Managing Member – Tim Eriksen   Eriksen Capital Management, LLC   8695 Glendale Road, Custer, WA 98240

October 21, 2025

Subject: Cedar Creek Partners 2025 Third Quarter Results

Dear Partners and Friends:

The major indices followed a strong second quarter with a strong third quarter. Smaller stocks performed the best in the quarter with the Russell Microcap rising 17.0% and the Russell 2000 increasing 12.4%, while the DJIA rose only 5.6%. The NASDAQ and S&P500 rose 11.2% and 8.2%, respectively in Q3. Cedar Creek was up 9.9% in the third quarter, net of fees and expenses. Year to date, Cedar Creek was up 26.5%, outperforming all the major indices we track.[1]

While Cedar Creek Partners focuses primarily on microcap stocks, and over-the-counter stocks in particular, we compare our returns against larger indices as well since we believe we need to outperform the most prominent passive benchmarks over time in order to justify our existence.

Cedar Creek's average annual return over our 19 ¾ year history is 14.80%, net of fees and expenses, which compares favorably to all the indices we compare against. Cumulative returns since inception for Cedar Creek were 1,418.1%, net of fees and expenses.

	Q3 '25	'25YTD	Inception	Ave. Annual
Cedar Creek	**9.9%**	**26.5%**	**1,418.1%**	**14.8%**
NASDAQ	11.2%	17.3%	878.0%	12.3%
S&P 500 (SPY)	8.2%	14.7%	648.4%	10.8%
DJIA (DIA)	5.6%	10.3%	559.3%	10.0%
Russell 2000	12.4%	10.4%	349.7%	7.9%
Russell Microcap	17.0%	15.7%	267.9%	6.8%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

$100,000 invested in the fund at inception in January 2006 would have grown to $1,518,112 as of September 30, 2025, net of fees and expenses, whereas $100,000 invested in the indices we compare against would have only grown to between $367,933 in the Russell MicroCap and $977,972 in the NASDAQ.

Fund Holdings are at Incredibly Attractive Prices

On the whole, as of the end of September 2025, the fund's holdings were trading at 7.7 times our estimate of earnings for the coming year, and 6.2 times expected

[1] While, no single index is directly comparable to Cedar Creek Partners, we believe that it is important to compare our performance to a passively managed approach. At the core of our investment philosophy is the belief that we can generate superior risk-adjusted returns by holding a more concentrated portfolio of under-valued securities, than an index holding a far greater number of securities. Index returns are calculated from information reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

earnings net of cash at the respective businesses.[2] As I write this, the ratios are now 6.8 times our earnings estimate and 5.2 times our estimates net of cash. Trailing earnings multiple was 12.4 times as of September 30 and is 10.6 today. Weighted price-to-book was 1.2. As I write this it is 0.9. Dividend yield was 1.5% as of September 30. Weighted expected return on equity as of September 30, 2025, was 15.4%. (note – in most of the fund's investments, we are earnings focused and not book value or dividend yield focused.)

Cash Levels and Fund Repositioning

We started the quarter with cash levels at 3% and ended the quarter at 17% largely due to the sale of **PharmChem** (otc: PCHM) at the buyout price of $3.75 per share in September and closing out our position in **Citizens Bancshares** (otc: CZBS) in July. We decided to sell our shares back to Citizens to allocate to what we felt were better opportunities. Citizens is cheap with a price-to-earnings multiple of roughly seven and certainly trades well below adjusted book value if we assume the ECIP preferred can be repurchased at 28% of face value. It has been more than three years since receiving the funds and Citizens and most other ECIP recipient banks have done little. We had expected if internal growth was not possible that the funds would be used for acquisitions, which has yet to be the case. We still believe Citizens has an incredible opportunity to grow and better serve their customer base and shareholders; however they seem too cautious in our opinion. The fund made 2-3x its investment and determined that the best course of action was to move on. Most of the proceeds were used to increase our position in **Phi Group** (expert: PHIG) in the $27-$28 price range.

