DIAMOND LAKE
CAPITAL

INVESTMENT SUMMARY

We seek to build a concentrated portfolio of strong businesses that we believe will outperform the market over time. We don't have an opinion on every company, rather we invest in businesses we understand that have favorable economics/price. We hold a long-term view and believe we have an edge over investors focused on quarterly results and who overly diversify.

We aren't distracted by market timing, forecasting, complex strategies or elaborate valuation methods. We believe a simple fundamental approach to estimate value will yield superior results. Our advantage lies in discipline to the principles and in sifting through public equities and event-driven situations where price and value diverge. Although we're industry agnostic, we do have an emphasis on hedging against healthcare costs for Health Savings Account investments.

We bring valuable perspectives and principles from experience in diverse industries along with decades of successful personal investing.

INVESTMENT PHILOSOPHY

Concentrated portfolios: 90% of the benefits of diversification are achieved through owning about 12 stocks. We believe concentrated portfolios are the best way to build wealth.

Competitive position first: We look for strong businesses with favorable economics and where price and value have diverged.

Long-term outlook: We have long holding periods and look at companies with likely favorable business positions over the next 5-10 years.

Know what to avoid: We avoid technical analysis, industries and firms with current and future expectations for lower returns on capital, and reliance on forecasting miracles.

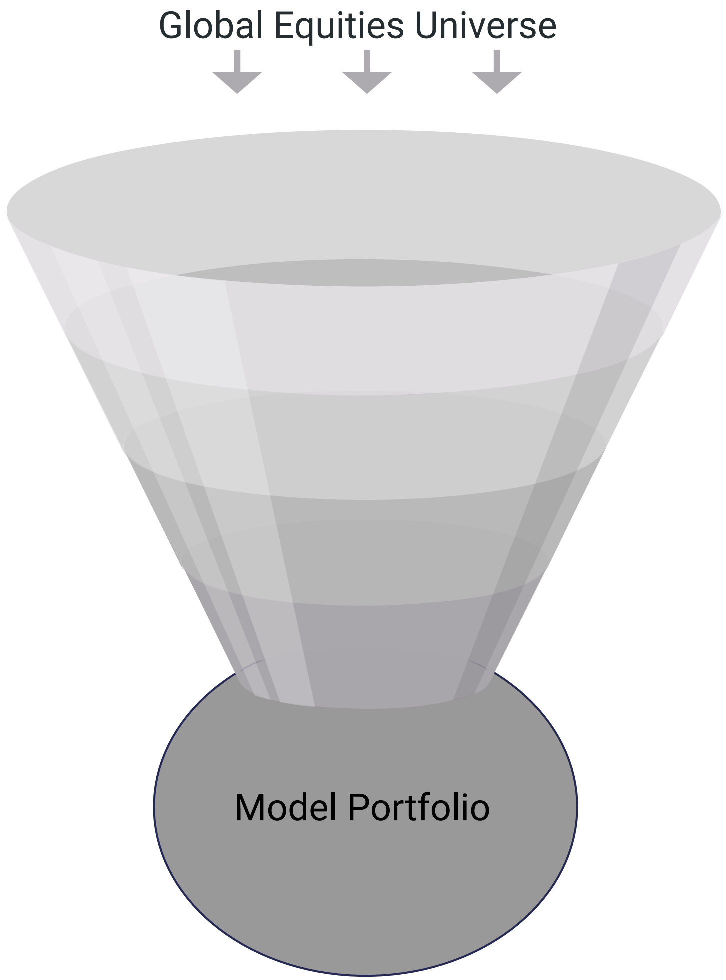
Industry agnostic but with an emphasis on hedging against healthcare costs for Health Savings Account investments.

Aligned interests: We invest a big part of our net worth alongside our clients. We do well when you do well.

