



# WEIRD SHIT INVESTING



## THE MANUAL

49 IDEAS PRESENTED AT  
WEIRD SHIT INVESTING 2025

[www.weirdshitinvesting.com](http://www.weirdshitinvesting.com)

# Contents

Let's do something different	6
What participants said	7
ABC Arbitrage	9
Akwel SA	11
AmBase Corporation	13
Atlas Energy Solutions, Inc.	15
Best Mart 360	17
Beximco Pharmaceuticals Limited	19
Caledonia Investments, Baker Steel Resources Trust, Molten Ventures	21
CEIBA Investments	23
ContextLogic	25
Cosco Capital Inc.	27
Emerita Resources	29
Equity Group Holding Ltd	31
EUROAPI SASU	33

# Contents

Evergreen International Storage and Transport Corp	35
Ferrexpo plc	37
Forgotten Indonesian small-/mid-cap stocks	39
Gabriel Resources	41
Garrett Motion Inc.	43
Grupa Pracuj	45
Haier Smart Home	47
HAL Trust	49
Helium	51
High Arctic Overseas Holdings	53
Hoegh Autoliners ASA	55
Höegh LNG Partners LP	57
Weird Shit Investing goes Texas	59
JZ Capital Partners Ltd	60
K92 Mining Inc.	62

# Contents

Kenya Power & Lighting Ltd	64
Kukbo Design Co Ltd	66
Liberty Global	68
LPS Brasil S.A.	70
Majestic Gold	72
MegaStudyEdu	74
Nigerian market (examples Custodian Investments, Nigerian Breweries)	76
Pan American Silver CVRs	78
Paxman	80
Plover Bay Technologies Limited (Peplink)	82
Polimex-Mostostal	84
PT Metrodata Electronics Tbk	86
Raiffeisen Bank International	88
SANUWAVE Health, Inc.	90
SCE Intelligent Commercial Management Holdings LTD	92

# Contents

<b>SCHMID Group NV</b>	<b>94</b>
<b>Tuya Inc</b>	<b>97</b>
<b>US Payment Card Interchange Fee Class Action Settlement</b>	<b>99</b>
<b>Uzbekistan local corporate bonds</b>	<b>101</b>
<b>UZEX Uzbek Commodity Exchange</b>	<b>103</b>
<b>VivoSim Labs</b>	<b>105</b>
<b>Western Capital Resources, Inc.</b>	<b>107</b>
<b>An interview with Keith Blackborg</b>	<b>109</b>
<b>An interview with Andrew Brown, East 72</b>	<b>120</b>
<b>An interview with Clark Square Capital</b>	<b>127</b>
<b>An interview with Edwin Dorsey</b>	<b>133</b>
<b>An interview with Michael Fritzell</b>	<b>144</b>
<b>An interview with TripleS Special Situations Investing</b>	<b>150</b>
<b>Anatomy of a litigation investment: Panthera Resources</b>	<b>155</b>
<b>More weird shit investing ideas</b>	<b>165</b>
<b>Disclaimer</b>	<b>166</b>

# Let's do something different

Dear readers,

2025 saw the second edition of the Weird Shit Investing conference, held in Hong Kong, London, and New York – three global financial capitals.

This manual includes summaries of all the investment ideas presented at these events – ideas that are truly original, rooted in independent thinking, very lucrative (potentially!), accessible to professional investors, and fun to learn about.



For the first time, the manual also contains interviews with some participants – accomplished investors such as Edwin Dorsey, Andrew Brown, Keith Blackborg, Michael Fritzell, and the anonymous authors of Clark Square Capital and TripleS Special Situations Investing. There is a lot to be learned!

Given the enthusiastic feedback, I will host this event again in 2026. [Get in touch](#) to register your interest (do let me know why you'd be the right participant).

What I am also eager to hear from you is the following:

- Do you find the underlying idea of this event useful?
- Was this manual of value to you?
- Do you have ideas on how we can change and improve the format?

This manual was designed to have the public benefit from the event, and to inspire others to take up similar work than what we do.

It's also supposed to add a bit of fun to the investing world. I hope it achieves this goal!

Best regards

Swen Lorenz

Organiser, Weird Shit Investing conference / Founder, Undervalued-Shares.com

# What participants said



*"The content, people and ideas were fantastic. I have come away with several ideas to investigate further and been reminded of another that had dropped off my radar!"*

*"Weird Shit Investing was great because it did not feel like a typical conference but more like a mastermind. For those interested in alternative investments, frontier markets and other weird shit - I have yet to find any other event which brings together participants of such high calibre. I left with actionable ideas as well as new friends and contacts."*



*"One notable strength of the event is the format - an off-the-record event with no sponsors and no service providers, so no need to figure out anyone's angle. Just a room full of people with deep expertise and extremely varied experience sharing their best investment ideas. It is no wonder people fly in from absolutely everywhere to attend."*

*"The Weird Shit Investing conference is where you will find some of your best investment ideas for the year."*





***"This unconference was excellent. Eclectic group of active investors with super interesting ideas. I knew it would be good but didn't realise just how good it ultimately turned out to be. Not only did I get some orthogonal investment ideas, I also met some awesome people. Will attend again if Swen will let me join again!"***

***"The Weird Shit Investing conference is one of the few opportunities in the financial world to meet investors with real skin in the game, facing the same challenges and dilemmas as private investors. Attendees were carefully chosen by the host, who brought together a crowd covering a broad range of thematic and ideas not commonly discussed in mainstream media. I would recommend the event to anyone serious about expanding their knowledge base and investment universe with original ideas from investors who put their money where their mouth is."***



***"Weird Shit Investing was one of the best events I ever attended. The conference was full of excellent and unique ideas, and people who I will be sure to stay in touch with!"***

***"Weird Shit Investing is all about the people. It's a unique bunch - deeply curious, sharp, and genuinely excited about funky, overlooked stocks. If you get a thrill from digging into mispriced, off-the-radar ideas, you'll feel right at home."***



# ABC Arbitrage

## About the company

Ticker symbol & ISIN: EPA:ABCA, FR0004040608

Place of primary listing: Euronext Paris

Market cap: EUR 386m (as of 8 June 2025)

Free float: 54.1%

Average daily trading volume: 97,231 (3m)



### What is the investment case about?

ABC Arbitrage operates in the **Quantitative Asset Management** sector, with a core focus on **arbitrage**.

Since its inception, the company has achieved **30 years of uninterrupted profitability** and has built a **solid track record** of delivering value to shareholders, mostly through **generous dividends**.

The company offers a form of **hedge against market turmoil**, enjoys strong profitability, and has set a foundation for catching **potential growth** prospects.



### Why is this interesting and weird?

While arbitrage firms play a **critical role** by contributing to price discovery and providing liquidity to global financial markets, they remain **relatively unknown** to the wider public.

Moreover, **Quant Systematic** firms such as ABC Arbitrage account for **less than 1% of the USD 150tn** in total assets under management in worldwide financial markets.

This is a **highly profitable niche**, where top-tier firms are privately held and **listed pure players are scarce**.



### What is the valuation and return profile?

Total return of **+830,98%**, equivalent to **9.34% p.a.** including dividends since the initial listing on 7 June 1999.

The company has enjoyed a **15% average return on equity** and currently trades at a **14x PE spot ratio**.

However, its ability to dramatically increase profitability in times of **high volatility** and potential levers to grow its business make it an interesting **antifragile play** in a portfolio.



### Anything else one should know?

The company has a **strong insider alignment**, with management and key employees owning **>40%**, which is critical to a business where talent is scarce and the company's most precious asset.

ABC Arbitrage carries **no debt** and achieves its results primarily through its **EUR 160m+ in proprietary capital**, accumulated from a EUR 10,000 starting base in 1995.

## About the author

Rob

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**Presentation download:**

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# Akwel SA

## About the company

**Ticker symbol & ISIN:** AKW

**Place of primary listing:** Euronext Paris

**Market cap:** EUR 200m

**Free float:** 30%

**Average daily trading volume:** EUR 100k



### What is the investment case about?

Akwel is a French auto parts manufacturer with a global manufacturing base, diversified client base, and strong sales for both internal combustion engine (ICE) and electric vehicles (EVs). It does have a moderately declining sales revenue (-7% year-on-year) but an exceptionally strong balance sheet, strong family ownership and leadership and is a current net-net. We believe the sell-off in European car manufacturers and associated suppliers is overdone, and Akwel is a company whose balance sheet is so strong it can weather the storm and emerge in a much stronger place than its competitors.



### Why is this interesting and weird?

This investment is fundamentally based on the stock being a current net-net, with such a strong margin of safety that it is hard to imagine a worst-case scenario where you can lose much from here. The upside is that Western car manufacturers work through their existing challenges, which the longer this takes is in Akwel's favour as their balance sheet is so strong compared to their competitors.



### **What is the valuation and return profile?**

Current valuation is approximately 1/3 total book value. Some small assets divested in Q1 2024 for above book value, suggests strength in balance sheet if required. Current valuation is EV/EBITDA of less than 1. Short-term challenges ahead in 2025 but company could emerge stronger three years out. Chance of 3-5x in five years with protected downside. Strong family ownership and leadership help support the challenges ahead.



### **Anything else one should know?**

We look for investments that offer a solid risk/reward profile – capping downsides as much as we can while retaining some decent upside. We think that current markets are pretty richly valued with a few exceptions, and thus now is not the time to be ignoring the downside risks. We seek protection in an increasingly fragile environment while trying to retain decent upside if the current craziness continues.

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# AmBase Corporation

## About the company

**Ticker symbol & ISIN:** ABCP US EQUITY, US0231641061

**Place of primary listing:** OTC

**Market cap:** USD 26m

**Free float:** 31%

**Average daily trading volume:** USD 4k (20-day average)



### What is the investment case about?

In 2013, AmBase Corporation entered a joint venture with JDS Development Group and Property Markets Group (PMG) to develop a luxury skyscraper at 111 West 57th Street, NYC. AmBase invested approximately USD 66m for a 60.3% stake. The project later faced over USD 50m in cost overruns, leading to loan defaults, foreclosure, and the loss of AmBase's equity. AmBase subsequently filed multiple lawsuits, notably one concerning an "Equity Put Right". This provision allowed AmBase to exit the venture project if costs exceeded 110% of the approved project.



### Why is this interesting and weird?

This litigation finance opportunity is accessible because the plaintiff is publicly listed with OTC-traded shares. The joint venture agreement includes an Equity Put Right, allowing AmBase to force a buyout at a 20% internal rate of return if hard costs exceed 110% of budget – an alleged breach experts view as a strong claim. The challenge lies in holding JDS' and PMG's principals personally liable. This falls squarely within litigation finance risk dynamics and in the realm of probabilities. Meaning, AmBase could win the case but still not get paid.



### **What is the valuation and return profile?**

The outcome is binary, though the risk-reward appears compelling. AmBase claims USD 225-134m from the Equity Put Right (as of June 2017), plus USD 92m in 9% statutory interest. Even at a 3% rate, interest would be around USD 30m, totalling ~USD 160m. With a USD 5m shareholder deficit and CEO-funded litigation, any award will be split per a pre-agreed formula. A USD 100m award for the company compares against the company's current market cap of USD 25m. Litigation experts put AmBase's probability to win the case as high as 80% versus the market assigning less than 25%.



### **Anything else one should know?**

Before trial, the judge will assess whether the case has sufficient merit to proceed. There's a chance AmBase could win at the summary judgment stage, but such motions are rarely successful. If the judge rules the case must go to trial, the stock may decline in response but nothing in the case will have changed. Summary judgment is a pre-trial stage where one party asks the court to decide the case without going to trial. These are difficult to win because courts are cautious about denying a party their right to full trial.

## **About the author**

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Schroders PLC but presenting in a personal capacity (private investor); own views/insights

Email address disclosed to attendees only

Follow Schroders' [The Value Perspective](#) podcast for Juan's upcoming episode on Weird Shit Investing, featuring interviews with conference participants.

**Presentation download:**

Not for distribution

# Atlas Energy Solutions, Inc.

## About the company

**Ticker symbol & ISIN:** AESI-NYSE

**Place of primary listing:** New York Stock Exchange

**Market cap:** USD 1.7bn (USD 2.2bn EV)

**Free float:** 26.1% insider ownership

**Average daily trading volume:** 1.9m shares (volume-weighted average price: USD 13.52)



### What is the investment case about?

Atlas Energy Solutions is the low-cost producer of a highly cyclical business (sand) within the onshore energy sector (Permian Basin). The company was founded by Bud Brigham, who is a legend within the oil and gas sector (prior exits generated billions in value creation). The idea is simple. Take a boring business, lower the initial cost curve (innovation), iterate (re-invest through growth capital expenditure), and execute. 2025 is phase three of this plan. Atlas is now on the "right" side of change, post a large (+USD 700.0m) investment period in 2023/2024 (Dune Express, Trucks, Dredges, and Autonomous Trucks).



### Why is this interesting and weird?

Anyone else remember playing with toy trucks as a kid? The story here is twofold. One, very often cyclical overstate their moats (everyone is a "low-cost" producer), but Atlas is the low-cost producer because it inverted back from the ultimate pain point of the cost curve (labor). Trucking was ~70-80% of the expense to deliver sand to the wellhead. Shortages and surge pricing in 2022/2023 led the company to invest heavily in the Dune Express (42-mile conveyor belt). This drops sand at various points, allowing for autonomous truck-driving on private lands. The margins remind me a lot of the cell-tower industry. Two, this is a classic out-of-favour stock.



### **What is the valuation and return profile?**

Spot Sand PX (USD 20-ish) and fears on "Peak Permian" are leading to an attractive entry point. The best way to view the business is what is sustainable free cash flow (FCF) at mid-cycle PX (+USD 25/ton). With the Dune Express, Kodiak/Trailer Investments, and Continued Improvement at Kermit (dredging), costs to deliver sand could drop as low as single digits. Atlas has then leveraged the FCF generation to pursue M&A (Hi-Crush & Moser). The result is a sustained runway to leverage mid-teen EV/FCF margins to invest in higher return on invested capital projects that result in a long-term (sustainable) dividend growth. Today's dividend yield is 7.4%. Initial buys will feature +10% dividend yield within the next three years.



### **Anything else one should know?**

Atlas is the example of an "out-of-favour" security that we source at Sea Meadow. Sizing and overlap matter a lot when considering these securities (e.g. long OFS, but also long REITs). When considering the initial investment, we assess what structural changes have occurred that bolster equity's ability to "capture" a disproportionate share of the enterprise valuation in the next cyclical upturn (capital discipline). For initial purchases, we invest within a three-year holding period, focusing on an 18-month, 18-month forward curve. In cyclicals the name of the game is: survival (ant-dilution), improvement (KPIs), operating leverage (margins), and capital deployment.

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# Best Mart 360

## About the company

Ticker symbol & ISIN: 2360 HK, KYG1065A1004

Place of primary listing: Hong Kong Stock Exchange

Market cap: USD 209m

Free float: 25%

Average daily trading volume: USD 244k



### What is the investment case about?

Best Mart 360 is a discount store operator. It has about 170 stores in Hong Kong and Macau, offering confectionaries, nuts, wines, dried fruits, supplements, household goods, etc. The products are incredibly cheap, causing many locals to switch to Best Mart for their daily shopping. So what are they doing differently? 1) The products don't take up much shelf space and don't waste rental expense, 2) Best Mart sources its products from grey market channels, bypassing middlemen, 3) It has a 17% and rising private label penetration, 4) It focuses on non-perishables, which don't depreciate. All this results in industry-leading sales/sqft & earnings per share tripling since 2019.



### Why is this interesting and weird?

Hong Kong introduced a competition law in 2015, banning supermarket cartels. This allowed competition from the likes of Best Mart 360 to arise. The popularity of Best Mart's stores has enabled it to grow its store count successively at +17% per year in the past five years, and earnings per share +23%. I expect this growth to continue. However, Best Mart is weird: its stores were vandalised in 2019 as founder Hugo Lam supposedly had ties to Fujianese gangs. CEO Hui Chi-Kwan was taken in for questioning in an anti-bribery investigation in 2024. And Chinese SOE China Merchants has just taken a 49% stake, raising question marks about governance.



### **What is the valuation and return profile?**

Best Mart now trades at just 6.5x P/E with a 13.0% dividend yield. With a 10% per year forward-looking growth profile, I imagine an internal rate of return (IRR) in excess of 20%. If the P/E multiple doubles to 13x over the next five years, the IRR will get closer to 40%. That's an exceptional number and makes up for some of the risks associated with companies controlled by Chinese SOEs. However, CEO Hui Chi Kwan is still in charge, and the business seems to be doing well. I don't see how you can lose money at these levels, unless related party transactions with China Merchants ramp up materially.



### **Anything else one should know?**

The disclosures are terrible. Beyond the half-yearly reports, the company doesn't communicate much with investors. When Hui Chi Kwan was taken in for questioning, Best Mart didn't provide much assurance to investors. Also, Best Mart purchases its products from distributors and trading companies. Parallel imports remain legal in Hong Kong, but that could potentially change in the future. Finally, be aware that rents have fallen in Hong Kong in the past ten years. But I still think that Best Mart would have outperformed without this tailwind.

## **About the author**

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# Beximco Pharmaceuticals Limited

## About the company

Ticker symbol & ISIN: BXP LN, US0885792061

Place of primary listing: London

Market cap: USD 321m

Free float: 86.2%

Average daily trading volume: USD 2.84m



### What is the investment case about?

Beximco Pharmaceuticals is the third-largest pharmaceutical company in Bangladesh by market share. Its revenue and net profit growth in the last five years has been well ahead of its two other major competitors but the stock continues to trade at a valuation discount to local and regional peers despite having a strong fundamental profile. Per capita healthcare expenditure in Bangladesh, though rising, is still extremely low relative to other regional emerging and developed countries, which offers Beximco Pharmaceuticals a strong platform for future growth.



### Why is this interesting and weird?

The BXP LN GDR listed in London trades at 23% discount to the local listing in Dhaka, Bangladesh, despite the fact that there are no capital gains tax for the GDR trading in London and the dividends are received in GBP. The stock has faced political overhangs because of the events in Bangladesh but this has no major bearing on the company's management and operations which are still delivering robust results. The likelihood of positive catalysts has increased as the macroeconomic situation has stabilised while we could see some positive political developments in upcoming quarters which could be very positive for the stock price.



### **What is the valuation and return profile?**

The stock trades at a P/E ratio of 6.1x which is below its pandemic low in March 2020 and half of its five-year average P/E ratio. The stock has corrected by close to 70% due to the macroeconomic and political issues in Bangladesh. However, the fundamentals remain robust. The company has low leverage, stable cash from operations, and has similar gross margins and a return on equity to its local and regional peers. This is an opportunity to be invested in a fundamentally solid company with strong brands at multi-year low valuations with a potential positive catalyst on the horizon which could lead to a multi-bagger investment opportunity.



### **Anything else one should know?**

The Bangladesh economy and stock market have bottomed out. Inflation has peaked out, and interest could start declining in the second half of 2025 on the back of lower inflation. The main benchmark stock market index, the Dhaka DSE Broad Index, is down -46% in USD terms in the last three years while the P/E ratio for the entire market is at multi-year lows of 9.4x. We believe that with incremental positives in the form of both positive economic and political indicators, the broader Bangladeshi stock market is ripe for a re-rating, and it would not be surprising to see a strong stock market rally in Bangladesh in the next 12 months.

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# Caledonia Investments, Baker Steel Resources Trust, Molten Ventures

## About the company

Ticker symbol & ISIN: CLDN.L, BSRT.L, GROW.L

Place of primary listing: London

Market cap: GBP 2bn, GBP 64m, GBP 535m

Free float: 51%, 85%, 65%

Average daily trading volume: GBP 1.1m, GBP 40k, GBP 2m



### What is the investment case about?

UK equities are inexpensive, UK small-caps are cheaper, UK unlisted are even cheaper, and some UK investment trusts are ridiculously cheap. I provide three examples from my portfolio.



### Why is this interesting and weird?

**Caledonia Investments (CLDN):** a portfolio of sensible global companies plus a decent unlisted portfolio at a 50% discount. This is crazy! I used to work for them: their unlisted valuations are *conservative!*

**Baker Steel Resources Trust (BSRT):** its collection of unlisted junior miners is beginning to deliver and looks severely undervalued. Blah! Nobody is interested.

**Molten Ventures (GROW):** An experienced venture capital manager with strong portfolio growth trading at a 56% discount to conservative net asset value. I trust their numbers. This doesn't make sense!



## What is the valuation and return profile?

My broad return estimation ranges are as follows:

		Discount	Valuation uplift	Fair discount	NAV growth % p.a.	Expected 5-year return (% p.a.)
<b>Caledonia Investments</b>	<b>CLDN</b>	-31%	5%	-15%	7%	<b>13%</b>
<b>Baker Steel Resources</b>	<b>BSRT</b>	-35%	15%	-15%	12%	<b>19%</b>
<b>Molten Ventures</b>	<b>GROW</b>	-56%	10%	-20%	10%	<b>23%</b>



## Anything else one should know?

I believe in these three propositions, and in four more I list in the presentation. I hold them all in my portfolios.

I've been following them all for a long time, and may just be biased.

## About the author

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# CEIBA Investments

## About the company

**Ticker symbol & ISIN:** CBA, GG00BFMDJH11

**Place of primary listing:** London

**Market cap:** GBP 32m (137.6m shares outstanding)

**Free float:** 40%

**Average daily trading volume:** sporadic trading but many disgruntled legacy holders ("hidden liquidity")



### What is the investment case about?

Cuba currently has the world's cheapest real estate prices, following the brutal deflating of a mid-2010s speculative bubble. Due to the large-scale migration of Cubans, large amounts of real estate are for sale with hardly any viable buyers around. Houses can be purchased for as little as USD 2,300. CEIBA Investments is a Guernsey-registered real estate holding that owns offices and hotels in Cuba. Its assets are valued at USD 130m, and it's a 100% pure play on Cuban assets. It also owns a dormant industrial park project with 11 hectares (27.5 acres) of land.



### Why is this interesting and weird?

CEIBA is a forgotten stock and, additionally, it suffers from global brokerage firms refusing to deal in the stock due to US sanctions. Valuing its real estate portfolio is difficult given the absence of verifiable market data on Cuban real estate. Assessing the business itself is made difficult through the many unusual factors that apply to doing business in Cuba, such as capital controls. The company does provide a lot of information to shareholders, but it's a complex case to work through.



### **What is the valuation and return profile?**

The valuation of the real estate portfolio is based on applying a 24-27% p.a. (!) discount rate to its future cash flow. On top of Cuban real estate currently being valued at low prices, the share of CEIBA is trading at a 67% discount to net asset value (NAV). To catch up with the higher NAV, the stock would have to 3x. It wouldn't take much for real estate prices in Cuba to increase by 3x. A 3x on top of a 3x would be a 9x. Real estate in the Dominican Republic is valued at >5x the prices of Cuba, and real estate prices in other Caribbean jurisdictions can easily be 5-20x Cuba's level. If Cuba ever introduces fundamental changes, this stock has very high potential.



### **Anything else one should know?**

Two mainstream UK brokers, AJ Bell and Hargreaves Lansdown, can trade the stock. Possibly other brokers, too. The US sanctions against Cuba should not affect non-US investors buying the share. The company has confirmed that none of its properties is affected by US ownership claims.

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# ContextLogic

## About the company

Ticker symbol & ISIN: LOGC, US21077C1071

Place of primary listing: OTCMKTS

Market cap: USD 176m (USD 300m fully diluted)

Free float: USD 176m

Average daily trading volume: USD 1.5m



### What is the investment case about?

ContextLogic (LOGC) is a net operating loss (NOL) shell with no operations and minimal cash burn. It trades for USD 6.7/share, but has USD 6.7/share in cash and USD 13.4/share in tax assets (assuming a 21% corporate tax rate). The stock is likely worth USD 10-15/share depending on how quickly management make an acquisition to monetise the tax assets. Management are highly incentivised: private equity firm BC Partners provided funding in February 2025 for an acquisition and own 40% of the diluted share count and two board seats. The CEO is an activist who can make USD 12-50m if the stock goes to USD 10-21/share. I believe an acquisition is a likely catalyst in the next six months.



### Why is this interesting and weird?

LOGC used to be Wish.com, a massively loss-making e-commerce website. Wish.com was valued at USD 21bn in 2020 but sold for just USD 173m in February 2024. Activist Rishi Bajaj came in to prevent the remaining stub entity (LOGC) from being dissolved, thereby preserving USD 2.9bn in NOLs. Bajaj is now CEO. The stock is completely ignored, having declined 99% from the peak of Wish.com, and has no sell-side, no MD&A, and no IR. Additionally, it was recently delisted from the Nasdaq as it has no operations, which led to forced selling pushing the stock down 20% to its cash value of USD 6.7/share. Forced selling has created a great opportunity to buy.



