

## Ethos Pathway Associate Program

# Letter from the Director of the Ethos Pathway Associate Program

October 20, 2025



**Patricia Ball**

Partner & Chief Operating Officer

Dear Investors & Friends of Pathway,

August marked one year since we launched the Ethos Pathway Emerging Market Fund and the Pathway Associate Program. We started a year ago with five Associates and in September 2025 added four more. It has been an incredible year and this Associate program has changed Ethos for the better. Not just with these incredibly smart and talented employees but with a greater purpose behind our day-to-day tasks. There are many things we learned over the past year but the struggles have certainly been overshadowed by the wonderful successes, and both our successes and struggles have informed how we are proceeding with our most recent hires and the program moving forward. Let's start by highlighting this past year through numbers.

Year 1 of the Ethos Pathway Associate Program by the numbers:

- **118** Company 3-pagers completed (quick company reviews)
- **83** In-person and video meetings completed by associates with Company management teams
- **42** Percent is the total return from the **5** associate investment ideas that were added to the Pathway Fund
- **34** full Investment Cases completed
- **9** Associates hired
- **8** emerging & frontier countries represented
- **7** languages spoken across the team
- **5** new additions to the portfolio resulting from associate work
- **2** Associates who were hired into new roles

### Lessons Learned

I thought I'd start with some of the unexpected hiccups and progress into our many successes. Boy do we have it easy in developed countries. I'm reminded of our blessings everyday while I interact with these

employees. Supplying equipment (laptops, monitors, keyboards, etc) is not easy in these countries where there isn't a Best Buy or large-scale e-commerce platform with dependable logistics. However, looking back, that pales in comparison to electricity and internet, two things we take for granted. Employees having intermittent internet and losing power for days at a time - especially in our African markets – was not something we expected. One way to resolve this would be to create hubs and get office space for our Associates. For example, a hub in the Philippines, Nigeria, India, or Brazil. However, at this point in time our greater desire is to provide this opportunity to anyone, in any part of the world, without necessitating a relocation or long, daily commute, and we'll try our best to figure out the logistics on a person-by-person basis. While even now we don't have a great solution to power and internet, we're setting expectations for the needs of the role during the interview process.

Working from home brings with it benefits of flexibility but also difficulties as it relates to the work environment. Living conditions in these countries are not always suitable for working a professional role. It reminds me of the start of the pandemic when everyone was suddenly sent home and desks were erected in random corners throughout our homes with children and pets making frequent appearances in meetings. As we all know, sharing a small space with family members is tough. Every Associate has been surprised by the number of hours they are working and how hard it is to separate themselves for these long days. They underestimated the need for a good workspace so this is another expectation we try to set from the beginning.

Add to all of this the feeling of isolation when you work long hours by yourself. While we've created team chats and have daily video meetings, it's still hard to recreate the rapport that is built when the team is all together in one room, or in one time zone! While not a perfect replication of the demands of this role, internships are incredibly valuable in providing a taste of the job. Doing this job on a small scale while finishing school can help them see if this is something they would enjoy day after day.

## Internships

The internship program makes me think about some of the amazing wins we've seen over the past year. We've seen how well finance internships can help prepare the graduates for this job. This is especially apparent with our most recent hires who all completed finance internships. I want to mention specifically Mountain River Partners (MRP) who have created a large finance internship with rigorous training and incredible mentors from across the industry. With our most recent hires, we chose to beef-up the interview process with a first interview consisting of a more traditional review of skills and a second interview consisting of a more technical review of a company. We interviewed nearly 30 people. Half of them were BYU Pathway/Idaho students who had completed an MRP internship while the other half were from BYU Hawaii. Going into the process we expected we'd probably hire two from each school. In the end, all four of our hires were BYU Pathway students who had completed internships through MRP. We found them better prepared from a technical standpoint thanks to the internships. That said, we love our existing BYU Hawaii graduates and fully expect to add more to the team in the future.







James with BYU Pathway students in Kenya

### Associate Training

When our Associates started the program last year the Ethos team invested nearly 50 hours creating trainings that could be recorded and reused year after year. This is already paying dividends as this library of information was used to train our most recent hires and will also be used for the BYU Pathway and BYU Hawaii interns working with us over the coming months. It has put us in the position where our team's "in-person" training time can be spent on more individualized feedback and less on basic concepts. I think all of our associates have been surprised by the depth and detail of the training and that we throw them into the deep-end right away. We feel the best way to learn is to combine the technical training with the practical application thus we have them simultaneously building their first investment case and model while watching the training videos.



