

April 2026

	1Q 2026	1-Year	Cumulative Since Inception*
Minot Light Capital Appreciation Fund (Gross)	-2.7%	31.1%	24.0%
Minot Light Capital Appreciation Fund (Net)	-2.7%	25.9%	17.1%
iShares Micro-Cap ETF (IWC)	1.4%	45.6%	31.6%
Russell 2000	0.9%	25.7%	14.2%
S&P 500	-4.3%	17.8%	15.5%

* Inception date: October 1, 2024

Dear Partners,

As we wrap up the first quarter of 2026, despite some recent volatility hitting both our fund and the markets in general, Eddie and I can confidently say we feel better about our underlying strategy and process, as well as the future prospects for our portfolio than ever before. In hindsight, launching the partnership in 4Q 2024 put us right in front of what seems like a never-ending string of events driving macro turmoil. Since launch, we have experienced the largest implementation of tariffs since Smoot-Hawley in 1930, markets increasingly reacting to the biggest technological disruption since the advent of the internet with a magnified focus on perceived AI winners/losers, and the initiation of war with Iran - which led to the once unthinkable closing of the Strait of Hormuz. Combine that with the continued evolution of market structure to one that is increasingly volatile and driven by passive, systematic, quantitative, and short-term focused flows - our first eighteen months have been a less-than-ideal environment for generating smoothly positive returns. That said, we have generally been happy with how both the small/micro-cap markets and our portfolio have performed during this period.

We also believe these early tests have forced us to focus strongly on the key tenets of anti-fragility and positioning our portfolio to ride through bouts of downward volatility, which will not only serve to eliminate any chance of forced and permanent capital losses, but continually put us in a position of strength to capitalize on future dislocations. Our view continues to be that this volatility provides great long-term opportunities for us to buy excellent companies at attractive valuations, while allowing us to build muscle memory around capital preservation that will serve us well over the long-term and ensure we do not get complacent when things settle down.

During the market slide that took place after the war in Iran was initiated, we did have a few Limited Partners call to inquire about what was happening in the portfolio. This is something we strongly encourage and invite all our Partners to reach out at any time with questions or concerns. Not only are we happy to talk about the portfolio, but calls like this are great reminders that the money you have entrusted us to manage is, of course, extremely important to our LPs. Our first duty will always be to make sure our partners do not lose money over the long-term, and secondarily, to make as much money we can for our LPs over time.

From a performance perspective, the first quarter of 2026 was a tale of two halves. After a strong start to the quarter, we entered March with our strongest absolute and relative returns since inception.



However, immediately after the war was initiated, we suffered on both an absolute and relative basis due to a combination of adverse reactions to earnings results and a broad sector rotation that became a real headwind to performance. We were quite frustrated, as sectors where we have disproportionate exposure, such as healthcare, consumer, and idiosyncratic industrials (meaning not directly leveraged to the AI infrastructure buildout) have moved in a surprisingly correlated fashion and meaningfully lagged the dominant sector winners, where we have little to no exposure (e.g., AI infrastructure, semiconductors, oil & gas, basic materials, aerospace & defense). Unfortunately, what we saw over the past month was not just a directional leading and lagging dynamic, but rather a pattern of inverse correlations, meaning when semis went up, software went down - and when oil, basic materials, and defense went up, consumer and healthcare went down. Worse yet, this adverse dynamic played out in both the initial fall due the war, as well during as the quick recovery, which is unusual.

We believe the general macro narrative that drove this sector rotation is that an extended war will lead to an acceleration in raw material shortages and inflation (good for oil & gas and basic materials), which would inevitably lead to higher interest rates and pain for the US consumer. Potential consumer weakness would be magnified if rapid AI progress leads to a meaningful increase in unemployment. Furthermore, this narrative implies that defense spending by the government could increase dramatically, potentially crowding out and forcing cuts in healthcare spending. In this scenario, defense spending would join the AI infrastructure build as the dominant drivers of GDP growth, while healthcare and consumer spending would remain under pressure.

