PABRAI WAGONS FUND - QUARTERLY INVESTOR MEETING
DECEMBER 3, 2025

OPENING REMARKS

MOHNISH PABRAI

Good afternoon, and welcome to the Pabrai Wagons Fund Shareholder Call. Before I begin, Aidan Townsend, our Manager of Investor Relations, has a few disclosures and updates that he needs to share with all of you, and then I will be back.

AIDAN TOWNSEND

Thank you, Mohnish. Good afternoon, and welcome again to the Pabrai Wagons Fund Investor Call. Before we begin, let us start with the usual disclosures. Mutual fund investing involves risk, including the potential loss of principal. The fund is non-diversified, meaning it may focus its assets in fewer individual holdings than a diversified fund. Therefore, the fund is more exposed to individual stock volatility than a diversified fund. The fund may invest in small and medium capitalization companies, which involve additional risks, such as limited liquidity and greater volatility than larger capitalization companies. The fund has limited operating history, and there is no assurance that the fund will grow to or maintain an economically viable size. Past performance does not guarantee future results. Opinions expressed are subject to change and are not intended to be a forecast of future events, do not guarantee future results, nor constitute investment advice. Fund holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security.

I am also excited to share that the Board of Trustees at the Pabrai Wagons Fund Trust has approved a mutual-fund reorganization into an ETF, which will be called the Pabrai Wagons ETF. The reorganization is expected to close on or about February 9, 2026, and is intended to qualify as a tax-free reorganization under the US Tax Code.

Following the reorganization, the ETF will continue to be managed by Mohnish Pabrai and Dhandho Funds LLC, which now goes by the name of Pabrai Wagons Advisors. There will be a single ETF share class, so the two existing share classes will collapse into one. The fee will be a single unitary fee of 0.90%, or 90 basis points, for all investors. This unitary fee will replace the current 1.25% and 1% net expense ratios for the retail and institutional classes, respectively. We believe the ETF offers multiple benefits and is in the best interest of the mutual fund and its shareholders. In the next few weeks, shareholders will receive important information on the reorganization, so please look out for that. More information is also

available in our prospectus and in the Investor Resources tab of our website. Now I would like to hand the call back over to our portfolio manager, Mohnish Pabrai.

MOHNISH PABRAI

Thank you, Aidan. It is great to be back with all of you after a quarter. We got a large number of questions submitted to us before the call. Some are high-quality questions. As I have done in past calls, I have organized them. First by holdings and then general questions. What I will attempt to do is go through one question for each holding, and then try to get to one general question, and then cycle back to the second question on the same holding, and so on. We also have the ability for you to submit questions online, but I already have a large number of questions here, so I am not sure I will be able to get through the list I have with me. I will try to go as fast as I can while trying to provide all the salient information, and take it from there. It is great to have this August group of investors who are knowledgeable about our investments and have asked some great questions.

QUESTION

I will start the first question, which is on our largest position, which is Edelweiss Financial Services in India. The question is, "Is Edelweiss primarily a value-unlocking special situation for you via EAAA and other subsidiaries, or a long-term compounder you intend to hold for many years?"

MOHNISH PABRAI

Edelweiss currently has a market cap of about $1.15 billion. They have planned an IPO of one of the 100% owned subsidiaries to take place in April 2026, about 4 or 5 months from now. EAAA is a fantastic business. It is an alternative fund management company, sort of like India's version of Blackstone or Brookfield. The expectation is that the market cap of EAAA, when it is trading on its own, could be somewhere between $1 and $2 billion. We do not know where it will end up, but probably be in that range.

If you think about Edelweiss themselves, with a market cap of about $1.1 billion, which has a number of other businesses besides EAAA inside it, we think it's kind of just ridiculously undervalued business because we saw the same thing happen when they IPO'd Nuvama, which now has a multi-billion market cap. Again, Edelweiss was under a billion market cap when it was rolled out. Edelweiss would probably be doing these IPOs for the next 5 or 6 years, with the next 5 to 7 subsidiaries. Each of them could be $500 million to a billion and a half type market caps as they come out, with varying degrees of ownership by Edelweiss.

