



June 16, 2025

Dear Fellow Investors and Friends,

The estimated first quarter of 2025 and historical net performance for Silver Beech Capital, LP (“the Fund” or “Silver Beech”) is presented below.

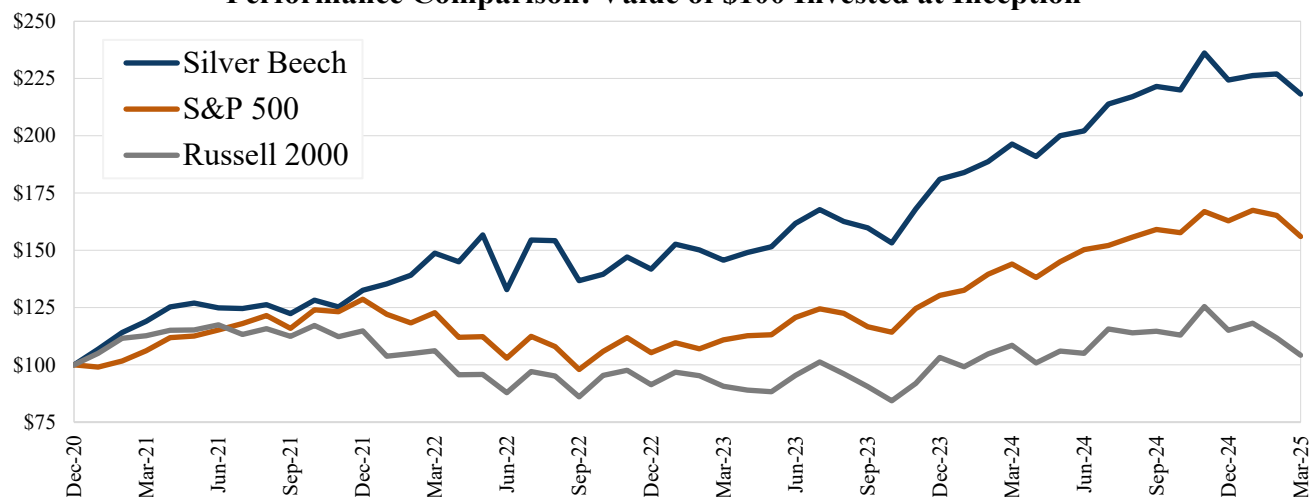
Performance Summary*:

		Silver Beech	S&P 500	Russell 2000
2021	Track Record	32.6%	28.7%	14.8%
2022		6.9%	(18.1%)	(20.4%)
2023	Silver Beech	27.7%	23.7%	13.0%
2024		23.9%	25.0%	11.5%
2025 (3/31)		(2.8%)	(4.3%)	(9.5%)

January 1, 2021 – March 31, 2025

Compound Annual Return	20.3%	11.1%	1.0%
Value of \$100 Invested	\$218	\$156	\$104

Performance Comparison: Value of \$100 Invested at Inception*



*Returns presented above for Silver Beech are net of 1% management fee and 20% incentive fee above a 6% hard hurdle as of March 31, 2025, and since inception (January 11, 2023). Actual performance will vary depending on the timing of contribution(s) and fees. Returns for the S&P 500 and Russell 2000 are total returns and include dividend reinvestment. 2023 returns begin January 11 to match Silver Beech’s inception. Please see additional disclosure.

Since track record inception, Silver Beech has compounded at a 20.3% annualized return, which equates to 9.2% annualized outperformance over the S&P 500. Through the first quarter of 2025, Silver Beech is down 2.8%, beating the S&P 500’s 4.3% decline and Russell 2000’s 9.5% decline.

Market turbulence in the last few months saw significant repricing of risk across markets, including:

- A peak-to-trough decline of approximately 20% in U.S. equity markets following the announcement of broad, country-by-country tariff proposals.
- Sharp fluctuations in the 10-year Treasury rate of over 60 basis points, between 4.0% and 4.6%.
- A dramatic increase in key risk gauges that measure market anxiety. The VIX index rose to levels last seen during the onset of the COVID pandemic, gold prices are up over 30% this year in a “flight to safety,” and the high-yield spread temporarily widened by over 200 basis points, signaling heightened credit risk and economic uncertainty.

