

HIGH CONVICTION EQUITY STRATEGY

STRATEGY OVERVIEW

HLCM's High Conviction Equity Strategy employs a fundamentally-driven process to identify 10-15 diversified equity positions, which includes 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. These represent special situations where a catalyst to unlock the potential value can be anticipated. The portfolio may occasionally hold short-term cash positions in the absence of perceived opportunities.

INVESTMENT TEAM

Portfolio Manager
Michael Anderson
Chief Investment Officer
Since 2008

Security Analyst
Annie Whelden
Since 2020

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.

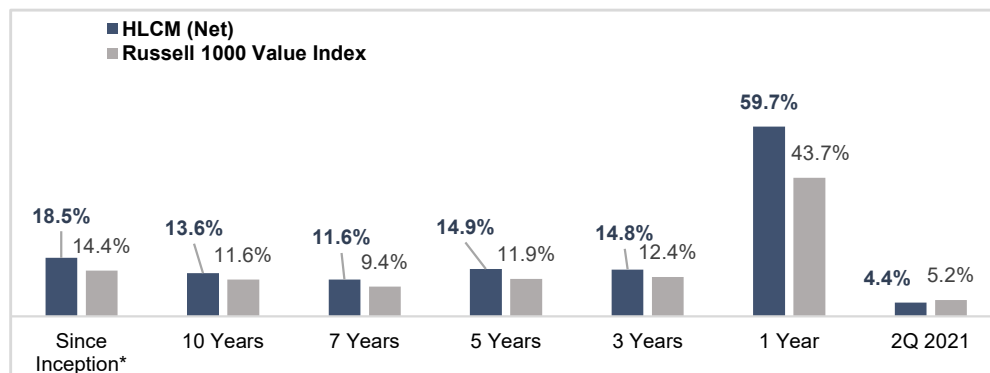
FIRM STRENGTHS

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

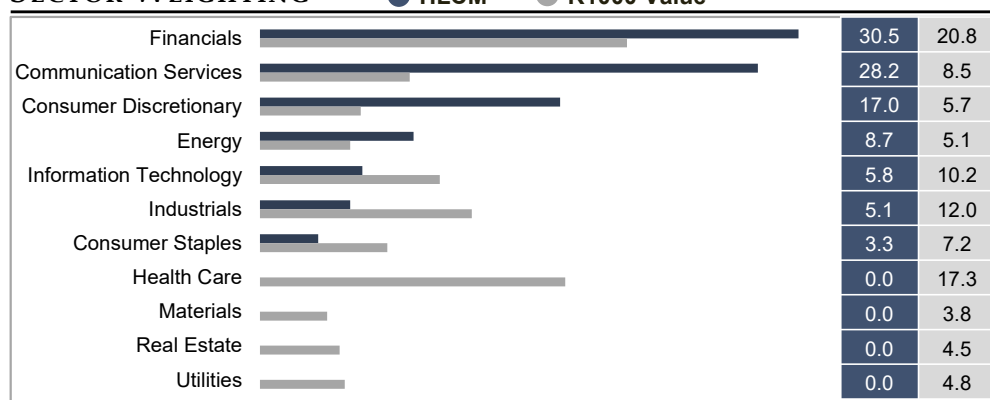


* Inception date is 04/01/2009.

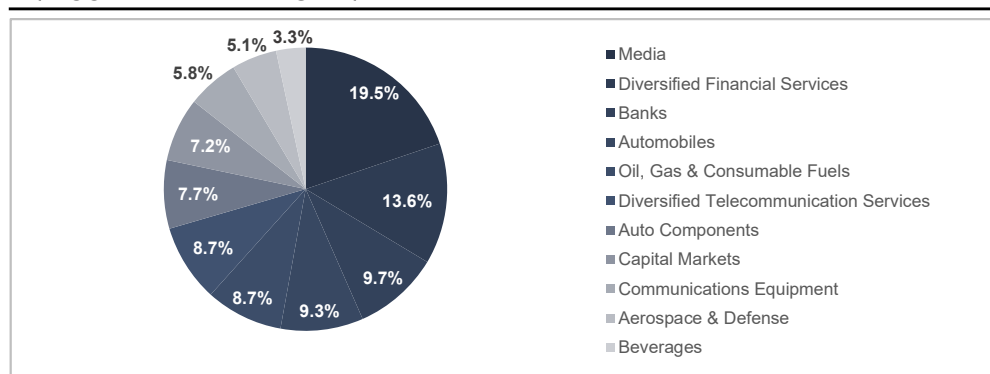
PORTFOLIO CHARACTERISTICS

	HLCM	R1000V
ROE	9.7%	11.6%
Price/Book	1.4x	3.2x
Dividend Yield	1.6%	2.1%
Dividend Payout Ratio	3.0%	41.0%
Price/Earnings	16x	24x
Price/Cashflow	7x	16x
Number of Holdings	15	N/A
Style	Large Intrinsic Value	Large Value

SECTOR WEIGHTING



INDUSTRY BREAKDOWN



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HISTORICAL CALENDAR YEAR RETURNS

	HLCM (net)	Russell 1000 Value Index
CUMMULATIVE ITD	696.9%	427.7%
ANNUALIZED ITD	18.5%	14.4%
2009*	16.2%	4.2%
2010	19.7%	15.5%
2011	8.3%	0.4%
2012	23.9%	17.5%
2013	30.4%	32.5%
2014	21.5%	13.5%
2015	-11.5%	-3.8%
2016	21.3%	17.3%
2017	22.4%	13.7%
2018	-12.6%	-8.3%
2019	27.9%	26.5%
2020	3.2%	2.8%
YTD 2Q 2021	23.2%	17.0%

*Inception 04/01/2009

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.
- 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, 2020.

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