We like a lot of these businesses that they are spinning out. And our intent at this time would be to hang on to these businesses, we like these businesses, and so as long as they stay great businesses, and the valuations do not get completely egregious. We would like to hang on to all of them.

QUESTION

The next question is about Turkey. "How do you price currency and governance risk in Turkey for long-term holdings like TAV and Reysas?"

MOHNISH PABRAI

Let me start with the governance issue. When we look at a business like TAV Airports, they are 44% owned by ADP (Airport De Paris), which is traded in France, and is significantly owned by the French government. And I think ADP has board representation and I think is an exceptional steward of our capital on the board. Even the non-ADP board members are exceptional. With TAV Airports, we have no concerns of any kind on the governance or management front. We think the leadership is exceptional. We think the board is exceptional. We think it's very shareholder-oriented. We do not see any issues there.

Reysas is a family-owned business where the principals have a large stake. Collectively, between the Wagons Fund and our private funds, we have a large stake. We have been shareholders and learning about Reysas for more than six years now. We have not seen any issues that give us concern on the governance side. It is run for the benefit of shareholders, for the maximization of shareholder value. We have seen tremendous appreciation of our position over the years. And we think that the value creation at Reysas is truly exceptional as far out as I can see. In both cases, we have no governance issues.

When you talk about the currency issues, in terms of TAV Airports, a lot of their revenue is coming from outside Turkey. Even the revenue inside Turkey is contractually obligated for the most part to be paid in euros. The passenger fees, security fees, etc., are all coming to them in euros. In fact, they are generally a beneficiary of currency devaluations. They have historically gotten a tailwind from it.

In the case of Reysas, some of their leases are priced in euros. Even the ones that are priced in lira get annual adjustments for inflation. They do not fully adjust for the real inflation rate, but they have catch-up provisions in the law after five years and ten years. When we look at the entire Reysas portfolio, in general, the rents they are collecting are significantly below market, but there are adjustments that take place every year that get them closer to market. Turkey's inflation rate is coming down fast, so we may be in a position in 2 or 3 years where the inflation rate is single-digit. Maybe even mid-single-digit 5-7%. In that environment,

I think Reysas will not have such a big delta between market prices for their rents and the actual rent they are collecting. In both cases, we do not see an issue with the currency or the governance.

QUESTION

The next question is about metallurgical coal. "You have highlighted Warrior and Alpha as among the lowest-cost met coal producers. How confident are you that long-term supply is inelastic, given reports of significant expansion projects and greenfield capacity in the pipeline?"

MOHNISH PABRAI

The metallurgical coal business and the various grades of metallurgical coal can lead to a confusing picture globally. What we are talking about is the highest quality seaborne met coal, which is priced off the premium low-vol index FOB, Australia, Queensland. That premium quality PLV coal is scarce in the crust of the Earth. It is only found in a few places. There are always possibilities of new finds or new reserves, but the development, mining, and transport of coal is complicated. Even if there is a discovery of coal, the first question that comes up is, "How far is it from the port and what are the logistics to get it to the port?"

For example, one of our holdings is a Mongolian Mining Corporation. I visited Mongolia last year, and those reserves are phenomenal. They are surface-mined reserves, which are rare for met coal, but they are far from a port. The Chinese have reconfigured their supply chains to put a lot of their steel mills relatively close to the Mongolian border so they can take advantage of that met coal. But the transport, even with those mills being close by, is complicated and expensive. So we don't think you can find a mine or reserves and bring them to market in anything less than 5 or 10 years.

We do not see a lot of change or increase in the global high-end production of met coal for quite some time. There are mines that are going away or mines that are long in the tooth, so we think the supply versus demand situation is favorable. In met coal, there are no guarantees, but from a risk-adjusted basis, it is a good probabilistic bet.

QUESTION

"How do you compare owning operators like HCC and AMR, where you take on operational risk, to royalty-style businesses like NRP that simply distribute free cash flow? Why choose the former over the latter?"

MOHNISH PABRAI

When we look at the met coal space and we looked at NRP in some detail, we decided to take a pass for a few reasons. The first reason is that it is an MLP structure, which requires it to distribute cash flows in the form of dividends, and in a mutual fund structure, we are not able to pass it through like we could in a private fund. At the fund level, it would get taxed, so MLPs have a little bit of inefficiency from our point of view on that fund-level taxation.

