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Dear Friends,

As of September 30, 2025, we were up 7.4% for the quarter and 20.88% year to date. We are 81% long and 19% cash. Our equity positions are trading around 9.7X and 8.6x for the next 12- and 24-month normalized look through earnings respectively. Our portfolio could have $8.5 MM+ in normalized earnings power in a couple of years.

27 Year Review	**3 year**	**5 year**	**10 year**	**27 Years**
Asset				
Money Market Fund	**4.70%**	**2.95%**	**1.92%**	**2.05%**
Consumer Price Index	**3.59%**	**4.20%**	**3.30%**	**2.39%**
Avg Price of Single Family Home	**-0.58%**	**5.83%**	**3.97%**	**3.90%**
Big Mac Index	**1.45%**	**3.35%**	**3.93%**	**4.38%**
500 Stock Fund	**24.82%**	**16.34%**	**15.17%**	**9.07%**
Oil	**-7.77%**	**9.17%**	**3.21%**	**5.41%**
Gold	**32.26%**	**15.30%**	**13.06%**	**10.06%**
Berkshire Hathaway	**22.86%**	**18.70%**	**14.45%**	**9.85%**
CP&E Partners, L.P. Net Returns	**22.11%**	**17.68%**	**9.59%**	**13.60%**
CP&E Partners, LP before fees	**22.11%**	**17.68%**	**9.59%**	**15.11%**

The returns from inception have been satisfactory, especially considering we usually kept ~15% of our portfolio in cash. You should also note that most benchmarks like the cost of a Big Mac, gold, oil, and a single-family home are greater than core inflation (Consumer Price Index), suggesting real inflation is greater than government figures.

Position Review

The Long Haul for U-Haul

For the 3rd time since 2018, we have taken a large position in U-Haul. Our position is more than $4MM in U-Haul B shares (lower voting class). The stock trades around $50. We think the normalized earnings power of the company is mid-$5s, growing around 6%-7% a year in unit growth plus inflation. This means that we think we can generate over $450k in normalized earnings when people start moving again. Most of the unit growth comes from storage and U-Box.

U-Haul has five different businesses. Three of which have significant value. The classic self-move trucks you see everywhere. There is not much unit growth in this segment. But there is pricing power that should match inflation overtime. Self-move appeals to customers who want to save money by doing the labor themselves. Helping customers save more money than competitors is a great business.

Self-storage growth grows its square footage in high single-digits. The cost to build new units is ~$150/sq ft, and the target return on invested capital is 8% unlevered. The market will value each new square foot at ~$200. (Cap rates for self-storage are around 6%.) Human nature is to hoard resources, which is why so many people abhor throwing stuff away. That is why self-storage is not going away.

U-Box is a segment the management just began to talk about this summer. It is like the PODS container business (a competitor). We see them in driveways of homes where people are moving. U-Boxs are a hybrid of self-paced, self-move short term storage. We think it costs about $1k to build a U-Box ($25 per square foot). We think the ebita margins are much better than self-move, and the return on the $1k investment is ~$200 if not greater (around a 30% ebita margin and 20% unlevered after-tax return on capital). The segment is already half the size of self-storage.

U-Haul also has a life insurance business that does not have much strategic value in our opinion. The property casualty business while small, does make a lot of sense. Credit cards and auto insurance policies will not cover accidents in rented not regular size trucks, so many customers will buy the insurance add-on because they are not used to driving the big box trucks. The chance of accidents is much higher than normal. Customers can also buy insurance for their self-storage units.

Here is the breakdown of our valuation.

	EBIT	Multiple	Value
Self-Move	$790MM	16x	$12.6B
	SQ Feet		
SelfStore	70 MM	$200/Sq Ft	$14BB
	EBIT	Multiple	
U-Box	$168	16x	$2.7B
	EBIT		
Insurance	$66	10x	$660MM
Enterprise Value			$30B
Net Debt			$7.6B
Equity Value			$22.4B
Per Share			~$114

We are of the opinion that U-Haul appeals to human nature to save money and not throw away stuff. Self-storage and self-move cannot be replaced by AI in the next decade. We are confident that we will not lose money and should make money eventually---we just don't know when.