In September we received the proceeds from the PharmChem sale. We have been busy putting those funds to work. One area we particularly like is smaller community banks. We have found a number trading at 5-6 times our forward earnings estimates. We are still accumulating shares so we cannot give any specific names. We can say that they are quite similar to **Skyline Bankshares** (otc: SLBK) which we profiled in our Q1 letter, and still own. Small community bank where earnings are growing and valuation is extremely low. Then, Skyline was at $12.50 per share resulting in a market cap of just $70 million. A recent merger hid true earnings. Adjusting for merger related expense put Q4 2024 earnings at $0.61 per share or $2.45 annualized. We thought additional cost savings might be possible but at just over five times earnings, the thesis didn't require it. Dividend yield was near 4%. We thought it should trade closer to $25, which would be just ten times earnings. Fast forward six months, earnings are likely to be $0.70 per share in Q3 plus some intangible costs resulting in cash earnings of $0.74 per share, or an annualized run rate of $2.96 per share. The stock has climbed to $17.25 per share but the price-to-earnings ratio is still under six.

Expert Market Exposure

Our exposure to stocks trading in the expert market increased to 41% of the fund. Expert market stocks are companies impacted by SEC Rule 15c2-11. For those unfamiliar, the rule prevents brokers from not only displaying quotes for non-reporting companies but also restricts transactions for retail customers to selling only. Institutional accounts, depending on the broker, are not subject to the buying restriction. Them's the rules.

There are a wide range of differences among "non-reporting" companies. Some are completely dark – meaning they do not communicate any financial results to shareholders (unless forced to under law). Others update quarterly or annually on their website,

[2] Ratio excludes cash held by the fund. We add back non-economic amortization in our earnings estimate. Due to the uncertainty of the situation, we did not attribute any earnings or book value for Pacific Coast Oil Trust (ROYTL). We did not include excess capital of our ECIP bank holdings as excess cash.

sometimes behind a password login. Others mail annual results out to shareholders, or just shareholders of record, but do not post them publicly.

Five positions make up about 87% of the fund's expert market exposure – **Propel Media** (expert: PROM) is about 16% of the fund, **Phi Group** (expert: PHIG) is 8% of the fund, **First IC** (expert: FIEB) is 6%, **PD-Rx Pharmaceuticals** (expert: PDRX) and **Pacific Coast Oil Trust** (expert: ROYTL) are each roughly 3% of the fund.

Propel Media agreed to be purchased by Vitruvian Partners for $1.451 per share. Subsequent to quarter end we received the proceeds. There is the possibility of a further payment due to some funds in escrow. The fund's valuation of Propel increased from $0.90 per share to $1.451 in the quarter. While the overall return on the investment was roughly six times what we invested, we had hoped for more. The deal apparently involved a lot of bonus payments to management and adjustments related to debt and working capital that took the topline number down significantly.

As we noted in our last two letters, First IC is being acquired by **MetroCity Bankshares** (nasdaq: MCBS) for cash and stock. As of July 15, the deal has received all necessary shareholder and regulatory approvals. According to MetroCity, the deal is expected to close early in the fourth quarter.

As noted earlier, we significantly increased our position in **PHI Group** (expert: PHIG) during the quarter. As of today, it is nearly an 8% position. We think it is worth two to three times the most recent trading price. PHI Group is a leading provider of helicopter flight services for the global oil and gas exploration and production industry and the air medical industry. The Company emerged from bankruptcy protection in September 2019. The bankruptcy was primarily due to excessive debt rather than poor financial performance. PHI has subsequently focused on improving its margins and prioritizing a conservative balance sheet. The Company had filed an S-1 registration statement but withdrew it in May of this year.

Performance Attribution

Last quarter we noted that we currently think of the fund as having three categories: expert market stocks, control positions (where the fund manager is on the board and can have greater influence over decision making), and generally undervalued securities.

Most of the fund's performance in the third quarter was due to the increase in the valuation of our expert market positions. They increased 26% in aggregate in the quarter, primarily due to Propel Media and Phi Group. Our control stocks increased in value by just over 4% in the third quarter, while our generally undervalued securities increased 7%.