This volatility is a logical reaction to profound uncertainty across a wide range of potential U.S. policy regimes spanning trade, fiscal policy, U.S. reserve currency status, and central bank doctrine.

We believe attempting to predict the future across this policy matrix is a futile exercise. Therefore, we abstain from contributing to the chorus of macroeconomic speculation. The stock market has recently rebounded with optimism amidst record-breaking “buy-the-dip” enthusiasm from retail investors. We view this speculation with skepticism. We remain patient and downside-oriented in our investment decision-making so that we are ready to act dispassionately when true opportunity presents itself.

We are taking concrete steps to understand and act on the impact of various downside economic scenarios on our portfolio companies by underwriting potential changes such as lower trade, lower economic growth, a weaker U.S. dollar, higher inflation, and higher risk-free rates.

In our most recent [fourth quarter of 2024 investor letter](#), we wrote:

“We are optimistic about Silver Beech’s opportunity set against this backdrop of elevated risk, uncertainty, and historically high valuations. Silver Beech’s portfolio is concentrated, actively managed, catalyst-rich, and comprised of durable companies priced at attractive multiples of free cash flow. This is in stark contrast to the S&P 500’s passively managed portfolio of five hundred large companies that trade at near-record multiples of free cash flow.”

These words remain true. Silver Beech’s portfolio is distinctive and currently does not include a single company in the S&P 500. Thank you for your continued support.

Portfolio Comparison		
as of March 31, 2025	Silver Beech	S&P 500
Price-to-Book Ratio	1.4x	4.8x
Price-to-Earnings Ratio (GAAP '25E)	12.2x	20.9x
Price-to-Earnings Ratio (GAAP '26E)	10.8x	18.4x
GAAP EPS Growth CAGR ('24A-'26E)	~10%	~13%
After-Tax Returns-on-Capital	~13%	~14%
# Holdings	10	500

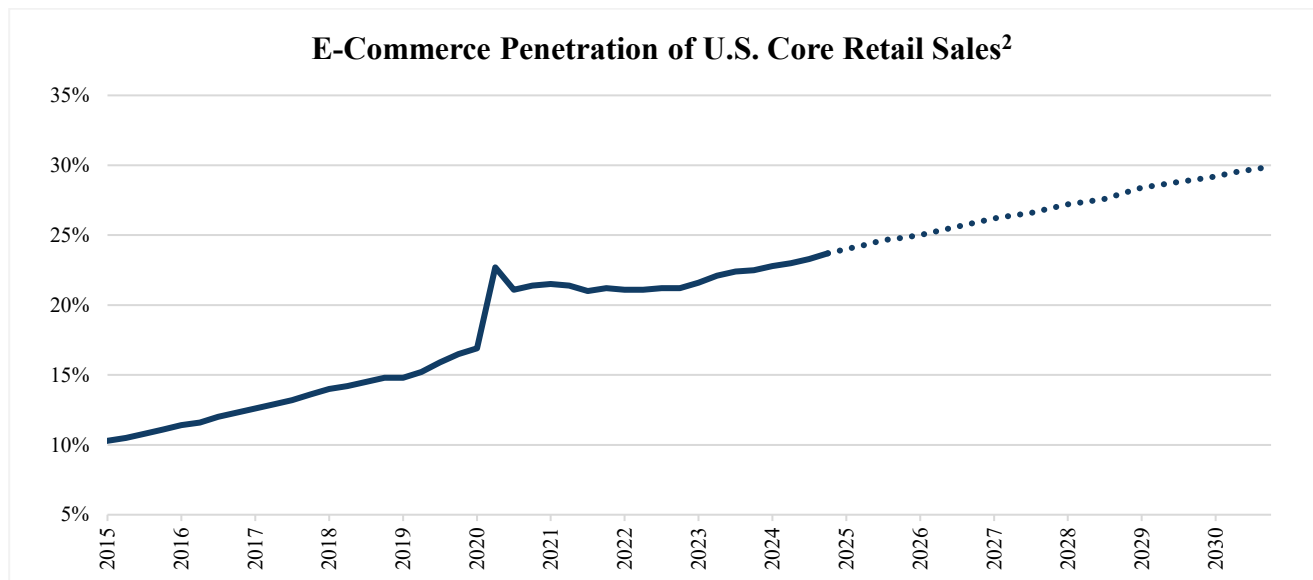
Portfolio Update: during the first quarter, we exited our successful investment in **Brookfield Corporation** (NYSE: “BN” | TSX: “BN”), a position which we detailed in our [fourth quarter of 2023 investor letter](#) and, more recently, our [third quarter of 2024 investor letter](#). Our investment thesis was predicated on the market's underappreciation of the company's corporate simplification and the intrinsic value of its world-class asset management segment and other holdings.

