PABRAI WAGONS ETF SHAREHOLDERS MEETING

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OPENING REMARKS

MOHNISH PABRAI

Good afternoon and welcome to the Pabrai Wagons ETF shareholders' call. Before I begin, Aidan Townsend, our manager of investor relations, has a few disclosures that he needs to share with all of you.

AIDAN TOWNSEND:

Thank you, Mohnish. Good afternoon and welcome to the Pabrai Wagons ETF investors' call. Before we begin the Q&A, let us start with the usual disclosures.

Investing involves risk, including a 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.

Past performance does not guarantee future results. Opinions expressed are subject to change, are not intended to be a forecast of future events or to guarantee you future results, nor are they 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.

Exchange-traded funds, ETFs for short, are bought and sold through exchange trading at market price and not NAV, and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

Now, I would like to hand the call back over to our portfolio manager, Mohnish Pabrai.

MOHNISH PABRAI

Thank you, Aidan. Thank you, all of you, for taking the time for our call. We got a large number of questions from all of you, some intelligent questions, and I will be going through a sliver of them. We will see how many we can get through. There is also a Q&A window where you can enter additional questions. I am not sure I will be able to get to it, but you are welcome to enter those, and if we have time, we will try to get to those.

There were a lot of company-specific, portfolio-position-specific questions. I will address one question about each of the companies so I can try to get a diverse set of questions addressed. There are also fund-wide, general questions. We will try to get to those as well. That is the format I am going to go through, and I will try to move this along as fast as I can so that you guys get the most value out of this.

The first question is on Reysas, which is the largest position in the fund.

QUESTION:

Reysas runs its holding company much like Amazon, placing many small bets and seeing what sticks. The REIT was one such bet that grew to hold most of the group's value. Does weighting the REIT over the parent risk missing the next breakout business, much as owning a spun-off Amazon bookstore would have missed AWS?

MOHNISH PABRAI

That is a great question.

If we look at everything I manage, the Wagons Fund and private funds and some other related entities, across everything, we own 30% of Reysas Logistics, and we own a little over 12% of Reysas REIT. That is across everything.

A few years back, the body language I was getting from one of the founders was that they had some discomfort. At that time, we had a little under 33% of the holding company. They had some discomfort (I could sense it in the body language) with the size of the position. Between the lines, they were telling me that their preference would be if we were maxed out at 30%. They also made it clear that they have no right to tell me that, but they hinted at that, and all I need is a hint. We decided that we would voluntarily cap our Reysas Logistics position at 30%, which is where it is at. The Wagons Fund has a small position in Reysas Logistics, mainly because of this artificial max that we have imposed on ourselves.

If you look at the two positions and at the closing price today, the Logistics business would be the better bet to make because it is trading at a considerable discount even to the REIT assets that it owns, and then it has a bunch of other assets. If we were free and clear to do whatever we wanted to with no other considerations, we would definitely have a bigger position, or we would want to buy more of the holding company, Reysas Logistics, versus Reysas REIT.

Having said that, when we look at these positions in aggregate in the fund, it is a little shy of one-fifth of the fund. Approximately 15% of the fund is in Reysas REIT, and about 3 or 4% or so is in Reysas Logistics. I would say that Reysas REIT, while you are right that having a stake in the mothership is probably a better idea than owning the REIT, especially with all the discount, is probably the highest-conviction idea we have. We cannot buy Logistics, but when you look at

everything else that we can buy, REIT still comes out on top ahead of everything else that we would like to own. I would also like to add that, at some point, I might do a podcast on this.

Warren Buffett has talked about the efficiency and energy levels of the business leaders at Berkshire Hathaway. He used to say this about David Sokol, and more recently, he said it about Greg Abel. He says, "What Greg Abel gets done by 10:00 a.m., I cannot get done all day." Warren himself is a highly productive leader. He would be easily in the top one-tenth of 1% in terms of productivity among Fortune 500 CEOs. He is extremely productive, but he is placing both Abel and Sokol significantly ahead of him in terms of their efficiency and operating bandwidth. The productivity of a leader is not something that Ben Graham focused on. I do not think even Phil Fisher focused on it. I do not even know whether Charlie has ever talked about it in *Poor Charlie's Almanack*. But it is an important trait.

