

Dear Partners,

In the third quarter, 1 Main Capital Partners, L.P. (“1MC” or the “Fund”) returned 6.3% net, compared to 8.1% and 12.4% for the S&P 500 (“SPX”) and Russell 2000 (“RTY”), respectively.¹

	2025 YTD	Inception	
		Cumulative	Annualized
1 Main Capital Partners - net	16.1%	332.1%	21.0%
S&P 500	14.8%	168.8%	13.8%
Russell 2000	10.4%	70.9%	7.2%

ITD is from the Fund’s inception, February 1, 2018.

Indices continued their march higher in the quarter as trade war fears continued to subside and investor sentiment was buoyed by hopes that rate cuts will support economic growth. The RTY is back above 2021 levels, joining large caps at all-time highs.

1MC’s largest holdings, IWG and BFIT, underperformed after experiencing strong appreciation in the first half. Third quarter performance was largely driven by DNTL, which agreed to be acquired by GTCR for a (disappointing) 35% premium. DNTL did not shop itself, which leaves open the possibility of a higher bid. I sold 60% of the position and hold the rest in hopes of a superior offer. I also initiated a new core investment in Radiant Logistics (“RLGT”).

The Fund continues to be concentrated, with IWG and BFIT accounting for roughly half of our capital. I expect both to be multi-baggers in the coming years, with low odds of permanent impairment. Outside of these two, no position represents a double-digit percentage of our capital. However, I remain excited about the bottom half of the portfolio and am confident that our future is bright.

Back to Fundamentals

1MC invests in good businesses with aligned management at low multiples. Good businesses grow earnings per share at attractive rates and eventually trade at higher multiples. If I assess our investments correctly, we should generate above-market returns through both earnings growth *and* multiple expansion. While many investors seek this combination, it is rare.

However, in liquid markets, prices often drive narratives. A stock that drifts sideways for years is usually viewed as a bad business with weak management, while the opposite is also true. Accordingly, the momentum factor is one of the most reliable and consistent quantitative metrics investors look at. At 1MC, we look for and identify the exceptions.

Sometimes, stocks suffer for long periods due to past overvaluation rather than poor business performance. In these cases, even as a company generates cash and grows, its multiple may slowly compress, leading to years of poor stock performance. Eventually the valuation compresses to a point where forward returns are too compelling to ignore, and prices revert to following fundamentals. This is when we seek to initiate a position.

¹ Performance data for the Fund’s Class A Interests is net of any accrued incentive allocation, management fees and sundry expenses (as disclosed in the Fund’s Confidential Private Offering Memorandum) and assume an investment from inception. Returns for month-end and year-to-date 2025 are estimated. For investor specific returns, please refer to your capital statements.

Mispricings can also occur in other situations such as spin-offs, new IPOs, business transformations, or when investors irrationally focus on short-term headwinds. My preference, however, is companies that have slowly de-rated but have continued to execute over long periods – which makes their underlying business easier to analyze and more predictable.

Many of 1MC's most successful investments fit this pattern, enduring stagnant periods—sometimes lasting five or ten years—despite healthy underlying cash generation and growth, sometimes with an added element of change. Poor investor sentiment in these fundamentally good businesses has signaled an attractive entry point, allowing 1MC to earn strong returns. KKR, DNTL, LMB and RICK all fit this pattern. I expect a similar dynamic to play out with current core positions like IWG, BFIT, and RLGT.

Current Positioning

At quarter-end, the Fund's top five positions were Basic-Fit (BFIT NA), dentalcorp (DNTL CN), International Workplace Group (IWG LN), Radiant Logistics (RLGT) and our ski/wake basket (MCFT and MBUU), which together accounted for 70% of capital.

During the quarter I initiated a new core investment in RLGT (thesis below). I also broadened our ski/wake exposure by initiating a position in MBUU, which complements our MCFT investment and shares a similar thesis to the one outlined in the [Q2'25 letter](#).

Radiant Logistics

RLGT is an underfollowed non-asset based third-party (3PL) multinational logistics company at just 7x trailing and 5x normalized EBITDA, which is a low absolute multiple and a significant discount to larger peers. The company was founded in 2005 by CEO Bohn Crain, who grew it through a series of acquisitions and who still holds a 22% stake.

