

April 2026

Dear Partners and Friends,

The return of Maran Partners Fund in the first quarter was -2.3%, net of all fees and expenses.¹ The muted quarterly return masks intra-quarter volatility. We were up nicely through February but fully round-tripped (and a bit more) in March.

I've always invested by focusing on uncovering inefficiencies in the market rather than trying to identify or ride big sweeping macroeconomic waves. Yet the ultimate backdrop against which inefficiencies may occur provides critical context. I'm not a golfer, but as they say, you've gotta play the ball as it lies (and be aware of whether inches of rain have fallen in the last few hours or if the greens are hard as rocks).

This was an eventful quarter across three vectors: technological, geopolitical, and with respect to capital flows and financial market structure.

AI is a major technological leap that is certain to have widespread and long-term implications. It is a topic that requires meaningful study and thought by all investors. It is not a fad. Just as during the Internet 1.0 era and the dot-com bubble, we'll see winners and losers along the way. There will be froth and frauds and stocks that get well ahead of themselves. Yet the technology will ultimately prevail and have wide-ranging effects.

Software stocks declined markedly last quarter on fears of AI-driven disruption. Quite frankly, some of the declines were probably warranted. Many of these stocks started out overvalued and have had poor free cash flow generation and problematic levels of stock compensation. While AI will create tremendous change, it is still an open question as to whether it represents a broad, existential threat to labor. Of particular relevance to us, the breadth and extent of the associated stock price dislocation has created a worthwhile hunting ground.

On the geopolitical front, the markets have thus far brushed off the events in the middle east and the resulting increase in oil prices. We should not be complacent regarding these developments, but we shouldn't panic, either. As usual, the proper approach is to remain level-headed and rational in the face of this type of uncertainty.

Finally, the market has recently experienced some potential foreshocks in the private credit space that may develop into larger tremors. There is a duration mismatch between the assets and liabilities of many private credit funds and business development companies (BDCs), which is a classic way to get into trouble in finance. The market has recently seen some small "runs" on these funds as demand for liquidity has outpaced its availability. Some marks are likely stale (to put it generously). But at this point, I don't see the issues in private credit rising to the level of systemic risk. Of course, I will continue to monitor developments as they pertain to our holdings and exposure.

Against this backdrop, we came into the year conservatively positioned and with no exposure to technology or software. We don't utilize leverage, and as usual, we had a moderate cash position at the

¹ Net returns based on the fund's highest fee share class. Individual partner returns may vary based on share class and timing of investment, among other factors. Please refer to individual account statements for more detail. Please see page 7 for important disclaimers, and our investor presentation for complete monthly results since inception.

fund. Therefore, we were able to use both the volatility associated with the dislocation of perceived AI losers and the general market volatility around the events in the middle east and private credit to go on offense. I have been using the framework of looking for babies thrown out with the bathwater. Might there be one or two companies which were sold off hard on the fears of AI disruption, yet which are well-positioned to prosper in the coming years or decades despite the potential implications of AI?

So far, I believe I have found at least one. This is a company that has a meaningful net cash balance sheet (almost one quarter of its market cap is on the balance sheet in cash), generates a lot of free cash flow, has minimal dilution via stock compensation, is buying back shares aggressively, and is trading at close to a double-digit free cash flow yield. It is well positioned in a growing market that is still underpenetrated; it appears to have a long runway of growth ahead of it. I have spent time with management in person and like their approach; they are motivated, energetic, aligned, and humble. We have started with a small position as I continue my research process, but I am excited by my early findings.

I am studying a number of additional companies as valuations have been reshuffled. As always, I remain focused on the long term, and we are positioned as such. Last quarter, I provided in-depth updates on our top five positions.² This quarter, I delve deeper into our portfolio and provide updates on a number of smaller special situation positions.

Special Situations

Special situations have continued to be our best risk-adjusted source of return. Pure *event-driven* situations have tended to be at most 10-20% of our capital at any given time, as there are only so many of them. Special situations more broadly defined, including spinoffs, *value with a catalyst* positions, and ideas like the three described below, have been a larger part of the portfolio.

