

## 2026 First Quarter Letter

May 10<sup>th</sup>, 2026

To Our Partners:

Tourlite Fund, LP returned 16.9% for the First Quarter of 2026. Since inception, the Fund has delivered annualized returns of 11.9%, compared to 11.2% for the S&P 500 and 6.3% for the Russell 2000.<sup>1,2</sup> Our historical correlation to the indexes are -20% and -12%, respectively.

	Q1 2026	Annualized Return <sup>3</sup>
Tourlite	16.9%	11.9%
S&P 500	(4.4%)	11.2%
Russell 2000	0.9%	6.3%

### Gross Contribution & Average Portfolio Exposures

	Q1 2026		
	Gross P&L Q1 2026	Avg. Dollar Exposure	Avg. Beta-Adj. Exposure
Longs	13.7%	137%	156%
Shorts	9.5%	(102%)	(113%)
Indexes / Hedges <sup>4</sup>	(1.3%)	(2%)	(1%)
<b>Gross Contribution</b>	<b>21.9%</b>	<b>Gross: 242%</b>	<b>Gross: 270%</b>
		<b>Net: 33%</b>	<b>Net: 43%</b>

<sup>1</sup> Any net returns presented herein reflect the returns of the Fund assuming an investor “since inception”, with no subsequent capital contributions or withdrawals. These returns are not necessarily indicative of your net returns in the Fund, and you should follow-up with Tourlite if you have any questions about the returns presented herein

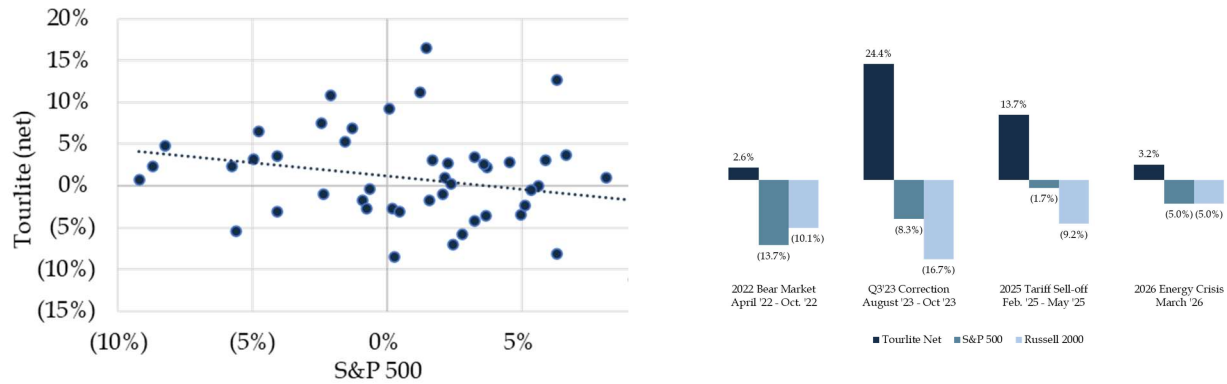
<sup>2</sup> Bloomberg Total Return

<sup>3</sup> Annualized Return from Fund inception in April 2022

<sup>4</sup> Includes currency hedges and other trading costs. Borrow cost included in short return

## Performance Commentary

March concluded our fourth full year since launching in April 2022. At the fund's inception, we defined our primary objective: achieve above market, risk-adjusted returns over the course of a cycle and doing so with low correlation to equity markets and economic cycles. Since then, the fund generated an annualized net return of 11.9%, slightly outperforming the S&P 500 and nearly doubling the return of the Russell 2000. Critically, we achieved this performance with negative beta and negative correlation to both benchmarks. As illustrated in the following chart, the fund has demonstrated resilience and capital preservation during periods of market volatility. As we enter our fifth year, we remain excited for the opportunities ahead.