### **What is the valuation and return profile?**

Upside/downside is very asymmetric as the stock at USD 6.7/share trades for the same value as the company's cash of USD 6.7/share. Additionally there are USD 13.4/share of tax assets (USD 2.9bn of NOLs x 21% corporate tax rate). The present value of those tax assets will be less than USD 13.4/share, but I estimate the total LOGC value is USD 10-15/share and that an acquisition will act as a catalyst in the next six months.



### **Anything else one should know?**

The main risks to NOL shells are usually: (1) cash burn, (2) failure to do an acquisition, or (3) nefarious management. Those risks are low here. (1) Cash burn is only ~USD 1m/quarter as there are no operations. (2) The CEO and BC Partners both came in to do an acquisition, and BC Partners have already provided financing. (3) Management are highly incentivised and aligned with shareholders. The CEO makes USD 12m if the stock goes to USD 10/share and USD 30m if it goes to USD 16/share. Both are extremely material to his net worth.

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### **Presentation download:**

[www.pluralinvesting.com/s/ContextLogic-Presentation-20250604.pdf](http://www.pluralinvesting.com/s/ContextLogic-Presentation-20250604.pdf)

# Cosco Capital Inc.

## About the company

**Ticker symbol & ISIN:** COSCO PM, PHY1765W1054

**Place of primary listing:** Philippines

**Market cap:** PHP 49.3bn / USD 860m

**Free float:** 22%

**Average daily trading volume:** blocks available, 400-600m shares/year, est. 2m/day (~USD 250k/day)



### What is the investment case about?

Cosco is a holdco in the Philippines. It trades for the market value of its stake in only one of its publicly traded subsidiaries. All-in, it trades at a >60% discount to conservative net asset value (NAV). The listed subsidiaries (a leading retailer and the dominant liquor distributor) represent most of the NAV and have grown nicely over time. The holdco structure also makes them trade far too cheaply.

We believe Cosco's operations are likely to continue to grow at attractive rates (especially given tailwinds from the local economy) while the company will keep growing the dividend and buying back stock. The holdco discount may get crystallised in several different ways.



### Why is this interesting and weird?

The listed subsidiaries are very good staples businesses and among a limited number of pureplay consumer companies in the Philippines. The controlling shareholders are also being far more proactive than we usually see in emerging market holdcos.

For most, the Philippines is pretty far off the beaten path, and emerging market holdcos introduce an entire additional layer of weirdness.



### **What is the valuation and return profile?**

Cosco trades for a >60% discount to NAV and NAV grows over time. It pays a 6% dividend today and that also grows. Closing the discount would lead to a >150% return and that's before the dividend and any accretion to NAV from here.

The underlying listed subsidiaries trade for high single-digit multiples of trailing earnings (net of cash) despite growing topline high single-digit to mid-teens organically. We think an explicit commitment to capital allocation and closing the holdco discount could cause these to rerate as well.



### **Anything else one should know?**

These is a collection of consequential local champions run by a family that has learned from the best US retailers. We don't usually recommend most holdco discount situations, but we think Cosco has the characteristics of an attractive one.

## **About the author**

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# Emerita Resources

## About the company

Ticker symbol & ISIN: EMO, CA29102L4064

Place of primary listing: Venture exchange

Market cap: CAD 340m

Free float: 260m

Average daily trading volume: 230k



### What is the investment case about?

The Emerita investment case revolves around the company's high-stakes legal battle to secure rights to the Aznalcóllar mine in Spain – a world-class polymetallic zinc asset valued at over USD 25bn – after alleging systemic corruption, bribery, and manipulation in the original government tender process that awarded the mine to a rival consortium with little experience or capital. Court investigations have validated Emerita's claims, leading to indictments of 16 defendants for crimes including influence peddling, prevarication, and embezzlement, with the criminal trial set to conclude in July 2025.



### Why is this interesting and weird?

The Emerita investment is both interesting and weird because it's not just a bet on mineral resources or management skill, but a high-stakes wager on the outcome of a Spanish criminal corruption trial, where the company could go from a small-cap junior miner to the owner of a multi-billion dollar asset virtually overnight if the court rules in its favor. What makes it especially unusual is the sheer drama and documented evidence of political interference, bribery, and rigged scoring in the original tender, with 16 defendants (including top officials) now on trial with ongoing national news coverage in Spain.



### **What is the valuation and return profile?**

If Emerita loses this case, the stock will likely go back to 30-40 cents. It has other existing high-quality mines in the area it can develop in the downside case, but winning Aznalcóllar will catapult the status of this company into the big leagues. If Emerita wins, the stock will be worth north of CAD 4-6 based on the value of the resource base.



### **Anything else one should know?**

The environment around this trial has been very favourable for Emerita, with a national corruption scandal ongoing throughout the country, potentially bringing down key figures in the Spanish government. In the unlikely event they do not get at least one conviction, Emerita has another bite at the apple using all the information presented to criminal court to make a claim in its administrative court case about all the bid irregularities it found.

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# Equity Group Holding Ltd

## About the company

**Ticker symbol & ISIN:** EQTY KN Equity, KE0000000554

**Place of primary listing:** Nairobi Stock Exchange

**Market cap:** USD 1.3bn

**Free float:** 78%

**Average daily trading volume:** USD 350k



### What is the investment case about?

Equity is the second-largest bank in East Africa and the best-run bank in the region's most stable country. Following the rise in global interest rates in 2022, frontier African equities have been abandoned despite East Africa being the fastest-growing region in the world with the best demographic trends. In addition to trading at depressed valuations with a favorable long-term outlook, Equity is currently intentionally suppressing its earnings power, serving a catalyst to re-rate the shares as earnings normalise in 2025-26.



### Why is this interesting and weird?

During 2023-24, the Kenyan Central Bank increased interest rates 600 basis points (bps) from 7% to 13%. Equity delayed passing on the full impact of this rise to its customers to cushion the impact. This decision is now unwinding as rates fall (already -325bps) and pricing adjusts with a lag. The company is guiding to returns normalising in 2025, but few appear to be paying attention. We expect earnings to double over the next 2-3 years as Equity's returns on equity return to historical levels.



### **What is the valuation and return profile?**

Equity trades at 3.5x LTM P/E with a 10% dividend yield. We expect earnings to double by FY27 as earnings normalise – decreasing the multiple to 1.7x P/E. Between 2010 and 2022, prior to capital fleeing frontier markets, Equity traded at an average LTM P/E of 8.5x. Ex-multiple expansion, we expect a 40% internal rate of return as earnings recover, and the company pays out 30% of cash flow as dividends. With multiple expansion, returns approach 70% per year.



### **Anything else one should know?**

Kenya is the most stable country in Africa. Over the past 30 years, the Kenyan shilling has depreciated an average of 3% per year, outperforming most emerging market peers.

Equity has strong corporate governance and is run by an owner-operator who founded the company in its modern incarnation in 2004. Insiders own 10% of the shares and foreign shareholders have board representation. Since inception, the company has generated an average return on equity >25%. Equity has decades of total addressable market ahead of it as Africa remains underbanked.

## **About the author**

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# EUROAPI SASU

## About the company

**Ticker symbol & ISIN:** EAPI FP Equity, BQ7ZVF1

**Place of primary listing:** Paris Stock Exchange

**Market cap:** EUR 300m

**Free float:** 48%

**Average daily trading volume:** USD 410k (20-day average)



### What is the investment case about?

EUROAPI, spun off from Sanofi on 6 May 2022, develops and manufactures active pharmaceutical ingredients (APIs). Listed at EUR 12, its shares peaked at EUR 19 and now trade around EUR 3. The decline reflects operational challenges, leadership turnover, and broader industry headwinds – particularly in biotech, where rising interest rates have dampened investment and slowed expected growth. The current valuation suggests the market sees little chance of recovery, and the sharp drop in market cap has likely pushed the company off many investors' radars. Therein lies an opportunity.



### Why is this interesting and weird?

It's not necessarily weird beyond the fact that it displays many of the behavioural traits of a spin-off and shows signs of severe mispricing after dropping ca. 82% from its peak. The appeal lies in the scale of the asymmetric opportunity, underpinned by structural tailwinds – most notably Europe's post-COVID push to reduce reliance on Asian API manufacturing and prioritise local sourcing. France's government holds a 12% of the shares and will have a vested interest in the company's success.



### What is the valuation and return profile?

EUROAPI's revenues are down, and earnings have collapsed, but projecting recent trends forward may be misleading. With limited historical data, estimating normalised performance is difficult. However, using peer base rates for revenue growth and margins offers a benchmark. If EUROAPI aligns with industry norms, its shares could be worth up to 3× their current price at ca. EUR 9.0. If an estimate of fair value based on normalised profit levels is not good enough, on a conventional price-to-book ratio it also looks very attractive. EUROAPI is trading at 0.3x book with six manufacturing plants (selling/closing two) across Europe.



### Anything else one should know?

Almost 50% of the company's revenues today come from Sanofi. The original plan was for the company's dependence on Sanofi to come down over the years to ca. 32%, but this has not happened as fast as expected. Any changes in Sanofi's procurement of APIs could have a severe impact on the company. Having said that, the company's balance sheet is in very good place, closing 2024 with a EUR 22m net cash position.

## About the author

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Follow Schroders' [The Value Perspective](#) podcast for Juan's upcoming episode on Weird Shit Investing, featuring interviews with conference participants.

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# Evergreen International Storage and Transport Corp

## About the company

Ticker symbol & ISIN: 2607:TW

Place of primary listing: Taiwan

Market cap: TWD 36.23bn

Free float: 43.45%

Average daily trading volume: USD 3.9m



### What is the investment case about?

Owens land in strategic locations. Solid underlying business. Tons of cash on the balance sheet. Willingness to pay out big dividends.



### Why is this interesting and weird?

One major shareholder hired goons to physically threaten directors. Crashed into a director's car from behind, pepper sprayed her in the face as well as called to harass her.

Nevertheless, the company proceeds to be shareholder-friendly.



### **What is the valuation and return profile?**

It trades at 0.4 net asset value and 5.88 EV/EBIT. A conservative 10X, the upside is 44%.



### **Anything else one should know?**

n/a

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# Ferrexpo plc

## About the company

**Ticker symbol & ISIN:** FXPO, GB00B1XH2C03

**Place of primary listing:** London Stock Exchange

**Market cap:** GBP 327.159m

**Free float:** 25%

**Average daily trading volume:** GBP 1.3m / 2.5m shares



### What is the investment case about?

Ferrexpo, a London-listed company on the FTSE 250, specialises in the mining, processing, and sale of iron ore pellets. The company caters to premium steel mills and operates in Turkey, Europe, China, Southeast Asia, the Middle East, and North Africa. Its production facilities are situated in central Ukraine, well away from the current frontline.



### Why is this interesting and weird?

After more than three years of war, the company continues to demonstrate remarkable resilience and adaptability in a fast-paced and challenging business environment. In addition to the challenges posed by the war, the company has also faced several legal disputes with the Ukrainian authorities. Furthermore, its profitability has been severely impacted by low iron ore prices. As a result, its shares are traded at a discount compared to the company's pre-war valuation.



### **What is the valuation and return profile?**

This is a high-risk, high-reward opportunity. The stock is currently traded at a price close to the all-time low of about GBP 0.50, and its capitalisation is around GBP 300m. Once the disputes with the state are resolved and the war eventually comes to an end, its capitalisation could potentially increase many-fold, reaching the pre-war level of about GBP 2bn.



### **Anything else one should know?**

While the war is significant, it is not the primary factor influencing the stock price. The complex geopolitical situation in the region is currently stable, albeit unfavorable, but it has the potential to deteriorate rapidly.

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# Forgotten Indonesian small-/mid-cap stocks

## About the company

Ticker symbol & ISIN: n/a

Place of primary listing: n/a

Market cap: n/a

Free float: n/a

Average daily trading volume: n/a



### What is the investment case about?

- Capital cycle. Hangover from investment boom 2006-2014 has led to poor returns and lack of interest from foreign and local investors.
- ETF/MSCI size bias results in institutional money that is left in Indonesia crowding into a handful of names, largely banks leaving little to nothing elsewhere.
- Valuation. On most metrics small-/mid-cap stocks look cheap. Add to this some of the small-/mid-cap stocks are in the ESG 'sin bin', resulting in a cheap stock market having ultra-cheap ESG 'no go' stocks.



### Why is this interesting and weird?

There is very little foreign investor interest aside from smaller and more eccentric fund managers. As a result, it is off the radar of most investors.



### **What is the valuation and return profile?**

Valuations range from a small-cap with negative enterprise value to larger-cap mining/coal-related stocks on EV/EBITDA <2. There is a large number of stocks in multiple industries with 8%+ dividend yields, net cash balance sheets, and decent above mid-teens return on invested capital.



### **Anything else one should know?**

Accessing the Indonesian stock market is not nearly as difficult as other more frontier markets. Boom Securities in Hong Kong, DBS in Singapore, and Maybank Kim Eng offer access and accept UK/Europe-based clients. I think a number of Swiss banks will offer access to Indonesia as well.

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# Gabriel Resources

## About the company

Ticker symbol & ISIN: GBU

Place of primary listing: TSX

Market cap: CAD 35m

Free float: 186.8m

Average daily trading volume: 10k



### What is the investment case about?

Gabriel was a pure arbitration bilateral investment treaty play. Their assets were expropriated by Romania many years ago, and they went to the International Centre for Settlement of Investment Disputes (ICSID). Before the possible award publication, the Romanian prime minister was considering bankruptcy of the country because of the award size. Suddenly, the company lost the arbitration (2:1 with strong dissenting opinion).

The company "appealed" to the ad-hoc special international lawyer committee. What's interesting? In the annulment application you can see clear evidence that the arbitration tribunal WAS, IN FACT, biased, flawed, and corrupt in many respects, even by the judges' own admissions. This allows the company to annul the award, and go into arbitration once again, this time with a new case and with bigger interest.



### Why is this interesting and weird?

No one wants to touch complex legal cases. No one wants to touch "failed" arbitration cases. No one wants to touch "failed cases" where the arbitration tribunal exhibited clear signs of collusion and conspiracy. And no one wants to touch the cast of lawyers that protect the guild of arbitration lawyers community. Which allows the curious return for those who see through it.



### **What is the valuation and return profile?**

CAD 35m, which can and will grow into the claim that once won, will be able to bankrupt powerful a European nation.



### **Anything else one should know?**

Everyone wants to protect their own back. But sometimes – and this might be just the case – the public needs to see public corporal punishment in order to return trust in the system.

People need bread and entertainment. We will have both.

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# Garrett Motion Inc.

## About the company

**Ticker symbol & ISIN:** \$GTX

**Place of primary listing:** Nasdaq

**Market cap:** USD 2bn

**Free float:** n/a

**Average daily trading volume:** 1.6m (10D)



### What is the investment case about?

Garrett manufactures turbo-chargers lowering emissions and boosting efficiency for ICE (internal combustion engine) and hybrid vehicles. Market consensus is that it is an ex-growth business operating in a mature, low-margin and cyclical industry, while facing a clear risk of disruption from BEVs (battery electric vehicles). However, Garrett has a strong R&D and scale-driven moat in a duopoly market, and operates as a high-margin, capex-lite company with a variable cost base. As hybrids gain popularity and the BEV transition is slowing down, it seems in good position to maintain a fairly stable business (sales and margins) until 2030 at least.



### Why is this interesting and weird?

Garrett has a troubled history: a Honeywell spin-off that was saddled with unrelated asbestos liabilities as a parting gift. It went through a bankruptcy process during COVID in 2021, not for solvency reasons, but to clean up the capital structure. Distressed funds joined the share registry (Oaktree, Centerbridge, Cyrus, Baupost), and by 2022 and 2023, Garrett once again had to simplify the capital structure and get rid of the preferreds. The overhang has kept the valuation down, but Garrett has been buying back ~38% of its own stock since 2023. Over the coming years, significant buybacks at value accretive multiples should take care of the overhang.



### **What is the valuation and return profile?**

P/FCF: 6x

FCF/EV11x

Expected return: 10-15% per year (driven by buybacks and dividends, assuming no multiple re-rating and flat growth)



### **Anything else one should know?**

Garrett has invested significantly in developing solutions for BEV, hydrogen fuel cells and industrial applications, anticipating a ramp-up and inflection point around 2027-2030. The future return from these investments remains unknown, but does provide optionality.

## **About the author**

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# Grupa Pracuj

## About the company

**Ticker symbol & ISIN:** GPP, PLGRPRC00015

**Place of primary listing:** Poland

**Market cap:** USD 1.1bn

**Free float:** ~30%

**Average daily trading volume:** USD 750k



### What is the investment case about?

Grupa Pracuj (GPP) owns the dominant Polish online jobs classifieds business, which is a solid business. However, the interesting angle is its exposure to Ukraine, where it owns the #2 player and is set to acquire a majority share in the #1 player as well, cementing its lead in the country. GPP will also benefit from strong tailwinds in Europe (German fiscal spending, etc) as well as a potential recovery in Ukraine.



### Why is this interesting and weird?

GPP is extremely under-the-radar and has not been widely discussed. The stock is Polish, a place where most investors have barely bothered to look. Moreover, GPP has exposure to Ukraine, which is unattractive to most global investors.



### **What is the valuation and return profile?**

I see GPP trading at ~9x adjusted EBITDA on my 2026 estimates. Classifieds peers tend to trade at substantially higher multiples, often in the 15-30x range. I see at least a two-year double if shares can re-rate to 15x EBITDA. If there is no multiple expansion, you should see a healthy internal rate of return from a low initial yield (~8% free cash flow yield) and solid earnings growth (mid-teens is likely).



### **Anything else one should know?**

Check out [www.clarksquarecapital.com](http://www.clarksquarecapital.com) for more of my writings and ideas or follow me on Twitter [@clarksquarecap](https://twitter.com/clarksquarecap). Thanks for reading!

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# Haier Smart Home

## About the company

**Ticker symbol & ISIN:** 690D, CNE1000031C1

**Place of primary listing:** Frankfurt

**Market cap:** USD 585m D class, USD 28bn total

**Free float:** 79%

**Average daily trading volume:** USD 158k



### What is the investment case about?

German listing of multinational appliance manufacturer trades at 30% discount to Hong Kong listing and 40% vs Shanghai. 2025 has a catalyst in the form of a changed buyback authorisation approved in May 2025.

Decoupling risk is two-sided as you have the obvious profitability headwinds offset by the increased probability of capital structure simplification if tensions continue to simmer.



### Why is this interesting and weird?

Haier was the world's first Chinese D Share listing in 2018 as part of a China-Germany investment push: common shares of a mainland company listed in Frankfurt. Seven years later, it remains the only such listing. D Shares offer a way to get offshore access to Chinese equities without US ADR delisting or variable interest entity risks and the upside possibility of corporate structure reform.



### **What is the valuation and return profile?**

Market +30% if a tender narrows the discount to 10% before the next annual meeting. Market +2% via higher dividend yield if the discount is perpetual. Underlying is priced at 11x P/E in Hong Kong and 12 in Shanghai, while you pay 8 in Germany.



### **Anything else one should know?**

Short leg of the pair trade is meaningfully riskier than being long-only in a factor diversified portfolio.

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# HAL Trust

## About the company

**Ticker symbol & ISIN:** HAL.AS, BMG455841020

**Place of primary listing:** Euronext Amsterdam

**Market cap:** EUR 10.75bn

**Free float:** 15% (13.55m shares)

**Average daily trading volume:** 24,200 shares (~ EUR 2.88m)



### What is the investment case about?

HAL has made mistakes investing the EUR 5bn+ windfall from the sale of optical care, leaving stated net asset value (NAV) below the end 2015 level. This is blinding investors to a new phase of growth, refocus and the spectacular privatisation of Boskalis. Secretive company nature, requirement to deconsolidate accounts and interrogate statutory filings against a mere 15% free float deters investigation. Carrying values are conservative, and HAL disclosure now more shareholder-friendly. Shares trade at ~44% discount to our NAV estimate which could close sharply if more moves such as the Vopak spin of its Indian joint venture took place.



### Why is this interesting and weird?

Investors have a chance to invest directly alongside the wealth vehicle of one of the Netherlands' richest – if conservative – families across a portfolio of listed securities, and operating businesses. The quoted entity is a Bermuda trust owning a Dutch (Rotterdam) based company and has bearer securities. They do no results presentations or conference calls, sell-side research is very thin but HAL have an extraordinary track record of building businesses to advantage. There is a strong focus on complex marine-related activities, where there are few publicly listed players in what is a growth industry.



### **What is the valuation and return profile?**

HAL shares at EUR 119 trade at a 44% discount to our estimated NAV of EUR 211/share of which EUR 93 is attributable to Boskalis, which has direct listed peers. A further EUR 53 is comprised of listed companies mainly in the marine engineering, storage, and energy servicing industries. We believe the core Dutch operating businesses which have a bias to building supplies to be worth EUR 36 a share. There are high-return undervalued niches in two healthcare areas and EUR 18/share of net cash outside of Boskalis. We believe the discount should close as HAL demonstrates operating profit growth, potentially sharply on monetisations.



### **Anything else one should know?**

Investing in HAL requires extreme patience but we view the downside as very limited, the mix of investments and businesses as relatively defensive. This is not for the racy... I am one of the few people who have done the deep digging required to track the history – which is really important – and ferret out Dutch regulatory filings. We have had great success in other similar "deep-discount" companies who don't interact with the investment community such as E-L Financial in Canada and one of last year's Weird Shit Investing picks, Viel et Cie.

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<https://east72.com.au/dynasty-trust/presentations>

# Helium

## About the company

Ticker symbol & ISIN: n/a

Place of primary listing: n/a

Market cap: USD 549m

Free float: n/a

Average daily trading volume: USD 20m



### What is the investment case about?

Who or what is Helium? No, it's not the gas. Helium is a decentralised, blockchain-powered wireless network – the only real physical mobile network built by the people. It's the fastest-growing network in the US, now expanding in Mexico with Telefonica. With 1,500% subscriber growth since March 2025 and USD 3.6m in real annual revenue to infrastructure providers, it's scaling fast. Anyone can deploy a hotspot and earn tokens convertible to cash. No subscriber acquisition costs. No towers. Just a USD 500m+ mobile network disrupting a USD 400bn telco industry – just ahead of its mobile treasury halving this August.



### Why is this interesting and weird?

Because most people have never heard of it. Even people who have roamed into the Helium network have no idea blockchain native telco has provided the infrastructure for their calls. It is interesting because it is a clear sign of the behavioural change that blockchain and tokenisation can effect. It is societally empowering and still below most people's radars, especially big telcos.



### **What is the valuation and return profile?**

The HNT token is down, but there's a reason: Helium and Nova Labs are like Siamese twins – one drinks all the milk, but separate them and both fail. A fix looks close. Helium Mobile already has 1 million users in the US and 2 million+ in Latin America. T-Mobile paid USD 1.3bn for Mint Mobile's 4 million subs – that's USD 338 per user. Helium's model could host many mobile virtual network operators, making upside huge. It's a USD 500m asset tapping data from 450 million+ US subs in a USD 470bn market. Add Latin America, and the valuation gap becomes obvious. Arbitrage? Hiding in plain sight.



### **Anything else one should know?**

Helium – the USD 500m blockchain-enabled network powering and solving problems for USD 400bn+ telcos. The Helium Network HNT token (can be bought/traded on most digital exchanges, CoinGecko, Revolut etc).

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# High Arctic Overseas Holdings

## About the company

**Ticker symbol & ISIN:** HOH CN, CA42964K1012

**Place of primary listing:** Toronto Exchange TSXV

**Market cap:** USD 9.3m

**Free float:** 49%

**Average daily trading volume:** USD 11,800



### What is the investment case about?

High Arctic Overseas Holdings (HOH) is an oilfield services company operating in Papua New Guinea, recently spun out of Canadian firm High Arctic Energy Services. It owns two drilling rigs and operates a third for a client, while also providing manpower and rental services. HOH was spun off with a strong balance sheet – debt-free, cash-rich, and with positive working capital. With 17 years of experience in Papua New Guinea, it has deep knowledge of the country's regulatory landscape and operational environment. Papua New Guinea has meaningful oil and gas resources and liquefied natural gas (LNG) exports to Japan, China, South Korea and Taiwan constitute an important driver of the islands' GDP. Most importantly, much of its territory remains underexplored.



### Why is this interesting and weird?

Papua New Guinea isn't typically on investors' radars, and HOH – spun off less than a year ago – is small, illiquid, and not followed except maybe by spin-off specialists. Despite 17 years of local operations, none of its three rigs is currently contracted, weighing on revenue and creating uncertainty. However, historical segment data from High Arctic Energy Services offers insight into past performance, and peer benchmarks and sell-side estimates help frame potential profitability.



### **What is the valuation and return profile?**

The company is currently trading for a negative enterprise value given its cash position and no debt. Essentially, we are buying a call option on any improvement in the company's fundamentals and resumption of growth going forward. The probability of the company being unable to contract again any of their three rigs seem very low to me, especially the importance of oil and gas in Papua New Guinea's economy and its unexplored area. If this business was generating anywhere close to CAD 10-20m pre COVID and could get close to that again and it's valued at ca. 4-5x EBIT, the market cap would go to ca. CAD 60m from its current CAD 13m, a ca. 5x return.



