



2025 Third Quarter Letter

October 21, 2025

To Our Partners:

Tourlite Fund, LP returned -2.0% for the Third Quarter of 2025. Since inception, the Fund has delivered annualized returns of 8.6%, compared to 13.4% for the S&P 500 and 6.3% for the Russell 2000.^{1,2}

	Q3 2025	2025 YTD	Annualized Return ³
Tourlite	(2.0%)	2.7%	8.6%
S&P 500	8.1%	14.8%	13.4%
Russell 2000	12.4%	10.4%	6.3%

Gross Contribution & Average Portfolio Exposures

	Gross P&L 2025 YTD	Q3 2025		
		Gross P&L Q3 2025	Avg. Dollar Exposure	Avg. Beta-Adj. Exposure
Longs	8.3%	7.1%	86%	99%
Shorts	(4.3%)	(7.7%)	(72%)	(86%)
Indexes / Hedges ⁴	0.7%	(1.4%)	(8%)	(8%)
Gross Contribution	4.7%	(2.0%)	Gross: 166%	Gross: 193%
			Net: 6%	Net: 5%

¹ 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

² Bloomberg Total Return

³ Annualized Return from Fund inception in April 2022

⁴ Includes currency hedges and other trading costs. Borrow cost included in short return

Our objective is to capture the spread between our long and short positions, generating alpha from this spread rather than returns driven by broad market direction. On the long side, we focus on higher-quality businesses and companies with positive earnings momentum, improving fundamentals, or identifiable catalysts such as event-driven or special-situation opportunities. Conversely, we short companies we expect to decline in value or underperform, often those with deteriorating fundamentals, negative earnings expectations, unsustainable business models, or characteristics of frauds and fads.

Periods of market dislocation, when price action is driven more by narrative, retail flows, or liquidity than by fundamentals, make that spread harder to monetize. In the current environment, we have seen speculative companies and those with eroding fundamentals and shrinking estimates outperform. As we highlighted in our prior letter, one example—a \$20 billion+ company with negative earnings, repeated estimate cuts, related-party dealings, and trading at roughly 20x revenue—has risen more than 200% year-to-date. These dynamics underscore how distorted sentiment can become in a liquidity-fueled market, but also how opportunities come to exist for disciplined, fundamentals-based investors as the gap between price and value widens.

Market Outlook

As noted in our prior letter, we continue to observe a rally in speculative, lower-quality stocks reminiscent of late 2021. Year-to-date through the third quarter, Bloomberg data shows long/short sector neutral performance of -4.5% for Value and -5% for Quality⁵, highlighting the outperformance of lower-quality companies.

While market leadership remains concentrated in AI and momentum-driven stocks, we don't view that as the core issue. Valuations are elevated relative to historic levels, but earnings growth remains positive and the broader economy has generally proved resilient. The greater concern lies in the renewed bubble forming across speculative themes, where liquidity and retail enthusiasm have driven valuations beyond fundamentals.

Sectors tied to quantum computing, nuclear energy, eVTOLs, and drones appear particularly dislocated from reality. This environment, in our view, is setting up another generational opportunity for short sellers, though timing remains the challenge. Many fundamental short sellers have endured drawdowns during speculative markets, only to see sharp reversals when momentum finally breaks, as in late 2021 and 2022. We maintain selective short exposure in these areas and actively trade around volatility, positioning to take advantage when the eventual unwind occurs. Once it does, finding short opportunities will be “like shooting fish in a barrel.”

⁵ Bloomberg FTW function (factors to watch). Net long-short return of equal weighted stocks in 1st and 5th quintiles

Speculative Assets Are Outperforming

	Q1	Q2	Q3	YTD ⁶
S&P 500	-4.3%	10.5%	8.2%	14.7%
Russell 2000	-9.5%	8.5%	11.2%	11.3%
Russell 2000 Value	-7.7%	4.9%	10.1%	8.0%
Russell 2000 Growth	-11.1%	11.9%	12.3%	14.5%
BoA Crypto Exposed	-26.5%	58.8%	37.1%	149.7%
Quantum Computing ⁷	-44.4%	94.4%	51.6%	142.4%
ARK Innovation ETF	-16.2%	47.1%	25.2%	84.0%
GS High Beta Momentum	-11.8%	34.8%	23.8%	69.2%
UBS Meme Basket	-15.8%	13.2%	58.6%	58.7%
GS Retail Favorites	-10.5%	27.0%	21.5%	52.8%
GS Most Shorted	-18.5%	22.9%	24.9%	50.0%
Value Factor Bloomberg	0.0%	0.6%	-0.3%	-0.4%
Profitability Factor Bloomberg	0.8%	-1.1%	-0.1%	-1.6%

Portfolio Commentary

During the quarter, our average net beta-adjusted exposure was 5%. Gross exposure ranged between 136% and 185%, with an average of 166%. 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 (~22%), industrials (~43%), technology (~16%), other (~19%).⁸ The majority of our “other” sector exposure (including sector hedges) represents our special situation healthcare investments. As discussed in our prior letters, we remain short consumer and long industrials. Our average dollar exposure for each sector was: consumer (-20%), industrials (+41%), technology (-17%), and others (~flat).