When we look at AMR and Warrior, one of the big differences between the two companies is that AMR does not issue a dividend and is focused singularly on buybacks. Warrior, because of their legacy of bankruptcies, have a lot of NOLs. Those NOLs may get affected if Warrior were to go heavy on buybacks. They have been burning through those NOLs, and it is also because of those NOLs that they are not able to allow anyone to own more than 5% of the stock. And we think in the next year or two, or maybe three, Warrior will remove those restrictions because they would have burned through at least a lot of the federal NOLs. They still have a lot of state-level NOLs. Warrior has much better mines than Alpha, but Warrior has less efficiency on the capital allocation side because of this legacy. But if we look out 2, 3, 4 years, buybacks may become a big part of the Warrior story. They will never be a big part of the NRP story because they have to distribute.

Also, the torque that we get from owning the miners directly is higher in a high-priced environment. If we get to 250, 300, 350 dollars PLV, the cash flows go totally bananas on the Warriors and Alphas of the world. They go up on the MLPs, but not quite at the same level. These are some of the reasons why we prefer owning the miners, even though there is an operational issue that comes up, but it is a good question.

QUESTION

"Given Transocean, which is an offshore oil services provider, and given Transocean's higher leverage and bankruptcy-free history versus peers that cleaned up their balance sheets through restructuring, what makes it your preferred way to play the offshore cycle?"

MOHNISH PABRAI

One of the important factors is the leverage that the offshore drillers have. It is an important piece of the equation. That is one piece of the equation, though. The second piece of the equation, which can maybe even dominate more than the first piece, is white space, which is when they have ships or jackups, etc., that are not deployed. A drill ship that comes off a

contract and is waiting for the next contract is typically going to be fully crewed and almost have the same expenses that it had while it was under contract. A drill ship might have a daily cost of 150 to 175 thousand dollars a day while it is on a contract. While it is sitting idle waiting for a contract, it will still have a cost of 100 to 150 thousand dollars a day.

One of the adjustments I made when I looked at these companies is that I looked at white space and leverage as kind of two sides of the same coin. Because if I have a ship sitting idle that is costing 100 thousand dollars a day, I am going to be bleeding about 35-40 million dollars a year. If it is costing me 150 thousand dollars, it might be 50 to 60 million dollars a year for one ship. That is significant, which means that a working ship is almost offsetting what you are losing on an idle ship.

Transocean looks different from Noble and from Valaris from a white space point of view. In 2025, they almost have no white space, which is amazing compared to the other competitors. In 2026, almost until the middle of the year, they have no white space. If I look at that 2026 cash flow after all the interest payments and everything else, if they did not sign a single additional contract, they would be generating somewhere around 500 million dollars of free cash flow.

The other two players, Valaris and Noble, have significant white space in 2025 and a significant amount of white space in 2026. Even though they have less debt, the white space comes in and crimps your cash flows. When we stress tested all of these businesses against different scenarios, what we found, especially with Transocean, with the recent equity offering and the debt offering they did where they raised about a billion dollars, is that we do not see any issue coming up for them in terms of their balance sheet, even in an extreme nuclear winter scenario of almost no new contracts.

The other two players have a little bit more dependency on the new contracts. We like all of them. They all have a great business model. But Valaris and Noble have some offset on the lack of debt with the white space. Another thing I would like to point out about the white space is that the reason there is white space, in my opinion, is because of one of three things, and it is probably a combination of all three things: quality and features of the ship; quality of the crew and operations; and business acumen in doing contracts. I do not understand the industry well enough to tell you the ratios of these three, but what I can tell you is that Transocean stands out versus the other two in terms of the lack of white space, which informs me that, as a combination of these three factors, it is superior to the other two players.

One of the advantages of not going through bankruptcy is that the other two players were cut to the bone when they went through bankruptcy. They lost some of their best people and talent, and Transocean went through some of that when Carl Icahn came in and pushed them

to cut costs, etc., but nothing like what the other two went through in bankruptcy. There is a little bit of a difference in how these companies look because of their history on that front.

