

LONG-ONLY STRATEGY

INVESTMENT STRATEGY

Pinyon Pine Capital (PPC) is a separately managed accounts (SMA) business. The goal of the long-only product is to deliver superior returns versus the equal-weighted total average return (including reinvestment of dividends) of the S&P 500 and Russell 2000 Indices.

Stock selection involves identifying companies that have high free cash flow yields and also possess real ability to grow their cash flow consistently over time and to reinvest that cash flow and generate appropriate returns on invested capital.

Strategy characteristics include:

- Exposure: 95-99%
- Typical Initial Position Size: 5-8%
- Maximum Initial Position Size: 10%
- Maximum Position Size: 20%
- Total Portfolio Positions: 10-20
- Holding Period: 3 years
- No Leverage: cash accounts
- Highly Tax Efficient

LIQUIDITY ANALYSIS¹

Days	% of Assets
< 1	100.00%

CUMULATIVE RETURNS (starting 04/01/11) VS. BENCHMARKS³

PPC Net ²	118.83%
PPC Gross ²	153.16%
Avg. S&P 500/R2000-TR ³	100.25%
Net Excess Return ⁴	18.59%

CAGR⁵ (annualized starting 04/01/11) VS. BENCHMARKS³

PPC Net ² CAGR	10.63%
PPC Gross ² CAGR	12.73%
Avg. S&P 500/R2000-TR ³ CAGR	9.37%

NET RETURN STATISTICS⁶

	Std. Dev.	Sharpe	Sortino	Beta
PPC Net ²	21.1%	0.42	0.67	0.96
Avg. S&P 500/R2000-TR ³	19.8%	0.39	0.57	

PORTFOLIO ATTRIBUTES

Total Positions	16
Largest Position Size	9.5%
Smallest Position Size	3.8%
Largest Market Cap. [millions]	\$82,934
Smallest Market Cap [millions]	\$1,033
North American Holdings	96.2%
Western European Holdings	3.8%

REPRESENTATIVE CLIENT ACCOUNT QUARTERLY NET RETURNS

	Q1	Q2	Q3	Q4	YTD	
2018	PPC Net ²	-0.51%	5.44%	3.50%	-19.14%	-12.21%
	Avg. S&P 500/R2000-TR ³	-0.42%	5.59%	5.64%	-16.86%	-7.70%
	Net Excess Return ⁴	-0.08%	-0.15%	-2.15%	-2.28%	-4.51%
2017	PPC Net ²	5.12%	-0.63%	5.97%	6.70%	18.11%
	Avg. S&P 500/R2000-TR ³	4.27%	2.78%	5.07%	4.99%	18.24%
	Net Excess Return ⁴	0.86%	-3.40%	0.89%	1.71%	-0.13%
2016	PPC Net ²	3.04%	3.80%	8.59%	5.33%	22.34%
	Avg. S&P 500/R2000-TR ³	-0.09%	3.12%	6.45%	6.33%	16.63%
	Net Excess Return ⁴	3.13%	0.68%	2.14%	-1.00%	5.71%
2015	PPC Net ²	4.80%	5.10%	-11.74%	2.82%	-0.04%
	Avg. S&P 500/R2000-TR ³	2.63%	0.35%	-9.18%	5.32%	-1.52%
	Net Excess Return ⁴	2.16%	4.75%	-2.56%	-2.50%	1.47%
2014	PPC Net ²	-2.31%	-2.13%	1.04%	5.63%	2.03%
	Avg. S&P 500/R2000-TR ³	1.46%	3.64%	-3.12%	7.33%	9.29%
	Net Excess Return ⁴	-3.78%	-5.77%	4.16%	-1.70%	-7.26%
2013	PPC Net ²	15.83%	5.24%	5.37%	9.50%	40.64%
	Avg. S&P 500/R2000-TR ³	11.50%	3.00%	7.73%	9.62%	35.61%
	Net Excess Return ⁴	4.33%	2.24%	-2.36%	-0.12%	5.03%
2012	PPC Net ²	16.89%	-1.77%	8.03%	0.77%	25.00%
	Avg. S&P 500/R2000-TR ³	12.51%	-3.11%	5.80%	0.74%	16.18%
	Net Excess Return ⁴	4.38%	1.35%	2.23%	0.03%	8.82%
2011	PPC Net ²	N/A	-1.76%	-13.23%	12.87%	-3.79%
	Avg. S&P 500/R2000-TR ³	N/A	-0.75%	-17.87%	13.65%	-7.41%
	Net Excess Return ⁴	N/A	-1.01%	4.64%	-0.78%	3.62%

