PABRAI WAGONS FUND - SEMI ANNUAL INVESTOR MEETING
MARCH 19, 2025

OPENING REMARKS

MOHNISH PABRAI

Good afternoon. Welcome to the Pabrai Wagons Fund semi-annual shareholder call. Before I begin, Canh Tran, who is the fund's distribution manager, has a few disclosures that he needs to share with all of you. Canh, please go ahead.

CANH TRAN

Thank you. Good afternoon and welcome again to the Pabrai Wagons Fund semi-annual investor call. We are glad you could join us. Before we begin, let us start with the usual disclosures. Mutual fund investing involves risks, 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 the diversified fund. The fund may invest in small and medium capitalization companies which involve additional risks such as limited liquidity and greater volatility in larger capitalization companies. The fund is new with limited operating history and there can be 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 or not intended to be forecast for future events, a guarantee of future result nor investment advice. Fund holdings and allocation are subject to change at any time and should not be considered a recommendation to buy or sell any security. Now I would like to hand the call back over to our portfolio manager, Mohnish Pabrai.

MOHNISH PABRAI

Thank you Canh and thank you everyone for joining us. We have a very large number of pre-submitted questions from all of you. More than 160 questions. We will not have the time to add to that list of questions given that we have an hour. Moreover, I will be able to get to a very small fraction of the questions that were submitted. What I am going to do is to try to address the questions that either were asked several times in different ways or questions that relate to the largest portions of the portfolio or are likely to have the most interest with all of you. I will try to use my best judgment on how best to use our time. We may also, at least temporarily, make these calls quarterly so that we can actually address more of your questions rather than the semi-annual that we have right now. Let me go ahead and get into the questions and we will take it from there.

QUESTION

We have lost all our gains since the inception of the fund. How do you explain this? How do you protect the fund against future market downturns or a potential recession?

MOHNISH PABRAI

Yes, it is true that we have had a significant drawdown in the fund in the last few weeks. In general, this is true for not just the Pabrai Wagons Fund, but for any endeavor that one can embark on. Anytime you are trying to pursue things, if you are going to try to optimize something, you can only optimize for one variable. You cannot really optimize for two variables. And for good or bad, the focus at the Pabrai Wagons Fund has always been to try to optimize for long term performance. I have never given a lot of thought to volatility. I have never given a lot of thought to trying to smooth returns, have not tried to hedge things, and many of these things actually I would be useless at because I would not even know how to do it well. When I look at the portfolio and when I look at investments, the primary driver is, is this a bet with relatively low downside and relatively high upside with a kind of very favorable risk reward. Also, it is in the nature of listed securities and equities which trade in auction driven markets that they will tend to overshoot and undershoot from underlying intrinsic value quite significantly relative to other asset classes. When we look at an asset class like let us say single family homes or apartments or office towers and so on, it is intelligent buyer facing an intelligent seller and that tends to keep things within a relatively tight band most of the time. When we look at auction driven markets we can have much wider swings. In fact, we just saw that overnight in Turkey, the mayor of Istanbul was arrested. He is likely number one contender running for the presidential elections in 2028. It looks like a politically motivated action and the markets did not like that at all. They took a massive nose down and the currency hit an all-time low. Our Turkish positions, all of them lost money last night. But then when I look at it from the lens of, what is the long term intrinsic value impact of this action on these businesses, I really do not think it is much of anything at all. That is just the nature of how things are. I will move on to the next question now. I am going to make these answers brief so I can try to get to as many questions as I can.

QUESTION

Given that Edelweiss in India and TAV Airports in Turkey are our two largest bets, please detail the current undervaluation and growth prospects of TAV Airports and Edelweiss.

