



LIONRIDGE

QUARTERLY REPORT

Fall | 2025

DULL AND LUCRATIVE BEATS GLITZ AND GLAMOUR

I'm afraid there's not much to report on since our last commentary. Markets have continued to rise to become more expensive, much of it driven by investor optimism fuelled by massive amounts of spending relating to A.I. infrastructure, and much of it driven by general exuberance. That said, markets have been moving somewhat sideways since the end of the 3rd quarter and volatility has seen a recent increase from very low levels. We don't try to predict what will happen in the short term but we're still positioned very defensively, avoiding speculative or expensive stocks and holding significant cash.

We haven't made any additions or deletions to the portfolio, so there's nothing new to discuss since the end of the last quarter. I thought I'd take this opportunity, however, to discuss something that's not new.

Berkshire Hathaway has been a core holding of ours for a long time. Although Warren Buffet is generally heralded as a great stock-picker (and rightly so), the main focus at Berkshire is the operation of insurance companies and industrial companies, generating profits and redeploying them into further profitable business investments. We believe this is a solid, steady company

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Suite 703 — 161 Portage Ave E, Winnipeg, MB R3B 0Y4 | (204) 957-1802 | lionridgecapital.com

that can appear quite boring as compared to popular names in the technology space. Is this a high-growth A.I. company? No, but in our opinion they are poised to use A.I. effectively to enhance the effectiveness and profitability of their insurance business and its operating companies (railways, energy transmission, etc).

Most important to us is the management's consistent focus on building shareholder wealth. This is baked into the DNA of the company and we believe this focus will endure long after the upcoming retirement of Mr. Buffet. They don't emphasize growth just for

the sake of growth, they are not focused on the short term price of its stock; instead they are looking to build wealth for their shareholders over the long term. To us, there's nothing boring about that. This emphasis on growing shareholder wealth is exactly what we look for in companies we invest in, because that's how we can ultimately grow your wealth. You can always count on us to favour dull and lucrative over glitz and glamour.

At your service,

Hardev Bains, LLB, MBA, CFA

President and Chief Investment Officer

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