RLGT provides transportation and value-added services to customers needing to make large shipments. It does so by operating an agency network in the US and Canada, which includes ~30 company-owned and ~70 independent agent (strategic partners) locations that operate exclusively on its behalf. These agencies arrange the shipment of products, materials or equipment when they are larger than those handled by integrated global carriers like FedEx or UPS.

As a 3PL, RLGT relies on its vast network of asset-heavy carrier partners, including truck operators, railroads, airlines and ocean lines. As a complement to its transportation offerings, RLGT provides customers with other value-added services including materials management and distribution, customs brokerage and global trade management services.

This model shields the company from the large fixed-cost and utilization risk faced by traditional carriers during cyclical downturns, providing significant flexibility and allowing it to adapt quickly to volume shifts while avoiding the heavy capital expenditure associated with asset ownership.

Capital allocation is a core differentiator for RLGT. The company acquires agencies (from within its own network) and other greenfield operations at mid-single-digit EBITDA multiples. From 2006 to today, revenues grew 35 times to over \$900 million, while the share count rose only ~40% and the balance sheet remained pristine, being net cash as of its most recent quarter and fiscal-year end.

Currently, we are three years into a steep freight recession. RLGT has capitalized on this slowdown by accelerating its pace of acquisitions while reducing its share count. The current pipeline remains robust and management is actively pursuing additional acquisition opportunities, positioning the company to emerge significantly larger and stronger when volumes recover.

As you know, I like to invest in companies that can play offense when others are playing defense. And while I am not expecting RLGT to be sold anytime soon, I could see a larger logistics company buy it for a big multiple at some point over the next decade. In the meantime, the company will continue to generate cash and deploy it intelligently while we wait for earnings power to normalize and shine through.

Outlook

Economic ambiguity remains a primary theme in markets. While headline metrics suggest we've avoided a hard landing, high and sticky long-term rates, coupled with weakening consumer sentiment, continue to weigh on cyclical and rate-sensitive companies.

While sentiment improved during the quarter as investors anticipated and then celebrated the first Fed rate cut, significant market bifurcation persists. Certain cyclical sectors, for example, continue to price in meaningful recession risk. As noted in the [Q3'23 letter](#), non-fundamental flows can overwhelm fundamental flows, especially in small caps when there is concern about the economy. This has created compelling entry points for disciplined investors with patient capital. 1MC's investment in RLGT and the ski/wake boat manufacturers epitomize this dynamic.

Accordingly, I continue to focus on the long-term normalized earnings power of our holdings and am not attempting to call the Fed's next move or time the exact trough of the economic cycle. Instead, I am investing our capital in businesses that are cheap, have strong balance sheets, and demonstrate the ability to allocate capital to grow intrinsic value regardless of how the economy performs—and especially when competitors are playing defense.

I am confident that the market's eventual recognition of these characteristics will result in substantial returns for the Fund over the next three to five years. Furthermore, whenever the inevitable macro air pocket resurfaces, I am prepared to capitalize on market volatility by rebalancing our capital into its highest and best use. As always, I continue to be excited about the future of 1MC.

Other updates

I am looking to grow the research team. The ideal candidate is humble, hungry, scrappy, curious and open-minded. They should be passionate about investing and seeking to develop their skills as a fundamental value investor. If you know of any qualified candidates, please direct them to careers@1maincapital.com.

