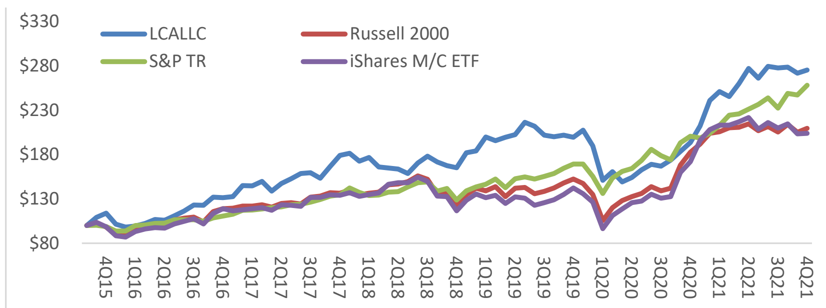
Long Cast ADVISERS LLC

Dear Friends:

For the 4Q21 quarter (ended December 31 2021), cumulative net returns were flat. For the year, net returns were 42%. Since inception in November 2015 through quarter end 3Q21, LCA returned a cumulative 175% net of fees, or 18% CAGR. Please see your portfolio reports for individual account performance.

Because our portfolio is comprised of just a handful of typically small "off the beaten path" businesses that we tend to own for long periods, it is expected that returns will vary from widely available indices. *Past performance is no guarantee of future results.*

Net returns	Long Cast	R2000	IWC	S&P TR
2015 (2-mos)	14%	-2%	-2%	-1%
2016	15%	21%	21%	12%
2017	36%	15%	13%	22%
2018	-8%	-11%	-13%	-4%
2019	21%	25%	22%	31%
2020	-3%	20%	21%	18%
1Q21	30%	13%	24%	6%
2Q21	10%	4%	4%	9%
3Q21	0%	-4%	-5%	1%
4Q21	-1%	2%	-3%	11%
2021	42%	15%	19%	29%
Cumulative chg	175%	110%	104%	158%
CAGR	18%	13%	12%	17%



Long Cast Advisers remains small and manageable (by design), in order to minimize the administrative burden and maximize the focus on investing. I'm grateful to have clients (by design) aligned with my long term, small company centric and research-intensive focus and I welcome the continued interest from individuals to institutions. I remain committed to building a durable and sustainable business based on a repeatable investment process and intelligent capital allocation. *As a reminder, in an effort to align capital growth, business ownership and personal ethics, LCA does not invest in companies exposed to the hydrocarbon or defense industries.*

PERFORMANCE / PORTFOLIO HOLDINGS

Biggest contributors in the quarter were CCRN and QRHC. DAIO was the largest detractor. Our top five holdings at quarter end were: QRHC, CCRD (CoreCard nee Intelsys), CCRN, DAIO and PESI.

A few new stocks were added to the portfolio in 2021:

Aimia (AIM.TO) (*in margin accounts only*): A US holding company listed on Canadian markets that owns a ~50% share of a joint venture of AeroMexico's loyalty program, called PLM Premier. A brief search on AeroMexico will reveal that it is operating through bankruptcy. Documents in the bankruptcy indicate that the lead creditor anticipates purchasing AIM's ~50% share of the JV for up to $360M. Were this to happen, AIM would have $400M in net cash vs a total market value of ~$450M.

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Senestech (SNES): This is an odd and unusual company that operates in the rodent control space. At the current price of $1 and with roughly 12M shares outstanding, the company has a market valuation of $12M. With $11M in net cash, this infers an enterprise value of $1M. It is burning cash while it tries to commercialize its form of "rat birth control", arguably a more successful method at eliminating rat populations than poisons. Furthermore, it doesn't harm predators further up the food chain, which is a growing concern as populations increasingly sprawl into more wildlife.

In 2019, the Board replaced the founders with a new CEO who is passionate about disrupting the industry with a new and arguably better product. While sales remain small, he's already exceeded their efforts. This is a bit of an "early stage" investment and it's sized accordingly but in my "walk around research" I observe strong interest from many small and some potentially large customers.

Sono-Tek (SOTK): This $120M market cap company does one thing – designs and manufactures ultra-sonic spray nozzles – and they do it well. They are an innovator in the space, which has plenty of copycats. Products are used where precision thin film deposition – a coating - is critically important at very specific layers and with limited waste.

Over the last eight years, the company has made a concerted effort to "get closer to the end customer" by not just producing nozzles for OEM's but developing and building systems for the end customer. This has resulted in larger system sales and higher ARPU's. It also shows evidence of long term patient thinking by management.

Every few years new uses for the technology are found. Most recently SOTK's nozzles are being utilized to spray the platinum catalysts onto the separators in hydrogen fuel cells. It is expanding its manufacturing and moving from units that provide batch spray-coating to roll-to-roll coating, a necessary step for production at scale. With ~$10B in the infrastructure bill for the development of "hydrogen as clean energy", there appears to be a wide opportunity pathway for this company to grow beyond its current size, potentially by several orders of magnitude over time.

IN CONCLUSION: REFLECTING ON SIX YEARS

Six years in and 18% CAGR is a good start. I would call this a "good problem" but I feel like I'm running out of new and novel things to write about in these quarterly letters. For this one, I went to my Uncle Morty, from whom I occasionally solicit investment and other life advice, (though just as often I get it unsolicited).

Uncle Morty is your typical old school kid from Brooklyn: Played professional baseball (Cleveland Indians) then got a composition degree from Julliard and spent a lifetime working in the textiles industry. Now in so called "retirement", he's repeatedly coached a variety of teams in his school district (soccer, softball, Federal Reserve Challenge, Science Olympiad, etc) to state and / or national championships. His success coaching these activities is really an attribute to his way of connecting with the people, and especially kids. I've never seen him angry, he asks good questions, he can find humor and optimism in most everything and when he gives advice it's often vague, puzzling and yet inspiring, like a zen koan.

He suggested I write about how I'm invested alongside my clients. Indeed, I am. Although I tell my clients it's not appropriate to put too much of their savings in a small / micro / nano cap strategy, it's advice I do not follow since I've got almost every investable dollar in it (I couldn't part with my 20 shares of MKL).

You could argue it's inappropriate to do this, and who would want to use an investment manager who invests inappropriately for themselves? Or you can say "he really trusts his strategy". Or you can say it leads to potentially misaligned incentives, etc. Investment management is a decision-making business and it's a decision I've made after considering the alternatives.

That said, I've long resisted talking about "being invested alongside you" because I find it disingenuous. You ever get into a car with a bad driver? They're invested alongside you, and that's 100% the trouble. Is "I'm invested alongside you" a source of comfort or a mad case of Dunning Krueger?

Now with a six-year track record of 18% CAGR, it's a bit more meaningful to say so. These returns are critically important to me; since I'm small and mostly fee based (clients can choose a perf fee or an AUM fee) my current income isn't where I want it to be, but it's offset by growth in long term savings. It helps as well that I have a patient and employed spouse.

It continues to be my goal to grow AUM. I'd be happy to cap raised AUM at $25M, though I'm reluctant to set anything in stone. No matter how much of your investable savings I manage, I appreciate your entrusting me with your capital and the responsibility of being its steward. I hope these investments can make an appreciable difference in the quality of your life and still adhere to the principles by which you live. As always, I look forward to continuing this conversation into the future.

Sincerely / Avi
January 2022
Brooklyn, NY