

Q3 2025 Update



Fund & Market Recap

Q3 2025 continued the positive momentum from the end of the second quarter. Good returns were driven by continued economic expansion, generally controlled inflation and stable employment environment. This led to the first of what is expected to be several interest rate cuts by the Federal Reserve during the quarter.

During the quarter, we witnessed several positive developments. Our cable company was acquired at a nice premium to our cost, the media conglomerate initiated a sales process that drove the stock price up over 100%, and the bulk of our other purchases during the second quarter benefited from the macro environment that drove the market.

Our firm recently had our 15-year anniversary, and ten years managing a stand alone fund. Over that time, after all fees, our fund has generated returns 6x the S&P 500 and Russell 2000, and 12x the Bloomberg hedge fund index. This performance puts us among the top tier of hedge funds globally over the period. We want to thank all our business partners who have been part of this journey and have helped us reach these milestones. We have included in this quarterly update a summary of fund positioning and return statistics.

Economic Performance & Outlook

While economic activity is not as strong as it was during the first half of the year, it remains steady. Employment growth has experienced the bulk of the slowdown, though not to the point of contraction. Economists and market strategists are pointing to a “Goldilocks” environment - weak enough for the Fed to continue to lower rates, yet strong enough for the economy to continue to grow. With tariff impact not as dramatic as many feared, this environment is expected to continue into 2026.

Market Expectations

Stable employment, decent GDP growth, and falling interest rates point to continued positive market returns going forward. However, we do expect gains to slow down from the dramatic recovery seen since the April lows. With valuations returning to elevated levels, equity markets will likely experience higher than usual volatility. This backdrop continues to point to double-digit returns over the next 12 months, with a bit more volatility than is typically seen.

Fund Positioning

During the quarter, our investment in the cable industry was acquired. We used a portion of the proceeds to build positions in companies we like that have yet to recover from the April selloff. Our equity exposure is quite higher than where we started the year, but we continue to have capital to put to work as opportunities present. We also look to rotate out of investments that have performed well into those with greater upside.

Q3 2025 Return Information

Q3 2025			Full Year 2025		
LPG Cap Part ¹	HF Comp Ind ²	Russell 2000	LPG Cap Part ¹	HF Comp Ind ²	Russell 2000
11.08%	4.94%	12.02%	31.33%	8.93%	9.25%

1. Certain expenses are estimated for quarterly returns; annual returns are actual

2. Hedge Fund Composite Index the hedge fund index ticker EHF1251 as reported by Bloomberg

Q3 2025 Update



Investment Updates

TELECOM / MEDIA / COMMUNICATIONS *Broadband*

As mentioned, our primary investment in the broadband space was purchased during the quarter.

Media

We also hold an investment in a large media company that we have owned in the past. This position was built during the volatility in the second quarter. We expect its streaming and production business to continue to grow as it expands internationally and deepens its content offerings. During the quarter, management announced plans to separate this business from its traditional television network business. The announcement led to buyout offers and the company is currently evaluating its path forward.

AEROSPACE

This investment continues to improve operationally from where it was 18 months ago. Expectations are for the company to expand production as the FAA becomes comfortable with its manufacturing processes. Combined with ongoing improvements in its defense business, this should lead to dramatic improvement in free cash flow in 2026. This is expected to lead to continued strong performance of our investment.

OUTDOOR RECREATION

In addition to our investment in the boating industry, we built a position in the motorcycle market. The company's conservative capital structure should allow it to pursue shareholder friendly activities with excess capital at very attractive valuation metrics. As demand continues to recover from post-pandemic lows, we expect financial performance to improve, with falling interest rates also helping affordability.

FINANCIALS

Financial performance continues to improve, with lower interest rates driving net interest margin improvement. Limited credit losses have helped maintain dividend and stock buyback levels. We expect continued interest rate reductions, a relaxed regulatory environment, and consolidation to drive returns in this space.

Outlook

Stable economic performance within a declining interest rate environment is a recipe for solid equity returns, supporting double-digit return expectations over the next 12 months. Elevated valuations are the primary factor that will limit further upside.

As of September 2025:



FUND OVERVIEW

Investments are based on a rigorous bottom-up evaluation of the company, industry, financial, stakeholder and return variables associated with each opportunity.

FUND STRATEGY

LPG is focused on distressed debt and deep value equity opportunities that develop over 18-24 months.

SECTOR EXPOSURE

Aerospace
Telecom, Media, Communications
Outdoor Recreation
Real Estate
Financials

MANAGING MEMBER EXPERIENCE

Fred Goetzke, 30+ years

ADMINISTRATOR

Affinity Fund Services

PRIME BROKER

Interactive Brokers

Q3 2025 RETURN INFORMATION

LPG 11.08%	EHFI251 4.94%	R2K 12.02%
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FULL YEAR 2025 RETURN INFORMATION

LPG 31.33%	EHFI251 8.93%	R2K 9.25%
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LPG HIGHEST & LOWEST ANNUAL RETURNS (SINCE 9/09)

Highest Annual % 255.7%	Lowest Annual % -22.5%
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EHFI251 HIGHEST & LOWEST ANNUAL RETURNS (SINCE 9/09)

Highest Annual % 14.3%	Lowest Annual % -9.5%
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R2K HIGHEST & LOWEST ANNUAL RETURNS (SINCE 9/09)

Highest Annual % 37.0%	Lowest Annual % -21.6%
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INCEPTION DATE

09/01/2009

MINIMUM INVESTMENT

By Appointment

GROWTH OF \$100,000 INVESTED IN LPG SINCE INCEPTION & BENCHMARK COMPARISON OF OTHER FUNDS

	Initial Investment: Sep. 2009	After 5 Years: Dec. 2014	After 10 Years: Dec. 2019	Since Inception: Thru Sept 2025
LPG	\$100,000	\$1,611,199	\$2,234,986	\$15,363,533
Eureka Hedge Fund (EHFI251)	\$100,000	\$140,537	\$176,017	\$252,830
Russell 2000 (R2K)	\$100,000	\$241,203	\$334,059	\$497,007
S&P500 Index	\$100,000	\$227,944	\$357,684	\$740,437

BENCHMARK OF CALENDAR YEAR PERFORMANCE (%)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
LPG	35.8	105.9	0.9	14.9	255.7	39.8	-14.8	27.6	13.4	-7.6	21.7	112.1	130.8	12.1	23.0	-22.5	31.33
EHFI251	11.1	10.5	-8.4	7.4	14.3	1.8	-1.0	5.5	13.3	-6.9	13.7	12.5	11.7	-9.5	6.0	9.5	8.93
R2K	25.2	25.3	-5.5	14.6	37.0	3.5	-5.7	19.5	13.1	-12.2	23.7	19.9	14.8	-21.6	14.5	10.1	9.25

NOTE: Return Information and Benchmark Performance numbers provided by Bloomberg through September 30, 2025. 2025 calendar year performance shown is YTD.

DISCLOSURE Refer to LPG Concentrated Deep Value Strategy document for disclosures, in-depth performance and benchmarks.