2026 Pabrai / Dhandho In-Person & Virtual Annual Meetings on April 11, 2026 & April 18, 2026

Note: This is the transcript of the meetings held in Austin, Texas on April 11, 2026, and a virtual meeting on April 18, 2026. Transcripts of the meetings have been merged to produce this single document. The transcript has been edited for readability. The transcript should be read in conjunction with the Annual Meeting presentation slides (password: Munger): 2026 Annual Meeting Presentation

Mohnish: Welcome to our 27th annual meeting. It is great to have all of you. I appreciate you being here. We are going to start with a video on Transocean, which is one of our newer positions. They are going to be talking about their Gen 8 drillship, which is the latest edition. It will probably be the last of the drillships ever built by humans. We will watch the video and then continue.

Slides 3-6:

We will now watch another video about Gimat. This is Turkey's Costco and one of our newer positions. We are excited about it.

Slides 7-8:

We will have the same format as always. I am going to go over Pabrai Investment Funds first, and then we are going to talk about Dhandho Holdings and Dhandho Funds. We will end the session with the most fun part for me, which is your questions.

Slide 9:

PIF2 is the oldest fund. It is 27 years old. As you can see, we are outperforming over a five-year period, and then we are underperforming for the older periods. Then, of course, since inception, we are ahead. But that will change as we move forward. Most of you have not seen these numbers that we are sharing yet because we have not sent our Q1 letter since March 31st. PIF2 is up about 34% for the last year. If I fast forward to yesterday, PIF2 is up another 7% so far in that period.

Slide 10:

PIF3 is also ahead of the indices for the previous 10 years and since its inception. Since March 31st, it is up about 8% beyond what you are seeing.

Slide 11:

PIF4, which has had the strongest performance in the last year, is up another 6% since the quarter ended. But PIF4 has more wood to chop. All of these numbers will convert over time because we have several good things in the portfolio.

Slide 12-13:

We do not charge a management fee. We only charge performance fees. The main things that fund investors pay for are our third-party expenses for audit, accounting, tax, and administration. It is about four to six basis points a year. A year ago, it was three to four basis points. These are probably amongst the lowest across the mutual fund, the hedge fund industries, and so on.

If I had a 2-in-20 structure, I would be getting paid $21 million a year for breathing. We do not have that, which is a good alignment of interest. We also have a 6% hurdle. There are no performance fees paid until we are at an all-time high and higher than 6% annualized on the previous high. There is no leverage. There are no margin loans, no short positions, no derivatives. Moreover, there are about 310 families invested in the funds. We do not have a lot of institutions. It is mostly first-generation entrepreneurs who are investors. It is a great group of investors, so it worked out pretty well.

Slide 14-16:

Our largest position is Reysas Logistics, and we have talked about this a few times. The AUM of Pabrai Investment Funds is about $1.1 billion or so. When we first visited Reysas in 2019, the market cap was $15 million for Reysas Logistics. It was $35 million for Reysas REIT. And at that time, the REIT had a liquidation value of about $600 million. It was trading at about 5% of liquidation value. Logistics owns 62% of the REIT. Today, REIT's liquidation value is around $2.5 billion. It has gone from $600 million to $2.5 billion. The compounding of 26% over the last seven years is from the liquidation value then. The compound rate would be even more than that if we compare it with the Reysas Logistics' $15 million market cap or the REIT's $35 million market cap.

Reysas is kind of like the gift that keeps on giving. They are in the midst of one of the fastest growth spurts in their history. The square footage that they have will double in the next three years. They are also now building some of the largest warehouses they have ever built. The company mostly does not do speculative building. Whenever they embark on these projects, they have a signed lease with a blue-chip client, or multiple signed leases, and so on. Liquidation value may be over $4 billion in the next three years. It might go from $2.5 to $4 billion. If that turns out to be correct, by 2029 it would have compounded at 21% from 2019 when we first invested. It would be over 100x from our original cost basis.

Reysas is a wonderful compounder. The principals running it understand downside protection. It is run by a father and son. The son is in his early 40s. It could compound at 15+% for a long time.

Of course, the holy grail of investing is to buy into a great compounder with a long runway at a reasonable valuation. I did not think that was what we were buying when we bought it in 2019. I thought I was buying a cheap asset that would eventually trade for what it was worth. I did not realize that we had bought into a compounder, which is wonderful. Pabrai Investment Funds owns 29% of Reysas Logistics and about 10% of Reysas REIT. In my view, the liquidation value of these holdings may be around a billion and a half in another three years, versus the market value of $420 million today. The company should trade at a premium to liquidation value because of its capital allocation prowess. It should not trade at what the assets are worth, because then you are not giving any value to the intellectual horsepower of compounding. I believe it should trade at about one and a half times the liquidation value and those numbers would be even higher.

Slide 17-18:

Another position, which is one of our larger positions, is TAV Airports. We have about $210 million in the invested in the funds. They operate 15 airports in eight countries. We do not have too many examples of privately operated airports in the United States. It used to be zero. Now we have two. One is in Puerto Rico, and the second one is at LaGuardia in New York. LaGuardia used to be the armpit of New York. Now people love to fly out of there because it is such a good airport where a private company is putting billions of dollars into LaGuardia.

TAV runs these airports under various concessions except one airport, which they kind of own forever. It is a good business because if the passenger volumes grow by 6% to 9%, the cash flows would probably grow at more than two times that because they have so much operating leverage. Once you have the airport running, running more passengers through it does not increase your cost that much. They have many related businesses like duty-free, ground handling, and technologies. A number of these business units alone may be worth more than the entire market cap of the company, even if you ignore all the airports they have.

This is a wonderful company. One of the crown jewels of TAV Airports is the Almaty Airport in Kazakhstan. In 2021, they had invested $120 million of equity. Last year, the TAV share of the EBITDA was $112 million. That $112 million is growing at double digits every year, around 10% to 20% a year, probably for the next couple of decades. Almaty is one of several crown jewels at TAV. We like that position, and it has good management.

Slide 19-24:

As I talk about these bets, one of the things I have to keep in mind and also let you guys know is that each of these businesses seems to have a wonderful future. The risk-reward is favorable. But I also know that not all of them are going to work. If all of them worked, we would have some crazy numbers, 100% compounding or something for several years. Some of these may not work. I do not know which ones. Or they might work out somewhat differently.

Let us look at our two bets in metallurgical coal. If you look at the graph on the left, that is showing the way global steel demand is increasing. It is increasing at a rate of relatively 3% to 4% every year. Then, if you look on the right-hand side, which is the met coal supply, which is required to produce steel, it is kind of peaking in the year 2029. Even between now and 2029, it is growing at less than 2%. But then it starts going down. It is hard to forecast how these things play out. But if it were to play out something like what is shown, we could get some pretty spectacular pricing on met coal in three or four years. It might, on a sustained basis, be there.

For example, if you get to 2032 or something and the met coal price has gone up a lot, the supply response to that would take at least half a decade. If people start seeing that met coal has high margins and is doing well, and people say, “Let us build some mines and whatever else,” there are a lot of stumbling blocks. It is not in my backyard, getting the permits, getting even financing. Coal is a four-letter word. Getting insurance, getting miners in a booming period, getting equipment. We could have five or seven years that that condition continues.

This is India's steel demand. Both Alpha and Warrior are export powerhouses. Warrior is pure export. They do not sell anything in the US. Alpha sells about a fifth of its output to the domestic steel industry. But as India grows, you can see how the steel demand in India could triple in the next couple of decades. Currently, we do not know how the metallurgical coal supply is going to keep up with that.

The PLV, Premium Low Vol Australian Index, is what most met coal is priced off of. If you look at it in the last five or six years, the period dominated by the pandemic, we have weird things going on in this period. The spike you are seeing in 2022 is because of the invasion of Ukraine. That turned the whole market upside down, and it pushed the prices high. But if you look at this graph and at the average price of met coal over the last seven years, it is $231. If you consider how much inflation we have had in the last seven years, a $237 price today might be similar to a $200 price six or seven years ago. We have a relatively modest price for the PLV index currently.

If you look on the right-hand side, look at the cash flow. We have three metrics: PLV being $225 per metric ton, and then $250, and then $300. You can see how the cash flows for Warrior go from $500 million to a billion, and for Alpha, it goes from $350 million to $950 million in that scenario. On the low end of the curve, which is below the current PLV price, which is $237, Warrior would be producing currently more than $550 million a year in cash, and Alpha producing more than $350 million. They are both debt-free. They are net cash. The enterprise value is even lower for both of them. All of this money that is coming in, in both companies' cases, is being pushed out to shareholders. In the case of Alpha, they are doing it purely with buybacks, and in the case of Warrior, it has historically been dividends, but they are about to start introducing buybacks as well.

If we look at the buyback story with Alpha, which is why we are excited about it. In the last four years, with all the different volatility in the met coal price and all of that, Alpha has reduced its fully diluted share count by 32%. They have taken out one-third of shares outstanding. If we compare that to Apple, Microsoft, Alphabet, or Meta, over the last four years, they have reduced their share count by 11%, 2%, 9% and 7%, respectively. One of the big reasons for that is that they have so much stock-based compensation that the money does not come to the shareholders. A lot of it disappears in the team. Whereas with Alpha, even including all the stock-based comp and everything else, it is coming to the shareholders. Taking out one-third of their share count in a period where the average index price is not doing anything unusual is awesome.

Alpha currently has less than 12 million shares outstanding. I do not think they can go below 4 million shares outstanding because there are people like us who will not sell. In the 2033 - 2035 timeframe, that is when they may get to 4 or 5 million shares outstanding in the next maybe 8 years or something. After that, dividends could be more than $250 a share. The stock price is even less. It is about $200 a share currently. You can see that the dividends become explosive at that point. This is the thesis. I do not know whether this is how it will play out. All our bets have different things going on with them. Some of these may work, and some may not. We do not know which is which, but this looks like a good risk-reward for some interesting things to happen.

