Q2 2026
INVESTOR LETTER TO PARTNERS

26th July 2026

Jenga Investment Partners Ltd

	Q2 2026	Q1 2026	H1 2026	2025	Inception (1 May 2023)
Jenga IP (net returns)	7.87%	-10.39%	-3.34%	23.17%	2.69%
MSCI World Index (USD)	13.76%	-3.57%	9.69%	21.60%	78.15%

Source: S&P Capital IQ and Jenga Investment Partners Ltd.

Jenga Investment Partners Ltd's investment strategy and the MSCI World Index returns are presented in US dollars. The investment strategy is managed through Separately Managed Accounts (SMAs). Strategy gross returns represent our reasonable estimate of the combined asset-weighted actual gross returns of all portfolios following the same investment objective. Strategy net returns are calculated by applying the specified fee structure to strategy gross returns. Actual investor returns may differ from those presented above depending on the timing and value of transactions in their respective Managed Accounts and the applicable fee structure. Past performance is not a reliable indicator of future results.

Jenga IP returned 7.87% in Q2 2026, versus the benchmark (MSCI World Index) return of 13.76%. The strategy underperformed its benchmark by 5.89% during the quarter, bringing the H1 2026 return to -3.34%, versus the benchmark's 9.69%.

Portfolio update

Portfolio at end of the quarter (31/03/2026)			
High moat	**Moderate moat**	**Low moat**	**No moat**
TSMC (8.9%)	Dino Polska (7.7%)	Bosideng (7.8%)	Gofore (3.0%)
Microsoft (8.5%)	Farmer Mac (5.7%)	Evolution AB (4.8%)	
FactSet Research (8.0%)	Metlen (5.6%)	Biem.L.Fdlkk (3.3%)	
Mastercard (7.6%)	Kaspi (5.3%)		
Visa (6.9%)	Luzhou Laojiao (3.3%)		
OMA B (4.9%)			
ASUR (4.7%)			
49.6% weighting	**27.5% weighting**	**15.8% weighting**	**3.0% weighting**
Portfolio at end of the quarter (30/06/2026)			
High moat	**Moderate moat**	**Low moat**	**No moat**
TSMC (11.2%)	Farmer Mac (7.2%)	Evolution AB (4.9%)	
FactSet Research (7.9%)	Metlen (6.3%)	Bosideng (4.5%)	
Microsoft (7.8%)	Dino Polska (5.9%)		
Visa (7.2%)	Kaspi (5.6%)		
Mastercard (7.2%)	Luzhou Laojiao (2.3%)		
Intuit (6.3%)			
OMA B (6.1%)			
ASUR (3.9%)			
57.5% weighting	**27.3% weighting**	**9.4% weighting**	**0.0% weighting**

In line with our strategy of focusing on high and moderate moat companies with attractive growth prospects and valuations, we exited the last 'no moat' investment and reduced the 'low moat' category weighting to below the long-term maximum of 10% by fully exiting Biem.L.Fdlkk and reducing our investment position in Bosideng.

Exits - Biem.L.Fdlkk and Gofore

Gofore is a Finnish IT services company that supports public and private companies with cloud services, digital transformation, and more recently, AI solutions. The challenge for Gofore, like most IT services companies, is the extremely competitive landscape, low barrier to entry and increasingly minimal recurring revenue its services have, especially in an AI world. These issues were worsened by broader consulting budget cuts by the Finnish government, Gofore's top customer. We purchased Gofore's shares at 25x net earnings, and while I initially expected its earnings to double in 4-5 years, earnings growth failed to materialise. We sold our shares for a 54% loss.

With the sale of Gofore, the portfolio is no longer invested in any company classified as no moat, and future investments must first pass our moat checklist, regardless of projected earnings growth or price.

Biem.L.Fdlkk is the Chinese premium golf apparel market leader and also owns three smaller brands. After a global research into the apparel retail industry in 2022, I selected Biem.L.Fdlkk due to its market share and brand position, track record of growth, strong balance sheet and high profitability.

However, as we refreshed how we assess quality and business moats, I soon realised Biem.L.Fdlkk, like nearly all fashion apparel companies have two key shortcomings, low barrier to entry (it's far easier to start an apparel brand than grocery chain) and limited recurring demand; unlike software where customers pay a monthly or annual fee that's sticky and often locked in for years, apparel chains must prove themselves to customers with each new fashion season.

More specific to Biem.L.Fdlkk is its indirect exposure to the Chinese property market. More than 2/3rds of its sales are to Chinese men in their 40s and 50s, and during periods of economic stress, discretionary spending like Biem.L.Fdlkk's US$250 polo shirts declines in spending priority. This is one of the reasons we are increasingly focused on companies mission-critical to customers.

