

INTRINSIC VALUE EQUITY STRATEGY

STRATEGY OVERVIEW

The objective of the HLCM Intrinsic Value Strategy is to generate compound returns for investors. The strategy employs a fundamentally-driven process to identify 20-30 diversified equity positions which include attractively valued long-term and medium-term opportunities. Long-term opportunities are sought in "Great Businesses" purchased at reasonable prices, with a goal of holding them for 5+ years. Medium-term opportunities (3-5 years) are found in "OUCH" stocks (Overlooked, Underfollowed, Cheap, and Hated) where price changes far exceed the intrinsic value changes. The portfolio may occasionally hold cash positions in the absence of perceived opportunities.

INVESTMENT TEAM

Portfolio Manager

Michael Anderson
Chief Investment Officer
Since 2008

ABOUT HI-LINE CAPITAL MANAGEMENT

Hi-Line Capital Management, LLC ("HLCM"), based in Watertown, SD, provides investment management and advisory services for institutional and individual clients. The firm was founded in July 2009, became a registered investment advisor (RIA) with the U.S. Securities and Exchange Commission ("SEC") in March 2010.

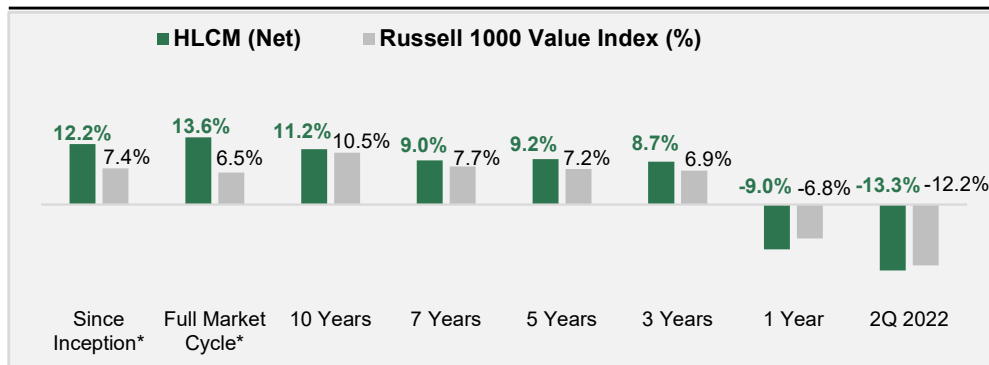
FIRM STRENGTHS

Analysis: Analysis is the most critical success factor in actively managing a portfolio. Our proprietary research helps us develop a differentiated view from the market consensus.

Insight: Knowledge and experience enable us to identify risk and return tradeoffs to make solid investment decisions. Contrarian thinking helps us challenge conventional beliefs.

Managed Risk: A "margin of safety" approach seeks to pay a price materially less than the estimated value. This emphasizes the ability to withstand adverse developments while leaving potential for moderate investment returns or only minor capital loss.

ANNUALIZED PERFORMANCE



* Inception date is 2/1/2005. Full market cycle: Sept. 2007 thru Dec. 2019.

PORTFOLIO CHARACTERISTICS*

| | HLCM | R1000V |
|-----------------------|-----------------------|-------------|
| ROE (5 Yr Avg) | 12.4% | 14.8% |
| Price/Book | 1.1x | 2.3x |
| Dividend Yield | 2.6% | 2.8% |
| Dividend Payout Ratio | 17.0% | 47.4% |
| Price/Earnings (TTM) | 10x | 15x |
| Forward P/E | 13x | 13x |
| Price/Cashflow | 7x | 11x |
| Style | Large Intrinsic Value | Large Value |

*ROE is 5 year average. Other characteristics are current. Forward P/E is a Bloomberg Estimate.

SECTOR WEIGHTING - BICS

| | HLCM | R1000V |
|------------------------|------|--------|
| Financials | 31.4 | 18.8 |
| Communication Services | 30.4 | 8.9 |
| Energy | 10.4 | 7.3 |
| Consumer Discretionary | 8.3 | 5.6 |
| Health Care | 7.0 | 17.1 |
| Industrials | 5.1 | 9.4 |
| Cash | 3.9 | 0.2 |
| Information Technology | 3.5 | 9.8 |
| Consumer Staples | 0.0 | 7.6 |
| Real Estate | 0.0 | 5.0 |
| Materials | 0.0 | 4.3 |
| Utilities | 0.0 | 6.0 |

