



To the Partners of Optimist Fund,

Q2 was quiet in the portfolio and loud in the market. We made no major changes to our holdings, and the Fund rebounded materially as fears of escalation in Iran receded.

Since inception, we have delivered on our goal of mid-teens or better annualized returns. Based on the opportunities we see in the portfolio today, over the next 5 years I believe we can do better.

Q 2 2 0 2 6

+36.3%

Optimist Fund, net of fees

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(0.9%)

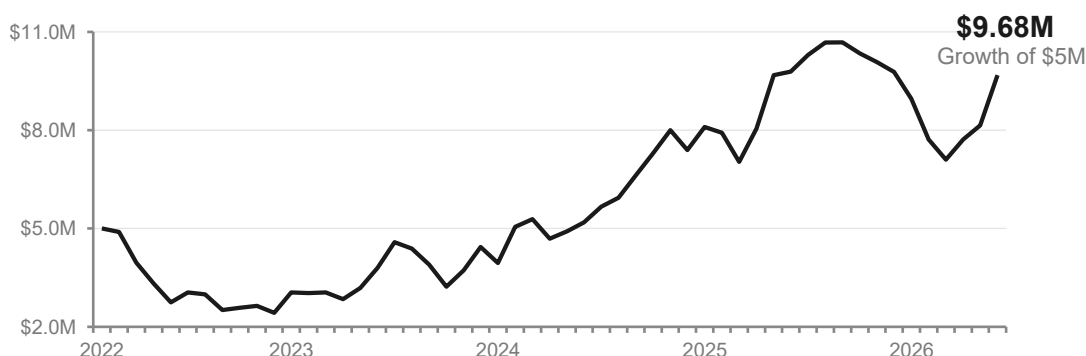
Net of fees

S I N C E I N C E P T I O N

+16.5%

Annualized since Mar. 1, 2022

Optimist Performance Since Inception · Growth of \$5M



Q2 Review

% Returns · CAD	Q2 2026	YTD	1 Year	2 Year	3 Year	S.I.
Optimist Fund*	36.3%	(0.9%)	(1.0%)	36.7%	36.6%	16.5%
Benchmark**	18.9%	11.5%	17.9%	19.1%	20.6%	14.9%
Outperformance	17.4%	(12.4%)	(19.0%)	17.6%	16.0%	1.6%

*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.

Attribution for the Quarter

As of June 30th, 2026		
Top Q4 Contributors	Contribution	Q2 Total Return
ThredUp	13.8%	108.8%
First Advantage	7.2%	53.5%
Affirm	4.0%	78.0%
Wayfair	3.8%	22.9%
Carvana	1.9%	4.7%
Top Contributor Total	30.6%	

Below are the notable developments among our largest contributors.

ThredUp — Active buyers, orders, and revenue all beat expectations, growing 25%, 19%, and 15% year-over-year, and management guided Q2 to an acceleration across every trend. The Q1 beat was flowed through to full-year guidance, which we continue to view as conservative. The quieter but potentially bigger development: the direct listing program, where sellers list their own items on ThredUp, expanded from closed to open beta. The average direct-listed item has sold at more than double the price of the average clean-out-kit item, evidence that the program is capturing supply ThredUp wasn't seeing before. We've baked nothing material from direct listings into our five-year estimates meaning the program is free upside optionality.

First Advantage — Organic revenue grew 9%, EBITDA (earnings before interest, taxes, depreciation and amortization) grew 14%, and adjusted EPS grew 52% year-over-year, all beating expectations. Full-year guidance was reiterated. The stock has rebounded materially from its lows, but our view hasn't changed with the price: we believe this is an \$80+ stock in five years.

Affirm — A newer position we added to significantly during the Q1 correction. Affirm is this quarter's deep dive; the full thesis follows later in the letter.

Wayfair — Another strong quarter: high-single-digit revenue growth and material EBITDA expansion. We visited the new Columbus store during the quarter and came away increasingly convinced the physical retail opportunity is a material future growth driver. The company continues to announce new locations, and notably, Atlanta, their second store, is tracking well ahead of the first, which was already exceeding expectations. We are excited about a continued growth inflection on the horizon.