Seeing the Forest from the Tree – Forrester Research

We also have a small ~$1M position in Forrester Research. Interestingly, the stock is so cheap that this small position for us is 0.5 % of the company. Forrester is a smaller version of Gartner. They sell strategic technology insights and advice to chief technology officers (CTOs) of Fortune 1000 companies. Gartner has $6.5B of revenue and 20% EBITA margin. Forrester has revenue at $400MM ish and EBITA margin of 10%. George F. Colony is the founder, chairman and CEO who owns 39% of the stock, so no activist is coming to bail us out.

Forrester has undergone a multi-year repositioning of its business to focus on the Fortune 1000 clients, losing lots of small enterprise customers in the process. If the strategy works, the revenue and margins should move up. There is no reason why a Fortune 1000 company would not want opinions from both Gartner and Forrester as the fees are very low compared to the technology budget for a large global enterprise. When a company has $100M technology spend, it wants “expert advisors” to validate plans and sign off for board approval. The competitive dynamic is not an either-or choice like Coke versus Pepsi or Visa versus Mastercard. Having both Gartner and Forrester’s insights can further strengthen the validity of a company’s technology strategy. The dynamic is like that of Value Line and Morningstar or S&P and Moody’s. Given that a lot of money is on the line and the incremental cost of a second opinion is small, companies should be willing to pay for both Gartner and Forrester. The human nature side of CTOs does not want to make decisions that have career risk without “expert” opinion in case things go wrong.

The sector is currently trading at a lower valuation due to concerns that AI will reduce the need for tech advice. Gartner trades at 3.5x 2025 Enterprise Value/Revenue. Forrester trades at less than 0.11x revenue **(less than 1.5X EV/EBITA)**. If this works out, we think the stock could trade multiples higher.

How We Are Using AI in Our Process

Please note that my approach will look dated very soon, but hopefully you can take something away that will help you save time until the process further improves.

My approach to analyzing a company's quarterly results has been completely transformed by Al, turning a process that once consumed two hours to half a day of tedious work into a highly efficient and streamlined workflow. Previously, the process involved manually reviewing the earnings release, listening to the live conference call, sifting through analyst responses, and digging through the latest 10-Q filing. Now, my methodology is far more efficient.

The core of my new process is a powerful and specific prompt I use with Gemini Ultra Deep Research, which automates the most time-consuming research and comparison tasks. My basic template is as follows:

Go to [Company]'s investor relations website. Compare September 30, 2025 10q with the September 30, 2025 earnings call transcript (found in seeking alpha website), and latest earnings presentation with the September 30, 2024 10q. Give me a bullet point summary. Also tell me the change in net debt and risk language from the 2024 10q to 2025 10q. What is the current Enterprise value to next year (2026) rev. You can get the estimated revenue from the

yahoo finance site for 2026. Finally, provide a 2026 fair value per share estimate using the formula: (Target Multiple x 2026 Revenue+Net Debt)/Shares Outstanding."

This template is flexible. I adapt the sources for foreign companies without 10-Q filings. For financial stocks, the valuation shifts from revenue-based multiples to metrics like tangible book value, and the concept of net debt is handled differently. After submitting the prompt, the workflow is incredibly fast:

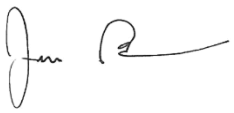
1. In about five minutes, Gemini Ultra Deep Research delivers a comprehensive research document, often around 15 pages.
2. I feed this document into a Notebook LLM, which converts it into an MP3 audio file in another five minutes.
3. I can then listen to this Al-generated summary at 1.75x speed while exercising or doing chores, allowing me to absorb the critical information efficiently.

This initial summary helps me pinpoint the most important topics. With that context, I then go back and listen to the full text-to-speech version of the conference call, enabling a deeper dive into the nuances of management's commentary, all while maintaining a productive and active schedule.

I recommend a new book by **Eshan Ehsani** called **How Not to Be Replaced by a Spreadsheet That Talks**. He has prompts like the above plus many other recommendations that will save you time. Here is an amazon link:

https://www.amazon.com/dp/B0FT31KYW6?ref=ppx_yo2ov_dt_b_fed_asin_title

Sincerely,



James Pan