

Dear Fellow Partners:

The Summers Value Fund LP (“the Fund”) returned -15.9% net¹ in 2022, outpacing the Russell 2000 Index ETF (IWM) return of -20.5% and the Russell Micro-Cap Index ETF (IWC) return of -22.1%. For the fourth quarter of 2022, the Fund appreciated by 7.8% net¹ versus the index ETF returns of 6.2% and 4.6%, respectively. The Fund has generated a cumulative return of 49.8% net¹ since inception compared to the Russell 2000 Index ETF return of 13.0% and the Russell Micro-Cap Index ETF return of 7.8%.

Trailing Period Returns	Summers Value Fund ¹	Russell 2000 Index ETF	Russell Micro-Cap Index ETF
3 Months	7.8%	6.2%	4.6%
6 Months	13.3%	3.9%	4.2%
12 Months	-15.9%	-20.5%	-22.1%
Annualized Since Inception ²	9.2%	2.7%	1.7%

We sometimes get asked why we use exchange-traded funds (ETFs) as comparisons instead of the underlying indexes. The answer is simple: we want to compare against a benchmark that investors can easily own in their portfolios. Buying indexes comes at a cost. In the case of the Russell Small-Cap Index ETF, the annual expense ratio is 19 basis points (.19%). In the case of the Russell Micro-Cap Index ETF, the annual expense ratio is 60 basis points (.60%). Since inception, we have outpaced both benchmarks, net of fees.

2022 Portfolio Commentary

In 2022, we had our first year of negative performance. Years of negative performance are inevitable (as are multi-year periods), but we remain optimistic about the future. The silver lining of any bear market is the increased opportunity set to deploy capital. All else being equal, future expected returns increase during periods of underperformance. We are not calling this bear market over, however, multiples have generally contracted to levels that we find attractive. We have been focused on re-underwriting our existing positions as well as actively scanning the landscape for new investment opportunities. We had a meaningful cash position entering the fourth quarter, which declined by year end as we committed capital to two new investments.

The largest contributors to the Fund’s performance in 2022 included UFP Technologies (UFPT), Natus Medical (NTUS) and Utah Medical (UTMD). The largest detractors during the year included Inotiv (NOTV), Scott’s Liquid Gold (SLGD) and Lifecore Biomedical (LFCR). While we lost money on the long side of the portfolio in 2022, our shorting activities were profitable with the primary contributors including Oyster Point Pharmaceuticals (OYST) and FreshPet (FRPT).

We ended the year with nine long positions and one short position. As stated above, we added two new positions in the fourth quarter including Zimvie (ZIMV) and Issuer Direct (ISDR). We sold our remaining positions in Inotiv and Scott’s Liquid Gold. We owned both stocks for several years, but our conviction level faded over time albeit for different reasons. Scott’s was our largest realized loss since inception.

Although our focus continues to be long-term capital appreciation, we currently own more dividend paying stocks in the portfolio than we have historically. In the fourth quarter, the Fund received \$183,651 in dividend payments. OTC Markets (OTCM), one of our non-healthcare holdings, paid a special dividend

of \$1.50 per share in addition to its quarterly dividend of \$.18 per share (\$1.68 total). We also received dividend payments from SPOK Holdings (SPOK) and Utah Medical. The current dividend yield on SPOK is 15%. For the year, the Fund received total dividends of \$372,683. We currently expect to receive at least \$600,000 of dividends in 2023, which would put the Fund's dividend yield at approximately 2.4%. The Fund's expected dividend yield could change meaningfully based on underlying business performance and portfolio buys and sells during the year.

Position Updates

UFP Technologies (UFPT) - \$865 million market cap

We have owned UFP in our portfolio for almost three years. The company continues to grow its medical device manufacturing business primarily through acquisitions. In 2022, the company began to realize benefits from its recent acquisitions, which drove an increase in margins and cash flow. The medical device business now represents over 80% of total sales and is growing in the high single digits. UFP operates in a highly fragmented industry, which should provide consolidation opportunities well into the future. The company itself may become an acquisition target as it continues to scale. Having said that, we did trim 20% of our position in the fourth quarter based on stock price appreciation. We believe the company's fundamentals remain strong, and we aspire to own the stock for many more years.

Utah Medical (UTMD) - \$315 million market cap

We have followed Utah Medical's progress for almost 25 years, and we have owned shares in the company since September of 2020. Utah is a diversified manufacturer of medical device products across the neonatology, cardiovascular and women's health markets. Utah manufactures a pressure monitoring sensor for Mettler Toledo's (MTD) biopharmaceutical manufacturing control system – an important product line for the company. We believe the market does not appreciate the relationship that Utah Medical has with Mettler as the exclusive manufacturer of this sensor. The demand for Mettler's product has been strong in recent years as new biotechnology drugs have been brought to market, a trend which should continue for many years. Utah's OEM segment, which captures sensor sales to Mettler, is driving mid-single digit revenue growth for the overall company. Utah has one of the highest operating margins in the medical device industry at almost 40%. The company has one of the strongest balance sheets that we have seen, and to call it "overcapitalized" might be an understatement. After generating \$20 million (or more) of free cash flow in 2023, we expect UTMD to end the year with over \$90 million of cash and no debt (30% of the market cap). The company also owns \$25 million of unlevered real estate around the globe. As such, we have been encouraging management to return more capital to shareholders in the form of dividends and stock buybacks. We believe the stock could approach \$125 per share as the market begins to appreciate the company's growth profile.