MOHNISH PABRAI

I mentioned that currently Edelweiss makes up more than a fifth of the portfolio. As of the end of the year, both TAV and Edelweiss were both about around 15, 16% each. They made up like close to 31% of the portfolio at year end. These are our highest conviction ideas and we feel very good about both of them. Taking the larger one first, Edelweiss. We have been investors in Edelweiss in the other funds. I run Pabrai Funds and known the management and the company for at least seven or eight years. We are very familiar with Edelweiss. I had recently spent a half day in Mumbai with the various business heads of their different businesses. Edelweiss is a financial services holding company and they have a number of different businesses. They had spun off their wealth management business a couple of years back, very successful IPO. They are in the process of spinning off their alternative assets business. This is kind of like the Indian version of Brookfield Asset Management, BlackRock, or Blackstone. That company is likely to go public in maybe a few weeks or a few months. They are in advanced stages. Edelweiss is going to spin off a new company, one of their existing wholly owned subsidiaries going public. There is about four of them that will go public in the next four or five years, cadence of about one a year. The market cap of Edelweiss is approximately 1 billion. Each of these businesses that are going to go public will probably come out at a market cap north of 1 billion each. From our point of view, the valuation makes no sense at all because if I look at the alternative assets business, which will probably come public at a market cap of 1 to 1.5 billion, which is 100% currently owned by Edelweiss. Its market cap when it is listed may exceed the market cap of the parent, which is kind of bizarre. But we had the same situation take place when they listed their previous business, which was the wealth management business. The wealth management business today has a market cap of north of two and a half billion or so. It also came public approximately a billion plus market cap and again it was really not reflected. Plus, Edelweiss is still starting new businesses and these businesses tend to require relatively low amounts of capital. They tend to grow fast. This is just squarely in the sweet spot of what is a very high growth area in India which is all the mutual funds and financial services and all of that. We believe that the position makes sense and that we will end up with maybe four or five different spin-offs coming out of Edelweiss in the next few years. All very nice businesses, insurance, mutual funds, alternative assets and so on. We are happy to just be a shareholder for a long time. TAV Airports is probably the best management team I have met in Turkey. In fact, I would say it is one of the best management teams I have met anywhere in any industry. Extremely well run. They run a number of airports in Turkey. They also have a number of airports outside Turkey. One of their crown jewels is the Almaty Airport in Kazakhstan. There are two Harvard Business School case studies on TAV Airports. In fact, if you go on the HBS publishing website, you can buy these two case studies for under $10 each. The price is right. One of those two Harvard case studies deals with the decision that TAV was facing on whether to go ahead with the Almaty deal or not. Because the Almaty deal took place during COVID when passenger traffic was zero and they had actually signed the deal to buy Almaty before COVID had struck. The company was facing a choice whether to declare force majeure and walk away from the deal or whether to renegotiate and do the deal. That is what that case study is all about. In the end, they made the decision to try to negotiate a better price and do that deal. That is what happened on their end. The Almaty Airport economics are extremely favorable for TAV. There was about 120 million of equity that went in when the deal was done. The rest was 5% fixed interest rate for around 25 or 30 years. About 300 million of debt. They have since spent about 250 million on a new terminal which actually opened last year. TAV Airports may have EBITDA at just Almaty alone in the next few years, which may be exceeding 200 million a year, growing at about maybe double digits, 10% plus a year. A business like that, if they were to ever put it on the market, would go for several billion dollars. They purchased the airport for like 300 odd million. It was quite a deal. TAV has many great assets. They have very strong growth in passenger traffic. Many of their airports have a huge surge taking place with low cost carriers and it does not matter whether the carrier is low cost or full cost. They are going to charge the same passenger fees and so they have plenty of tailwinds. Both Edelweiss and TAV are sitting at small fraction of their underlying intrinsic value and both will grow their intrinsic value.

Those are good bets from my point of view. I will switch gears a little bit. I might come back to these things, but what I am going to do is to take a question with a different subject or different industry just so that I can give you more flavor.

QUESTION

It appears to me that you are betting on coal prices over a shorter period than even five years more. More like you are betting on prices going above 300 again inside of two, three years. Is that correct?

MOHNISH PABRAI

The answer is that is not correct. All of our coal bets are metallurgical coal bets. They are focused on met coal which is needed to make iron and steel. There are brand new blast furnaces that are being commissioned today and that will be commissioned in the next five or ten years. These blast furnaces have a 40 to 70-year life and no one is going to build or commission a new blast furnace if they do not think they are going to use it for at least four or five decades. It is unlikely that there will be a scalable alternative, which is kind of reasonable price, to the blast furnace method of making coal being quite significant several decades into the future, maybe even into 2070 or 2080. The coal bets we have, have reserves going out 20, 30, 40, 50, 60 years. Just look at the supply demand curves on where iron and steel production is likely to go and the associated coal, met coal supply we are likely to see a mismatch because of the lack of investment in the metallurgical coal space. Met coal is very different from thermal coal. It exists in very few geographies in the world. Generally speaking, even if there is a big find of something somewhere, the logistics and infrastructure required to tap and bring that coal to market can be quite challenging and can take a long time. These companies that we have invested in, which have a one to two and a half billion type market cap, have the possibilities of having single year cash flows exceeding a billion. If I just take a 30 or 40-year view, there may be several of those years, even more than half or two thirds of the years where cash flows might be north of 600, 700 million. If you have something that is trading at 2 billion and you are going to have on average in the next 20 years, 20, 30 billion of cash flow coming out, that is a bet I would like to make all day long. That is kind of where our interest in coal is coming from.