### **Anything else one should know?**

The Papua LNG project should be a major catalyst for the company. Construction was expected to start in 2025 but it has now been delayed to early 2026. This project is a major LNG design to unlock exports to several Asian countries including Japan, Korea, and China. The project will be led by TotalEnergies (40%), ExxonMobil (37%), and Santos (23%). Expected output to be 5.4m tonnes of LNG per year.

## **About the author**

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# Hoegh Autoliners ASA

## About the company

Ticker symbol & ISIN: OMXNO HAUTO, NO0011082075

Place of primary listing: Norway

Market cap: NOK 16.2bn

Free float: 54%

Average daily trading volume: 56k



### What is the investment case about?

Sector concentration is one way to get above-average results. The shipping cycle is in a boom phase, but share prices are cheap. The most important factor is that there is a shortage of supply of tanker and carrier ships.

Most general investors are scared away, due to multiple factors – past bankruptcies, finance difficulties, closure of shipbuilders, UN indecision on engine and fuel standards, decreased access through Suez and Panama canals, proxy wars.



### Why is this interesting and weird?

The dividend yield has been monstrous for the last two years. At the Weird Shit Investing 2024 conference, passing mention was made of the trailing dividend yield of around 29%. At present in 2025, the trailing dividend yield is around 41%. Estimates for the years 2025-2026 expect dividends of 40-60% of the huge 2024 year payout.

NB WHT of 25%.



### **What is the valuation and return profile?**

Investors may be underestimating the sustainability of the dividend policy. We are now looking at negative growth, but big cash flows. Debt is relatively low, but likely to have a mild increase.

The shipping industry is notorious for booms and busts. So, eventually you may have to take a partial capital loss (unless you are a great trader).



### **Anything else one should know?**

Shipping industry managements have favoured dividends or share buybacks or debt reductions, rather than buying a lot of new ships. The entrance of new ships more than replacing obsolete ships may take years.

We recommend that investors look into multiple companies in this sector.

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# Höegh LNG Partners LP

## About the company

Ticker symbol & ISIN: HMLPF, MHY3262R1181

Place of primary listing: OTC

Market cap: USD 115m

Free float: 100%

Average daily trading volume: 3,300 shares (USD 55k)



### What is the investment case about?

Höegh LNG Partners (HMLP) has a fleet of five (three wholly-owned and two 50%-owned) floating storage and regasification units (FSRUs) under long-term charters. Counterparty risk is mitigated by the fact that an FSRU can be moved to another location or used to transport liquefied natural gas. HMLP's publicly held common units were bought out by the parent company in September 2022, and approximately USD 175m of 8.75% cumulative redeemable preferred units ("Prefs") remain outstanding.



### Why is this interesting and weird?

Subsequent to the acquisition of HMLP's publicly held common units in September 2022, the Prefs were delisted from the New York Stock Exchange on 3 January 2023 and now trade only on the OTC expert market. As a result of the delisting, institutional owners like the iShares Preferred and Income Securities ETF (PFF) were forced to liquidate their holdings. Furthermore, most retail investors are precluded from purchasing the Prefs as access to the OTC expert market is usually limited to broker-dealers and professional or sophisticated investors. The Prefs currently trade at yield 13.5% as of 10 June 2025.



### **What is the valuation and return profile?**

The Prefs last traded at USD 16.30 – a ~35% discount to liquidation value of USD 25 and yield 13.5% as of 10 June 2025. New build values for an FSRU with a capacity of 170,000 cubic metres (cbm) is ~USD 350m, which compares favourably with the more than USD 1bn estimated cost of developing a land-based terminal of comparable size. Free cash flow (FCF) has averaged >USD 85m annually. After factoring in annual debt repayments of ~USD 35m over the next seven years, FCF available for Preferred and Common Unitholders distributions is ~USD 50m. After accounting for ~USD 250m in debt, the residual net asset value of ~USD 670m is well in excess of the USD 175m Prefs liquidation value.



### **Anything else one should know?**

HMLP has elected to be treated as a C-Corporation for US federal income tax purposes (investors receive a Form 1099 and not a Schedule K-1). Distributions to US unitholders will be treated as a dividend for US federal income tax purposes to the extent the distributions come from earnings and profits ("E&P") and as a non-dividend distribution or a return of capital ("ROC") to the extent the distributions exceed E&P. Distributions paid to a non-US unitholder will not be subject to US federal income tax or withholding tax if the non-US unitholder is not engaged in a US trade or business. Unitholders are directed to consult their own tax advisors to determine the appropriate treatment.

## **About the author**

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# JZ Capital Partners Ltd

## About the company

Ticker symbol & ISIN: JZCP-LON, GG00BT3MVL31

Place of primary listing: London

Market cap: GBP 125m

Free float: 49%

Average daily trading volume: ~10k



### What is the investment case about?

The investment case is both weird and pretty simple. JZ Capital Partners (JZCP) is a UK-listed fund that is hated for a variety of reasons, some of which are listed below. It has holdings across various US and European micro-cap funds and some real estate and is being wound up and liquidating assets. JZCP has paid down all significant debt and made two cash disbursements to holders, the last being USD 30m earlier this year. Net asset value (NAV) is currently about GBP 3.04 per share, and the shares are trading at approximately GBP 2.08. Disbursements are being made at NAV.



### Why is this interesting and weird?

It's interesting because it is hard to imagine how a fund could be more poorly positioned in all respects. It has a horrible performance from inception (five-year performance = -57%!) such that any long-term existing shareholders will be very disgruntled. It is a small-cap UK-listed fund, the UK having performed relatively poorly for years, the UK small-caps doubly so, and UK closed-end funds in particular are a beaten up sector. All of that is hiding a straightforward liquidation with a great deal of value, more extreme than you tend to see in other funds, and as it is a very illiquid issue, it is just sitting there being ignored by the market.



### **What is the valuation and return profile?**

Now that all significant debt has been cleared and cash returns have started, the valuation profile is straightforward. Liabilities and other receivables are close to nil, leaving NAV of GBP 3.04 per share split between GBP 2.10 per share of investments to liquidate and GBP 0.94 per share of cash and equivalents. Current share price is GBP 2.08. That's approximately 46% uplift to current share price.



### **Anything else one should know?**

The obvious risks are twofold: are the remaining holdings marked correctly, and how long will the wind-down take? Recent liquidations have led to write ups, not downs, suggesting marks are fair at worst. The timing is the question and while I think total wind-down may take a couple more years, I would anticipate further capital returns in the near term, and these should follow the previous ones, i.e. will be done at NAV.

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# K92 Mining Inc.

## About the company

**Ticker symbol & ISIN:** KNT:TSE, 92K:FWB, KNTNF:OTCQX

**Place of primary listing:** Toronto, Canada

**Market cap:** CAD 3.75bn / USD 2.4bn

**Free float:** 240m

**Average daily trading volume:** ~713k



### What is the investment case about?

Participating in a developing gold bull market, limiting downside via a consistently profitable, self-funding company with increasing gold production, and promising exploration assets that are operated by highly competent management. Such enterprises often receive a financial ratings upgrade from a lower-tier producer to a mid-tier producer rating. In particular as it now throws off plenty of excess CASH.



### Why is this interesting and weird?

It's a highly profitable gold miner with excellent exploration assets already delivering a high-quality product (gold) with rapidly expanding production and profit margins (as gold rises) that consistently delivers on time. It has a strong cash balance sheet with small debt. A rarity in the mining sector! With the gold market tailwind increasing return on investment, all-in sustaining costs being lowered and production increasing, this has all the hallmarks of a great quality enterprise for the medium term.



### **What is the valuation and return profile?**

Market value: CAD 3.75bn or CAD 15.5/share (USD 2.4bn). Based on Q1 2025 results, production increases, a USD 3k gold price, we can anticipate total net income of USD 2.8bn in year 5 with annual net income of USD 700m. Currently with a P/E of 14, one can anticipate a valuation of CAD 8.4bn or 2.75x current price.

If gold rises from 3k incrementally to 3.5k in the same period, then the valuation could reach x5 at USD 12bn or CAD 16.8bn on USD 1bn annual net income.



### **Anything else one should know?**

This is an investment based on gold price appreciation, significant increase in production, potential future exploration assets, a future higher re-rating by analysts, and a high probability of a payout of some form.

It has downside protection yet with an upside asymmetric quality that is broadly easy to quantify based on the above characteristics.

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# Kenya Power & Lighting Ltd

## About the company

**Ticker symbol & ISIN:** KPLL KN, KE00000000349

**Place of primary listing:** Kenya (Nairobi Securities Exchange)

**Market cap:** USD 130m

**Free float:** USD 65m

**Average daily trading volume:** USD 50-100k



### What is the investment case about?

Kenya Power & Lighting Ltd (KPLL) is Kenya's incumbent electricity distribution utility. The investment case is a combination of extreme undervaluation (<1x P/E), coupled with rapidly improving fundamentals on the back of both internal (governance, management) and external (improved regulatory environment and a return to economic tariffs) reforms. Ongoing deleveraging, improving Kenyan macro, enhanced transparency, and a greater track record of earnings delivery are also part of the investment case and pave the way for a continuing re-rating.



### Why is this interesting and weird?

Both Kenya and KPLL are obscure corners of the investment world, and KPLL is also a complex and overlooked story that remains under most investors' radars. The market has been slow to appreciate the degree of fundamental improvement that is occurring due to obscurity, the complexity of KPLL's prior issues, foreign exchange volatility, low levels of liquidity, and the company's poor long-term track record under prior management and amidst a less favourable regulatory climate.



### **What is the valuation and return profile?**

KPLL is trading at extraordinarily cheap levels, at less than 1x earnings and at just 10% of its regulatory asset base. It also has a 10% dividend yield on a low payout that will likely increase over time. In the short to medium term, 2-3x earnings appears more appropriate. Longer term, if the company successfully deleverages, raises the dividend payout and builds a longer track record of consistent earnings delivery, 5-10x is feasible. These metrics point to multi-bag return potential.



### **Anything else one should know?**

n/a

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# Kukbo Design Co Ltd

## About the company

**Ticker symbol & ISIN:** 066620 KS, KR7066620006

**Place of primary listing:** KOSDAQ (South Korea)

**Market cap:** KRW 133bn / USD 97m (KRW 20,100/share as of 10 June 2025)

**Free float:** ~2m shares out of 6,609,564 outstanding (~30%)

**Average daily trading volume:** 11,597 shares (90-day average as of 10 June 2025)



### What is the investment case about?

Kukbo Design is the largest interior design business in South Korea, working with clients through all stages of a project's lifecycle, from initial conceptual design through project management. A vast majority of Kukbo's revenue comes from commercial clients (offices, hotels, retail, etc) in their domestic South Korean market. The business has generated decades of consistent growth and profits, yet trades at a substantially negative enterprise value and a low single-digit P/E due primarily to cash hoarding by owner/management (only 15-20% of earnings historically returned to shareholders despite highly attractive free cash flow (FCF) conversion).



### Why is this interesting and weird?

I consider micro-caps listed on exchanges "under-accessed" by the typical micro-cap investor (e.g. not available through Interactive Brokers) to be interesting. Too illiquid for large investors and inaccessible to small investors is a niche worth hunting in. Kukbo, as a micro-cap on the South Korean exchange, certainly fits the bill here. Most of all, Kukbo is "interesting/weird" for its remarkable combination of quality (34 straight years profitability, consistent double-digit return on equity and high single-digit revenue growth) and cheapness (TTM P/E 3.5x, TTM P/FCF 2x, P/B 0.5x, massively negative EV, market cap equal to ~60% of net cash and securities on the balance sheet).



### **What is the valuation and return profile?**

As of 31 March 2025, Kukbo's backlog is a record KRW 320bn (up ~30% year-over-year). Kukbo's NTM revenue typically ranges from 1.7-2x current backlog. Taking the low end of that range and assuming operating margins mean revert to their LT average of 7.6% (vs. '22-'24 average of 8.8%), we estimate Kukbo's run-rate net operating profit after tax (NOPAT) at ~KRW 30bn (~4x P/NOPAT). This assumes no income from Kukbo's cash and securities. Base case (no improvement in capital allocation), an investor should earn a ~4% dividend yield (growing at a high single-digit rate annually) with limited downside. Bull case (excess cash returned to shareholders) is likely a multi-bagger.



### **Anything else one should know?**

Founder/CEO Chang-Yeon Hwang and family own >60% of the shares outstanding, so, on the capital allocation front, the opportunity for activism is minimal. There are "suggestivist" opportunities, though, especially with Young-Ok Park (a prominent long-term value investor in South Korea) owning almost 10% of the business. Note that management is responsive to investor inquiries (at least once you locate the right email addresses). Chang-Yeon is over 70 years old, so I would speculate that a transition to his sons is not too far in the future, and sometimes these transitions can result in a positive reassessment of capital allocation.

## **About the author**

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# Liberty Global

## About the company

Ticker symbol & ISIN: LBTYA

Place of primary listing: Nasdaq

Market cap: USD 3.4bn

Free float: 86.6%

Average daily trading volume: 3.75m



### What is the investment case about?

It is recommended to long LBTYA, the businesses are passing peak capex and, with European policy rates declining, sustainable long-term free cash flow is increasing massively. With Liberty Global's equity stake in various European telecom businesses undervalued (60-70% discount), aggressive ongoing buyback and periodic spin-off should unlock the massive value (even increasing the intrinsic value per share).



### Why is this interesting and weird?

Three aspects make the case very interesting. Firstly, the businesses are fairly complex with different assets stacked in, respectively, HoldCo and OpCo, and debt siloed in different OpCo (some are fully consolidated and some are not). Secondly, fast and slow catalysts are in place to unlock value (unwind complex structure) in the medium term with aggressive buyback every year being the slow catalyst and corporate actions being the fast catalyst (unsure about timing, though). Thirdly, no natural buyers are here.



### **What is the valuation and return profile?**

Current market capitalisation is only 30-40% of the intrinsic value. If aggressive buyback (10% a year) continues until an eventual spin-off of all businesses within the 2028/29 timeframe, the intrinsic value can be 500% more than the current share price. Comparable methods and cash flow-based methods are used to assess the intrinsic value.



### **Anything else one should know?**

The stock can stay at the current level for a while for liquidity reasons concerned by some of their large shareholders, this one is really for people who want to put capital there for 3-5 years. Some M&A-related catalysts may also come up to accelerate the close of the value gap, but there is no certainty even with the European communication market getting ready for consolidation.

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# LPS Brasil S.A.

## About the company

**Ticker symbol & ISIN:** BOVESPA:LPSB3, BRLPSBACNORO

**Place of primary listing:** B3 (BOVESPA)

**Market cap:** BRL 241m (USD 52m)

**Free float:** 27.3%

**Average daily trading volume:** USD 28k



### What is the investment case about?

LPS Brasil is the largest real estate brokerage in Brazil. The Brazilian real estate market remains highly fragmented and lacks a centralised, public Multiple Listing Service (MLS), making it ripe for consolidation. LPS Brasil has a joint venture with Itaú Unibanco (Latin America's largest bank) through CrediPronto, a mortgage origination platform which if it were a standalone bank, would be the fifth-largest real estate lender in the country. All of this, trading at 2.84x LTM EV/EBITDA with growth potential.



### Why is this interesting and weird?

This is interesting because CrediPronto (the joint venture with Itaú) expires in November 2028, which will trigger a renegotiation of the contract. To put things in perspective, in 2006, when the joint venture was signed, Itaú paid LPS a BRL 290m advance for the exclusivity rights. In today's money, this is worth over BRL 870m, which contrasts with the current EV of BRL 165m.



### **What is the valuation and return profile?**

There are a few scenarios to consider in this case, mostly depending on the renewal, or not, of the joint venture with Itaú, and the resulting outcome in each case.

The worst-case scenario would be the non-renewal of the joint venture, with LPS only receiving the run-off from the current mortgage portfolio. Even in this case, the valuation would arrive at BRL 2.68 per share, representing a +61% upside.

All other scenarios support a substantially higher valuation, ranging up to BRL 8.27 per share, or a +401% upside.



### **Anything else one should know?**

This is a local investment in Brazil, and you will likely need to open a local brokerage account to gain access. Trading volume has been declining since the COVID-19 pandemic, during which the stock fell from a high of approximately BRL 9.50 per share. Since then, Lanx, a private equity firm, has accumulated roughly 20% of the outstanding shares, which has further reduced liquidity.

This should be viewed as a very illiquid investment, but one that offers a clear catalyst for the patient investor.

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# Majestic Gold

## About the company

**Ticker symbol & ISIN:** MJS.V

**Place of primary listing:** Canada – TSXV

**Market cap:** USD 114m

**Free float:** 90%+

**Average daily trading volume:** 1.1m shares



### What is the investment case about?

A junior gold producer that has cash on the balance sheet equivalent to their market cap. Expecting to grow production by 20% this year and produced gold for an all in sustaining cost of USD 1,061 in 2024. Primary assets have a long mine life of over 15 years. Company initiated a dividend last year that was equivalent to a 10% yield at the time.



### Why is this interesting and weird?

All the mining assets are in China, and the majority of the cash is also held onshore China. The primary mine was set up as a joint venture in 2005 which Majestic's operating subsidiary (Persistence Resources) had a 75% stake in. Majestic IPOed Persistence in Hong Kong in 2023 (retaining a 70% stake); that stake in Hong Kong is currently worth 3x Majestic's market cap in Canada.



### **What is the valuation and return profile?**

PE of 11x for 2024, however that was based on a gold price of USD 2,390. Forward PE with gold price of USD 3,000 and expanded production is 8. However, given the large cash balance, EV/net income of just 4x is perhaps more relevant. That the exact same asset trades in Hong Kong for 3x the valuation provides a sense of potential return profile.



### **Anything else one should know?**

There is no analyst coverage of this stock, and as far as I can tell management haven't given an interview in ten years. If you call the head office like I did, though, you might get to have an impromptu chat with the CFO.

## **About the author**

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# MegaStudyEdu

## About the company

Ticker symbol & ISIN: 215200 KS

Place of primary listing: KOSDAQ

Market cap: USD 400m

Free float: 61%

Average daily trading volume: ~USD 1.2m



### What is the investment case about?

MegaStudyEdu mainly engages in the operation of dominant online education platforms across elementary, middle, and high school level. High school online business is the crown jewel that's estimated to generate 60%+ of company profits. After years-long industry consolidation, their high school platform boasts 70%+ market share and enjoys significant economies of scale in the form of lowest content cost per student. Despite the strong core business, the stock is trading at 5.4x 2025e earnings and 20%+ free cash flow yield. With the management's determination to return 60% of profits, shareholders can expect 11% total yield (buyback + dividend).



### Why is this interesting and weird?

Korea has a weird tax system where dividends often get taxed at the marginal rate of over 50% and inheritance tax rate can go up to 60% for owner-managers. This leads to significant interest misalignments between controlling shareholders, whose best interest is often to keep the stock price low, and minority shareholders seeking returns. MegaStudyEdu is an interesting exception case where the founders' best exit strategy is to eventually sell to a private equity firm and, therefore, aggressive buybacks are the most efficient way to maximise potential profits.



### **What is the valuation and return profile?**

The stock is trading at 5.4x 2025e P/E with about 20% of market cap in net cash.

Without any multiple expansion assumption, shareholders can expect to make approximately 13~14% per year (~9% earnings per share compound annual growth rate +4~5% dividend yield) over the next three years. More than half of earnings per share growth is expected to come from share count reduction.



### **Anything else one should know?**

They own sizable land and building assets that are currently being used as offline business locations, which collectively do not generate much profit. Many real estate assets have not been restated on the balance sheet for up to 20 years. These assets can easily be worth north of USD 300m (vs ~USD 200m book value).

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# Nigerian market (examples Custodian Investments, Nigerian Breweries)

## About the company

**Ticker symbol & ISIN:** CUSTODIAN, NGCUSTODYIN6; NB, NGNB00000005

**Place of primary listing:** Nigerian Stock Exchange (NGX)

**Market cap:** USD 95m; USD 1.2b

**Free float:** 56%; 27%

**Average daily trading volume:** USD 79k; USD 345k



### What is the investment case about?

Nigeria is possibly the world's best long-term equity set-up. Not only is it one of the world's cheapest markets on cyclically adjusted price-to-earnings (CAPE) and other cyclically adjusted valuation metrics, but it is also one of the fastest reforming countries in the world. Since President Tinubu assumed power in 2023, Nigeria has implemented sweeping reforms in key areas of the economy. The most notable is currency convertibility, ending petrol subsidies, and deregulating the power sector. Long overdue, these reforms could very likely lead the country on the path to sustainable growth.



### Why is this interesting and weird?

Despite foreign portfolio flow picking up in the first half of 2025, very few investors are considering emerging markets or even frontier markets like Nigeria. It's likely the most overlooked 'big' country in the world. While Argentina's rightfully making headlines, Nigeria's reforms seem to largely go unnoticed.



### **What is the valuation and return profile?**

It's not difficult to find Nigerian stocks that are trading below 10x CAPE. The author's screen puts Nigeria's CAPE at an average of 7.3x, a median of 4.4x and a weighted average of 16.8x. Other cyclically adjusted numbers are also attractive. The EV/EBIT(10) is at an average of just 2.8x, a median of 4.4x and a weighted average of 6.4x. Research Alpha's six stock Nigerian portfolio is trading at CAPEs of between 4-38x, a cyclically adjusted dividend yield of 8.4% and PE of 6.9x.



### **Anything else one should know?**

Many stocks such as Nigerian Breweries are down 85% or more from their all-time high, indicating substantial upside. Many are also trading at, or close to, the same price in USD as they were 20 or more years ago. The Nigerian All Share index is at an all-time low in gold terms and is down 87% in USD from its March 2008 high.

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# Pan American Silver CVRs

## About the company

Ticker symbol & ISIN: PAASF, CA6979001329

Place of primary listing: OTC

Market cap: USD 88m

Free float: 314,235,145

Average daily trading volume: 230k



### What is the investment case about?

The Pan American Silver (PAASF) investment case centres on contingent value rights (CVRs) that offer exposure to the potential restart of the Escobal silver mine in Guatemala. These CVRs, issued as part of Pan American Silver's acquisition of Tahoe Resources, will convert into Pan American Silver shares only if the mine resumes commercial shipments before their 2029 expiration. Currently, PAASF trades at a steep discount to its theoretical value, reflecting market skepticism due to strong opposition from the indigenous Xinka People and ongoing legal/regulatory uncertainty on the mine's reopening.



### Why is this interesting and weird?

This investment is interesting because it offers exposure to a world-class silver mine through a CVR that is trading at a massive discount, creating the potential for a huge payoff if the Escobal mine in Guatemala reopens before 2029. What makes it weird is that the outcome hinges almost entirely on an unpredictable political and legal framework in Guatemala involving an ILO 169 process with the Xinka (a native people of Guatemala). The Xinka have rejected the mine, but it is not clear under the ILO 169 rules that this is an allowed outcome. There likely will be a court review and a possible International Centre for Settlement of Investment Disputes (ICSID) style lawsuit.



### **What is the valuation and return profile?**

If the mine does not reopen, this is a zero. If it does reopen, the implied value of the CVR is an equivalent stock price of Pan American Silver of USD 5.50 a share. Pan American Silver currently trades for USD 28.50 a share. This equates to a 4.2X return on your investment. Timewise, this may take several years to play out. If the mine is reopened, the price of the stock also will be much higher given the value of the resource.



### **Anything else one should know?**

As of May 2025, the Xinka have rejected the mine; it is my belief that there will now be several steps that play out. Pan American Silver will need to petition the court, which ordered the consultation, that the Xinka cannot stop an existing mine under ILO 169. If the court rules in favor of the Xinka, Pan American Silver will need to seek compensation like First Quantum did in Panama for billions of dollars of lost value as this is a producing, low-cost silver mine. As Guatemala has no money, I believe at that point this matter will get resolved and the mine will reopen.

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# Paxman

## About the company

**Ticker symbol & ISIN:** PAX.ST, SE0009806284

**Place of primary listing:** Nasdaq Stockholm

**Market cap:** SEK 1,727m (USD 180m)

**Free float:** 53%

**Average daily trading volume:** USD 350k



### What is the investment case about?

Paxman is a UK family-led medtech, pioneering a new niche within cancer care. By creating a scalp cooling system, a patient undergoing chemotherapy can opt to cool their head and thereby significantly increase their chance of keeping their hair. Especially among women, the psychological stress of losing their hair while dealing with cancer is a big deal. Healthcare in general is extremely hard to penetrate and build a scalable business in. It has taken Paxman 25 years of work to reach scale and profitability, now the investment case is about scaling further, particularly in the US, and properly establishing a new category in cancer care.