Lifecore Biomedical (LFCR) - \$211 million market cap

We have owned Lifecore Biomedical (formerly Landec) in the portfolio for eighteen months. The company has underperformed relative to our expectations, and we are carrying a loss in the position. Our thesis was that the stock would appreciate as the company exited its legacy foods businesses and focused on the fast-growing and valuable pharmaceutical manufacturing business. Lifecore is advantaged in being one of only a few companies in the world that can package highly viscous drugs into injectable syringes

and delivery devices. Unfortunately, given the difficult macro environment, the company's efforts to sell its remaining non-core assets has taken longer to execute. Consequently, we believe it is prudent to assume that the company will realize lower prices on the asset sales when they do occur. Recently, the company raised a round of financing as the core pharmaceutical manufacturing business requires capital for new manufacturing equipment to ensure revenue growth far into the future. We have reduced our position size, but we continue to believe that the company has a bright future once it becomes a pure play pharmaceutical manufacturing business.

Partnership Update

The partnership ended the year with assets of roughly \$26 million. We believe that our strategy has capacity for assets of \$100 million without compromising our opportunity set. We spend very little time on marketing activities and rely primarily on word of mouth to attract new partners who share our value mindset and long-term orientation.

The general partner did not earn an incentive fee in 2022 based on the Fund's negative performance. The annual hurdle rate is cumulative, and as such, the hurdle rate has increased to 12.4% for 2023. The general partner paid for all fund expenses from the operating budget including tax, audit, and fund accounting. Since inception, the Fund has not paid any expenses other than the stated annual management fee and incentive fee (when earned). We will pay for these fees again in 2023.

The general partner remains the largest investor in the partnership. My family's investment in the Fund represents our largest asset, which creates alignment with the limited partners.

In Closing

I would like to thank those limited partners who added to their accounts during the year. I am incredibly grateful to have such an amazing group of limited partners invested in the fund today. Our stable capital base and long-term orientation represent important competitive advantages. I am truly honored to invest your capital alongside mine. Our strategy continues to have ample capacity, and we seek like-minded individuals to join the partnership. Interested parties can reach out to me directly at andy@summersvalue.com.

Sincerely,



Andrew Summers, CFA
Managing Partner

YEAR	MONTHLY FUND PERFORMANCE												ANNUAL			
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FUND	IWM	IWC	
2018						1.2%	5.4%	2.3%	4.4%	-4.3%	-2.2%	-2.8%	3.5%	-17.4%	-21.5%	
2019	3.8%	2.4%	-5.9%	0.8%	-0.8%	1.1%	-0.4%	-8.4%	0.0%	0.7%	6.5%	5.6%	4.6%	25.4%	22.5%	
2020	7.7%	-11.1%	-4.7%	11.6%	3.0%	-2.9%	5.9%	-6.2%	-2.3%	-1.7%	9.7%	7.7%	14.7%	19.9%	20.7%	
2021	8.1%	2.8%	5.7%	2.0%	4.2%	6.9%	-1.4%	5.7%	-4.4%	14.3%	0.3%	-5.8%	43.4%	14.6%	18.9%	
2022	-11.9%	-9.3%	-3.8%	-0.9%	-0.4%	-2.3%	3.2%	3.9%	-2.0%	7.1%	0.4%	0.2%	-15.9%	-20.5%	-22.1%	
													CUMULATIVE	49.8%	13.0%	7.8%
													ANNUALIZED	9.2%	2.7%	1.7%

¹Summers Value Fund LP net return is the unaudited, net return, based on a hypothetical investor who invested at fund inception and pays a management fee and incentive allocation applicable to Class B Interests (1.25% management fee; 20% incentive fee above a 6% annual cumulative hurdle rate). Net return is not necessarily indicative of any single investor's performance. An investor's return may vary from the results shown based on different fee structures and fund-level expenses. The performance information given is historic and should not be considered as an indication of future performance. Performance reflects the reinvestment of dividends and income. ²June 4, 2018

Definitions:

Indexes: The performance of market indexes is being provided for the purpose of making general market data available as a point of reference only. These indexes are widely recognized by investors, followed by the investment industry and readily available to the investing public. The indexes do not reflect fees and expenses associated with the active management of portfolios. Furthermore, it should be noted that investors may not be able to invest directly in the indexes. The performance returns of the indexes were obtained from recognized statistical sources and include the reinvestment of earnings. Although Summers Value Partners LLC believes these sources to be reliable, it is not responsible for errors or omissions from these sources.

Russell 2000 Index: An index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States.

Russell Micro-Cap Index: An index measuring the performance of 1393 small-cap and micro-cap stocks that captures the smallest 1000 companies in the Russell 2000 plus 393 smaller U.S. – based listed stocks. The broad index represents the smallest tradable securities that still meet exchange listing requirements, so OTC stocks and pink sheet securities are excluded.

Enterprise Value (EV): Market Capitalization – Cash + Debt = EV

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Summers Value Partners LLC is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy, investment process, stock selection methodology and investor temperament. Our views and opinions include “forward-looking statements” which may or may not be accurate over the long term. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

The information provided in this material should not be considered a recommendation to buy, sell or hold any particular security.

Prior to investing, investors should carefully review the offering memorandum and related documents, including the risks described therein associated with investing in the Fund. Potential investors are also encouraged to ask questions to Summers Value Partners LLC to ensure they understand many of the risks associated with investing. Additional information can be available upon request.