CEDAR CREEK PARTNERS, LLC

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July 27, 2026

Subject: Cedar Creek Partners 2026 Second Quarter Results

Dear Partners and Friends:

All the indices we compare against rose sharply in the second quarter. The NASDAQ rose 21.4%, the S&P500 (SPY) climbed 15.1%, and the DJIA was up 13.2%. The small cap indices we track were up 21.5% and 25.6%, respectively. In the quarter. Cedar Creek was up 5.4% for the quarter, and 12.6% for the first half of 2026, net of fees and expenses.[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 20 ½ year history is 15.0%, net of fees and expenses, which compares favorably to all the indices we compare against. Cumulative returns since inception for Cedar Creek were 1,650.5%, net of fees and expenses.

	Q2 '26	Q1 '26	1H 2026	Inception	Ave. Annual
Cedar Creek	**5.4%**	**6.8%**	**12.6%**	**1,650.5%**	**15.0%**
NASDAQ	21.4%	-7.1%	12.8%	1,031.3%	12.6%
S&P 500 (SPY)	15.1%	-4.4%	10.1%	745.9%	11.0%
DJIA (DIA)	13.2%	-3.3%	9.5%	651.0%	10.4%
Russell 2000	21.5%	0.9%	22.6%	463.3%	8.8%
Russell Microcap	25.6%	1.5%	27.5%	398.4%	8.2%

* 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 $1,750,512 as of June 30, 2026, net of fees and expenses, whereas $100,000 invested in the indices we compare against would have only grown to between $498,441 in the Russell MicroCap and $1,131,345 in the NASDAQ.

Fund Holdings are at Incredibly Attractive Prices

On the whole, as of the end of June 2026, the fund's holdings were trading at 7.3 times our estimate of earnings for the twelve months, and 4.2 times our expected earnings net of cash at the respective businesses.[2] Trailing earnings multiple was 9.4 times. Weighted price-to-book was 1.0. Dividend yield was 1.4%. Weighted expected return

[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).

[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 do not include excess capital in banks, except for mutual bank conversions.

on equity as of June 30, 2026, was 13.8%. While we provide the metrics because we think they are generally helpful, we would note that some of these metrics can change significantly from quarter to quarter. For example, if we purchase a stock at a large discount to its cash with little or no earnings, price-to-book declines, expected return on equity declines and earnings net of cash will show as lower, whereas basic price to earnings ratio would be higher.

We want to be clear that we do not target certain metrics for the portfolio. We try to build a portfolio that has an attractive one to five year expected return. We do not try to predict day-to-day price movements nor what will happen 10-15 years from now. We do expect tomorrow to be strikingly similar to today.

Cash Levels and Fund Repositioning

We started the quarter with cash levels at 13% and ended the quarter at 9%, which is modestly higher than what we prefer. We are still finding attractive uses for cash, and have been patiently increasing our positions in a number of companies.

Expert Market Exposure

Our exposure to stocks trading in the expert market increased to 32.5% of the fund. As a reminder, 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.[3] Institutional accounts, depending on the broker, are not subject to the buying restriction.

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, sometimes behind a password login (Exco, PHI Group and PD-Rx are in this category). Others mail annual results out to shareholders, or just shareholders of record, but do not post them publicly. A delinquent filer with the SEC can also be classified as expert market (Harbor Diversified is an example).

Expert Market Stocks in the Fund

Company	Ticker	Information status
California Orchard	CAOX	A/R to s/h record?
Central Natural Resources	CTNR	dark
Dyna Group	DGIX	password quarterly
Evercel	EVRC	dark
Exco Resources	EXCE	password quarterly
First Physicians Capital Group	FPCG	dark
Harbor Diversified	HRBR	SEC filer delinquent
Indians Inc	private	A/R to s/h
Pennsylvania Warehousing	PAWH	A/R to s/h
PaperClip	PCPJ	have to request
PD-Rx Pharmaceuticals	PDRX	A/R on website
Phi Group	PHIG	password quarterly
Positive Physicians	PPHI	dark
Pacific Coast Oil Trust	ROYTL	SEC filer delinquent
Western Capital Resources	WCRS	password quarterly

Four positions make up about 80% of the fund's expert market exposure – **Exco Resources** (expert: EXCE) is about 10% of the fund, **Harbor Diversified** (expert: HRBR) is 8%, **PHI Group** (expert: PHIG) is 5%, and **PD-Rx Pharmaceuticals** (expert: PDRX) is 3% of the fund.

[3] We are aware of one major discount broker that still displays quotes on expert market stocks to its customers, most other brokers do not provide any information. There are no public quotations, such as on otcmarkets.com, that we are aware of.