### Why is this interesting and weird?

Working with cancer treatment centres to offer scalp cooling and insurance companies to cover it, has been a very long journey. So long that Paxman's largest competitor didn't make it and was in 2025 purchased on the cheap by Paxman. This has created an interesting situation where things are finally falling in place in the US from a regulatory perspective (to improve reimbursement of scalp cooling), at the same time Paxman just gobbled up its only real competitor and is effectively running a near monopoly in the market. The total addressable market is large for Paxman; if they can pull off to scale this one oddball product further, the rewards could be massive.



### **What is the valuation and return profile?**

As this is a high-growth stock (30% year-on-year growth) which just reached inflection in terms of profitability, the return profile is still a high-risk / high-reward case, although reaching profitability has put some kind of backstop in terms of how low the share price should reasonably go (trailing EV/EBIT 49x). Hence a backward-looking valuation is not a relevant metric. Looking out to 2027, this could in a scenario with continued execution and CPT I Code launch trade at around EV/EBIT 12x with a high degree of recurring revenue in USD. But to emphasise, this is not a short-term value case, value is rather found 3-4 years out.



### **Anything else one should know?**

There is significant upside from a relatively new initiative called CIPN, where Paxman is currently conducting a large-scale study to prove it works. CIPN is also related to chemotherapy but is a much worse side effect than losing your hair, this creates pain, tingling and numbness in the feet and hands mainly. These side effects can be so bad for certain patients that the dosage of chemo must be dropped. The medical community would clearly embrace a solution for something that could reduce CIPN. The idea is again cooling (and compression) of the limbs, to reduce the blood flow and effects of chemo. Paxman plans to launch the product Q2 2026.

## **About the author**

MR Healthy Stock Picks

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# Plover Bay Technologies Limited (Peplink)

## About the company

Ticker symbol & ISIN: 1523 HK, KYG713321035

Place of primary listing: Hong Kong

Market cap: HKD 6.6bn (USD 730m)

Free float: 30%

Average daily trading volume: 1.1m



### What is the investment case about?

Peplink's proprietary routers with SpeedFusion bonding turns commodity 5G and Starlink links into mission-critical unbreakable connectivity. Plover Bay is a router hardware business morphing into a recurring software business with software subs climbing from 25% to >40 %, driving margin expansion. With structural connectivity total addressable market tailwinds (IoT, Starlink) and channel leverage, earnings can compound mid-teens, while the balance sheet remains flush with cash, giving a low-risk path to >20 % annual returns. All free cash flow (FCF) is paid out in dividends, with an aligned 69% shareholder, and the business is highly profitable (71% return on equity (ROE)) and capital light.



### Why is this interesting and weird?

A Hong Kong-listed, founder-led router maker with 71% ROE that pays out all FCF as dividends yet trades at a 30% discount to US peers. Deep insider ownership (69%), zero net debt, and a unique Starlink partnership sit inside a small HKD 6.6bn market cap that is off the radar of most global tech investors. Alex Chan is not a typical Hong Kong businessman. He behaves like a US tech bro. Sees himself as an engineer above all else. Weird as the company is run with zero KPIs. All products manufactured in Taiwan, with largest market in US. Weird decentralised downstream channel partner model with no in-house sales force creates significant operating leverage.



### **What is the valuation and return profile?**

Growth stock which trades at 17x FY25 P/E and ~6x EV/sales, vs peers Cradlepoint/Ubiquiti >25x. Base-case discounted cash flow (DCF) (3% term growth, 9% cost of equity) gives intrinsic value HKD 9.00 (USD 1.3bn); offers 40 % margin of safety. Five-year internal rate of return (IRR) of ~17% in base case with zero multiple expansion. Five-year IRR of 22% p.a. in bull case with a modest re-rating, plus a 5% dividend yield. This bull-case DCF model is conservative as it's based on Mobile WAN growing at 15% p.a. and Fixed WAN at 10% p.a., when the historic ten-year average growth respectively has been: Mobile WAN 29% p.a. and Fixed WAN at 10% p.a.



### **Anything else one should know?**

We have met Alex Chan, the founder and major shareholder, and spoken with several Plover Bay's team as well as many of Plover Bay's downstream channel partners from the US, Israel, Mexico, UK and Latin America. We also attended a two-day summit in Amsterdam organised by Plover Bay's biggest customer Frontier where we spoke to several network architects and administrators.

## **About the author**

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# Polimex-Mostostal

## About the company

**Ticker symbol & ISIN:** WSE:PXM, PLMSTSD00019

**Place of primary listing:** Warsaw Stock Exchange

**Market cap:** PLN 1.31bn (USD 350m)

**Free float:** 35.08%

**Average daily trading volume:** 956.58k



### What is the investment case about?

Polimex is a leading industrial engineering and construction firm undergoing a turnaround after years of underperformance caused by underbidding, cost overruns, and legal disputes. Shares have dropped 99% from their peak, but a new CEO appointed in April 2025 has shifted the focus to higher-value strategic contracts, including in defence, nuclear, and renewables. There are early signs of a turnaround even before the appointment of the new CEO: the company posted a profitable Q1 2025 with 45% sales growth, and the stock is up 140% year-to-date. Polimex has also guided for PLN 3bn in 2025 sales (5% year-on-year increase) and plans to announce a new corporate strategy around August 2025.



### Why is this interesting and weird?

Polimex remains under the radar, largely due to its base in Poland and a 15-year track record of poor execution that damaged investor confidence. As a result, the market not only overlooks the ongoing turnaround but also misses the broader opportunity in high-growth sectors. The company is now actively bidding for PLN 22bn (USD 6bn) in contracts – nearly 8x its 2024 sales of PLN 2.86bn. With just 35% free float and the rest held by state-linked giants that frequently award it contracts, even a slight improvement in fundamentals and a modest shift in sentiment could drive outsized share price appreciation.



### **What is the valuation and return profile?**

As a turnaround case, price-to-sales best captures early recovery. At 0.4x sales, Polimex trades at a distressed valuation that overlooks its shift in strategy. Historically, scale alone lifted margins to ~3.5%, but with a focus on higher-value contracts and continued growth, 5-7% looks achievable. Based on 2025 sales of PLN 3bn (company target), that implies a forward P/E of just 6-9x. With falling debt, improving profitability, and shares still 99% below peak, re-rating potential is significant. A move to 0.85x sales implies +112% upside; a full re-rating to 1.7x – where better-executing peer Budimex trades – suggests over 325%.



### **Anything else one should know?**

This isn't a falling knife anymore – momentum and fundamentals are aligning. Polimex has a PLN 7.1bn backlog, offering strong forward visibility. It's actively exploring high-growth areas like defence – supported by Poland's 4.7% GDP defence spend – as well as nuclear and renewables, both top government priorities. It has already secured a German contract worth ~11% of 2024 sales, positioning it to benefit from increased German infrastructure spending. Additionally, its Ukraine-based facility could become a key asset in post-war reconstruction. Poland's stock market is also among the top performers in 2025, adding a supportive macro tailwind.

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# PT Metrodata Electronics Tbk

## About the company

**Ticker symbol & ISIN:** MTDL IJ, ID1000055007

**Place of primary listing:** Indonesia Stock Exchange

**Market cap:** USD 425m

**Free float:** 34.4%

**Average daily trading volume:** USD 190k



### What is the investment case about?

Metrodata is the leading distributor of IT equipment in Indonesia, with a 25% market share. The company distributes both hardware and software from the most recognisable global IT brands throughout Indonesia. IT penetration in Indonesia is incredibly low, with just 7% owning a laptop. As the market leader, Metrodata is well positioned to capture this growing demand. The company is also a major player in the higher-margin area of Solutions & Consulting, where it has a 10% market share. This includes Cloud services, Cybersecurity and Data & AI. Solutions & Consulting accounts for 30% of revenue, but 55% of net profit.



### Why is this interesting and weird?

Up until recently, Metrodata has had zero analyst coverage. Now, one small local brokerage covers the stock. Indonesia itself is a massively under-owned market and with little analyst coverage, stocks like Metrodata slip through the cracks.



### **What is the valuation and return profile?**

Metrodata is trading on 2025f P/E of 8x. The company's net profit has compounded at 15% over the last decade, with a return on equity of above 20%. Its share price, including dividends, has returned a compound annual growth rate of 19% over the last ten years. Yet still the valuation is crazy low. With a payout ratio of 40%, the dividend yield is now nearing 5%. Comparable, yet mostly inferior, peers tend to be trading at closer to 20x earnings, especially those solutions and consulting players.



### **Anything else one should know?**

Rare for a distribution business, Metrodata is net cash – with net cash making up 17% of shareholders equity. Metrodata also hosts a highly capable management team who are most receptive to investors. In both segments, the growth potential for the company is huge, as Indonesia's digitalisation continues.

The moat for this business, in the distribution, is its sheer size and dominance of the market. In the Indonesian archipelago, a well-established distribution network is hard to replicate. 80% of all IT brands present in Indonesia use Metrodata. Through this network, Metrodata gains access to potential clients for their Solutions & Consulting services.

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# Raiffeisen Bank International

## About the company

**Ticker symbol & ISIN:** RBI.VI, AT0000606306

**Place of primary listing:** Vienna

**Market cap:** EUR 8.bn

**Free float:** 42%

**Average daily trading volume:** several million EUR



### What is the investment case about?

Raiffeisen Bank International (RBI) operates a bank for retail and corporate clients. Initially set up in Austria, it is also present across the entire Central and Eastern Europe (CEE) region, Ukraine, Belarus, and Russia. It is 58% owned by the Austrian co-op bank network, and the remainder is in free float. The bank offers a double opportunity of catching up with the multiples of its peers and significant value potentially unlocked from its subsidiary in Russia.



### Why is this interesting and weird?

Before the Ukraine war, RBI made about 50% of its group profit from Russia. Since the invasion, the Russian subsidiary became a frozen asset of sorts – but it continued to be highly profitable, generating >EUR 1bn of profits per year. RBI is involved in a complex legal situation, which could yield between EUR 3-25 per RBI share in additional value (= up to the entire current market cap).



### **What is the valuation and return profile?**

The stock is trading at a P/E of 6 compared to its peers trading at 8.8. The bank aims to increase its return on tangible equity from 9% to 13% p.a. These two factors alone could lead to a doubling of the stock as RBI recovers from its previous valuation discount caused by the Russia factor. If the situation with the Russian assets gets resolved favourably, an amount up to the entire current market value could come on top of the current valuation. In total, the stock has 100-200% upside.



### **Anything else one should know?**

Whilst we wait for these scenarios to unfold, the stock yields 6% p.a., probably rising to 8% within the next two years. It's an example of a stock that is weird but also highly liquid given its market cap of EUR 8bn.

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# SANUWAVE Health, Inc.

## About the company

**Ticker symbol & ISIN:** SNWV, US80303D3052

**Place of primary listing:** US Nasdaq

**Market cap:** USD 255m @ USD 30

**Free float:** 8.5m s/o, 4.8m float

**Average daily trading volume:** 50k



### What is the investment case about?

UltraMIST is the only non-invasive wound care treatment in the space. It sat dormant and unused by engineering focused managers who were indifferent about shareholder returns, through four owners over ten years. Activist healthcare fund manager with 13% ownership became Chairman in 2022, and CEO in 2023. Sales grew 50% year-on-year for two years as sales team increased from two to nine in 2024, with 73% incremental EBITDA margins. Room to grow = 1% penetration of US wound care market.



### Why is this interesting and weird?

Just a year ago, a billion shares of SANUWAVE Health (SNWV) traded around 1-2 cents (pre-RS) OTC with another two billion impending from warrants and converts. They possessed technology which no one cared about because nobody knew about it. An indifferent (incompetent?) sales team and managers were replaced by an activist, and now it stands to revolutionise wound care.



### **What is the valuation and return profile?**

Trading @ 13x EV/EBIT for 2026, despite 50% sales growth and very high ceiling. USD 50m revenue for 2025 could grow exponentially and lead to EV multiples of current USD 300m. Similar companies have traded for 10x sales = X-bagger within just a year or two. Med devices are risky and while SNWV IP is strong, competition could emerge while reimbursement changes on a dime. Not for the faint of heart.



### **Anything else one should know?**

Former head of Abiomed sits on board and brought in two of his former colleagues to lead sales. This team led Abiomed from USD 15m to USD 400m in revenue before selling to JNJ for a cool USD 16.6bn.

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# SCE Intelligent Commercial Management Holdings LTD

## About the company

**Ticker symbol & ISIN:** 0606.HK

**Place of primary listing:** Hong Kong Stock Exchange

**Market cap:** 1.935bn shares x HKD 0.27 per share = HKD 522m

**Free float:** 182.5m shares

**Average daily trading volume:** 427k shares



### What is the investment case about?

SCE Intelligent Commercial Management Holdings (SCE CM) is a property management company operating in China that is controlled by China SCE Group (large mainland real estate developer with 64.5% ownership of SCE CM) 1966.HK. The parent almost went broke in 2023, is said to have stabilised now but still in financial distress. The investment case is about the value of four main assets: HKD 1.4bn in cash, a large newly built mall of mysterious value, HKD 815m in notes from subsidiaries of the distressed parent company. The operating business, under a normal operating environment, may generate just over HKD 200m per year of net profit. This is against the current market cap of roughly HKD 500m.



### Why is this interesting and weird?

The parent company offloaded the two main assets to SCE CM while it was under tremendous financial distress. The most interesting asset, the mall, was sold by the parent company to SCE CM in 2023 year-end. The odd thing about the real estate is that it is expected to generate RBM 35.2m per year of rental income, which is roughly 3.2% of their purchase price. This is well below the cost of capital to fund such a project. If we average out the cost per sqm of gross floor area, we get the rate of RBM 1.2 per sqm per day – far below what it should be.



### **What is the valuation and return profile?**

In a possible worst-case scenario, I calculate a very pessimistic liquidation value of the company as HKD 1.42bn, which is almost a triple from the current market cap. In a moderately optimistic scenario, I calculate the sum of the parts of the assets to amount to HKD 7.23bn in total value which is equal to a 14.5x return from current levels.



### **Anything else one should know?**

A couple of things to beware of. The company recently voted to be able to issue 20% of its stock and repurchase 10% of its stock without requiring approval from shareholders. So in the worst case, expect 20% of the company to be given away for nothing and 10% of stock to be bought back for a pittance in the best case. The property has a 100% lease rate, and the only complaint I've read from people about the mall is that it is way too crowded (I have not been on the ground in Beijing to confirm). The main risk is that the parent SCE Group uses the remaining cash on SCE CM's balance sheet to offload garbage assets onto it.

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# SCHMID Group NV

## About the company

Ticker symbol & ISIN: SHMD US, NL00150021T1

Place of primary listing: Nasdaq

Market cap: USD 118m

Free float: 10.07%

Average daily trading volume: USD 137k



### What is the investment case about?

A family-owned, orphaned, mispriced small-cap security whose underlying business has survived two world wars and innovated over ~160 years. A company whose equity has served as an annuity and bedrock for five generations of a *Mittelstand* family. A business with cost and technological solutions advantages for the world's fastest-growing, largest addressable market segments [EV automotive, AI servers/packaging, compute/device power solutions]. A company shares which would not be on offer to outside investors were it not for the expansive pipeline of new business which beckons.



### Why is this interesting and weird?

Part of the quintessential *Mittelstand* businesses motoring the German economy yet left for dead by capital markets over the past decade. The business has adapted over the generations from a steel mill to operations spanning electronics, photovoltaics, glass, and energy systems, with a focus on customised equipment and process solutions. Schmid Group is recognised for its technological leadership and innovation in advanced packaging, particularly for IC Packaging Lab Solutions, which are crucial in the booming fields of AI, data centres, and high-speed computing. This positions the company at the forefront of technological advancements sought by the world's largest and most influential tech companies amidst a compute arms race.



### **What is the valuation and return profile?**

The company trades hands at 0.88x revenues, ~3.2x reoccurring EBITDA, ~30% EDIBTDA margins on ~EUR 130m (FY24) of diversified-reoccurring revenues with a pipeline of transformational business to be announced. Zero debt, ~EUR 14m cash, ~EUR 118m equity market cap. Deep-value floor and high-growth compounder prospects.



### **Anything else one should know?**

Schmid, due to self-inflicted setbacks and physical barriers, turned into a busted de-SPAC, sinking ~50% from listing price.

The company was ill-prepared to face public investors with delayed financials and lack of investor relations organisation. The illiquid nature of a thin free float exacerbated the drawdown in shares into year-end as certain funds partially stopped-out; market dynamics in early 2025 kept a lid on shares. Physical and cognitive biases aplenty. Information is sparse, research coverage is non-existent, and liquidity anemic. Shareholder segmentation = 90% family and insider ownership, heavily incentivised to execute upon the public listing's genesis blueprint.

We are now past the one-year anniversary of the SCHMID listing as the company adjusts to its abrupt public life.

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# Tuya Inc

## About the company

**Ticker symbol & ISIN:** NYSE:TUYA, US90114C1071 and HKEX:2391, KYG913841006

**Place of primary listing:** US

**Market cap:** USD 1.5bn

**Free float:** 80%

**Average daily trading volume:** USD 3m (ADRs in the US)



### What is the investment case about?

Tuya Inc (TUYA:US) is the world's largest Internet of Things (IoT) Platform as a Service (PaaS) company with ~16% market share globally (by volume of smart devices powered). Founded in 2014, Tuya provides a comprehensive platform that enables developers, brands, and original equipment manufacturers (OEMs) to create, manage, and monetise smart home and IoT devices. It has ~1.4 million registered developers, serving ~6,000 customers globally.



### Why is this interesting and weird?

Lot of things went wrong for the company since their IPO in early 2021. However, the headwinds of previous years have started to reverse. Sales started recovering from H2 2023. Good growth visibility is underpinned by a large total addressable market for smart device penetration and a favourable competitive environment. The company is turning generally accepted accounting principles (and cash flow) profitable. Targeting ~10%+ other people's money in 2-3 years. The company has also started to return capital back to shareholders via dividends. They recently got a USD 100m investment (all secondary shares) from 65 Equity Partners, a Temasek-backed private equity firm, who is looking to help Tuya in executing their shareholder value accretive plan.



### **What is the valuation and return profile?**

On 3 June 2025, the closing share price was USD 2.49, implying a market cap of USD 1.5bn. The company has net cash of ~USD 1bn so the core business is valued at ~USD 0.5bn. Over 90% of this cash is held outside of mainland China. The business has solid fundamentals (USD 300m revenue, USD 23m net income, USD 67m in free cash flow in 2024). We think Tuya is an inflection point in revenue and earnings growth and estimate the company to generate ~USD 600m in topline and ~16% EBITDA margins by 2029, i.e. ~USD100m in EBITDA. At a 10-15x EBITDA exit multiple, core business EV could be worth USD 1-1.5bn.



### **Anything else one should know?**

To hedge the risk of the US ADRs getting delisted, the company did a small listing in Hong Kong in July 2022 with ticker 2391:HK. The trading volumes in Hong Kong are significantly lower than the ADRs but might be interesting for smaller investors.

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# US Payment Card Interchange Fee Class Action Settlement

## About the company

Ticker symbol & ISIN: n/a

Place of primary listing: n/a

Market cap: GBP 1.51bn

Free float: USD 5.1bn

Average daily trading volume: n/a



### What is the investment case about?

- Every US business that accepted Visa or Mastercard debit/credit card payments between 2008-2019 is eligible for a share of a USD 5.1bn settlement fund, currently invested in US Treasury bills.
- Claims can be acquired at a price that implies full recovery of invested capital if 100% of eligible claimants file.
- Upside potential if fewer than 100% of eligible businesses filed a claim before the February 2025 deadline.
- Downside-protected, market-uncorrelated investment with a defined payout process.



### Why is this interesting and weird?

- Largest class action settlement in US history.
- Over 16m businesses were eligible to submit claims, creating a vast pool of potential sellers – many of whom are unfamiliar with the potential recovery value of their class action claim.
- The settlement cash and individual claim values are disclosed, leaving two main underwriting variables: (1) how many businesses filed claims before the deadline, and (2) how long it takes to distribute the settlement funds.



### What is the valuation and return profile?

- The valuation is the total cash settlement pool. Returns are driven by claims filing rate and timing of distributions.
- Acquiring claims at a price that yields full recovery at 100% participation, projected three-year returns are:
  - at 90% claims filing rate: 6.6% internal rate of return (IRR), 1.22x multiple of money (MoM).
  - at 80% claims filing rate: 10.8% IRR, 1.37x MoM.
  - at 70% claims filing rate: 15.7% IRR, 1.57x MoM.
  - at 60% claims filing rate: 21.7% IRR, 1.83x MoM.



### Anything else one should know?

- The investment involves privately negotiated transactions in assets that are not held in a central securities depository.
- Once purchased, claims can be transferred with the class action administrator.
- Custody and ownership verification are maintained by the class action administrator and overseen by the court.

## About the author

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# Uzbekistan local corporate bonds

## About the company

**Ticker symbol & ISIN:** Biznes Finan UZ6057687AC0 and 30+ other issues

**Place of primary listing:** Tashkent Stock Exchange

**Market cap:** USD 2.35m for UZ6057687AC0

**Free float:** n/a

**Average daily trading volume:** USD 10-56k for UZ6057687AC0



### What is the investment case about?

Uzbekistan local corporate bonds offer a nominal yield of 25-30%. Adjusting for the depreciation of Uzbek som to USD, which averaged at 4% p.a. over the last three years, Uzbek corporate bonds yielded 69% in USD terms over the last three years (23% average annual return). This might be one of the best risk-adjusted emerging market fixed income opportunities, considering the relatively healthy macro picture of Uzbekistan and the financial health of bond issuers. The bond issuers we will explore are microfinance lenders. They issue bonds at 25-30% yield to maturity to raise capital and then lend it out to local households and small businesses at a higher rate.



### Why is this interesting and weird?

Emerging market fixed income opportunities offering comparable nominal yields typically come with significantly higher risks. Uzbekistan offers high yields against a relatively stable backdrop – both politically and economically. Its government debt-to-GDP stands at 33.5% with over 6% annual GDP growth in the last five years. There's a managed float exchange rate system, no currency controls and no tax on stocks and bonds. Microfinance lenders (bond issuers) have non-performing loan (NPL) ratios of 2-4%, with around 50% of their loans being collateralised (most typically against gold and cars).



### **What is the valuation and return profile?**

Bonds offering around 1,300-1,500 basis points over the risk-free UZS interest rate, with decent credit quality, high own capital and high return on equity profiles. Microfinance loans are mostly collateralised, low NPLs, high interest rates. No foreign exchange (FX) risk for issuers and borrowers. Investors' FX risk may be significantly decreased via monthly coupon conversions, which allows for 23%> p.a. returns in USD terms (assuming Uzbek som depreciates against USD at the same pace as the last three years).



### **Anything else one should know?**

n/a

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[www.flagventures.com/resources/tpost/xycf30h0l1-high-yield-local-corporate-bonds-up-to-2](http://www.flagventures.com/resources/tpost/xycf30h0l1-high-yield-local-corporate-bonds-up-to-2)

# UZEX Uzbek Commodity Exchange

## About the company

Ticker symbol & ISIN: URTS, UZ7043200003

Place of primary listing: Republican Stock Exchange Tashkent

Market cap: USD 110m

Free float: 20%

Average daily trading volume: USD 10k (blocks available)



### What is the investment case about?

Uzbek Commodity Exchange (UZEX) is Uzbekistan's largest trading platform for commodities and industrial products. The company benefits from strong government backing and is operating as quasi monopoly. It also benefits from vibrant growth of economic activities in Uzbekistan as well as additional products being launched on the exchange. As a software company without significant tangible assets, it has a high operating leverage to increased trading activities. UZEX has a solid 10+ year track record of rising dividends and is a high yielding bet on the economic prosperity of the country.



### Why is this interesting and weird?

Investing in UZEX is **interesting** because it's the backbone of Uzbekistan's commodity market – handling billions of USD in trade, backed by state reforms, and positioned for digital growth and privatisation. It's **weird** because despite being a critical financial infrastructure, it trades like a sleepy stock in a market with under 50,000 active brokerage accounts, low liquidity, and minimal global investor awareness – making it feel like discovering a stock exchange in a time capsule. That mix of overlooked importance and frontier opacity is exactly what makes it compelling.



### What is the valuation and return profile?

UZEX trades at a **modest valuation**, with an expected **P/E ratio of around 4x** (based on '25e earnings), reflecting limited market liquidity and low investor participation in Uzbekistan. Despite this, it offers a **strong return profile**, with **high profit margins** and **consistent dividend payouts**, forecast dividend yield of **ca. 20% (in sum)**. As the government pushes forward with privatisation and capital market reforms as well as expected significant economic development, there's meaningful **upside potential** from both **earnings growth** and **multiple expansion**.



### Anything else one should know?

With the appointment of Franklin Templeton in 2025 as manager of the Uzbekistan National Investment Fund (UzNIF), the Uzbek stock market will be put on global investors' radar. Templeton is mandated to list USD 1.7bn of Uzbekistan state assets, and plans local and international IPOs. 40% ownership of UZEX were transferred into the UzNIF in May 2025. The Republican Stock Exchange's market data is available on the Bloomberg Terminal since the end of 2024 {OTC UZS<GO>}.

