

OF

OPTIMIST FUND

To the partners of Optimist Fund,

Q2 marked our strongest quarter of investment performance since launching the fund nearly 3.5 years ago.

We achieved this by staying true to our strategy: investing in underappreciated, market-leading businesses led by ambitious CEOs with long runways for growth.

Today, we're excited about the portfolio. We believe it's filled with companies that will drive exceptional long-term investment returns.

To everyone who's partnered with us—thank you for your trust and belief in what we're building.

% Returns	Optimist Fund*	Benchmark**
YTD	32.4%	3.0%
Q2 2025	39.2%	11.3%
Q1 2025	-4.9%	-7.5%
2024	66.5%	34.1%
2023	82.9%	27.4%
2022***	-51.4%	-11.8%
Compound Returns as of June 30th, 2025		
1 Year	88.8%	20.3%
2 Year	60.5%	22.0%
3 Year	52.7%	23.8%
Since Inception	22.3%	14.1%

***Fund start date was March 1, 2022.

Q2 Review

Top Contributors	Contribution	Q2 TSR	Top Detractors	Contribution	Q2 TSR
Thredup	27.0%	211%	Revolve	-0.4%	-7%
Carvana	12.2%	61%			
Wayfair	4.0%	60%			
Top Contributor Total	43.3%		Top Detractor Total	-0.4%	

TSR = Total shareholder return

Q2 was a volatile quarter, driven by the surprise reciprocal tariff announcements from Donald Trump on April 2nd, which triggered a sharp negative market reaction. As always, we used the market dislocation as an opportunity to reposition the portfolio in ways we believe will enhance long-term returns.

In hindsight, the tariff-driven volatility turned out to be a meaningful opportunity for our investors. We added to Carvana and Wayfair during the sharp selloff, and since then, both stocks have more than doubled. It's another example—like 2022—of how we use market dislocations to our advantage by staying focused on owning the right businesses at the right prices. Rather than attempting to time markets or forecast short-term macro events, our edge comes from investing with a long-term lens in companies we believe can deliver exceptional five-year returns.

Top Contributors

ThredUp – As we noted in our Q1 letter, ThredUp is undergoing a significant inflection point that's rapidly shifting investor perception of the business. The company delivered strong Q1 results, beating expectations and raising guidance for Q2 and the full year. While the stock has already had a strong run year-to-date, we continue to see meaningful upside over the coming years as ThredUp scales into its existing fulfillment center capacity.

Carvana – Carvana posted another exceptional quarter, growing retail units by 46%, revenue by 38%, and achieving an all-time high adjusted EBITDA (Earnings before interest, taxes, depreciation and amortization) margin of 11.5%. Management reiterated their outlook for continued rapid growth and margin expansion, and most notably, introduced a bold new long-term target: 3 million annual retail units at a 13.5% EBITDA margin within 5–10 years. Knowing this team, our bet is they're aiming for the low end of that range—which would imply over 40% annualized unit growth, more than

5% above our prior expectations. We remain very encouraged by Carvana's trajectory and continue to view it as a compelling 5-year investment opportunity.

Wayfair – Wayfair reported results that were better than feared and has cited strong demand trends at recent investor conferences. After waiting more than two years for revenue growth to inflect, it now appears—based on both management commentary and recent results—that the tide is finally turning. One key unknown in the e-commerce landscape is the fallout from the de minimis loophole closure, which has negatively impacted Chinese players like Temu and Shein. While it's too early to know for sure, Wayfair could be one of the key beneficiaries of that disruption.

Top Detractors

Revolve – Revolve was the only position in the portfolio that declined during the quarter, largely due to management's comments about a slowdown to mid-single-digit revenue growth in April—down from double digits the month prior—as well as initial guidance on tariff impacts. Since then, the company has indicated a return to double-digit growth and noted that cost headwinds are now more limited following a reduction in China-related tariffs. Despite this, the stock has remained under pressure. We've taken the opportunity to add to our position at what we believe are highly attractive valuations.

Aggregate Portfolio Composition

Here are the top 10 holdings in our fund, comprising approximately 80% of the portfolio as of June 30th, 2025.

