The Pernas Portfolio

September 2025	**Inception Date January 2017**
Pernas Research	Benchmark: S&P 500 Total Return
8 The Green, Suite B	Minimum Investment: N/A
Dover, DE 19901	Email: deiya@pernasresearch.com
Phone: 805-490-5362	website: https://pernasresearch.com/

Investment Philosophy

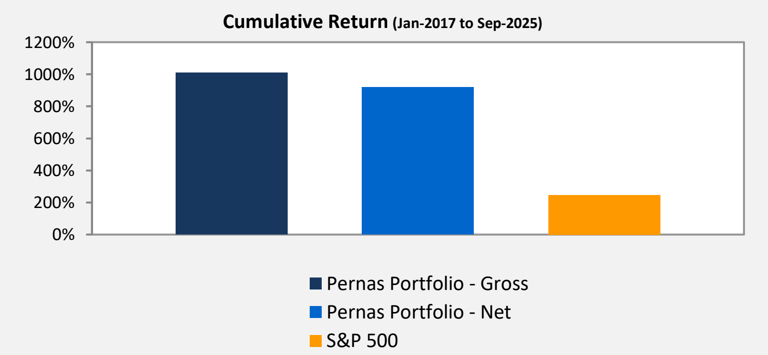
We focus on the "***motor***," the underlying forces that drive a company's future. In a dynamic world, a firm's future can look very different from its past. Our goal is to identify positive shifts in business trajectory early, before they appear in the financials and while the market is still looking backward.

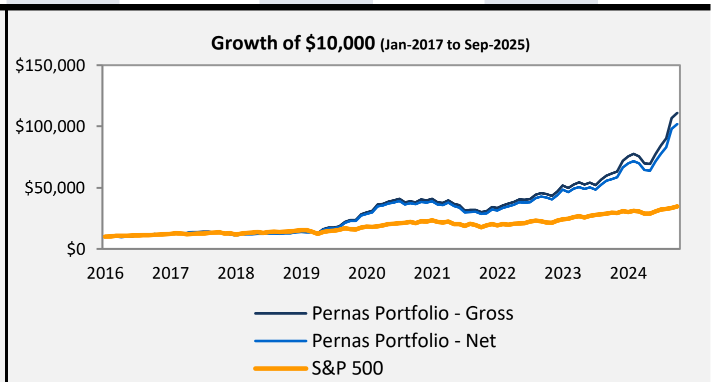
Annualized Returns

	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	7 Years	ITD (Jan '17)
Pernas Portfolio - Gross	3.95%	31.67%	47.16%	80.56%	54.54%	36.34%	35.26%	31.66%
Pernas Portfolio - Net	3.86%	31.37%	46.11%	78.86%	53.06%	35.02%	33.95%	30.38%
S&P 500	*3.65%*	*8.12%*	*14.83%*	*17.60%*	*24.94%*	*16.47%*	*14.45%*	*15.26%*

Calendar Year Returns

	2025 - YTD	2024	2023	2022	2021	2020	2019	2018	2017
Pernas Portfolio - Gross	47.16%	45.61%	55.42%	-18.43%	37.42%	107.87%	28.79%	-13.31%	28.09%
Pernas Portfolio - Net	46.11%	44.21%	53.93%	-19.25%	36.09%	105.92%	27.54%	-14.18%	26.84%
S&P 500	*14.83%*	*25.02%*	*26.29%*	*-18.11%*	*28.71%*	*18.40%*	*31.49%*	*-4.38%*	*21.83%*





Returns

	Total Gross	Total Net	S&P 500 (TR)
Compound ROR	31.66%	30.38%	15.26%
Cumulative Return	1009.74%	918.99%	246.53%
Cumulative VAMI	$110,974	$101,899	$34,653
Largest Month Gain	25.70%	25.62%	12.82%
Largest Month Loss	-11.68%	-11.76%	-12.35%
% Positive Months	63.81%	63.81%	70.48%

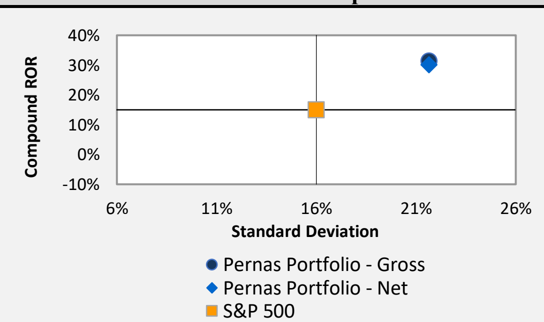
Comparison to Index

	Total Gross	Total Net
Annual Alpha	17.31%	16.16%
Up Capture	120.52%	117.57%
Down Capture	53.05%	54.95%
Beta	0.90	0.90
Correlation	0.66	0.66
R-Squared	0.44	0.44

Risk

	Total Gross	Total Net	S&P 500 (TR)
Standard Deviation	21.45%	21.45%	15.80%
Sharpe (T-Bill)	1.37	1.31	0.82
Sortino Ratio (5%)	2.77	2.60	0.97
Downside Deviation (0%)	8.95%	9.08%	9.93%
Maximum Drawdown	-26.52%	-27.45%	-23.87%
Max Drawdown Length	15	15	9
Months To Recover	10	10	15
Information Ratio	1.01	0.93	---

Risk/Return Scatterplot



Disclaimer: Past Performance is not indicative of future results. This report has been prepared and produced by an independent third-party, Riordan Consulting for informational purposes only. Pernas Research and Riordan Consulting are not affiliated. Please see the attached pages outlining important disclosures and definitions. eVestment is the source for the benchmark and composite statistical data presented on this page. Neither Pernas Research nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

The Pernas Portfolio

Assets in The Pernas Portfolio are managed by Pernas Research LLC and are not open to outside investment. For practical purposes, gross performance figures are the primary focus; net figures are included to align with industry standards. (A model fee is applied for compliance purposes.)

Core and Starter positions in the portfolio follow our "Motor" Investing philosophy, focusing on identifying mispriced companies with strengthening motors—those poised for value-creating growth based on a forward-looking understanding of their business dynamics. Read more about this philosophy here.

Portfolio Structure

The Pernas Portfolio is concentrated, typically holding around 20 positions. The portfolio is divided into four sleeves:

1. **Core Positions**:
   - 10-15 positions
   - Weight: 5-15% each
   - Holding Period: 6 months to several years
   - Historically, batting average is close to 70%. These are high-conviction investments based on rigorous research and a well-formulated thesis.
2. **Starter Positions**:
   - 2-3 positions
   - Weight: 2-3% each
   - Holding Period: Typically a year or less
   - Historically, batting average is close to 60%. These positions often serve as initial entries and may graduate to Core Positions as conviction increases.
3. **Speculative Positions**:
   - 1-4 positions
   - Weight: ~1% each
   - Holding Period: 6 months or less
   - These positions offer favorable risk-reward profiles based on specific opportunities.
   - Batting average is close to 50% but slugging percentage is high. These positions are highly speculative often with no downside protection but offer outsized return potential.
4. **Cash Sleeve**:
   - ~10% of the portfolio
   - Maintained as a cushion to capitalize on market volatility and opportunities.

Investment Process

- Thesis Development: Before initiating a position, we outline a detailed investment thesis.
- Subscriber Communication: After investing, we share our rationale with subscribers, similar to how hedge fund or mutual fund managers discuss their positions publicly.
- Active Management: We continue to invest in the company until the thesis materializes and the price hits our target, or if the thesis breaks and we decide to sell.
- Exit Updates: Upon selling, subscribers are promptly informed.

All practices are compliant and adhere to industry standards.