QUESTION

Can you please explain the decision of selling Core Natural Resources and why have you sold CNR and decided to keep Warrior MET and AMR?

MOHNISH PABRAI

Well, Core Natural Resources was a combination of Arch and Consol and it is a mixed thermal and met producer. We have moved our portfolio to be a pure met portfolio because I just like the met coal side of things a little better. That is where we are.

QUESTION

Coca Cola and Anadolu Efes are out of our top 10. Have you lost conviction in these businesses?

MOHNISH PABRAI

There was an event that took place on December 31, where Russia took over the assets that Anadolu Efes and AB InBev had in Russia. They were the number one beer company in Russia. This seems to be related to the whole Ukraine conflict and so on. It was surprising to see that because generally Turkey and Russia have had a decent relationship. It has gone kind of hot and cold different times. It was surprising to see that and events like that would put things like Anadolu Efes into the too-hard pile. From our point of view, it just becomes difficult. One thing I should mention is the top 10 positions that get reported for the Pabrai Wagons Fund. The trust that the Pabrai Wagons Fund is part of has some restrictions and limitations on our portfolio composition. If you think about splitting the Pabrai Wagons Fund into two halves (50% of assets in each half), the first 50% has to have at least three stocks in it. No single one of those three stocks can be more than 25%. It is possible you could have a third stock at something like 5% or so. The first half can be somewhat concentrated but need to have at least three positions in there. The second half of the portfolio cannot have any single position exceed 5%. If you think about the second half, and we normally target like 4% as a typical bet of the second half, you would end up with about 13 bets in the second half. If you went to the extreme end on the first half, you would end up with about three bets on the first half. The minimum number of stocks that the portfolio would have would be about 16 stocks. Because of this relationship of the two halves and all of that, only about seven of those 13 stocks in the second half may make it into the top 10. If something is at 4% and something is at 3.9%, the 3.9% may or may not make it. That is something to keep in mind.

QUESTION

Do you regard successful expansion via acquisition as a critical component to the success of your thesis in the car dealership holdings? Any thoughts on Asbury's recent announcements regarding the acquisition of Herb Chambers?

MOHNISH PABRAI

There were two or three things where the market was misreading and miscategorising the moats and the durability of the moats of these auto dealers. The market expected that EVs would dominate a lot faster than they actually are, and a lot of EVs would be sold direct to consumer, bypassing the dealer network. They also thought that auto dealers make a lot of their money in the back of the shop with parts and service, and EVs are relatively low in terms of the usage of parts and service. All these thoughts are off. We are already seeing that the desire of the American public to move to EVs is much slower than what people had originally forecasted. People see a lot of issues with the range, charging times, and a whole bunch of other issues. The movement to EVs has been a lot slower. The second thing is that it will end up that a lot of the EVs will go through traditional car dealerships in terms of sales, because for the OEMs, the selling going through the dealerships does not cost them much. The frictional cost of that is very low. It just makes sense to send it through that. The third is that there are a lot of studies that have pointed out that from a total usage of parts and service of EVs versus non EVs, they are quite comparable. In fact, it might well be that EVs may be giving the dealerships higher margin overall in terms of parts and service because the margins on oil changes and things like that are pretty low. A lot of that goes to third parties anyway. Once the EV hits four or five years and the battery issues or changing the batteries and that sort of thing going on, those are big ticket items. Those typically have to happen at the dealership. Some of these players like Asbury, AutoNation, and Group 1, are extremely well run, with very high quality management teams. They have been very prudent with their capital allocation in terms of buying other dealerships versus buying back the shares. It is a bet where we are paying relatively low multiples for very stable business for a long time. That is where we are at.

QUESTION

The home builders and the US is structurally under built, but it has been that way for quite some time helping these home builders sell their homes for a higher price. But if quantity increases, won't the prices they charge be affected?