QUESTION

"Can you share any updates on Reysas, particularly around the capital raise and any operational or balance sheet developments since the last call?"

MOHNISH PABRAI

Every year, I visit Istanbul and sit down with Reysas' management. I go through the situation of the business and so on. I am always impressed. They are an opportunistic player. They do not have a strategic plan. They come into work every day and look at what is the best they can do that day, and if there is nothing to do, they do nothing.

Let me tell you about a recent deal they had done. In Istanbul, the availability of land for warehouses (a zone for warehouses) is scarce. That is why the warehouses are about 99% leased, and inflation-indexed, even though the Turkish economy is currently not doing well. The government auctioned off a large piece of land that was zoned for warehouses. Reysas was the winner of that auction for 2 billion lira, which is approximately 47 million dollars. They just closed on that transaction earlier this week. They already have four different companies that want warehouses on that space. They are going to begin construction, but it will not be spec construction; they will probably have a lease in place with one or more players. They also might sell off some of the land because there are some smaller pieces there that do not fit for them. This is going to be 250 million dollars of debt and equity that goes into building these warehouses out. I do not think they will hit it out of the park in terms of returns, but they will still produce attractive returns on this bet, increase their footprint, and become more dominant in the whole space.

They have also recently entered Germany. They have formed a 100% owned German subsidiary called Reysas Deutsche. Anytime Reysas starts a new business or enters a new venture in a new area, they tend to start small. They want to put their toe in the water and see how they go. This is a small bet where they are building 39 apartments. They have a joint venture partner, a kind of 50-50 relationship. I think the economics are that they are putting in less than 4 million euros into this project, and when it is completed in the next year or 18 months, they will have more than doubled their investment. Their plans are not to monetize and sell, but to become a landlord and rent these units out so that the new company in Germany starts getting cash flow. Then they can start looking at other deals, etc. They have planted a seed in Germany. It is their first real estate deal outside Turkey. Germany is a

logical place for them to go because there are a lot of strong ties between Turkey and Germany. After World War II, as Germany was growing rapidly and they had lost so many young people in the war, they had a big shortage of young people, and they brought in migrants from Turkey en masse to help build the economy. There is a significant Turkish population in Germany that has been there for 70-plus years. That is pretty good.

QUESTION

"With Gimat being a new position in your hedge funds, is it also something you plan on purchasing or have purchased for the mutual fund? Also, what is the thesis behind the company?"

MOHNISH PABRAI

Gimat is, I would say, an embryonic business. It is a relatively small company in Turkey. The easiest way to think about it is that it kind of looks like a Turkish Costco. They have two stores currently. They used to have only one store a year ago, and the Wagons Fund owns a stake in Gimat. I visited both stores a few months back, and I visited with the leadership.

Gimat is an interesting business in the sense that it was started by 1,000 wholesalers coming together, each one owning 0.1% of a new company that they started a few years back. They thought that, because they had so much expertise in almost the entire supply chain of supplying to retailers and grocers in Turkey, they could create a store that was a kind of pseudo-wholesale store in a large footprint, similar to a Costco. There is not much of that in Turkey. In fact, I think they are unique in what they did.

The price points and the margins at which they are operating have made these first two stores incredible successes. In fact, normally when a retailer is opening a new store, it might take two or three years for the sales to ramp up because it is new and people have yet to hear about it, and so on. But when they opened their second store. The sales instantly did a step function. They took off in a major way simply because the kind of value you get, the selections you get, and the environment in which you shop are attractive and favorable.

So I think that it's almost like a venture investment, even though I do not think it is like a venture investment from the point of view that the risk profile is low. We feel that if the company has aspirations to have 80 or more stores in Turkey, and they also have aspirations to maybe have stores at some point in Germany—there is a huge population of Turks in Germany—and I do not know whether they will be able to pull it off or not. When I look at the DNA of the

company, the management of the company, and the culture of the business, I see a lot of resemblance to Costco. I see a company that is more likely than not to make it.

But early-stage businesses like this, with two stores, I would be able to give you a better read if it were 10 stores or 20 stores, and I had more tread marks to look at. We made the bet relatively early because we liked the situation. It is also a reluctant public company. They did not want to go public. The Istanbul Stock Exchange tapped them on the shoulder a few years back and said, "Hello, you have more than 600 shareholders, and if you have more than 600 shareholders, you are deemed a public company, and you have to list the company on the stock exchange." They were forced to list the company on the stock exchange.

