Q3 2025
INVESTOR LETTER TO PARTNERS

28th October 2025

Jenga Investment Partners Ltd

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Dear Partners,

	Q3 2025	YTD 2025	Strategy inception (1 May 2023)
Jenga Investment Partners Ltd (net returns)	3.38%	18.53%	2.23%
MSCI World Index (USD)	7.49%	17.83%	59.24%

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.

The Jenga Investment Partners investment strategy returned 3.38% in Q3 2025, versus the benchmark return of 7.49%, bringing the year-to-date (YTD) returns to 18.53%, versus the benchmark return of 17.83%.

Every investment manager hopes to outperform the benchmark, especially in the first years of a Fund's life. As you may notice from the table above, this wasn't our case, particularly due to the drawdown experienced in 2024, a year global equities performed exceptionally well.

At the end of last year, I commenced a period of intensive reflection and then research, pausing all fundraising and networking aspects of the Fund management business, to ensure I can fully diagnose and correct potential issues with our investment process. It takes a lot of humility and introspection to "fix" one's craft, and admittedly, the past year has taught me several lessons.

After completing the first stage, I noticed several areas we could improve to ensure past investment mistakes aren't repeated, ultimately improving the investment outcomes for the Strategy.

The most significant problem was the lack of focus on business quality analysis. It was immediately clear to me that I had underestimated the importance business quality (earnings and cash flow resilience) plays in the investment equation. Instead, we had focused too much on potential earnings growth; companies that can grow 20% in a good year but decline in earnings by 20% during a bad year.

While one can make significant gains by timing these lower quality companies well, timing where our competitive advantage lies in.

Our strengths at Jenga IP are long-termism and business research and analysis, and to truly benefit from these strengths, we need to be highly focused on investing from a business quality lens. For the rest of the letter, I will discuss the 7 steps now included in our investment process to ensure my decision-making better aligns with the investment objective.

Let's first explore the core problem.

1. Diagnosing the problem

As mentioned above, too many companies in the portfolio were companies I would classify as lower quality (low or no moat companies) with highly volatile earnings growth. Features of these include low barriers to entry, ultra-cyclical product or service demand, and limited control of their value chain, among others.

For example, I had invested in several labour hire recruitment platforms (Ashley Service, Freelance.com) and IT consulting companies (Spyrosoft and Gofore). Both industries have structural quality issues—low barriers to entry—a group of 10 software engineers can easily start their own IT service company and quickly win service contracts from old clients. Labour hire has the additional structural issue of low profit margins; the average labour hire company earns EBIT margins of 2-5%.

Finally, the nature of product demand is lumpy and too discretionary for a service. IT consulting solves a need with lots of alternative solutions. Beyond employing a Gofore or Spyrosoft, companies could first rely on their own employees, hire freelancers or contractors, or, more recently, use several AI tools to diagnose and fix IT issues.

It's common for even high quality companies and industries to face one or two structural issues, but the quality issues here are numerous, as with labour hire and IT consulting, which leads to volatile earnings profiles. The timing of our purchase, the top of both industry cycles, also negatively impacted their investment cases. Had we paid 3x P/E rather than the 16-21x P/E we paid for the companies, the valuation could have made up for the structural issues.

In the future, errors of this scope is something I certainly wouldn't want to repeat in future investments and to improve our process, the following 7 steps were created and form the Jenga IP investment process today:

1. The Jenga IP Industry quality system
2. The investment due diligence checklist
3. A holistic investment research process
4. The Jenga IP company quality score
5. A detailed valuation model
6. Risk map
7. Culture of quality, not quantity

I. The Jenga IP Industry quality score

The issue: The first issue was investing heavily in industries with structural quality flaws (e.g. labour hire and IT services).

Solution: To ensure I don't repeat this mistake, I created a Jenga IP Industry quality system. First, we sort all 60 GICS industries into the following 7 categories:

1. Our knowledge and understanding of the industry drivers (5%)
2. Product or service replacement cycle and demand recurring-ness (15%)
3. Profitability and earnings growth potential (15%)
4. Innovation capacity (10%)
5. Barriers to disruption (20%)

6. Industry resilience to economic and political shocks (20%)
7. Track record of outperformance (15%)

The 60 industries are then scored in each category, out of 10, and then a weighted sum is added to calculate the overall industry score out of 10. A good industry would generally have a score above 6.5/10.