We sold our shares for a 45% loss on our investment. Similar to IT services, we are unlikely to purchase shares in most apparel retailers in the future, and in line with our conclusions, we began reducing our position in another Chinese apparel company, Bosideng.

Future exits - Bosideng and Chinese consumer

Unlike Biem.L.Fdlkk, rather than an outright sale, we reduced our position in **Bosideng**, the Chinese market leader in premium down jackets. Bosideng had been a turnaround. After years of growing its stores too fast, it began closing stores and moving further upmarket. In the ten years between FY 2015 and 2025, group stores declined by 67% from 11,652 to 3,843 stores.

Despite the store decline, revenue grew by 15% CAGR while operating profits compounded at 32% during the ten years. In the three years (FY 2023 - 2026) we have held Bosideng shares, growth, profitability and business performance exceeded all my expectations, with revenue growing by 19% CAGR and operating profits by 27% CAGR. EBIT margins also increased from 18% to 20%, while its debt to capital (with leases included) declined from 20% to 8.3% during the three years. We purchased Bosideng shares at 15x trailing P/E, and today, it's valued at 11x P/E, certainly a valuation we view as too low given its fundamentals and business prospects.

Despite this attractive outlook, we concluded on reducing our position in Bosideng for two reasons: the apparel challenge and investing in China.

- **The apparel challenge**: Similar to Biem.L.Fdlkk, despite being a Chinese growth market, down jackets also face fashion risks with unpredictable cycles and are arguably even less recurring given their seasonality with weather and the longer use-life for jackets in comparison to polo shirts. Barriers to entry are slightly higher in down jackets, but like all consumer growth trends, it still attracts intense competition from other brands, and I noticed more push into the market by Anta Sports-owned Arc'teryx and Descente.

- **Investing in China**: As we focus on fewer companies but more in-depth research into them, the opportunity cost of researching a company increases, and the language and information barrier with Chinese companies adds to the challenge of tracking shifting consumer tastes, habits and trends.

Given both factors increase the risk of permanent loss of capital, I believe it's prudent to gradually wind down our remaining investments in China (as well as apparel companies that are too exposed to fashion inventory risks), while focusing more on Western companies that offer natural high barriers to entry, mission-critical and recurring demand.

New purchase - Intuit

During the quarter, we initiated a 6% position in **Intuit**, an American technology group in the accounting software (QuickBooks), tax preparation market (TurboTax), consumer credit marketplace (Credit Karma) and digital marketing (Mailchimp) industries. The crown jewel of these four businesses is QuickBooks (59% of revenue), and the investment case lies on two main points.

First, although software remains under pressure from AI, we believe accounting software will remain resilient to AI due to the network effects nature with accountants, its simplicity and the increasing embeddedness with payroll and payments solutions, two Intuit products growing their revenue above 15% annually. Second, while the DIY TurboTax offering has historically been a cash cow for Intuit, the ongoing transition from DIY to its assisted version reduces the profitability but increases the barriers to entry, defensiveness to technology and overall moat of the business.

I expect Intuit's net profits to grow by 12.7% CAGR over the next five years. Coupled with share repurchases (currently at 6.2% yield) and an attractive valuation entry of 16x P/E, valuations last seen at the trough of the financial crisis, I believe Intuit has the potential to generate **a 20.3% IRR over a five-year period**.

You can read the extended deep dive here or the summarised 1-page version here.

Purchased and sold during the quarter
Latour AB

During the quarter, we purchased and exited a 5% investment position in Latour, a Swedish industrial group with investments in 10 public companies like Assa Abloy (door locks), Securitas (security solutions), Sweco (architecture consulting), among others, and 7 wholly-owned private companies like Sweco (HVAC systems), Nord-Locks (fasteners), Hultafors (industrial gear), among others. We initially studied Latour in mid-2025, and you can read our 14,000-word initial deep dive here.

In the initial research, we concluded its shares weren't cheap enough, then offering an IRR of 9.3% based on my valuation analysis. After a decline in its share price, Latour fell below the initial 15% IRR hurdle rate, and I commenced purchasing its shares.

However, we revisited the investment case, studying each publicly owned Latour investment and its wholly-owned company deeply, updated our earnings growth estimates for each, and concluded its shares offered an 11.3% IRR. Given this is below the 15% IRR hurdle rate, I exited our position for a gain of 0.5%.

Although Latour continues to meet the quality hurdle, investments must still meet our earnings growth and valuation objectives, and for now, we maintain Latour in our shortlist of potential investments.

You can read my updated thoughts and valuation on Latour here.

Position increase - Grupo Aeroportuario Centro Norte (OMA B)

We increased our investments in OMA B during the quarter, after the Middle East tensions caused a sell-off across all listed airport companies. OMA B, a Mexican airport group of 9 airports led by Monterrey airport, Mexico's fourth largest airport chain, continues to perform in line with expectations, and we believe its valuations of 15x trailing P/E or 13x forward P/E are too low for quality and earnings growth potential.