Slide 25:

We have already looked at Transocean with its Gen 8 drillships. We have all the drama in the Straits of Hormuz going on, which makes the offshore drilling attractive. One of the things that is counterintuitive is that drilling for oil offshore is cheaper than drilling for oil onshore. One would not think that. You are going deep into the ocean, and you think there are all these extra costs, like helicopters, crews, and so on. But the reason for that is that the large basins, the most prolific basins of oil, which were onshore, have mostly been depleted over the last several decades of drilling. We have a few of these basins, like the Ghawar Field in Saudi Arabia, that are still prolific and producing, whereas on the offshore side, we effectively have these large basins that have not been explored. They are going through them. There is a lot of oil there, and they can get to it relatively straightforwardly. A third of global oil production is offshore, and the average cost of bringing up oil from offshore sources is under $30 a barrel. It is approximately even like half the cost of fracking. The other thing about why we like Transocean and what they were even talking about in the video is that the industry went through extreme overbuilding about 12 or 13 years ago. The rates were high, and then everyone went bankrupt because the rates collapsed. At this point, the rates that these drillships get per day do not justify the possibility of any new drillships being ordered. For example, those 8th Gen drillships they showed in that video, they get paid approximately $600,000 to $700,000 a day for those drillships. Because we humans have not built a drillship in 12 or 13 years, the expertise has gone away. You would somehow have to kind of get that back. The shipyards are busy, so even trying to get a slot in there would take a while. But that type of drillship to be built today would be well over a billion dollars. It would take 3 to 5 years to procure, and it would require contracts of over a million dollars a day, maybe 1.5 million dollars a day, for 10 or 15 years to justify building it. If rates went to a million or a million and a half a day, there is a possibility people may place orders, but the problem is you are not going to get the drillship for 5 years. You are speculating about what the rate is going to be five years from now. In the meantime, with the Transocean fleet, anything that the rates go up on, they have 100% margins on that. They kind of clean up on that. That is the nature of the bet there.

Slide 26:

We are extremely concentrated, and I try to make sure our investors understand how concentrated we are. If you look at PIF2, 84% of the fund is in the top three positions. In PIF3, 87% is in the top three. And in PIF4, it is 80% in the top three. We have never invested more than 10% of assets in anything. We cannot justify trimming these. We would have a lot of tax implications for trimming these, plus we have seriously undervalued stocks. If I look at TAV Airports, it is sitting at 19% of PIF3. TAV is worth multiple times the way it is trading. We cannot justify selling it. What I have told investors, because we have so much concentration, is that if your total exposure to Pabrai Investment Funds is less than one-fifth of your net worth, then there is nothing to be concerned about. Because effectively, you do not have more than around 8% of your net worth in one particular area. If it is more than a fifth of your net worth, then I would say you should consider trimming the position. You could redeem at the end of the year. It is something to keep in mind that it is concentrated. I do not lose any sleep over it. I like these positions. We have known these companies for a long time, and we like them.

Gimat, which we touched on briefly in the video, is the Turkish Costco. It is the closest thing we have to a venture capital-style bet. It is a venture capital from an upside point of view, not from a downside point of view. If things do not work out with Gimat the way they would like to grow and scale, it is difficult for us to lose money because of the real estate holdings and everything they have. In the worst-case scenario, we would make a little bit of money. In the best-case scenario, we might have a Costco or Walmart on our hands. When I visited them last year, it was impressive to meet with them. The history of Gimat is that 1,000 wholesalers came together under a wonderful servant leader. They formed this company a while back. Each of those wholesalers got 0.1% ownership in Gimat. When they opened the first store, because you effectively had your entire supply chain being an owner of the business, they all went behind the company to make it work. The store took off instantly. There is nothing quite like it in Turkey. The public loves it. They opened their second store, and it took off instantly. Across all the funds and everything I manage, we own more than 25% of Gimat now. It used to have 1,000 owners. They did not want to go public. What happened is the Istanbul Stock Exchange tapped them on the shoulder and said, "If you have more than 600 shareholders, you are deemed a public company, and you need to be listed on the Istanbul Exchange." They listed the company not to raise capital, but because they were forced to list. Their big concern when they listed was that they could be taken over, because there was no controlling shareholder. Now we have more than 25%. A friend of mine, Haydar, owns more than 5%. These are public filings. They are proud of having us as shareholders. It has also given them some comfort that no one can come in and take over. Because certainly, if something like that were happening, we would work with management. Gimat is a bet where if things work out and the culture is great and people are great, then it could be quite an interesting development. If things do not work out, I do not think we have much downside.

Slide 27-29:

In terms of exits, there are two drilling companies that we had originally invested in, Valaris and Noble. We exited both these companies because we had first ignored Transocean, as it had a lot of debt. But then, as we studied it, we realized Transocean is the best operator. We sold those two names and put them into Transocean. When we did this swap, we made about $10 million. We ended up with a better business.

Recently, Transocean has decided and agreed to acquire Valaris, which is a good deal for us because it brings together two companies and reduces the risk profile.

Transocean is the best operator, in my opinion, out of the three companies. That manifests itself in terms of downtime. Their ships have the least amount of what they call white space, which is a ship sitting idle. The reason it has the least amount of white space is that the customers like their crews and operations. In February, they announced they are going to merge with Valaris, which strengthens their balance sheet and gives more market concentration to fewer players. That is good for everyone.

Slide 30-32:

Moving to Dhandho Holdings, we raised $152 million about 12 years ago, and that was a mistake. We have returned about 80% of it. About $127 million is

back with the investors. We are kind of putting the toothpaste back in the tube. The rest of the money will also come back. There will not be much return on the money, but not having a loss of capital is a good thing.
What remains at Dhandho Holdings is that we have five positions, which we have talked about, and that is about nearly half the pie.

We also have 44% invested in an illiquid venture fund, a big mistake to invest in. But anyway, they have two businesses which are doing well, Outdoorsy and May Mobility. Outdoorsy is looking to go public at some point or is looking to raise some more capital. There may be an ability for us to get out at that point. May Mobility might also be going public. Those are the venture bets. Then 11% is in Dhandho Funds, which we are quite excited about.

Slides 33-36:

The Wagons Fund, which we converted to an ETF this February, is doing well. It has now got over $165 million in assets. When these assets go over about $175 to $200 million, then it becomes profitable. After that, it is 90% margins. It is a scale-driven business.

The AUM is $165 million. The business becomes profitable at over $175, which is around the corner. We might get there in a few weeks or something. To give a scale on this business, if the assets and the management are a billion, the GP could be worth $50 to $100 million. At that point, if something like that were to happen, then Dhandho Holdings would become interesting in terms of paying some good dividends to the investors.

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ETF investing involves risk and principal loss is possible. Shares of any ETF are bought and sold at Market Price (not NAV) and not individually redeemed by the fund. Past performance is not a reliable indicator of future results. Diversification cannot assure a profit or protect against loss in a down market.

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.

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Slide 37-39:

We have had a mechanism for allowing investors to fully exit Dhandho Holdings, and usually, insiders buy these units if anyone wants to get out. In my opinion, it is a mistake to get out. If people need liquidity, we can accommodate that.

I want to say that the team, which is all here today, is the best team that I have worked with in my whole career. They are exceptional individuals. The three ladies you see at the bottom there, all three are in India. On the left is Anu, who is India's equivalent of a chartered accountant or CPA. It is an exceptional team. We have Fahad, Jaya, Aidan, Kimberly, and Pauline. I hope you get a chance to meet with them. It has been a lot of fun working with them. We have a lot of tailwinds behind us now.

We have a whole set of people we work with. US Bank, custodian of our ETF, PriceWaterhouse does our audits, and Dentons is our law firm. Horizon is our local bank. AK Bank is our broker in Turkey. A wonderful set of companies we work with. Some of them are long relationships.

Let us move to the Q&A session now.

Question: This question is not about any of the holdings that we currently have. But I am interested in the Indian construction market. I was wondering if you might have done any research into that.

Mohnish: One of the issues in general in that space in India is that it is not a clean space. There is a lot to do, like getting the permits and all that. There are a lot of payoffs. We do not feel comfortable going there. I have never spent time looking at those types of businesses.

Question: Thanks for hosting this meeting again. In 2022, you talked about making a pivot in terms of your approach from 40 or 50 cent dollars to long-term compounders like we have seen today. And now that about four years have gone by, that is kind of a meaningful amount of time to maybe look at some conclusions and learnings. How do you think that pivot has gone? When I look back, it looks like you doubled in that four-year period, which is obviously acceptable. And maybe any surprises, either good or bad, from that pivot?