While there is certainly validity to this narrative, it is also one that now seems to be universally accepted by market participants and has dominated the headlines for some time. We believe that well documented future scenarios do eventually get discounted by the stock market and blanket narratives can lead to major upside and downside overreactions in individual names. We are not macro strategists and cannot predict the future. Hence, we are not proactively trying to make these sector bets due to any top-down view, but rather they naturally build, as we are finding much better value in business models we quite like in many sectors that are now out of favor. On the flip side, we are not interested in buying the most popular names in the most popular sectors that are universally favored and overweighted by what seems like all active investors. We don't know, but many of these companies may actually be approaching peak earnings, peak margins, and/or peak multiples in business models that we do not necessarily love. I have been through this dynamic many times over the course of my career. It can be painful when the indices move up without us and our peers all seem to be positioned in a very different fashion than us to capitalize on the consensus macro view. However, as annoying as it can be in the near-term, these rotations do eventually mean-revert. When that happens, stiff headwinds usually become strong tailwinds and our once out-of-favor stocks become market leaders, which we believe will coincide with strong performance.

In the meantime, we continue to adhere to our process of building greater confidence in existing holdings and hunting for exciting potential new additions to the portfolio. Importantly, we continue to make money for our limited partners, which is our primary goal. Though this has been a less than ideal near-term environment for our portfolio in its current composition from a relative perspective, our job is not to worry about what is happening to stocks and sectors around us, but rather to focus solely on filling our portfolio with companies we think will be much bigger in the future at attractive valuations.



A Few Observations From This Quarter

We will highlight three general observations about the portfolio as we look back at the past ninety days:

1. Decreasing Number of Holdings

Over the past quarter, we continued to take advantage of volatility to increase position sizes in our favorite holdings. In conjunction with this, the bar continues to be raised for both new acceptance and a continued place in the portfolio. While still remaining highly diversified, we would expect this healthy dynamic to continue as ongoing channel checks and confidence in certain management teams lead us to increase our favorite positions by sourcing capital from names where we are marginally less convicted.

2. Continued Relationship Development

As previously discussed, we spend a large portion of our time speaking with management teams, both in introductory calls and ongoing follow-up conversations with our existing holdings. Once you start to hit calls 3, 4, 5...etc. with a management team, the nature of these conversations shifts, as we no longer have to spend time on the basics of the business, but can rather have more free-flowing conversations about recent events and management's broader strategy going forward. You are also able to assess how recent results and actions compare to what we were led to expect from prior conversations. This type of ongoing dialogue absolutely plays a role in either increasing or decreasing our conviction around portfolio holdings because management is so critical to long-term outcomes of micro-cap stocks. We believe that the accumulating benefits of all these conversations will only continue to help performance going forward.

3. Disappointing Returns from Takeouts

Over the past few months, three companies in our portfolio were acquired - Olaplex (OLPX), Mister Car Wash (MCW), and Farmer Brothers (FARM). Though takeouts do provide increased validation that we are hunting in the right places, in aggregate, we would have expected more from these events. Olaplex was acquired at about a 50% premium, which was reasonable, though still somewhat below what we thought the company could be worth over the longer-term. Mister Car Wash was disappointing, as it was acquired at a less than 20% premium and well below what we thought the company was worth. Unfortunately, the company was acquired by its main private equity sponsor that took the company public several years ago and still owned a large percentage of its shares outstanding. This is a recent trend we are now seeing, where companies are taken public at excessive valuations during peak sector or company performance. In turn, they do not perform well within a few years of going public and provide little opportunity for their PE sponsors to sell stock. Instead of waiting for the public markets to eventually reward these names, the PE firms buy back the small portion of publicly-traded shares outstanding they do not own, often at a sizable discount to where they were originally sold to the public with the balance sheet now meaningfully deleveraged. Minority shareholders can do little to prevent this in cases where the PE firm still owns a majority of the stock



and their board of directors does not act in the best interests of non-insider common shareholders. As minority public equity shareholders, we obviously do not like this trend. I won't get into all the details of the Farmer Brothers take-under, which we view as an egregious disservice to public shareholders. However, suffice to say, it was a strong reminder that bad things can happen in small and micro-cap land when neither the board nor management owns any meaningful stock and are not aligned with public shareholders.