Of the 60 industries, the top 15 are selected as industries where 90% of all our investments are sourced from. Some of these 15 selected industries include:

- Industrial distributors and conglomerates
- Consumer staples & grocery retail and distribution
- Industrial transport infrastructure
- Financials: Exchanges and data research

Labour hire, which sits within industrial professional services, is ranked 44th of 60 industries, while IT consulting is currently ranked 34th of 60 industries, leaving both industries well outside the new industry focus area.

This step will help prioritise our research efforts on industries more likely to produce companies with the quality features we prefer. Of course, the work doesn't stop at just picking the right industries.

You can read more about the Jenga IP Industry quality score and methodology here.

II. The investment due diligence checklist

The issue: I noticed some investment decisions were more holistic than others, leading to inconsistent decision-making.

Solution: I created a detailed 60-step investment checklist that every company must pass through before we finalise the investment research. Of these 60 questions, 43 are on the business quality, 8 are on the business growth, and 9 are on the business valuation.

You can access the investment checklist here.

III. Holistic investment research

The issue: Similar to the checklist problem, there were gaps in the investment research with some companies. While it's impossible to know everything about every portfolio company, our long-term and concentrated investment strategy requires us to have a high level of understanding and confidence in its business economics and drivers.

Solution: Before any new investment, I write a 10,000+ words deep dive, exploring the findings in the relevant aspects of its business, industry and competitive landscape to ensure the knowledge gaps are kept to as minimal as possible. Earlier in the year, I began publishing the research in this stage in the Jenga IP newsletter, Global Outperformers.

You can access the library of investment research here.

IV. The Jenga IP company quality score

The issue: Understanding and appreciating the business quality (earnings resilience) was the single most significant gap in our investment process. Unlike growth or valuation, quality is both qualitative and quantitative and can't be tied to a single metric.

Solution: I created the Jenga IP quality score, which assigns a score out of 100%. The score is a sum of 44 quality features (both quantitative and qualitative), grouped into 10 categories, with each category weighing an equal 10% of the total 100% score. These ten categories include:

1. Barrier to entry
2. Nature of product demand recurrence
3. Balance sheet strength
4. Profit margin durability
5. Market & industry position
6. Pricing power
7. Value chain control
8. Value created to society
9. Culture
10. Test of time

The total company quality score is then split into four categories: high moats (>75/100), moderate moats (70 -75), low moats (65-70) and no moats (<60).

I immediately noticed the bulk of the portfolio were in low moats and no moats (<70/100), and in March, we commenced a year-long transition of ensuring at least 90% of the portfolio is invested in either high or moderate moat companies. I'll discuss more about the investment decisions later in this letter.

You can read more about how the Jenga IP quality scoring system works here.

V. Detailed valuation model

The issue: Valuing a business requires a projection of earnings and cash flows. In the past, I relied on simple valuation models (revenue, operating profit, net income and free cash flow). The issue with this method is that while it's quick, it doesn't provide information on how our estimates deviate from actual figures. It's important for me to track these as they serve as a reality check on our understanding of the company and business drivers.

Solution: For every new investment, I build a detailed model after completing the broader research from step 3, projecting estimates of where we see trackable KPIs, revenue segments, cost lines and the overall earnings.

For example, TSMC, the world's largest chip manufacturer, reports its revenue by technology node and in our TSMC valuation, we project what TSMC could achieve by 2029 across its technology nodes (2nm, A16, A14) 2029. As each quarter passes, I reflect on the differences, reasons for the differences, and update our models to ensure we are as close to the truth as possible.

You can access all the valuation models prepared for our new investments here.

VI. The Jenga IP Risk map

The issue: Businesses always face risks, but some companies are more susceptible to certain risks and also face a larger volume of risks. Admittedly, we previously invested in companies that faced too many potential risks and over time, they impacted the fundamentals and business stability.

Solution: As the final research step, I created the Jenga IP risk map, which consists of 60 risk factors grouped into 10 categories. Unlike the quality score, these risks aren't equally weighted; some categories have more weighting than others. The 10 Jenga IP risk map categories and their weightings include:

1. Technological disruption risks (11%)
2. Geopolitical and black swan events (10%)
3. Macroeconomics (11%)
4. Regulatory and legal risks (6%)
5. Reputation risks (5%)
6. Competition risks (12%)
7. Balance sheet risks (15%)
8. Revenue and supply chain risks (15%)
9. Cost of services and production risks (7.5%)
10. Management risks (7.5%)

Each of the sub-60 factors within the 10 categories listed above is scored 0 - 10, with 10 being severely at risk, while 0 is at no risk (companies rarely score 0). Finally, we add the weighted total of all categories, scored over 100 and also count the number of risks flagged as high risks (scores >6/10).

