

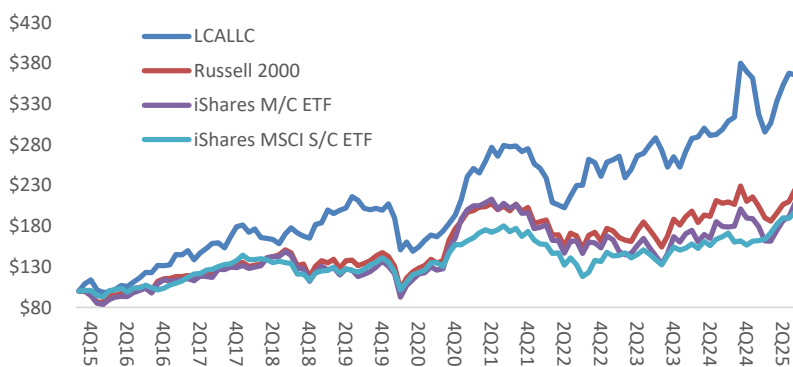
Long Cast

ADVISERS

Dear Partners & Friends:

I hope this finds you well and enjoying the week of Thanksgiving vibe and the crisp November air. For the 3Q25 quarter (ended September 30, 2025), cumulative net returns improved 4%. Year to date cumulative net returns through quarter-end remain slightly negative and significantly trail the related indices. Since inception in November 2015 through quarter end, LCA has returned a cumulative 266% net of fees, or 14% CAGR. As a backdrop to returns, on a cumulative net basis since inception, we comfortably exceed three widely used representative indices for passive small company investing: The Russell 2000 Index, the iShares US MicroCap ETF and the iShares SmallCap EAFE (ex-N. Am) ETF. *Past performance is no guarantee of future results. Individual account returns may vary.*¹

Net returns	Long Cast	R2000	IWC	SCZ
2015 (2-mos)	14%	-5%	-5%	1%
2016	15%	21%	21%	3%
2017	36%	15%	13%	33%
2018	-8%	-11%	-13%	-18%
2019	21%	25%	22%	25%
2020	-3%	20%	21%	12%
2021	42%	15%	19%	10%
2022	-12%	-20%	-22%	-21%
2023	10%	17%	9%	13%
2024	39%	12%	14%	2%
1Q25	-20%	-9%	-15%	5%
2Q25	19%	8%	15%	16%
3Q25	4%	12%	17%	6%
Cumulative	266%	132%	119%	101%
CAGR	14%	9%	8%	7%
YTD	-1%	10%	15%	28%
LTM	18%	11%	22%	17%



Long Cast exists to provide long-term, and patient, investing in well-researched and well-understood small- and micro-cap companies that can grow over time, with an eye on returning 15% annualized (aka “five year doubles”). Our clients are educated investors who want an alternative to the indices, which are overly represented by unprofitable, speculative and occasionally scammy companies. That the small and micro-cap indices outperformed in 3Q25 on the strength of unprofitable, speculative and occasionally scammy companies is a sign of an “easy money” attitude that can ensnare investors in return chasing traps. I am grateful to have aligned clients who appreciate our long-term and differentiated strategy as well as our transparent and fee-flexible SMA platform.

PORTFOLIO UPDATE

RSSS and **MAMA** were the biggest contributors to returns in 3Q25. **PDEX** and **CCRD** were the largest detractors. We monetized a large portion of our CCRD following its announced sale to Euronet Worldwide, and as a result there are substantial recognized portfolio gains this tax year, 99% of which are long term. If yours is a taxable account, please take note.

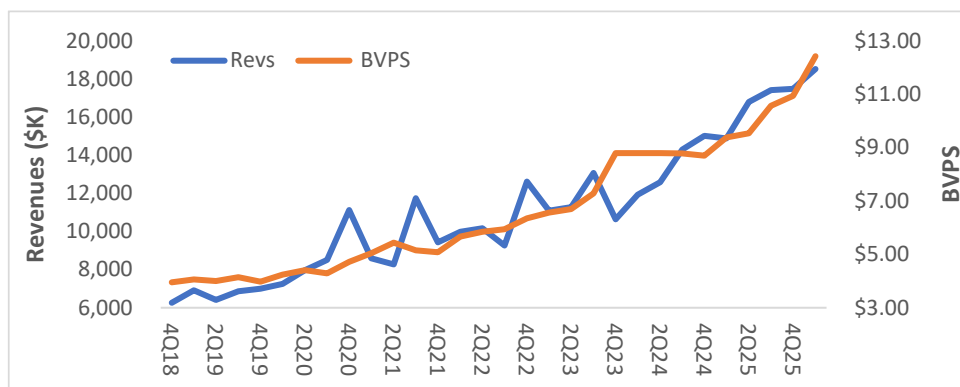
¹ Performance data is based on Interactive Brokers "Portfolio Reports" function; shown net of management fees, expenses, and commissions; unaudited; and unless otherwise noted, since inception in Nov. 2015. Past performance is not a guarantee of future results. Individual account performance may vary. Any investment entails a risk of loss including the total loss of capital. ADV form available through Broker Check; CRD # 175005