Carvana — Retail units sold continued to grow at a blistering ~40% year-over-year rate. We visited the Cleveland reconditioning center during the quarter and came away with two impressions. First, the quality of leadership below the C-suite, the ambition and energy of that group really stands out. Second, the efficiency opportunity is far from exhausted; there is still meaningful margin left to capture in operations. The stock is down ~20% this year and is trading at roughly 13x our estimate

of 2027 EBITDA for a business growing organically 40% y/y which we view as a bargain. We have been adding to the position.

Aggregate Portfolio Composition

Here are the top 10 holdings in our fund, comprising approximately 90% of the portfolio as of June 30th, 2026.

ThredUp	DoorDash
Wayfair	Uber
First Advantage	Toast
Carvana	Latham
Affirm	Medpace

Affirm: The Apex Predator of Buy-Now-Pay-Later

Before I really dug into Affirm, I thought Buy Now Pay Later (BNPL) shouldn't exist.

If you need financing to buy a burrito, you probably shouldn't be borrowing money.

That was my uninformed take.

Then I learned that roughly half of Americans carry a revolving credit card balance, often at ~20% interest.

That changed how I thought about consumer finance. A credit card is a great tool if you pay it off monthly. But for millions of consumers, it's a high-cost, open-ended loan:

- A big limit, spendable on anything
- Compounding interest if you slip
- Late fees stacked on top

The ecosystem makes its money when people overconsume and stay in debt. It is very profitable but not aligned with the consumer.

Now compare BNPL, done properly.

Every transaction is underwritten individually, at the point of sale, with the merchant, the basket, and the repayment term all known. You might be approved for a TV but rejected for a bike. Terms are fixed upfront and there's no compounding interest or late fees.

If you don't pay, Affirm loses. Their only way to win is you repaying exactly what you agreed to on day one. They call it honest lending. The incentives point the right way.

Proven history of exceptional execution and a superior operating model

Over the last six years which included a global pandemic and a historic rate shock, credit performance stayed within management's target range while gross merchandise value compounded above 35% annually.

Importantly, Affirm's model is harder to replicate than its rivals'. Klarna and Afterpay mostly offer ~30-day or shorter installments; Affirm's portfolio loan duration runs ~5.5 months. Longer duration demands real underwriting expertise. Due to this, if you are good at it, you earn much higher fees.

The result is the trifecta we look for and rarely find: they are the US category leader, the fastest grower, and the most profitable operator. Those three traits usually fight each other. When one business holds all three, it's exceptionally difficult to compete with.

Founder-led, owner-aligned

Affirm was founded and is still run by Max Levchin who owns over \$2B in stock. This is not Max's first success as he was a co-founder of PayPal alongside Peter Thiel and Elon Musk. We believe he is an exceptional operator.

We are invested alongside an owner, not a hired manager.

The size of the prize

BNPL is still under 6% of US e-commerce spend, Sweden is 20%+, Australia is 10%+. If you include brick and mortar retail, BNPL is under 1% penetrated. Affirm is expanding categories rapidly. What has historically been peloton bikes, TV's, clothing, and goods people buy online, is expanding into law firms, accounting firms, mechanic shops, and the service economy. We believe we are in the second inning of growth for the BNPL industry.

Our 5-year view

Our five-year price target is \$310, roughly 310% upside, a ~33% compounded annual return. The building blocks: ~30% annual gross merchandise volume growth, operating margins scaling from high single digits to 30%+, and a 35x EPS multiple supported by durable advantages and years of 30% EPS growth ahead.

Affirm has been profitable (on a GAAP basis) for only eighteen months which is too brief to be seen as a blue-chip payments franchise like Visa or Mastercard. We believe continued scaling margins will change that, moving Affirm into the consideration set of large-cap quality investors. We are early.

Closing Remarks

Today, we remain highly optimistic about the businesses we own. They are, in our view, market leaders with long growth runways, founder-led or highly aligned management teams, with the ability to compound value for many years to come. While we cannot predict where markets will trade over the next quarter or year, we remain confident in where these businesses can be five years from now.

Thank you for your continued trust and partnership.

As always, please do not hesitate to reach out with any questions.

Speak soon,



Jordan McNamee

Founder & Chief Investment Officer