James with CEO of Safaricom, Peter Ndegwa

Our associates feel overwhelmed with the initial ask but we know they are more capable than they realize, and they have yet to disappoint. In fact, one of our very first associate derived investment ideas, Safaricom, came from an investment case created during training. Safaricom is the largest telecom provider in Kenya, but more interesting to us is their M-Pesa mobile payments platform which 90% of all transactions in Kenya currently goes through. As our new associate dug into the company we loved M-Pesa's dominate market positioning in a fast-growing market and given the lack of Wall Street coverage of companies in Kenya (and Africa as a whole) we were able to invest at very attractive valuations. Shortly after researching

the company, James Fletcher met with the CEO in Kenya and we pulled the trigger on the purchase. Since adding that name to the portfolio 10 months ago the holding is already up +99%.

## Career Development

Our mission with the Ethos Pathway Associate Program is to bring in recent graduates for three years and develop a broad set of financial management and business skills that will set them up for future success and leadership opportunities in their home countries and regions. With that said, what sort of tasks are they doing day-to-day and how does that translate into future opportunities? Broadly their job as Equity Research Associates is to analyze companies for potential investment. That looks like:

- Reading annual reports & financial statements for the company and its peers around the world
- Reading industry reports & conducting expert interviews
- Leading meetings with CEOs & CFOs at some of the largest companies in the world to better understand their long-term strategies and best practices for sustainable growth
- Building detailed financial models which include forecasts for the next 3-5 years
- Summarizing all their gathered information in a succinct investment thesis and writing a report to outline their investment recommendation with supporting points
- Making presentations to the Portfolio Manager for inclusion of investment ideas in the Ethos Pathway Fund
- Visiting company operations and speaking with mid-level managers and customers as a form of on-the-ground research
- Talking with customers and suppliers to understand their supply chain, competition, and risk management

In essence we see they are learning business communication at the highest levels (both written & verbal), learning how to analyze business models across all industries and across borders and as a by-product studying business models of leading companies around the world, and lastly formulating actionable recommendations which they are presenting to management. How much these Associates take away from this program is directly correlated to how much they put into it, but for those who apply themselves they are going to be extremely valuable assets when they leave Ethos.

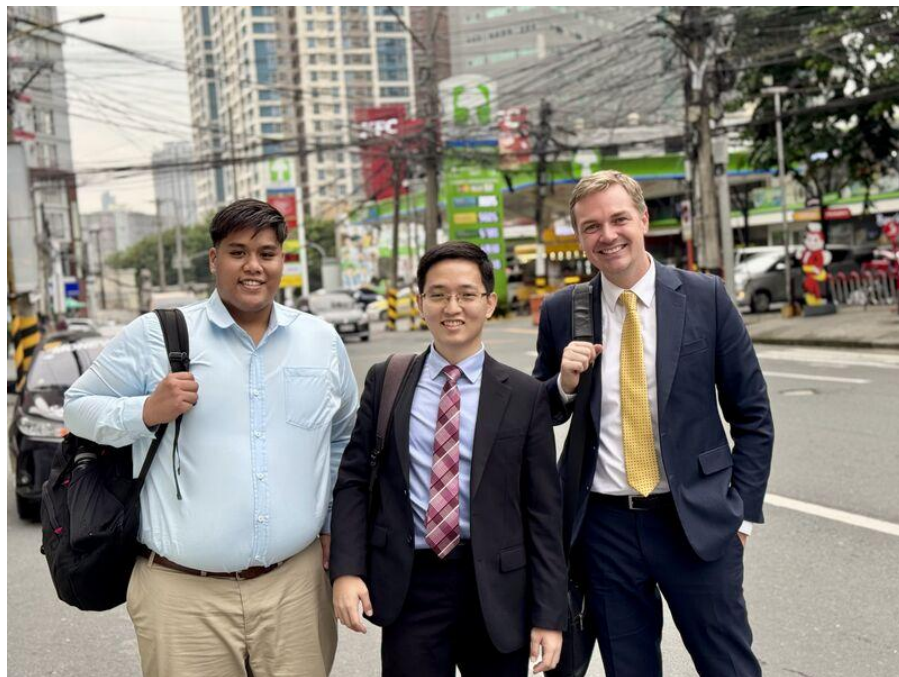


**Patricia and Sidney in Sao Paulo, Brazil**

That said, we see the need for a more career-focused, long-term mentality. I remember being that age and not knowing what job options existed or where I wanted to focus, but more than that I see with these Associates the need for a change in mindset from just having a job, to pouring time into developing skills early-on that will pay greater dividends for an established career later on. After the three years with Ethos our Associates will move onto opportunities in investments, corporate finance, investor relations, business management, or entrepreneurship. This year we plan to do a lot more career counseling and provide monthly webinars and introductions with people across a variety of jobs. Developing networking skills and filling their minds with ideas will be key in continuing on after Ethos. We're pushing our Associates hard. We know the world outside of Ethos is competitive and we're building future leaders.