The decline in **PDEX** offered an opportunity to add to our position, and also offers some unique insights about small cap investing. Like some successful small companies, Pro-Dex has a high customer concentration, over 70% to a single customer. This causes concerns for sure, but for a small company, this is sometimes how they grow into big companies; we shouldn't fear the very thing that girds the foundations of success. A lot depends on the situation but to invest in this space, it's critical to understand a few layers deeper than the superficial.

In this case, the customer is a tier one medical device company that has a long relationship with PDEX, which supplies a specialty orthopedic tool under a contract that expires in 2025. The contract has been renewed in previous years and there's little to suggest it won't be renewed again. However, announcements by [Johnson and Johnson to spin off its DePuy Synthes orthopedics business](#), and [Stryker's to sell its related spinal implant business](#), implies industry changes are afoot. I am no orthopedic med-device expert, but I think these actions infer that procedures are plateauing. Meanwhile, these and other companies are growing investments in robotic surgical platforms, which offer bigger scale to the winner and also addresses the underlying problem of the uneven distribution of orthopedic surgeons.

PDEX spoke to some of these issues when it released its [10Q](#), and indicated a raft of positive news: It is negotiating and anticipates a contract renewal with its largest client; it is concurrently pursuing an acquisition of an existing supplier "to help meet the expected increased demand currently being contemplated by our largest customer"; it is launching its own self-branded product in the CMT and thoracic verticals; it affirmed that its 2017 exclusive supply agreement with robotics startup Monogram will transfer to Zimmer Biomet, which acquired Monogram in October; and it detailed the gains it will book next quarter and possibly in the future if Monogram meets performance hurdles through 2030 (Monogram was founded by a former engineer from PDEX, which owned roughly 2M shares).

We have been invested in PDEX for several years. It is a contract manufacturer with a niche software-embedded surgical tool for driving screws without stripping. It has a long history of incremental improvement, value creation, a raft of



tailwinds and fewer than 4M shares outstanding, which they typically buy back opportunistically. I recently attended the shareholder meeting and appreciate the company's incremental approach to long term strategic investment and value creation. Most compelling of all is our purchase price; in the low-\$30's it is trading at 8x trailing EBITDA and more than 50% below its 52-week high. With a depressed stock and catalysts on the horizon, my confidence in its likelihood of becoming a five year double warrants a concentrated position. It is now a top-five holding.

Rounding out highlights for a few other top holdings:

MTRX reported F1Q26 results (for period ending 9/31/25) that showed continued improvement in revenues leading to near-breakeven operations. This is a “metal bending” construction company focused on liquid and gas storage, industrial processing and energy / power assets. It is behind where we expected it would be at this point in the cycle, but continues to make progress towards profitability. As I’ve long said, one would need to analyze pre-COVID financials to understand the earnings power in the business. Few do, and therefore plenty of skeptical investors dismiss this idea. However, as revenues grow, the company should demonstrate better overhead recovery and margin expansion. If they can show profitability, which should come as soon as next quarter, I believe doubters will have to reconsider their thinking and “re-rate” the multiple, now less than 8x a “bad scenario” \$20M in EBITDA (as a reminder, there’s \$16M of EBITDA just from adding back D&A plus stock based comp).

RSSS also reported F1Q26 results, it’s seasonally slowest. It is growing and generating cash and helmed by an experienced C-suite and an impassioned product developer, the founder of Scite, which the company purchased in 2023. The company is broadly engaged in rights access to scientific literature; the legacy of the business is licensing libraries of scientific literature, bulk breaking that access and wrapping services around it. Given this description, it’s easy to extrapolate risks from disintermediation (publishers selling direct), from AI platforms that pay for rights and from open access scientific research. These at-hand reasons explain why this investment opportunity exists.