Finally, there are three risk map rules I must follow regardless of the research and valuations:

A. If more than 25 of the 60 risk factors are valued at a high risk score (>6/10), it automatically nullifies the investment case, regardless of the potential upside.
B. If between 20 - 25 of the 60 risk factors are valued at a high risk score (>6/10), further research is done into these risks before taking an investment decision.
C. If more than 5 of the 60 risk factors are valued at an excessive level, that is, it scores a 9 or 10 out of 10, it nullifies the investment case regardless of the potential upside.

VII. Quality, not quantity

The issue: The Strategy's mandate is global equities with a market cap of at least $50 million, which means we can potentially invest in a universe of 29,000+ companies. In the past, the investment universe size made us prioritise quantity, not quality of ideas, and thus negatively impacted our performance, as I was looking at too many things at any given time.

Solution: To ensure we have more focus on higher quality ideas over quantity, I've included additional self-mandated research caps.

- We deep dive into a maximum of 12 companies each year (one per month), with the goal of roughly 3 leading into actual investments. Given that we typically hold 15-18 companies, this means our portfolio turns over every 5 to 6 years.
- From an industry lens, a maximum of 6 of the 60 industries are studied each year.

This year, some of the 12 companies include TSMC, Alphabet, ASUR, OMA, Metlen, among others, and some of the 6 industries include industrial transport infrastructure, industrial distributors & conglomerates, consumer staples packaged goods, consumer staples grocery and retail, among others.

While the level of focus here will lead to a lower volume of investment coverage in our potential universe, I believe the added focus will contribute to a more sustainable investment performance.

These 7 steps aren't static and are ongoing works in progress. I'll continually invest my time and effort in further improving each. The updated investment process has led to some portfolio changes, and in the next section, I discuss these investment changes.

2. Portfolio changes

After refocusing on business quality (earnings resilience), I quickly realised a significant portion of the strategy was invested in no and low moat (quality) companies. Given our stated goal of ensuring at least 90% of the portfolio is invested in high or moderate moat (quality) companies, I concluded we will have to exit these lower quality businesses. The challenge, however, is our exit valuation, which seemed too low even for these lower quality companies.

Let's take Ashley Service, the Australian labour hire company I mentioned earlier that I should never had invested in initially. The sentiment in its shares is so negative that a recent update from management that its business returned to 2023 levels of profitability (AUD 3 million quarterly EBITDA) spurred a 43% jump in its share price yesterday alone. If Ashley Services keeps this up and actually returns to its previous FY 2023 profitability levels (net profit of AUD 9 million) for the full FY 2026, its shares could be valued at just 3x net profits.

Another example is Kering, the luxury goods group behind brands like Gucci and Yves Saint Laurent. Year to date, its shares are up 38%, significantly outperforming higher quality luxury peers like Hermès (-5%) and LVMH (-3%). Ironically, Kering continues to publish the worst trading updates and earnings among its luxury peers, which explains just how negative its shares have become.

If Kering successfully fixes most of its ongoing issues and returns to previous profitability levels, EUR 4 billion EBIT, an EBIT value exceeded in 6 of the last 7 years, its shares at the trough levels earlier in May (EUR 20 billion market cap) would be at just 5x its EBIT. Even with its quality shortcomings (cyclical product demand, balance sheet weakness and minimal value created to society), Kering is undoubtedly not a 5x EBIT company.

What these mean is that we currently face two contrasting realities:

1. I shouldn't have made some of these investments
2. Exiting the shares at 2025 valuations could be too low

To deal with this challenge, I segmented the low and no moat companies into two buckets: those we exit immediately and those we gradually exit (due to current valuations). The table below lists these companies, including the five new investments replacing them.

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Immediate exits	Gradual exits	New investments
InMode	Freelance.com	Alphabet
Betterware de Mexico	Playway	Grupo Aeroportuario del Sureste (ASUR)
	Ashley Service	Grupo Aeroportuario Centro Norte (OMA)
	Kering	TSMC
	Gofore	Metlen
	Spyrosoft	

Immediate exits (InMode and Betterware de Mexico)

After the initial portfolio reflection, I concluded on exiting our positions in InMode (an Israeli medical aesthetics equipment manufacturer) and BeFra (a Mexican household and cosmetics products retailer). In the table below, I map out their score on the Jenga IP Quality index, their moat status, the good and poor quality categories and the number of high risks categories.