In Reysas, the son, Egemen's productivity levels and his energy levels are off the charts. I do not think even Egemen himself realizes this. One of the reasons why Reysas has got the conviction that it has in the funds is the energy levels that are involved there. When you put a Greg Abel-type manager on top of a place like Berkshire Hathaway, Warren and Charlie have both said that he has skills that they lack. In fact, Charlie said that Greg Abel has skills that are missing in Warren. That high energy level (at the level of Greg Abel) is extremely rare among business leaders. We happen to have that in Egemen. It is not something I was aware of when I was buying the stock. It became evident as I was making all these different visits and interacting. In fact, I was with Egemen less than two weeks ago in Istanbul, and the energy levels were insane, let us put it that way. High energy levels are an important trait in the long-term trajectory, but you have to overlay that with other traits.

Another trait that Warren Buffett has talked about that is important in leadership is creativity. Warren has talked about creativity in the context of Ajit Jain. He has praised Ajit a lot, but he has brought it up two or three times. If you go to ChatGPT or whatever and ask it to go through all the transcripts, you will see that Buffett brings up things like the idea box that Ajit is, or that he is creative.

When he first joined Berkshire, a few years after that, he placed full-page ads in *The Wall Street Journal* and The *New York Times,* saying. "If you have insurance premiums that are in the millions, please talk to us. We might be able to do something."

The creativity that Egemen and his father bring to Reysas is also fundamental to why they have done so well. For example, this time when I was in Istanbul, they had done a deal in the REIT, two or three years back, where they bought a factory, which is different for them. They normally buy land, and then they build warehouses. But in this case, they had bought a factory from Tata. Tata is a large Indian conglomerate that had a steel fabrication business in Turkey, and that factory had stopped working. Tata was interested in selling it, and it would need a lot

of CapEx to make it work. In fact, this time on this trip, I visited that factory, which had been demolished, and Reysas has built a shell that can be customized to what the renter would want. But that was a new paradigm for them, which is taking a factory and then tweaking it. This time, we visited another factory. That was their first foray into factories.

Land is extremely tight. Land that is zoned for warehouses is extremely tight in Istanbul, which is one of the reasons why they are 99-plus percent leased. What they have been doing more recently is they have been buying factories. One thing about factories is that because you have to have space for parking and other things, the footprint and the size of the land tends to be much larger.

This time, I met Egemen at a factory that they had recently closed on. It was the first time he himself was visiting that factory since they had bought it. The people had moved out. That land is over 1,000,000 square feet. It is massive. The scale was unbelievable. The location is picture perfect. In fact, it is adjoining a large Reysas warehouse. I know that this particular factory they bought, they will demolish. Before the first shovel hits the ground, they may have one or more leases on that. Their business has changed recently; the largest warehouses they used to build were a quarter million square feet. They are now building million-square-foot warehouses. A million square feet is several football fields. It is massive. I wanted to go see it because I wanted to understand what 1.2 million square feet looks like, and it is a huge footprint. We have the energy levels and the creativity.

Another example is that Reysas entered the tomato farming business. They are not farmers. They had no expertise in tomato farming. The price of tomatoes, with all the inflation, is a sensitive area. Turkish citizens were getting upset at the government with the rising cost of tomatoes, which is a central part of their cuisine. The government had come up with a scheme that said that if you invested 5 million Turkish liras into the purchase of land to grow tomatoes, the government would do a 10-to-1 match, which is they would give you 50 million Turkish liras interest-free for 10 years. In a high-inflation economy, if someone gives me 50 million liras, by the time the 10th year comes around, I have to give them $10, and that covers the 50 million. Of course, I am exaggerating. But what I am saying is that it is not an interest-free loan. It almost looks like a grant. The father reads an article in the newspaper about this tomato situation and what the government is offering. On the basis of that article, they did the research. They set up the greenhouse for tomatoes. What they decided to do was they went high end into organic tomatoes. They also made it almost purely for export to Europe, to Germany at premium prices. That is a beautiful business that got created. That is in Reysas Logistics.

