

Peapod Lane Capital LLC

2025 Q2 Note

Dear Friend,

I hope everyone is enjoying a great summer and able to spend quality time with their friends and family.

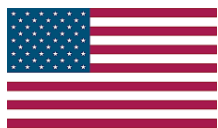
Seeing the forest through the trees. Judging by the returns, it was a quiet first half of the year. Peapod ended the quarter with slightly negative performance, which was a little better than the indexes. It certainly didn't seem quiet. It was almost as if there wasn't a short-lived market crash and a new tariff regime that we were told was going to upend economic arrangements. Except these things did occur and as time passes and memories fade, we may forget them. Flash forward to the year 2030, "Why were you down in 1H 2025, oh right, the market crashed, and massive new tariffs were introduced." Yet another reminder to not get caught up in the noise and focus on the controllable, which for us is knowing what we own and sticking to buying cheap stocks. Stock markets go higher over time, just not in a straight line.

A coincidence. You may note that our one year and since inception returns are the same at the end of Q2. That isn't a typo, just a coincidence that is unlikely to be repeated. We promise we do not expect our short and long-term returns to be on top of each other. Our objective is simple: long-term returns in our client accounts. If all goes well, those returns won't be dissimilar to what we have achieved historically since inception, but obviously the future is unknowable, and past performance does not guarantee future performance.

Peapod's culture. I love to read all sorts of books, both investing related and non-investing related. I find it fascinating to try to put myself into the mood of the day at different periods of time. I was recently going through my bookshelf and came across the books that I read during the 2008-2010 period. "The Great Depression A Diary." "The Panic of 1907." My hunch is that the sales of those types of books would be a fraction of what they were then. I also guess that it would be a very different experience to read those books today after a multi-year bull market than it was then. 2008-2010 wasn't that long ago, and yet it seems like a lifetime ago. I do not know what the future will hold, but I find value in understanding economic and market history. It helps me to stay levelheaded and not get carried away by the emotions of the day. To quote Mark Twain, "history doesn't repeat itself, but it often rhymes."

Thinking for ourselves and understanding our biases. We understand that many of our peer group use these letters to talk about some of the ideas in the portfolio. We don't. We do not want to write something down and suddenly have that anchor our future decision making. In our opinion, investing is the intersection of human behavior and fundamental analysis. We all have different biases. I am aware of my own biases (or at least some of them) and work to prevent them from impairing decision making. We have also done this long enough to have the maturity to understand that we do not know which of the positions in the portfolio will have the best future returns. If you wonder if we succumb to peer pressure, we don't. We are happy to do our own thing, think and act independently, and stand apart from the crowd. (All that said, we aren't hiding anything and please ask for our portfolio if you are interested.)

Next year's stock competition. We would not win the choose the one stock for the next year competition, except by luck. We had two stocks in Q2 that had positive news, and both stocks went up by over 100% in



Peapod Lane Capital LLC

Contrarian Micro & Nano Cap Value

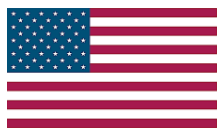
relatively short order. We might have been able to write about the positive things that would impact these stocks, but we wouldn't have been able to predict their reaction to the news. We were fortunate enough to add to one of these stocks earlier in the quarter (it was also getting kicked out of the Russell 2000), but it is not obvious we would have said this is the stock in the portfolio with the best short term return outlook. That's also the beauty of investing in a portfolio of undervalued micro and nano cap stocks. Sometimes these stocks are so beaten down and forgotten that it doesn't take much for them to go up, and sometimes dramatically.

Simplicity and consistency. If you read enough of our letters or speak to us over time, we hope that we sound like a broken record. Our investment process today is unchanged from when we started Peapod many years ago. There have been some tweaks, but the big picture message is the same. We don't chase what is working recently or get panicked in downturns. Discipline, patience and independent thinking are keys to our success. What we do is not complicated, we buy assets at a discount through publicly traded stocks, the same thing we have always done. The behavioral aspect of investing is as important as understanding the numbers. We invest in what is out of favor and forgotten. All our research and idea generation are done internally. One of the beauties of what we do is that we do not believe there are a lot of other people looking at stocks through the same lens. We believe this is a competitive advantage. We also eat our own cooking and are personally invested alongside clients.