Immediate exits	Jenga IP Quality score	Moat category	Good quality categories	Poor quality categories	Jenga IP high risks
InMode	63.9	No moat	Balance sheet strength, profit margin, culture	Barriers to entry, nature of demand, market & industry position, value created to society	24/60
BeFra	61.6	No moat	Culture, test of time	Nature of demand, pricing power, value chain control	25/60

InMode

Admittedly, from a pure quantitative lens, InMode was one of the cheapest companies in the portfolio. It has no debt, half of its market cap is in cash, and even if its net profits fell by half to $90 million, it would take only 5 years to make back its enterprise value ($460 million).

Cheap right?

The issue with InMode is that, upon deeper research, I concluded I could no longer forecast its 3-5 year earnings potential to a high degree of confidence. That is, InMode could either make $200 million in operating profits or $0 by 2029.

Medical aesthetics equipment goes through frequent boom-bust cycles (cyclical nature of demand), the barriers to entry are pretty low, given the many competing technologies (laser, radio frequency, ultrasound, plasma, injectables etc), and the level of InMode's innovation and consumable sales, the more recurring segment no longer seem optimistic. With a low degree of confidence in its business model and drivers, the only decision was to exit its shares immediately.

BeFra

BeFra, formerly called Betterware de Mexico, a direct-selling pioneer in Mexico in both household products and cosmetics (Jafra cosmetics), had an immediate sale decision process that was driven by a different reason.

In BeFra's case, while it doesn't pass the quality score hurdle rate (61.6/100 score, see table above), I have a high degree of confidence in its earnings visibility over the next 3-5 years. Its products have been around since the 1990s while being managed by the same owners, the Campos family, who own 54% of the company. Its shares pay a 10% dividend yield, and even at its depressed trailing earnings, it's valued at 10x earnings, a company with over 20+ years of track record of 15% EBIT margins and EBIT growth.

The decision to sell immediately was due to the opportunity cost of other investments in Mexico. Mexico has been an interest of mine, and we saw a better (high quality and lower risk) investment case by investing in its airports, discussed below. In emerging markets, we cap country allocations to a maximum of 10%. Hence, to purchase shares in one company, we usually have to sell the existing company. This is an FX risk management.

Gradual exits (Freelance.com, Playway, Ashley Service, Kering, Spyrosoft and Gofore)

Immediate exits	Jenga IP Quality score	Moat category	Good quality categories	Poor quality categories	Jenga IP high risks
Freelance.com	58.5	No moat	Value created to society, culture	Barrier to entry, nature of demand, profit margin, market & industry position, pricing power, value chain control, test of time	29/60
Playway	64.1	No moat	Balance sheet strength, profit margin, culture	Value created to society, barriers to entry, nature of demand, pricing power, value chain	24/60
Ashley Service	57.8	No moat	Value created to society, culture	Barrier to entry, nature of demand, profit margin, market & industry position, pricing power, value chain control	23/60
Kering	67.9	Low moat	Value chain control, culture, test of time	Barrier to entry, nature of demand, balance sheet strength, value created to society, profit margin	21/60
Gofore	60.9	No moat	Balance sheet strength, culture	Barrier to entry, nature of demand, profit margin, market & industry position, pricing power	16/60
Spyrosoft	61.6	No moat	Balance sheet, culture	Barrier to entry, nature of demand, profit margin, pricing power, test of time	22/60

The second bucket of companies were those we identified as gradual exits, and in the table below, I map out the companies within this segment.

Ashley Service, Freelance.com, Spyrosoft and Gofore

As mentioned earlier, the labour hire (Ashley Service and Freelance.com) and IT services (Spyrosoft and Gofore) were companies I should never have invested in, given their underlying business quality and lack of moats.

Both Ashley Service (3x our estimated normalised earnings) and Freelance (6x trailing net earnings) are valued at very depressed valuations, and the decision for gradually exiting these, rather than outright complete sales, was solely due to the price. As of today, we have now exited both companies.

Spyrosoft and Gofore remain in the portfolio, and the primary determinant for the date of exit will be the entrance of new investments, as we still find their shares to be better than holding cash.