But to tell you, the energy levels, extremely important, creativity, extremely important, integrity, extremely important, cheap stock, great capital allocation, great operations. It literally checks all the boxes.

Reysas is our strongest, highest conviction idea. When the family sells, that is when we will sell. That is how strong the conviction is, and that is why we have the position that we have. Of course, I cannot go through everything with you. This has already taken more than a quarter of the call to get you this data. Let us carry on.

We will move to the next subject, which is metallurgical coal with Warrior and Alpha.

QUESTION:

Alpha is shrinking its share count while depleting its reserves, whereas Warrior has invested heavily in Blue Creek to build a long-life, lower-cost mine. Alpha reports roughly 50 years of reserves versus under 30 for Warrior. Do you calculate economically recoverable reserves per share after sustaining capital, reclamation, and development costs? Is Alpha's share count falling faster than its reserve value is depleting? And what per-share metric tells you Alpha is compounding value rather than conducting an orderly liquidation?

MOHNISH PABRAI

There are a lot of things embedded in that question.

Alpha and Warrior are similar businesses. In fact, they are both focused purely on met coal, Central Appalachian, or Southern Appalachian, but they have significant differences in their operations.

Warrior is purely a longwall miner, which generally has much lower costs. You can only do longwall mining when you have large mines. Warrior has three large mines, Blue Creek being the most recent one, and they are efficient because of the longwall mining. They are also efficient because their mines are closer to the port than Alpha's, and because they have two ways to get their coal to the port. They can go by barge, or they can go by rail. That is an extremely important data point.

In the case of Alpha, there is only one railroad that can get them to the port. They have no barge option. The railroad behaves like they own the mine. The freight that the railroad charges is not published, but I can share it with you. The railroad and Central App are taking approximately one-fourth of the selling price of the coal from the coal miners. They do not have any of the mines. They do not have anything. They take a quarter off the top up to a certain price of coal. It could be up to $60 a ton that Alpha could be paying. Also, on the East Coast, the railroads are congested because that East Coast corridor is a crazy place from a rail perspective.

In the case of Warrior, the loop that they are running to get to Mobile is a closed loop; pretty much only has the coal trains running on that. For the railroad, the cost is much lower than on the East Coast. Warrior, when it negotiates with the railroad, holds the barge option clearly front and center for the railroad. Warrior ends up paying probably less than half of what Alpha

is paying to transport its coal. They have a much lower cost of production. The two companies have a big difference in terms of how the coal gets to the port.

The advantage Alpha has from a reserve point of view, and the reserves of Alpha from a practical point of view, are almost infinite. The reason they are infinite is that Alpha is running a bunch of small mines relative to what Warrior is running. Warrior, at this point, I do not think has much additional coal they can get anyway. They pretty much have tapped what they have. In 30, 35 years, they will be running out. Alpha could be running 75 years from now, and the reason is there are all these Mickey Mouse mines in Central App. At different price points, they become viable. Alpha has a bunch of mines that are mothballed. Because they are generally higher cost, they do not have those turned on. Also, because they have all the logistics and the terminal and all of that, they can do deals with the smaller miners. In fact, even today they have a trading business in addition to the mining business where they are buying different kinds of coal from other miners and either transporting it or blending it.

Alpha and Warrior have advantages and disadvantages. But when I weigh the whole thing, I would say that I end up on the Warrior side as being the better business, and so we have a higher allocation. I think of Warrior as the Aramco of met coal. There may be three or four mines in the world in terms of getting the coal to the blast furnace, where they would have a lower cost. But in terms of the seaborne met coal market, Warrior is kind of scraping the bottom of cost curve, which is an exceptional place to be.

Let us now move to offshore drilling.

QUESTION:

You have called debt the leading reason companies fail. And every other cyclical you own reflects that. Yet Transocean remains heavily indebted, even after the Valaris merger. If the backlog is the answer, how much weight can it carry when it must underwrite both the leverage and the paydown, given that operators terminate contracts early in downturns, and Valaris filed for Chapter 11 in 2020 despite its backlog? How would a crash in private credit affect Transocean's ability to refinance? And why does offshore earn the leverage that coal did not?