INVESTMENT CRITERIA

- Public markets including spin-offs, mergers, turnarounds, value, and growth
- Companies we'd like to own if the market closed for the next 3 years
- Strong relative balance sheets: reasonable amounts of debt or none
- Competitive advantages: networks, distribution, product
- Favorable economics: pricing power, returns on capital, and free cash flow strength or future potential
- Long-term view: 5-10 year outlook on business position
- The anti-portfolio of what not to invest in: oil, hospitals, biotech, commodity products, tech trading at absurd multiples

INVESTMENT PROCESS & POSITIONING



Step 1: Size & Valuation
A filter for size and valuation, with an emphasis on smaller firms, <$10B

Step 2: Favorable Competitive Forces
Network, distribution, products

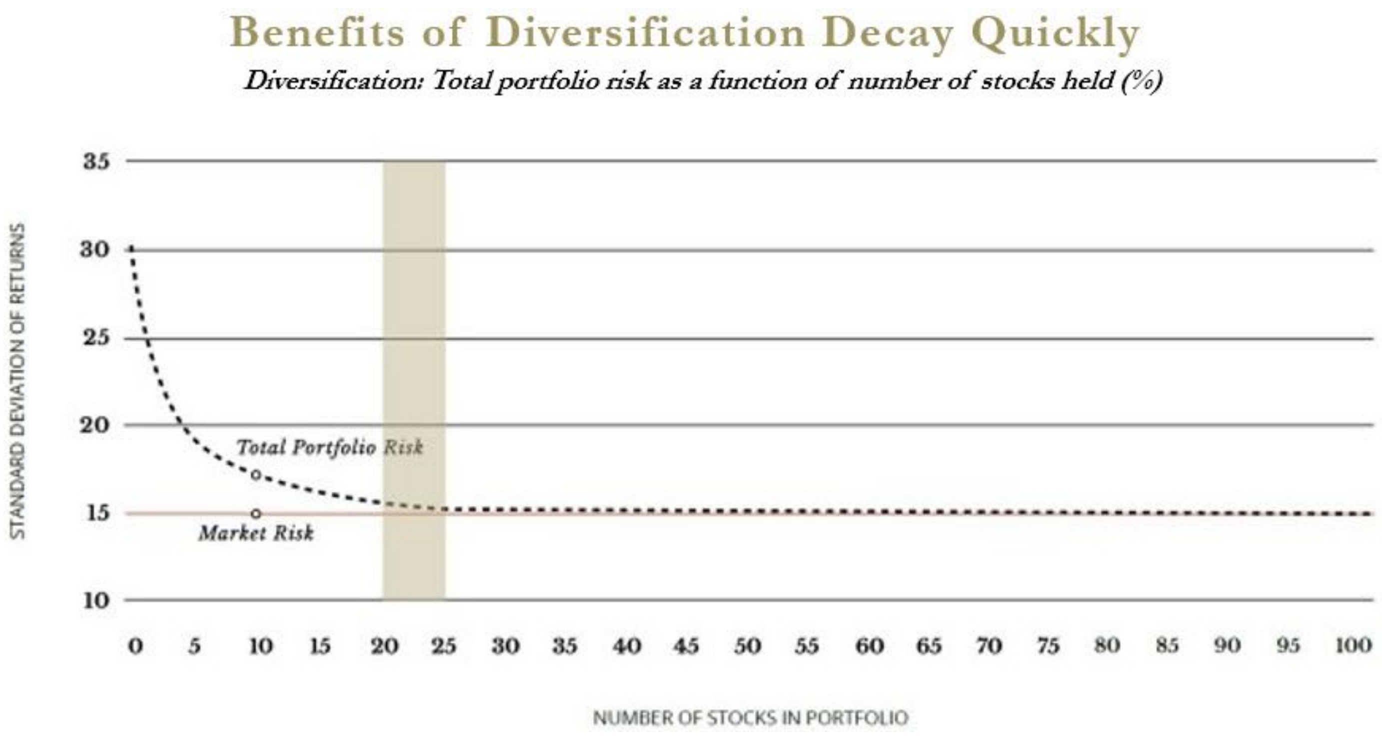
Step 3: Economic Advantage
Pricing power, returns on capital, and free cash flow strength or future potential

Step 4: Special Situations
Spinoffs, Pending Mergers, Turnarounds

Step 5: Asset Allocation
8-12 Equity positions across industries and geographies; No position >25% of portfolio

