



Peapod Lane Capital LLC

Contrarian Micro & Nano Cap Value

Dear Friend,

Peapod returned -2.6% for the quarter and 20.5% *net* year to date.

Microcap stocks have just experienced a lost half decade of returns. The Russell Microcap Index returned 0.2%. The Russell Microcap Value and Russell 2000 have 5-year annualized returns under 3%. Two observations.

Observation number one. Stocks historically go higher over time. This is no different for the smallest stocks and there are studies that suggest they have among the historically highest returns over the long-term. It is never a straight line though and they mean revert when they become undervalued. These returns look a lot different than many of the other equity indexes. There have historically been years and periods where small / microcap stocks have been the best performers. Obviously, that hasn't been the case for the past 5 years, but that's the past and says nothing about what is going to happen over the next 5 years. I don't think we are standing too far out on a limb saying the next 5 years will look nothing like the previous 5 years. Adding a microcap allocation to a best in breed manager such as Peapod diversifies and improves an overall portfolio and now is as good a time as any to do it.

Observation number two. There is always something to do. Peapod returned 11% *net* annualized over this same period despite the flat index returns. We choose stocks from the bottoms up and are opportunistic to where opportunities present themselves. Having done this long enough, we maintain discipline with the confidence knowing that opportunities present themselves in all environments.

We are optimistic for the next five years of returns for Peapod. Our philosophy blends deep value analysis with behavioral finance and a significant dose of discipline. That has been our process since our inception and will remain our process into the future.

Prediction time. We think that the fourth quarter this year may play out similarly to last year's. Certain stocks are down, some a lot, and we expect some of those to experience tax loss selling. We only buy them when they fit the profile for what we look for, which is to say cash and asset rich relative to price. A lot of those types of stocks existed at the end of Q3 2022 and a lot of those stocks exist at the end of Q3 2023. We made solid returns ytd 2023 taking advantage of this opportunity at the end of last year. We are hopeful we will have a similar opportunity in Q4 2023.

Enjoy your fall,

Erik Conrad & Martin Friederichs



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P&L

	Cumulative Returns			Average Annualized Returns			
	Month	YTD	Inception	1 Year	3 Years	5 Years	Inception
Peapod Gross	-1.3%	21.8%	150%	31.5%	24.9%	12.8%	14.7%
Peapod Net	-1.4%	20.5%	124%	29.6%	23.1%	11.0%	12.9%
Russell Microcap Value	-5.7%	-6.4%	35%	-0.7%	11.7%	1.8%	4.6%
Russell 2000	-5.9%	2.5%	44%	8.9%	7.2%	2.4%	5.6%

*As of September 30th, 2023. Benchmark – Russell Microcap Value Index; Fees – 1.5% Annually. Peapod Contrarian Micro & Nano Cap Value Composite returns calculated from February 1st, 2017. Since Inception returns annualized. Investment Performance Disclosure – Please refer to the end of the document. Past performance is no guarantee of future performance.

	Peapod Monthly Returns (Gross)												Year		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Peapod	RMV	R2000
2017		0.7%	2.4%	3.5%	-2.4%	3.8%	0.0%	1.7%	6.1%	1.7%	4.7%	-1.1%	22.8%	13.1%	14.2%
2018	3.9%	-2.8%	1.2%	3.6%	4.6%	0.2%	-0.9%	-0.1%	1.4%	-7.0%	-1.2%	-7.8%	-5.8%	-12.0%	-11.0%
2019	7.5%	1.7%	-5.2%	0.5%	-9.6%	2.7%	1.4%	-4.6%	4.8%	-0.9%	2.4%	2.9%	2.3%	21.3%	25.5%
2020	0.5%	-6.2%	-20.2%	12.7%	3.0%	7.8%	6.6%	7.4%	0.5%	0.5%	11.8%	6.1%	29.1%	6.3%	19.9%
2021	4.8%	8.4%	3.0%	4.1%	7.6%	-0.1%	1.6%	4.5%	-2.8%	2.2%	-2.2%	3.4%	39.7%	34.7%	15.0%
2022	-3.5%	-0.8%	2.0%	-4.6%	-1.2%	-1.3%	3.6%	2.4%	-7.5%	5.1%	3.5%	-0.8%	-3.9%	-16.7%	-20.4%
2023	15.9%	0.8%	-1.2%	0.8%	3.3%	3.7%	2.8%	-3.6%	-1.3%				21.8%	-6.4%	2.5%

	Peapod Monthly Returns (Net)												Year		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Peapod	RMV	R2000
2017		0.6%	2.2%	3.3%	-2.6%	3.6%	-0.1%	1.6%	5.9%	1.6%	4.6%	-1.3%	20.9%	13.1%	14.2%
2018	3.7%	-2.9%	1.0%	3.4%	4.4%	0.0%	-1.0%	-0.3%	1.3%	-7.2%	-1.4%	-8.0%	-7.5%	-12.0%	-11.0%
2019	7.3%	1.6%	-5.3%	0.3%	-9.7%	2.6%	1.2%	-4.8%	4.6%	-1.1%	2.3%	2.7%	0.6%	21.3%	25.5%
2020	0.4%	-6.4%	-20.3%	12.5%	2.9%	7.6%	6.5%	7.2%	0.3%	0.4%	11.7%	5.9%	26.9%	6.3%	19.9%
2021	4.7%	8.3%	2.9%	4.0%	7.5%	-0.3%	1.5%	4.4%	-2.9%	2.1%	-2.3%	3.3%	37.6%	34.7%	15.0%
2022	-3.7%	-1.0%	1.9%	-4.7%	-1.4%	-1.4%	3.4%	2.2%	-7.6%	5.0%	3.4%	-0.9%	-5.4%	-16.7%	-20.4%
2023	15.8%	0.6%	-1.3%	0.7%	3.2%	3.6%	2.6%	3.7%	-1.4%				20.5%	-6.4%	2.5%

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Investment Performance Disclosure

Past Performance Does Not Guarantee Future Performance

Past performance of actual portfolios or composites of actual portfolios does not guarantee future results. No assurances or guarantees can be given or implied concerning future investment results for Peapod Lane Capital LLC or any investment index. Future returns may differ significantly from the past due to materially different economic and market conditions and other factors. Investments within portfolios, and therefore, portfolios, involve risk and the possibility of loss, including a permanent loss of principal.

Investment Return Methodology

Actual returns for individual client portfolios managed by Peapod Lane Capital LLC may vary and do not necessarily coincide exactly with the returns for the performance group composite. Peapod Lane Capital LLC's returns shown are a composite of the fully managed portions (i.e. discretionary assets vs. non-discretionary supervised assets) of all client accounts that have substantially the same investment objectives, dividends, interest, mutual fund capital gains distributions and other earnings reinvested. Returns are presented gross of management fee (management fee is 1.5% per year). Returns are presented net of all commissions incurred in the management of portfolio accounts. Returns include the reinvestment of income. Non-discretionary supervised assets held in clients' account are excluded from the calculation. All client accounts that met the composite criteria during the reporting period are included.

Peapod Lane Capital LLC launched on April 1, 2010. The Peapod Contrarian Micro & Nano Cap Value Composite returns begin on February 1, 2017. The performance has been calculated in accordance with industry best practices. All performance figures are based on estimated and unaudited financial information and may be subject to change.

Peapod Contrarian Micro & Nano Cap Value will hold cash. It is expected that cash will be between 0% and 10% of the account value. There can be no assurance that cash will not exceed 10% at any time.