In our fourth quarter 2023 letter, I described two special situations in which we had invested: a delisting and an uplisting. Each of these companies made major strides in the first quarter.

The “Delisting”

We purchased the stock I described as a delisting for approximately \$10³ per share. Frequently, when a company is delisted from a major exchange, certain shareholders become “forced sellers” or, at the very least, motivated sellers. Many large funds can’t hold shares that trade over the counter, for example.

Which exchange or marketplace a company’s shares trade on is not a major concern of ours. Our thesis was that the stock was cheap and that the company would unlock value on its balance sheet over the subsequent years, likely distributing that value to shareholders as it was realized.

The thesis has played out largely as hoped. The company has indeed monetized various assets on its balance sheet; it sold another meaningful asset last quarter and recently distributed the associated cash proceeds. It has now paid out dividends of \$17.50 per share since we invested.

² As of the end of Q1 2026, our top five positions were API Group (APG), Clarus Corp (CLAR), Correios de Portugal (CTT.LS), Horizon Kinetics Holding Corp (HKHC), and Pure Cycle Corp (PCYO).

³ Per share figures have been rebased to a \$10 reference price.

Even after these meaningful distributions, I expect that there are still more to come.

The “Uplisting”

The stock I described as an uplisting candidate never did uplist but instead wound up selling itself. The transaction was announced in the first quarter, and we received the majority of our share of the cash proceeds earlier this month (there are still some contingent payments that will hopefully be paid out over the next two years). We earned a very attractive return in this position over a multi-year holding period.

As you can see, patience was required for each of these positions, and it was ultimately rewarded. The delisting did essentially nothing for two years and then went up by about 150% all at once. Similarly, the potential uplisting was flat until it was finally acquired. Unfortunately, these were both small positions. While the companies were each small, there was additional capacity available, so I am to blame for the sizing mistake.

The Demutualization

It is also worth checking in on another special situation—the insurance demutualization—that I initially discussed in our first quarter 2022 letter. In that letter, I described the dynamics of how demutualizations create incentives to set conservative offering prices:

Frequently in an IPO, the prior owners/insiders sell stock, or at the very least are diluted at the IPO price. While there are a number of factors at play in setting an IPO price, the issuer would typically prefer to sell stock for a higher price, not a lower one.

In a demutualization, there are no shareholders prior to the offering (just policyholders with certain governance rights and rights to participate in extraordinary transactions), so these dynamics do not exist. As a result, all conversion-offering investors, including management and insiders (and policyholders), have alignment—everyone wants valuation to be lower rather than higher...

Imagine you (and by “you,” I do not mean *you*, savvy investor who shares in my love of the hunt for obscure and off-the-beaten-path, highly compelling investment opportunities, but rather “you,” carpenter, taxi driver, student, or clerk at the local dollar store, who just needed some good auto insurance at a fair price) have a policy with a small, local insurance company. One day, you get a proxy statement and dense prospectus in the mail offering the chance to subscribe to securities in the parent company of your insurer. Are you going to request the stock order form and whip out your checkbook? Perhaps not.

This leaves capacity for insiders and others to subscribe at that same “discounted” price.

The offering price that we and insiders paid was \$10 per share, as is typical in demutualizations. I believed that this price was a meaningful discount to intrinsic value and more than made up for the expected illiquidity that was to be expected in the shares.

This probably would have been a good investment merely due to the discount we initially received, but management has knocked it out of the park. In 2025, this company generated over \$2 of earnings per

share and grew tangible book value (which is north of \$20 per share) by 13%. The earnings yield on our purchase price is now greater than 20%. Given its strong position in an interesting niche of the specialty insurance market, this business appears to be poised to continue to grow earnings and compound book value over time. \$5 per share of earnings power in five years is a possibility.

Small specialty insurance companies typically trade for 1-1.5x book value or 10-15x earnings in the public market and can go for more in buyouts. One could argue this company is worth \$25-30 per share today and perhaps will be worth much more in the future. It remains highly illiquid, which doesn't faze me. Small, off the beaten path, and illiquid companies continue to be bountiful sources in our hunt for alpha generation.