Update on Our Control Positions

As we noted above, by control, we mean that the fund manager is on the Board or in a position to significantly influence decision making, not that he has total control and gets what he wants. Both Solitron and PharmChem have/had strong independent boards, which is the way it should be at all companies.

PharmChem (otc: PCHM) – as noted above, the sale of PharmChem closed during the third quarter. The fund was the largest owner, at 33% of outstanding shares, and I served as Chairman of the Board. I took over as Chairman when an investor of the fund contributed his shares as a contribution-in-kind in August 2023 with a basis of $2.85 per share. The fund received a $0.25 per share dividend in October 2024. With a cashout price of $3.75 per share buyout price, total gross return over two years was approximately 40%. It leaves the fund with only one control position.

Solitron Devices (otc: SODI) - the bid price for shares increased from $15.75 per share to $16.40 per share during the third quarter. As a reminder, the fund manager is CEO and a board member of Solitron. The fund owns 11.6% of Solitron's outstanding shares and the fund manager owns 2.5% personally.

Solitron Devices Inc.			
quarter end	Net Sales	Bookings	Backlog
May-23	2,038	3,540	9,133
Aug-23	2,579	2,231	8,784
Nov-23	4,136	4,842	12,986
Feb-24	4,004	2,225	11,207
May-24	3,967	2,041	9,281
Aug-24	3,581	1,752	7,572
Nov-24	3,369	8,049	12,277
Feb-25	3,131	8,917	18,108
May-25	2,700	2,797	18,260
Aug-25	3,986	4,324	18,642
numbers are in 000's			

While reported earnings have been soft the last few quarters due to lower revenues owing to timing of receipt of orders, Solitron started seeing a material uptick in orders beginning in the November 2024 quarter. In the fiscal third quarter ending November 30, 2024, bookings were $8.0 million in the quarter, versus sales of $3.4 million. That quarter included a large order for HIMARS (High Mobility Artillery Rocket System) components from L3Harris – Solitron's second largest defense customer. In the fiscal fourth quarter ending February 28, 2025, Solitron did even better. Bookings in the February 2025 quarter were $8.9 million versus sales of $3.1 million, and included over $5 million from Solitron's largest defense customer, RTX (formerly Raytheon) for AMRAAM (Advanced Medium-Range Air-to-Air Missile) components. In the May and August quarters bookings exceeded sales despite no orders related to HIMARS or AMRAAM. Solitron expects the next AMRAAM order to be awarded soon.

Update on Other Fund Holdings

ENDI Corp (otc: ENDI) – we profiled ENDI in our 2024 first quarter letter when the share price was around $6.50 per share. The share price rose during the third quarter from $15.65 per share to $17.55 per share. ENDI owns CrossingBridge Advisors which manages fixed income mutual funds and a few managed accounts. Assets under management (AUM) for CrossingBridge grew over 30% in 2024, from $2.6 billion at the beginning of 2024, adjusted for the acquisition of the RiverPark Short Term High Yield Fund, to $3.4 billion at the end of 2024. According to their website, as of the end of September 2025, AUM was in excess of $4.2 billion, an increase of over 22% in the first nine months of 2025. With short term rates falling, we think investors may move into the short-term bond category to gain higher yield than money markets.

ENDI's reported operating margins do not reflect what is happening at the company. In the September 2024, December 2024 and March 2025 quarters, operating margins were 32%, but that is misleading. ENDI incurs significant amortization charges related to its acquisition of CrossingBridge and other investment management contracts. Adjusted operating margin was 46 to 48% for those quarters. In the June 2025 quarter there were additional transaction expenses which resulted in reported operating margin of only 4%. Adjusting for the non-cash amortization and the one-time transaction fees, operating margin would have been 49%. While we don't normally like adjusted EBITDA, the company's reported number in the second quarter shows the continued improvement in the business as it rose from $2.2 million in Q1 to $3.0 million in Q2.