Highlight Names for the Quarter

We will feature two names this quarter in our ongoing efforts to deepen Limited Partners' understanding of our stock-picking process. The first will be Bob's Discount Furniture (BOBS) and the second will be ImmuCell (ICCC).

Bob's Discount Furniture is an everyday low-price furniture retailer that recently IPO'd at \$17.00/share and peaked soon after at around \$22.50/share. Since then, it has gone straight down to \$10.85/share as we write this letter. This decline is due to a combination of skepticism about the company's near-term guidance that dominated the Q&A portion of its first quarterly conference call, and a general sell-off in all things consumer discretionary after the Iran war started, particularly in names that are considered highly discretionary and affected by the potential for rising interest rates. Finally, as a recent IPO that is new to the public markets, we believe the stock has suffered from an unstable initial shareholder base and is now viewed as a "broken IPO".

The logical question you might ask is – "why would we ever get involved in a stock that could very well miss earnings in the next quarter or two, sells highly discretionary big-ticket items (furniture), and is leveraged to the housing market (which is in one of its biggest downturns ever and is one of the more out-of-favor sectors in the market)?" The answer is multi-fold:

1. Even though the housing market has been very weak for several years now, Bob's has demonstrated top-tier metrics relative to the broader retail universe. The company has consistently produced 2-year cash-on-cash returns on new store openings, which is an outstanding incremental return on capital for any growth company. Bob's also has a long runway to create shareholder value by deploying this high-returning capital for years to come, as it is projected to grow new units 10% annually over the next decade. Both of these metrics screen extraordinarily well relative to the broader retail/restaurant universe.
2. Bob's is easily funding all new unit growth with internally generated cash flows with an abundance of free cash to spare.
3. The company's balance sheet is extremely strong post-IPO with no debt and significant cash on hand.
4. Bob's has been, and should continue be, a share gainer within the furniture retail space due to several scale-based competitive advantages versus smaller local chains and "mom & pop" competitors. Importantly, if the current housing downturn continues or accelerates in a recessionary period, Bob's is well positioned to accelerate share gains even further due to its growing scale, strong balance sheet, and everyday low-price merchandising strategy, which



targets price points that are 20 - 25% below competitors listed prices and 10% below their lowest promotional sale prices.

Finally, we believe Bob's valuation is extremely attractive post this sell-off, even if results do come in below consensus expectations. We don't see Bob's falling much below \$9.00/share in a downside scenario based on a projected double-digit free cash yield in a maintenance scenario. Intermediate-term upside takes us close to \$30.00/share in the next 3-5 years and potentially beyond that as the store base doubles. The upside case becomes particularly compelling if we see a recovery in housing, which could lead to both operating leverage and multiple expansion.

We highlight Bob's, as it is somewhat emblematic of a large portion of our current portfolio right now. It is an earlier stage company with a long runway for growth that possesses a strong business model that should only strengthen further with growing scale. It has a very strong balance sheet and returns on capital are high. However, it is in a deeply out-of-favor sector with concerns about whether they will beat earnings next quarter. We cannot call the timing of a housing recovery, direction of interest rates, timing of improved sentiment around consumer discretionary stocks, or how much Bob's might beat or miss near-term consensus expectations. However, we can say that it is one of those companies that should create substantial value for shareholders over the next 5+ years. Should the macro environment deteriorate meaningfully over this timeframe, Bob's is likely to be among the last standing in its industry, positioning it to capture incremental market share and ultimately strengthen its out-year earnings power. We view that as a long-term win/win situation for Bob's, though we will have to remain patient in the near-term.