## Market Outlook

Entering the second quarter, the global landscape remains defined by significant macro and geopolitical volatility. While the conflict with Iran has shown signs of de-escalation, the ongoing closure of the Strait of Hormuz continues to constrain the global oil market. This supply-side shock has caused inflationary fears reminiscent of the 2022 Russia-Ukraine conflict. The resulting surge in crude prices throughout April has acted as a persistent headwind for the aerospace sector, weighing on key holdings such as FTAI Aviation and Montana Aerospace.

At the start of 2026, our baseline expectation was for a favorable equity environment characterized by robust growth and disinflation. With the midterm elections approaching, we anticipated that the Administration would prioritize pro-growth policies to ensure economic stability, making a meaningful slowdown politically unpalatable. While we originally flagged a potential return of inflationary pressure for later this year, the "Iran War" has accelerated that timeline and significantly increased the probability of a "higher-for-longer" interest rate environment.

If these perceived risks materialize and the Federal Reserve is forced into a more restrictive stance, we believe it may create another generational opportunity for short sellers. Fundamental short sellers have weathered a period of significant drawdowns as speculative momentum and high-short-interest names outperformed higher-quality businesses during the start of the year. However, as we saw in late 2021 and 2022, sharp reversals typically follow when the macro narrative shifts and speculative fervor breaks. We continue to maintain selective short exposure in these highly-susceptible areas, actively trading around volatility to best position the portfolio.

## Portfolio Commentary

During the quarter, our average dollar net exposure was 33% and beta-adjusted net exposure was 43%. Gross exposure ranged between ~200% and ~265%, with an average of 242%. Despite this higher net exposure, our percentage of idiosyncratic risk remained in the ~80% range. We maintain our view that a “normal” net exposure range of 20-30% remains optimal for our portfolio construction.

Our portfolio’s sector concentration was as follows: consumer (~20%), industrials (~50%), technology (~20%), and others (~7%).<sup>5</sup> As discussed in our prior letters, we remain short consumer and long industrials. Our average dollar exposure for each sector was: consumer (-38%), industrials (+73%), technology (-8%), and others (+6%).

### First Quarter Gainers & Detractors

Gainers	Detractors
FTAI Aviation	Montana Aerospace
Golar LNG	New Fortress Energy
Special Situations Long	Zevia
Technology Short	Industrial Short
USA Today	Consumer Short

### Montana Aerospace (AERO SW)

We believe Montana is the most undervalued position in our portfolio and remain highly convicted in its’ long-term prospects. The stock currently trades at less than 7x 2027E EBITDA, a staggering discount compared to its peer group’s low-to-mid teens multiple, and trades at a low-double-digit free cash flow yield, offering a significant margin of safety.

We believe this dislocation exists primarily due to remediable factors, including historically poor investor communication, overly conservative guidance for 2026 and 2027, and broader market anxiety regarding Boeing and Airbus production rates alongside geopolitical instability.

The stock’s underperformance is further exacerbated by its Swiss listing and recent leadership change. In April, Montana’s CEO unexpectedly stepped down for personal reasons shortly after supposedly missing the Q4 earnings call and several investor calls for health reasons. We view these headwinds as largely sentimental rather than structural. Despite the market's skepticism, Montana’s operational performance remains resilient; the aerostructures business recently achieved 20% EBITDA margins, demonstrating that the underlying business is performing well.

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<sup>5</sup> Average of industry gross exposure over the period. Other sectors include healthcare

While investors appear concerned with OEM build rates, Montana's internal guidance is already heavily de-risked, assuming a 15% haircut to OEM projections. This provides a significant cushion against potential production delays and suggests that the bar for an earnings beat is relatively low. As the recent capex cycle matures and asset utilization rises, we gain further confidence in the company's ability to reach mid-20% EBITDA margins over the next few years, supported by the operating leverage already evident in the most recent quarterly results.