A great example of the work Associates are doing is Asian Terminals, a company that we originally had MRP interns start work on and then had our Philippines-based Associates pick up. Asian Terminals operates ports in the Philippines, a great business with extremely high barriers to entry. It is a company whose fundamentals had attracted us multiple times but every attempt to contact them was met with radio silence. We asked the interns and associates to build a model and investment case, and our interest in the company grew so much that during a trip not long after, James Fletcher took a gamble to just show up at their headquarters to meet with a senior manager. It was a success and we found out later that they hadn't spoken to a foreign investor in 25 years! This is an example of a little-known company the Pathway interns helped uncover and our local associates helped to further vet with their on-the-ground efforts. We purchased the stock for the Ethos Pathway Fund 13 months ago and since then the stock is up +86%.



James, Juhyun and Chris in Manila, Philippines

### Local Knowledge

Lastly, I'd be remiss if I didn't highlight how Ethos has transformed into a truly global investment team with the addition of our Associates. With associates across multiple regions, we now have local insights that we could never gain from a one-week trip, and equally as important, we have native speakers who can communicate with companies, customers, and suppliers. Many companies in emerging markets still don't translate financial statements or presentations into English and don't host English meetings so it's great for us to have locals who can access information we never could. Our Korean analyst, Juhyun Kim, has already been a huge asset to us in that regard. Korea is notoriously bad at disclosing information in English so we put him to work right away on some Korean companies where he's had to ride solo to meetings with management where only Korean was spoken. He also led the work on Samsung Biologics. It's the world's largest outsourced manufacturer of biopharmaceuticals (the fastest growing and most advanced and complex drugs). Samsung Bio is another example of a business with very high barriers to entry and operating in an industry still in the early stages of development (10-15%/yr industry growth expected over the next decade). As a result of Juhyun's work, we added this stock to the fund 3 months ago and it's already up +29%.

Given 90% of the world's investable capital comes from the US and Europe, a company should be greatly incentivized to cater to foreign investors with English documents and an English-speaking investor relations team but until then, we have a group of associates giving us an edge. Could I one day see some associates getting hired by these companies to build out Investor Relations teams? Absolutely!

### The Future Ethos Pathway Associate Program

Where do we go from here? Ethos is ready to scale up this program. In the short-to-medium term we're ready to take this from 7 Associates to 50 to hopefully 100. We have Associates that are ramping up quickly and already setting themselves up as leaders who can mentor new hires. Our training process is scalable and we're building an incredible hiring pool. Mountain River Partners still runs their finance internship which is a great feeder. Additionally, we will be partnering for a more advanced, investment focused internship with a group 20 of MRP's interns who excelled in the initial internship. Simultaneously, we will be sponsoring a 20 person internship through BYU-Hawaii every semester. We love the mission of BYU-Hawaii and that many of the their international students started their education through BYU Pathway before finishing in Hawaii.

In the long term we still have a goal to put 1000 graduates through this program. Our ability to scale depends on receiving investable capital. One point that was important to us when structuring this fund and program, is that it would be perpetual. Our associates have three years to develop their skill set before launching into a new role outside of Ethos and a new graduate gets to step into their place at Ethos. Thus for our investors they are providing a job to a new graduate every 3 years while also earning a return on their investment. In the immediate term we are hoping to get another \$15mm in committed capital so we can launch an ETF which would open this fund to the many people who have asked to invest in small amounts or through their retirement accounts. Next would be our \$200mm goal which would allow us to hire 100 associates or as I like to think about it, create 100 new professionals every 3 years.

I'd be lying if I said running all of this is easy, but there's no doubt it's definitely worth it. While we're thrilled to see many of the large-scale development initiatives our friends are leading around the world, at Ethos we love focusing on the individuals one-by-one and seeing their growth and development. We look forward to further growth of this program, and we thank you for your continued support.

Sincerely,



Patricia Ball  
Partner & Chief Operating Officer