

DOOMSCROLLING IS BAD FOR YOUR FINANCIAL HEALTH!

HEDGE FUNDS (Inception)	JUNE 2025	YEAR-TO-DATE	ANNUALIZED
Venator Founders Fund (March 2006)	8.4%	-3.4%	8.5%
Venator Select Fund (September 2013)	11.1%	2.2%	8.4%
S&P/TSX Total Return (March 2006)	2.9%	10.2%	7.5%
Russell 2000 (March 2006)	5.4%	-1.8%	7.3%
S&P Toronto Small Cap (March 2006)	6.2%	12.7%	4.2%
S&P 500 (March 2006)	5.1%	6.2%	10.6%

ALTERNATIVE MUTUAL FUNDS (Inception)	JUN 2025	YTD	1-YR	3-YR	5-YR	10-YR
Venator Founders Alternative Fund* (July 2021)	3.3%	-8.6%	-1.2%	6.0%	-	-
Venator Alternative Income Fund** (January 2020)	1.4%	0.6%	8.6%	7.6%	6.3%	4.3%
B of A Merrill Lynch High Yield Index (August 2008)	1.9%	4.5%	10.2%	9.8%	6.0%	5.3%

As of June 30, 2025

* Venator Founders Alternative Fund's name was changed to Venator Ascendant Alternative Fund on June 24, 2025. The performance shown is to June 24, 2025, prior to the name and strategy change.

** Performance data prior to January 24, 2020, relates to Class F Units of Venator Income Fund, which was distributed to investors on a prospectus-exempt basis in accordance with National Instrument 45-106

*** Venator Offshore Fund is available as the US dollar version of Founders Fund strategy

Last week, I attended my daughter's graduation from Queen's University. While it was a cloudy day, I expected a sunny disposition inside the arena in Kingston, Ontario, Canada. Yet for some reason, the commencement speeches were rather dour, citing geopolitical events and challenges and some nonsense about losing humanity. University commencement speeches are supposed to be inspirational and encouraging. "You are young and smart, go out in the world and experiment. Feel free to make mistakes while they can be written off to youthful exuberance and take advantage of the second and third chances the world will give people in their 20s. AI may be a threat to an older workforce, but it is an opportunity for you; used properly you can learn, innovate and implement at a faster speed than any prior generation. Go make your mark on the world!". It wasn't just me, I heard similar feedback from other parents and students in attendance. Apparently, the faculty was "doomscrolling" mainstream media when they wrote their speeches, rather than recalling their own experiences as 20-somethings and the excitement, hopes and dreams that come with a blank slate upon graduation.

Despite the ironic title to this letter, it makes the point. The human impulse to keep swiping through an endless stream of bad headlines, known in media ad circles as "doomscrolling", is a well-documented anxiety amplifier. Even the Weather Network app has a daily "warning alerts" - heavy

winds, heavy rain, lightning, icy conditions, wet conditions; heck, if it is 23 beautiful degrees Celsius and sunny, you can bet it's going to give you a UV alert warning! An August 2024 study in *Computers in Human Behavior Reports* found that heavy doomscrollers exhibit markedly higher levels of existential anxiety and pessimism than peers who limit news exposure, a pattern already linked to rash financial decisions and chronic under-investment.

In the first half of the year the “doomscribler” narratives were plenty. We had two wars with impacts on energy, yet energy prices are going down. We had trade wars between America and everyone, yet the tariffs keep getting walked back. We had competitive Chinese developments in AI, yet the AI growth narrative has resumed unabated. We have tariff related inflation potential and a Fed that won't lower rates as indicated last year, yet markets continue to climb. We have the end of the dollar as the reserve currency, yet US dollar backed stablecoins are the talk of the crypto world. We had spiking unemployment and government spending cutbacks courtesy of DOGE, yet the “Big Beautiful Bill” looks to increase government spending. After two good years of stock market returns, surely a third one could not be in store for 2025. When the doomslayers claim stocks are “expensive”; do they mean all of them, most of them, indexes or just some of them?

Yet, despite the preponderance of negative headlines, the tape tells a different story. Through the first half of 2025, the S&P 500 has delivered a near 6% price gain and closed at successive record highs, even after a spring tariff shock and a brief Israel–Iran conflict. In other words, investors who bailed out on the barrage of bleak headlines may have sold out at the wrong time. All we heard entering the year was how the Canadian dollar was going to 60¢ and what a shame it was that we hedge currency, yet here we are with the loonie up 5% thus far in 2025.

Behavioural finance offers the bridge between these realities. Negativity bias and availability heuristics push investors to overweight vivid, scary events (geopolitical flashpoints, recession chatter) and underweight the fundamentals. Doomscrolling super-charges that bias by injecting a constant drip of worst-case narratives, shortening time-horizons and nudging otherwise rational people toward “action”. This is in part because it's easier to read an overriding market-macro narrative and look at an ugly or too-good-to-be-true chart than it is to read a financial statement or do product/market analysis.

The prescription is as unglamorous as it is effective: invest in businesses vs markets, curate information intake, anchor on data rather than anecdotes, and lengthen one's decision horizon. Always remember: the stock market is not the economy! Our own discipline - grounded in analysis, free-cash-flow yields, and balance-sheet health - continues to justify investments in high-quality equities and bonds, even as the headline machine grinds on. Stated bluntly: your portfolio's health depends less on the panic pirate news headlines of the day and the angry algos that follow, versus the growth and earnings businesses will generate over the next five years. Turning off the doomscroll might be the best investment decision you make this year.

We reserve the right to change our mind!



Brandon Osten, CFA
CEO, Venator Capital Management Ltd.

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