Kering

Unlike the others, Kering has some moat, although low. It controls its value chain (stores, access to customers, suppliers and marketing communication channels), has passed the test of time (owns brands within decades of longevity) and has good unit economics and profitability (in most years).

That said, not all luxury companies are made equal. Ferrari, Brunello Cucinelli and Hermès are far superior to Kering in quality, and the mistake I made was paying Hermès valuation multiples for Kering shares back in 2020, our first year of holding Kering shares.

We've recovered some losses here since its small gain this year and continue to slowly exit the Kering position.

Playway

Looking internally at the Polish gaming publisher, I can't say negative things. Playway is one of the best-managed companies I've come across. It's never had any debt, always maintained a huge cash position, consistently earned 50% EBIT margins since its founding, grown revenue and operating profits over 20-fold since 2016, pays an 8% dividend yield with its shares valued at 12x its trailing net earnings.

The challenge with Playway is more external, video gaming. Video gaming companies often go through periods of short growth spurts but face the same terminal challenges: high customer churn rates and fatigue, lumpy non-advertising revenue, high employee churn rates and the constant need to create new content. Of course, the exposure to these risks differs by company—Tencent and NetEase in China have much less exposure to these gaming challenges, and we view both as high quality companies, despite the industry nature shortcomings.

Playway had created a unique strategy to manage these fundamental challenges in the video gaming industry, but it has failed to eclipse the success seen with its flagship Car Mechanic Simulator 2021 franchise. While its House Flipper 2 premium game came close last year, it wasn't enough to spur actual business growth.

Although extremely profitable when run well, like Playway, most video gaming developers don't meet the quality hurdle target in our updated strategy. This is the key reason for the gradual exit of the investment position in Playway.

New investments (Alphabet, ASUR, OMA, TSMC, Metlen)

The main priority for the portfolio is ensuring we are increasingly invested in high quality businesses with predictable, durable and resilient earnings power that can grow, while being priced at what we believe to be undervalued prices.

So far this year, we have identified five new investments and the table below lists the five, alongside their quality scores, good and poor quality categories and the flagged risks.

From the table, you will notice their higher quality scores, a larger share of the categories ranked as good, rather than poor, as seen with the exited investments, and also a lower level of high risks flagged.

Immediate exits	Jenga IP Quality score	Moat category	Good quality categories	Poor quality categories	High risks flagged
Alphabet	79.2	High moat	Balance sheet strength, nature of demand, profit margin, value created to society, test of time	Pricing power	10/60
ASUR	76.6	High moat	Barrier to entry, balance sheet strength, profit margin, pricing power, culture, test of time	Value chain control	6/60
OMA	76.6	High moat	Barrier to entry, profit margin, pricing power, value created to society, culture, test of time	Value chain control	3/60
TSMC	80.2	High moat	Barrier to entry, balance sheet entry, profit margin, market & industry position, value created to society, culture, test of time	Value chain control, nature of demand	13/60
Metlen	70.2	Moderate moat	Barrier to entry, nature of demand, culture, test of time	Pricing power, value chain control,	16/60

I. Mexican Airports (ASUR and OMA)

Airports broadly meet what I look for from a business quality lens. There are high barriers to entry, stable and predictable demand cycle, high profit margins, they create value for society, have

passed the test of time and have some pricing power, particularly in their non-regulated business segments such as duty-free & retail, car rentals, among others.

After a global deep dive into the airport industry, we invested in two Mexican airports, OMA, which has Monterrey airport as its most significant asset and ASUR, which has Cancun's airport and Puerto Rico's International airport as its most important assets.

We expect around 9% annualised net profit growth to 2029, driven by some passenger growth, seat and airline capacity improvement and increased commercial revenue per passenger. Both companies pay a normalised dividend yield of around 5% (ASUR has approved a 14% dividend yield for 2025) and have room for some earnings multiples expansion, thus exceeding our 15% investment hurdle rate for the next few years.

You can read the Mexican airport investment memo here, access ASUR's valuation model here and OMA's valuation model here.

II. TSMC (Taiwan Semiconductor Manufacturing Company)

After following TSMC closely for the past 3 years, we initiated an investment in the world's largest chip manufacturing company.