The portfolio overview

The table below highlights how the current 15 portfolio companies, sorted by their portfolio weighting, perform on key profitability metrics (net income margin and return on equity), market consensus forward earnings per share growth, which we view as too aggressive in some cases such as the two Mexican airports and Metlen, and lastly the trailing and forward P/E ratio.

Company name	Portfolio weighting	Country	Industry	Net income margin	Return on equity	2-year forward EPS growth[1]	P/E	Forward P/E
TSMC	11.4%	Taiwan	Information technology	49.9%	40.0%	43.5%	27.5x	19.0x
FactSet Research	8.0%	USA	Financials	23.2%	27.0%	7.7%	16.7x	13.3x
Microsoft	7.9%	USA	Information technology	39.3%	34.0%	19.2%	22.7x	20.6x
Visa	7.3%	USA	Financials	51.7%	60.3%	13.9%	31.0x	25.5x
Mastercard	7.3%	USA	Financials	45.9%	232.1%	15.8%	31.2x	26.6x
Farmer Mac	7.3%	USA	Financials	56.3%	13.4%	13.2%	12.1x	10.7x
Metlen	6.4%	Greece	Industrials	4.4%	10.5%	55.6%	19.6x	10.9x
Intuit	6.3%	USA	Information technology	21.9%	22.5%	16.5%	18.1x	15.1x
Grupo Centro Norte	6.1%	Mexico	Industrials	32.6%	43.4%	16.2%	16.5x	13.8x
Dino Polska	5.9%	Poland	Consumer staples	4.5%	19.1%	12.4%	18.1x	16.4x
Kaspi	5.7%	Kazakhstan	Financials	24.9%	46.7%	9.3%	7.3x	6.8x
Evolution AB	4.9%	Sweden	Consumer discretionary	51.8%	26.7%	8.1%	11.8x	10.8x
Grupo del Sureste	3.9%	Mexico	Industrials	26.1%	22.8%	12.6%	14.2x	10.8x
Bosideng	3.3%	China	Consumer discretionary	14.6%	22.8%	5.0%	12.2x	11.3x
Luzhou Laojiao	2.3%	China	Consumer staples	40.8%	19.6%	0.4%	12.3x	11.9x
Weighted average				**32.2%**	**43.6%**	**18.1%**	**18.4x**	**14.9x**

Source: S&P Capital IQ. As at 27th July, 2026.
1 - The 2-year forward EPS growth is a market consensus estimate. Our own estimates differ from the market consensus.

Although we believe the portfolio trades at a favourable multiple of 18x given the above average profitability and earnings growth, we recognise that this may not represent the actual performance of the portfolio.

Perhaps an even more revealing assessment of the current portfolio is their performance on the Jenga IP quality table, which categorises companies into low (<6), medium (7) or high (8-10) on ten quality attributes, alongside a final column that classifies their growth potential.

Company name	Barriers to entry	Switching cost	Purchase frequency	Mission-critical	Technology resilience	Value chain control	Pricing power	Balance sheet strength	Profit margin	Test of time track record	Growth
TSMC	High	High	Low	HIgh	Low	Medium	High	High	High	High	High
FactSet Research	High	High	Medium	HIgh	Low	Medium	Medium	High	High	High	Low
Microsoft	High	High	High	HIgh	Low	High	Strong	High	High	High	High
Visa	High	Medium	High	HIgh	Medium	Medium	Medium	High	High	High	Medium
Mastercard	High	Medium	High	HIgh	Medium	Medium	Medium	High	High	High	Medium
Farmer Mac	High	Medium	Medium	Medium	High	Low	Low	Low	High	High	Low
Metlen	High	Medium	Low	HIgh	High	High	Low	Low	Medium	Medium	Medium
Intuit	High	Medium	High	HIgh	Low	High	High	High	High	High	Medium
Centro Norte	High	High	Medium	HIgh	HIgh	Low	High	High	High	High	Low
Dino Polska	Medium	Low	High	Medium	High	Medium	Low	High	Low	Low	Medium
Kaspi	Medium	Low	High	HIgh	Medium	Medium	Low	Medium	High	Low	Medium
Evolution AB	Low	Low	High	Low	Medium	Low	Medium	High	High	Low	Low
Bosideng	Low	Low	Low	Low	High	Medium	Medium	High	Medium	Medium	Low
Del Sureste	High	High	Low	High	High	Low	High	High	High	High	Low
Luzhou Laojiao	Medium	Low	Medium	Low	High	Medium	Strong	High	High	High	Low

Source: Jenga IP Research

There are some companies worth discussing more on:

- **Visa and Mastercard (The ultra high quality companies)**: The two payment networks were the only recent investments where we paid above 20x their forward earnings. For both companies, you might notice there's no red category across all 11, and I believe this is why both companies deserved their 25x forward P/E premium.

