

As of December 31, 2025, the Ravenstone Equity Portfolio¹ generated a positive return of 7.9% for the calendar year, net of expenses. Longer-term, annualized results are as follows:

	3 Year Annualized	5 Year Annualized	Since Inception ²
Ravenstone Equity Portfolio ¹	15.9%	10.1%	13.0%

As of December 31, 2025, the Ravenstone Balanced Portfolio³ generated a positive return of 5.4% for the calendar year, net of expenses. Longer-term, annualized results are as follows:

	3 Year Annualized	5 Year Annualized	Since Inception ⁴
Ravenstone Balanced Portfolio ³	10.8%	5.7%	7.0%

We begin by acknowledging Warren E. Buffett, whose retirement last year marked the end of an exceptional era. In his final letter (access it [here](#)) Buffett reminded us of some timeless principles; learn from mistakes, choose the right role models, and value kindness over wealth and power. His humility remains a guiding example for us all to learn from. Here are three stand out comments from the letter that we feel compelled to share with you:

“My advice: Don’t beat yourself up over past mistakes – learn at least a little from them and move on. It is never too late to improve. Get the right heroes and copy them.”⁵

“Greatness does not come about through accumulating great amounts of money, great amounts of publicity or great power in government. When you help someone in any thousands of ways, you help the world. Kindness is costless but also priceless. Whether you are religious or not, it’s hard to beat The Golden Rule as a guide to behavior.”⁵

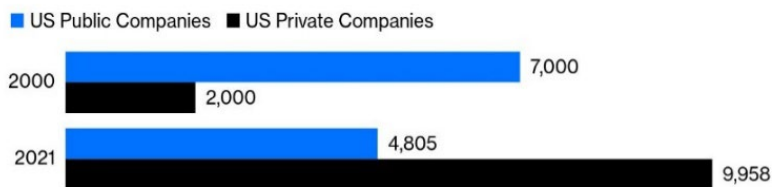
“I write this as one who has been thoughtless countless times and made many mistakes but also became very lucky in learning from some wonderful friends how to behave better (still a long way from perfect, however). Keep in mind that the cleaner is as much a human being as the Chairman.”⁵

Market Dynamics: Shrinking Public Markets

Since its 1996 peak, the number of U.S. listed companies has decreased by approximately 50%; 3,633 vs 7,325⁶. Interestingly between 2011 and 2020, 977 companies delisted, 84% (822) due to mergers or acquisitions. This trend reflects a shift toward private markets, driven by a difficult IPO environment, regulatory burdens, litigation risks, and heightened scrutiny.

The Incredible Shrinking Stock Market

This century has seen a steady move from public to private markets



Source: Pitch Book, Amundi, CREATE Research

Bloomberg Opinion

¹ As of December 31, 2025. Ravenstone Equity Portfolio performance data above is for Ravenstone Equity Trust I series (before fees and after expenses).

² Ravenstone Equity Trust inception date was April 1, 2016.

³ As of December 31, 2025. Ravenstone Balanced performance data above are composite returns (net of fees) for our 60% Equity/40% Fixed Income Composite taking into consideration accounts’ entries to and exits from the list.

⁴ Ravenstone Balanced Portfolio Composite inception date was June 1, 2018.

⁵ <https://www.berkshirehathaway.com/news/nov1025.pdf>

⁶ https://mybrand.schroders.com/m/931b84ab517b3e64/original/CS3315_SC_Takeover-boom_Foresight-Paper_final.pdf

Furthermore, from Jamie Dimon:

*"It's important to point out that not only has private credit been moving to the private markets but so have companies themselves. The number of public companies in the United States has been dropping dramatically over the past two decades, which has corresponded to an even larger increase in the number of private companies. Following its peak at 8,000 in 1997, the number of public companies is now around 6,000, and if you exclude non-operating companies, such as investment funds and trust companies, the decline is even more dramatic. This is worthy of serious study. The reasons are complex and may include factors such as onerous reporting requirements; higher litigation expenses; annual shareholder meetings focused on matters that most shareholders view as frivolous or inappropriate for company actions; costly regulations; less compensation flexibility; and heightened public scrutiny. It's incumbent upon us to figure out why so many companies and so much capital are being moved out of the transparent public markets to the less transparent private markets and whether this is in the country's long-term interest."*⁷