Mohnish: That is a good question. One of the problems, which I certainly ran into, and many value investors run into, is that for all of us, the starting gateway drug is Ben Graham. We all start with Ben Graham, which, in hindsight, is a negative. Graham himself made most of his money owning a compounder, which was Geico. But he wrote about all the Net-nets, the workouts, and special situations, but hardly wrote about Geico. Mainly because he felt it was not easy for the individual investor to find or plan to find a Geico, for example. We overdosed on Graham, which is a big problem. Graham had three great ideas, which are: “A stock is not a ticker, it is a fractional ownership of a business,” “Mr. Market is there to serve you, not to advise you,” and “Margin of safety.” Those ideas are central and great about Ben Graham. But then we also get this fourth thing, which is the net-nets and special situations. Warren Buffett himself started with all of that, and then Charlie helped him move away to the great businesses. When I look back at Warren Buffett, for example, the oldest holding Berkshire has that they have retained from where they bought it is Coke. They bought Coca-Cola in 1988. If you think about it, it is a 38-year hold at this point. The second-longest position they have held is American Express. But if you look at the 38 years versus Warren's age, he is 95, going to be 96 this year, and you are getting to around the age of 58, it is when he gets into the first equity that he decides to hold. I do not feel bad about being enlightened at the age I am getting enlightened, because Warren took so long to realize that. But I wish I had gotten this education earlier. Old too soon and wise too late. The movement to owning the great businesses and the great compounders is such a no-brainer. It is the way you want to go. It is tax-efficient. You get to be a partial owner of a business for a long period of time. They are rare. 4% of the public companies over the last 90 years have delivered almost the entire returns we have had in the stock market. 96% have done nothing. This 4% has driven everything. Only about 3% or 4% of Warren's bets have led to what we know as Berkshire Hathaway. It is interesting that what happened in the general market and what happened over the last 60 years with Berkshire Hathaway, even with having God at its helm, was a 4% hit rate, if you will. The 4% tells you that you are not going to find these compounders every two weeks. That is not going to happen. When we find ourselves in the happy position of having some of these in our portfolio, like we had not planned when we made our Reysas investment, that this is a compounder. It took me a few years to realize that we have a compounder on our hands, which is great. We believe we have enlightened management who are great capital allocators, building assets with deep moats around them, which looks great. We also have to have the humility to know that if I look at our positions like Transocean, met coal, TAV Airports, or Reysas, one or more of these will not work. I do not know which ones, but even though each one individually looks favorable, I know that even two or more may not work. But it does not matter. We do not need them to work. As long as we end up keeping it this way, I believe things will work out well. When I look back, if I had had the enlightened view I got in 2022 or thereabouts earlier, we would not have sold Ferrari. We would have kept that. We used to have a position in Progressive going back 25 years. That was another stupid thing to sell because that is another great business. We would have had a 25-year run with that already by now. We bought Goldman Sachs during the financial crisis at half the price Warren Buffett paid. Buffett invested at $130 a share. I invested at $65 a share. I literally caught the bottom tick. I should not have sold that either, because that is another great business. It was a mistake letting these wonderful compounders go. Now, we are more aware. Mistakes will continue, but I hope they will be fewer.

Question: Is it possible to publish the fund values on the first day after the quarter ends so we can decide whether to add more funds or stay put?

Mohnish: The NAV is calculated by an independent administrator, and they need time. They administer a lot of funds. They do it fast for us, but there is no way we can get it out in a day. It would be counterproductive because I do not think investors should be making decisions on whether to invest in Pabrai Funds or not based on what happened in the last 3 months. That is a terrible way to invest. My suggestion is not to be that focused on the near-term wiggles. Just come in and stay in, and things should be okay.

Question: I am interested to hear your thoughts on the macro environment today, lots of moving parts with oil and with logistics. And curious what, you know, of the big investments that we have in the funds, what gives you the most pause or concern? You know, obviously, we want it to all work out.

Mohnish: Yes. That gets hard. It is murky, kind of a fog of war, if you will. If we do not have extreme clarity, I am reluctant to act. The whole situation in the Middle East is volatile. I have no idea how it ends and how it impacts us. When we have this sort of murkiness going on, we are not seeing anything directly negatively hit us right now with what was going on. I would say that oil prices going up are net positive for the offshore drillers. People will want to get more oil from other sources. There is a little bit of positivity there. Turkey and that area looked more stable now versus Dubai and such. There is some change there, but that could reverse easily at any point. The best I can tell right now is that it is murky, and there are no clear signals or indications to do anything. In general, when you are running a portfolio, being reluctant to act is a good thing. Try not to react to every wiggle. We have not made any changes based on anything that is going on. I do not anticipate any changes because I have not seen anything that gives me clarity that X is going to happen or Y is going to happen, and that is going to help us or hurt us or whatever. We go along with it.

Question: What is your perspective on political instability and its potential effect on fund values?

Mohnish: It has been my experience that for most companies that we invest in, it would be micro events within the companies that determine the outcome of what happens, versus macro events. Investors, at the same time, especially when they are looking at markets outside the US or emerging markets, tend to overemphasize the macro events and underemphasize the micro. Micro trumps macro, and we have seen micro trumping macro with the way these companies have performed in a depressed business climate, with what they have done. There is always this talk that comes up about state expropriation of assets. There has been no history of that in modern Turkey for the last 100 years. These businesses are not political entities. Reysas is a retailer that rents warehouses. GIMAT is a retailer. TAV has an interface with the government because it has all these kinds of concessions and such. But I would say even for a business like TAV, Turkey recognizes that these airports are well run. They are extracting their pound of flesh with all the concession fees. Those concessions come up for renewal periodically, and they can renegotiate everything legally. If I look at something like TAV, so much of the revenue is outside Turkey and in euros, so it is a mistake to put a lot of emphasis on it. You can put some emphasis on the macro, but trying to say that you are going to have this and that kind of outlier event take place, that goes too far overboard.

Question: PIF returns are in US dollars and majority of investments are in Turkey. You had mentioned that inflation in Turkey is coming down, yet the lira keeps losing value versus the US dollar. When do you see the lira recovering strength versus the US dollar?

Mohnish: A good kind of Mohnish's back-of-the-envelope way of looking at inflation in Turkey in terms of what is happening versus what the government reports, is to just look at the exchange rate change over whatever period you want to look at. That would tend to tell you what is going on in terms of inflation. A wonderful finance minister came in to head Turkey. He used to be at the U.S. Federal Reserve, and he got an assurance from Erdogan that he would be given full autonomy to run the monetary policy as he saw fit. Erdogan assured him of that, which I was surprised. Erdogan has kept his end of the bargain so far, which also I was surprised at, and he took interest rates from under 10% to 55%. This is Paul Volcker on steroids, and he broke the back of inflation. When he came in, inflation was running at more than 100%, and you could see that in the way that lira was going down versus the dollar. It was going down at around 100% rate, and now the interest rate is in the high 30s. He has been bringing it down aggressively, and the inflation rate, if you look at it from the point of view that Mohnish looks at it, which is, look at the changes in exchange rate, it is around 20-22%. Turkish inflation is not where he wants it to be, but it has come down a lot. The interest rates are high at the mid-30s. The thinking that most people have is that in the next couple of years, 2027 and 2028, those interest rates are going to come down to single digits. I also want to point out that if interest rates are 55%

or 40% or 37%, you can imagine what that would do to the business climate. It is designed to depress the business climate. In that depressed business climate, all our positions in Turkey are hitting it out of the park. In this depressed business environment, Reysas is 99+% leased, growing footprint at more than 25% a year, hitting it way out of the park in a depressed business environment. TAV Airports have constraints because of Airbus, Boeing, and Pratt & Whitney. They also have constraints because of the war in the region. All of that, yet traffic is growing. Cash flows are growing in a depressed environment. They are growing, hitting it out of the park. GIMAT, which we have not talked about much, is a complete rock star. They opened their second store, it got mobbed. They could not handle the crowds. The parking lots cannot handle the cars. All 3 businesses in depressed environments are hitting it out of the park. I would like to also say that Microsoft and Apple were formed in 1976 in a depressed business environment in the United States. Walmart was scaling rapidly in the 1970s in the US, in a stagflationary environment, a depressed, horrible environment, 18% interest rates. Walmart just blew straight through all that and kept going. Why are these companies growing? Because they have incredible moats and incredible leadership. The incredible moats and the incredible leaderships are making mincemeat of a depressed business environment. That is another reason why we do not want to touch these bets.

Question: It seems like Israel has its sights set on Turkey, even though Reysas and TAV are amazing businesses. Wouldn't this potential geopolitical risk be a good reason to sell some of these positions to invest in other companies you mentioned earlier?

Mohnish: There is a lot of political rhetoric all over the place, so I do not pay too much attention to that.

Question: Now that Turkish inflation is coming down, are you going to revisit Icecek and Anadolu Hayat?

Mohnish: It is unlikely. I am not that interested in going heavy on insurance and retirement assets, but we will see. That is not high on our list.

Question: If memory serves me right, we bought Micron at about 30, sold it at 60 approximately in 2023. What have you learned from that, given where it is at now, north of 300, maybe north of 400? I would like your thoughts on that.

Mohnish: We had most of it right about Micron. Of course, the thing that has driven Micron more recently was not on the radar. Our first investments in Micron were made around 2018-2019. At that time, there were many things about the business I liked. One of the things I liked a lot about it is that it was a difficult business for new entrants to get into. You had three players, and that was not going to change. It is unlikely to change because I remember I was having a call with the CFO of Micron around 2019-2020, and he said, “If one of our fabs burnt down, and we had to recreate it, there is so much black magic in making memory that we do not know if we can recreate it. Even though we have all the patents and we have all the engineers (we probably even have the engineers who were originally responsible for building that plant), we do not know if we can recreate it. It is a difficult business to get into, so the moats are strong. The other thing that was also visible at that time was that memory demand would grow a lot. At that time, in 2018, we were looking at it; there was a lot of interest and kind of forecast being made about self-driving cars, which we have now seen some of, but not a whole lot. But each of these self-driving cars is like a server farm in the car, and it has a lot of memory. When you start looking at some of these things in terms of how much memory they need, it is a lot. AI was not part of the picture. We never considered AI because there was no ChatGPT or anything else. There were no tread marks to look at that time. When we looked at it in 2023, we sold between 70 and 80 per share. At that time, it was an opportunity cost because we were looking at things that we wanted to invest in, and we had a return. Even knowing everything I know today, with the data that we had then, I do not know if we would have made a different decision. Of course, what happened is that AI took off in a way that we never anticipated. Now they are in the epicenter, and you cannot do without them. They are selling the pickaxes in a gold rush. It is a good company. I like Sanjay and the team. It is a good company, and it is the way it is. I would say that when I look at a business like Goldman Sachs or Ferrari that we sold, I can clearly say it was a mistake to sell. I do not know if I can make that comment about Micron because the tread marks we had then did not show us that this was the trajectory. We held Micron for more than 5 years. It is an unfortunate situation, but it is the way it is.

Question: I would say I spent the better part of my career in the semiconductor industry. When you sold, I thought that was a good move myself. So, what do I know? Other companies, like Seagate, have now been pulled along because of the AI-driven demand, also, and people did not foresee that at all.