My private funds, the Wagons Fund, and some other entities that I control collectively own now more than 20% of Gimat. We are the largest shareholders in Gimat. I think of it as a possible compounder. If they do execute on their plans, it would be an incredible home run. But there are a lot of things they have to do to make that happen. It is not easy. We will see how that goes, but we like everything that we have seen so far.

QUESTION

"For offshore drillers generally, how do you estimate replacement cost, and how do you think about how today's day rates and utilizations would need to evolve for the stocks to approach that value?"

MOHNISH PABRAI

The estimation of replacement cost is fairly straightforward. If you speak with various insiders at these businesses or with analysts, a drillship, such as a high-end drillship that one might want to order, is unlikely to be available for less than a billion dollars. It is also unlikely to be produced in less than five years. In fact, much of the expertise required for building drillships has disappeared. People have left the industry because it has been in a nuclear winter, and there has not been a drillship built in almost a decade. Therefore, there are many elements that would need to come together.

Moreover, the shipyards are completely booked, and they will not be willing to take an order for a drillship without a large deposit (something like a 50% deposit). Some industry insiders believe that the last drillship ever to be built for human use has already been built. Others believe that there is still the possibility that a national oil company or a similar entity could build a drillship.

For one of these offshore drillers to justify placing an order for a new drillship, industry utilization of existing ships would need to be approaching 100%. They would also need a contract of ten or twenty years at day rates approaching one million dollars per day before they would be willing to put up the capital to do something like that.

From our point of view, the way I look at it is that the fleet that exists is the fleet that exists. If a drillship is being built, all the rates for everyone will increase before that ship is delivered. Therefore, replacement cost is not relevant to us when we are doing valuations. It is a relevant data point in understanding the size of the fleet and how much additional capacity might emerge.

The bottom line with these businesses is that the current-day rates do not justify the building of any of these ships. All the rates would need to more than double (approximately two to two and a half times present levels) to justify newbuild activity, and there are cold-stacked ships that would need to return first.

Our take on the industry is that capacity utilization, depending on how you look at it, is approaching 90%. As you start pushing toward 90-95% utilization, upward pressure on rates becomes real. And then there is a lot of torque, where even if rates go up 10, 20, or 30%, the cash flows of these businesses might be going up more than 100%, 200%, because they would have no white space, and every ship coming off contract is going to be put out at 50% more than the previous rate.

Again, none of this is guaranteed, but we like the risk-reward of these situations. That is why we have a bet here.

QUESTION

"How do you weigh the risk that easier financing of met coal versus thermal coal could cap prices over the long term, similar to how shale capped oil?"

MOHNISH PABRAI

In order for capacity increases to occur in metallurgical coal, there are a number of stumbling blocks. The first stumbling block is that there is no equity capital available, and there is no debt capital available for anything that has the word "coal" in its name. Banks and equity players do not distinguish between thermal coal, met coal, or any other type of coal. They want nothing to do with coal, so it is difficult to raise the capital debt or equity.

The second is the “not in my backyard” issue. To get a permit to open a mine is extremely difficult. Even if reserves are found or a thick seam is located, going through the process of getting permits and deals to extract that coal is a difficult situation.

The third factor is transportation. If it is not near a port, the required logistics—depending on the country—become another stumbling block.

Even if all of these stumbling blocks are removed, there is a long gestation period. From the time at which a reserve is identified to the point at which coal is being shipped into the market, you are looking at a period of five to ten years. Therefore, we do not foresee a significant increase in supply appearing suddenly for quite some time, if ever.

QUESTION

Moving on, we have some bets on home builders. “With high home prices, reduced affordability, and elevated mortgage rates leading to cautious 2026 revenue guidance from builders, what is your long-term thesis for this group?”

MOHNISH PABRAI

We have two bets with Toll Brothers and Pulte. They are among the lowest-conviction bets we have, even though we like them. Home builders have a few things going for them when you take a step back. First of all, the housing stock in the U.S. is short by several million homes. Depending on who you ask, it is short by five to seven to ten million homes. The homes that exist, the current stock, are getting old and dated. We need to be building about one and a half million or more homes every year, which is not happening, which means that the gap is widening.