Why bring this to light? Because contrary to what is said on "the street" these days, we interpret the market backdrop as structurally positive for Ravenstone clients. For public market investors, this scarcity creates opportunity. Fewer high-quality businesses mean greater long-term value (all else being equal). A dwindling supply of common stock suggests increasing scarcity value of the businesses we own. Think of fishing in a shrinking pond – scarcity amplifies the value of each catch.

If the businesses we pursue become increasingly rare while money supply continues to grow, it is reasonable to expect higher equity values in the future. This dynamic is akin to targeting highly coveted, Class A properties otherwise known as "trophy assets" in real estate circles. Simply put, it is impossible to create new land in densely populated areas, and it is extremely difficult to build the next Microsoft.

Looking at public company ownership through this lens, helps to partly explain our investment approach. We are effectively in the business of collecting "trophy assets" in the form of publicly traded common stocks. As optimists, we believe doing so will continue to be the most logical and safe method of compounding your equity capital at attractive rates in the years ahead, regardless of current headlines and macro forecasts.

Our Investment Philosophy

Resilient wealth creation requires disciplined capital allocation and prudent risk management. Superior returns are as much driven by what you do not invest in as what you do invest in – avoiding permanent loss is as critical as selecting winners. Understanding this, guides our focus on ownership and harnessing the power of long-term compounding.

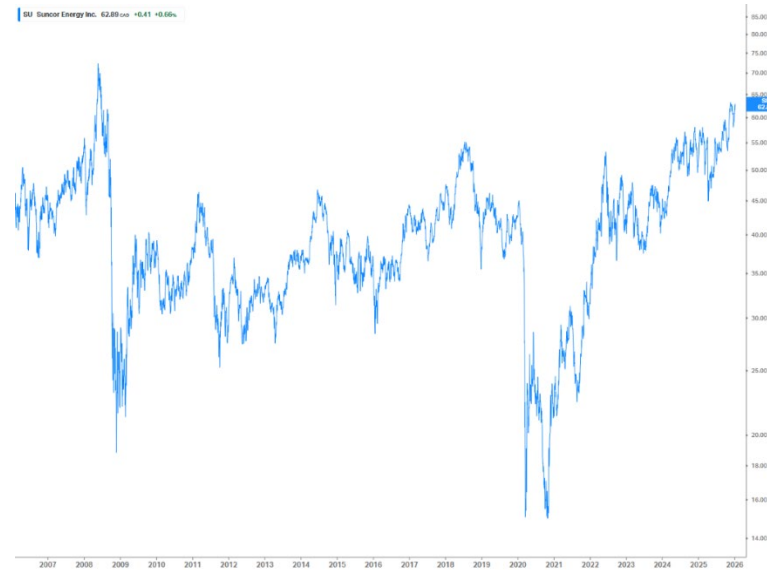
Let's talk about the types of businesses we tend to steer away from.

We avoid businesses that rely heavily on extraneous variables such as commodity prices, government subsidies and access to capital markets, to name a few. During periods of heightened uncertainty, strong, well managed companies can adapt quickly, while most cyclical companies are at the mercy of external forces. Take Suncor for example (see chart 1), one of Canada's largest oil companies. Its stock fell more than 70% during the GFC (Global Financial Crisis) and suffered a similar drawdown during the recent pandemic. One can argue the demand curve for natural resources (oil, gas, copper, nickel, etc.) supports long-term structural growth, however, most businesses in these industries are subject to the mercy of global supply/demand imbalances and depleting asset bases. There is little product differentiation, and therefore pricing power is out of management's control. As a result, it has been difficult for these companies to generate free cash flow growth, sustainable margin expansion and consistent profits. These businesses often rely on access to large amounts of money to replace depleting inventories. Historically, this has resulted in poor returns on capital, stretched balance sheets, and capital often being deployed most aggressively at the top of the cycle.