MOHNISH PABRAI

There are a lot of different variables that go into this whole notion of what is the shortage of housing units in the United States. There are a lot of studies that show that we have several billion dollars of shortage in terms of homes. But the second issue that comes up is the affordability and ability to buy those homes. The bigger issue with the home builders is that the biggest ones have been taking market share from the moms and pops and the bigger ones have a huge structural advantage over the small players. I made several field trips to the various home builders. We went into some of their model communities and so on with Toll Brothers and others. It is difficult for a small home builder to be able to compete and have the same cost of production that the larger players have. The larger players also have brands which the buyers of homes prefer, so their capital allocation discipline, it took a long time for these guys to actually understand the NVR model. All of them are moving toward the NVR model which is they are becoming asset light. All of them are moving in a direction where they are holding less and less land, banks using more options on land and getting far more efficient. The other thing that they are doing, which NVR was a pioneer of, is they are setting up centralized manufacturing facilities. Large chunks of things are manufactured and then shipped to the site as opposed to everything being site built. Both of these things actually make it difficult for the smaller players to compete again. Home builders deliver great bang for the buck. They are being very disciplined in their capital allocation. Their valuations are low. They are showing good discipline on the buybacks. That is where we are with the home builders.

QUESTION

What is the case for Reysas revenue and net income in 10, 15 and 20 years? How big could it get?

MOHNISH PABRAI

One of the things about Reysas that we really like is the father and son team that run it. Both these individuals are very different from each other. In the words of the son, he says: "My father is the accelerator and I am the brakes." In our observation over the last several years, I would say that is true. The father is a dreamer. He is far more creative. He is always looking at new businesses or new ventures that they can go into. The son is a very high energy, but also very good executor. He has an aspect of him which is like an accountant as well. He is very grounded in reality. What we have noticed is that there are healthy frictions and debates that take place between the father and son. At the end of those debates, the decision that comes out is extremely good. One of the things that has been important for us is that to make sure that both the father and son are in the picture, and they both are. Their relationship is the way it has been. There are tensions in that relationship, but those tensions in the end lead to very good decisions. The father is in his mid-60s. I am not sure how long he will want to be engaged full time in the business. Of course, from my point of view, it would be wonderful if he was engaged for several decades. We cannot think about Reysas in time frames like 10, 15 or 20 years, because something may change in terms of the two of them and how involved, especially the father is, maybe even in five years or less. I have never seen them make a mistake in almost six years of observing them. They have made a lot of different decisions that we would consider dumb or misstep, which is surprising. That business could easily have a few missteps and should do well, but they have had a very good betting average. They have done really good deals and are doing great.

QUESTION

Is there a technical reason why we do not have a larger position in Reysas and we could have a larger position?

MOHNISH PABRAI

The body language we got from the founders is that it was very subtle, but they expressed a preference that we did not increase our stake. We got a very sizable stake when you include Pabrai Funds. I wanted to be respectful of that. I do not want to do things which are causing animosity. We have a very good relationship with them. We would have wanted to buy a lot more a lot earlier in the other funds besides Pabrai Wagons Fund, but we have held back. Reysas is not going to be a big position in Pabrai Wagons Fund.

QUESTION

You exited Danos in another fund, but continue to hold it in this one. Can you walk us through the different risk reward calculations behind these decisions? Were you not comfortable with the daily tanker rate outlook given tariffs and global economic situations?

MOHNISH PABRAI

Danos is in the shipping business. It is quite undervalued. When you look at, what they have locked in, in terms of long-term charters and cash flows coming out versus the market cap, it makes no sense actually.

We are happy to have the position in Danos. The Pabrai Wagons Fund owns a lot more positions than I do. For example, Pabrai Funds does not have these position size limitations. Generally speaking, there may be several positions in the Pabrai Wagons Fund that do not have a slot in other portfolios I run. There is not much to be read in reading the tea leaves on that. That is just the way it is.

QUESTION

Pabrai Wagons Fund holds a number of basket-like positions. Coal companies, home builders, car dealerships, etc. If there is a preference, what drives the decision to hold multiple names instead of concentrating in the top ranked ones? Is it a matter of liquidity, diversification or another strategic consideration?

