mathematics.

Mr. Segerberg is a dual national with Swedish (E.U.) and U.S. citizenships. He has lived in Sweden, Finland, Australia, New Zealand, and the United States.

Justin D. Soffer, Advisory Committee

Mr. Soffer has spent more than two decades in digital media and marketing. He is the founder and CEO of Conduit Media, a boutique marketing consultancy that partners with venture and private equity firms to help portfolio companies with growth marketing. Previously, he was the Chief Marketing Officer of FoundersCard, a membership community of more than 100,000 founders, entrepreneurs, and CEOs.

Mr. Soffer was Vice President of Marketing at Travelzoo (NASDAQ: TZOO) and served in a variety of roles at the company from 2003-2018.

He has presented at many national conferences, including the Association of National Advertisers Digital and Social Summit and the Conference on Time and Attention.

Mr. Soffer received a B.A. degree from Wesleyan University in Middletown, CT, and an M.B.A. from Columbia University in New York and London Business School in England.

Exhibit V Service Providers

Accounting & Administration

Automatic Data Processing, Inc. (ADP – Payroll, HR, Tax & Benefits Administration)

Black Diamond Performance Reporting, LLC (Performance Reporting)

Globalization Partners, LLC (G-P – Global Employer of Record, Payroll, Tax & HR Services)

HubSpot, Inc. (CRM & Marketing Platform)

Intuit Inc. (QuickBooks – Accounting & Bookkeeping)

RRBB Advisors, LLP (Tax & Accounting Advisory)

Brokers & Custodians

Bank of America Private Bank

BNY Mellon

Citibank N.A.

Interactive Brokers LLC

Pershing LLC

Stifel, Nicolaus & Company, Incorporated

Compliance

Arctera US LLC (Data Governance & Surveillance Platform)

D.E. Scott & Associates, LLC (SEC/FINRA Compliance Consulting)

Dropbox, Inc. (Secure File Storage & Sharing)

Microsoft Corporation (Microsoft 365 – Email Hosting & Compliance Platform)

Progress Software Corporation (ShareFile – Secure File Sharing, Document Workflow & Client Portal)

General Counsel

Dechert LLP

Smith, Gambrell & Russell, LLP

Website Hosting and Domain Services

GoDaddy.com, LLC (Domain Registration)

Sozo Technologies, LLC d/b/a HostGo (Website Hosting)

Exhibit VI Portfolio Companies & Leadership

Greg Abel—Berkshire Hathaway Inc.

Tim Cook—Apple Inc.

Henry Fernandez—MSCI Inc.

James Bruce Flatt—Brookfield Corporation

Thomas S. Gayner—Markel Group Inc.

Jen-Hsun Huang—NVIDIA Corporation

Bradley S. Jacobs—QXO, Inc.

Andy Jassy—Amazon.com Inc.

Jonathan Mazelsky—IDEXX Laboratories Inc.

Ryan McInerney—Visa Inc.

Michael Miebach—Mastercard Incorporated

H. Lynn Moore Jr.—Tyler Technologies Inc.

Elon Musk—Tesla Inc.

Satya Nadella—Microsoft Corporation

Sundar Pichai—Alphabet Inc.

Ron Vachris—Costco Wholesale Corporation

Mark Zuckerberg—Meta Platforms, Inc.

Exhibit VII News

Highlighted News

PR Newswire, “Tsai Capital Appoints Nadim Abi Abdallah as Senior Research Analyst to Lead Next Stage of Research Expansion,” December 3, 2025

PR Newswire, “Tsai Capital Appoints Richard A. Piliero to Advisory Committee,” November 14, 2025

Latticework 2025—MOI Global, “Christopher Tsai on Great Leaders, Finding the Next Multi-Bagger,” the Yale Club, October 13, 2025

MarketWatch, “This investor Banks on Munger’s Advice to Ride Out Volatility in Markets and Tesla,” May 22, 2025

Brighter with Herbert, “Christopher Tsai Discusses Tesla and QXO with Herbert Ong,” April 27, 2025

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The Guardian, “Notable Tesla Investor Says He Hopes Musk’s Government Role is Short-Lived,” March 15, 2025

MOI Global, “Christopher Tsai Reflects on Timeless Values in Investing and Life,” September 13, 2024

Equity Mates Investing Podcast, “Tesla Deep Dive with Christopher Tsai,” June 17, 2024

Richer, Wiser, Happier Podcast, “Real Success with Christopher Tsai,” May 25, 2024

Fox Business, “Christopher Tsai Discusses Tesla and Tsai Capital on Fox Business,” April 24, 2024

This Week in Intelligent Investing, “Christopher Tsai on Investing in an Age of Disruption,” April 4, 2024

Benzinga, “The Art of Long-Term Investing with Christopher Tsai,” January 17, 2024

The Acquirers Podcast, “Christopher Tsai on Tesla, Growth Investing, and his Mentor Ron Baron,” January 9, 2024

Latticework 2023—MOI Global, “Christopher Tsai in Conversation with Peter C. Keefe,” the Yale Club, December 12, 2023

MarketWatch, “What Charlie Munger and Grandma Ruth Taught This Money Manager Whose Portfolio is up 50% This Year,” December 5, 2023

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Talking Billions, “Christopher Tsai—Three Generations in the Investment Profession,” December 19, 2022

Latticework 2022—MOI Global, Keynote Speech of Christopher Tsai, “Investing in an Age of Disruption,” the Yale Club, December 13, 2022. Available in the Tsai Capital Library at tsaicapital.com

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The Nightcrawler Podcast, “Christopher Tsai, Founder of Tsai Capital: From Curiosity to Human Psychology to Optionality...The Path to Becoming a Great Investor,” January 1, 2022

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Nasdaq, “Christopher Tsai Is Interviewed by Jill Malandrino, Global Markets Reporter of Nasdaq,” October 11, 2017

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Yahoo Finance Live, “Christopher Tsai Is Interviewed by Jennifer Rogers of Yahoo Finance,” September 25, 2017

Barron’s, “At Yum China, Growth is on the Menu,” August 26, 2017

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