MOHNISH PABRAI

That is a great question.

The CEO and CFO, and I would imagine the other board members, at Transocean are allergic to debt. They hate the situation that they are in right now. If we look at the trajectory of the last few years, they have aggressively de-levered. There are only two companies in the offshore drilling space that emerged from the nuclear winter of 2015 to 2019 in offshore drilling without having to restructure and without stiffing the equity and debt holders. Those two companies are Transocean and Odfjell. They had a difficult time, but they made it through.

I do not like debt, and I agree with you, but at this point, Transocean's debt levels were brought down quite a bit. They issued equity at $3 a share, which I applauded, even though a lot of people are saying, "What is going on? You are giving away equity." But I want that balance sheet to get better.

Valaris is low debt because they went through restructuring. The Valaris merger significantly reduces the leverage. If that deal closes, recent news is that the U.S. is going to bless it without any changes. That is what the great point is saying. Now they have the Brazilians, where it is a competitive market in Brazil, and this deal does not affect that. The Brazilians will also approve it. That deal will probably close in the 4th quarter. As soon as the deal closes, the leverage level of Transocean goes down. We stepped in a little bit earlier, but I saw what the odds were here: that it was moving in the right direction, and the backlog that they have and the tightness that is coming in offshore drilling. I can tell you this: The CEO and CFO, whom I met less than two weeks ago in Norway at an investment banking conference for energy, are hell-bent on taking the debt to zero. That is their number one focus. I believe what they will do is that, as soon as the merger takes place, the leverage ratios will go way down. After that, they will start selling the assets, kind of like the jack-ups. They will optimize. I do not think they are going to do anything like a fire sale. They are smart operators and extremely good.

I would say that if we look at Transocean toward the end of next year, the leverage is going to be a non-issue. We will not even be talking about it.

We did go out a little on a limb on that front, but I also went out because of who I was dealing with in terms of the quality of the operations, the quality of the management, and how they look at leverage. That is how we see that there.

Moving to Indian financial services, Edelweiss and Nuvama.

QUESTION:

Edelweiss and Nuvama share a common history and exposure to India's financial and capital markets. Do you view them as independent theses or partly as one combined bet on the growth of Indian wealth management, asset management and financial services?

MOHNISH PABRAI

Nuvama was a spin-off from Edelweiss, in the private funds. I have been meeting with and have been an owner of Edelweiss and Nuvama for almost 10 years. We have a lot of familiarity, many meetings and interactions, and drill-downs with both businesses. They are a little bit different in the sense that Nuvama is a wealth management business and is doing well. They have an investment banking arm. To some extent, you are right that I view the entire financial services sector in India as embryonic when we look at the number of participants versus the size of the population; the trajectory that it is on and the asset class, it is a no-brainer. It reminds me of

the way the U.S. was in 1980 or 1982. You make an investment in Schwab at that time, that would have been an incredible home run in the last 45 years or so. That is why we have the bet there.

Moving on to TAV airports.

QUESTION:

TAV's underlying economics may be favorable while its growth has been constrained by geopolitical and other external factors. To what extent should geopolitics be treated as a structural risk factor when valuing an airport?

MOHNISH PABRAI

That is a great question. I agree with the questioner that one should look at how one values an airport like Heathrow or Paris Charles de Gaulle versus some of the airports that TAV has with somewhat different lenses. I agree that those are apples and oranges to some extent.

But I would also say this: TAV is cheap, but TAV has also gotten a lot of tailwinds which have already come into play. What happened with TAV is that there was the growth and emergence of low-cost carriers at a number of its airports: Antalya, Ankara, Izmir, and even Almaty. The per-passenger fees that are paid by the full-service carriers or the low-cost carriers are the same. From a TAV perspective, it makes no difference. But the low-cost carriers are profitable for TAV because they turn the airplanes around quickly. The efficiency of gate usage goes up; Southwest is in and out of those gates. That is good for TAV. If those airplanes do not stay parked at those gates for a long time, that is excellent. The second is that all those low-cost carriers are growing rapidly and are constrained by how many planes they can get from Airbus and Boeing, but that will ease off in the next few years. They have gotten some tailwinds.