The partial realization of our thesis, coupled with broader market enthusiasm in the alternative asset management sector, accelerated the realization of our targeted returns. Our investment in Brookfield generated a ~52% gross IRR and ~71% total return. We continue to hold Brookfield's prospects and management in high regard, however our disciplined process dictated that we reallocate capital to more compelling opportunities.

For this quarter, we have written about our recent investment in First Industrial.

First Industrial Realty Trust (NYSE: “FR”)

For over a decade, the logistics real estate sector has been a top-performing asset class, powered by profound and durable shifts in the American economy. Logistics properties, which are essential for storing, sorting, and delivering goods, form a mission-critical component of the modern supply chain. This importance has fueled strong, long-term demand driven by the structural rise of e-commerce and, to a lesser extent, the reindustrialization of certain U.S. manufacturing sectors.



Source: U.S. Census Bureau, Prologis Research forecast.

This sustained demand has given property owners significant pricing power, with logistics rents growing at a ~7% compound annual growth rate (CAGR), approximately doubling since 2015. Because rent typically accounts for only 3%-6% of a tenant's total supply chain costs, landlords have an outsized ability to increase rents, capturing a large share of the productivity gains from automation and other efficiencies. The continued consumer demand for faster delivery, evidenced by a 65% year-over-year increase in Amazon Prime's same-day and overnight deliveries in 2024, ensures that demand for well-located logistics space remains robust.

¹ Core retail sales exclude auto, gas, and food services. Actual data from 2015 to 2024. Prologis Research forecast data from 2025 to 2030.

Real estate investment trusts (REITs) typically fail to clear Silver Beech's high return thresholds, due to their investor's lower cost of capital, however, we believe a unique convergence of factors has created a compelling, downside-oriented exception in the logistics sector. The opportunity is rooted in a prohibitive construction environment; a combination of high interest rates and elevated materials and labor costs has pushed "replacement rent"—the rent required to earn economic returns on new projects—approximately 15% above current market rents.

This challenging cost environment has led to a sharp drop in new construction. As a result, the pipeline of new supply projected to be delivered in 2025 and 2026 is muted at over 60% below peak deliveries in 2022, levels not seen since 2018. This supply-side limitation provides strong support for continued rent growth, as market rents must inevitably converge with the higher replacement cost rents.

Compounding this opportunity are recent tariff-driven fears that have temporarily depressed the valuations of public industrial REITs. We believe these tariff-driven fears are misguided because any incremental reindustrialization or reshoring of American manufacturing caused by tariffs will generate demand for space, not just for the manufacturing space itself, but the "3-5x multiplier effect"² new manufacturing facilities have on incremental demand for space from upstream and downstream suppliers and distributors required to service new manufacturing facilities. An acceleration of American reindustrialization portends well for industrial real estate demand. This backdrop, where structural demand collides with a period of limited new supply, is an ideal entry point for an opportunistic investment in the sector.