For those homes to get built and bought, we need a robust economy, low interest rates, people doing well, young people moving out of their parents' homes, and all of that. We have challenges regarding the economy, affordability, mortgage rates, and so on. There are headwinds in place currently.

But one of the tailwinds that is helping the national home builders is that they have a secular advantage versus the mom-and-pop builders. It has become a manufacturing-oriented industry. They are able to achieve a significant cost advantage compared to the smaller players, and therefore, they have a margin advantage over the smaller players. There are only a few national players. The consolidation of the industry is giving more power and more margin to the best and largest players, and that is a secular trend that is continuing.

At some point, we may see lower interest rates, and the pressure of not having enough homes will matter again. We think that works. The second change in the industry is that the large players have become capital-light. It took them two decades to learn from the NVR model, but they are all moving toward that model. They are not holding large land banks; they are holding options on land and using just-in-time purchasing and all of that. They are cash-generative. The multiples are relatively low, so they can engage in buybacks and so on.

We like the governance, we like the way these businesses are run, and we like the long-term tailwinds they have. That is why we have them in the portfolio.

QUESTION

"For Occidental, how do you view the OxyChem-Berkshire deal and what it implies for Occidental's long-term economics and capital allocation?"

MOHNISH PABRAI

Our Oxy bet is, again, one of our lowest-conviction bets, probably even lower than the home builders. But I still like the bet, and the OxyChem deal that Berkshire did is a good one for Oxy. I took it because it brings their leverage down. They had pressure on their balance sheet, and this deal has given them significant breathing room, which is excellent.

The Oxy thesis is likely to be driven by one or two factors. First, if we get a bump in oil prices at some point, Oxy is a major beneficiary of that. Second, if there is further innovation in fracking that brings down costs. Oxy is already one of the lowest-cost operators, but if they are able to pull one more rabbit out of the hat—fracking has already pulled many rabbits out of the hat—there is additional upside. Charlie used to say that it is not a zero probability scenario that they could pull one or two more rabbits out of the hat. There are some upside scenarios with Oxy on that front, with a relatively muted downside, and that is why we have that bet.

QUESTION

Moving on, a general question: "How do you reconcile your 'circle the wagons' philosophy of a few high-conviction bets with mutual fund constraints on maximum position sizes and ownership limits?"

MOHNISH PABRAI

That is a good question. In our private funds, for example, we do not have constraints related to diversification being dictated to us. If I were investing in an industry like coal, I might place all of it in one or two bets—the highest-conviction ideas. When we move to the mutual fund, it might be top four.

For example, if I were looking at the home builders and had full discretion, I would pick only one. But because I need to diversify, we end up with two or three. The same applies to the car dealerships; we end up with multiple positions. But we do not think that is a significant penalty. There is not much delta between these positions, so we are okay with that.

QUESTION

"Could you walk through an example of a business you seriously considered but ultimately rejected, and what specifically made you say no?"

MOHNISH PABRAI

I can give a couple of examples, but I will go through one in the interest of time. When we were looking at the car dealerships, we conducted many calls and site visits with the major players in different locations. We thought the highest-quality business in the car dealership industry was Penske Automotive.

Penske has an amazing truck business headquartered in Dallas. We visited and spent a whole day with them, and it was fantastic. They also have a truck leasing services business based in Pennsylvania. We visited that as well, spent a day there, and found it to be another incredible business.

When we visited different Penske dealerships, for example, in Austin, there were two Lexus dealerships. Lexus has tight restrictions: no single owner may own more than eight Lexus dealerships in the country. Penske owns both dealerships in Austin. When we visited those stores— which have a total monopoly, because you would need to drive roughly 150 miles to find another Lexus dealership—they were run in a world-class manner. The people were excellent. Everyone we met at Penske blew us away. They were the highest-quality people.