AFC Uzbekistan Fund offers a simpler way to get exposure to the company (limited liquidity of the stock).

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# VivoSim Labs

## About the company

**Ticker symbol & ISIN:** VIVS, US68622L1026

**Place of primary listing:** Nasdaq

**Market cap:** USD 3.99m

**Free float:** 2.57m

**Average daily trading volume:** 39k



### What is the investment case about?

VivoSim Labs is a synthetic biology company using organoid simulations to predict drug toxicity. It's signed a deal with Eli Lilly and expects revenue by FY26, but trades below cash value. A stealth pivot from Organovo, the company is rebranding into a service-first revenue engine with optionality in AI, licensing, or takeover.



### Why is this interesting and weird?

It's an AI-enabled, cruelty-free biotech with real pharma validation and only 2.6m shares in the float. The tech is powerful, but the float is weirder, small enough for a group of us to accumulate control. It's both a serious scientific platform and a takeover fantasy in one ticker.



### **What is the valuation and return profile?**

Market cap ~USD 3.8m. Revenue guidance of USD 250–750k for FY26. Eli Lilly milestone of USD 5m expected upon Phase 2 dosing. Similar private peers are valued 10–40x higher. Any serious traction or licensing deal could re-rate this multiple times.



### **Anything else one should know?**

This is one of the rare micro-caps with real tech, real revenue potential, and a pharmaceutical partnership, trading well below its strategic value. With only 2.6m shares in the float and a market cap under USD 4m, the set-up offers significant leverage. It's early, underfollowed, and mispriced, ideal for investors who want asymmetric upside before the story becomes obvious.

## **About the author**

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**Presentation download:**

[Available by request](#)

# Western Capital Resources, Inc.

## About the company

Ticker symbol & ISIN: OTC:WCRS, US9578813035

Place of primary listing: United States OTC Market

Market cap: USD 64m

Free float: 8%

Average daily trading volume: USD 3k (trailing two months)



### What is the investment case about?

Western Capital Resources (WCRS) is a collection of diversified businesses trading for 4x EV/free cash flow (FCF). The company tendered for 10% of the outstanding shares in April 2025 at USD 15/share and has repurchased more than 40% of the outstanding shares since deregistering from the Securities and Exchange Commission (SEC) in 2022. The balance sheet is clean with net cash of USD 19m. Blackstreet, a private equity firm, controls more than 90% of WCRS and I believe they will ultimately take the company private. I think this should happen at a significantly higher multiple than 4x FCF. WCRS is domiciled in Delaware which has strong minority shareholder protections.



### Why is this interesting and weird?

WCRS ceased filing with the SEC in July 2022 and since then has only sent financial reports to shareholders. Few people have followed the company and seen the transformation over the last three years. **WCRS has quietly repurchased 40% of the outstanding shares, much of them at a negative enterprise value.** I know of no other similar situation in the US stock market. These shares were purchased from LPs in Blackstreet's funds. I believe they were motivated sellers (and WCRS was likely a small residual position in the funds), which allowed the company to perform the highly accretive buyback.



### **What is the valuation and return profile?**

WCRS trades for 4x trailing EV/FCF. I believe FCF is understated on a normalised basis due to acquisition expenses in the trailing 12 months. Blackstreet has treated WCRS as a private equity vehicle in public markets. It owns various businesses – including Cricket Wireless outlets, Jackson & Perkins seed distributor, Northern Brewer homebrewing, ice rinks, and other small manufacturing companies. They buy decent assets cheaply and fix them up. In a forced merger scenario, I think WCRS is worth at least USD 23/share (10x FCF, 92% upside). In the meantime, it continues to spit out cash, buy back stock, and make the occasional acquisition.



### **Anything else one should know?**

This is not a solicitation or recommendation to buy WCRS. Investing in "dark" OTC stocks with control shareholders carries significant risk of loss and should not be done casually. WCRS has become less liquid over time as shares are repurchased and eliminated. I suspect this trend will continue.

WCRS is a Delaware corporation which historically has had favourable minority shareholder protections.

## **About the author**

Name disclosed to attendees only

Company disclosed to attendees only

Email address disclosed to attendees only

**Presentation download:**

Not for distribution

# An interview with Keith Blackborg

Keith Blackborg, CPA, is a wealth optimiser and tax strategist who helps business owners and accredited investors to grow their wealth and build a family office. To find new ideas for his clients, he attended all three conferences in Hong Kong, London and New York.

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**Swen Lorenz (SL):** Keith, you were the one person to travel to ALL three Weird Shit Investing conferences this year. From your base in Texas, you first flew out to Hong Kong before flying onwards to attend London and New York. How was that experience?

Keith Blackborg (KB): Fantastic! I appreciated the opportunity to organically connect with leaders from hedge funds managing billions, family offices, and nomads discovering unique opportunities in frontier markets. The networking has been FANTASTIC.

As a so-called Weird Shit Investing "voyeur", I LOVED WATCHING the creativity, depth of due diligence, and out-of-the-box thinking. I realise you must be a bit "weird", or contrarian, to invest the way the presenters do and get the abnormally high investment returns they achieve.

Over 12 days, I travelled from Dallas to San Francisco, to Hong Kong, to London, to New York, and back to Dallas, completing a true around-the-world trip. With the consistent travel, I never fully adjusted to any time zone. Between the events, dinners, and organised experiences, it was a lifetime opportunity that I will always remember.

For readers who haven't met Swen in person, I had the privilege of getting to know him better, both personally and professionally, over the last couple of weeks. He's a genuine, personable guy who attracts an amazing, eclectic group of friends. I appreciated his strong personal values, high ethics, and practical approach to life and business. I would strongly recommend connecting with him in person if you ever get the chance.

Despite our fast-paced schedule, I made an effort to engage in a couple of local experiences in each location.

In Hong Kong, I enjoyed the organised ferry ride to a local island, the subsequent hike, and lunch at a family-owned seaside restaurant that served whatever the fishermen had caught.

Upon my arrival in London, I visited some friends in Oxford for a couple days. I appreciated riding a bike everywhere and enjoying a picnic with international cuisine.

New York was limited to the waterfront walk, offering views of the Statue of Liberty, and a glimpse of the Ghostbusters' home.

I explore the world through my stomach (which is partially why I purchased new suits in Hong Kong), and Swen consistently found amazing venues and restaurants that catered to my dietary restrictions.

After this trip, I may need to restrict my eating to one or two moderately-sized meals per day, like Swen does. That's a significant adjustment for those living in Texas, where everything is bigger.



### **SL: What sparked your interest in attending?**

KB: I guide a community of self-directed millionaires through my company, Financial Journey. Where traditional financial advisors want to do it for you, we teach people how to do it themselves, to operate their Wealth as *THE* Business.

Historically, our community has achieved significant results from private investments (real estate, oil and gas, and private equity).

With the spike in interest rates, many of our commercial real estate investments have underperformed. Some required capital calls while growth and distributions stalled.

In 2024, many in our community found themselves "asset-rich but cashflow-poor".

People don't tend to "fix" what's been working well for them (high return on investment private investments). I get it; I initially made money from residential and commercial real estate.

2024 was a wake-up call, and I developed [8 Portfolio Guidelines](#) to guide all future portfolio growth.

We now recommend a minimum liquidity requirement of 30% for all members of our community. The average for family offices, according to UBS, is ~45% in the US.

Our community of business owners and entrepreneurs focuses on where they have a competitive advantage. Buying an index is suitable for some, while others prefer to allocate capital to exceptional stock pickers.

At Financial Journey, we recently started managing a family office. I noted that much of the holdings were in the Magnificent Seven and a handful of other stocks. There was an allocation to stock picking, but it was all US-based.

When I enquired about allocations to foreign markets, I was advised to invest in a foreign index. I think that's a good option for some, but not all.

The Weird Shit Investing conference has introduced me to many fantastic stock pickers around the world, who consistently deliver double-digit returns with a multi-decade track record.

Our community due diligence council has an extensive process for reviewing private investments, similar to a billionaire family office investment committee. However, we didn't have this same depth for public equities.

Weird Shit Investing is a perfect complement to all the private investments we're already doing.

Our private, alternative assets typically produce the highest returns, but it's tough to exit if there's trouble or your needs change.

The public equities identified through Weird Shit Investing offer high growth, liquidity, and flexibility, resulting in a *complete* portfolio of high-quality assets across each allocation.

Using the 2025 UBS Family Office Report as a guide, US-based family offices are 55% alternative assets and 45% public equities (with public equities increasing by 5% from 2024).



**SL: Did you find similarities between what the clients of your firm are after, and the interests of investors who attended the Weird Shit Investing conference?**

**KB:** Weird Shit Investing investors were into weird publicly traded equities around the world.

My community is primarily in the US, and they have no trouble finding all sorts of weird stuff to invest in domestically.

Our trouble is deciding what to say no to and how much weirdness to accept. Is the weirdness worth it?

"Weird" typically means overlooked, out-of-the-box ideas that present investment opportunities with strong asymmetric risk. Investors can earn more while risking less.



**SL: Of the ideas you listened to, can you name one or two that really broadened your understanding of the landscape of available investments?**

KB: Investing in family conglomerates.

Whether it's investing in a family-owned company in Asia, a UK investment trust, or a European holding company, these assets can trade at huge net asset value (NAV) discounts relative to their share price.

Then I learned about value traps and the need for a catalyst to unlock that value.

Hong Kong investors connected with local politicians and governments to improve an investment. They spent time researching family-owned Asian conglomerates to understand their inner workings and family dynamics, thereby predicting future changes.

Often, these families are required to sell at least 30% of their business on a public exchange, which allows other investors to buy into their success. Because these families are taxed significantly on any dividends, they often hoard cash, purchase assets not useful to their core business, and start or expand businesses into areas where they have no experience. Perhaps they purchase a golf course because they enjoy golfing and don't want to pay the tax on a dividend.

Larger, 1-3% shareholders will try to influence these families directly, such as issuing larger dividends, selling assets, or buying back shares.

It's not uncommon to find family conglomerates trading at a significant discount to their NAV because they pay limited to no dividends. Having an "activist investor", or as they prefer to say, "engaged investor", can be the catalyst for streamlining their business and releasing that significant value to shareholders.

I hesitated to invest directly in many of these opportunities because I didn't personally understand the local politics or family dynamics. I could buy based on the recommendations in this manual, but I wouldn't know how to time my exit. I prefer to invest in the fund that is "engaged" in driving stock change and growth. The presenters are intimately aware of the workings and timing, and thus their performance is well worth their fee.

Understanding the family's thinking, demographics, relationships, and politics in the countries they operate in is key to a well-timed entrance and exit from a stock. I doubt a top-tier New York-based analyst truly understands the nuance of these family-owned conglomerates.

Ultimately, you have four good options:

1. Buy the stock directly if you'll invest the time to deeply understand the stock, the politics, and its market.
2. Subscribe to a newsletter suggesting when and what to buy and sell.
3. Invest in a local fund following these nuances.
4. Buy the foreign index.

Buying a stock you don't understand because you read about it here may be a costly mistake.

I would use this manual as a starting point to identify some stocks to research and then conduct your due diligence. Alternatively, if you won't invest the time, consider investing with the person sharing the idea.

Personally, if an investment wasn't traded on Interactive Brokers, I wasn't interested. Numerous other investment opportunities presented here are more easily accessible. But if I were interested in a foreign fund, I would start with the presenters in this manual.

While I'm an experienced investor in real estate and private equity, I'm new to public equities, so I'm taking it slow.



**SL: Was there an investment that surprised you?**

**KB:** Buying real estate in Cuba was out there. Cuba has issues.

I used to want to visit until I had several different friends return from visiting Cuba, and every one of these experienced travellers complained of constant attempts to scam them. For example, a taxi driver would intentionally drop you

off at the wrong airport terminal so that their friend could charge a second taxi fare (there is no easy way to transfer from Terminal 3).

However, buying a house for USD 2,300 (see page 23) is so extremely cheap that it must increase in value at some point, probably after a regime change.

Ruchir Desai with Asia Frontier Capital (see page 19) had a fund focused on Iraq, with many assets trading at a P/E ratio in the low single-digits (and some even less than one). I hope anyone willing to risk investing there gets an outsized payoff. While the ratio is tempting, I may have some mental blocks about investing there, partially because I had friends who fought there.



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**SL: Out of the 49 ideas presented, which one was your favourite, and why?**

KB: On my flight to New York from London, my initial answer was the UK Investment Trusts. However, New York introduced me to my new favourite investment. Can I have two favourites? I'll share my UK investment, then my US investment.

The UK Investment Trusts presented by Terence Moll (see page 21) are trading at particularly large discounts, with an NAV of 30% or more, including cash and public securities. Additionally, some hold real estate at book value that hasn't been marked to the appreciated market value in many years.

It's simple and easy to understand. The UK isn't *that* foreign, and you get exposure to a variety of European securities and real estate at a fraction of the value.

I recognise that a discount is warranted, and the trust adds a layer of fees. However, the large discount can make it worthwhile.

I like the investment trusts as a long-term investment for my kids and plan to let it sit until something happens. With that big of a discount, I feel relatively safe.

The second idea I liked most was ContextLogic (LOGC) presented by Chris Waller with Plural Investing (see page 25). This public company previously owned Wish.com and was delisted from the Nasdaq in June 2025 because it was no longer an operating company.

ContextLogic is now sitting on approximately USD 300m in cash and cash commitments, with a market capitalisation of around USD 305m. Their cash burn is approximately USD 1m per quarter, net of interest earnings.

They have USD 2.9bn in net operating losses (NOLs) that could be used to offset the earnings of a new acquisition.

It appears that they've assembled a strong acquisition team with compensation aligned with shareholder interests. They are motivated to acquire one or more companies in the coming years, leveraging debt or preferred shares. I believe they're in the due diligence phase of acquiring a new company now.

The share price is trading around the value of their cash holdings, disregarding the value of the new M&A team and NOL value.

The investment has strong, asymmetrical risk with a near-term catalyst. Their cash holding mostly protects the downside risk. The upside is significant if they acquire something.

These are exactly the kinds of asymmetrical-risk investments we share with our private community of investors. It was great to see one in the public markets.



**SL: You are extremely experienced with organising events. You've built your community of family offices and high-net-worth investors by getting people together under a thoughtfully planned format and with a clear agenda. On the surface, events are all about agenda and presentations. However, they also create a space for like-minded people to expand their professional network, swap notes on the challenges they face, and make new friends. Would you agree that, ideally, broadening your network of trustworthy, useful relationships is 50% of the value delivered by an event?**

KB: Absolutely, the sage on the stage is great for triggering ideas. However, the community and masterminds are best for implementing the ideas.

Based on each investor's intake form, we'll introduce them to a group of peers with a similar focus and at a similar level. Those groups help you create a pathway for successful implementation.

Throughout the event design, we are conscious of providing organic and structured invitations to connect with peer investors and ideas you want to learn more about.

Beyond that, if you feed people good food, add some fun, and create memories, then they're more likely to take action, get results, and invite their friends to the next event.

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**SL: You just met private investors and family offices from Asia, Continental Europe, the UK, and the US. Did you spot any interesting differences between what they were looking for and/or how they operate?**

KB: Each location had investments presented from around the world, reflecting the truly diverse expertise of all the presenters. Everyone was extremely interesting.

Hong Kong presented the most investments in frontier markets. Knowledge of local laws, politics, and customs was critical to understanding and predicting a stock's future.

Hong Kong presenters traded stocks on exchanges requiring local connections, which many investors in other parts of the world don't have access to. I doubt many would be willing to travel to Iraq to open a brokerage account, even if companies are trading around a P/E of 1.

London's presenters represented larger funds that were more concerned with the size of the market cap. The stock needed to be able to absorb significant capital without its fund completely disrupting the stock's supply and demand. It takes a decent chunk of capital to operate a fund in a highly regulated jurisdiction like the UK, suggesting there are fewer small funds and more large funds.

New York's presenters had the most authors of investment Substacks and more obscure, small-cap stocks. Some were more funds and family offices willing to be "engaged" investors in unusual situations with a truly diverse global portfolio.



Keith and Swen at the closing dinner of the London conference

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**SL: You visited Hong Kong in 2018 before China exerted more influence in 2019. Did you notice any significant differences?**

KB: The most notable aspect I observed was that the museums featured propaganda emphasising the unity of the two systems (capitalism vs socialism) with one heart in the motherland (China).

One presenter said new employees joining a Hong Kong-based company were required to speak Mandarin – meaning there were fewer international employees coming into Hong Kong, and the existing non-Mandarin speakers were aging out. This will gradually alter the demographics of Hong Kong, and the language is used to create a closer tie between Hong Kong and Beijing.

My team at the tailors was the same. My waist has grown an inch over the past seven years, and although I could still fit into my suits, they were getting a bit tight. Custom clothes are expensive in the US, and they're a third of the price in Hong Kong for the best.

Sam's Tailor has worked with every US president since the 1990s, the Pope, UK royalty, celebrities, and other notable individuals, including those who aren't yet famous, such as myself. I negotiated a completely custom wardrobe of three suits and five shirts for USD 1,800, which included the adjustment of two old suits. The suits are better quality than anything I've found on the store shelf, and they fit me perfectly, *for now*. They did all that in three days so that I could fly out with them, but said they could ship them if needed.

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**SL: Did you meet anyone particularly interesting or weird?**

KB: I met Dominic Frisby, who said he wrote a book, *Daylight Robbery*, on the history of taxation and its role in the creation and downfall of nations, the Civil War, and the birth and death of Jesus Christ. Initially, Dominic thought I might find taxation boring, but it's a fascinating topic for me. I later learned that he was a voice actor, writes a Substack called *The Flying Frisby*, and much more.

This is one of many examples of the kinds of people I've met. In hindsight, I wish I had known more about the people ahead of time so that I could have had more informed conversations.

I'm halfway through the book, and it's an incredible read, especially for anyone interested in history, understanding why we tax the way we do, and how people have historically evaded taxes.

As a Certified Public Accountant (CPA) and tax strategist, I felt that I gained a deeper understanding of my profession's history.



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**SL: Meetings with publicly listed companies were arranged on the day after the conference. Did you gain any interesting insights?**

KB: I discussed tariffs with VTech in Hong Kong, a Chinese toy manufacturer.

I already support the company, particularly their revenue numbers. My family and I have rigorously tested their products for years. I already knew many of their products in their showroom and could identify which ones were missing. Unfortunately, they didn't give away any free samples.

VTech has a 40-50% profit margin on toys sold, which are sold at 2-3X the retailer's purchase cost. It was already three years into the process of opening manufacturing in Malaysia, and accelerated those plans in response to tariffs with a 2026 opening. Trump has also proposed a 24% tariff on Malaysia.

The current 30% tariff is scheduled to expire on 10 August 2025 and increase to 145%. As of writing, Trump reached a tentative agreement with China at 55% on 11 June 2025 and has since reached another undisclosed agreement with the Chinese government.

In response, VTech has accelerated toy shipments to the US in anticipation of Christmas at a lower 30% rate.

Their largest customers, Amazon, Walmart, and Target, have reduced their 2025 purchases, as they are wary of an impending economic downturn.

VTech says toys will be available for Christmas, but expect empty shelves by 24 December 2025. Pro tip: complete your Christmas shopping early this year.

Half of the 30% tariff (15%) is being passed on to consumers through higher prices. VTech is splitting the other half of the tariff (15%) with the retailers, each absorbing part of the tariff and reducing their profit margin.



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**SL: The Weird Shit Investing conference is about investment ideas that are actionable but off-the-beaten-path and maybe even a bit unusual. As the event shows, there is a large community for this – but it exists somewhat outside of the public's eye. Do you have any thoughts on how we can make these types of opportunities more widely known? Should we even try to do that?**

KB: If these investments become too mainstream, it becomes tougher to buy them at such an incredible discount. "Weird" creates overlooked opportunities that yield significant results. However, a small community where ideas are exchanged helps us all sharpen our thinking.

We're doing our best to support the "weird community" by inviting the top Weird Shit Investing speakers to the "Oscars of Creativity" in Texas on 24 October 2025 at the [Passive Investor Event](#).

The event has everything investors need in one place: strategy, plan, investments, professionals, peer masterminds, and fun. Investors learn about a variety of "out of the box" public and private investments.

Swen's guests have access to an exclusive package that includes a rodeo, honky-tonk, and a day on a private ranch with Texas Longhorns, horses, shooting, fishing, and more. Yee-haw!

Regarding making these investments more widely known, I believe you need to start with education. I've seen investors throw money at all sorts of crazy ideas because they "*sounded good*". They never truly understood what they were investing in or performed any meaningful due diligence.

The most effective way for someone to achieve results is through the guidance of a coach and the support of a community. The coach provides one-on-one support while the community of peers helps with Q&A, social proof, and implementation.

## About Keith Blackborg

[Keith Blackborg](#), CPA, is a wealth optimiser and tax strategist with experience in domestic and international investments, including residential and commercial real estate, oil and gas, lending, start-ups, businesses, and paper assets. Through [Financial Journey](#), Keith helps business owners and accredited investors achieve "work optional" in 3-5 years and establish a family office. You can join his free, value-add [monthly newsletter](#) as a guide to self-direct your own wealth growth.

# An interview with Andrew Brown, East 72

Andrew Brown is renowned for his long-form letters that analyse little-known, complex investment cases.

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**Swen Lorenz (SL):** I am so excited that you are attending the Hong Kong edition of the Weird Shit Investing conference. Your quarterly letters are among my all-time favourite publications. When I get one of them in my inbox, I put everything else aside! Why did you decide to write these extremely in-depth, thoughtful missives?

Andrew Brown (AB): Three main reasons.

First, I have a strong view the initial move organisations perform when elevating someone to portfolio manager is to remove their pen. Especially for those who have a performance benchmark where all they write about is underweight this and overweight that. Some of it is monotonous drivel increasingly written by AI, not a passionate stock picker. Since I used to collect fountain pens and still write with one (see my ink-stained fingers – a leftover from grammar school in England), I had too many pens to take away. People like reading passionate but realistic stories. Given I deal in controlled companies (see below), some of the histories are astonishing and should be told, containing marvellous investment lessons.

Second, your investors – actual and prospective – want to know why you own some of your stocks and gain an insight on your analytical techniques, style, thought processes, and integrity. You bought shares because you have a thesis as to why they are undervalued, and what will develop to bring change to fruition. Once you are positioned and not commercially compromised, enunciate and share it. But make it interesting.

Finally, with various social media platforms I can share my work across the globe with others, not just to attract investors, but to network with suitable contacts. I'm not interested in writing as a full-time vocation, so never wanted to do your job, Swen! I sometimes take forever to put the pieces together; on other occasions words just flow. I'm not consistent enough to sell a written product on a weekly or even monthly basis.

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**SL: For those who haven't come across your letters yet, tell us about East 72 and your approach to investing.**

AB: I have invested in a number of different arenas – obviously Australia – and from mega-cap to micro-cap equities – but it dawned on me some three years ago that the investments which had done best for me, over time, and with which I was most comfortable letting me sleep at night, were companies with **controlling shareholders**. Funnily, it was a reversion to when I was in my last year of high school and won the stock picking competition in economics with Thomson Organisation, a genuine conglomerate with package holidays, a related airline, newspapers (*The Times*) and North Sea oil interests. In the late 1970s, which schoolboy wouldn't want their own airline, newspapers, and oilfield?

This investment strategy – especially in family-controlled entities – has been shown to beat market indices **over time** by empirical research from Credit Suisse, UBS, Harvard Business School, and others. The most topical and up-to-date work is from Canada where family-controlled companies make up well over 15% of the S&P/TSX Composite Index – stocks like Shopify, Alimentation Couche-Tard, Fairfax Financial (we own), Thomson Reuters (yes, the same company as above), Power Corporation and GreatWest Financial. National Bank of Canada publishes a regular assessment of the genre ("NBC Family Advantage") and has published five such reports.

So in late 2022, we established East 72 Dynasty Trust as an Australian wholesale unit trust to invest in global companies with a controlling shareholder – not always families – could be management, another corporate or even private equity.

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**SL: I'd describe your approach as a combination of original idea generation, differentiated analysis, and detailed valuation techniques. Would that be a fair description? How did you develop your style of research and investing?**

AB: That's an excellent description. I have one bit of advice for young analysts: study insurance and banking securities – I guarantee, if you are part of an investment team, no-one else will want to. Insurance, especially, is highly numerate and complex but you gain a real background in separating capital from the operating business. A mature insurer of any description must have a capital buffer, which the regulator will stipulate, but the company has to deal with the residue in an appropriate manner. Understanding the concepts behind actuarial science is useful, but you don't need to be an actuary. Likewise, the other advice is to learn accounting, especially how to break apart companies by deconsolidation, why that sometimes fails (cross-guarantees). I don't have

an accounting qualification but am a respectable practitioner. You will come to realise accountants are the mortal enemies of securities analysts, especially those who create international financial reporting standards (IFRS) accounting rules and enable companies to quote bulldust numbers like "normalised EBITDA" which has swathes of cost lines missing – not least rent!