Third Quarter Gainers & Detractors

Gainers	Detractors
FTAI Aviation	FTAI Infrastructure
TIC Solutions	Sable Offshore
OmniAb	New Fortress Energy
Roivant	Technology Short
Arbutus	Consumer Short

⁶ YTD as of October 13th

⁷ Custom equal weight basket of IONQ, QBTS, QUBT, RGTI

⁸ Average of industry gross exposure over the period. Other sectors include healthcare

New Long Position: TIC Solutions (TIC)

TIC Solutions (formally known as Acuren) is a provider of asset integrity services, specializing in nondestructive testing (NDT), rope access solutions, and engineering and laboratory analysis to keep industrial facilities safe and compliant. Its recurring, regulation-driven inspection and maintenance work supports critical infrastructure such as pipelines, refineries, power plants, and aerospace components, making it a highly resilient and essential partner to customers.

TIC was taken public via a SPAC by Martin Franklin, who also brought APi Group (APG) public, a former Tourlite holding. We see clear parallels between the two companies: both operate in regulatory driven, highly recurring service industries with strong free cash flow generation. APG's share price has increased more than fivefold over the past six years, and we believe TIC may be at the beginning of a similar value-creation trajectory. The company recently completed a transformative acquisition of NV5, which we expect to drive meaningful cost synergies and cross-selling opportunities, similar to APG's acquisition of Chubb Fire & Security business in 2021.

When we began purchasing TIC shares around an average of approximately \$10 in August, our normalized 2027 estimates (post-NV5 integration) implied a teens free cash flow yield, comparable to where APG traded when we first invested in 2022. We see multiple catalysts over the next two years, including broader analyst coverage, strong execution on the NV5 integration, margin expansion, and incremental cross-selling benefits. In September, TIC's share price spiked ~30% after being featured on a popular investing Substack. Even after this move, we continue to see meaningful upside from current levels.

FTAI Infrastructure (FIP)

In August, FIP announced a transformative transaction involving the acquisition of Wheeling & Lake Erie Railway Company and a refinancing of its holding company debt. While the market initially reacted negatively, largely due to the high headline leverage and the issuance of preferred equity warrants tied to the new combined "RailCo," we believe this reaction overlooks the long-term value creation potential. Many of FIP's infrastructure assets are still ramping toward full earnings potential or remain under development, temporarily inflating leverage metrics. Although we would have preferred the refinancing without the warrant component, we continue to see substantial upside in FIP's equity. Following the announcement, both the CEO and Chairman early exercised their options, triggering a cash tax event, to increase exposure at what we view as highly attractive share price levels.

Management guided to normalized EBITDA of \$200 million for the new Transtar "RailCo." At a conservative 12x multiple for short-line rail assets, this implies value of more than \$10+ per share to FIP shareholders.

On October 16th, Repauno secured new cavern permits for Phase 3, further enhancing its strategic value and positioning it as a compelling acquisition target. Phases 1 and 2 are expected to generate approximately \$90 million of EBITDA, while Phase 3 expansion could add an additional \$100

million within two years. Applying a conservative 10x multiple to normalized EBITDA, Repauno could be worth \$12+ per share to FIP.

We are also awaiting a potential data center agreement at Long Ridge, which could serve as the next major catalyst. At \$165 million of EBITDA, Long Ridge could be worth about \$6 per share of equity value to FIP at a 10x multiple, and an executed data center deal could add \$6 of per share in upside.

We believe FIP could be worth more than \$15 per share as multiple catalysts unfold over the next year. The company is expected to enter the market this fall as part of the holding company refinancing. As Repauno and Long Ridge advance towards an eventual sale, we would expect the proceeds to reduce leverage, and shift focus back to the core rail business.

FTAI Aviation (FTAI)

In addition to continued strong fundamentals and growing market adoption of its offerings, FTAI has several catalysts over the coming months, including an investor day at its Montreal facility, anticipated FAA approval for its third PMA part, and the potential launch of a second Strategic Capital Initiative (SCI) vehicle. We continue to see a path for FTAI to be worth over \$250 per share over the next 12 months.

Closing Thoughts

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey G. Cherkin". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent.

Jeffrey G. Cherkin

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