We also visited BMW of Austin, which is owned by Penske. I met Roger Penske briefly at the memorial service for Sergio Marchionne in Detroit a few years back; he was sitting right behind me. Of course, we have all seen Roger in NASCAR. Roger is the real deal. He is an exceptional businessman, a high-quality operator, and he wants nothing to do with businesses that do not have the highest quality. We like Penske a lot. It was great.

The issue was that Penske was trading at a 50% to 70% premium in price relative to the other car dealers. The other car dealers were not slouches. We visited Asbury, Group 1, Lithia, AutoNation, and others. We definitely think Penske was higher quality, but when you are buying back your stock at 18 times cash flow versus 8 times cash flow, that makes a big difference.

This became an example of a business where we spent a lot of time, but in the end we decided that, on a risk-reward basis, some of the other players offered a better investment opportunity.

QUESTION

"How long are you willing to hold Edelweiss and its de-merged IPO businesses, and what would make you shorten or lengthen that time horizon?"

MOHNISH PABRAI

I believe I have answered this question earlier. Many of the businesses they have are long-term, with strong tailwinds, good businesses, capital-light, high returns on equity, and high growth. If the businesses are doing well and have good management, we would like to keep those businesses. India has had a lot of tailwinds in financial services for quite a while.

QUESTION

"Warrior has a very strong outlook and a new longwall coming online, yet it is only the number three position—roughly half of Edelweiss's weight. Why is Warrior not larger if you still see potential for a 10x outcome?"

MOHNISH PABRAI

The Warrior position is not half the size of Edelweiss. If I look at it currently—today was the first day the Wagons Fund went over 100 million dollars in assets, which we were excited about—and all the metallurgical names went up a lot today. If you look at Warrior, it may be approximately 30% to 35% smaller than Edelweiss. It is not that large a gap. Warrior is around a 13 to 15% position, and Edelweiss is approximately 18 to 19%. They are both significant bets. I have already pointed out that Edelweiss itself is undervalued, and internally, we would have a healthy debate about which one is likely to perform better. They both offer a great deal of torque.

QUESTION

"For Alpha Metallurgical Resources, how do you get comfortable with the path to $700 million in sustainable profits given current volumes and pricing? What needs to change to get there?"

MOHNISH PABRAI

The Warrior bet is a simple one. If you have a business that you can buy for 2 billion dollars, and that business will be around for 50 years and then disappear, and if over those 50 years the cash flows may range from zero and 200 million dollars a year on the low-end all the way up to 2 or 3 billion dollars a year on the high end, and you've got 50 years of this and you discount it—where do I sign?

When you talk about something like a 700-million-dollar profit for Alpha, the math is simple. They produce 15 million tons. If I wanted 150 million dollars in profit, they would need to make 10 dollars per ton after tax. If they make 40 or 50 dollars per ton, they would be making 700 million dollars.

You look at the 40 to 50 dollars per ton, and then you look at their cost structure. The cost structure varies somewhat with price. Currently, their cost structure is about 135 dollars per ton. If the PLV is over 200 dollars now and they are getting a 30 or 40-dollar margin, that is a good business. But if PLV reaches 250 or 300 dollars per ton, the cash flow becomes extraordinary.

It is not difficult for a business like Alpha to produce 500 or 600 million dollars in cash flow. That level of cash flow corresponds to only about 30 or 40 dollars per ton. Their Chief Operating Officer, Jason, who I believe is a total rock star and one of the best two met coal miners in the United States, can squeeze blood out of a rock. He has reduced AMR's costs significantly in 2025. It surprised us how much he was able to reduce costs. As a result, they have moved further back on the cost curve. They are still more expensive than Warrior—much more expensive—but they are in a very good position to make very good profits at a PLV of 200 to 250. A PLV of 200 to 250 does not require heroic assumptions.

QUESTION

"Roughly how much of the current portfolio is cloned from other investors? Versus original ideas, which investors have had the most influence on specific current positions, and which investors have influenced the most overall?"

MOHNISH PABRAI

They have come from all over the place, but I would say that, as you know, I am the shameless cloner. I would say all our Turkey positions are cloned. One of the interesting things about cloning is that our original interest in coal came from Consol Energy being bought by David Einhorn, and it was his second-largest position. That sent me down the rabbit hole of coal, and when we went down the rabbit hole, and we studied everything in coal, we ended up moving away from Consol and ending up with Alpha and Warrior, etc. Alpha, Warrior, Mongolian Mining, etc., are not cloned positions. But they came from an original interest in a coal position that we cloned. We were interested in Valaris coming from Kuppy.