Additional Special Situations

I have recently been working on a new special situation investment to which we have proprietary access. If it comes to fruition, I'll know this quarter, so I'll be able to share more about it in my next letter.

Administrative Update

2025 K-1 tax forms and audited financial statements have been distributed. Please get in touch if you don't see yours.

We've moved (a few blocks). Our new address is 201 Columbine St, Suite 300, Denver, CO 80206.

Investor Event

I will be hosting an investor event for partners and friends of Maran in New York City on June 9th. While the exact schedule is still being finalized, I expect the agenda to approximate the following:

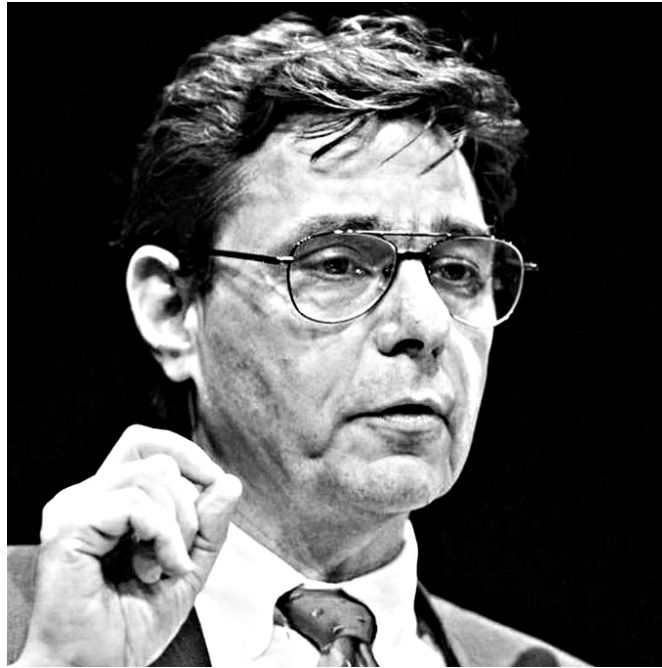
- 10am: Presentation and Q&A with me, Dan Roller, President and Portfolio Manager
- 11am: Fireside chat with the CEO of one of our portfolio companies
- 12pm: Lunch
- 2pm: Option to attend the Horizon Kinetics Holding Corporation (HKHC) annual meeting,⁴ which is primarily a Q&A session with Horizon's leadership. Given the very sad news discussed below, this will be a good opportunity to see the depth of Horizon's bench and the strong leadership group that sat alongside Murray Stahl.

If you are interested in attending, please email me to RSVP or provide an indication of interest by May 1st.

I will also be hosting an investor event in Denver in the fall.

⁴ As a reminder, I led the transaction that brought HKHC public (via reverse-merger with SLGD), I serve on HKHC's board, and HKHC is a large position in our fund.

In Memoriam: Murray Stahl



The world recently received the incredibly sad news of the passing of Murray Stahl. I'm grateful that my path crossed with Murray's over the last four years and am filled with sorrow that I will not have the opportunity to continue to learn from, laugh with, and reason about ideas alongside Murray for at least a few more decades.

Murray was erudite, kind, a fantastic story-teller, and hilarious. Murray had integrity; he had principles and stuck to them. He was a man of his word. Just as he was patient with investments, he was patient with people.

Murray did not waver on doing his own research. He was a truly independent thinker and had a unique penchant for thinking long term. He reveled in his anachronisms and idiosyncrasies—can you imagine not having email in this day and age? He knew he wouldn't be able to convince the world of the wisdom of his ways but never considered reshaping himself to fit the world.

Like me, he was a walker. After dinner in Union Square, Murray wouldn't dream of catching a taxi for the 25-block trip to Grand Central. No, we would walk it, continuing our conversation about Churchill, the Enlightenment, the history of New York City, his childhood in Brooklyn, the Mafia, or the subject of one of the over 1,000 memoirs and biographies he had read and distilled. That's when we weren't discussing investing and his philosophy behind position-sizing, the hallmarks of quality in a business, or specific strategies of individual companies.