There’s a different perspective. Unlike the world of politics and entertainment where we tolerate and accept fiction, the world of science relies on facts and therefore requires a higher level of curation than what’s available in other spheres. This is *especially* true in a world of open access where research is free and [“paper mills” churn out fake articles](#). The need for a solution isn’t going away.

The RSSS solution, Scite, differentiates itself by offering contextualized citation searches that includes whether underlying papers are supporting, contrasting or retracted, and they are building their brand around this capability. Is it a durable advantage? It’s impossible to say. This is still a small company in an industry seeing rapid development. I think our advantage is the quality of our experienced and entrepreneurial management team building a culture of growth and cash flow, and product development that tries to stay ahead of the customer.

Moving onto **PESI**, after more than 30-years of planning and construction, the long-delayed vitrification plant at the Hanford nuclear site is now processing waste into glass. The start-up of the vitrification plant should at long last lead to increased volumes of secondary waste for processing at the Perma-Fix Northwest facility just outside the Hanford fence. The company expects to generate up to \$2M in monthly revenues beginning in 2026, and then grow into an annuity-type business, likely for decades.

Finally, on a YTD basis, one need only look at **QRHC**’s chart to see that it has been a major detractor to our portfolio this year (ie why its no longer a top-five holding). This is one of our longest held stocks and it has more than “round tripped.” Now that it has better management operating with appropriate processes and controls, and trades at a lower multiple, owning *more* of this is a much more reasonable proposition. With one caveat: The wide gulf between the \$80M in goodwill and the \$35M market capitalization is most certainly going to trigger an annual impairment test. And given the “asset lite” nature of the business, and the way impairments are tested, if there were *not* an impairment charge I would be surprised. Though purely an accounting mechanism that has no impact on tangible book value

or cash flow, Mr. Market hates impairment charges. The company will release year end results, likely in late February.

IN CONCLUSION: ON MOATS

No amount of hyperbole can be used to describe Warren Buffett's influence on investing, so I'm not going to start as it would unnecessarily prolong this letter. I'll simply note that [he recently wrote his final investor letter](#), a genre he practically invented. Those of us who write such letters, from Bill Gross, to Bill Ackman and Bill Chen; from Philip Fisher to yours truly, we all follow in his footsteps the way writers of theatrical prose and poetry follow in Shakespeare's. His 1982 letter even includes this comment where he seems to channel the Bard directly:

“Yardsticks seldom
are discarded while yielding favorable readings. But when
results deteriorate, most managers favor disposition of the
yardstick rather than disposition of the manager.” – WB, 1982

I've been thinking about Buffett since a fellow investor in RSSS recently asked me, “... but what's their moat?” Buffett introduced the concept of a moat in his 1986 letter as a way to describe the durable advantage offered by GEICO's low-cost operating model: “The difference between GEICO's costs and those of its competitors is a kind of moat that protects a valuable and much-sought-after business castle.” At the time, GEICO's revenues were \$1.4B compared to \$50B today and compared to roughly \$100B for the largest US company, General Motors.

After thinking about it a bit, I answered with a rejection of the premise. Though I apply the same rigor of analysis to small- and micro-cap companies as I once did to larger companies as an institutional industrials analyst at CSFB and BMO, not all of the same tools apply, and the concept of a moat is one that I believe does not. Small companies aren't yet castles. If they have launched a product, or a brand, or a service, perhaps it isn't yet in orbit. If it is in orbit then it is certainly still under the pull of gravity.

What makes small companies investable is a specialty or a niche - there are riches in niches, as some say – stewarded, importantly, by a capable management team, and here, my earlier experiences as a reporter and private investigator offers tools to help make that assessment.

A niche is more of a harbor than a moat. It is protected from flotsam and leaves room for exploration and expansion. Many of our portfolio companies operate in a niche that's large enough to support growth and cash flow and are helmed by executives who offer a capable option to blossom into something bigger. I continue to look for more of these to allocate our long-term capital.

As always, I remain committed to building a durable and sustainable business based on a repeatable investment process and intelligent capital allocation. I remain grateful to have clients (by design) aligned with my long term, small company centric and research-intensive focus and I welcome the continued interest from individuals and institutions as I patiently grow the business.

Sincerely / Avi
Brooklyn, NY
November 2025