



Q3 2025

Managed by





Kronberg Capital VCC – Global Equities
Managed by Pilgrim Partners Asia Limited
137 Telok Ayer Street #04-07
Singapore 068602

October 30, 2025

Dear Partners,

From our first dealing date on 12 August 2025 through 30 September 2025, the fund returned +0.8% net.

Before discussing the portfolio, I want to share with you how my experience as an entrepreneur and owner-operator has shaped my investment strategy. I believe this experience gives me a differentiated view on public equity investments.

Business-owner mindset

When I look at businesses, I don't think about buying a stock ticker that moves up and down on a chart. I look at it through the lens of a business owner, the same way I did when running my own company. As an owner, I think about the quality of the business, its strategy, the people and culture, operational execution, the competitive environment and the financials.

While I do estimate intrinsic value, I don't ask myself daily what someone else might pay me for the business. When investing in public equities, I don't think about where the stock might go in the short run, but I have an opinion about where it might go in the long run based on the intrinsic value. And just as importantly, here's what I don't think about: technical analysis, ESG scores, Sharpe ratios, or similar metrics. I see them not only as distractions but as obstacles to investment success.

Long-term perspective

One of my favorite quotes is from Tony Robbins:

"People will overestimate what they can do in 1 year, and they massively underestimate what they can do in 10 years."

When we built our business, it felt exactly like that. Annual progress was uneven and sometimes frustratingly slow, but viewed over a longer horizon, the results were remarkable. Investing in great businesses works the same way. Outstanding results emerge over time if you invest in the right company, take a long-term perspective and avoid being distracted by short-term share price moves and challenges along the way.

As long as the business remains healthy, the strategy is right, and the people running it are competent, selling because of short-term headwinds would be a mistake.

Avoid directionless corporates

When I started selling on online marketplaces in 2009, eBay was the place to be. Sixteen years later, I don't know anyone who buys there anymore, except for second-hand items. Meanwhile, Amazon has become the dominant marketplace. Why?

Amazon had one of the best business leaders of the century in Jeff Bezos, a results-driven culture, and flawless execution, something we saw first-hand in every interaction as sellers.

In contrast, eBay was a typical corporate without clear leadership or direction, coupled with weak execution, endless meetings, and no real progress. Plans were announced, nothing happened and a year later, new plans were announced again.

If you had bought Amazon in September 2009 and held it until today, your return would be more than 5,000%. eBay during that time would have returned less than a fifth.

Avoid excessive debt

Good times create illusions, and it's difficult not to fall for them.

During the COVID years, e-commerce was booming and nearly everyone, myself included, thought elevated revenues were the new normal. Sellers built up inventory based on optimistic forecasts.

Then lockdowns ended and demand dropped. People only needed to equip their kitchen or home office once and began spending their money elsewhere.

Sellers were left with too much inventory and not enough cash, forcing them to get rid of inventory quickly. Increased marketing and markdowns squeezed margins, and for those with heavy debt, the situation turned critical. Few foresaw this, I certainly didn't. But it was a clear lesson: debt levels that look fine in good times can become frighteningly high when the cycle turns.

That's why I avoid companies with too much leverage. You never know when conditions will change, but they will at some point. And when they do, it's better not to face a wall of maturing debt.

Portfolio

<u>Time Period</u>	<u>Kronberg Capital (net)</u>
Inception (12.08.25) till 30.09.25	0.8%

Portfolio commentary

From 12 August through 30 September 2025, the fund returned +0.8% net. While I would have preferred to report stronger relative results in my first commentary, six weeks is simply too short a period to be meaningful. With a concentrated, index-agnostic portfolio, there will always be periods of wide divergence from the benchmark, sometimes better, sometimes worse. What matters is the compounding over time, and over the medium to long run, my results should be judged against the benchmark.

The two biggest contributors were **Nu Holdings** and **Novo Nordisk**.

The two main detractors were **Constellation Brands** and **Converge**.

We held roughly 30% of the portfolio in cash. The cash position doesn't reflect a view on where markets might go, since I have no such view.

As John Kenneth Galbraith put it:

“There are two kinds of forecasters: those who don’t know, and those who don’t know they don’t know.”

The cash balance simply reflects the reality that many businesses I would like to own are not yet available at prices I find attractive.

Constellation Brands (STZ) – sold

The underlying business developed differently than expected, which broke my original investment thesis. As outlined in the founding letter, I sold the position at a loss to protect capital and reallocate funds to better opportunities

Converge (CNVRG)

Converge, one of our largest holdings, experienced a significant drawdown before partially recovering. Following our standard process, I conducted deeper research and found no material reason for the price decline other than a minor revenue guidance miss and short-term market sentiment.