But then, we broadened the horizon. Now we have bets that are not Kuppy bets. The home builders have also come from looking at other investors I admire. The auto dealerships, I cannot point to who I was looking at, but I have seen it in portfolios. Oh, I remember who we got the auto dealers from, but that was another cloned position. I do not think there is a whole lot. We have owned Edelweiss for a long time. The first time we invested in Edelweiss, the first time I met them, might have been more than 10 years ago. That may not be a cloned position. I am not sure of the history there. I have to think about it. But yes, most of it is cloned. That is just the way it is. That was a good question.

QUESTION

"When you compare Transocean's replacement value and enterprise value to those of Valaris and Noble, how do you think of the margin of safety and upside?"

MOHNISH PABRAI

We addressed some of it, but the replacement value is not where we fixate, and any business is going to be worth the sum of future cash flows from now till Judgment Day, discounted back at a reasonable interest rate. Nowhere in that equation is anything about replacement value. We are not going to assume these businesses will trade at replacement value, for example. That is not a metric we focus on. But when we look at the cash flows coming out and the quality of the businesses and the assets that they have, and all of that, relative to the market caps, I think it looks extremely favorable. I think you would almost do well throwing darts in this space and making bets. I think you would do quite well doing that.

QUESTION

"How does the Warriors' Blue Creek mine coming online earlier than expected impact global supply?"

MOHNISH PABRAI

For Warrior, we are already seeing high Vol A, which is what is being produced at Blue Creek. Normally, High Vol A is at an 8% to 10% discount to the PLV index. That discount is approaching 15 to 20% currently. But the way I look at it is that the bigger issue is where the PLV is at, and the second big issue is where the Warrior cost curve is at. Warrior has come in at a cost curve that was lower than what they had predicted. We are seeing some discounts with the High Vol A. But I do not think you can go too far off, because the smelters, the people who are running the mills, will start altering their mix of coal that they use if they can get a better deal on one coal versus another. They cannot change the chemistry a whole lot. But they do have some leeway on that front to adjust things.

We are at 4 o'clock. I am sorry I could not get to everything. But we tried to get to as much as we could. Thanks for joining us, and I wish you all the best. I will see you in a few months.

Bye

DISCLOSURES

The WAGNX gross expense ratio is 1.84%. However, the net expense ratio is 1.25%. The WGNIX gross expense ratio is 1.59%. However, the net expense ratio is 1.00%. Dhandho Funds, dba Pabrai Wagons Advisors, (the "Advisor") has contractually agreed to reduce its fees and/or pay Fund expenses (excluding acquired fund fees and expenses, interest expense in connection with investment activities, taxes, extraordinary expenses, shareholder servicing fees and any other class specific expenses) in order to limit Total Annual Fund Operating Expenses After Fee Reduction and/or Expense Reimbursement to 0.90% of the Fund's average daily net assets (the "Expense Cap"). The Expense Cap is indefinite, but will remain in effect until at least October 31, 2026 and may be

terminated at any time by the Trust's Board of Trustees (the "Board") upon 60 days' notice to the Advisor, or by the Advisor with consent of the Board.

Nothing contained on this communication constitutes tax, legal, or investment advice. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation.

Link to Top Ten Holdings: https://www.wagonsfund.com/our-businesses

Link to Prospectus: https://www.wagonsfund.com/documents

Cashflow: the amount of cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

Delta: A difference between two things or values.

Free Cash Flow: The cash a company has left after spending money to support and maintain its operations and capital assets.

PLV Index (Platts Premium Low Volatility Index): A benchmark assessment for metallurgical coal pricing, specifically tracking the spot price of premium quality low-volatile hard coking coal.

MLP = Master Limited Partnership

References to the performance record of Berkshire Hathaway or Warren Buffett is in no way meant to suggest the Fund will have a similar record or performance in the future.

Net Operating Loss (NOL) occurs when a business's expenses exceed its income, resulting in a financial loss that can offset future taxable income.

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