The Intrinsic value of commodity price dependent businesses is at the whim of volatile price movements within unpredictable price frameworks. This tends to result in long periods of stagnant to declining cash flows and profits. As such, timing is crucial when investing in cyclical companies. Look at the chart of Suncor's stock price below – the share price is roughly the same as it was twenty years ago. However, during that period an investor who traded the stock successfully could have done very well (or lost their shirt). This is not what we do. We are not traders or renters – we are owners.

⁷ 2020 JP Morgan Chase annual shareholder letter

Chart 1: Suncor Stock Price History



2025 in Review

Now let us turn our attention to the type of businesses we prefer to own:

April 2nd, 2025 – “Liberation Day” – triggered one of the most turbulent periods in market history. The S&P 500 fell approximately 18% in days with declines across equities, bonds, and currencies. The catalyst: unexpected shifts in global trade policy. While timing such events is impossible, volatility creates opportunity. In fact, some of our best investments were made during times of extreme uncertainty and heightened volatility. While many stocks quickly suffered large declines, one in particular caught our attention – Brookfield Corporation, a business we know and respect.

Brookfield is a business we owned previously and, with the benefit of hindsight, should not have sold. That said, in the wake of the tariff fiasco, publicly listed alternative asset managers experienced significant share price declines over concerns that business activity and fundraising operations would slow dramatically. Trade wars, resurgent inflation, and recession fears permeated through markets, resulting in significant selling pressure across the board. This short-lived correction provided the opportunity for us to again become partial owners in this fantastic business.

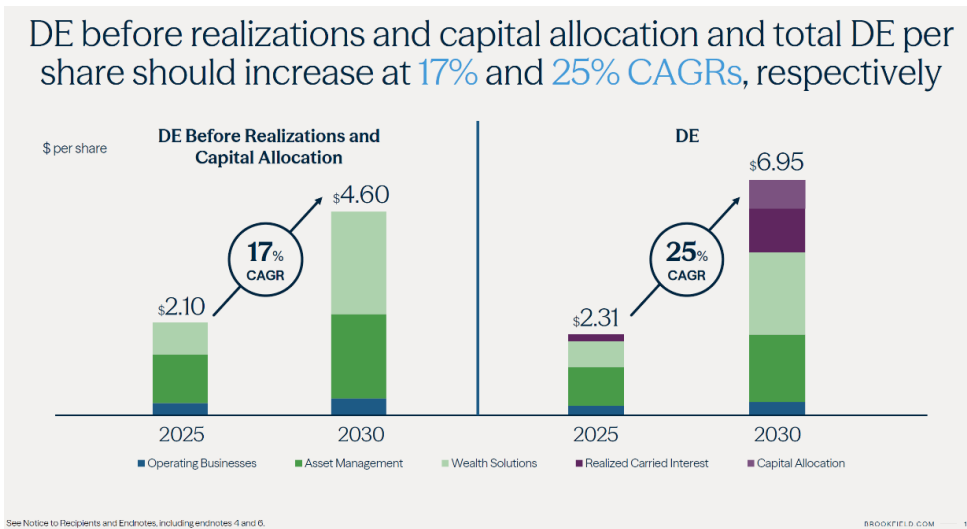
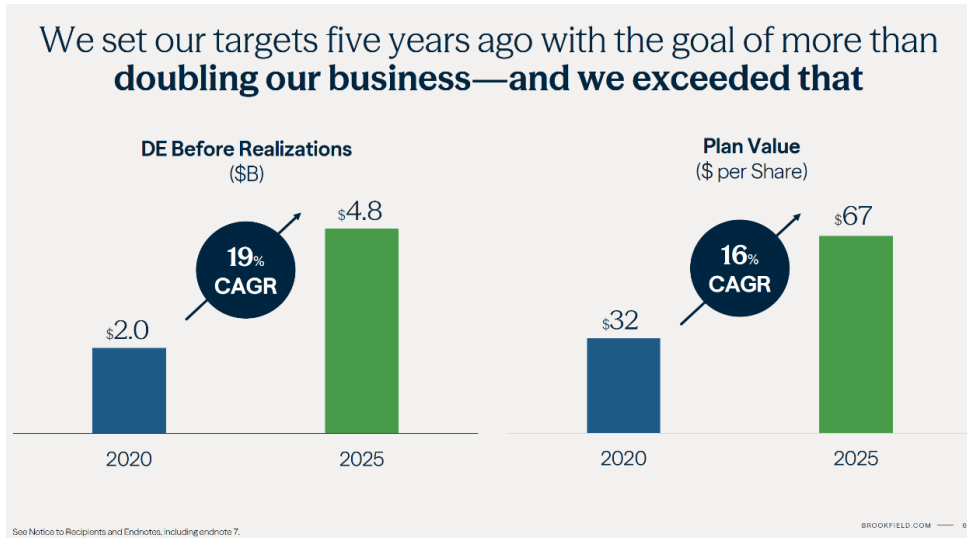
Brookfield is among the world’s leading asset managers, with expertise across infrastructure, renewables, real estate, insurance, private equity, and credit. Led by CEO Bruce Flatt, insiders own 8.5% of the company, reinforcing alignment with shareholders. Flatt has been with the company for over twenty years, overseeing an executive team with a history of successful capital allocation, translating into exceptional shareholder returns.