Murray was a consummate teacher, and I'm glad I was able to be one of his students, at least for a while.

Murray was one of one, a legend. I will miss him greatly.

Conclusion

Murray Stahl was indeed an incredible teacher, and we should try to remember—and live by—some of his lessons. It isn't possible to time the market. We should not be universally contrarian but simply be independent thinkers. Think long term and be patient. Concentrate where you have an edge. Read voraciously. Never stop learning. Be kind. Treat others as you'd like to be treated.

But I'll say this, as most of you probably know, I spent decades trying to convince people to be long-term investors.

Haven't convinced one person yet.

They all want to trade.

– Murray Stahl

Thank you for the opportunity to invest your capital alongside mine. Please don't hesitate to get in touch if you would like to catch up or discuss any aspect of the partnership. I look forward to seeing many of you in New York in June or Denver in the fall.

Sincerely,

Dan Roller

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They are not projections of expected performance nor guarantees of anticipated investment results. Actual performance and results may vary substantially from stated objectives. An investment in the Partnership involves a high degree of risk and is suitable only for sophisticated and accredited investors. Investors should be prepared to suffer losses of their entire investments. The Offering Memorandum contains brief descriptions of certain of the risks associated with investing in the Fund. Certain information contained in this document constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "intend," "continue" or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Partnership described herein may differ materially from those reflected or contemplated in such forward-looking statements. Funds managed by Maran Capital Management, LLC ("MCM") may have an investment in the companies discussed in this document. It is possible that MCM may change its opinion regarding the companies at any time for any or no reason. MCM may buy, sell, sell short, cover, change the form of its investment, or completely exit from its investment in the companies at any time for any or no reason. MCM hereby disclaims any duty to provide updates or changes to the analyses contained herein including, without limitation, the manner or type of any MCM investment. None of the information contained herein has been filed with the U.S. Securities and Exchange Commission, any securities administrator under any state securities laws, or any other U.S. or non-U.S. governmental or self-regulatory authority. No governmental authority has passed on the merits of this offering or the adequacy of the information contained herein. Any representation to the contrary is unlawful. Prices for securities discussed are closing prices as of April 17, 2026 unless otherwise noted and are not representative of the prices paid by the fund for those securities. Positions reflected in this letter do not represent all of the positions held, purchased, and/or sold, and may represent a small percentage of holdings and/or activity. Fund returns reflect the gross or net investment results (as labeled) of a single capital contribution at the beginning of the period with no subsequent capital contributions or withdrawals. Gross results indicates the gross return of the partnership before the application of any management fees or fund expenses. Net results reflect the accrual of all expenses and compensation to the investment manager for an investor with a 1% management fee and a 20% incentive fee (Standard), 1% management fee and 15% incentive fee ("5-year lockup" terms), and 1% incentive fee and 10% incentive fee ("Founder's" terms). Some investors have fee structures that are different from those currently being offered. Results are estimates only and are subject to year-end audit. In 1Q 2026, the return of the S&P 500 was -4.3%, and the return of the Russell 2000 was +0.9%. The S&P 500 and Russell 2000 are indices of US equities. They are included for informational purposes only and are not representative of the type of investments made by the fund. The fund's investments differ materially from these indices. The fund is concentrated in a small number of positions while the indices are diversified. R2000-TR is the total return of the Russell 2000 Index with dividends reinvested. The Russell 2000 is an index of US equities. It is included for informational purposes only and may not be representative of the type of investments made by the fund. The fund's investments differ materially from this index. The fund is concentrated in a small number of positions while the index is diversified. Results are for the periods indicated through September 30, 2025. The fund was launched (fund launch) with \$500k of the manager's capital on June 1, 2015. Inception* (Inception of outside capital) is defined as the period beginning January 1, 2016, when the first \$100k of outside capital was invested into the fund. Please see our investor presentation for complete monthly net and gross results since inception. Year-to-date 2026 returns are pending audit and subject to revision. Past performance is not indicative of future results. 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