TAV also has significant tailwinds in Almaty, where they gave up some of their fuel business earlier than planned. But in exchange for giving it up, the government allowed them to effectively increase the per-passenger fees quite dramatically. A lot of those have not yet kicked in, but they will kick in in the next few months, and probably start showing up in the 2027 results.

The geopolitics, the Ukraine war, the Iran war, and all these things going on in that neighborhood have had negative impacts. But we still like the business. They are pushing cash out, and there are opportunities they are looking at in the region. We may see some additional assets. But I hear you, and that is a good thing to be aware of. We will keep an eye on that for our position there.

Moving to Gimat, the Turkish Costco.

QUESTION:

Founder-run companies where the founder holds a large stake, like Reysas, tend to align management with shareholders. Does it give you pause that Gimat's founder and CEO owns far less than 1% of the business?

MOHNISH PABRAI

The answer is yes. I am disappointed about that. In fact, I visited Gimat headquarters and their warehouses in Ankara about two and a half weeks ago, and had a wonderful meeting with the founder and several of the board members. It is not that the stake is low; his salary is low. His comp is low, so I told him both last year and this year to please significantly increase his comp. I mean, this is interesting: An outside shareholder having this conversation is pretty unusual. But I said to please increase the comp, and I also said to find a way to have the company—and I do not know Turkish law that is different from U.S. law in terms of the grants of restricted stock or options or whatever else. I would like that to happen, but I do not have a big concern that is going to affect the performance at Gimat. The reason for that is that he is the true definition of a servant leader. He is not money-motivated. It is hard to say that. I believe that we are different from the Reysas leadership and other leadership in other places. Part of the reason we were so attracted to Gimat is the nature of the leader: highly capable and selfless in how he is running it. He is running it for the benefit of his customers, for the benefit of his vendors, for the benefit of his shareholders. He is not concerned about himself. I have pointed it out to him. I have told him that we would be supportive of anything he wants to do on that front. But I have seen no movement toward that, so I will keep that message on in my future interactions as well.

The next question is on Danaos, which is the Greek shipping company.

QUESTION:

Is the fund's shipping exposure through Danaos based on a long-term thesis or on taking advantage of current shipping conditions caused by events in the Middle East?

MOHNISH PABRAI

I met with the senior management at Danaos in Athens less than a couple of weeks ago. That was an incredible meeting. It was the first time I met them. My impression of Danaos and how I thought about that business went up dramatically. When I became a shareholder, I was generally skeptical of Greek shippers. They tend to have a lot of animal spirits and all of that. You can have some crazy things going on. Danaos looks nothing like all their peers. We can see that in the balance sheet. We can see it in the way they run their operations. We were attracted to them mainly because they had a bond-like situation where they had a lot of visibility several years out in the cash flows that would be coming in. Where the stock was versus where the value was. We started buying Danaos in the $70, $80 per share range less than a year ago. Now, it is more than two times that, still deeply undervalued from an NAV perspective. They are

doing intelligent things, which is moving that NAV up. They are doing intelligent things with the way they are financing these assets. If you look at their public filings, there is a description of something they did in Japan, which I do not have time to go through on this call. But let me put it this way: that deal that they have with those Japanese SPVs is not available to 99% of shippers. It is a huge competitive advantage that Danaos has. They are financing these ships with covenant-light-type situations at low interest rates. It is a significant advantage. They can do that because of the quality of the people and the reputation, the balance sheet, and all that. High-quality business, high-quality people. We do not think of this as any other shipping company. We think it is a special place. It is a little dumb because I made the bet and did not realize how good it was to visit it and kick the tires a little bit.

Moving on to Kaspi.

QUESTION:

Can you go deeper on the Kaspi thesis beyond what you have shared on the recent New Money podcast? And is Kaspi the start of a broader emerging market thesis outside India or an exploratory position for now?