MARKET CAPITALIZATION EXPOSURE

	Positions	% Long Assets
< \$2B (small cap)	2	11%
\$2B to \$10B (mid cap)	10	67%
> \$10B (large cap)	4	21%

PPC UNIQUE ATTRIBUTES

- Adhere to rigorous, repeatable stock selection process
- Most portfolio names internally generated
- Long-term investment horizon allows PPC to ignore investment community chatter, gossip, and short-term focus
- Distinctive, differentiated portfolio
- Performance-based fee

LONG-ONLY STRATEGY
REPRESENTATIVE CLIENT ACCOUNT MONTHLY GROSS RETURNS

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	PPC Gross ²	10.76%	2.95%											14.02%
	Avg. S&P 500/R2000-TR ³	9.63%	4.20%											14.26%
	Month-End % Invested	99.2%	98.4%											
2018	PPC Gross ²	5.13%	-2.79%	-2.35%	1.02%	4.09%	0.57%	4.03%	1.19%	-1.41%	-13.01%	5.16%	-11.12%	-10.96%
	Avg. S&P 500/R2000-TR ³	4.17%	-3.78%	-0.62%	0.62%	4.24%	0.67%	2.73%	3.78%	-0.92%	-8.85%	1.81%	-10.45%	-7.70%
	Month-End % Invested	98.1%	96.6%	98.7%	98.7%	98.6%	98.6%	96.0%	98.2%	98.0%	97.7%	92.5%	92.1%	
2017	PPC Gross ²	2.72%	4.03%	-1.14%	-2.99%	-0.40%	2.95%	1.14%	-2.70%	7.94%	2.55%	3.88%	0.38%	19.36%
	Avg. S&P 500/R2000-TR ³	1.15%	2.95%	0.12%	1.06%	-0.31%	2.04%	1.40%	-0.48%	4.15%	1.59%	2.97%	0.35%	18.24%
	Month-End % Invested	96.4%	91.2%	96.1%	97.2%	95.5%	95.4%	95.4%	95.4%	95.6%	95.6%	99.2%	99.1%	
2016	PPC Gross ²	-7.19%	4.83%	7.03%	0.35%	1.49%	2.36%	7.07%	0.72%	1.38%	-0.82%	8.54%	-1.38%	26.00%
	Avg. S&P 500/R2000-TR ³	-6.88%	-0.07%	7.38%	0.98%	2.02%	0.10%	4.83%	0.95%	0.57%	-3.29%	7.43%	2.39%	16.63%
	Month-End % Invested	99.4%	99.3%	99.0%	95.4%	94.0%	98.8%	92.4%	98.2%	95.0%	93.2%	91.0%	92.6%	
2015	PPC Gross ²	-2.64%	9.32%	-0.75%	1.62%	4.64%	0.18%	0.48%	-6.95%	-5.84%	6.17%	1.30%	-4.68%	1.57%
	Avg. S&P 500/R2000-TR ³	-3.11%	5.84%	0.08%	-0.80%	1.78%	-0.59%	0.47%	-6.16%	-3.69%	7.03%	1.78%	-3.30%	-1.52%
	Month-End % Invested	99.3%	92.1%	90.3%	92.6%	91.4%	97.9%	92.8%	93.2%	94.6%	94.9%	94.2%	98.7%	
2014	PPC Gross ²	-4.35%	4.35%	-1.81%	-2.63%	-1.40%	2.28%	-0.58%	6.82%	-4.56%	-0.62%	5.75%	0.76%	3.28%
	Avg. S&P 500/R2000-TR ³	-3.11%	4.64%	0.08%	-1.57%	1.57%	3.69%	-3.72%	4.48%	-3.73%	4.52%	1.39%	1.30%	9.29%
	Month-End % Invested	99.4%	99.3%	94.9%	94.6%	80.5%	94.5%	94.3%	85.9%	99.2%	99.0%	98.9%	99.4%	
2013	PPC Gross ²	8.88%	2.48%	5.06%	2.73%	4.23%	-0.99%	6.09%	-2.97%	2.05%	5.85%	3.19%	0.38%	43.13%
	Avg. S&P 500/R2000-TR ³	5.72%	1.23%	4.18%	0.78%	3.17%	-0.93%	6.04%	-3.04%	4.76%	3.56%	3.53%	2.25%	35.61%
	Month-End % Invested	99.5%	95.3%	99.4%	96.1%	99.4%	99.2%	94.8%	99.1%	99.1%	90.7%	90.8%	90.9%	
2012	PPC Gross ²	8.55%	2.57%	6.23%	1.79%	-6.89%	4.27%	-0.37%	6.23%	2.77%	-4.13%	2.86%	2.45%	28.42%
	Avg. S&P 500/R2000-TR ³	5.77%	3.36%	2.93%	-1.09%	-6.31%	4.56%	0.00%	2.79%	2.93%	-2.01%	0.56%	2.24%	16.18%
	Month-End % Invested	99.7%	99.7%	99.6%	99.4%	99.3%	99.4%	97.3%	99.7%	92.9%	97.8%	97.7%	92.9%	
2011	PPC Gross ²	N/A	N/A	N/A	-0.09%	0.33%	-1.68%	-2.54%	-4.05%	-5.84%	10.79%	2.78%	-0.78%	-1.96%
	Avg. S&P 500/R2000-TR ³	N/A	N/A	N/A	2.80%	-1.50%	-1.99%	-2.82%	-7.07%	-9.12%	13.03%	-0.29%	0.84%	-7.41%
	Month-End % Invested	N/A	N/A	N/A	70.7%	84.9%	93.5%	92.2%	89.8%	99.6%	99.4%	99.3%	99.6%	