ThredUp	First Advantage
Carvana	DoorDash
Fiverr	HelloFresh
Revolve	Monday.com
Wayfair	Uber

Defining an Optimist Company

We didn't have any new additions to our top 10 holdings this quarter, so we thought it would be a good opportunity to highlight the kind of businesses we seek out.

Every company we invest in can be defined by a single guiding sentence:

An Optimist Company

Underappreciated Market Leaders run by Ambitious CEO's with Significant Future Growth Opportunity.

These businesses share a common thread: they're underappreciated by the market, making them undervalued and offering the potential for outsized investment returns. They are leaders in their respective categories, led by founder-like CEOs who've clearly defined the strategy and own significant equity. And importantly, they're still in the early innings—what we'd call the 2nd or 3rd inning—of their growth journey.

That said, not every market-leading business led by an ambitious CEO looks the same. Some are reinventing their industries through breakthrough customer experiences and organic growth. Others grow through disciplined, strategic acquisitions. While these models may appear quite different on the surface, we view them as fundamentally alike: both are category leaders with high-performing teams, deploying capital to accelerate growth and maximize long-term profits.

That said, we've distilled the key differences into the following slides, which we've titled *Compounders in Disguise* and *Inflecting Compounders*.

Compounders in Disguise

Key Traits

- Fast-growing companies reinvesting heavily into sales, R&D, or operations to scale.
- Current margins are artificially low due to aggressive reinvestment.
- Long-term earnings and free cash flow potential is very high once the business "matures."
- These are often misunderstood because traditional metrics (GAAP Net Income) understate intrinsic value.

Optimist Holdings



 **monday.com**

 **DOORDASH**

Inflecting Compounders

Key Traits

- Companies demonstrating attractive historical growth and profitability which most would call a typical earnings compounder.
- Market underestimates future earnings due to either:
 1. Misunderstanding their future M&A
 2. Current cyclical headwinds that mask their true through-cycle earnings power
 3. Both

Optimist Holdings

latham
The Pool Company



We have a clear understanding of the type of companies we are looking for, how to find them, and why they provide the opportunity for excess investment returns.

Optimist's First Annual Investor Meeting

Since launching Optimist, we've always envisioned bringing our investor community together once a year—to share updates on the fund, discuss our holdings, and connect in person. I'm excited to announce that our first annual meeting will take place the morning of September 4th in Toronto.

We'll provide an update on the Optimist Fund, walk through our investment process and portfolio, and host a fireside chat with James Reinhart, Founder and CEO of ThredUp, one of our largest and most exciting holdings.

Formal invitations will be sent in the coming weeks—we hope to see you there.

Closing Remarks

Overall, our portfolio companies continue to perform well, and our conviction in them remains strong. While macro uncertainty may persist, our focus is firmly on owning businesses with the potential to compound value and deliver meaningful returns for Optimist Fund over the next five years.

If there's one takeaway from our performance since launching the fund in March 2022, it's that we've operated through a wide range of market environments—both good and bad—and consistently navigated them with a long-term mindset. This

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discipline has resulted in best-in-class returns for our investors. Our goal is simple: to keep doing exactly that for years to come.

Thank you for your continued trust and partnership. As always, please feel free to reach out with any questions.

Speak soon,

Jordan McNamee

A handwritten signature in black ink, appearing to read "Jordan McNamee", with a stylized, cursive script.

Founder & Chief Investment Officer

*Rates of return are for Class E lead series net of all fees and expenses for Optimist Fund to illustrate the historical performance of our investment strategy.

**The Benchmark has a 50% weighting in the MSCI World Growth Index and a 50% weighting in the Russell Midcap Growth Index multiplied by the USDCAD exchange rate. The Benchmark is provided for information only and comparisons to benchmarks and indexes have limitations. Investing in global equities is the primary strategy for Optimist Fund but Optimist Fund does not invest in all or necessarily any of the securities that compose the Benchmark or the market indexes. Reference to the Benchmark and the market indexes does not imply that Optimist Fund will achieve similar returns.

***Fund start date was March 1, 2022.

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