

OF

OPTIMIST FUND

To the partners of Optimist Fund,

In Q3, the Fund gained **+9.1%**.

While the world continues to focus on the latest developments in AI, what excites us most is the acceleration we're seeing in a number of our cyclical holdings that have been in multi-year downswings. As we've discussed in prior letters, companies like **Wayfair, Latham, and First Advantage** all have the potential to more than triple over the next three to five years if their end markets continue to normalize—and we're seeing early signs of exactly that.

Looking ahead, we see ample opportunity for the next three and a half years to be just as rewarding as the last.

% Returns	Optimist Fund*	Benchmark**
YTD	44.5%	11.1%
Q3 2025	9.1%	7.9%
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 September 31st, 2025		
1 Year	61.2%	25.3%
2 Year	65.6%	28.6%
3 Year	61.9%	25.3%
Since Inception	23.6%	15.5%

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

Q3 Review

Top Contributors	Contribution	Q3 TSR	Top Detractors	Contribution	Q3 TSR
Wayfair	5.7%	74.7%	Monday.com	-2.5%	-38.4%
ThredUp	4.5%	26.2%	Fiverr	-1.9%	-16.8%
Carvana	2.6%	12.0%			
Medpace	1.3%	63.8%			
Top Contributor Total	14.2%		Top Detractor Total	-4.4%	

TSR = Total shareholder return

Top Contributors

Wayfair – Wayfair delivered one of its strongest quarters in recent years, with accelerating growth, expanding margins, and positive free cash flow. Revenue increased roughly 5% year over year to \$3.27 billion – or closer to 6% when adjusting for the company’s exit from Germany – marking its fastest top-line growth since Q1 2021.

Profitability was equally impressive. Wayfair generated \$205 million of adjusted EBITDA, representing a margin above 6% for the first time since Q2 2021, and implying a roughly 27% incremental EBITDA margin. This level of operating leverage highlights the powerful earnings potential embedded in the model. If Wayfair can sustain even moderate revenue acceleration at these incremental margins, profitability and free cash flow generation should expand meaningfully – with EBITDA potentially rising from ~\$450 million last year to over \$2 billion within the next five years.

Overall, the quarter demonstrated a business that is regaining top-line momentum while unlocking significant operating leverage. We believe Wayfair is in the early stages of a multi-year inflection in both growth and profitability that remains underappreciated by the market.

ThredUp – ThredUp delivered an impressive quarter. Revenue rose 16% year over year to \$77.7 million – the company’s fastest pace in several years and adjusted EBITDA increased roughly ~100% year over year, highlighting the strong operating leverage inherent in the model.

Customer metrics were equally encouraging. Active buyers grew 17% to 1.47 million, while new buyer acquisition surged 74%.

Management raised full-year guidance and now expects approximately 15% revenue growth, and an adjusted EBITDA margin of about 4%.

We continue to see significant upside from here. Despite the accelerating momentum, analysts still forecast only ~10% revenue growth over the next couple of years – well below our base case of 15–20%. Given our higher revenue assumption, which is accompanied by continued robust incremental margins, our expectation for long term profits is materially ahead of market expectations. ThredUp remains our largest investment.

Carvana – Carvana continues to deliver strong performance, posting record highs across nearly every key financial metric. Retail units sold rose 41% year over year to 143,280 vehicles – the highest in company history – while total revenue increased 42% to \$4.84 billion.

Adjusted EBITDA reached \$601 million, good for a 12.4% margin, more than 2x industry average profitability.

Even after its strong growth, Carvana estimates its U.S. market share is still only about 1.5%, underscoring a large runway for expansion.

Management expects retail unit growth to continue sequentially in the third quarter and raised its full-year 2025 outlook for adjusted EBITDA to between \$2.0 billion and \$2.2 billion, up from \$1.38 billion in 2024. Longer term, the company continues to target 3 million annual retail units with a roughly 13.5% adjusted EBITDA margin.

Overall, recent results continued to demonstrate the structural advantages of Carvana's business model which enable rapid growth in profitability. After several years of heavy investment and operational fine-tuning, Carvana has entered a more durable, cash-generative phase of growth. We continue to believe Carvana has material runway ahead.

Medpace – We initiated a position in Medpace in April. We view it as a market-leading business led by an ambitious, founder/CEO, with substantial long-term growth potential that remains underappreciated by the market. At the time of our purchase, we believed the company was on the verge of a meaningful revenue and profit inflection – creating a highly compelling risk-reward opportunity.

We were fortunate with our timing, as in August Medpace reported one of the strongest quarters I have seen from any company. In Q2 2025, Medpace experienced

meaningfully accelerating revenue and profits which had been slowing for the last 6 quarters.

Revenue grew 14.2 % year over year to \$603.3 million, easily topping consensus. Net income was \$90.3 million, or \$3.10 per diluted share, reflecting solid earnings power alongside scale. EBITDA rose 16.2 % to \$130.5 million, pushing the EBITDA margin up to 21.6 %, a tick above prior-year levels. Notably, Medpace leaned into an aggressive share repurchase: repurchasing ~1.75 million shares in the quarter for ~\$518 million.

Considering the strong results, management lifted full-year 2025 guidance — now targeting revenue between \$2.42 and \$2.52 billion and GAAP net income in the \$405–\$428 million range.

Later in this letter, I'll walk through what Medpace does and why we believe it is an attractive investment.

Top Detractors

Monday.com – In August, Monday.com delivered another solid quarter, with revenue and free cash flow both rising 27% and 26% year over year, respectively. The only disappointment was a roughly \$2.5 million reduction to second-half 2025 revenue guidance — a modest adjustment, but noteworthy given the company's consistent track record of raising guidance by at least that amount at this stage of the year.