Mohnish: Yes, we are not going to be able to get them all right. But in general, inaction is a good thing.

Question: I believe you mentioned last year that you could see, maybe in the next 5 to 10 years, that Reysas might find a new home when there is a generational shift in management. I was wondering whether or not you might be able to provide some sort of update on your thinking there, if it has changed, or where we might be on that sort of timeline.

Mohnish: Reysas gets approached a lot to be acquired. It has been happening continuously for many years. Their approach is to sit and talk to anyone who comes up with a serious number. Every time I meet them, they say, "If someone talks to a number above this number, we will take the meeting." They are not going to sell, but to be entertained. At the last annual meeting they had, the grandson of the founder was there; he was like 11 years old. They said they have to train him to get him going. The son, Egeman, is in his early 40s. I do not know what they may or may not do. They have expressed that they are content to compound for a long period. At the same time, they may at some point decide that, "Oh, this number is large and we can do whatever else we want with our lives." I have always encouraged them to stay in the saddle. Let us keep running this thing for a few decades. I always tell them that Reysas is a family business. My family and their family own the business. I represent the Pabrai Investment Funds of our family. I said, "This family is not asking you or telling you what to do or asking for board seats or anything. But if you care about any opinion, we would like to keep it going. Our vote would be as long as you guys are focused, keep it going." The best I can tell today is there isn't anything imminent for them to do anything. They are going through this big build-out. I know they want to complete all of this, because otherwise they would leave value on the table. But after that, they have fun; it depends. It is hard for me to tell whether our compounding story ends in 2030 or 2050. But we hope it goes on for a while.

Question: Mohnish, thank you. Can you kind of get on a granular level on Reysas, on kind of where we stand today versus when you started investing? I believe when you started investing, they had around 12.5 million square feet, maybe 10 million of non-refrigerated, 2.5 million of refrigerated space. It seems like they have had a lot of growth, but I keep hearing still those 12.5 million square feet. So, can you kind of update us on where they stand there? And then, do you see them, if they are doubling on this build-up, do you see that 25 million, or what is the number that we are looking at that you project, and then also, if there is any way to nudge them on a Warren Buffett-style letter to shareholders, this is what you own. I am writing this to my sister, my family, so that everybody knows this is exactly what's going on within the company. Thank you.

Mohnish: The son now comes to Omaha every two years. We have started the brainwashing, but that is a long uphill battle. I remember when the market cap was 50 million or something, and I told them, "Nothing would be better than buying back your shares." They looked at me like I was from Mars. Then, as it got to like 600, 700 million, they started to buy back their shares. That took a while to get, but they finally started to understand buybacks. My friend, Haydar, recently met with the CEO of Gimat. They were expressing to him that because of my ownership in the stock, they have had a lot of inquiries from foreign investors and institutional investors interested in learning more about Gimat, which is good. Hayder told them he is going to help them put together an English PowerPoint to explain the story a little bit. They are open to that. Reysas has never been open to it, and I do not like to push them because we have a good relationship. I do not want to come across as one with sharp elbows, do this, do that. I do not want to tell them what to do. But I do make suggestions, like them coming to Omaha, that is a good thing. I also tell them that having a deck of any kind in an investor relationship would be good, and trying to explain the business would be good. It is interesting because if we were not meeting with them, it would be difficult to understand the business. Because they do not give anything beyond what is the bare bones of legal requirements. It is the complete opposite of trying to explain your business to your sister or something. But at the same time, their capital allocation has been extremely good. I do not think their total square footage was 12.5 million six or seven years ago. It might have been closer to ten. They have had some growth over the last two to three years. But they are now building.

The biggest warehouses they used to build for the most part used to be 200,000 or 300,000 square feet. Those are pretty large. They are now building some that are a million square feet. Their applications are more toward e-commerce, kind of Amazon-style warehouses. They are moving into a little different business, which is good. That is giving them a larger footprint. They think they are going to be north of 20 million square feet, maybe 22, 23 million in about three years. They are going extremely aggressively, very fast. Their execution is good on these build-outs. One of the things that took me a while to realize is that Buffett used to say about David Sokol that what he got done by 10 AM in the morning, Warren could not do all day. He says that now about Greg Abel. What takes Greg Abel a day would take Warren more than a week, even in his prime. He alludes to the fact that these guys run extremely fast. What I realized with the Reysas guy after watching him for some time was that his execution speeds are fast. I do not think they themselves realize how unusual they are; that they have execution in a manner that others do not have. Also, I do not think they realize that they have discipline in capital allocation with high bars that others do not have. Moreover, they have an aversion to debt. The way they have run their affairs has given them a lot of flexibility.

I will give you an example. One of their oldest warehouses, which ended up surrounded by the city with a lot of apartments, became kind of ideal to be redeveloped into condos or apartments. What they did was they did a deal with a residential builder because they had not done residential building before. They said, “We will give you the land, and you give us 50% of the units. You keep half the units, you sell them, you do whatever you want. We get 50% of the units for free, and we can do whatever we want with them.” That was the deal. It is a similar deal to what Gimat has done with the real estate they are building out right now. The company they did the deal with, which is typical of the average Turkish operator, was a levered business. What these guys did is, as soon as they got the rights to do the build-out, they announced the project, and they pre-sold units, their own half of the units. They took in these deposits and applied that money to other projects where they were short of funds. Then they did not have the funds to build this. They have done the deal to build it out. There were two pieces of land where they had done the deal. One piece of land was sitting idle; they had done nothing to it. The second piece of land, on which they started construction, the company got into a situation where they could not finish it.

Reysas is sitting there saying, “I am supposed to get half the units. You are several years past the date I am supposed to get half the units.” Then the father and son are talking to each other and saying, “If we sue these guys, we are going to spend 20 years in court, and we are not going to see anything.” They decided that they are going to sweet-talk them, instead of suing them. The first thing they said they did was pull the second piece of land. They told them, “Listen, you have these issues here. Let us cancel the deal on the second piece of land.” The company agreed to give that back to them. They decided that they were going to build it themselves. In no time, they had it built, because the son is the Energizer Bunny, like Greg Abel. He turned on his jets, and he got it done, even though it was something they had never done. That piece was saved and set. The first piece, which they did not want to go to court for, they worked with that company to get them to the finish line and have the apartments ready. Eventually, they got their apartment. The project took longer. But the contrast is in the two owners who have the 50%. Reysas got their 50% units. They never pre-sold anything. They took no debt against it. It is completely unencumbered. When they finally got ownership, they had always told me, “We are going to sell these units. We are not in the residential.” But they made a decision later that why not rent them. They said, “We do not need the cash. We can rent these units.” They had the financial flexibility in the balance sheet, where they were not under any pressure; no bank loans. They started renting the units. Even the ones they built themselves, they rented those out. It shows you the difference between two kinds of operators, where they calmly went about their business, got these units, took no debt on the balance sheet, and got it done. What I find is that when they are doing these different deals, I do not think they realize how off the charts they are in the way they run their operations.

A lot of the warehouses in Istanbul are in an industrial area where you have a lot of warehouses. There is a hill from which you can see the rooftops of all these warehouses. When I was near that hill, I could see all the Reysas warehouses and the non-Reysas warehouses. I could see that all the Reysas warehouses had solar panels on them. Putting solar panels on warehouses is the most no-brainer because Turkey has these net metering laws. If you put up solar panels on ground mount, it is more expensive than putting them on large industrial-sized warehouses. That is because in the warehouse, you have no animals that are going to come there. You have already got everything flat. The stuff is already there. It is cheaper to put it on the rooftop at scale than to do a ground mount system. It is also cheaper to maintain.

When Reysas figured out the economics were so compelling, again, the Energizer Bunny sort of turned on his jets, and in 3 years, they had it all built out (they had 70 warehouses). I saw the non-Reysas warehouses, which are much smaller. Their next competitor is 1/30 their size in Turkey. They do not have a competitor at scale. These smaller operators could clearly see what Reysas was doing with the solar panels. They could also clearly see the compelling economics. And even seeing all of them, most of them never put the solar panels in. As Mark Twain says, "Truth is stranger than fiction because fiction has to make sense." Reysas has clearly understood it is a total no-brainer. You put the solar panels in, and you are getting 15% 20% return unlevered on these panels. Why not do that? We find that they operate in a much better way. On the other side, Mercedes, Toyota, IKEA, and Amazon love to deal with them because they are dealing with people who are business savvy and credible. They will get the deals done. They know if they tell them, "I am going to build you a million square foot warehouse in 14 months," it will be done. They have all of that reputation built in. On the other side, when you look at it as a public company, they do not understand well how to think about ownership in a public company. Also, it was a big shock to them when people like us owned this huge position. After I invested, he said, "I am inundated with calls from all over the world because of you. There is a guy from New Zealand who will call me, and one from Australia. They want to come meet me." He finds it all curious. At some point, they will get it, but they do not get it currently. But I will take the package; it comes with the good and bad. I will take the package the way it is. That is fine.

Question: This is a question on dividends that Reysas was supposed to be issuing, and there were some changes in Turkish law that would increase taxation for REITs that did not issue dividends.

Mohnish: What we have understood from management is two things. One is that the way net income is calculated from a tax perspective for Reysas means that they are not on the hook to be forced to pay a dividend or pay higher taxes. First of all, they do not have a situation where they have to pay a dividend. The second thing is that Reysas is in a situation currently where they are reinvesting everything coming in at relatively high rates of return. Everything coming in, in terms of cash flow, is inadequate given the rate of growth that they are going through. They have asked the regulator to approve two rights issues for Reysas REIT and Reysas Logistics to partially fund their growth. I am with Reysas management in the sense that I do not want them to be issuing dividends if they have the ability to redeploy that money at high rates within the business, which they seem to do. I do not think any dividends is coming out this year at Reysas. I do not know about the future years. It depends on what their net income from a tax perspective looks like. Then they will make a call and will issue statements along those lines in the future.