The second name we will highlight in this letter is ImmuCell (ICCC), which is representative of the kind of micro-cap stock opportunity we are seeking at the earliest stages of development with a current market capitalization well below \$100mm. ImmuCell also represents a nice case study in relationship development and pattern recognition at the earliest possible stage when events take place that can dramatically improve a company's outlook over the long-term. Finally, with ImmuCell, we view it as a very early-stage situation where our focus is less on waiting for a meaningful pullback and more on increasing our position as positive developments emerge that we believe are not yet fully recognized or reflected in the share price.

ImmuCell is a \$65mm market cap animal health company whose core franchise is the First Defense line of products, which protect newborn calves against scours, a leading cause of death for young calves. The First Defense products provide an attractive alternative to vaccines given to the mother cow and also have the ability to protect calves against E. coli, coronavirus, and rotavirus. This is a product line that is gaining share in its core market and is highly profitable as a stand-alone product line. Until the past few quarters, the profitability of First Defense was hidden by legacy ImmuCell (prior to new management) investing heavily over the past decade in an attempt to bring a product called Re-Tain to market. I will not get into the details of Re-Tain, as it is no longer relevant to the growth of ImmuCell. However, it is a key driver of our investment thesis, as new management immediately made the decision to discontinue all spending on Re-Tain and focus their efforts solely on growing First Defense through investments in capacity expansion and sales & marketing. As production capacity grows following a supply shortage situation, and the company's sales force increases its focus on selling versus just allocating scarce product to existing customers, we expect revenue growth to meaningfully accelerate.



What makes us particularly excited about the evolution of ImmuCell is not only the decision to focus on growing its premier asset in a disciplined fashion through capacity expansion and an improved sales motion, but the background of this new management team. Both the new CEO and new CFO come from Idexx Laboratories (IDXX), which is one of the most highly respected animal health companies in the world that has created tremendous shareholder value over the years. Earlier in my career, I both owned shares of Idexx and had the opportunity to visit its headquarters in Maine. It just so happens that ImmuCell is also located in Maine, not too far from Idexx. We have spoken with the new CEO, Olivier te Boekhorst, and CFO, Timothy Fiori, several times and have come away consistently impressed by their thoughtfulness and disciplined approach to growing ImmuCell. We are further encouraged by their efforts to strengthen the company through the recruitment of highly capable leaders into key roles, individuals with deep experience and proven track records in animal health. Importantly, though new management has come from larger organizations, they clearly understand that a micro-cap company must run lean, with minimal bureaucracy, where top executives bring real grit and remain closely engaged in the day-to-day operations.

We were also positively surprised in the past month by deliberate and aggressive corporate governance improvements at the company. ImmuCell's board of directors has been dramatically reshaped in just the past quarter. Going forward, the board will have 7 members, 6 of whom will be independent, with only Mr. te Boekhorst remaining on the board from management. Additionally, they have named three new highly strategic board members that have an extraordinary amount of experience and pedigree in the animal health industry, who will replace insiders and legacy board members. Seldom do you see micro-cap companies do major board overhauls that not only shrink the board, but clearly increase both the independence and strategic value of it. You also rarely see this kind of industry horsepower join a \$60mm mkt cap company, both at the management and board levels, where they can actually make a meaningful difference to the future of a company.

In summary, over the course of twelve months, ImmuCell has eliminated a major money-losing product that was dragging down corporate profitability for years, doubled-down on a highly profitable core franchise that is gaining market share, brought in a qualified CEO and CFO, and dramatically increased both the independence and strategic value of its board of directors. This makes us very optimistic about the future of this company and its ability to accelerate the near-term growth of First Defense in the US, expand internationally over the intermediate-term, and potentially build out a broader animal health platform over time through new product development and eventually M&A. The stock now trades at \$7.50/share. We don't see downside much below \$6.00/share based on the value of First Defense to a strategic acquirer. We see intermediate-term upside to \$15.00-\$20.00/share with more upside possible over the longer-term if ImmuCell is able to evolve into a broad and profitable global animal health platform.