- **FactSet, Microsoft and Intuit (The AI-exposed trio)**: The AI-exposed trio (see 'low' technology resilience score) have seen their valuations decline in recent months. Although we think each of them will remain resilient due to compliance, trust and the various ways they embed AI in their businesses, we still factor the technology threat in their respective investment cases. As part of our risk management process of reducing the risk of minimal permanent loss of capital, we ensured that before finalising an investment among these AI-exposed companies, there were no shortcomings in other quality categories. Each of them maintains strong balance sheets, high profit margins and has proven resilient through the test of time for 40+ years.

- **Farmer Mac (A rare exception)**: Generally, to avoid mistakes, moderate moat companies must have very low entry valuations and medium-to-high growth prospects. We view Farmer Mac as one of these moderate moat companies, and while its valuations were low at 9x net earnings, its growth prospects don't exactly match the growth expectations we have for moderate moat companies, medium or high growth. There's a reason behind this. Farmer Mac is a rare company and is the only company in the world that can sustainably provide its customers, the American farm and agriculture and rural utilities sectors, with cheap enough debt funding due to its unique Government Sponsored Enterprise status.

- **TSMC (Staying disciplined)**: Although semiconductors have become quite popular in markets today, given their exposure to AI trends, we remain disciplined in our assessment and recognise the business quality shortcomings nearly all semiconductor companies like TSMC have: low purchase frequency, low technology resilience and, in some cases, medium or low value chain control. TSMC, in particular, as the world's largest semiconductor foundry, is constantly under pressure from Samsung and Intel to ensure it delivers the best chips to its customers. 2 or 3 years of poor delivery and misfirings can undo 39 years of hard work and execution. At 11% of the portfolio, we recognise the current risk/reward in its shares, and while it hasn't yet breached a forward 5-year IRR where we reduce or exit its shares, continued momentum in its shares may trigger this, and you can expect us to remain disciplined and adjust the portfolio weighting.

- **Evolution and Dino Polska (Old lessons on quality shortcomings)**: A costly lesson we have learned is paying too high multiples for moderate, or in Evolution AB's case, a weak moat company. The business moat weaknesses, such as low barriers to entry, switching costs and value chain control in Evolution's case, make it very hard for these companies to maintain high growth rates, as competition comes soon, now or later. For Dino Polska, the low switching cost for customers has kept it in intense competition with other Polish national grocery chains like Biedronka, limiting Dino's store growth, pricing and operating earnings growth. For Evolution, the low barriers to entry and switching costs in the live casino industry attracted new competitors like Pragmatic Play and regulators, sending them from a 50% revenue and EBIT grower when we initially acquired its shares in 2020 to low-single digits today. We have learned our lessons here, and none of the 10 of 15 investments made under the refreshed quality framework had the same moat shortcomings as both Evolution and Dino Polska do. In the two investments where the quality shortcomings come close, Farmer Mac and Metlen, we ensured we paid low multiples of 9-10x P/E to make up for their shortcomings.

Of course, quality alone isn't all we are looking for in investments today, and we remain focused on other factors that impact the potential IRR, such as management, growth outlooks, culture and industry cycles.

H2 2026 research priorities

Each quarter, we focus our research efforts on just one or two industries or themes, and have so far found this to be the optimal balance for our research process. For the second half of 2026, we have selected the three industries as our core priorities:

- **Software and financial market data**: The ongoing AI risk continues to drag valuations of software and financial market data companies lower, and our goal here is to separate companies that could be enabled or have more limited threats from those that are severely negatively impacted by AI. Over the past 7 months, we focused on this theme and currently have 22% of the portfolio invested across three companies: FactSet, Microsoft and Intuit. To ensure we maintain prudent diversification, we will cap the purchase weighting to 25%, meaning any new position in software or financial market data will partially be funded from reducing our existing holdings.

- **Transport infrastructure**: 10% of the portfolio is currently invested in two Mexican airports and we plan on spending even more time studying other verticals within transport infrastructure like ports, railroads and highways.

- **Insurance**: Insurance has historically produced several high quality and durable businesses with medium growth potential. However, understanding insurance takes years of research, and we plan to commence our research, building our industry knowledge, contacts, and familiarity with various companies in different markets. While we certainly don't expect immediate returns, we believe over the long term, the research would prove valuable for the portfolio.

Q2 2026 quarterly conference call (30th July, 2026, 5-6 pm UK time)



We will host the Q2 2026 investor call on Thursday, 30th July, 2026. You can sign up to directly receive the virtual call link here.

You can directly email me questions ahead of the call to be answered during the Q&A session.

Yours truly,
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