Question: For my own position sizing, if Reysas is still trading at a 60% discount to liquidation value in 2027 after the catalysts have fired, what would that tell you and what would you do?

Mohnish: From my point of view, it is simple that if we have a great compounder that we own and it is continuing to compound, we want to sit and do nothing. We want to own that position and the only time we would look at possibly exiting a position like that is if it got to egregious valuations. If it is trading at a discount to value and still compounding, it is a no-brainer. We would keep it like we have kept it for the last 7 years.

Question: Is Reysas only in Turkey?

Mohnish: You can think of it as 99% Turkey at this point.

Question: What will be the driver that takes Reysas to liquidation value? Or better yet, intrinsic value. Given the lack of transparency from the firm, the uncertainty that it causes, will it forever be trading at a discount or liquidation value?

Mohnish: In the 1960s, Ben Graham was called to testify by Senator Fulbright about volatility in the stock market. Senator Fulbright asked him the following question, and I am paraphrasing: “Professor Graham, you say that if a stock is trading at $10 and its intrinsic value is $20, what are the forces that would cause that stock to eventually trade around its intrinsic value?” Ben Graham's answer was: “Senator, we do not know exactly what forces would cause that stock to move from 10 to 20. But what we do know is that over the long term, the stock is going to trade around its intrinsic value. It is going to find that value eventually. How it gets there or why it gets there and the reasons it gets there, is not something I can give you any enlightenment on.” When we look at Reysas with all the lack of transparency and everything, we have seen the REIT’s value go from $35 million to over $1.5 billion in the last 7 years in dollars. In fact, it was trading at less than 5%, maybe 4% of liquidation value. Now it may be trading at 60% of liquidation value, something like that. There has clearly been a significant movement in the stock, even though there has been no movement in the way the company handles investor relations. If you look at Reysas Logistics, it was trading at maybe 3% of liquidation value. Now its market value is around a billion, and its liquidation value may be around 1.5 to 2 billion. It is trading at maybe 50-60 cents on the dollar. They both moved quite a bit. They have not moved fully, but at the same time, the entire Turkish market is still cheap. I would say that the pricing for Reysas in 2026 is way more rational than it was in 2019.

Question: What will it take for intrinsic value recognition to show up in the Reysas’s stock price?

Mohnish: This has been an ongoing story for many years, based on our analysis. Moving from $35 million to $1.5 billion is quite a significant move. I would say we have a depressed business climate in Turkey. However, there is a possibility that by 2027, and especially 2028, if inflation and interest rates both fall to single digits, the country could experience a boom unlike anything that we have seen before. In that situation, we could see rents become euphoric, well above reasonable baseline levels, and stocks could trade at similarly euphoric values. If you look at a company like Coca-Cola, it was trading at probably 7 times trailing earnings in 1981. In 1999 or 2000, it was trading at something like 50 times trailing earnings. There was one period of time when it was trading at a depressed valuation. There was another period of time when it was trading at a euphoric valuation. We have seen that with Micron, and we will see that over and over again with all these companies. It is not written in stone that Reysas will forever trade at a discount to intrinsic value. In fact, I fear that Reysas gets euphoric. Let us take a situation where Reysas is going to compound at 15% a year for 50 years, for example. A 15% a year compounding for 50 years would mean that we are doubling every 5 years. 2 to the power of 10 would be 1,000 times. You would take 2.5 billion times 1,000, and it would be 50 years from now at 2.5 trillion. In 2028, for example, the liquidation value is $4 billion, and it trades at $10 billion. We think of that as too euphoric and too extreme, and we exit, and then it continues compounding. That is a terrible outcome because we would have paid a lot of tax, and then we would have missed out on 47 to 48 years of compounding. None of this is easy, but these are all good problems to have. We will see what the problem looks like in 2028, and hopefully, we can have this discussion at that point and see what things look like.

Question: Regarding Reysas, you addressed the dividends but not the 5-year lease repricing under Turkish law. Has that process started yet, and what is the expected cash flow impact when it does?

Mohnish: Let me tell you more than you ever wanted to know about Turkish real estate leasing laws. If Reysas signs a 1-year lease with a commercial tenant, and after 1 year the tenant elects not to leave, the tenant cannot be evicted. That is different from U.S. leasing laws. The tenant can continue staying and renting that property for 10 years. If they sign a 1-year lease, they could stay for 11 years. Every year after the first year, the rent would adjust based on the officially published rate of inflation, which has historically been lower than the real rate of inflation. Reysas has a lot of these 1-year leases. Nobody leaves after 1 year. The adjustment happens. It is not an adjustment equal to the market; it is below that. As time goes on, the rents are getting further and further away from the market rent. The law says that after the 5th year, the tenant and the landlord can take a look at market rents, have a conversation, and make some adjustments beyond what the inflation numbers are saying. But in the event of a disagreement, the landlord still cannot evict the tenant. Let us say Reysas starts when rents are $4 a square foot. After 5 years, let us say they are $5 a square foot, and let us say the market rent is $8 a square foot, for example. At that point, they do not have all the levers to take it to 8. They may be able to get them to 6 or 5.5 or something, so they may get a little bit more of a bump from them. There are a couple of other wrinkles in Turkish law. If the tenant is ever late by even one day on paying the rent, they can be evicted after the lease term has expired. Reysas complains to me that all the rents show up a week before they are due. If they are due on the 30th, they are all there on the 23rd, not even the 24th or the 25th. They are there on the 23rd because all these guys want to make sure they are not anywhere close to the line of being evicted. After all, they understand that it is the red line they cannot cross. What happens after the 10th year after the lease expires, which is effectively 11 years, is the way it was explained to me is that they do not need to meet the tenant. The phone call they make to a tenant lasts for less than 30 seconds, where Reysas says, "This is the market rent." And the tenant says, “Yes, we adjust to the market rent” because if the tenant dilly-dallies at all, they are going to be evicted. Of course, a warehouse filled with merchandise and all that is going to take a 1 year for the tenant to get everything out. From my point of view, you do not see much of a bump at 5 years. You see a bump at 10 years. Now, in some cases, what Reysas has done is they have signed a 10-year lease. With Mercedes, for example, they signed a 10-year lease. In that case, the negotiation would start at the 20th year. They would keep getting some bumps every year after the 10th year, but it is at the 20th year when the eviction talk would be taken into account. When you talk about these changes to cash flows and all that, it is a complicated picture because it is not like all their properties were rented on the same date. In the same warehouse, they could have 3 tenants come in at different times, for different durations. There has been a lot of lumpiness in terms of when Reysas built these warehouses. But I would say that in general, if you were to assume that 10 to 15% of the footprint gets repriced to fair market rent every year, that is a reasonable number to look at. But we ourselves internally try to model this, and I believe we are way off. I do not think we get the models right. It is a complicated question. I am sorry to tell you more about Turkish law than you ever want to know about rentals.

Question: Where is TAV based?

Mohnish: TAV is based in Vadi, Istanbul. The reason I mentioned Vadi, Istanbul, is that if you have not vacationed in Istanbul, you are missing out. When I go to Istanbul, I do not know whether I am working or on vacation. I just know that it is an awesome time. I always look forward to going to Vadi, Istanbul, not just to meet with TAV. In Vadi, Istanbul, there is a Michelin-starred restaurant called Seraf, which serves Ottoman food. The Ottoman Empire went away a long time ago, but the Ottoman food survives. The gifted lady chef at Seraf, whose name escapes me, has amazing food within walking distance from the TAV headquarters. I tell the TAV people, we want to come in the morning, spend a few hours with all of your business units, and then please "Let us go for lunch." They never let us pay for lunch. It is wonderful. That is always a great half a day in Istanbul.

Question: I have a couple of questions. One is on Gimat. You are comparing Gimat to Costco in a high-inflation economy like Turkey. How do they manage their margins, and how are they able to grow so fast? The second question is on India. In the Wagons ETF, you have some exposure to India, but not in the Pabrai Investment Funds. Given where India is today, I mean, after all the corrections they have been through in the last couple of years, are you more keen on India? I mean, are you looking at something in India at all?

Mohnish: The value that Gimat delivers to its customers is extremely high. It is like Costco in the sense that the founder and leader (who does not speak any English) has spent a lot of time in Costco stores in the US. He admires them a lot. That format is unusual for Turkey. In fact, when he started the store, and when his competitors saw the kind of margins they were running on, they told him, "At this rate, you are going to be out of business in six months." He said, "Six months have come and gone. We are making a lot of money at those margins. We have no issue." They do not seem to get it. They are not a clone of Costco, but they have many elements of Costco in the sense that the customers get tremendous value. It is a pleasant shopping experience. Because of all their wholesaler connections, they have great supply chain access and stuff coming in. The best I could tell was that this is a business that has possibilities of scaling. The negative is that there are not enough tread marks. They have 2 stores. I am not even looking at 20 stores. I am looking at a business with 2 stores. But when they opened the second store, it went parabolic. I can see that the way they run their operations is extremely good. We went to both stores; they were both well-run. We will keep it going, we will keep monitoring it, and we will see what happens. India is definitely a better value now than two or three years ago. It has definitely improved. At the same time, when I spend time in a market like Turkey, and then I spend time in a market like India, they are different. The big difference is that India has lots of smart investors. In Turkey, I am mostly buying the shares from day traders. The average Turkish public company cycles through its float every 17 days. When I told that to some local Turks, they were surprised that it is 17 days. They thought it would be 2 days. People in Turkey want to buy a stock at 10 o'clock, sell it at 3 o'clock, and make 10%. That is their model. Good luck with that. Warren has a great quote: "The stock market is a mechanism to transfer wealth from the active to the inactive." I see that in Turkey. India has around 5,000 public companies, with 50 or 100 that are investable. High corporate governance, good moats, and all of that. Everyone knows about those companies. Everyone crowds into those companies. They are not available at bargain prices. They trade at euphoric valuations. Whenever we found great businesses, they were never at prices that made sense. When I look at Turkey, there are great businesses, but no one does any analysis about them. When we first started buying Gimat, the market cap was around 70 million. They had no debt, and the value of their real estate holdings exceeded 70 million. If I put no value on the business, which is generating significant cash, how can I lose money? I have real estate on the floor. That type of valuation would not be there in India. I cannot talk a whole lot over here about the Wagons Fund, because they have all these different rules. But my general take on India is that there are some sectors that have tailwinds for a long time. My daughter got a position at the National Stock Exchange. We do not have a position in NSE in any of the funds. In my opinion, it will do well. It is embryonic, and they are a monopoly. They will probably go public in the next few months. In that particular case, it is discovered. It is owned by a lot of people. It is not like Turkey. Even with all of that, it might do well long term. But we get spoiled with a place like Turkey. It makes it much easier.