Looking ahead, we see several catalysts, including strong financial performance, that should drive a meaningful re-rating of the stock over the next twelve months. Management has intentions to pursue a dual U.S. listing, a move that we believe will bridge the valuation gap between Montana and its domestic peers. Currently, European aerostructures companies trade at approximately 10–11x 2026E EBITDA, while U.S. comparables command closer to 14–15x.

### **FTAI Aviation (FTAI)**

As the aerospace and engine markets remain supply-constrained, FTAI continues to deliver strong results to start 2026. Leveraging its compelling value proposition and lower-cost Maintenance, Repair, and Exchange (MRE) solutions, the company continues capturing market share, currently ~12% of the CFM56 aftermarket, up from 5% just two years ago. FTAI is presently operating at 55% of its existing capacity and is targeting a 25% long-term market share. While the company has conceded some margin to secure a partnership with a major U.S. airline, the broader adoption of Parts Manufacturer Approval (PMA) components is expected to materially enhance EBITDA per module.

In late March, FTAI announced a joint venture with Jereh Group, a leading global manufacturer of containerized gas turbine packaging systems. This partnership is designed to scale production of FTAI's Mod-1 CFM56 aeroderivative units and support the company's goal of delivering 100 units in 2027. At an average selling price of \$25 million and projected 40% EBITDA margins, which management expects to be accretive to the core aerospace business, we continue to believe FTAI Power represents a \$1 billion EBITDA opportunity next year. This potential remains largely overlooked in current analyst 2027 consensus estimates.

Further positive momentum continues within the company's Strategic Capital Initiative (SCI). FTAI is nearing the full deployment of SCI I and plans to launch SCI II in the third quarter. Additionally, there is an opportunity to launch Power-specific SCI vehicles to further optimize future growth.

### **FTAI Infrastructure (FIP)**

We continue to believe FIP's share price remains significantly below the intrinsic value of its underlying assets. On April 30th, the company executed the first major step in its asset monetization strategy by announcing the sale of its Long Ridge power asset for a total enterprise value of \$1.52 billion. After accounting for \$1.16 billion in project-level debt, the transaction

allows for a \$300 million paydown of Holdco debt, with the remaining net proceeds available for reinvestment into the core rail business.

As management continues to integrate Transtar and the Wheeling Corporation, alongside operational progress at Repauno, we anticipate 2027 will be a definitive year for the firm. Management has guided to \$220 million in normalized EBITDA for Transtar; applying a 12x conservative multiple for short-line rail assets, this segment alone implies a valuation exceeding \$10 per share.

The Repauno facility represents a particularly compelling, yet underappreciated, asset. Its prime location on the Delaware River provides deep-water access and significant logistical advantages for handling natural gas liquids (NGLs). Positioned just miles from Energy Transfer's Marcus Hook Terminal, Repauno is a natural strategic partner or a highly attractive acquisition target for Energy Transfer as it seeks to expand export capacity and alleviate regional bottlenecks

Repauno's Phase 1 is likely generating between \$10-15 million in EBITDA, which is being strategically reinvested into Phase 2 development. With Phase 2 expected to be online by 2027, total EBITDA from both phases should exceed \$80 million. At a 10x EBITDA multiple, this contributes roughly \$4 per share in value, even before accounting for the Phase 3 permits secured in October 2025, which could potentially add another \$100 million in EBITDA. Net of corporate expenses, we believe FIP's value sits above \$10 per share.

### **Shorts**

Our short book delivered strong performance in the first quarter on both an absolute and alpha basis. As the broader market rallied through April, we observed a resurgence in speculative, low-quality equities. We believe the highly anticipated SpaceX IPO will create a particularly favorable setup for shorting high multiple, speculative stocks. As speculative capital and retail flows rotate toward funding this record-breaking capital raise, we expect a significant liquidity drain from existing high-beta and "meme" stocks, potentially acting as a catalyst for a sharp correction in those names.

### **Closing Thoughts**

Thank you for your continued trust and partnership. Please do not hesitate to reach out with any questions.

Sincerely,



Jeffrey G. Cherkin

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