MOHNISH PABRAI

That is a good question, and I went through the buckets things fall into. We, for example have three bets in coal and my preference would be to have a single bet because one of the three is the best of the three and if we could, we would put it into that one. Similarly, with the home builders and similarly with the car dealers. In all of those cases, we have a set basket approach because of the diversification rules. With the car dealers, it is somewhat close but we still think that there is one or two that really edge out the rest. The same applies to the home builders. My natural bet as an investor for several decades has been to be concentrated. Mutual funds cannot be as concentrated. We are obviously going to adhere to the rules but we also want to focus on the ones where we have the highest conviction while being respectful of the rules. That is how we end up with the way we are.

QUESTION

What are your intentions to reduce the expense ratio of the Pabrai Wagons Fund as AUM grows? Is there potential that at some point it will be covered to a more tax efficient ETF?

MOHNISH PABRAI

All mutual funds have a basic fixed cost and as they scale, most of the fees may start dropping to the bottom line. We are not yet at the point where we have that scale. Pabrai Wagons Fund would need to be several billion in size so that we have sufficient scale. I am not a big fan of fat fees. We have actually capped the fees and we have been subsidizing the fund internally as the assets are growing. At some point, we can take a look at whether reduced expense ratio might make sense.

QUESTION

What have you read recently or reading now that you would recommend?

MOHNISH PABRAI

There is a book that came out recently called Buffett and Munger Unscripted by Alex Morris. He went through all the annual meetings from 1994 onward, that have been archived on buffett.cnbc.com. He listened to all of them and re-categorized all of them by subject, which is what Larry Cunningham had done to the shareholder letters. The annual meetings at Berkshire Hathaway are interesting because when Buffett and Munger get a question, they do not know that question is coming. They have not premeditated an answer, and so we tend to get more of their unscripted thoughts in the annual meetings. I have gone back and listened to all those videos. They were five or six hours each. I have done it three times for the entire 30 years. This book is interesting because it has rearranged it by subject, which is a very good take. That is something great to look at.

QUESTION

One of the portfolio positions with current production levels and the oil price around $70 Oxy generates $4 billion in free cash flow a year. That is like a P ratio of 10 as per today's share price. That does not sound like an amazing opportunity, just a good one. Oxy's low carbon is great, but too far outward risk. So what am I missing with this story?

MOHNISH PABRAI

Well, I would say that Oxy is one of our lower conviction bets, but we like the bet. It is a bet on Vicki Hollub, who is the amazing CEO at Oxy. Oxy has a very strong footprint in Permian and they have done a lot of innovations in terms of how they are extracting and reducing costs. There are some moonshots built into Oxy. One of the moonshots is their carbon capture that they are into. Another of the moonshots, in Munger's words, is they have already done a few magical things with fracking, which has led to all this growth. But they could find something more in terms of a technological breakthrough or something so that they have the asset base. When the oil price goes significantly below 70 or 60 or 50, a lot of the fracking production disappears. To the extent that fracking is important in terms of the overall production of oil and gas globally, it tends to put a floor on the price of oil (kind of being the swing producer), at that stage. Overall, we like the management, like the position and they are very prudent in how they allocate capital and run the business. That is what is useful to us.

QUESTION

What are your thoughts on the future of homeowners' insurance? Does this affect home builders?

MOHNISH PABRAI

People buy homes because it is a necessity, just like they buy automobiles because that is a necessity. The insurance situation with single family homes, a lot of that is dependent on geography. It is going to have an impact. In places like Louisiana, Baton Rouge or New Orleans, one quarter of your mortgage payment is your insurance. Florida is something like 17 to 20%. It is pretty high. But these home builders, their footprints are all over the place. Buyers would look at their total cost of ownership and yes, it is a negative, but I do not think it rises to the point where people may end up buying smaller homes or homes that are somewhat cheaper just to keep the affordability and so on. However, they still need to have a place to stay.

QUESTION

We hold three car dealerships companies, but not the one I consider the best. Can you discuss why we invested in these three?