Question: When looking at Gimat, how much of a problem is the cash drain from constantly replacing inventory at higher prices? Do their daily price hikes protect, or are we just buying their real estate assets for pennies on the dollar?

Mohnish: First of all, Turkish inflation is now down to about 20% a year, so less than 2% a month. I do not have the details, but just like Costco, GIMAT gets terms. In fact, Costco has negative working capital because the stuff is sold before they have to pay their suppliers. I would imagine something similar with GIMAT, that by the time it needs to pay for the inventory they have taken, it has been paid off. All these Turkish retailers are familiar with inflation and adjusting prices. But given the 2% or less per month, if you convert that to how much is changing per day, like 7 basis points a day or less, it is not the end of the world.

Question: Please provide geographic allocations.

Mohnish: Geographic allocations get a little difficult. I have highlighted Reysas is mostly a Turkish bet. They just built some condos in Germany that they are going to convert to apartments and rent those out, but mostly it is Turkish. TAV Airports is partially Turkey and partially other countries around. Maybe it is 60% Turkey, 40% in other countries, or 50-50. Met coal becomes more complicated in Pabrai Funds because both Warrior and Alpha are huge exporters of met coal to India, and so they are US-domiciled companies but I would say that in the case of Warrior, not even 1 metric ton is sold within the United States. 100% is exported. In the case of Alpha, only about 20-25% of their production goes domestic. Both are export powerhouses and they are going all over the world, but India is a big part of it. It ends up in Japan, Korea, and various other places.

Question: Are you considering investing in Constellation Software through PIF3?

Mohnish: That is a great question, and it is also a dilemma. I think about it every day. I like Constellation and Mark Leonard a lot. The stock has been beaten down quite a bit for no good reason. There is also the issue that the mistress always looks hotter than the wife. If we were to bring Constellation into any of the funds, especially the offshore fund, at least there would be no tax implications. We could sell, and we could buy, but we still have the mistress versus wife situation. In the other two funds, not only do we have the mistress and wife situation, but we also have a tax situation. We should not be over clouded by taxes, but the reality is we are. We would be selling undervalued situations. What I am saying is that, should I sell TAV to buy Constellation? Should I sell Reysas to buy Constellation? Should I sell Gimat? Should I sell the met coal bets? I have concluded after all these years that if the switch is not a no-brainer, then it is better to just do nothing. Now, I do not know whether it is the right answer or not. We will find out in a few years, but that is the way I am looking at it right now. But I am not happy about the situation, let us put it that way.

Question: Are Warrior and Alpha both in the US?

Mohnish: Yes, they are both in the US. In Warrior's case, 100% revenue comes from outside the US. In the case of Alpha, it is 75%.

Question: Can you comment on what your cadence is for meeting with management teams? Is it once per year, or a couple of times per year? And how do you stay current with what their activities are internally with respect to growth strategies and things like that?

Mohnish: I make a trip to Turkey once a year. We will be going in September, and will be meeting all of them. I have gone to Kazakhstan to see Almaty Airport separately. We have done some things where we have looked at assets outside. I spent a lot of time in the coal mines and in the coal terminals when we were doing our deep dive on coal. In 2024, we spent quite a bit of time. I do not want to overstay my welcome or waste management time, but I will look at what we want to do. For example, we are again going to make a visit to one of the coal companies later this year, and we will periodically do calls with them. It depends on the business. With the drilling companies, there is a conference that takes place every year in Oslo, Norway. I went last year, and I liked that conference. It is the best conference to go to meet all of them in one place. That was efficient, because in one day I saw them all, plus I met a whole bunch of people in the industry. I am going to do that every year. That is a good use of time. In addition to that, we have talked to all of them. I have even talked to them about a field trip on one of the drillships. We talked to the CEO, who was in the video. That is an industrial environment. It is not like going to Disney World. They are not looking to do tours. But I told him to look at one of his coal stack ships. There were three coal stack ships in Greece which are not drilling. They are waiting for a project. I said that I would like to go on those ships when they go because that does not affect their operations. We might do that. We have not done that yet, but this will give me a better idea of what we are looking at. We do want to be kicking the tires and doing these things. At Reysas, for example, we have visited many of their warehouses across Turkey. They have private rail stations, where they have rails that they are running. We keep looking at different pieces of their businesses and drilling down, and that will continue as we go along. But we also do not want to be overstaying our welcome, if you will. I want to be respectful of their time. Even at TAV Airport, we met with a number of their business units all over. That has been wonderful. We keep doing that. We keep building more information and expertise about the business, and that is useful.

Questions: Hi, Mohnish. Thank you for the book this year. I think it was a fantastic book that you sent out. I appreciate it. I noticed that a few names from last year did not make it to this year's slide. Could you spend some time kind of giving us a little insight into what the lessons learned were? And I think Anadolu Efes was on its way out, I believe. I know Brookfield was also something that we had decoupled a while ago. Can you kind of speak about some of the lessons learned and why you chose to move away from them?

Mohnish: Anadolu Efes is the dominant beer company in Turkey. They have 50% market share. They are also the parent company of the Coke bottler, Coca-Cola Icecek. We like those businesses, but then their Russian operations, which were a significant part of their assets, were taken over and nationalized by the Russian government. That kind of came out of the blue, which was not good. We could not see where this trajectory was going. We had a situation where we could exit at a gain, even with that event that took place. Then Coca-Cola Icecek, which we also used to have a position in, had brought in a new leader. When we met the new CEO, at that time, he did not even have his business card. He had just joined. We were impressed with him. By the second or third meeting with him, I began to realize that he is kind of like a political animal. He knows the buzzwords and knows what to say. That is why he was able to present images to the owners. Eventually, the owners figured it out, and he was let go. They have changed leadership. We had concerns about that. Again, we had a chance to eliminate the bet without a loss, so we did that. Brookfield is a good business. Bruce Flatt built a solid business. We found better things, so we swapped. Usually, when these new names come in, they tend to be at the lowest conviction levels in our portfolio. They are most likely to be the first ones to go if something more attractive shows up. I do not remember what we did with Brookfield.

Something else must have shown up, and we must have swapped in accordingly. That is probably what ended up happening.

Question: What were your biggest lessons from Charlie unrelated to investing?

Mohnish: I feel in many ways my middle name is Forrest Gump in the sense that we are not supposed to be able to touch Charlie Munger, and I ended up playing a lot of bridge with him. We had a nice, warm, and deep friendship that lasted for 14 years. I miss him a lot. I used to meet him 3 or 4 times a year for dinner at his place. Both with Warren and Charlie, I learned many lessons. For both of these guys, you do not need to know them to learn an incredible amount from them. The good news is there is so much in the public domain that knowing them is not going to move the needle that much. But I would say that I learned a lot from not what Charlie said, but from observing him. I saw him interact with his grandkids. I saw him interact with his kids. With his sons and daughters-in-law, with his manservant, with his friends, with his business partners. Some things stood out for me. One is that Warren has had security for a long time. There is an off-duty police officer or two police officers at Warren's house 24 hours. Charlie's home on June Street in LA was not in a gated community next to Koreatown. You could just walk in and many of the times when I would go to his place for dinner, the front door was unlocked. I just walk in. Zero security of any kind. Charlie liked it that way. He never used a cell phone in his life. One time his daughter-in-law told me that after we finished playing bridge at LA Country Club and we settled our cash bets, I got in my car and left. I found out later that there was some misunderstanding, where no one came to pick him up. He just asked the club to call him a cab to go home. What I learned from Charlie in observing him was just how simple things were with him, how simple he kept them, how he spent his time, and how he managed his reading. Golf was important. He loved that. Bridge was important. Reading was important. Interaction with different people. I learned a lot from just the close-quarters interaction and how they live their life. That has been helpful to me in keeping things centered and such. That has worked out well.

Question: Any words of wisdom and experience working with Guy Spier, in the context of his last letter and advice to all of us?

Mohnish: As you guys may know, Guy is my best friend. About 16, 17 months ago, he got a brain cancer diagnosis out of the blue. He had nothing before that. That was a sad situation. The realities with brain cancer are that 25% are dead within 12 months and only 5% survive beyond 5 years. For Guy, it has already been 16 or 17 months, and he has had 3 surgeries in that period. The cancer has come back multiple times, and he has one of the more aggressive forms of the disease. It was a difficult situation in the sense that I did not want to bother him. At the same time, I wanted to be with him. I was happy that Laine and I spent 3 days with Laurie and him in his home in London, which was wonderful, in October of last year. Then, in February of this year, I went to VALUEx in Klosters, Switzerland, and again got to spend time with him. We had a Sabbath meal at his place, which was nice. He is hoping to come to Omaha. I am hoping to see him there. I am also hoping to go to Switzerland a couple more times this year, maybe in the summer and early fall. I am trying to spend as much time as I can with him. I get about one response from him for every 10 messages I send him, and I try not to send him too many messages, because he is in a different place. But what surprised me is that it was always difficult to talk to Guy about death. We had a lot of conversations about death, mainly relating to the death of his parents, and that was difficult to talk to him about. About his own death, he was almost in denial. Since this diagnosis, I have seen a 180-degree change in him in the sense that I can have direct conversations about death with him, which I did. It is amazing how accepting he is of the situation and how he has put his affairs in order. His fund got liquidated, and all their assets went back to the investors. The whole thing is sad, but that was a big lesson that I was able to learn from Guy.