CONCENTRATED VS DIVERSIFIED PORTFOLIOS

- Goldilocks Diversification: 90% of the benefit of diversification is achieved through only ~12 stocks
- Pari-mutuel betting systems (e.g., horse racing, stocks), those who win “bet very seldom” --Charlie Munger
- “Diversification may preserve wealth but concentration builds wealth” –Warren Buffett



RISK MANAGEMENT

- Diversification: no more than 25% in one investment
- Conservative balance sheets
- Margins of safety (bad-case scenario earnings power, net asset valuations, buyout break-up fee adjustments)
- No margin

INVESTMENT TERMS

- Fund Goal: Outperform S&P 500 Total Return Index
- Management Fee: 1% per year
- Long-term Commitment: We treat investors as long-term partners

HEALTHCARE & HEALTH SAVINGS

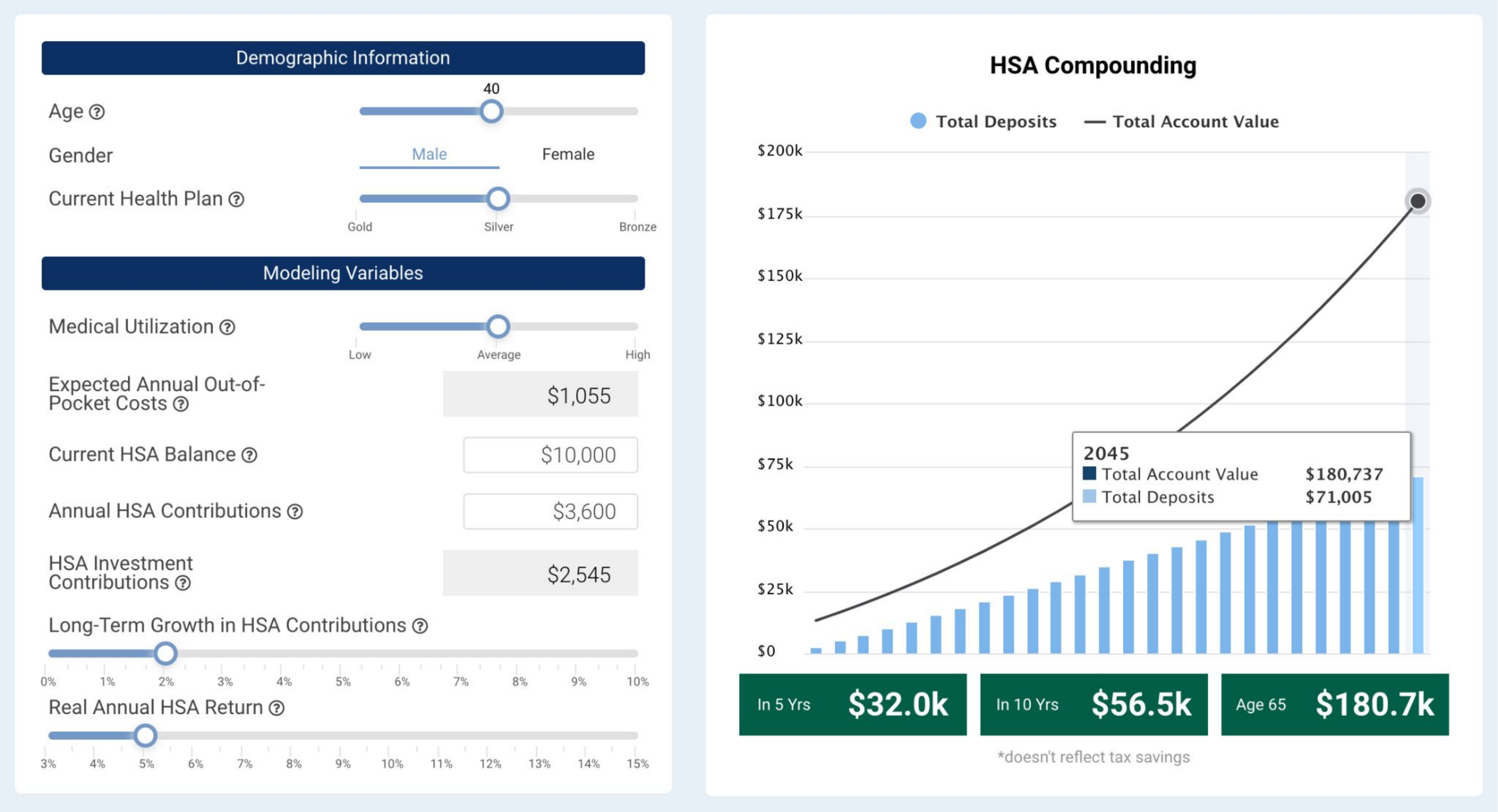
Better tools, better investing

HEALTH SAVINGS ACCOUNT (HSA) INVESTMENTS & TOOLS

- HSA assets in the U.S. are $100B; 95% of accounts don't invest. This is a big lost opportunity.
- Most years, out-of-pocket costs are modest, and more people would save by enrolling in a high deductible plan and investing the savings.
- Healthcare costs are likely to continue to outpace general inflation and are particularly high in retirement. Modest HSA contributions and investing now can hedge for those costs.

HEALTH SAVINGS ACCOUNT (HSA) INVESTMENTS & TOOLS