Converge provides fixed broadband internet in the Philippines, generates strong returns on capital with low leverage, and is led by its founding family and a capable management team.

The investment thesis remains fully intact, and at the current valuation, the stock is even more attractive. I increased our position accordingly.

Positioning and outlook

Looking ahead, I feel confident in the portfolio. We hold a balanced mix of high-quality mature and growth businesses, diversified across industries and regions, complemented by a few opportunistic ideas and cash ready to deploy.

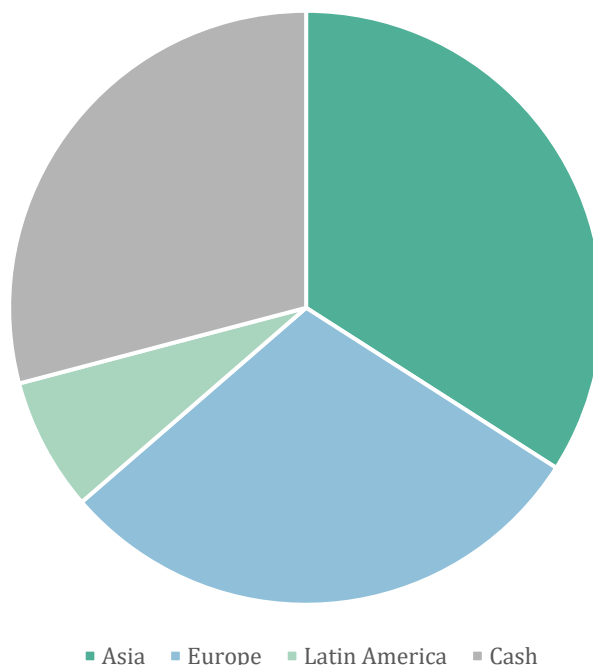
The portfolio remains attractively positioned with holdings trading at meaningful discounts to my estimate of intrinsic value. While I don’t know when the market will recognize that, I believe the gap will close over time, rewarding patience and discipline.

Largest 10 equity positions in % of NAV¹

<u>Company</u>	<u>Ticker</u>	<u>% of NAV</u>
Greggs plc	GRG	9.63%
Converge Information and Communications Technology Solutions, Inc.	CNVRG	9.61%
Wise plc	WISE	8.26%
Puregold Price Club, Inc.	PGOLD	7.83%
Novo Nordisk A/S	NOVO B	7.43%
Nu Holdings Ltd.	NU	7.25%
Tencent Holdings Limited	700	6.52%
BYD Company Limited	1211	5.42%
Joint Stock Company Kaspi.kz	KSPI	4.69%
B&M European Value Retail	BME	4.26%

¹ As of 30. September 25

Geographic allocation²



With appreciation,

Max Kronberg
Founder & Portfolio Manager
Kronberg Capital VCC – Global Equities

Disclaimer

This document and the information contained herein is strictly confidential and is intended only for the exclusive use of the selected persons for information purposes only. It contains selected information about the activities and strategies of the fund referenced herein ("Fund") and does not constitute an offer or invitation to sell, or the recommendation or solicitation of an offer or invitation or subscribe for any units of the Fund.

This document may not be circulated or distributed, nor may the securities of the Fund referenced herein be offered or sold, whether directly or indirectly, to any person in Singapore other than (a) an institutional investor pursuant to section 304 of the SFA, (b) a relevant person pursuant to section 305(1) of the SFA, (c) a person acquiring the securities as principal and on such terms as set out in section 305(2) of the SFA, or (d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

None of the Funds referenced herein is authorised or recognised by the Monetary Authority of Singapore and the securities of such Funds are not allowed to be offered to the retail public.

This document shall be construed as part of an information memorandum for the purposes of section 305(5) of the Securities and Futures Act 2001 of Singapore ("SFA"). Accordingly, this document must not be relied upon or construed on its own without reference to the information memorandum issued in connection with the offer of units of the Fund. This document is not a prospectus as defined in the SFA, and accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and the recipient should consider carefully whether the investment is suitable for him. The risk of loss in investments into financial instruments can be substantial, including the loss of the entire investment amount. Past performance is not necessarily indicative of future results and the value of an investment may fluctuate.

Some of the economic and financial market information in this document (including certain forward-looking statements and information) have been obtained from published sources and/or prepared by independent third parties. While such information is believed to be reliable for the purpose for which it is used in this document, none of the officers or representatives of the Fund assumes any responsibility for the accuracy of such information.

No representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts, if any, are correct or that any objectives specified herein will be achieved.

² As of 30. September 25