PPC INFORMATION

Total PPC AUM [millions]	\$43.9
Business Configuration	SMA
Brokerage Accounts	Interactive Brokers (IB); Charles Schwab; BTIG
Custodian	IB; Charles Schwab; Goldman Sachs or Pershing LLC (at BTIG)
Minimum Investment	\$1M at IB or Charles Schwab; \$5M at BTIG
Investor Qualifications	Qualified Client Status
Fees ²	1.25% annual management fee; 20% excess return annual performance fee
Equity Analyst	Brandon Davis
Operational Support	Irene Chou, CPA; ILC Consulting
Legal Counsel	Jack Martel; Ragghianti Freitas LLP

FOUNDER/PORTFOLIO MANAGER BIOGRAPHY

Jason Williams, PhD: Before founding PPC, Jason was a partner and associate portfolio manager at Emrose Capital for 2 years. Prior to Emrose, Jason spent approximately 7 years at Botti Brown Asset Management (BBAM), where he was a senior research analyst and partner. Both Emrose and BBAM were market-neutral hedge funds founded by John Botti (in the case of BBAM John Botti and Don Brown). Preceding BBAM, Jason spent 2 years as an associate equities analyst at A.G. Edwards & Sons. Previous to A.G. Edwards, he conducted post doctorate research in chemical physics at the University of Maryland, College Park. Jason completed a PhD and MS in chemistry at the University of California, Irvine. He received a BS in chemistry and minor in mathematics from California State University, Chico.

LONG-ONLY STRATEGY

IMPORTANT DISCLOSURE INFORMATION:

All returns are unaudited. All performance information provided herein is historical and should not be taken as any indication of future performance. Dividends are reinvested for the representative account and any indices shown. The inception date for the representative account corresponds to the start of the first full month the account was funded and available to trade.