MOHNISH PABRAI

First of all, it is not a part of anything broader. We are opportunistic. We made a bet on shipping with Danaos. We are not looking to make other shipping bets unless other companies like Danaos show up, which is not going to happen. Similarly, Kaspi is an unusual business, with an unusual leader and founder. Our bet is because of that leader and founder, and the nature of the balance sheet and cash coming back to investors and all of that. It is not part of anything bigger. But I would say this: We had a meeting in Istanbul this time with Hepsiburada, which is the company that Kaspi now owns 92 or 93% of. My guess is they will probably take it private at some point. It will be completely absorbed by Kaspi at some point. But today, Hepsiburada is a listed public company in Istanbul. We met them, and I wanted to get a view from that angle. We have had interaction with Kaspi, but I wanted to see it from the other angle. Mikhail, the founder and CEO, is probably spending 40% of his time in Turkey. There are a lot of changes and a lot of his best teams. One thing that Kaspi and Hepsiburada have already done is that there are teams in Istanbul and there are teams in Almaty. These are 15-, 20-, 25-person teams that are focused on specific products. There could be a team in Istanbul that works on Kaspi products for the Kazakhstan market and vice versa. They are not two separate teams. There is a lot of cross-pollination going on. Mikhail knows who his best people and best teams are, and which of their products can translate over. It is early, and we do not know exactly how this will go. But I would not bet against Mikhail. He is a smart operator and has good people. Hepsiburada is feeling his presence, and they can feel the change. There are a lot of changes happening there. Right now, what is happening there is like a bull going through a China shop.

That is how we look at Kaspi. In a year or two, we will have more clarity. Already, when we talked to some of the users we met, they are seeing the app—the Hepsiburada app—is already getting a little better. Even though this is early, they still have not integrated the bank. In one to three years, we will see some changes there, which will be exciting to see.

Moving on to Constellation and Mark Leonard.

QUESTION:

Has your thesis changed since Mark Leonard reduced his day-to-day involvement with the company?

MOHNISH PABRAI

First of all, it is sad and unfortunate what has happened with Mark. I do not have a lot of detail, but he has health challenges, and they may be more significant because he has even left the board. But Mark has transferred that DNA extremely well and deeply into the Constellation family of companies. That DNA is pretty hard-coded in how they run. The businesses will continue to execute on what he put in place.

Moving on to Tab Gida.

QUESTION:

How do you see GLP-1 weight-loss drugs affecting Tab Gida's quick service restaurant business?

MOHNISH PABRAI

In Turkey, that has not happened yet, but I am pretty sure it will happen, and I am pretty sure it will negatively affect them, just like the U.S. fast food and groceries, and everyone is feeling that effect.

Also, Tab Gıda is such another creative company and a driven business. They have taken their Döner brand to China. I met with them recently, around two or two and a half weeks ago. We had a discussion on Chipotle mainly because they are looking at the Chipotle bowl concept and putting that in their China Döner stores.

What I was trying to tell them to do was to clone—shamelessly clone—Chipotle hook, line, and sinker in China. Chipotle is mainly a U.S. story. They have started to expand. Nobody has cloned them. I had a long discussion with them about the joys of cloning. I was surprised how receptive they were on that whole front. But I do not know if they will go down the path that I was suggesting they go down. But it is a good company. The GLP-1 could pose challenges, but they have also tailwinds with all these new businesses. If their concept in China takes off, then it dwarfs everything else. We will see how that plays out. It is one of our lower-conviction ideas, maybe one of the lowest ones.

Now I am moving to more general questions. There is a question on the exits and short-term trades.

QUESTION:

Why did the fund exit Mongolian Mining—to make room for newer positions, or because the company no longer met your expectations? While you held it, what justified the position despite high waste-stripping costs, being stuck at the border for lack of rail, sole dependence on China as a landlocked producer, and a diversification into gold? And why was it such a small position?