Question: You talk a lot about the lollapalooza effect of using multiple mental models. How has your use of mental models in your investment process improved over the last 5 or 10 years? Do the mental models you use form a significant portion of your investment checklist?

Mohnish: That is a great question. One of the big changes that we have had is to hold the great compounders forever. I used to have a perspective that you buy a company for 50 cents or less of what it was worth, and you sell it for 90 cents or more. For almost all of us in the value investing community, the gateway drug to get into value investing is Ben Graham. Looking back, that is unfortunate because Ben Graham is terrific to pick up 3 main ideas, but then not to pick up a lot of the rest of the stuff he talks about. He says that a stock is not a piece of paper; it is a fractional ownership of a business. Think of it as if you were buying the whole business. The notion of margin of safety is to buy below what the asset is worth. The third is that Mr. Market is there to serve you, not to advise you. These three core tenets of Ben Graham are beautiful, and one should keep them front and center. The other aspects of Ben Graham, which Munger points out, are that Ben Graham's entire thesis was formed as a basis after the crash of '29, the depression, and such. He came up with a format for investing, which was bulletproof in depressed times. That misses the point because the wealth is going to be made from the long-term compounders. The irony of Ben Graham is that he himself made his money from a long-term compounder, which is GEICO. He never talked about it. One of the big changes that took me a long time to make was to realize that I was overdosed on Ben Graham and I was underdosed on Charlie Munger and Phil Fisher. We moved from this hard 50%, 90% type value situation to being willing to hold compounders well above intrinsic value and maybe looking at selling them at egregious levels above intrinsic value, but holding onto them because they are so rare. That has been one of the big changes that has happened in Pabrai Investment Funds. I wish that had happened much earlier. It would have helped you guys and helped me quite a bit. But that has been the big change over the last 5 or 10 years.

Question: Do the mental models you use form a significant portion of the investment checklist?

Mohnish: The mental models are a superset of the investment checklist. Many things in mental models are not part of the investment checklist, but the investment checklist is fundamental, and they do help us figure out whether or not we should be going into a position or not. It has been wonderful to have that.

Question: My question is more about your philosophy of which bets you bring into which funds, because I, of course, see that it is not in Pabrai Investment Funds. What is your process? How do you decide which bets you also bring to the Wagons Fund?

Mohnish: That is a great question. We get to this notion of opportunity cost. We do not have cash in the funds; we are fully invested. If we want to bring something in, something has to go out. The mistress always looks hotter than the wife. But in reality, the wife is hotter. The mistress looks hotter. One of the dangers we run into is when we look at this nice shiny object, the mistress, and then we look at our fund, which is all these old wives, it can be tempting to do a swap. But then we have to remember what I told you. In two of the funds, we have tax issues that come up. We have several positions like Reysas, TAV Airports, met coal bet, the drillers, and Gimat. Now, there may be something that is not in the funds that the funds may benefit from. At the same time, my concern is that we may be making the mistake of selling a Ferrari, a Goldman Sachs, or a Progressive, and bringing in something that may or may not be as good. On the other hand, it could well be that it is worth making the swap. This is a debate that goes on, but I am generally not trigger-happy. Things could happen, but at this point, I am not in the frame of mind that the deltas are not big enough for stuff that is outside the funds that we may be familiar with, that it is so much better that I am compelled to act. But this is a good question because this is a daily struggle, and the thing is, how do you compare? How do you compare a software business to a coal company? This becomes difficult, so we struggle with it and try to do the best we can.

Question: This question is from one of the Dhandho Holding investors. He said that we had mentioned that the profitability of the ETF would be $5 to $7 million, when the AUM was about a billion, and our letter on Friday has limited the range to $5 million without further explanation. He was concerned about the lack of transparency.

Mohnish: I had mentioned that at $175 million, we cannot break even. The person is saying that this alludes to expenses of around $1.6 million. I want to explain that the $5 to $7 million number we had given earlier was for the mutual fund. We have not given a number until recently, when we said the $5 million for the ETF. They are apples and oranges, but the expenses are a little bit different for both of them. Let us say the ETF is at a billion in assets, our fee currently is 90 basis points. That would be about $9 million, and we do have fixed expenses currently of about $1.6 million. There are variable expenses that are charged by the New York Stock Exchange, by US Bank, and now what I am most unhappy about is that Fidelity has said that they will be charging ETF issuers like us 15% of our revenue, which is our management fee, as the fee for assets that are coming through them. The Fidelities of the world have a great business. But the other platforms may also put in this 15% type of fee. If all of them charge that fee and we look at the other fees, there are about 20 basis points of variable fees that can come into the ETF. At a billion, that would be about $2 million. The $1.6 million would go to about $3.6 million of expenses out of the $9 million. Also, what is not taken into account in the $3.6 million is the incentives for the team. The ETF is doing well. The team has thus far not been compensated well because Dhandho Holdings has been losing money. But at some point, when we have solid profitability, the team needs to be taken care of because it would hurt us a lot if we start losing people. We do have the team to take care of. We also have variable expenses related to branding and advertising. There, we have to make a judgment call on what to spend. The reason you have seen assets increase is that we have not been shy about putting money to work on branding and advertising. Social media, online ads, and so on. That also may reduce the total amount, as could inflation. What I would say is that we are going to try to be a good fiduciary here. We may want to step up in a major way on branding and advertising if the numbers dictate that to increase assets even more if you are getting a great return on that. But overall, if the assets grow to a billion, 2, or 3, we may also reduce the 90 basis points in the future. I am a huge proponent of the Costco model. The scaled economy shared is a powerful long-term moat. Several factors would affect the overall amount available to shareholders of Dhandho Holdings. Keep that in mind.

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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.

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Question: Investors have many choices. For those that choose to leverage MP's thought process, what are the advantages that PIF holders who are on the call have over holders of the Wagons Fund? Advantages of the ETF structure is apparent. Can you expand on the advantages of PIFs over ETFs?

Mohnish: We have a lot of regulatory restrictions about what I can or cannot talk about the ETF. But I will tell you that comparing Pabrai Funds and the ETF is like comparing apples and oranges. They are two different vehicles. In fact, from a Pabrai Fund perspective, the ETF has many shortcomings. One of the shortcomings, and maybe you guys think of it as a positive, is that it is forced to diversify. From my vantage point, forced to over-diversify. The Wagons Fund currently, has 18 or 19 positions. I just showed you that Pabrai Fund's top 3 positions are like 80%. A glaring difference in the two, even today, is the degree of concentration. As an individual investor, you may be more comfortable with one or the other. One of the things that we are forced to do in the Wagons Fund that we do not have to do in Pabrai Funds is, for example, we have 4 bets in the Wagons Fund on the Mark Leonard ecosystem: Constellation, Topicus, Lumine, and Signity. The reason we have those 4 is because we cannot put that much into one of them because of the diversification rules. If we were to make a bet on the Pabrai Fund side, on Mark Leonard, I would try to pick the one bet out of those four that I felt the best about, and just buy that single bet. Then, we would end up with one bet versus four bets. I do not think the four bets are hurting us that much, but it is just an example. Similarly, on met coal, we have 4 bets in the Wagons Fund and we have 2 bets here. We tend to get more diversified, which, for the demographics that we serve in the ETF, that is a good thing. For the Pabrai Fund shareholders, they can decide. Everyone can decide what vehicle makes sense. If you feel that the advantages of the daily liquidity are positive and you are a Pabrai Fund investor, you can always exit and put some or all of that into the Wagons Fund.

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Question: Why is PIF4 lagging compared to other funds, even though these funds' majority stakes are invested in the same businesses?

Mohnish: This is a problem we had in the past, which we have now changed and fixed, but it is not going to fix the past performance. What we used to do at Pabrai Investment Funds was that when we had an investment idea, the smallest fund used to go first and buy all it wanted of that idea. Then, we would open it up to the next fund and the next fund. What ended up happening when we were doing it that way is that sometimes, when the ideas were not big enough for all the funds to participate, there used to be significant differences in the composition of these funds. We ended up, for example, with positions like Rain Industries, which was heavy in the offshore fund. The offshore fund also initially ended up with a large position in Reysas, as did PIF2. PIF4 had almost no position in Reysas. PIF4 missed out. Finally, I got enlightened, and we now have a rotation that goes on every week. Then that rotation changes once a month or once a quarter. It is an algorithm where pretty much that type of a mismatch between what funds can buy and not is gone. It is a historic issue. It has existed for the past, but we should be seeing future ideas come in somewhat similarly. I would also point out that even though now we have this type of situation, we still have mismatches because of the availability of cash, because that also varies. We look at GIMAT, for example, which is a more recent position where all the funds were able to buy at different times. PIF3 had almost no cash available. The GIMAT position is just about a 1%, close to 2% position now. In PIF4, it is a larger position, approaching 8 or 9%. In PIF2, it is somewhere in the middle. Again, all the funds were able to participate, but we had differences in cash availability, and we were not willing to sell. There will be differences between the funds. It will be less than what it was in the past. Now, if GIMAT ends up being a big home run, PIF4 has an advantage over the other funds.

Question: If many PIF partners decide to trim because of your recommendation, won't the stocks temporarily plunge on their sale at the end of the year?

Mohnish: We are careful with our trading. First of all, we get 2 months' advance notice at a minimum when you want to redeem. We also have a few weeks after the end of the year, before the money goes out. Practically speaking, we might have 3 or 4 months because some people tell us several months in advance. If we know we have that going on, we also have subscriptions coming in, which can offset some of that. Historically, if you go back and look at different letters and such, you will see that there have been years when we have had significant redemptions, $40, $50, $60 million, and we have not had price movement because we try to manage that so it does not happen. We spread it out.