Tweaks in the process over time. An example of the tweaks mentioned above, we used to invest in a fair number of BDCs and other investment holding companies when they traded at large discounts to NAVs. Over time we have come to realize these companies are run for the management teams and the fees they generate as opposed to returns to outside investors. We didn't lose money, but the returns were mediocre. To quote Charlie Munger, "Show me the incentive and I will show you the outcome." Another example, we now invest in biotech stocks. At one point we would have said, how could we as generalist value investors invest in biotech stocks. Well, what if we could view these companies through a different lens based on the value of their corporate shells and balance sheets. Sometimes Mr. Market assigns what seems to be a near zero probability possibility of any sort of positive outcome. We had them on our radar and watched them work time after time. It was a very good decision, as they have been a source of positive returns in recent years. We also now hold more stocks in the portfolio than we previously did.

Does history repeat itself? Importantly, we invest in an area of the market where we believe inefficiencies still exist (micro and nano cap stocks). Obviously, the large stocks have taken all the thunder over the past decade. But do trees grow to the sky and is this time truly different? Who remembers the lost decade for the S&P 500 (yes, decade) that ended only 15 years ago, when small stocks still had attractive returns. An allocation to Peapod can add value to your overall portfolio.

Have a great second half of the year. We hope your summer is off to a good start. It is hard to believe that 2025 is now more than half over. I started Peapod to manage my own capital and invest the way I want to invest. Thank you to our clients for joining the ride.



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As stated above, our objective is to make long-term returns for our clients. When we feel the prospect for those returns is impaired by our assets, we will no longer accept new clients. We are not yet at that point and are currently open to new investors. We now have relationships with 4 custodians, Schwab, Interactive Brokers, Northern Trust and State Street.

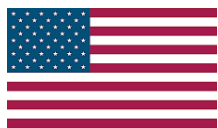
Best Regards,

Erik Conrad & Martin Friederichs

Returns	Cumulative		Annualized		
	YTD	Inception	1 Yr	5 Yr	Inception
Peapod Net*	-0.8%	202%	14.0%	23.5%	14.0%
iShares Micro-Cap ETF	-1.6%	67%	13.3%	9.1%	6.3%
iShares Russell 2000 ETF	-1.9%	78%	7.6%	9.9%	7.1%

**As of June 30th, 2025. Benchmark – iShares Micro-Cap ETF, iShares Micro-Cap ETF (IWC) and iShares Russell 2000 ETF (IWM) returns are calculated using closing market prices. Peapod Contrarian Micro & Nano Cap Value Composite returns calculated from February 1st, 2017.*

**Fees – 1.5% Annually. Investment Performance Disclosure – Please refer to the end of the document. Past performance is no guarantee of future performance.*



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Contrarian Micro & Nano Cap Value

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 and net of management fees and include the reinvestment of all income. Returns are calculated using a time weighted return and are gross of capital gains. Gross returns include transactions cost reduction. Net returns include management fees reduction. Net returns are calculated by monthly reducing 1/12th of the highest management fee of 1.5% from gross returns. 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 1st, 2010. The Peapod Contrarian Micro & Nano Cap Value Composite returns begin on February 1st, 2017. 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.

Benchmarks

The iShares Russell 2000 ETF seeks to track the investment results of an index composed of small-capitalization U.S. equities. The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable US equity market. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. Peapod perceives the Russell 2000 as the most widely used small-cap index. Peapod does not attempt to replicate the index. Historically, the average market capitalization of securities within Peapod's portfolio has been smaller and the price/book valuation metric has been lower. There will be securities in Peapod's portfolio that are not in the Russell 2000 Index.

The iShares Micro-Cap ETF seeks to track the investment results of an index composed of micro-capitalization U.S. equities. The Russell Microcap Value Index measures the performance of the microcap value segment of the US equity market. It includes Russell Microcap companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years). The Russell Microcap Value Index is constructed to provide a comprehensive and unbiased barometer for the microcap value segment of the market. The Index is completely reconstituted annually to ensure larger stocks do not distort performance and characteristics of the microcap opportunity set. Peapod invests with a value strategy in the microcap segment and believes that the Russell Microcap Value Index is the most widely used index in this segment. Peapod does not attempt to replicate the index. Historically, the average market capitalization of securities within Peapod's portfolio has been smaller and the price/book valuation metric has been lower. There will be securities in Peapod's portfolio that are not in the Russell Microcap Value Index.