**SL: Describe one of the more unusual cases you wrote about in recent times.**

AB: I loved writing 16 pages about what some would regard as the world's most boring company: a Canadian life insurance holding company, with two other public investment entities and a listed shipping business, ~ 70% owned by one family, in its third generation. **E-L Financial Corporation (ELF.TO)**, controlled by the Jackman family of Toronto, was profiled at 31 December 2023 (<https://east72.com.au/wp-content/uploads/2024/01/E72DT-Quarterly-Report-Dec-2023.pdf>). We showed that including its predecessor companies (E-L was only formed in late 1968), E-L had a **compound internal rate of return to shareholders of 13.1% per annum over 72 years**. It first started doing share buybacks in 2020 but has always been parsimonious about issuing stock. It now has less shares on issue than in 1971. And you could buy it at a 47% discount to net asset value at the time.

If the 13.1% p.a. over 72 years wasn't enough, since our report, over 17 months, the shares have added 53% in capital value, paid two special dividends which with regular quarterly payments have contributed a further 22% return (before the Canadian tax man gets his fingers on your money). They've just had a 100-1 stock split. We own it and one of the associated companies, Economic



Investment Trust, which itself owns 11% of ELF, and is Canada's oldest closed-end investment company, and also controlled by the Jackman family.

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**SL: You also once wrote about SBM, which is how we first met since I also covered this truly unique company in the past. Do you have a current view on the stock?**

AB: Virtually every publicly listed luxury group is family-controlled; the greater the "luxe", the tighter the control. We own two – SBM and Hongkong and Shanghai Hotels – controlled by the Kadoorie family here in Hong Kong, owners of the "Peninsula" properties and who built London's first GBP 1bn hotel in Mayfair. Therein lies the issues with companies of this nature: do the controllers channel the free cash flow or financing capacity into ever MORE upgrades to the properties to attract the exclusive clientele leaving shareholders without a morsel, let alone a feed! Sometimes yes, but there are buyers at very high prices for these trophies, notably from the Middle East.

SBM has elements of that but is starting to exploit its brand outside Monaco. That yielded a massive win to holders via *betclix* which became Banijay Entertainment where they still own 10%, and the profits from the sale of a 10% tranche were channelled into high-end apartments ("One Monte Carlo") which are immensely profitable. The recent half-year results – SBM has a March year-end but **all the money is made in the first half** – were really encouraging, with 14% revenue growth in apartments and hotels.

The "value" in SBM is in reverse order to the glamour: the casino is volatile and low return, the hotels are improving nicely, but the apartment and commercial buildings are the real growth engine within Monaco. The expansion into Courchevel (the ski resort with the airport runway featured on YouTube) and tight branding "Monte Carlo One" (as per Monaco) makes sense and will be open in about 18 months. I still hold all my shares, and it has a "medium" weight in the portfolio.

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**SL: In your LinkedIn profile, you mention that you also use "*alternative sources of information*". What kind of sources are they, and how has that worked out for you in the past?**

AB: Obviously I use the networks I have built with folks in four corners of the world, but the one area I do dig into is regulatory filings other than the exchange. For example, in HAL Trust, I extracted many of the subsidiary filings with the Dutch corporate regulator to get the **actual results** of the subsidiaries, match them up with the parent, understand the parent-sub loan structure. It also yielded that the controlling family's parsimony had cost them money by

leaving two tiny public companies with small minorities in place (Westag and TABS) and Westag having net cash – which can't be accessed – of EUR 38m. These filings are cheap across the world – effectively a dollar or two – except Australia where they are equivalent to USD 31 apiece. (A few years ago, the Australian government was going to IPO/sell the "registry" component of the regulator! Every private equity firm on the planet would have been there. Thankfully that idea was canned, but Australians don't respect that corporate disclosure is PUBLIC property and should set up a proper repository like Canada and the UK.)

Like everyone, I use AI searches and would be lost without translation programmes.

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**SL: You truly are a man for finding the unusual and coming up with original investment ideas. What's your #1 piece of advice for anyone who is looking to do similar work?**

AB: Commit. In two senses:

1. the obvious. Have an obsessive focus on hunting down such ideas, and yes, use AI and screens. Don't be afraid to be different but do the work. I obviously pick up other people's ideas – like *Viel et Cie* from *Weird Shit Investing* last year – but you must must must do your own homework!! The biggest danger I face are value traps.
2. ignore the distractions. It's hard when your "inverse L" return stock (all the return may come in a short period, sometimes who knows when) is doing nothing in a world of tech frauds, or mediocrity is producing hefty transitory returns from market sentiment or loose monetary policy. If it bothers you that much, commit some money to an index-type fund (washes mouth out with soap), then focus on your real passion.

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**SL: Are there any investors that you follow, or which have proven a valuable source of inspiration to you?**

AB: I'm not attached to one investor in particular. I have as much respect as anyone for the 94-year-old from Omaha, but don't obsess in the manner of some others. I have an amalgam of really good minds from past and present to encompass value but quality. My past influences are as varied as Jim Slater (despite the ending), the late Ian Cumming and Joseph Steinberg of Leucadia National to end 2012 – download the ten-page letter to shareholders from that year signing off (June 2013 – track record on next page), and Peter Lynch.

**Leucadia National Corporation Scorecard**

	Book Value Per Share	Book Value % Change	% Change in S&P 500 with Dividends Included	Market Price Per Share	Market Price % Change	Shareholders' Equity	Net Income (Loss)	Return on Average Share- holders' Equity
(Dollars in thousands, except per share amounts)								
1978	(\$0.04)	NA	NA	\$0.01	NA	(\$7,657)	(\$2,225)	NA
1979	0.11	NM	18.2%	0.07	600.0%	22,945	19,058	249.3%
1980	0.12	9.1%	32.3%	0.05	(28.6%)	24,917	1,879	7.9%
1981	0.14	16.7%	(5.0%)	0.11	120.0%	23,997	7,519	30.7%
1982	0.36	157.1%	21.4%	0.19	72.7%	61,178	36,866	86.6%
1983	0.43	19.4%	22.4%	0.28	47.4%	73,498	18,009	26.7%
1984	0.74	72.1%	6.1%	0.46	64.3%	126,097	60,891	61.0%
1985	0.83	12.2%	31.6%	0.56	21.7%	151,033	23,503	17.0%
1986	1.27	53.0%	18.6%	0.82	46.4%	214,587	78,151	42.7%
1987	1.12	(11.8%)	5.1%	0.47	(42.7%)	180,408	(18,144)	(9.2%)
1988	1.28	14.3%	16.6%	0.70	48.9%	206,912	21,333	11.0%
1989	1.64	28.1%	31.7%	1.04	48.6%	257,735	64,311	27.7%
1990	1.97	20.1%	(3.1%)	1.10	5.8%	268,567	47,340	18.0%
1991	2.65	34.5%	30.5%	1.79	62.7%	365,495	94,830	29.9%
1992	3.69	39.2%	7.6%	3.83	114.0%	618,161	130,607	26.6%
1993	5.43	47.2%	10.1%	3.97	3.7%	907,856	245,454	32.2%
1994	5.24	(3.5%)	1.3%	4.31	8.6%	881,815	70,836	7.9%
1995	6.16	17.6%	37.6%	4.84	12.3%	1,111,491	107,503	10.8%
1996	6.17	0.2%	23.0%	5.18	7.0%	1,118,107	48,677	4.4%
1997	9.73	57.7%	33.4%	6.68	29.0%	1,863,531	661,815	44.4%
1998	9.97	2.5%	28.6%	6.10	(8.7%)	1,853,159	54,343	2.9%
1999	6.59 <sup>(b)</sup>	(33.9%)	21.0%	7.71	26.4%	1,121,988 <sup>(b)</sup>	215,042	14.5%
2000	7.26	10.2%	(9.1%)	11.81	53.2%	1,204,241	116,008	10.0%
2001	7.21	(0.7%)	(11.9%)	9.62	(18.5%)	1,195,453	(7,508)	(0.6%)
2002	8.58	19.0%	(22.1%)	12.44	29.3%	1,534,525	161,623	11.8%
2003	10.05	17.1%	28.7%	15.37	23.6%	2,134,161	97,054	5.3%
2004	10.50	4.5%	10.9%	23.16	50.7%	2,258,653	145,500	6.6%
2005	16.95 <sup>(c)</sup>	61.4%	4.9%	23.73	2.5%	3,661,914 <sup>(c)</sup>	1,636,041	55.3%
2006	18.00	6.2%	15.8%	28.20	18.8%	3,893,275	189,399	5.0%
2007	25.03 <sup>(d)</sup>	39.1%	5.5%	47.10	67.0%	5,570,492 <sup>(d)</sup>	484,294	10.2%
2008	11.22 <sup>(e)</sup>	(55.2%)	(37.0%)	19.80	(58.0%)	2,676,797 <sup>(e)</sup>	(2,535,425)	(61.5%)
2009	17.93	59.8%	26.5%	23.79	20.2%	4,361,647	550,280	15.6%
2010	28.53 <sup>(f)</sup>	59.1%	15.1%	29.18	22.7%	6,956,758 <sup>(f)</sup>	1,939,312	34.3%
2011	25.24	(11.5%)	2.1%	22.74	(22.1%)	6,174,396	25,231	0.4%
2012	27.67	9.6%	16.0%	23.79	4.6%	6,767,268	854,466	13.2%
CAGR (1978-2012) <sup>(a)</sup>			11.2%	25.7%				
CAGR (1979-2012) <sup>(a)</sup>	18.2%		11.0%	19.3%		18.8%		

(a) A negative number cannot be compounded; therefore, we have used 1979.

(b) Reflects a reduction resulting from dividend payments in 1999 totaling \$811.9 million or \$4.53 per share. Leucadia's CAGRs do not reflect the benefit of annual dividends or the special 1999 dividend.

(c) Reflects the recognition of \$1,135.1 million of the deferred tax asset or \$5.26 per share.

(d) Reflects the recognition of \$542.7 million of the deferred tax asset or \$2.44 per share.

(e) Reflects the write-off of \$1,672.1 million of the deferred tax asset or \$7.01 per share.

(f) Reflects the recognition of \$1,157.1 million of the deferred tax asset or \$4.75 per share.

In the present day, I enjoy following David Einhorn, Chris Mackay – an Australian global large-cap investor with a closed-end fund (MFF Capital Investments) who writes wonderful common sense and has a stellar record. I find great controlled company ideas from Des Kinch of OAM in the Cayman Islands, and you should check out Dave Waters who runs the micro-cap fund, Alluvial Capital. All different. For sheer inspiration, Vincent Bolloré extracting EUR 2.5bn+ of gains from 5-company corporate-raiding campaign takes some beating. The story of raiding his "benefactors" Lazard via Rue Imperiale in 1999-2000, and doubling his money over 18 months gives a great insight into the man.



**SL: You have written a lot about special situations in Europe in the past. European value was long considered boring. Do you think we are finally seeing growing interest in Europe?**

AB: I was at a recent allocator conference in New York, and the overriding theme of the people there was that US equities, relative to the rest of the globe, had seen their best and folks were desperate for knowledge on elsewhere – bluntly, they had let it slip in recent years because of the great "domestic" returns and industry dominance in technology. They've taken notice because of the vastly improved returns from the absurdly cheap banking sector.

Europe has to be a part of that, but many had forgotten the sheer depth of economies like France and Italy with their technology and aerospace expertise. There is a clear desire for some of the cheaper stocks in markets to the East – obviously Poland – but less so for the Nordics. What I do find is that US investors are really concerned about capital management and ensuring the returns from strong operating business translate to shareholders. So many European "holdcos" don't get that.

## About East 72

Andrew has been in equity markets for over 40 years, on both buy, sell and corporate sides, as well as having sat on 14 smaller listed-company boards. He runs East 72 Dynasty Trust, an open-ended structure investing in publicly listed "quality businesses under the aegis of controlling shareholders". The trust has no benchmark, is long only, doesn't hedge in any way including currency, and has open-ended structures available in Australia and the US. We are also happy to run separate account portfolios fully replicating our core offering.

# An interview with Clark Square Capital

Clark Square Capital is an anonymous Substack that researches under-the-radar stocks and special situations from around the world.

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**Swen Lorenz (SL):** You are the anonymous author of the highly regarded and widely followed Substack, *Clark Square Capital's Ultimate Value*. For those who have not yet come across your work, give us a brief introduction!

Clark Square Capital (CSC): Thanks for having me on! For those who don't know me, I write a value-investing newsletter called Clark Square Capital's Ultimate Value. I am also a full-time private investor. Before that, I worked on the buy-side for several years, covering technology and consumer stocks in both the US and abroad.

My approach to investing is to look for off-the-beaten-path stocks and special situations. Since I started my newsletter, I have written up 40+ ideas, spanning opportunities in the US, Japan, the UK, Mexico, Hong Kong, Canada, and Australia.

I would classify my style as global value with a catalyst. I typically look for situations in which there is some sort of change, whether corporate (such as a spin-off, divestment, or change in management) or fundamental (like an inflection point in growth or earnings). Recently, I've been focusing more on finding non-US opportunities in Europe and Japan.

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**SL:** When I look at your past articles, I see headlines such as "*remainco opportunity*", "*a special situation with a timely catalyst*", and "*inflection + potential take out*". What attracted you to explore this particular type of investing?

CSC: Perhaps it's important to elaborate on my style. I would say that the majority of the types of opportunities I invest in fall into the global small-cap bucket. On top of that, I also have a special situation bias.

What drew me to this style of investing is that it's one of the few areas of the market where I can still find many mispriced opportunities. When I started working on the buy-side for a small fund, I quickly realised that the US markets

can be pretty efficient, particularly on the larger-cap end of the spectrum. I was competing against the best and brightest, with unlimited research budgets, access to management, and tools that we couldn't afford. Ultimately, this made me think a lot about how I could add value as an investor. It made me think about game selection and how I could turn small into an advantage.

Eventually, I transitioned into being a private investor. While most investors focus on the same 100+ stocks, many markets (particularly outside the US) are neglected, and you can find that there is limited to no analyst coverage. In areas where there are no published opinions, I can form my own by putting in the work.

Now, special situations in particular can make something more interesting because they are often messy, misunderstood, or underappreciated. Significant changes within a company can take a long time to be properly reflected in the market's pricing. For investors willing to do the work, I believe these opportunities can often yield very attractive returns.



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**SL: How do you come up with new ideas?**

CSC: There's little rhyme or reason. I read a ton. I go through the Value Investor's Club (VIC), Microcapclub, and read investor letters. I spend a lot of time (too much, probably) on Twitter ([@clarksquarecap](#) is my handle), where I've curated a great list of follows who are sharp and share ideas. I use Google Alerts, which can be labor-intensive and time-consuming, but will sometimes surface something interesting (for instance, I have alerts set up for terms such as "rights offering" and "spin-off"). I have a list of companies I follow that I've previously reviewed and found interesting. I will also use screeners at times and rank a universe by metrics such as cheapness. When I'm feeling old-fashioned, I'll go through every stock, A-Z, in a new geography or sector.

The trick is to look at a lot of things and quickly eliminate ideas. The most interesting ones will have multiple drivers of upside, offering multiple ways to win. And that's when I start to do the real work and start to put together a model, read up transcripts, look through presentations and annual filings, etc.



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**SL: Your Substack has the added feature that you publish your entire financial model of the companies you analyse. Do you have some "super-fan" readers who dig deep into these Excel sheets and come back to you with questions and suggestions?**

CSC: Surprisingly, I don't get many questions about the models! However, I always find it helpful to put my assumptions on paper, and hopefully, it helps my readers see what I'm thinking.

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**SL: Of all the stories you have ever published on Clark Square Capital, which one are you the most proud of?**

CSC: I get a lot of ideas wrong, but one idea I did nail, particularly in terms of timing, was L'Occitane International. I wrote up the idea in November 2023. L'Occitane is a retailer and brand owner of beauty and personal care products. Notably, they own a brand, Sol de Janeiro (SdJ), which, at the time, was growing at triple-digit rates.

The stock initially looked interesting because SdJ was resonating strongly with consumers, and the stock traded at a wide discount to global skincare and beauty peers due to its Hong Kong listing – a legacy from when they IPOed and viewed Asia as the most important growth market.

What made the set-up great, however, was that the stock had sold off about 30% after the company's Chairman had made and subsequently retracted a



buyout offer for the company. Compounding the issue, L'Occitane announced that it would be significantly increasing its marketing spend, which would reset operating margins for the year.

At this point, I realised that the opportunity was compelling because the non-fundamental sellers (arbs) had already exited, causing the shares to drop lower. I also hypothesised that the margin reset was a strategic choice by the Chairman, who was incentivised to drive the price down so that he could return and make another bid to take the company private.

That scenario ultimately played out. In April 2024, the Chairman returned with a take-private offer at HKD 34 per share. I exited the shares at HKD 33 on the open to avoid deal risk and locked in a 67% gain in under five months, which was a very good result!



**SL: And speaking purely about investment potential and timeliness, which of the current investment ideas on your Substack should people check out right now, and why?**

CSC: I recently published a write-up on TP ICAP (LSE:TCAP). TP ICAP is one of the leading inter-dealer brokers, facilitating trading in OTC markets across bonds, rates, FX, equities, energy, and commodities, primarily between sell-side institutions. More importantly, TP ICAP is looking to IPO its valuable data business, Parameta, which should be worth close to 60% of the current market cap. The remaining businesses, with global brokerage in particular, should also see record profits this year, driven by higher trading volumes resulting from increased volatility and higher interest rates.

All in all, the stock trades at ~7x free cash flow per share, which is quite cheap, but also leaves a lot of room for upside when the data business starts to trade. I expect Parameta will command a premium multiple given the attractive profile of the business.



**SL: Going through your Substack, it's clear that you are bullish on the UK and Europe. Summarise for us, why?**

CSC: It's funny; I think I'm just bullish on practically most geographies, except the US. But yes, I am bullish on the UK, Europe, and will add one more – Japan. For the most part, I am finding very reasonable valuations and strong tailwinds. In Europe, for instance, I am very bullish on Germany. Germany is finally stepping up with meaningful fiscal stimulus after years of underinvestment. The government is rolling out a series of large-scale programmes aimed at

modernising infrastructure and boosting defence spending. This includes tens of billions earmarked for digital infrastructure, housing, and military upgrades. With this spending, we can expect to see some very significant winners over the next ~5 years.

Japan is another market where I'm finding lots of opportunities. Most investors might not be aware, but there are approximately 3,900 listed companies in Japan – practically the same number as in the US, except Japan is a fraction of the size and population. Japanese stocks have recently benefitted from improvements in corporate governance and enhanced disclosures. While many investors have focused on the deep value opportunity set in Japan (net-nets, etc), I think there's a lot of value in growthier companies. Japanese retail, in particular, tends to prioritise profitability, so companies that invest through their income statements tend to get penalised. This has led to a universe of small, growing companies that trade at deeply discounted multiples relative to their US and global peers. This makes Japan an excellent opportunity for investors who are willing to take a look!



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**SL: You attended the inaugural, experimental edition of the Weird Shit Investing conference in New York in 2024. You decided to attend again in 2025. At the risk of appearing like I was fishing for compliments, what made you come back?**

CSC: In 2024, I came for the ideas (which were great!), but what made me come back in 2025 was the community. Last year, I had the opportunity to meet and become friends with many interesting people who share my passion for investing in unusual things. I am sure this year will prove the same!



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**SL: For those of our readers who are not yet that far into their investing journey, do you have one or two books that you recommend for inspiration or education?**

CSC: For new investors, I recommend a few books and resources. The first is Joel Greenblatt's "*You Can Be a Stock Market Genius*", which is the bible of special situation investing and also a fun read. I would then add Buffett's annual letters and the letters from his partnership. You can find those online. I would then look at Greenblatt's class notes from his Special Situations class. Finally, I would add Edward Chancellor's "*Capital Returns*", which is a must-read for understanding how capital cycles impact industries and businesses.



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**SL: Followers of your X profile will know that you recently moved to Austin, Texas. How is life down South for a full-time investor?**

CSC: Austin is fantastic! My wife and I moved here with our ten-month-old daughter to be closer to family, and we're loving it so far.

There's a great community of investors here, and it seems like everyone is a transplant, so people are open and interested in meeting new people. (Note: if you are in Austin and want to grab coffee, shoot me a note!).

Another great perk of living in Austin is that it has no state income tax. I know that would be appealing to you, Swen!

## About Clark Square Capital

Clark Square Capital is a private investor and the writer behind the "Clark Square Capital's Ultimate Value" newsletter, where he shares research on under-the-radar stocks and special situations. Clark Square Capital has published nearly 50 investment ideas since launching the blog, often focusing on mispriced companies with catalysts. His work is followed by value-oriented investors who appreciate thoughtful analysis, original idea generation, and a clear focus on asymmetric risk-reward opportunities.

# An interview with Edwin Dorsey

Edwin Dorsey is the author of *The Bear Cave* and Sunday's Idea Brunch.



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**Swen Lorenz (SL):** You kickstarted your career by signing up to a babysitter platform, Care.com, under the username "Harvey Weinstein". Your goal was to demonstrate that the company had safety issues caused by a lack of vetting, and this stunt made it into *The Wall Street Journal* when you were only 21. Since then, has there been any other investment case that people ask you about as often as that one?

Edwin Dorsey (ED): Swen, thank you for the opportunity to participate in the Weird Shit Investing manual. Care.com was quite the story! Nothing has come close to that experience, but I would love to share that story.

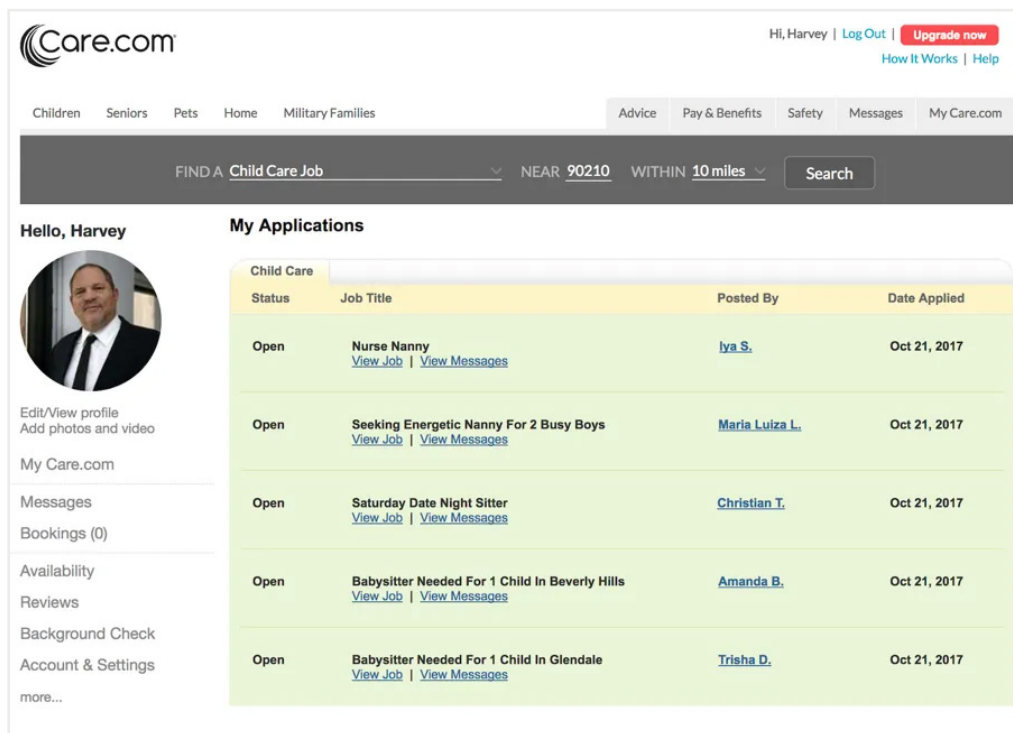
I was on summer break after my freshman year of college, and a friend of mine was sharing some of her bad experiences as a babysitter on Care.com and suggested I look into the company.

I did some basic diligence, saw several local news articles about safety incidents from Care.com babysitters as well as some litigation alleging the company wasn't doing the babysitter background checks it claimed to do.

As a ~USD 1bn publicly traded babysitting platform, verifying people's identities and ensuring they didn't have a criminal history was an important part of the business.

So, I decided to test Care.com's background check process myself by signing up as Harvey Weinstein! I used a fake social security number, the email harveythebabysitter@gmail.com, made up all the other personal information, and at the end consented to the Care.com background check.

To my amazement, I was approved 48 hours later and began applying to Care.com babysitting jobs as Harvey Weinstein!



(My 2017 Care.com profile as Harvey Weinstein.)

I wrote a little article with my findings and put it on Twitter, where it got some attention. That would have been the end of the story, except for the fact that a Care.com executive decided to call Stanford to try and get me in trouble.