MOHNISH PABRAI

Clearly, someone is upset about a number of things related to Mongolian Mining. I visited Mongolia in 2024. We flew into Ulaanbaatar, which is where their company is headquartered. But then we helicoptered to their mine. We also helicoptered from there to the Chinese border because I wanted to see firsthand what was happening there. I wanted to see the whole thing, the logistics and all that. I want to say that the guy who is the promoter of Mongolian Mining is from the wealthiest family in Mongolia. He is an extremely high-quality individual. I was blown away by the quality. He is a long-term thinker and a great operator, with incredible people under him. The guy running the mines and all the others make up a great team. The mine itself is a surface met coal mine. That is so rare on the planet. Surface mining would be way below the cost of even Warrior because Warrior is still underground and all of that. They have surface mining. The problem is that they are so deep in the interior, they cannot get to a port. The Chinese relocated their mills close to the Mongolian border. This is in the Gobi Desert in the south. Then you go a little further south into China, and that is where they put these steel mills so they could take advantage of this amazing met coal coming out of the mines. Mongolian Mining does not get paid anything near the PLV on the ocean, but they have a solid profit. The bet they made on gold, through dumb luck or whatever else, has paid off incredibly well, because it was designed to work at $800 an ounce, and we are at $5,000 an ounce, and they found more gold. Again, the operator there was poorly skilled. They stepped in, ran the operations, and improved it dramatically. The reason we exited is that there has been a lot of rumbling with the Mongolian government, where there are factions within the government who believe that some of these mining deals that were done, like the Mongolian Mining concession, are too favorable to the miners, and they want to go and revisit the terms of that deal. What they are talking about would change the economics quite a bit. When all this started to brew, from our point of view, that is an existential threat. I did not know how to handicap the odds of what would happen there, so we decided we were going to take our chips off the table.

I like everything about it, but that was bothersome with what might happen, so we exited. That is why we did the exit.

Moving on to a question on Berkshire Hathaway.

QUESTION:

You recently suggested the S&P may be overpriced and that young investors might be better off in Berkshire. Why recommend Berkshire over the Wagons Fund for a young investor? And conversely, what gives Wagons a differentiated edge or opportunity set versus simply owning Berkshire?

MOHNISH PABRAI

When I am doing some of these podcasts, they are educational and entertainment. I would lose a lot of credibility if I use those platforms or those podcasts to push products where I have a vested interest, so I am not going to do that. If someone invests in the S&P and they have certain liquidity and whatever else, they can go into Berkshire. It is also a large entity. That would be a better place for them to be. It did not enter my mind that I should pump Wagons in those kinds of audiences.

QUESTION:

The portfolio holds two quite different types of investments, deeply priced or supply-constrained cyclicals like met coal and offshore drilling, and long-duration compounders like Constellation, Topicus, and Lumine. How do you compare the expected returns and risk when deciding where the next dollar goes for the cyclicals? What signals tell you industry economics have normalized, and is it time to exit?

MOHNISH PABRAI

People make these broad-stroke statements. This is a cyclical, this is a compounder, this is a value stock, this is a growth stock. That is the wrong way to think about businesses. When we look at a business like Saudi Aramco, which used to have a cost of production of one or two dollars per barrel, and even now their cost of production probably is well under $10 a barrel, that is a phenomenal business. I do not describe Saudi Aramco as a commodity business. I describe that as an ultra-low-cost, phenomenal business that will make money almost for sure in any price environment. Now, with weird stuff going on for the first time in their 50-to 60-year history, they are having trouble with transport and all that. But this too shall pass. When I look at a business like Warrior, that is our Saudi Aramco. They are sitting at the bottom of the cost curve, and they are similar in the sense that they will always make either little money, a decent amount of money, or a lot of money. But the odds that they would lose money are—literally, you would not have a civilization if they were losing money, if their mines are running.

Things do not fall neatly into buckets of cyclicals and compounders. If I look at Reysas REIT, for example, there is no U.S. REIT that I am aware of that delivers double-digit, even like 12%, returns to the equity holders without any debt. In fact, there are no U.S. REITs that are not significantly indebted. Reysas is compounding at ridiculous rates, without leverage. I do not see those kinds of businesses anywhere on the planet. It is not a REIT. That is a compounder. The creativity, the energy—no one talks about the creativity, the energy, the way they allocate capital, the way they run their operations. Things do not fall into buckets. That is not how we think about it. Warrior is a compounder. Alpha is a compounder, not as good as Warrior because they are higher up on the cost curve.