We discussed **Exco Resources** in our last two letters. Fairfax owns over 49% of the company. It is primarily an onshore domestic natural gas producer. At $22 per share, it currently trades at less than four times our 2026 earnings estimate, excluding mark-to-market charges related to hedging activities. If it was listed, we think it would trade near its year end PV-10 per share, or roughly $55 per share. If it was put up for sale, we think it could fetch around $80 per share. They are aggressively developing their reserves. Capital expenditures are expected to be over $400 million in 2026, which is significant in relation to its $1 billion market cap.

We began accumulating shares of **Harbor Diversified** after its December 18, 2025, announcement that the company was selling its Air Wisconsin subsidiary and all related aircraft in three separate deals for aggregate consideration of $113 million. At the time they had approximately $104 million in cash, or $1.78 per share and the stock was trading at $1.50 per share. They are delinquent in their SEC filings but are in the process of catching up. They recently filed three 10-Q's so there is information up through September 30, 2025. At that date, Harbor still had a similar level of cash and securities. We have no reason to believe any cash or securities were included in the transactions as they were asset sales.

It is difficult to be precise on Harbor's current cash levels, but it isn't necessary. We just need to be approximately correct. We know what cash Harbor had as of September 2025. We know what the gross sale proceeds were. We know they had approximately $40 million in net operating losses. Based on their filings, it looks like the book value of the assets sold was around $45 million. We do not know how much tax was paid related to the sale, but would estimate it around $10 million (113M proceeds – 45M basis – 40M net operating losses = 28M profit times 25% tax rate = 7.5 million of taxes due). All told we estimate current cash at approximately $205 million, or $3.50 per share. The fund was able to accumulate a large position at an average cost of $1.50 per share. Harbor currently trades at approximately $2.08 per share.

Harbor should become current in their SEC filings in a few months, which should remove the expert market designation and allow the stock to trade over-the-counter. While Harbor could liquidate or pay a large dividend, we expect them to make one or more acquisitions and we think there is a high likelihood Harbor initiates a small tender or reverse/forward split in order to eliminate the requirement of filing with the SEC. We believe a tender or reverse/forward split should result in the share price trading within 10-15% of cash levels since reverse/forward splits for Delaware incorporated companies are subject to fairness standard.

We continue to believe **PHI Group** is worth two to three times the most recent trading price. That would value it in line with publicly listed peers. 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. Oaktree and First Pacific Advisors are listed as owning approximately 18% of the common shares. During the quarter PHI announced a below market tender for up to $50 million of stock at $25 per share, that they pulled only, to replace with a smaller, yet still below market tender for up to $35 million of stock at between $25 and $30 per share. While we have not seen any announcement, we do not think it was fully subscribed for at $30 per share. In our opinion, management and the Board need to rebuild their reputation after botching everything related to the tender.

PD-Rx Pharmaceuticals has been shrinking as a position. Hopefully management will stop overpaying themselves and sell the business.

We expect to continue to allocate a meaningful portion of the fund's portfolio to expert market stocks based on the belief that they will generate satisfactory returns for the fund over time due to the restrictions on who can purchase shares.

Performance Attribution

In previous letters we noted that we 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 gains in the second quarter were due to the increase in the valuation of our expert market stocks and generally undervalued securities. The expert market stocks increased by just over 10% gross, while generally undervalued securities rose 8% gross. Our single control position rose 2%, while our small private positions (CBE LLC and Indians) were marked down 7%.

Update on Our Control Position

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. With the sale of PharmChem in 2025 there is only one such holding in the fund at present.

Solitron Devices (otc: SODI) - the bid price for shares increased from $25.00 per share to $25.50 per share during the second quarter. As a reminder, the fund manager is CEO and a board member of Solitron. The fund owns 11% of Solitron's outstanding shares and the fund manager and his immediate family own 3%.

In our 2025 year end letter we discussed the increasing backlog at Solitron. As a reminder Solitron has defense/aerospace exposure to increased production of HIMARS launchers, AMRAAM missiles, and Standard Missiles 2, 3 and 6. We noted that the increased backlog positions the company for increased revenue. On February 3, 2026, Solitron announced that it would be evaluating strategic alternatives after having received an unsolicited acquisition proposal that did not come to completion. On July 13, 2026, Solitron announced fiscal first quarter results and that it had retained an investment banker. The share price has risen to over $30 per share subsequent to the issuance of the press release.

Due to being an insider, we only restate what has been publicly released in our SEC filings or press releases, or what we have seen in the public sphere. We also do not provide any valuation estimates for Solitron.