“We believe in everything that we invest into. We put our money, our shareholders’ money, and our clients’ money in the exact same things. And that’s the reason for our 25-year track record.” Bruce Flatt^B

Brookfield invests its own capital and offers investment products to institutions and more recently, retail investors through Brookfield Asset Management (the parent owns a 75% controlling stake in Brookfield Asset Management). We enjoy positioning ourselves as part owners of “the house”, instead of being L.P.’s (Limited Partners) in its various investment products (generally speaking, this applies to other Alternatives as well). Hopefully, the analysis below helps to clearly explain why.

Since 2020, distributable earnings have grown at a 22% CAGR (compound annual growth rate), a very impressive result given the size and scale of Brookfield’s global operations. The company’s plan value (essentially the intrinsic value) per share is currently \$68 USD and could surpass \$140 USD by 2030. This growth is supported by secular global trends, such as aging demographics, AI infrastructure and an inevitable real estate recovery.

Management is targeting over \$6.95 in distributable earnings per share by 2030, versus \$2.31 USD in 2025, or approximately a 25% CAGR. We started purchasing stock at approximately 13 times next years' distributable earnings, compared to peers trading at approximately 20-30 times. Additionally, the company expects to generate \$53 billion of free cash flow over the next five years, representing about half its current market capitalization. Free cash flow re-investment has been a critical element of Brookfield's success, and a key reason we are buyers.



Source: 2025 Brookfield Corp Investor Day

A knock on Brookfield has always been its complex corporate structure. Given the sprawling nature of its operations, it is a difficult business to value. Acknowledging this, management began taking measures to simplify the business and improve investor communication. The company's history of outperformance reflects superior capital allocation decisions and lends significant credibility to what we believe can be achieved in the future.

Ultimately, we see Brookfield as a rare, publicly listed business that should continue producing excellent shareholder returns for many years to come.

Looking Forward

We remain committed to providing you with the best client experience possible. This means, you can continue to expect honest, transparent advice with best-in-class service. As such, we will continue to work closely with your professional advisory team to ensure implementation is on the right track.

Please do not hesitate to contact us should you have questions, comments, or ideas you would like to share with us. As always, we welcome the opportunity to meet with you to review your portfolio and overall wealth plan.

We are grateful for your ongoing trust and support. Wishing you and your family a happy and healthy New Year!

Sincerely Yours,
Team Ravenstone



Daymon Loeb



Adam Donsky



Paul Bleiwas

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