TSMC is the highest quality company currently in the portfolio, and there are many factors we appreciate here. First, it's one of the only three companies globally with the capacity and expertise to manufacture the most advanced chips. The increasing cost and investments required to build fabs increase the barriers to entry in the chip manufacturing market. For example, its Fab 18 in Southern Taiwan Science Park will likely earn over $19 billion in revenue this year, and very few companies (and governments) have the scale to commit to such infrastructure projects.

TSMC also enjoys an innovation-led pricing power. Over the past 20 years, prices of TSMC's most advanced chips, 90nm chips in 2004 to 3nm chips today, have increased 12% annually per wafer, from $2,000 to $20,000. Their many innovations and chip improvements help justify their pricing power.

Finally, and most likely its greatest strength is the value TSMC creates for society. Everyone in society benefits from TSMC's progress, with limited negative externalities (beyond excess water usage). While TSMC remains under geopolitical tension for the foreseeable future, we believe its many stakeholders will continue supporting its progress in the form of subsidies, grants and its overall access to talent and other resources. A good example of this is its most recent fab projects in Germany, Japan, and, most importantly, in Arizona, USA, supporting each country's chip self-sufficiency.

We see revenue and net profits growing by 16% annually to 2029, although we expect bumps along the way. Coupled with its policy of paying 30% of profits as dividends and an exit multiple of 23x, we believe the potential return exceeds our hurdle rate of 15% IRR.

You can access the 16,000-word report on TSMC here and access the valuation model here.

III. Alphabet

Alphabet is currently the second-highest quality company in the portfolio, behind TSMC and earlier in the year, we believed the market was too pessimistic on its future in an increasingly competitive technology world.

First, Alphabet processes over 13 billion search queries daily (and growing), with roughly 20% of these search queries monetised. Even if search queries slowed, we see more potential for a larger share of its search queries to be monetised and should support its growth ambitions.

Alphabet's vertically integrated model, second only to Apple among the big tech companies, also gives it a unique position in the ongoing AI race. Other Google subsidiaries, like Google Maps and its Google Play app store, have room for further profitable growth even in a more competitive AI market.

Google Cloud Services also continues to grow its market share in the once duopolistic cloud market, and we believe its full-stack model, from custom chips to compute and storage, should support further market share gains in the cloud market. Finally, YouTube, in my view, remains the world's most important media franchise and continues to grow both its ad revenue, albeit at a slower pace, and subscription revenue, providing additional levers for growth.

Overall, we see Alphabet's net profits growing 11% annually to 2029. Combined with its growing share buybacks and dividends, and an exit multiple of 23x through 2029, Alphabet meets our 15% hurdle rate from the entry point.

You can read the full 13,000-word Alphabet investment memo here and access the valuation model here.

IV. Metlen

We recently initiated a full position in Metlen, the Greek diversified industrial conglomerate, after a year of research.

At first glance, Metlen seems like an empire-building conglomerate.

Upon closer inspection, though, it's simply a vertically integrated energy and metals group. It's the Greek market leader (among private companies) in several industrial sectors such as aluminium and alumina production, LNG importation and trading, natural gas production, electricity supply, renewables, power and infrastructure & construction sectors. More recently, it's entered the gallium, defence metallurgical contract manufacturing and circular metals production markets, to support Europe's self-sufficiency.

That's many subsidiaries. That said, these subsidiaries serve as a natural hedge. Energy is aluminium's largest cost driver, and when aluminium prices go down, Metlen's position as a producer of its own energy source (natural gas) keeps its aluminium operations as the lowest cost producer in Europe. If natural gas prices go down, the earnings drop in its LNG trading division is counterbalanced by lower input costs for its 4 natural gas plants.

Metlen remains in expansion mode after already more than doubling its revenues and profits between 2019 and 2024. Management now sets its target to again double its operating profits by 2028. Even if Metlen misses this target, at just 10x earnings and a 3.5% dividend yield, we see significant long term upside in its shares from multiples expansion, earnings growth and dividends.

You can read the full 13,000-word Metlen investment memo here and access the valuation model here.

Final thoughts

There have been many changes both in portfolio and process over the past few months, and I expect the portfolio turnover to remain high until March 2026, a target month set for the transition from low quality companies to higher quality, predictable and durable businesses with growing earnings, priced at attractive valuations.

I thank all our partners who've supported this transitional period, and I look forward to answering your questions during the investor quarterly call on the **30th of October 2025** and updating you on our newsletter, Global Outperformers, with our next set of investments.

Yours truly,
Dede Eyesan
Jenga Investment Partners Ltd

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