Update on Other Fund Holdings

ENDI Corp (otc: ENDI) – we profiled ENDI in our 2024 first quarter letter. The share price increased during the second quarter from $15.00 per share to $15.20 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 19% in 2025 and 30% in 2024. AUM increased between 5-6% in the first half of 2026. We think the current interest rate environment is fairly attractive for short term bonds versus money markets.

ENDI has approximately 6.67 million shares outstanding, resulting in a market cap of ~$100 million. Cash and investments were $55 million as of March 2026, and the only debt was a $10 million note. Adjusted EBITDA annual run rate as of the March 2026 quarter was $11 million. We expect them to introduce some additional products in the next year which should help AUM growth to continue. We expect 2026 GAAP earnings of roughly $0.95 per share for 2026, but that fails to factor in non-cash amortization charges and deferred tax assets. We project cash earnings of $1.45 per share for 2026. Our fair value estimate keeps rising as the company continues to execute, which is what you ideally want in all your equity investments. We look forward to what 2026 will bring.

Queen City Investments (otc: QUCT) is a position the fund re-entered after attending their annual meeting in 2025. The company was spun out of Farmers and Merchants Bank of Long Beach (otc: FMBL) more than fifty years ago. Queen City has three lines of business - a trust management business, a few rental properties, and it also owns and operates a cattle ranch in central California. What got our attention was the indications that they were finally ready to put the ranch up for sale.

There are only 46,641 shares outstanding at the current price is $2,349 per share for a market cap of nearly $110 million. In 2025 the company earned $4.8 million, or $102 per share. Normally, too expensive for our taste, but the potential monetization of the ranch would change the company significantly. The ranch is near Paso Robles, California and consists of approximately 26,000 acres. The ranch was put on the market this past month (link). Reports are the asking price is $75 million.

We built up a position a year ago at around $1,600 per share, which was near book value. Their assets are half cash and securities and the other half property. The ranch is likely carried on the books for a few million dollars based on when it was acquired. They also have a property in Goleta under contract for sale at just under $8 million.

Community Banks

We noted in our last few letters that the fund has been building up a basket of what it sees as attractively priced community banks. At the end of the second quarter our bank exposure was about 14% of the fund. Our top bank holdings are **Steele Bancorp** (otc: STLE), **Skyline Bankshares** (otc: SLBK) and **River Financial Corp.** (otc: RVRF).

We discussed Steele in our Q1 letter. Steele is the product of a merger of two rural Pennsylvania banks – Mifflinburg Bancorp and Northumberland Bancorp. Assets are $1.27 billion. Equity is $124 million. Steele has reported four quarters of results since the merger, and the synergies are impressive. In Q1 Steele earned $1.43 per share under GAAP, and $1.63 in cash earnings once we add back intangible amortization. In Q2 they earned $1.54 per share under GAAP and $1.74 per share if we add back intangible amortization. Which means current run rate of cash earnings is $7 per share. The bank trades at $46 or about 6.5 times its current cash earnings run rate. We expect earnings to continue to grow.

We profiled **Skyline Bankshares** (otc: SLBK) in our Q1 2025 letter. We built a position a year ago at under $13 per share and it closed Q2 at $26.20 per share. It still trades at just seven times our estimate of cash earnings for 2026. They continue to grow loans and deposits.

River Financial Corp. (otc: RVRF) is based in Alabama. Most shares are locally owned and we purchased most of our position directly through the bank in October of last year at just over $33 per share. We took out all the sellers. Shares can be challenging to buy through certain brokers. We could not buy in our Schwab account for some reason.

River Financial has $4 billion in assets and $300 million in equity. 2025 earnings per share were $5.43, but that doesn't show the true earnings level. In 2025 they sold some of their securities portfolio which incurred a loss of $10.1 million. Since reported pre-tax income was $54.6 million, earnings were reduced by roughly 20%. Excluding the loss, earnings would have been about $6.50 per share. In Q1 they did not sell any securities at a loss and earned $1.81 per share. Q2 earnings were slightly less at $1.77 per share based on summarized results reported in an 8-K filing. The share price has risen recently to $46.00 per share, or about 6.5 times annualized earnings. They were subject to a cyber attack in June. To date there does not seem to have been any material impact, although some lawsuits have been filed against them.

The fund has small positions in other community banks and some banks that benefited from ECIP funds. Nearly all the community banks are modestly growing and trading at less than eight times earnings, and we believe they should trade at higher valuations, and would be attractive acquisition candidates.

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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DISCLAIMERS

Fund Performance

The financial performance figures for 2026 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 Schwab's reporting 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.