MOHNISH PABRAI

I actually agree with the person who asked the question. In all the time we spent with PAG (Penske), they were the most impressive. We visited their truck group in Dallas. I also visited their trucking fleet operations in Pennsylvania and we visited a number of their dealerships here in Austin. We have had a lot of discussions with them. It was very clear to me that Roger Penske and the organization that he has built is truly exceptional. I really enjoyed meeting the people and everything. There was a significant delta in valuation. While it was the best, it was not clear to me that a Penske investment would do better, for example, than an Asbury investment. I may be wrong at the end. One of my flaws is difficulty paying up and difficulty paying up has led to sometimes suboptimal decisions. The Penske one was one I actually thought a lot of very long and hard about. When we visited, there is a division of Penske called Premier Truck Group. It is outside Dallas. This is a business where they retail and service trucks. They have a very strong luck lock with Freightliner in that business. It is a very symbiotic relationship. It is a Freightliner. When we went and saw their service base, you could eat off the floor. You would not normally think that a place which is servicing trucks is going to be that way. They had a lounge, showers, Netflix, lazy boys, and work areas set up for the drivers. If a driver is coming in for an emergency service, which maybe takes a few hours, that driver actually has a lot of facilities and resources in that area. It was just the way they ran that business. Very different from anything outside. I have a lot of respect for Roger Penske. Roger is in his 80s, but he has built a truly exceptional team and done a tremendous job. If I look at something like in Austin, Texas, for example, there are two Lexus dealerships in Austin. Both of them are owned by Penske. Penske has a lock; pretty much a monopoly on Lexus. Lexus as a brand does extremely well. We visited Park Place Lexus in Dallas, which is run by Asbury. That was one of the most mind blowing field trips I have done to any dealership. I just could not imagine that someone actually had figured out how to run a dealership like that, which is really unbelievable to see. But in Austin, the way Penske runs it, is amazing. Lexus does not allow any single group to own more than eight dealerships nationwide. They have the tightest restrictions on ownership. All of these guys like Asbury, Group 1, and Penske are very thoughtful about which eight dealerships they want to have. For example, Asbury used to own the Lexus in Southern California. I actually had bought a car from them many years ago and they divested that so they could get another one which they considered more prime. The Lexus dealership in Dallas, which is Park Place, was one of the best acquisitions that Asbury has done. I calculated that they are selling a car every 30 or 35 minutes. It is a huge, huge assembly line. Their service bay for the Lexus is more than 200 bays, and they are going so fast. It is unbelievable. The only dealer we found where the sales guy is fully empowered, so when he is making a deal, he does not go (like in the Fargo movie) and talks to his manager or any of that. They are fully empowered. They finish a deal on their own. They get it all done, and they get it done fast. That is, to some extent, Sam Walton's philosophy: Stack it high, let it fly, make a reasonable profit, but keep the volumes going. When I was looking into the car dealerships, it was really impressive to see Penske. It is funny, they were telling me that the guy who runs their fleet trucking business in Pennsylvania would sometimes get a call from Roger. Roger would be driving somewhere, and he will see some truck that is dirty, so he calls the CEO of the business saying, "Hey, this is the license plate number. This truck is dirty, and it is messing with my brand." He is constantly getting calls like that from Roger. Another thing is that the Penske fleet, if you notice, some of the trucks are yellow and some are white, and Roger Penske wants all his trucks to be yellow. He just loves yellow. But the issue that the general manager of that truck fleet business has is that he says, "When I sell a yellow truck, I get $3,000 less for it. I am not going to have all yellow trucks. This will affect my numbers. I constantly have debates with Roger where I tell Roger, I will give you some yellow trucks. I cannot give you all yellow trucks." Penske runs a great shop. But so does Asbury. Asbury and Group 1 are really good, but I would still rate Penske higher. You are paying a premium, and then the question is, where do you get the biggest risk reward?

We are getting to the end. We are at the top of the hour, and I want to be respectful of all of your time. We will try to do these calls more frequently, at least in the near term. Thank you for your support and I wish you all the best.

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 their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end maybe obtained by calling 1-800-501-1792. The Fund imposes a 1.00% redemption fee on shares held for 90 days or less. Performance data does not reflect the redemption fee. If it had, returns would be reduced.

The WAGNX gross expense ratio is 4.74%. However, the net expense ratio is 1.25%. The WGNIX gross expense ratio is 4.22%. However, the net expense ratio is 1.00%. Dhandho Funds (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 Waiver and 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, 2025 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.

Before you invest in the Pabrai Wagons Fund, 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 1-800-501-1792. The prospectus should be read and considered carefully before you invest or send money.

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.

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Mutual fund 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. The Fund is new with no operating history and there can be no assurance that the Fund will grow to or maintain an economically viable size. Download the prospectus.

Fund holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security.

For standardized performance visit our website - https://www.wagonsfund.com/
Link to Top Ten Holdings: https://www.wagonsfund.com/our-businesses.
Link to Prospectus: https://www.wagonsfund.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.
Price-to-earnings (P/E) ratio: measures a company's current share price relative to its per-share earnings.
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