Stanford's Dean of Students met with me and said they received a complaint about me breaking Stanford's Wi-Fi policy, told me to not use Stanford Wi-Fi for future investigations, and asked me to take my article down. (I would later learn several Care.com board members were successful Stanford alums and presumably donors.)

Naturally, I did the exact opposite and became obsessed with the company. I filed Freedom of Information Act (FOIA) requests with all 50 state attorneys general for consumer complaints against Care.com, I went to police precincts and filed FOIA requests for any 911 call transcripts that mentioned Care.com, I read almost every Securities and Exchange Commission (SEC) filing and public document about the company and published another lengthy article about Care.com's safety and consumer issues.

Ultimately, I cold-emailed about 100 journalists about Care.com's safety issues. Three got back to me, and one, Gregory Zuckerman at *The Wall Street Journal*, did an amazing year-long investigation into the company that culminated with

a front-page story, "[Care.com Puts Onus on Families to Check Caregivers' Backgrounds - With Sometimes Tragic Outcomes](#)".

From there, the stock fell ~50%, the CEO, CFO, and General Counsel all resigned, and IAC ended up buying the company and implementing better safety practices.

It was a transformational experience for me for two reasons. First, it laid the groundwork for my research process with [The Bear Cave](#), which revolves around consumer protection and obtaining consumer complaints through FOIA requests. Second, it gave me (a college student) credibility in the hedge fund community and was a reason many were willing to read and pay for The Bear Cave newsletter shortly after I graduated.



**SL: In my view, you are your generation's leading investment writer for combining original ideas, independent thinking, and the use of technology. Tell us about your latest brainchild, FOIAsearch.com.**

ED: This is very kind praise.

I see a big opportunity to build a suite of basic research tools to both improve my research process and ultimately sell as a product offering to hedge funds, investors, law firms, and others.

The first website I've built is [FOIAsearch.com](#), which allows anyone to easily search all the SEC's FOIA Logs. Every month, the SEC publishes a large downloadable CSV file of all the FOIA requests the agency receives as well as all B7A exemptions it issues (which are potential indicators of undisclosed SEC investigations).

However, searching these files is not easy. If you want to see if your portfolio company has appeared in the FOIA Logs in the last year, you would need to download 24 CSV files and search each one. Instead, FOIAsearch.com lets you search all 67,000 past FOIA requests in a single search. You can see who has filed FOIA requests about your company and whether the SEC uses a B7A exemption in its response (indicating a potential SEC investigation).

You can even search publications like *The Wall Street Journal* and see all FOIA requests from Journal reporters, a leading indicator of the stories they are working on!

So far, FOIAsearch.com has been used 26,000+ times and I'm expanding my search functionality into other SEC documents.

For example, I just finished [CommentLetterSearch.com](#), which allows anyone to search all SEC comment letters – informal correspondence between the SEC and public companies.

Comment letters are made public with delays ranging from about 30-180 days and often go unnoticed by investors. However, with about 10,000 correspondence letters sent every year, it's hard to find what really matters in all the noise.

Existing comment letter filtering software is incredibly expensive (often USD 10k+), ugly and not user-friendly, and lacks some functionality that I am building. For example, [CommentLetterSearch.com](#) lets users filter letters by character count, which serves as a proxy for severity.

If I want to use SEC comment letters as a source of idea generation, I can go to [CommentLetterSearch.com](#), filter all letters for minimum character count of 5,000, market cap range of USD 500m-10bn, minimum review time of 100 days, and be given a result of just 86 companies. I can filter further by keyword like "revenue recognition" or "China" and get an even more narrow list of comment letters to read for idea generation.

Pairing this with resignations of CFOs, Chief Accounting Officers, and Audit Committee board members can be a very high signal activity.

I'm also working on [8Ksearch.com](#), which lets investor easily search all 8-K filings by the minute they are filed. For example, you can see all 8-Ks filed after 4pm ET on Friday from companies with market caps above USD 500m, which is useful given that companies try to bury bad news at times no one is looking.

The long-term vision is to bootstrap dozens of these basic research tools (my main expense is paying some very talented engineers for help), release it all for free to gain traction over the next year or so, and then a) if venture capitalists get excited take some VC funding to turbocharge growth and/or b) integrate it into The Bear Cave's paid tier for existing subscribers.



**SL: You have a six-digit following on X. Do you even need to do any idea generation yourself, or do you now have a large number of prospective cases sent to you by followers?**

ED: I insist on spending a ton of time and brainpower doing idea generation myself.

After five years of doing this, I've noticed many of my worst articles have been ideas that originated with someone else, and many of my best ideas I found organically.

Here are some ways I generate ideas:

- Picking up lived experience or stories from friends and family.
- Thinking about the world, listening to podcasts, and seeing who is on the wrong end of disruption.
- Asking ChatGPT on a monthly basis to generate a list of recent IPOs and SPAC mergers with high levels of consumer complaints.
- Reading tweets from a few very smart, largely unknown accounts on X.
- Tracking low-quality board members and new boards they join.
- Reading SEC comment letters.
- Tracking 100+ long-term underperforming companies.

Reader tips are always welcome. However, I have found my best work is done 100% independently.



**SL: Do corporate whistleblowers turn up in your inbox? And if so, how do you separate genuinely valuable informants from disgruntled employees who merely have an axe to grind?**

ED: Sometimes, often *after* I publish on their companies.

I generally try to keep my research document-based rather than source-based because the legal and regulatory risks are lower and it is easier to make mistakes when relying on human sources rather than documents.

The ABCs of sharing allegations are Accuracy, Brevity, and Clarity. You need to be accurate, brief, and clear in everything you communicate. When whistleblowers communicate in this manner, I often find them credible and compelling. Typically, diving into the details is a good way to attest accuracy. It is easy to make broad general allegations, but getting to a granular level is where truth is revealed.

I also have a mixed view of the whistleblower process in general. True independent whistleblowers are a huge societal benefit, helping alert the public and regulators to issues early so harm can be minimised. Because of its huge societal benefit, many regulators, like the SEC, give large financial incentives for whistleblowers to come forward, which in my view, can lead to an overly commercialised whistleblower process.

For example, some SEC whistleblowers sell fractional equity stakes in their whistleblower claims to outside investors, giving them cash upfront just for sharing allegations!

So, assessing any hidden financial motives is important, too.



**SL: For the time being, you clearly are not running out of cases to write about in The Bear Cave, your Substack on short-selling and corporate misdeeds. The Weird Shit Investing conference is all about investors gaining an edge by analysing overlooked, less-followed investments. Would you say that short-selling is an area that gets a limited amount of attention and, therefore, offers more opportunity to generate alpha?**

ED: For most individuals, a long-only strategy is perfectly fine. Even the best short-sellers tend to only break even on their shorts over time. Short-selling is mostly done so you can make more money on the long side (i.e., breakeven on your shorts, and use them as a hedge to go levered long and make money there).

Good short-selling takes time, effort, and is a fight against a market that has risen ~9% per year for the last 200 years. That said, I think you can generate both alpha and positive returns with short-selling when done right.

My advice:

1. Don't devote one brain cell to high traffic names like Tesla or Carvana, don't short heavily shorted names or stocks making new highs every day, and don't short the market as a whole. Also, don't double down on losing bets.
2. Do look for disruption and leverage personal industry expertise.
3. Do exit losing trades early and quickly. Automatically cover any short that rises 100% and never touch it again.
4. Do not hesitate to short stocks near 52-week lows, or value traps at low P/E multiples.
5. Liquid, easily borrowable US-listed Chinese companies are a fertile hunting ground for short ideas.
6. As a starting point, look for companies that have been long-term underperformers, especially those with self-dealing or entrenched management. One of my philosophies is that in the public market winners continue to win and losers continue to lose.



**SL: Care.com got you a feature in *Institutional Investor* and made you famous in the investing industry at an age when others would be scrambling to find their first job on Wall Street. Of all the other cases you've researched and wrote about, which one are you the most proud of and why?**

ED: I am most proud of my investigations that have a positive societal impact or ones that quickly and dramatically underperformed the market.

For examples of societal impact, I would highlight my Care.com report, which led to a *The Wall Street Journal* exposé, my [Roblox articles](#), which led to a *Bloomberg* investigation, and my recent investigation into [safety issues at daycare company KinderCare](#), which has attracted attention from lawmakers and the media.

One article that sticks out in terms of stock performance is my [October 2021 article](#) on The Joint (JYNT), which was a USD 1bn+ franchisor of chiropractic clinics. I uncovered "dozens of complaints concerning overbilling, forged transactions, and other misconduct" and showed that the franchisee health was much weaker than investors believed. The stock fell ~20% on the day of my article, from ~USD 100/share to USD 80/share, and today trades for USD 11/share.



Another I'm very proud of is Problems at Chegg (CHGG), a homework help company that had already fallen ~90% on fears of AI-powered competition. Even down 90%, I knew the game was over for Chegg and ChatGPT would steal its remaining student customers.

You don't get any huge subscriber uptick or genius points for writing on a company down 90%, but the idea worked.



Great returns can come from recognising the obvious.



**SL:** I always say that your other product – the Sunday's Idea Brunch – is the best Substack that too few investors have heard about. Tell our readers what it's about.

**ED:** Thank you, Swen. Sunday's Idea Brunch is my newsletter interview series with talented, off-the-beaten-path investors. Every month, I publish two written interviews where great investors share their research process, background, top stock ideas, and more.

I started Sunday's Idea Brunch largely because of a void created by the mainstream media. You see the same 100 people interviewed over and over again and they look great on TV, but are their ideas novel and are they outperforming?

With Sunday's Idea Brunch, I try to do the exact opposite of the mainstream financial media. I look for people who haven't been interviewed before, I look for people with a track record of outperformance, I look for people with atypical backgrounds (often young, running a small fund, or atypical career path), and I generally try to ask about questions within their core expertise rather than the topic du jour.

It's been a great way to network and learn from the most talented investors of this generation, and I'm happy readers get to learn alongside me.

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**SL: What are some of the "weird" investment themes that were written about in past Sunday's Idea Brunch interviews?**

ED: One anonymous investor I interviewed, [Altay Capital](#), had a really interesting strategy of investing in a bucket of cheap Japanese "double net-nets," meaning the stock could double and it would still value the business at USD 0 given the strong balance sheet. I understand that he's done really well with the strategy and even used ChatGPT to write emails in Japanese to small-cap management teams about their plans to improve capital allocation. If companies replied with a specific plan of action, he would often buy the stock. Talk about a creative research process!

[David Orr of Militia Capital](#) is another interesting investor who is in the Japan deep value theme. In addition to his fund, he recently launched a publicly traded ETF, the Militia Long/Short Equity ETF (NASDAQ: ORR), which is up ~10% since January 2025. David is a really independent thinker and former poker player who focuses on being right over sounding smart. I really like him.

Another brilliant semi-anonymous investor, [Mike10947310 on X](#), has done phenomenally in micro-caps with a particular strength around momentum and narrative shifts. He is one of the investors I follow most closely. His two pitches in his [2 June 2024 Idea Brunch interview](#), TSS Inc (OTC: TSSI) and Finch Therapeutics (OTC: FNCH), are up ~1,000% and ~1,200%.

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**SL: Do you still manage to run these three separate products by yourself, or have you hired staff in the meantime?**

ED: I do The Bear Cave and Sunday's Idea Brunch completely myself with some help from ChatGPT. For The Bear Cave, ChatGPT is great for getting up to speed on a company quickly and for idea generation by finding companies exposed to a particular theme. For Sunday's Idea Brunch, I often use ChatGPT Deep Research to better research the guest investors and come up with personalised questions.

For help with software tool development, I work with a great software engineer in Europe. We have a weekly call every Monday at 2am ET / 8am France time to go over updates. I'm non-technical so I absolutely need expert help with tech development.



**SL: It's in the public domain that you have turned your newsletter business into a very nice earner even by New York standards. What's your #1 advice to anyone who is considering to set up a Substack or launch a career as newsletter writer?**

ED: It's best to go through this process in increments rather than all at once.

First, launch an account on X to share your niche expertise, and see if you can grow a following. It's a lot easier to grow from 0 to 10,000 on X and convert your audience to email readers than to organically grow a newsletter from nothing.

Second, if you have an active free readership, then charging will feel like a natural step in your growth. If you have high open rates, high engagement, and feedback from readers suggesting you charge for your work, then you will do great.

Beyond that here are some guiding principles:

- Internet niches are bigger than you think, even when you account for the fact they are bigger than you think (David Perell).
- You want to be the only person who does what you do.
- Send fewer emails, but make them high quality. No one on the planet wants more email!
- Be very responsive to reader emails or issues.
- Podcast appearances are a great way to grow a newsletter because each appearance taps into a new audience and is evergreen content.



**SL: You travelled to Asia recently and arrived back in New York one day before the Weird Shit Investing conference. How do you manage travelling with your girlfriend while being tied to a publishing schedule?**

ED: When you love what you do, it doesn't feel like work. I also have a ton of flexibility when I do my work so I can download 10-Ks to read on plane rides, send Idea Brunch interview questions from hotel rooms, and take dedicated work days while my girlfriend shops or explores.

Travel is also wonderful as it gives me an opportunity to meet with readers in other countries and learn about the world, which I do feel makes me a better researcher or at least shows me how much is left to learn.

## About Edwin Dorsey

Edwin is author of [The Bear Cave](#), a leading newsletter exposing corporate misconduct and following the short-seller world. In addition, Edwin publishes the [Sunday's Idea Brunch interview series](#) with great investors and is developing several websites focused on helping investors better research companies including [FOIAsearch.com](#), [CommentLetterSearch.com](#), and [8Ksearch.com](#). Edwin lives in New York City, graduated from Stanford University in 2020, and is active [@StockJabber](#) on X.

# An interview with Michael Fritzell

Michael Fritzell is the author of *Asian Century Stocks*, a Substack that opens up the Asia-Pacific region for readers from around the world.

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**Swen Lorenz (SL):** Mike, I always describe you as "*the go-to man for Asian equities*". In your words, tell us about your Substack, *Asian Century Stocks*.

Michael Fritzell (MF): Thanks! That's very kind of you. I started *Asian Century Stocks* in 2021, because I felt there was a lack of high-quality research here in the region. Sell-side has some coverage but only for its own clients. On the Substack, I usually focus on blue chips trading at reasonable valuations. And on top of that, I tend to focus on broader trends in the region, including sector-specific trends and sometimes politics. Finally, I provide readers with monthly updates on my personal, Asia-focused portfolio.

I love the subscription model, because I feel aligned with readers. The only way to do well as a writer is to find great stock ideas. And by finding great ideas, I'll also benefit personally through capital gains. So, I'm trying my best to find ideas that others have overlooked.

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**SL:** On your website, you mention there are 10,000 stocks listed on Asian markets. Why bother going through them if you are a European or American investor who can easily find a wide variety of companies nearer to home?

MF: That's a great question. I think it depends on your approach.

If you're a stock picker, then expanding your opportunity set to include Asian equities should help you find more and better ideas. For example, if you're an expert on video game stocks, then why restrict yourself to the US names? You'd be missing out on gains in companies such as Nintendo and Konami. Or if you're an expert on Nvidia, then why not consider TSMC? TSMC benefits from the boom in generative tools, too.

If you're an index tracker, then you could argue that a global portfolio will have some diversification benefits. In addition, during periods of US dollar weakness, you'll typically want to own overseas assets such as stocks in emerging

markets. And today, US equities trade at an exceptionally high CAPE ratio. So if I were to take an index approach, I'd definitely allocate a good chunk of my portfolio to international stocks.

That said, I think there are serious issues with emerging market indices. The typical index will have heavy exposure to banks, property developers, telecom companies, and mining companies. I'm not sure whether such exposure will serve you well in the long run.

I also think it's clear that markets such as the US, Western Europe, and Australia have exhibited high annualised returns over the past century. In contrast, Chinese equities have gone nowhere since the early 1990s. I suspect this divergence has to do with corporate governance, including mistreatment of minority shareholders.

My conclusion is to pick your spots. There are tons of opportunities in the Asia Pacific, but you'll want to be selective. Bet on management teams that actually reward minority shareholders. And stick to companies which offer goods or services that are differentiated somehow. Just be a bit careful with exposure to poorly constructed emerging market indices.



**SL: We first met in Hong Kong, when we jointly took a group of readers to meet with Hong Kong listed companies (see report [here](#)). That was in spring 2024. What has happened in Hong Kong equities since then?**

MF: Just before our trip in 2024, I wrote a post called "*Hong Kong's death has been exaggerated*". I continue to feel that way. Hong Kong is an underrated city that's going to continue to prosper for the next few decades. The city has several advantages, including the convertibility of the Hong Kong dollar, as it allows Chinese companies to raise capital overseas. The tax rates are perhaps the lowest in the world. And the infrastructure is fantastic, making it a highly efficient place to do business.

Hong Kong's benchmark Hang Seng Index bottomed on 15 January 2024. Since then, it's risen over 50%. That said, I had expected local companies to do best in the recovery. Instead, we've seen a greater recovery in the mainland Chinese companies listed in Hong Kong, including Alibaba, Tencent, and BYD.

The economy remains weak. In 2024, Hong Kong's retail sales were 7%. And while tourism continues to recover, it's happening at a glacial pace. High interest rates continue to weigh on the property market, and consumers are responding by spending less.

I consider these headwinds to be mostly temporary. Today, I see the greatest opportunities in local Hong Kong companies such as AIA and Hong Kong Land, rather than the Chinese tech stocks that retail investors love to chase. I also think that Hong Kong small-caps remain undervalued. Many of them offer single-digit P/Es and double-digit dividend yields.



**SL: You are one of the speakers at the Weird Shit Investing conference in Hong Kong. Generally speaking, are there many "weird" investments and special situations in Asia?**

MF: I think Asia Pacific is weird almost by definition. 15 years ago, Southeast Asia was hot and institutional investors were chasing local stocks. Today, it feels almost dead and there's almost zero interest outside of Chinese tech stocks and Japanese net-nets.

To give you a sense of how little interest there is in Asian equities, look at Multi Bintang. It's the largest beer producer in Indonesia with a 60% market share. The stock only trades USD 70,000 per day, making it virtually impossible to buy for any institution. The stock has a dividend yield of 10% and a return on equity of close to 100%. And there's upside in beer consumption as tourism to Bali continues to grow.

If you're looking for weird stocks, you'll find a host of companies with unusual business models in Japan. For example, there's a company called **Universal Engeisha** that rents out plants for offices, hotels, and shopping centres. **Bank of Japan** is a listed entity, though it doesn't pay any dividends. I never understood why it was a listed entity. I also think that **Sanrio** is a weird company. It owns a fictional character called Hello Kitty, which has no back story yet managed to achieve worldwide fame. I think it's brought in somewhere close to USD 100bn in total revenues.



**SL: You presented Best Mart 360, why?**

MF: I just love the business. Best Mart is a Hong Kong-based discount store that's taken market share in the past ten years. In 2015, Hong Kong introduced a competition law that's made it easier for smaller companies to take on incumbents Wellcome and ParknShop. Today, Best Mart has around 170 stores compared to about 800 supermarkets and 1,200 convenience stores in Hong Kong overall. I think Best Mart could easily double its current store count or perhaps even triple it. Its return on equity is around 45% and the payback period for a new store is less than one year. The stock currently trades at 6.8x P/E with a great balance sheet. Best Mart is also generous with its dividends,

with the stock currently yielding 12.5%. It's a rare case of a true value stock that actually has decent growth ahead of it.

It is a weird stock in many respects, however. Best Mart's CEO was once in jail for selling fake luxury handbags. The other founder is rumored to have links to Fujian triads. And now, a Chinese state-owned enterprise has acquired 49% of the company from the two co-founders. And the number of related party transactions is ramping up.

Then again, even Chinese SOEs tend to trade above 6.8x P/E. And despite the change in the ownership structure, Best Mart has continued to deliver, with approximately 15 new stores every year, despite a challenging retail environment.

For more details, check my summary of the investment case in this manual (see page 17).

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**SL: Any other unusual investment case you can think of in Asia?**

MF: Another recent idea that I just published on is Kawai Musical Instruments. It's an oddball stock: a company selling pianos after a post-COVID bust in demand. But there are changes taking place under the surface that are incredibly bullish. The patriarch recently passed away, and control of the company has passed to his son-in-law, who is intelligent and forward-thinking. In March 2025, the new CEO outlined his ideas in a new ten-year medium-term plan. Capital returns are going to ramp up, and he's targeting a 16% return on equity by 2035. That's extraordinary for a 0.5x price/book stock.

It won't be easy. Chinese are buying fewer pianos these days. And Kawai is facing competition from Yamaha. But I think that Kawai has a decent brand name, with its top-of-the-line grand pianos close to Steinways in terms of their quality. The craftsmanship is top-notch. And the CEO's strategy of moving towards hybrid/digital pianos through influencer marketing makes perfect sense. I also like that the new CEO has vowed to promote employees on merit rather than age or time of employment. That's rare in Japan. Finally, the board is going to remove the poison pill in July 2025. Without a controlling shareholder, the company will soon be in play.

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**SL: Can you think of a broader theme in Asia that is unusual and which warrants further investigation right now?**

MF: On 1 July 2025, the Philippines will cut its stock transaction tax from 0.6% to 0.1%. I think that's going to be incredibly bullish. When my home country

of Sweden undertook similar reforms in the early 1990s, transaction volumes skyrocketed. The primary beneficiary will be the Philippine Stock Exchange, which trades under the ticker PSE PM. But I also think the overall market will benefit, and that foreign investors will return to the market. At 10x P/E, the Philippines remains inexpensive and it has a better return on equity profile than most other emerging markets. It just needs a catalyst for investors to pay attention to it again.

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**SL: How can private investors best gain an edge in Asian equities?**

MF: I think corporate governance is the most important factor of all when investing in Asia. Find someone local who can tell you what the reputation of individuals are. Behaviours repeat, so avoid people who have abused minorities in the past. In countries such as Indonesia, Thailand, and the Philippines, there are tycoons that you'll want to bet on, and others that you'll want to avoid. Seek out local investors on Twitter, Substack, or the sell-side. They'll get you up to speed so that you don't have to make the same mistakes that foreigners typically do when they enter a new market.

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**SL: Europe has about 40 equity markets. How many are there in Asia?**

MF: There are 13 main stock markets in Asia: Japan, Australia, the Chinese exchanges, Singapore, etc. These are the stock markets that index providers such as MSCI tend to include.

But if you include frontier markets, the total number reaches 31. Some of them are totally obscure. For example, Papua New Guinea has a local stock market called the PNGX. And there is an active market in Bhutan as well. But you'd have to be pretty brave to even consider investing in these markets. I tend to stick to Japan, Hong Kong, Singapore, Malaysia, and Australia.

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**SL: What would currently be your #1 Asian market for finding overlooked ideas? Or if you prefer, what is the #1 neglected market altogether?**

MF: The most neglected market would have to be Myanmar. The country has been in a civil war since 2021. But the Yangon Stock Exchange has continued to operate, with eight companies currently listed there, including banks, a telecom company, and a few conglomerates.

The currency – the Myanmar kyat – has dropped from 1,300 to the US dollar to 6,000 on the black market – down about 80%. That doesn't mean that it's undervalued, but I certainly think the market is overlooked. I haven't heard of anybody wanting to invest there over the past five years.

China is now trying to broker a deal between the junta and the resistance movement. I don't know whether it will succeed. Myanmar certainly has immense potential, if there's a resolution to the current hostilities.



**SL: You have a very active presence on X. When people reach out to you, do you reply personally?**

MF: Absolutely – I reply to every message. You can reach out to me on Twitter [@MikeFritzell](#), Substack [@fritz](#) or email [michael.fritzell@asiancenturystocks.com](mailto:michael.fritzell@asiancenturystocks.com). I'm always happy to communicate with readers.

## About Asian Century Stocks

A Substack newsletter that educates investors about equities in the Asia-Pacific region. Paid subscribers get over 20x deep dive reports per year, typically on blue chip stocks trading at attractive valuations. Paid subscribers also get monthly portfolio updates and thematic reports. You can find more information at [www.asiancenturystocks.com/about](http://www.asiancenturystocks.com/about)

# An interview with TripleS Special Situations Investing

TripleS Special Situations Investing is a free Substack that looks at special situations in distressed securities, bankruptcy, litigation, and other unconventional investment set-ups.

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**Swen Lorenz (SL):** When we first met, you introduced yourself as investor with 20 years of experience and a speciality in bankruptcy investing. What exactly is that – how the heck can you invest in bankruptcy cases?

TripleS: There is a bit of a long backstory behind how I got involved in bankruptcy investing, so let me start with that. Back during the 2008 financial crisis, multiple historical institutions, like Lehman Brothers and Bear Stearns, were failing. It was feared that the next thing to go would be the banks, that were "too big to fail". Congress was considering passing TARP (Troubled Asset Relief Program, the bank bailout bill), but the legislation was stuck. Regulators knew that many banks were on the brink of collapse, so they needed to create the political will to authorise it before one of them failed. So, instead of letting the banks with the worst leverage ratios fail, they decided to sacrifice a bank called Washington Mutual (WAMU).