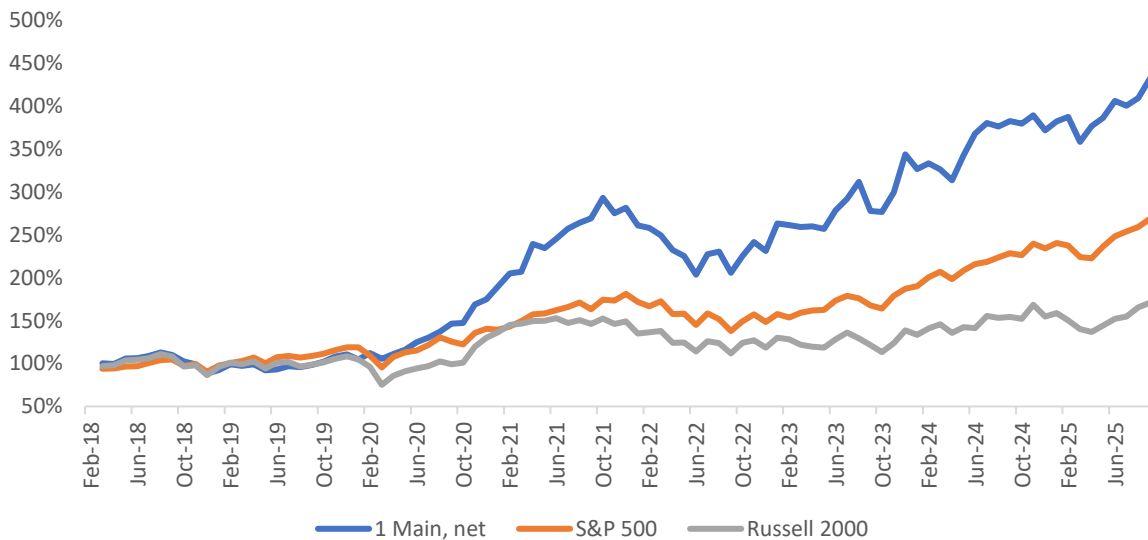
The Founder's Class also remains open with just \$20 million of capacity remaining. Please reach out with any thoughts or questions. Thank you for your support and confidence.

Sincerely,
Yaron Naymark

Performance Summary²

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
1 Main Capital Partners - Gross	3.5%	1.7%	-8.1%	5.2%	3.1%	6.5%	-1.7%	2.8%	6.7%				20.5%
1 Main Capital Partners - Net	2.8%	1.4%	-7.5%	5.1%	2.5%	5.2%	-1.4%	2.2%	5.5%				16.1%
S&P 500 index - incl dividends	2.8%	-1.3%	-5.6%	-0.7%	6.3%	5.1%	2.2%	2.0%	3.6%				14.8%
Russell 2000 - incl dividends	2.6%	-5.4%	-6.8%	-2.3%	5.3%	5.4%	1.7%	7.1%	3.1%				10.4%

	One Year	Three Year	Five Year	Since Inception	Inception Annualized
1 Main Capital Partners - Gross	16.4%	32.8%	30.5%	518.6%	26.8%
1 Main Capital Partners - Net	12.8%	28.0%	24.1%	332.1%	21.0%
S&P 500 index - incl dividends	17.6%	24.9%	16.4%	168.8%	13.8%
Russell 2000 - incl dividends	10.7%	15.2%	11.5%	70.9%	7.2%



² Performance data for the Fund's Class A Interests is net of any accrued incentive allocation, management fees and sundry expenses (as disclosed in the Fund's Confidential Private Offering Memorandum) and assume an investment from inception. Returns for month-end and year-to-date 2025 are estimated. For investor specific returns, please refer to your capital statements.

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Performance Information. Unless otherwise noted, any performance numbers used in the Report are for the Fund’s Class A Interests, and are net of any accrued incentive allocation, management fees and other applicable expenses, include the reinvestment of dividends, interest and capital gains, and assume an investment from inception of such Class. As such, the performance numbers do not reflect the performance of any particular investor’s interest and you should not rely on it as a statement of your actual return.

Past performance. In all cases where historical performance is presented, please note that past performance is not a reliable indicator of future results and should not be relied upon as the basis for making an investment decision.

Risk of loss. An investment in the Fund will be highly speculative, and there can be no assurance that the Fund’s investment objective will be achieved. Investors must be prepared to bear the risk of a total loss of their invested capital.

Portfolio Guidelines/Construction. Information contained in this Report, especially as it pertains to portfolio characteristics, construction, profiles or investment strategies or objectives, reflects the Manager’s current thinking based on normal market conditions, and may be modified in response to the Manager’s perception of changing market conditions, opportunities or otherwise, in the Manager’s sole discretion, without further notice to you. Any target strategies, objectives or parameters are not projections or predictions and are presented solely for your information. No assurance is given that the Fund will achieve its investment strategies, objectives or parameters.

Index Performance. The index comparisons are provided for informational purposes only. The S&P 500 Total Return Index (SPXT) is a capitalization weighted index that is designed to measure the performance of the broad U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries. There are significant differences between the Fund and the index referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. The index reflects the reinvestment of dividends and other income, are unmanaged, and do not reflect a deduction for advisory fees. An investor may not invest directly into an index. For the foregoing and other reasons, the performance of the index may not be comparable to the Fund’s and should not be relied upon in making an investment decision with respect to the Fund.

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