The PPC results shown are actual results of a representative PPC account. The representative long-only PPC account's first full month of trading was April, 2011. The strategy employed by PPC in managing this account is representative of PPC's long-only strategy in each of its client accounts. The account that was selected as the representative account was chosen because it is one of our oldest accounts and has one of the longest track records. All long-only client accounts contain the same positions in approximately the same relative sizes. Thus, the gross performance of each client account is similar.

¹ Liquidity Analysis of total PPC Long-Only Strategy AUM assumes 20% of last three months' average daily trade volume.

² Gross performance percentages represent the time-weighted rate of return of the representative account (including appropriate adjustments to account for the addition or subtraction of any funds from the account) and are net of brokerage fees but do not reflect fees paid to PPC. Fees include an asset-based management fee calculated on a prorated basis at the annualized rate of 1.25% and payable quarterly in arrears at the end of each fiscal quarter. Fees also include a performance fee, if any, equal to 20% of the net (after deduction of the management fee) excess return over the Avg. S&P500/R2000-TR. The performance fee is calculated annually at the end of each fiscal year. Annual Net returns percentages reflect PPC fees. The results shown above may not reflect the actual advisory fees paid by any client of PPC.

In order to present net returns on a quarter-by-quarter basis, year-to-date net results are calculated as if the account were terminated as of the end of each of quarters one, two, and three. For quarterly calculations, prorated management fees at an annualized rate of 1.25% and the performance fee equal to 20% of excess returns over the Avg. S&P500/R2000-TR indices are then subtracted from the NAV of the account as of the end of the quarter. To determine net returns during quarters two and three, year-to-date net performance is calculated then adjusted by subtracting the net performance of the prior quarter(s). For the fourth quarter, year-to-date net performance corresponding to the end of the third quarter is subtracted from the Annual Net return percentages.

³ The Avg. S&P500/R2000-TR is the equal-weighted total average return (including reinvestment of dividends) of the S&P 500 and Russell 2000 Indices.

Indices shown are provided as market indicators only. It should not be assumed that holdings, volatility or management style of any long-only account managed by PPC will, or is intended to, resemble that of the Avg. S&P500/R2000-TR index. The comparison of this performance data to the Avg. S&P500/R2000-TR index is imperfect because the former is not as diversified as the index shown and the mix of market capitalizations of the companies owned does not necessarily resemble the market capitalization characteristics of the index shown. Index returns are supplied by various sources believed to be accurate and reliable.

⁴ Net Excess Return is calculated as the difference between PPC Net returns versus the Avg. S&P500/R2000-TR.

⁵ The compound annual growth rate (CAGR) represents the annualized return since inception.

⁶ Sharpe Ratio, Sortino Ratio, and Beta calculations are based on the net quarterly returns, since inception. The Standard Deviation shown represents the annualized Standard Deviation. The Sharpe and Sortino Ratios are calculated using the annualized standard deviations, annualized returns, and the annualized risk-free return. The risk-free return is based on the quarter-end return of the 30-day U.S. Treasury bond. Beta calculations are correlated to the Avg. S&P500/R2000-TR.

PPC's long portfolio has relatively high concentrations in individual equities and high exposure represented by full investment. These characteristics present risk to any portfolio. PPC relies on its initial, underlying fundamental research for selection of long positions and its ongoing due diligence of these securities to reduce risk. Furthermore, PPC believes its investment approach of investing in companies that are cash flow positive and that trade at low multiples relative to their cash flow generating abilities helps to mitigate downside risk. PPC does incur market risk, and as a result, PPC's accounts may lose money in periods of broad stock market declines.

Information pertaining to PPC's advisory operations, services, and fees is set forth in PPC's current disclosure statement which is on file with the California Department of Business Oversight and a copy of which is available from PPC upon request. As part of its investment management process, PPC reviews and considers third-party research, including materials obtained from other investment professionals. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised by PPC) will be either suitable or profitable for a client's or prospective client's portfolio.

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