Question: Tell us about adding more funds to PIF3 through an IRA.

Mohnish: The offshore fund has a restriction that retirement assets like IRAs cannot be more than 25% of the fund. Currently, the retirement assets are just slightly over 25% of the fund. We are not going to be opening PIF3 to additions for IRA assets, since PIF3 is open to non-IRA assets. Also, our investor base, a lot of them have RMDs that happen every year. That may drop to below 25% this year, but we probably will not open up to IRAs coming in till we are well below the 25%. I would say in the foreseeable future, we cannot add IRA assets. I myself have my IRA in PIF3, and I would like to add to it, but I cannot.

Question: How is the current pool of your investable ideas warranting further research relative to prior periods?

Mohnish: One of the things that has happened is that the Wagons Fund forces us to have more positions and to research more things, even though I do not think of it as a farm team in the sense that I get exposed to deep dives on stuff that normally may not have gone through a deep dive. Then those could become candidates to come into Pabrai Investment Funds. Of course, the issue at Pabrai Investment Funds is that we are fully invested and what would we sell; the mistress versus wife problem. We have that reality to deal with and we try to do the best we can with that. It is good. We get to look at more things and when something makes sense, we can make some changes.

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Question: I have a couple of questions. You have described yourself as a shameless cloner, but judging from your stocks, you are more of a trailblazer. Have you thought about updating your self-description? The second question is, you have talked in the past about Coca-Cola bottling plants in other countries and how Guy and some other investors will copy those. I was wondering if you have thought about how AI plays out in the US and, as other countries start to build those services out, what that might look like, and how you might go about following it and looking into the same kind of strategy?

Mohnish: Unfortunately, I am still the shameless cloner. If you go through my portfolio, it is a trailblazing portfolio, but I am sorry to disappoint you, it is all a cloned portfolio. Reysas, for example, my friend Haydar in Turkey, took me to the company. He already had an investment in the company. He took me to the business, led me to the promised land. Reysas is a cloned position from Haydar. If you look at our met coal bets, they came out of a bet we made on CONSOL Energy, which came from David Einhorn. Even though David Einhorn has not invested in Alpha and Warrior, the genesis of looking at coal and all of that came from him.

About 20-22 years ago, I had made a bet on a Canadian steel company called IPSCO, which does not exist anymore. I have fond memories of that bet. The company was making tubular steel, which goes into pipelines, and they had $15 of cash per share on the balance sheet and no debt. When people are building pipelines, they would place orders for the next two or three years for steel to be delivered to them in this pipeline form. They had contracts for the next two years, and they said that their cash flows for the next two years are going to be $15 a share each year. The stock was at $40. You had a company that was going to have $45 in cash flow by the time 24 months were up, the stocks at $40, which means all the plant and equipment and inventory are free. It is a cyclical business, so in year three, cash flows could go negative, seriously negative. But I felt like I wanted to see what Mr. Market would do with the stock price two years from now when there was $45 of cash on the balance sheet. I put 10% of assets on IPSCO, and one of the mental models is "low risk plus high uncertainty equals a high reward." That is a nice equation.

IPSCO to me was a low-risk bet. It was high uncertainty because we did not know what would happen after two years, but more than likely, it would be favorable. What happened with that bet was that a year later, the company announced that we were going to have another year of $15. Now we are deeply in the money, it is $60 of cash flow. The stock is now at $90. I have owned the stock for 13 months, "well done Mohnish," and it is at $90, and I am saying, "we got long-term gains, we do not know what happens in year four, we should sell." While I am going through this debate in my mind, I wake up one morning, and the stock is at $155. A Swedish company comes in and offers $160 to buy them out. Why they did not come in when the stock was at $40 is beyond me, but that is the way the world works. When they announced the deal, I did not wait for it to be closed. One femtosecond later, I sold everything, and we were done. It was a nice home run. Someone on X posted that David Einhorn has made this bet on CONSOL Energy, and it looks a lot like Mohnish Pabrai's IPSCO bet because I have talked about IPSCO a few times. When I read that tweet, I said, "God truly loves me," because IPSCO is back! I said, "Let us go look at CONSOL Energy. What is this guy talking about?" I never heard of CONSOL Energy, and it turned out that it was somewhat similar. It was not the same (IPSCO was still better), but CONSOL was forward-selling its coal output to these guys. These utilities would buy their coal, and it would be in a band. They would say, for example, "It will be based on the index price two years from now when we deliver the coal, but it will not be less than 70 a ton, and it will not be more than 80 a ton." If the index is at 100, they would sell at 80, and if the index were at 60, they would sell at 70. You had forward cash flows locked in. The guy was right. It was not as clean as IPSCO, but it was pretty close. When I looked at CONSOL, I said, "This looks quite a bit like IPSCO. IPSCO is back, which is great, and we know what to do with this. We buy it and then wait, and all this cash flow comes in."

Of course, when we made that bet, we later found that there were better bets to be made, which were on the met coal side, and we switched that. What I am saying is: Reysas was cloned, TAV also came from Hayder when we were visiting, the met coal bets came from Mr. Einhorn, thank you, David, and Gimat came from Haydar. There is a guy on Twitter, Harry Kupperfield, who prefers that I call him Kuppy. You can go on Twitter, and it is @hkuppy. I was reading stuff on offshore drillers, and Kuppy, who is prolific on X, had a posting on Value Investors Club on Valaris, which is one of the drillers. The drilling is not my idea; it came from Kuppy. When I became friends with Kuppy, he told me, "If you are interested in the drillers, you should come to Oslo." I said, "Let us go to Oslo and see what is happening there." That was a great trip. Kuppy has 40,000-50,000 followers on Twitter. I told Kuppy in Oslo, "Kuppy, can we take a picture together so you can post the picture to your followers?" He was excited about that. In Oslo, we took a picture, we posted it, and that was great. Anyway, the whole portfolio is cloned. How can I call myself a Renaissance man when I am a shameless cloner? I am still a bottom-feeding shameless cloner, but I am happy to be there. About your second question, about AI going global and us being slightly ahead of the curve, well, we will try to do that. We will have to see how that plays out. What is happening is that the whole world is getting faster at all this, so I do not know if we are going to have big gaps or anything, but we will see. We will try to do that, but not anything immediate that I can act on.

Question: Are you incorporating AI in your investment research or process? How do you think AI will impact stock picking over time, if at all?

Mohnish: My degree is in computer engineering, and I spent a lot of time in technology, coding, designing hardware, and then running an IT services company. I have always had a jaundiced view of technology for that reason. I am always a laggard because I just do not get enamoured with the hype. I have two awesome guys who help me with the investments, Fahad and Jaya. They have incorporated AI into what they are doing. My use of AI is limited. I have a subscription, and I will poke around with things here and there, but I do not think there is anything meaningful that I am doing on the AI front. I can see that it speeds things up, can get you information quickly, and all of that. As far as the impact on stock picking, again, because of my laggard views, I am skeptical whether it will affect what I am doing. We see things like Turkey, where there is wide mispricing, and not much movement, with a lot of people wanting to come into Turkey. At the end of the day, humans will be involved here, and humans vacillate between fear and greed in irrational ways. As long as that irrationality prevails, we will have opportunities for us.

Question: Hey Mohnish. Going back a few years, I remember that you never had tech investments ever, but then you did invest in Google at a certain point in time. Can you take us back into why you did that when you did that? And if you were to use some of the sensibilities and the thought process, would Microsoft, with whatever they have under them right now, have compounders under themselves? Would a similar thesis kind of work out for some of the SaaS companies moving forward as we go into the next decade?

Mohnish: My degree is in Computer Engineering. I had an IT services system integration company that I ran for 10 years, and I worked in high-speed data networks. I used to build embedded system hardware. I had plenty of tech background. In fact, when I started investing for myself in 94-95, the entire portfolio was tech. It was the only thing I understood. It was more than 90% tech. As we were getting close to the implosion of the NASDAQ in March 2000, I was able to be not far ahead of the market, maybe three or four months ahead, and I could see that this did not make sense and that it was going to end badly. Pabrai Investment Funds started in July 1999, and it went almost completely non-tech. At the time when this whole dot-com frenzy was taking place, basic companies got cheap. We could find simple businesses that had stable cash flow. I made investments in funeral service operators at two times the cash flow. Those businesses are stable. I got comfortable, and we did well from like 1999 to 2007. We were mid-30s annually compounding while the NASDAQ had imploded. After the financial crisis in 2009-2010, I should have switched back because, at that point, looking back, the Microsofts of the world had become reasonably valued and still had great tailwinds. But I also had become so comfortable with all these kinds of quirky things that I was doing, and we missed that. I started to realize that we were on the wrong way of thinking about things as we were getting to 2017-2018. We started looking at different things. Micron came in. Google came in. Naspers came in. We had a few things come in at that point, but then, at the same time, we were starting to find more compelling things in Turkey because I started to make trips there. But I would say that in hindsight, I made a mistake where I should have recalibrated around 2011-2012, and that would have been a better way to go. When I look at things today, I am comfortable with where we are, because some of these other places are difficult. There is value there. There are a lot of great compounding engines, but they are not obviously cheap. Where we are and how we are with our quirky portfolio looks decent, so for now, we will leave it where it is. But we will keep looking and seeing what makes sense and what we can do.

Question: Where can we get one of those cool Wagons shirts that you are wearing?

Mohnish: I am glad you like the shirt I am wearing. I have been thinking about some merchandise. We have not nailed down what we want. We had one of our investors get distressed about our costs, so the shirts would distress him some more because then our break-even points would go from $175 million to $176 million or something. But we are looking at it. We will figure out something, and we will get you some good stuff to wear.

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Question: How is the golf game, and is the index coming down?

Mohnish: I have a high handicap. I have only been playing golf for a year, but it is a wonderful sport. I should have started about 30 years ago, but it is better to start now than never.

That was the last question for today. Thank you so much.

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