Top and Bottom Performers for the First Quarter of 2026

Portfolio Movers	
Contributors	Detractors
Outset Medical (OM)	MaxCyte (MXCT)
Legacy Education (LGCY)	Owlet (OWLT)
Neogen (NEOG)	ThredUp (TDUP)
Heartland Express (HTLD)	Orthopediatrics (KIDS)
Neuraxis (NRXS)	Rave Restaurant Group (RAVE)

In general, our top five contributors to the portfolio this quarter represent a nice mix of emerging growth, core growth, and deep value holdings. They include:

- Legacy Education (LGCY), which continues to benefit from the long-term shortage of healthcare workers in the US and solid execution since their IPO;
- Neuraxis (NRXS), an emerging growth medical device company at the earliest stages of commercialization that is currently benefitting from recent inclusion into industry guidelines and reimbursement progress;
- Neogen (NEOG), which is a turnaround that is recovering from its disastrous merger with 3M's (MMM) food safety business due to the actions of new management, non-core asset sales, deleveraging, and advancement towards its end-state of a fantastic business model catering to a relatively non-cyclical end-market (food safety) with a highly recurring revenue base, 25%-30% EBITDA margins, and very high free cash conversion. We believe Neogen will eventually be viewed as one of the best small-cap business models in the entire market, which should lead to continued multiple expansion;
- Heartland Express (HTLD) remains poised to benefit from what we believe will be an impending trucking industry upcycle and presents a great risk/reward with downside anchored to liquidation value and a potential triple to the upside from here if the cycle plays out as expected;
- Outset Medical (OM) was our biggest contributor this quarter and a top detractor last quarter. The stock fell to prices well below net cash on the balance sheet following a weak earnings report, despite a reasonably strong core business that is characterized by meaningful recurring revenues. This allowed us to buy more stock post-decline and we benefitted from the current rebound off depressed levels this quarter.

In our quarterly review of top contributors and detractors you will often see names that were top detractors last quarter become top contributors this quarter (like Outset) and vice-versa in names such as Owlet (OWLT) this quarter. Owlet was our second largest contributor last quarter, as the stock price rose to reflect its long-term opportunity in the pediatric health monitoring market, where it is the industry leader with a broadening platform of products, most notably a subscription product that has the opportunity to bring meaningful high-margin recurring revenues to the company. As often happens,



Wall Street expectations rose as the stock appreciated and its quarter was viewed as a disappointment, leading to what we view as a gigantic overreaction to quarterly results with the stock falling over 60% from peak to trough last quarter following earnings. Much like we did with Outset Medical after its overreaction to quarterly earnings, we bought more shares of Owlet and remain shareholders of the company.

When we look at our other top detractors this quarters, you will hear a similar theme around former leading gainers becoming detractors after large-stock runs and quarterly results that disappointed the Street, such as ThredUp (TDUP), which we fully expect to be a leading gainer again. Another similar theme is stocks falling well below what we deem to be any reasonable valuation level, where we keep adding to the position to make it really count when things turn. That would be the case with MaxCyte (MXCT), which is a company with a manageable current burn rate, a leading position in ex-vivo gene editing equipment, and a series of current and hopefully future royalty streams associated with a number of drugs being developed with its equipment and consumables. Shares of MaxCyte fell below half of net cash on the balance sheet last quarter, which also assigned no value to its core business or future royalty cashflows. In turn, we have made it a top-five position for the fund. In the case of Orthopediatrics (KIDS) and Rave Restaurant Group (RAVE), these are both top 10 names in our portfolio and are large detractors simply due to their relative size and normal volatility. We continue to own all of our top-5 detractors this quarter and have actually been buying more of the most of these names recently.

In summary, Eddie and I would like to again thank our Limited Partners for supporting us with your hard-earned capital at this early stage of development for the partnership. As I said at the beginning of this letter, we are more excited now than ever about our prospects going forward. Please never hesitate to reach out directly to either of us with any questions or concerns.

Sincerely,

Tom Wetherald and Eddie Reilly



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