The interior of a state-of-the-art logistics facility.



To capitalize on these market dynamics, we invested in First Industrial Realty Trust (NYSE: "FR"), a U.S.-only, internally-managed, mid-capitalization REIT. First Industrial owns 424 logistics properties totaling approximately 70 million square feet in 15 markets, concentrated in supply-constrained coastal markets such as Southern California, South Florida, and New York. The company is durable: (i) its

² JLL. As of January 2025.

properties are the youngest among its publicly traded peers, with an average vintage of 2005; (ii) its properties feature a high average clear height of 31 feet, which is important for modern tenants who require higher clear heights to optimally stack goods for vertical efficiency; and (iii), beyond its existing assets, First Industrial possesses an enviable in-the-money land bank of approximately 1,000 acres in attractive markets that can be used develop an additional 16 million square feet.

We expect the large spread between First Industrial's in-place and market rents will continue to drive strong growth in same-store net operating income (SSNOI), a real estate metric akin to EBITDA, even as re-leasing spreads tighten from highs in 2023 and 2024. Over the next five years, we project a ~7% CAGR in First Industrial's SSNOI, which will drive an even stronger ~9% CAGR in free cash flow per unit over the same period.

At its current price, we believe First Industrial trades below replacement cost and at an attractive valuation of a 6.5% cap rate (2025E) / 8%+ mark-to-market cap rate. This represents a large spread, over 20%, to where other high-quality public industrial REITs and comparable private market transactions are valued. Should the construction environment improve, management can also invest in its land bank to benefit from near-term supply constraints. First Industrial's management team has a strong track record as a profitable developer.

We believe an investment in First Industrial today can defensively generate a 15% IRR over the next five years. We anticipate the majority of our projected return could be realized over the next two years, as the market looks past near-term tariff noise and focuses on the compelling supply/demand environment in 2026 and beyond. As core institutional capital returns to the market after [years of redemption queues](#), we would not be surprised to see private markets and take-private activity that highlights the value embedded in First Industrial's shares.

In an upside scenario, where First Industrial's valuation normalizes against private and public peers within two years, and market rent growth accelerates due to the continued supply/demand imbalance, we project our investment can generate a 20%+ IRR. In a downside scenario, where valuations compress due to higher for longer interest rates, coupled with a cyclical softening in leasing demand, we project an ~8% IRR. Ultimately, we believe the pronounced upside/downside convexity of this investment in essential, class A logistics real estate is attractive in this market environment.

Conclusion: it is our great privilege to be your partner and manage your capital alongside our own. We thank you for your trust. We are always available to discuss our strategy and address your questions.

Sincerely,



James Hollier

Partner & Portfolio Manager



James Kovacs

Partner

Silver Beech Capital, LP



Silver Beech Capital, LP – Fund Summary as of March 31, 2025

Fund Holdings:			
Name	Ticker	Sector	Description
Burford Capital	BUR	Asset Management	Leading legal finance focused global investor and asset manager.
Dentalcorp	DNTL	Medical Care Facilities	Largest owner, acquiror, and partner of Canadian dental practices with over 550 practices.
Energy Transfer	ET	Energy (Midstream)	Leading owner of U.S. energy infrastructure assets that treat, transport, store, and export hydrocarbons.
Fairfax Financial	FFH	Insurance (P&C)	Holding company primarily comprised of property and casualty insurers and reinsurers.
Flagship Communities	MHC	Real Estate	Manufactured housing REIT owner and operator of 82 communities focused on midwestern and southern states.
Goeasy	GSY	Credit Services	Canadian consumer finance company focused on lending and leasing to non-prime consumers.
Greenfire Resources	GFR	Energy (E&P)	Small oil sands producer in Athabasca, Western Canada, with long-life, low-decline oil assets & attractive reserves.
Rentokil Initial	RTO	Pest Services	Leading U.S. provider of pest and hygiene services. Owner of Rentokil, Initial, and Terminix brands.
United Parks & Resorts	PRKS	Theme Parks	U.S. owner/operator of 12 theme parks including SeaWorld, Busch Gardens, Aquatica, and Sesame Place.
WillScot	WSC	Rental & Leasing Svcs	Largest North American provider of portable and turnkey modular building units and storage space.

