

HCLC STRATEGY

INVESTMENT STRATEGY

Pinyon Pine Capital (PPC) is a separately managed accounts (SMA) business. We are all capitalization value investors and employ a concentrated investment approach. Stock selection involves identifying companies that have high free cash flow yields and also possess the ability to grow their cash flow consistently over time and to reinvest that cash flow and generate appropriate returns on invested capital. The highly concentrated long-only (HCLC) product contains a subset of securities from our long-only strategy that we believe offer the most significant upside potential over an approximately three-year period.

PPC REPRESENTATIVE CLIENT ACCOUNT MONTHLY GROSS¹ RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	-9.33%	0.69%	0.01%	-10.59%									-18.36%
2021	4.34%	4.56%	2.76%	3.09%	0.86%	-1.51%	4.04%	1.55%	-2.89%	3.22%	-1.15%	6.82%	28.37%
2020	-7.51%	-5.14%	-17.26%	15.68%	7.87%	-3.63%	5.02%	1.68%	-4.49%	4.96%	14.38%	8.69%	16.16%
2019	8.80%	4.18%	-0.89%	2.78%	-15.25%	12.77%	-0.03%	-6.90%	9.06%	0.57%	3.31%	3.26%	20.14%
2018	4.69%	-0.35%	-3.51%	-0.93%	4.23%	2.94%	3.06%	2.87%	-2.67%	-12.38%	6.36%	-10.36%	-7.77%
2017	6.26%	4.40%	1.15%	-1.76%	1.50%	3.33%	4.12%	-4.19%	6.06%	2.41%	4.81%	-0.91%	30.10%
2016	-9.85%	7.91%	6.80%	-1.70%	1.57%	2.25%	8.00%	6.39%	-0.88%	-3.03%	12.38%	-0.67%	30.74%

PPC REPRESENTATIVE CLIENT ACCOUNT QUARTERLY NET¹ RETURNS

	Q1	Q2	Q3	Q4	YTD
2022	-8.90%				-8.90%
2021	11.89%	2.23%	2.32%	8.59%	27.09%
2020	-27.62%	20.02%	1.75%	29.23%	14.23%
2019	12.09%	-1.95%	1.31%	7.13%	19.29%
2018	-0.20%	5.25%	3.45%	-15.90%	-8.62%
2017	10.21%	2.56%	5.20%	6.01%	26.07%
2016	3.27%	2.29%	11.91%	7.95%	27.62%

STRATEGY CHARACTERISTICS

- Exposure: 95-99%
- Typical Initial Position Size: 10-15%
- Maximum Initial Position Size: 20%
- Maximum Position Size: 30%
- Total Portfolio Positions: 6-9
- Holding Period: 3 years
- No Leverage: cash accounts

LIQUIDITY ANALYSIS²

Days	% of Assets
< 3	100%

PORTFOLIO ATTRIBUTES

Total Positions	9
Largest Position Size	11.8%
Smallest Position Size	9.3%
Largest Market Cap. [millions]	\$27,698
Smallest Market Cap [millions]	\$1,127
North American Holdings	88%

MARKET CAPITALIZATION EXPOSURE

	Positions	% Long Assets
< \$2B (small cap)	1	11%
\$2B to \$10B (mid cap)	4	44%
> \$10B (large cap)	4	45%

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

PPC INFORMATION

Total PPC AUM [millions]	\$50.1
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
Investor Qualifications	Qualified Client Status
Fees ¹	0.85% annual management fee; performance fee equal to 20% of net excess return over an index and includes a high-water mark
Equity Analyst	Brandon Davis
Operational Support	Irene Chou, CPA; ILC Consulting
Legal Counsel	Jack Martel; Raghianti Freitas LLP

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HCL0 STRATEGY
CUMULATIVE RETURNS (starting 01/01/16)

PPC Net ¹	131.93%
PPC Gross ¹	156.58%

CAGR⁴ (annualized starting 01/01/16)

PPC Net ¹ CAGR	14.41%
PPC Gross ¹ CAGR	16.27%

CUMULATIVE EXCESS⁵ RETURNS vs. RUSSELL 3000 VALUE-TR³

PPC Net ¹	34.10%
PPC Gross ²	58.75%

PPC REPRESENTATIVE CLIENT ACCOUNT MONTH END PERCENTAGE INVESTED

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	97.8%	97.8%	97.8%	97.5%								
2021	86.2%	88.7%	89.0%	93.9%	93.0%	92.9%	96.2%	96.2%	96.1%	98.0%	98.0%	98.1%
2020	94.8%	95.2%	98.9%	93.6%	98.4%	99.2%	99.2%	99.2%	98.9%	98.9%	99.0%	99.1%
2019	99.2%	99.2%	98.9%	98.9%	98.8%	98.4%	98.3%	98.0%	98.1%	98.1%	98.1%	97.9%
2018	98.3%	84.7%	98.0%	98.0%	98.1%	81.0%	98.3%	98.2%	98.0%	97.7%	98.5%	98.0%
2017	98.7%	99.2%	99.0%	98.6%	98.6%	98.4%	98.4%	99.3%	98.9%	98.9%	86.2%	98.2%
2016	99.5%	99.3%	98.9%	93.6%	98.8%	99.2%	85.3%	94.5%	86.0%	85.4%	98.9%	98.7%

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.

HCLO STRATEGY

IMPORTANT DISCLOSURE INFORMATION:

This communication is confidential and may not be reproduced without the prior written consent of PPC.

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 HCLO PPC account's first full month of trading was January, 2016. The strategy employed by PPC in managing this account is representative of PPC's HCLO 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 HCLO client accounts contain the same positions in approximately the same relative sizes. Thus, the gross performance of each client account is similar.

¹ 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 0.85% 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 an index. The performance fee includes a high-water mark relative to an index and is calculated annually at the end of each fiscal year. Quarterly and 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 0.85% and the performance fee equal to 20% of excess returns over an index are then subtracted from the net asset value (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.

² Liquidity Analysis of total PPC HCLO Strategy AUM assumes 20% of last three months' average daily trade volume.

³ The Russell 3000 Value-TR is the total return (including reinvestment of dividends) of the Russell 3000 Value Index.

⁴ The compound annual growth rate (CAGR) represents the annualized return since inception.

⁵ Excess return represents PPC's cumulative returns minus the cumulative returns, over the same period, of the Russell 3000 Value-TR.

PPC's long portfolio has relatively high concentrations in individual equities and high exposure represented by full investment. These features are amplified in our HCLO strategy where concentrations in portfolio securities are considerably greater. Thus, we anticipate greater volatility and risk with our HCLO strategy versus our long-only strategy, especially over the short term. 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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