CLEARDROP
INVESTMENT

Shareholder Letter to Partners

Partners,

We closed the final quarter of 2025 having successfully navigated a period of significant market divergence. While global indices grappled with fluctuating macro indicators, Cleardrop's disciplined focus on high-conviction, asymmetric opportunities allowed us to finish the year on a strong operational footing, outperforming all benchmarks and indices for the 3rd consecutive year.

**Performance and Portfolio Update**

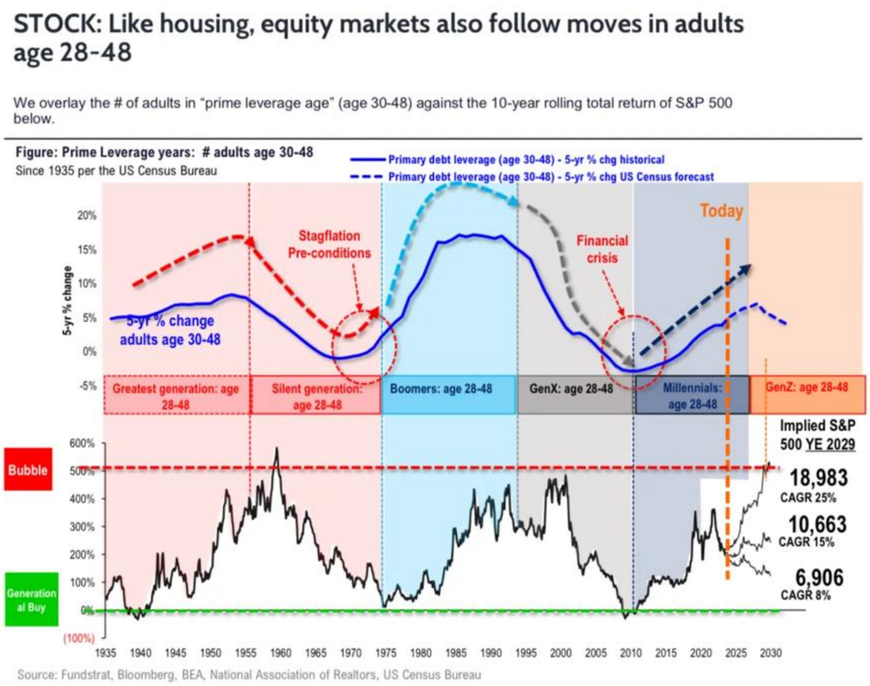
The fourth quarter was a testament to the "forward analysis" we championed earlier this year. Our core holdings in technology and consumer cyclicals remained resilient, providing the necessary stability to scale our highest-conviction ideas.

We increased exposure to a specific, defining investment late in Q3. Throughout Q4, we have seen the initial stages of this thesis play out. While we maintain a long-term horizon for this position, the early trajectory reinforces our confidence that it will be a cornerstone of Cleardrop's results in the coming years.

**Tactical Positioning**

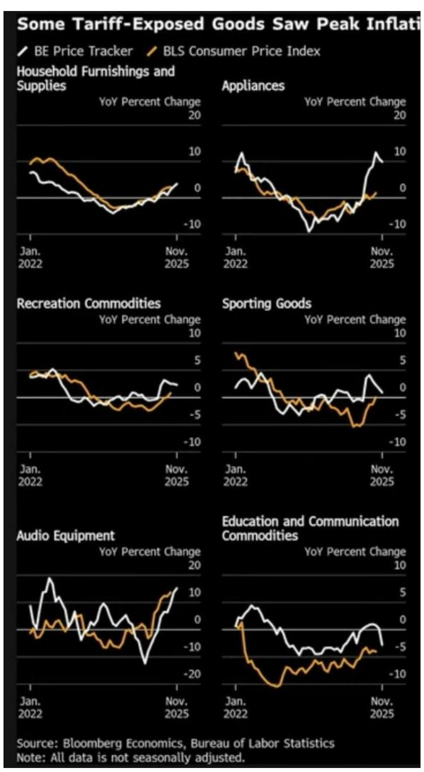
During Q4, we remained active in reallocating capital toward areas of recent market dislocation:

- **Technology & Industrials:** We selectively increased exposure where short-term volatility decoupled share prices from underlying durable cash flows.
- **International Markets:** We identified and captured value in overlooked international pockets that the broader market has yet to fully recognize.
- **Asymmetric Upside:** Our deployment remains concentrated on opportunities where the risk-reward profile is heavily skewed in our favor.

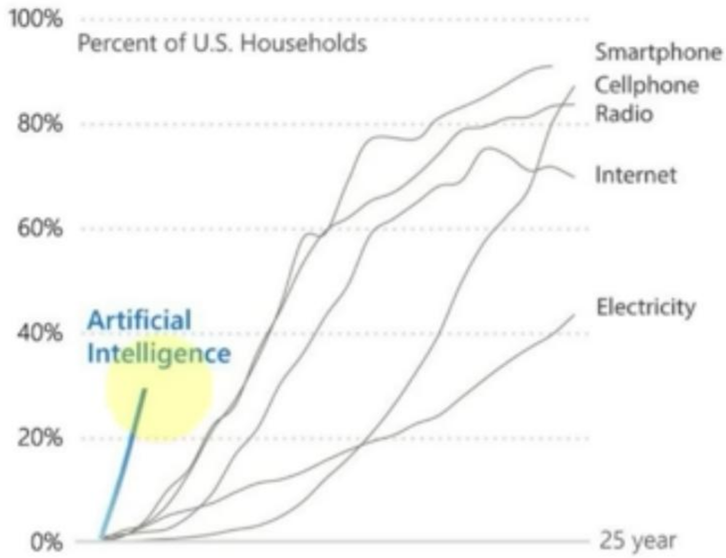



**Looking Ahead to 2026**

We enter the new year with a portfolio that we believe is strongly aligned with the next phase of market evolution. The foundation built throughout 2025—centered on independent thinking and transparent execution—has prepared us for an active and productive 2026.



As our key investments mature, we expect to see the full impact of our differentiated research-driven process. We remain committed to staying ahead of the consensus and capturing long-term value for our partners.




Data Source: The New York Times; [3]
Our World in Data (for Internet). [4]

Thank you for your continued trust and partnership.

I have tried to highlight important points as well as impart knowledge of our philosophy.
If there are any questions, we would welcome hearing from you.