Fund Composition By Market Capitalization:	
	Weight
Large Cap (greater than \$12 billion)	21.1%
Mid Cap (greater than \$2 billion)	36.4%
Small Cap (less than \$2 billion)	42.5%
Total	100.0%

Monthly Net Returns (%):														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	S&P 500
2021	6.82	6.91	4.23	5.30	1.29	-1.67	-0.14	1.29	-3.13	4.88	-2.34	5.87	32.63	28.71
2022	2.06	2.80	6.92	-2.51	8.03	-15.17	16.20	-0.13	-11.30	2.01	5.38	-3.61	6.90	-18.11
2023	7.70	-1.62	-3.01	2.33	1.70	6.65	3.78	-3.15	-1.66	-4.09	9.59	7.81	27.75	23.66
2024	1.62	2.53	4.09	-2.76	4.75	1.06	5.80	1.45	2.10	-0.69	7.32	-5.01	23.86	25.02
2025	0.86	0.35	-3.91										-2.75	-4.27

Returns presented above for Silver Beech are net of 1% management fee and 20% incentive fee above a 6% hard hurdle since inception (January 11, 2023). Each Limited Partner's actual performance will vary depending on the timing of their contribution(s) and fees. Returns for the S&P 500 include dividend reinvestment. Please see additional disclosure.



IMPORTANT DISCLOSURES

Silver Beech Capital Management, LLC (“Silver Beech”) is a New York limited liability company that serves as the investment manager to Silver Beech Capital, LP (the “Fund”), a Delaware limited partnership. The principals of Silver Beech are James Hollier, who serves as the portfolio manager and managing partner of the Fund, and James Kovacs, who serves as the managing partner of the Fund.

All performance results presented herein refers to the performance of an unrestricted investor in the Fund since its inception. Net performance is presented net of the highest performance allocation in effect at the time (20%) above a 6% hurdle rate, the highest actual management fees (1.0%) charged at the time, and net of other expenses, and includes the reinvestment of all dividends, interest, and capital gains. Performance for investors who subscribed on different dates, or who pay different fees would necessarily be different from the performance presented herein. The rate of return is calculated on a “time weighted” rate of return basis, which minimizes the effect of cash flows on the investment performance of the Fund. All monthly performance data presented herein reflects unaudited data, unless otherwise specified, and as such its accuracy cannot be guaranteed. Past performance is not necessarily indicative of future results. All securities transactions involve substantial risk of loss.

The material presented is compiled from sources thought to be reliable, including in certain instances, from outside sources, but accuracy and completeness cannot be guaranteed. Any opinions expressed herein reflect the judgment of Silver Beech and are subject to change.

The information in this letter is for discussion purposes only. Nothing contained herein should be construed as an offer to sell, or a solicitation of an offer to buy or sell any security or investment strategy or a recommendation as to the advisability of investing in, purchasing or selling any security or investment strategy, which may only be made in the Fund’s confidential offering memorandum and operative documents (collectively, the “Offering Documents”).

Before making an investment decision with respect to the Fund, prospective investors are advised to read the Offering Documents carefully, which contain important information, including a description of the Fund’s risks, investment program, fees, expenses, redemption and withdrawal limitations, standard of care and exculpation, etc. Prospective investors should also consult with their tax and financial advisors as well as legal counsel. The Offering Documents are the sole documents on which a potential investor is entitled to rely in evaluating an investment in the Fund. The information in this letter does not take into account the particular investment objectives, restrictions, or financial, legal or tax situation of any specific prospective investor, and an investment in the Fund may not be suitable for many prospective investors. This letter is not intended to be, nor should it be construed or used as, investment, tax or legal advice.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