TOP 10 HOLDINGS

| Company Names | Industry | % of Portfolio |
|-------------------------------|-------------------------------|----------------|
| Berkshire Hathaway | Property & Casualty Insurance | 14.4 |
| Liberty Global | Cable & Satellite | 7.1 |
| Liberty Broadband | Cable & Satellite | 6.9 |
| Liberty Media Corp - SiriusXM | Local TV & Radio Broadcast | 5.8 |
| J.P. Morgan Chase | Diversified Banks | 5.0 |
| Lockheed Martin Corp | Defense | 5.0 |
| ConocoPhillips | Exploration & Production | 4.8 |
| T-Mobile | Wireless Telecommunications | 4.6 |
| Linamar Corp | Auto Parts | 4.3 |
| Cash | Cash & Cash Equivalents | 3.9 |

INTRINSIC VALUE EQUITY STRATEGY

HISTORICAL CALENDAR YEAR RETURNS

| | HLCM (net) | Russell 1000 Value Index |
|-----------------------|------------|--------------------------|
| CUMULATIVE ITD | 642.8% | 243.8% |
| ANNUALIZED ITD | 12.2% | 7.4% |
| 2005* | -0.6% | 9.0% |
| 2006 | 24.1% | 22.3% |
| 2007 | 28.0% | -0.2% |
| 2008 | -8.2% | -36.9% |
| 2009 | 38.7% | 19.7% |
| 2010 | 13.6% | 15.5% |
| 2011 | 0.3% | 0.4% |
| 2012 | 18.9% | 17.5% |
| 2013 | 37.8% | 32.5% |
| 2014 | 13.7% | 13.5% |
| 2015 | -10.3% | -3.8% |
| 2016 | 19.5% | 17.3% |
| 2017 | 19.2% | 13.7% |
| 2018 | -7.9% | -8.3% |
| 2019 | 26.4% | 26.5% |
| 2020 | 1.8% | 2.8% |
| 2021 | 27.1% | 25.2% |
| YTD 2022 | -9.7% | -12.9% |

*Inception 02/01/2005

INTRINSIC VALUE INVESTING

Intrinsic value is fundamental to investing. It is a core philosophy used by true value investors to make decisions.

Ben Graham wrote in the book *The Intelligent Investor*: “An investment operation is one which, upon thorough analysis, promises safety of principal and a satisfactory return. Operations not meeting these requirements are speculative.”

Discounted cashflow is a key component of its calculation. It is adjusted to estimate “owners’ earnings” – earnings available to the owner after making the necessary investment to maintain operations in a steady state. The owners’ earnings estimate is a range from “expected minimum” to “likely” over a full market cycle.

Value based investing works best over the long term. It incorporates the need for continuous analysis, long term thinking, risk reduction, proper temperament, and independent thought and conclusions.

The edge that can be employed in a competitive investing environment is to execute the above principles, and can be pursued as follows:

- Investments are chosen on the basis of value received as compared to the price paid
- Obtain a margin of safety to reduce probability of permanent capital loss
- Maintain proper investment attitude and temperament to improve decision making by using facts and logic while not being persuaded by the market or crowd
- Continuously assess risks
- Maintain adequate diversity of holdings
- Seek to control the controllable

The Intrinsic Value Equity strategy seeks alpha through proprietary analysis, a long-term orientation and bottom-up stock selection. Our research-driven contrarian insights have produced successful long-term results over full market cycles.

DISCLOSURES & COMPLIANCE STATEMENTS

Past performance is not indicative of future results. Performance data includes the reinvestment of dividends and other corporate earnings and is calculated in US Dollars. Performance returns for periods of less than one year are not annualized. The performance presented reflects the deduction of advisory fees. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. You cannot invest directly in an Index. Security, sector or other information presented does not constitute a recommendation by Hi-Line Capital Management, LLC nor a solicitation of any offer to buy or sell any securities. The information provided is for educational and informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor’s particular investment objectives, strategies, tax status or investment horizon. You should consult your attorney or tax advisor.

- Data source for portfolio characteristics is Bloomberg. The preferred method of aggregation is the index method. If unavailable to use, the weighted average method is used to determine portfolio characteristic (weighted average is used to calculate the dividend payout ratio and the five-year average return on equity metrics), except for 5 Year Average ROE which is the portfolio weighted median. The portfolio was previously reported on a weighted median basis and changed to the index and weighted average method as of December 31, 2021.
- Benchmark index is the Russell 1000 Value proxied by the iShares Russell 1000 Value ETF for characteristics.
- Portfolio composition can change due to ongoing management.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. All investments include a risk of loss that clients should be prepared to bear. The principal risks of HLCM strategies are disclosed in the publicly available Form ADV Part 2A.

Hi-Line Capital Management claims compliance with the Global Investment Performance Standards (GIPS®). HLCM has been independently verified for the period February 3, 2009 through December 31, 2021.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To obtain a complete GIPS® Report, please call 605.878.0897 or email us at info@hi-linecapital.com.