

Peapod Lane Capital LLC

Dear Friend,

We hope your summer is off to a good start.

Peapod has had positive returns year to date. We had a strong first five months of the year, followed by a lackluster June. As a reminder, our objective is capital appreciation over a full market cycle.

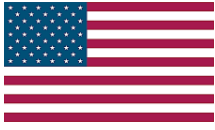
Small stocks and small value stocks had mundane performance in the first half of the year. On a relative basis, though, boy, did the large growth stocks shine. The Russell Microcap Value index underperformed the Russell Growth Index by 22% and has underperformed by 12% over the past five years. Big numbers and I am sure any financial publication will tell you why. Some may even lead you to believe it will last forever. A bull market in animal spirits, no doubt. Maybe this time is different, and time will tell. Who can forget the first decade of the century following the late 90s bull market? A decade termed “the lost decade in equities” when small-value stocks (Russell 2000 value index) returned over 8% annually.

As we have said in the past, we focus on the controllable. We invest in stocks at a discount to their underlying asset values. We tune out the noise and do not attempt to predict where prices may go in the short term. We obviously would like positive returns every month, quarter, and year, but that is not how it works. We do not attempt to replicate any index by design, and our returns will differ.

“The five ascending levels of intellect: Smart, Intelligent, Brilliant, Genius, Simple.” - Albert Einstein. “Keep it simple.” - Warren Buffett. At Peapod, we adhere to this principle by combining a straightforward framework of security analysis with behavioral economics / human psychology to make our investment decisions. Our approach is not complex; anyone can analyze stocks like we do. We focus on the assets a company may own, their worth, and how that compares to the public market value. This simplicity allows us to explain our investment thesis in any position in a few sentences. Our list of avoidances is long but generally can be summed up as anything overcomplicated. The more challenging part is the behavioral economics aspect of our decision-making process. When stocks become oversold and the risk/reward becomes very favorable, that's when we make our investments. Our straightforward valuation analysis, which doesn't involve many variables, allows us to act even in the face of prevailing sentiment that may question our decisions.

We get it—we are boring and unsexy. We do not write investor letters with exciting ideas to steal. What's exciting about a company trading at a discount to the value of its net working capital assets with no debt? That is kind of the point, though. We focus on the boring and controllable, not what may sound interesting and exciting.

We highly recommend investing in our space, even if only for diversification purposes. The opportunity set is getting incrementally better and better. We have had periods where we at Peapod looked like geniuses and other times; we



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Contrarian Micro & Nano Cap Value

looked like idiots. However, over the long term, we have generated returns over our index. What is going to happen over the next six months? Who knows? In the next five years, we aim for attractive returns that hopefully mimic what we have been able to achieve for the previous five years.

Best Regards,

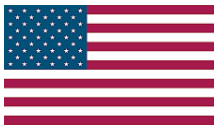
Erik Conrad & Martin Friederichs

	Cumulative Returns		Annualized Returns		
	YTD	Inception	1 Yr.	5 Yr.	Inception
Peapod <i>Net</i>	3.8%	165%	15.4%	19.8%	14.1%
Russell Microcap Value	-1.7%	54%	8.0%	6.7%	6.0%
Russell 2000	1.7%	67%	10.1%	7.0%	7.1%

**Peapod Contrarian Micro & Nano Cap Value Composite returns calculated from February 1st, 2017.*

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

**As of June 30th, 2024. Benchmark – Russell Microcap Value Index, Fees – 1.5% Annually.*



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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 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 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 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.