The guidance change was largely driven by weaker performance marketing trends following Google's adjustments to how AI-generated answers are incorporated into search results. This minor headwind spooked investors, fueling concerns that Monday could be an "AI loser".

Since reporting, Monday hosted an Investor Day where management went deep into the business, addressing AI's impact, unveiling several new AI-powered products, and outlining ambitious growth expectations. Stepping back, we believe the market has overreacted to what is ultimately a transient issue.

In our view, the broader question facing software investors is not whether AI will disrupt the industry, but which companies will harness it fastest and most effectively. We believe Monday.com is among the most innovative and agile SaaS platforms, well positioned to leverage AI to drive a reacceleration in growth over the coming years.

We expect AI to be a powerful tailwind for the software industry over the next decade — expanding addressable markets, improving product value, and deepening

customer engagement. Monday's culture of innovation and speed of execution give us confidence they will be among the key beneficiaries. At current levels, we view the shares as attractive.

Fiverr – Fiverr's results were fine but fell short of our expectations, leading us to trim the position to a 4% weight. Earlier this year, we doubled our position after the company launched a new AI product that we believed could meaningfully accelerate revenue growth in the near term.

Following Q2 reporting, our confidence in that acceleration materializing has moderated, prompting a reduction in position size.

We continue to view Fiverr's risk/reward profile as attractive, but this adjustment reflects our dynamic approach to position sizing – increasing exposure when conviction rises and reducing it when near-term visibility becomes less clear.

Aggregate Portfolio Composition

Here are the top 10 holdings in our fund, comprising approximately 85% of the portfolio as of September 30th, 2025.

ThredUp	Monday.com
Carvana	Uber
Wayfair	DoorDash
First Advantage	Fiverr
Latham Group	Medpace

Other Notable Changes

During the quarter, we exited two positions that were previously among our top ten holdings: **HelloFresh** and **Revolve**.

Our HelloFresh investment was tracking well earlier this year. Following their March investor day, management outlined a credible plan for significant free cash flow growth over the next two years driven by cost optimization initiatives. Q1 results reinforced this outlook. However, roughly six weeks later, the company's CFO announced his resignation, and a new activist investor joined the board. Two months after that, HelloFresh reported results below our expectations. These developments led us to re-evaluate our confidence in management's ability to execute on the cost

program under new leadership. With reduced conviction in the thesis, we decided to redeploy that capital into businesses where we have greater confidence in both the people and the trajectory. As always, we view our portfolio as a “fresh sheet of paper” each day—what we own represents our highest-conviction ideas on a risk-reward basis. We remain open to revisiting HelloFresh in the future should the opportunity become attractive again.

We also exited Revolve during the quarter. Revolve remains a high-quality business led by an exceptional team, but recent results have tempered our confidence in their ability to return to 20% revenue growth. As a result, we lowered our base-case estimates, which reduced our expected five-year annualized investment return to roughly 15%—below our 20% IRR hurdle rate. While we may own Revolve again in the future, we currently see more compelling opportunities elsewhere.

Medpace: Leading CRO Run by an Exceptional Founder

Medpace is one of the leading contract research organizations (CROs) focused on small and mid-sized biotech companies. A CRO manages and executes clinical trials for pharmaceutical and biotech firms, helping them bring new drugs and treatments to market more efficiently and cost-effectively.

Founded in the early 1990s by Dr. August Troendle—who still serves as CEO and owns roughly 20% of the company—Medpace has compounded organically at roughly 20% per year for over three decades, while maintaining best-in-class margins and exceptional free cash flow conversion.

The company’s strategy is deceptively simple: recruit great people, operate with extreme focus and discipline, and own its niche—small and mid-cap biotech. Unlike peers that blend business models, Medpace operates exclusively on a full-service basis, meaning clients hire them to run entire clinical trial phases end-to-end. This structure enables higher quality control, tighter coordination, and more predictable outcomes for both clients and Medpace itself. The result is a business that scales through operational precision, not acquisition. Their relentless focus—both on what they do and what they intentionally don’t—has been a key driver of long-term success.

Equally impressive is Medpace’s capital allocation discipline. Troendle has shown patience during expansion periods, allowing cash to build, and decisiveness when opportunities arise. On two separate occasions when the stock fell more than 30%

amid temporary biotech slowdowns, Medpace repurchased ~10% or more of its shares—each time preceding sharp accelerations in earnings and share price.

Even at a \$15 billion market cap, Medpace holds only a single-digit share of its addressable market, which continues to grow at high single-digit rates. With significant growth runway, a deeply aligned founder-CEO, and a culture rooted in focus and capital efficiency, Medpace exemplifies the kind of underappreciated, inflecting compounder we seek to own.

Closing Remarks

As noted earlier in this letter, we're beginning to see encouraging signs across several holdings whose end markets have been subdued for years. Beyond Wayfair, both First Advantage and Latham Group delivered their strongest organic growth in years last quarter—evidence that these industries are finally stabilizing and may be entering a period of sustained recovery.

It's easy to look at the valuation multiple of the S&P 500 and think, "*the market looks expensive.*" But we are not *the market*—and we continue to see meaningful opportunity ahead, with high return expectations over the coming years.

Thank you to everyone who joined us at our Investor Day on September 4th. We truly enjoyed hosting the event and seeing so many of you in person. Our goal is to make it even better each year, so please don't hesitate to share any feedback or ideas.

We deeply appreciate 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

October 21st, 2025 – Q3 2025 Quarterly Letter

*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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