WAMU was a politically disconnected West Coast bank and did not have the lobbying power of all the name brand East Coast ones. After WAMU was allowed to fail, TARP passed, saving numerous banks that were worse off than WAMU. However, in their haste to seize the bank, the Federal Deposit Insurance Corporation (FDIC) made one serious error. WAMU's holding company, which was now in bankruptcy, had billions of dollars of cash on its books. What then followed from that was a very unusual bankruptcy case, in which all the bondholders were paid in full, on the largest bank failure in US history, and equity was paid out hundreds of millions of dollars of value. In most bankruptcy cases, equity is completely wiped out, and bondholders take a large haircut on their claims, so you could say this was almost a once in a lifetime event.

With all that said, how can you invest in bankruptcies? There are a number of ways.

You can buy distressed debt and participate in the reorganisation of the company, where your bonds usually get converted into equity in a new debt-

free business. You can buy equity and try to form an equity committee, to prevent bondholders from taking all the value of the entity. Finally, you can also lend money to the company through a mechanism called a DIP, which gives you a super priority lien over all the company's assets.

In the case of WAMU, some of the debt I bought paid out 100 to 1. My equity was also converted into a successful business. This was my first bankruptcy case. Unfortunately, I did not have a lot of money at the time, otherwise I would be retired. Since then, I have been involved in over 20 other cases in various capacities, advocating for both junior bondholder and shareholder rights.



**SL: Your Substack, *Triple S Special Situations Investing*, holds itself out for being about "special situations, distressed securities, bankruptcy, litigation, and other quirky investments". Can you tell us a bit about your personal journey as an investor? How did you end up researching these more colourful parts of the financial market?**

TripleS: This ties back into the WAMU bankruptcy story. I had heard that TARP was going to be passed, and as a young, excitable person, I took all my money, and borrowed a large amount off credit cards, to buy WAMU stock. As I was flying overseas to my brother's wedding, I landed to find out that that bank had been seized. Not only was I broke, but I also owed a lot of money to creditors. Angry at what I felt was a severe injustice, I actually self-taught myself bankruptcy law and helped put together the Washington Mutual Equity committee. As a result of my and other people's efforts, we created what became the equity committee for the largest bank bankruptcy in US history.

Launching off from that, I started getting involved in all sorts of other legal special situations, including sovereign litigations (my personal favorite), antitrust, and patent.

As someone who enjoys reading (I subscribe to over 240 substacks), I look for weird and interesting investments, since as a small family office investor, it is hard for me to get an edge on anything otherwise. There are a lot of intelligent people out there, and I want to learn from all of them. I've done all sorts of crazy trades, including multi-country arbitrage, buying unhealthy amounts of SPAC warrants, and writing an entire month's worth of options on a bankrupt oil company in 2020.

I think a lot of my skillset in investing comes from my love of poker. I used to play a lot in college, in card rooms, and online. The game requires patience, observation, math, and the guts to know when to go all-in. Investing is very

similar to that. You need to have a little bit of all those traits to be successful long term.

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**SL: Your Substack's launch article dealt with Canada's Gold Reserve Inc. and its case against Citgo, a now-famous case about trying to use the US justice system to force Venezuela to settle old debt. Many of my readers hold a position in that stock because I once published a research report on Gold Reserve. Do you hold a current view on the stock and the underlying unusual legal case?**

TripleS: Gold Reserve is a case that has broken my heart so many times, and my comments may be out of date by the time this is published. In terms of order of priority, while Gold Reserve has a larger potential recovery, Rusoro Mining actually sits ahead of the company in case of a successful sale. I think that is the first thing to point out.

The biggest issue with the case is the treatment of the 2020 bondholders. There have been all sorts of ways that bidders have been looking at dealing with them, and their claim amounts have been all over the place, with a range of billions of dollars. After the Elliott bid, it looked like Rusoro and Gold Reserve were going to have a zero on their hands. However, all the creditors rejected the Elliott bid, and a new process is going on right now. The current stalking horse bid does not cover either Rusoro's or Gold Reserve's claim. With that said, Koch, Rusoro, and Gold Reserve have formed a consortium to bid, and they have what appears to be the largest bid as of the moment. There are also new bidders appearing that may cover Gold Reserve's claim in full. Crack spreads have improved from their lows, so there is a possibility of everything working out, with either a new bidder outbidding the consortium's offer, or the consortium buying Citgo.

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**SL: Of all the ideas on your Substack, which is your favourite one right now, and why?**

TripleS: Does anyone have a favorite child? It's hard for me to choose. I tend to spread my investing around a variety of concepts, since in the type of investing we both do, you need to be diversified. The one with the highest risk and highest return are the warrants on Pan American Silver. As of the time of publication, if they pay out, it's a 4x. There is a lot of nuance going on with that situation right now, and it very well could end up being a zero.

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**SL: Your Substack is entirely for free, so I guess you'll have many readers scrolling through the entire list of ideas you discussed. To make their life a bit easier, give us one more name of a stock you wrote about that people should look at right now.**

TripleS: Can I name a few here? Frontera, since oil may be at a premium given Iran. ContextLogic, a cash-protected NOL shell that has an analogue which resulted in a 10x. Emerita Resources, because the case seems to be on the verge of bringing down part of the corrupt Spanish government. And of course, Panthera. It is by far my favorite sovereign litigation right now in the market.

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**SL: As you say in your profile, you look at 20-40 ideas per week and invite your readers to send in stocks you should look at. How actively do people make use of that?**

TripleS: Let me first say, please send me your ideas! I love talking with anyone and I promise I don't bite. I do have a few really active readers who send me DMs daily, but I am always looking for more.

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**SL: You once were very active on X but nowadays prefer to communicate with fewer people but directly. In retrospect, was it a good decision to give up your large following on X and instead be very mindful and selective of who you communicate with?**

TripleS: I think so. Substack is a better medium to communicate my thoughts and to interact with the investing community. Unfortunately, X has become a bit of an edgelord cesspool. I want to engage with emotionally mature people that challenge and lift me up. Some individuals seem to forget there is a human on the other end of any message they send, and I prefer kindness to being angry and loud. I love to collaborate, and I have been very fortunate that my writing on Substack has provided me an opportunity to meet the coolest, smartest, and most interesting investors around the world.

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**SL: You and I collaborated a fair bit recently on writing about litigation-related cases. You also wrote about Panthera Resources as a high-conviction litigation case, and we share an interest in Northern Dynasty Minerals. Amazingly, you also brought up cases that the market had not even taken any notice of. Are there more undiscovered litigation-related stocks out there waiting to be discovered?**

TripleS: Yes, I believe there are a lot of cases that are underreported on. I do think that the market is waking up to these, and over time, my alpha on them will probably get diminished. With that said, I try to focus on investments and

situations that are subscale for most funds, but great for a private individual or a small family office.

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**SL: Any particular book about special situations and quirky investments that you recommend reading for inspiration or education?**

TripleS: There are a lot of great technical books on specific subjects of law and investing, but the one that I have read in the last year that stuck with me the most was "*The Psychology of Money*" by Morgan Housel. The reason why I liked this book was that it really made me critically think of why I invest the way I do, and how all of us are influenced by the situations we live through. After reading that book, I actually made it a point to stop investing so aggressively all the time, as I am now hitting middle-age, and I probably should have some savings.

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**SL: What's the most important learning you had as a special situations investor over these 20 years that you have been in markets?**

TripleS: Stay calm and remember your thesis. Don't get emotional. It's really hard to do, but when it comes to money, you need to stay analytical. Finally, sometimes you need to amputate an arm to save the body. Don't be afraid of taking a big loss on a stock. You can invest that money in something better and make it back.

## About TripleS Special Situations Investing

TripleS Special Situations Investing is a Substack dedicated to uncovering unique opportunities in the financial markets. I dive deep into special situations, distressed securities, bankruptcy, litigation, and other unconventional investment set-ups that often fly under the radar. My mission is to provide insightful analysis and foster collaboration with like-minded investors, sharing ideas and strategies to make money. I welcome input from readers, so don't be afraid to drop into my DMs!

# Anatomy of a litigation investment: Panthera Resources

What kind of investments qualify as "weird shit"? London-listed Panthera Resources surely does, and it's a case that investors can learn from.

By Swen Lorenz

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Undervalued-Shares.com readers will already be familiar with **Panthera Resources** (ISIN GB00BD2B4L05, UK:PAT). The company has filed a claim against the government of India, demanding post-tax compensation of USD 1.58bn for the 2021 expropriation of a gold project. It's a legal claim that many believe to be unusually solid. It's aimed at a country that has the money to pay for the claim and a history of paying up in similar instances, and a potentially transformative payoff awaits shareholders who invest early.

What are some of the claim's unusual legal aspects? Since the expropriation, the government of India has proceeded to auction off the same gold project. As the auction process is public, it's known that the sale will likely yield nine-digit royalties for India. The government delivered hard evidence that the gold district explored by Panthera Resources is an extremely valuable resource indeed. It also quite simply has bad optics if a country yanks out mineral rights from underneath a company that invested in locating the resources, only to then sell the same gold field to other companies.

One of the world's leading litigation financiers has spent a year doing due diligence on the legal claim, and subsequently decided to back it with USD 13.9m of non-recourse litigation funding. In exchange, the firm gets either a certain multiple of its invested capital or about 15% of the potential payoff (whichever figure is higher).

All of this has already started to become more widely known. The author of TripleS Special Situations Investing calls Panthera Resources her "highest-conviction play" among international commercial arbitration claims. It's a significant endorsement from an investor with two decades of experience in litigation-related investing.

All in all, it's immediately visible that this case has many of the right ingredients.

For investors, it's a potentially huge winner. If Panthera Resources won the case and was awarded the full amount it claims, its shareholders would receive GBP 4.08 per share, 34x the current share price of GBP 0.12. Anyone investing GBP 30,000 now would come out with over GBP 1m. With a bit of financial engineering – as explained below – the multiple of capital invested might even be higher for those who don't leave it until too late to invest.

It all begs the question, why has the market not started to price in these factors?

Panthera Resources is currently trading at just 2.75% of the post-tax claim value.

Is the outcome of this legal case a mere coin toss, or are the odds much better than 50/50?

For anyone who wants to look beyond Panthera Resources, how can you find, analyse, and follow similar cases?

Had I not already written so extensively about the stock, I would have presented the case at this year's Weird Shit Investing conference. **Panthera Resources is exactly the kind of opportunity that this event was created for.**

This manual will end up in the hands of countless readers who have not previously visited Undervalued-Shares.com to read about the case. There is a lot to be learned from it, and its lessons will be applicable to other publicly traded litigation claims.

For everyone else, this article also gives an update on several new developments (just skip to the three points listed towards the end).

### **Panthera Resources' arbitration claim**

In 2004, Panthera Resources and India signed an agreement for the company to prospect for gold in Bhukia in the Rajasthan region.

As a result of its initial work, Panthera Resources located a potential 1.7m ounces – a remarkable find, all the more so given that the company had only prospected on 10% of the area. There were concrete indications to suspect that this could be a world-class gold mining district that extended far beyond the initial find. The potential gold reserve may be 10-20m ounces, which would put Bhukia into the big league globally.

However, Panthera Resources never got to develop and exploit the resource. The State of Rajasthan and the Republic of India didn't allow the company to follow through on the agreement they had signed – in effect, expropriating the company.

Panthera Resources failed to resolve the case amicably and legally in India, and eventually decided to pursue the case through international arbitration mechanisms, filing its notice for arbitration in July 2024. On 10 January 2025, Panthera Resources reported that the arbitration panel determined England and Wales (i.e., London) as the legal seat of the case – an arbitration location widely regarded as politically neutral and highly professional.

The case will be heard in the context of the Australia-India bilateral investment treaty of 1999 (officially called "*1999 Agreement between the Government of Australia and the*

*Government of India on the Promotion and Protection of Investments*"), as Panthera Resources' subsidiary that the claim is attached to, Indo Gold Pty Limited, is Australian-registered. While the 1999 treaty is no longer in effect, Australia and India had agreed in a sunset clause that older cases would continue to be treated as having arisen under this treaty.

Since I first reported on Panthera Resources in [February 2025](#), the arbitration procedure has taken an important step forward. Panthera Resources has filed its so-called Memorial, a comprehensive document that describes the dispute's entire history and includes all evidence (such as witness statements) as well as the so-called statement of claim (SoC), i.e. the calculations that support the claim amount. Preparing this extensive document will have been time-consuming and expensive.

Early investors in Panthera Resources had long speculated that the claim was going to be in the region of USD 800m-1bn (although doubters expected closer to USD 500m). In [an article published in May 2025](#), I suggested that the claim could come out above USD 2bn. Indeed, Panthera Resources subsequently reported that it had filed a \*post-tax\* claim of USD 1.58bn – which translates to a pre-tax claim of nearer to USD 2.4bn. With no established standard for publishing claims pre- or post-tax, the disclosure of this figure led to some confusion in the marketplace, with some saying it fell short of the expected USD 2bn. This is one of the reasons why there is now a second opportunity to exploit, as this article will show.

From here onwards, the arbitration process will follow a clearly defined procedure that typically takes 3-5 years.

Will the story of Panthera Resources disappear off the radar and re-emerge only once a decision is announced in a few years?

It'd be easy to think this was the case, but the next milestones that could lead to a repricing of the stock are likely to emerge in autumn 2025 already.

### **What will follow after the summer lull**

In the short run, the stock market is a voting machine. In the long run, it is a weighing machine.

Panthera Resources' share price recently demonstrated how Benjamin Graham's famous quote continues to hold true. Even though the company announced a claim more than twice what the market had expected, its share price FELL following the announcement.

What had happened?

The case had previously attracted a lot of interest from retail investors and chat boards, and Panthera Resources' communication strategy failed to cater to their needs. The announcement of the claim provided a higher-than-expected number, but it contained no information on the further timeline of events. In the absence of a visible milestone, punters feared the stock was now going to require a 3-5-year wait until the next significant news. The price dropped the day of the announcement. This first drop, in turn, led to other investors starting to sell for no other reason than fear of further price falls.

The stock fell from 18 pence to 10.50 pence a few weeks later.



At its current price of 12 pence (30 June 2025), Panthera Resources has a market cap of GBP 31.8m (USD 43.6m) based on its fully diluted share capital of 265m shares.

Will it remain at that level?

Anyone wanting to assess the stock and its future potential is well-advised to consider the following three factors.

### 1. Bifurcation decision

One of the first decisions that arbitration panels usually have to make is whether they will allow 'bifurcation' of the case, i.e. divide the trial into two or more separate phases. This can involve separating issues like jurisdictional matters from the merits of the case.

Whether or not a case gets bifurcated and how it impacts the likely outcome of the case is complex to judge. On the one hand, countries facing arbitration claims often ask for bifurcation, hoping to drag out the case and wear down the claimant financially. On the other hand, bifurcation can also simplify complex cases and lead to quicker resolutions or settlements. Ask two lawyers about bifurcation, and you are likely to get three opinions.

One piece of advice to anyone who invests in such legal cases is to avoid trying to play amateur lawyer. The finer legal details of such aspects are nearly impossible to draw conclusions on unless you are on the inside of the case.

What's certain, though, is that the decision on bifurcation constitutes an important milestone – once made, it's possible to define a timeline for the rest of the case.

Litigation claims are a journey with multiple milestones and re-rating opportunities. The stock of a claimant doesn't normally trade at a flat price during the trial, but tends to re-rate when milestones are reached. It would typically trade at 2-5% of the expected claim value before the statement of claim has been filed (as, indeed, Panthera Resources stock did ahead of its Memorial filing). Thereafter, the stock would normally trade around 5% and gradually edge towards 15-20% if the arbitration process progresses in a promising way.

For Panthera Resources shareholders, the next milestone will likely be the decision on bifurcation and the release of a timetable, expected in autumn 2025. That alone could make the current sell-off and overall summer lull a good opportunity to build a position, before interest in the case might pick up later this year.

Undervalued-Shares.com contacted the company about this aspect and received the following reply:

*"The Company advises that it anticipates that India will make an application to the Tribunal for bifurcation to consider Jurisdiction as a preliminary matter. Bifurcation refers to the procedural decision to divide the arbitration proceedings into separate phases to address different matters sequentially rather than all at one time.*

*An order in favour of bifurcation would see India's initial response to the Memorial limited to Jurisdiction. A hearing to consider the India's application for bifurcation is expected in September 2025.*

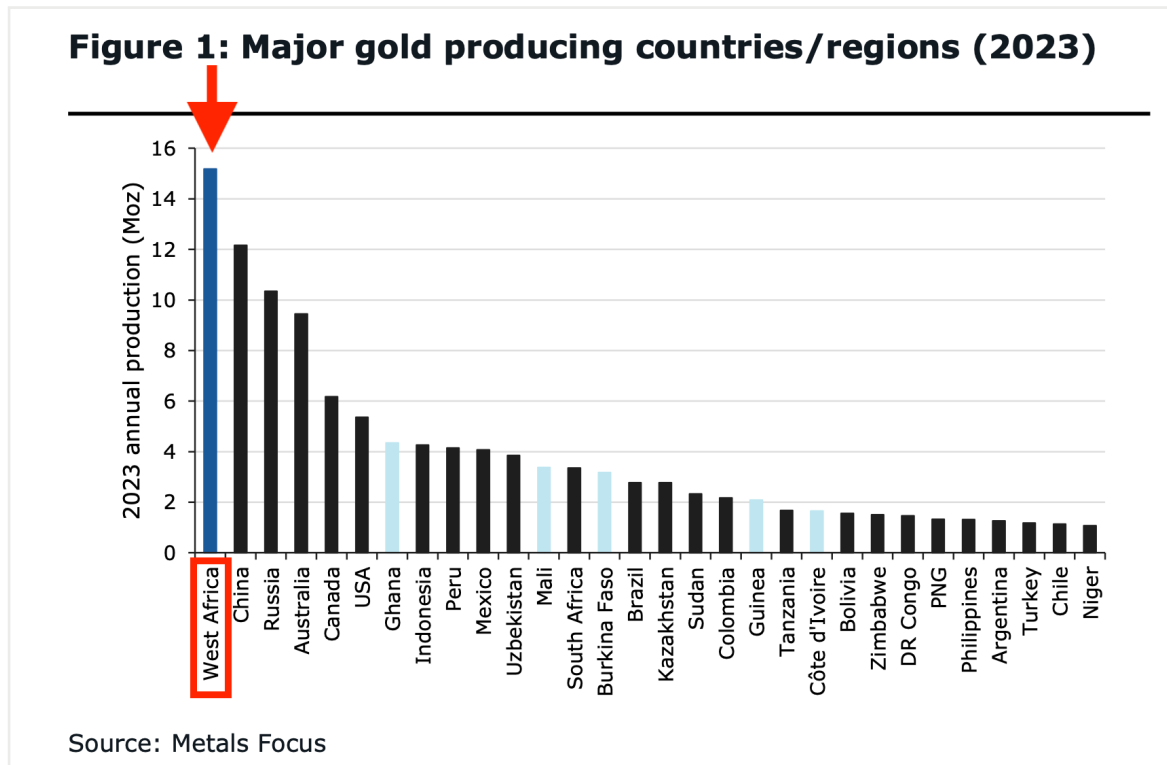
*The Company anticipates providing an update on the procedural calendar following the Tribunal's decision on bifurcation."*

What's also coming up for the same period is the potential...

## 2. Restructuring of West African assets

When Panthera Resources lost its asset in India, the company invested in several gold exploration projects in West Africa, with four projects located in Mali and Burkina Faso.

West Africa has long had issues with political instability, but it is now one of the world's largest gold-producing regions (>15m ounces per year). Within the West African gold region, Mali and Burkina Faso have outperformed all other countries.



When I first reported on this investment case, I had discarded the West African assets as largely irrelevant to Panthera Resources' valuation. Early-stage gold exploration projects were not exactly the darling of the stock market at the time.

This has started to change.

In April 2025, Canaccord Genuity published "*Golden opportunity in West Africa*", a 32-page report highlighting that both the higher gold price and political changes have started to bring gold projects back to the fore. Advantages of operating in the region include faster permitting times, lower capital intensities with very few capex blowouts, shorter construction lead times, and lower production/exploration costs. ([Email me](#) if you'd like a copy of the report.)

In mid-2024, Panthera Resources had disclosed plans to spin off its West African assets into a separate entity. The company reportedly succeeded in lining up outside investors who would bring not just capital but also the management team and political expertise for the region.

However, that was then – and the gold price has risen strongly since, from USD 2,300 to USD 3,300.

In West Africa, once the gold price surpasses a certain level, the profitability of the region's low-grade, surface-level deposits develops like a hockey stick. It doesn't take much to figure out that Panthera Resources is likely to rethink its entire West African portfolio. The company hasn't published an update yet, but the tentative negotiations held over a year ago might be filed away in favour of a new round of looking at available options.

After all, Panthera Resources' ability to chart its own destiny has improved, and it will be in a stronger position to negotiate. Over the past year, the company has successfully filed its claim, raised money to pay for its operating expenses of the next few years, and raised its profile among investors.

It might even decide that the right course of action for maximising shareholder value is to raise a low seven-digit dollar amount to first take these gold projects further before finding a partner and/or spinning them off later.

Turning Panthera Resources into a mixed bag of litigation claim and gold exploration venture would probably hurt its valuation – these are two entirely different activities to invest in. However, smart structuring of such funding can establish a clear pathway towards an eventual spin-off. Panthera Resources' attractiveness will increase if the company becomes a pure play on the arbitration case. Just as much, anyone investing because of the arbitration claim should not disregard the West African assets or allow them to be given away on the cheap.

In a research note published by niche brokerage firm Allenby on 6 June 2025, the current value of Panthera Resources' gold assets was put at USD 21.3m. A targeted investment of a few million dollars could potentially at least double the value of these assets, which would then be worth as much as the company's current market cap.

If someone invested into Panthera Resources now and subsequently received a separately listed stock that they could sell, it'd decrease how much they paid for the legal claim. This would, in turn, make the subsequent investment in the litigation claim pay off with an even higher multiple.

In a best-case scenario, who wouldn't like to recoup their money from the West African assets alone and end up with a stake in the litigation claim at no cost? It'd be an ambitious target and could not be achieved overnight, but it's within the realm of realistic scenarios.

Not much is likely to happen over the European summer. Assuming the gold price stays high, I'd expect this subject to get back onto the agenda in autumn 2025, with a possible resolution in spring 2026.

Right now, the market seems to be pricing this in at zero.

The possibility to buy into these additional assets effectively for free is a further reason why I believe that Panthera Resources will soon have another factor come into play.

### 3. Special situations funds

*"In the US, there are few overlooked special situations and lots of money. In Europe, there are many overlooked special situations but no money."*, as one participant of the Weird Shit Investing conference in London said.

Like so many other micro-cap stocks on the London Stock Exchange, Panthera Resources is largely ignored by Europe's investment industry. While retail investors like the stock, few larger investors take an interest in such a legal special situation. The situation is different in the US, where a surprisingly large number of special situation funds operates, with significant funds to deploy.

In spring 2025, Panthera Resources' share price was driven by retail investors discovering the stock in bulletin boards. A changing of the guard in the company's share register over the next 3-12 months is likely.

Now that the claim size is known, the stock's return profile is easy to figure out. Even if Panthera Resources recovered just 50% its claim and received USD 790m (post-tax) by 2030, shareholders would receive 204 pence per share once the litigation financier was paid off. This would be a return of 75% p.a. (!) across the investment period of five years for a 17x multiple. If the payoff comes out at the claimed sum, it'd be a return of 101% p.a. (not a typo) between now and 2030.

Long-term investors in such a claim would typically assign a probability weighting to their claim valuation. According to analysis by Allenby in June 2025, Panthera Resources stock would currently have to trade at 38 pence to fairly reflect the company's state in its multi-year arbitration journey.

While one can argue about the details of such (professional) assessments, the stock is clearly trading at much less. Any special situation fund that takes a closer look at Panthera Resources will likely draw similar conclusions.

Such undervalued, high-potential legal claims do not occur on public markets all that often, and even less so with a claim of this quality.



2020/21. Indeed, if someone bought at 40 pence now and quintupled their money in five years (as per the scenario above), they'd still be making 38% p.a. across the investment period.

Who knows, maybe we'll even see some outlier developments, such as a powerful Indian family launching a tender offer for shares? Their aim could be to get a large stake and then use their local access to lobby the Indian government to settle the case. Stranger things have happened.

One way or another, Panthera Resources is probably good for a few more surprises. It's a stock where the potential worst-case scenario also includes the claim not coming through at all, the gold price collapsing and the West African assets all turning out to be a total dud – but the percentage probability for all of these aspects to conspire against Panthera Resources shareholders is probably quite low.

It's this type of risk/reward ratio that I like to see presented at Weird Shit Investing!

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