During the second quarter ENDI announced a cash investment in CrossingBridge in exchange for 25% membership interest. The price was $25.9 million. The fund, and other entities affiliated with the fund manager, including Solitron, participated in the transaction. We think it is a win-win deal. It shows the value of CrossingBridge as of the end of 2024 and provides additional capital to good capital allocators to grow assets under management. We discussed it in our second quarter letter.

Our fair value estimate just keeps rising as the company continues to execute (which is what you ideally want in all your equity investments). We wrote in our 2024 yearend letter that, based on their recent growth rate, a valuation of 12 to 15 times cash earnings plus net cash seems more reasonable. Using 12 to 15 times the current run rate of cash earnings plus net cash would result in a value between $21.85 and $26.50 per share versus the current $17.50 share price.[3] The sale of 25% of CrossingBridge increased net cash to $43 million, or $36 million net of the non-controlling interest portion at CrossingBridge, which equates to $6.75 per share using the smaller figure. This provides some downside protection while also giving management funds to use for accretive acquisitions.

Room for New Members and/or Additional Funds

We continue to have more attractive ideas than capital. Thus, there is plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $100,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be for a minimum of $10,000.

If this letter was passed on to you and you would like to be added to our monthly distribution list, please email me at the email address below. You can find more letters at eriksencapitalmgmt.com/investor-letters. Should you have any questions regarding the fund, please don't hesitate to call or email.

Sincerely,

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[3] A slight discount might be needed to account for outstanding warrants.

DISCLAIMERS

Fund Performance

The financial performance figures for 2025 presented in this report are un-audited estimates based on the best information available at the time of the letter and are subject to subsequent revision by the Fund's auditors. Past performance may not be indicative of future results and no representation is made that an investor will or is likely to achieve results similar to those shown. All investments involve risk including the loss of principal.

Net Return reflects the experience of an investor who came into the Fund on inception and did not add to or withdraw from the Fund through the end of the most recently reported period. The reported net return figures will therefore include the impact of high water marks in the cumulative return. Individual investor returns will vary depending upon the timing of their investment, the effects of additions and withdrawals from their capital account, and each individual's high water mark figure, if any.

Index Returns

The S&P500 Index returns are reported using the S&P500 Depository Receipt Trust (SPDR) which trades under the ticker symbol SPY. Reinvested dividends are included in these figures. A spreadsheet showing the SPY performance versus the fund since inception is available upon request.

Nasdaq performance excludes dividends, which historically have been immaterial to the total return of that index. In recent years more technology stocks have begun paying dividends thus the inclusion of dividends would increase the reported figures.

Russell 2000 performance is from data reported on Russell's website and includes reinvested dividends.

DJIA returns are reported using the SPDR Dow Jones Industrial Average which trades under the ticker symbol DIA. Reinvested dividends are included in these figures. A spreadsheet showing the DIA performance versus the fund since inception is available upon request.

While reported returns for SPY and DIA will likely be a few tenths of a percentage lower than the representative index annually, we believe they are a better reflection of what a non-institutional investor would earn following a passive investment approach.

Index returns are provided as a convenience to the reader only. The Fund's returns are likely to differ substantially from that of any index, and there can be no assurance that the Fund will achieve results that are superior to such indices.

Share Prices

Share price figures for listed stocks are from Yahoo! Finance and unless specified otherwise are the closing price as of the previous month end. Share price figures for unlisted stocks are closing bid prices as reported on otcmarkets.com, except for unlisted stocks classified as expert market, which do not have public availability of quotes, and are marked to last sale.

Forward Looking Statements

This letter and the accompanying discussion include forward-looking statements. All statements that are not historical facts are forward-looking statements, including any statements that relate to future market conditions, results, operations, strategies or other future conditions or developments and any statements regarding objectives, opportunities, positioning or prospects. Forward-looking statements are necessarily based upon speculation, expectations, estimates and assumptions that are inherently unreliable and subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are not a promise or guaranty about future events.