QUESTION:

How do you distinguish a genuine opportunity at a huge discount to intrinsic or liquidation value from one where management or controlling shareholders can destroy that margin of safety through repeated dilution and reverse splits? When investing internationally in companies such as Kaspi or Gimat, what gives you confidence minority shareholders will participate in the value created over the long term?

MOHNISH PABRAI

In Kaspi and Gimat's case, they have phenomenal leaders with the highest levels of integrity. I have no concern with both those businesses that if they do not work out for us, it is because management treated outside shareholders unfairly. They may not work for other reasons, but it will not be because we got treated unfairly. I do not have any concerns about that.

QUESTION:

You said you rarely pay top dollar, yet when new ETF shares are created for cash, the fund must buy its holdings at prevailing prices that may be above what you are comfortable paying. To what extent should shareholders expect dilution, or will the ETF always buy the necessary shares regardless of price?

MOHNISH PABRAI

Let me clarify the internal workings of an ETF. When money comes into our ETF, we get a note saying, for example, "$3 million came in today," or "$5 million came in today." We decide how that money gets allocated. It does not get invested in the entire portfolio. All of it could go into a single stock or two stocks or five stocks or whatever. We have a view on which positions we want to keep adding at the current price and which we do not want. We have highest conviction, lowest conviction, size of position, the constraints of an ETF of how much we can have; all of that put together decides where it goes. I do not think we have had discomfort so far about anything on that front.

I would say that with that, we have run out of time. I am sorry we could not get more of your questions answered. Thank you for participating, and we will see you in a few months. Bye.

DISCLOSURES

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than t heir original cost. Current performance of the fund may be lower or higher than the performance quoted.

The Pabrai Wagons ETF is the successor to the Pabrai Wagons Fund (the "Predecessor Fund"), which operated as a mutual fund. The Predecessor Fund commenced operations on September 29, 2023. The Pabrai Wagons ETF is the successor to the accounting and performance history of the Institutional Class of the Predecessor Fund. Any historical information provided for the Pabrai Wagons ETF that relates to the periods prior to February 6, 2026, is that of the Predecessor Fund. The Pabrai Wagons ETF began trading on NYSE February 9, 2026.

Before you invest in the Pabrai Wagons ETF, please refer to the Statutory Prospectus and Summary Prospectus for important information about the investment company, including investment objectives, risks, charges and expenses. You may also obtain a hard copy of the prospectus by calling 1-800-617-0004. The prospectus should be read and considered carefully before you invest or send money.

Investing involves risk. Principal loss is possible. 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 invests in small- and medium-capitalization companies, which involve additional risks such as limited liquidity and greater volatility than larger capitalization companies. Download the prospectus.

Exchange-Traded Funds (ETFs) are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

Please visit our website for standardized performance: https://www.wagonsetf.com/
Link to Top Ten Holdings: https://www.wagonsetf.com/fund-summary
Link to Prospectus: https://www.wagonsetf.com/documents
Cash Flow: the amount of cash that a company is able to generate after laying out the money required to maintain or expand its asset base.
The S&P 500 Index is an index of 500 large capitalization companies selected by Standard & Poor's Financial Services LLC. One cannot invest directly in an index.

CapEx, or capital expenditure, is the money a company spends to acquire, upgrade, or maintain long-term assets that support its operations and future growth.

Net Asset Value (NAV) is the value of a fund's total assets minus its total liabilities, divided by the number of outstanding shares.

The Pabrai Wagons ETF is distributed by Quasar Distributions, LLC. Dhandho Funds, dba Pabrai Wagons Advisors, is the advisor to the Pabrai Wagons ETF.

PE stands for Price-to-Earnings ratio, a key valuation metric that compares a company's share price to its earnings per share (EPS)

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