- $2,500 per year in HSA dollars, invested at a 5% real return over 25 yrs provides a cushion for healthcare costs in retirement, amounting to $180k+ in dollars for out-of-pocket costs.
- Current balances of $50,000 allow for similar opportunities to hedge future healthcare costs, if invested properly.
- Only 5% invest HSA balances, giving up big long-term gains, due to inertia, poor investment choices, and lack of understanding of options.



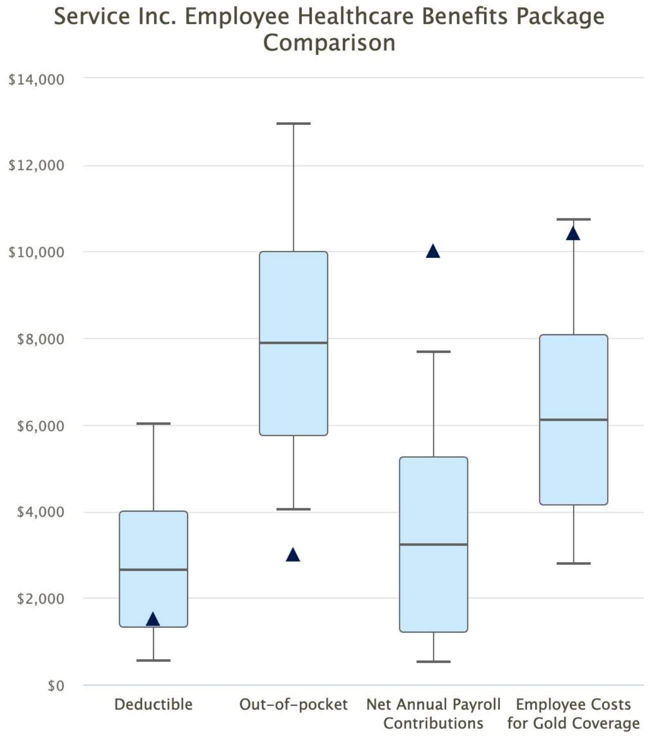
TOOLS - VALUING MY EMPLOYEE HEALTH BENEFITS

- Company-sponsored benefits are not a commodity and can vary by thousands of dollars.
- John Doe, a prospective employee with family coverage is offered a health insurance package in the bottom 10th percentile.
- Having comparison data allows Mr. Doe to see the gap of **$4,300 to $7,600 dollars**, and to negotiate accordingly.

Valuing My Healthcare Benefits

Summary of Benefits	
Firm Name	Service Inc.
Coverage Tier	Family
Annual Payroll Contributions	$10,000
Annual Firm HSA/HRA	$0
Family Deductible	$1,500
Family Out-of-pocket maxium	$3,000
Plan Value	87%
Benchmark	
Industry	Service
Size	1000+
Region	All
Comparison firm count	323
Service Inc. vs. Benchmark	
Median	$4,373
Top 25%	$6,282
Top 10%	$7,642

Source: Trended Kaiser 2018 and 2020 employer survey plus proprietary employer data. Version 1.5, March 2021.



TEAM

Joe Andelin has 15 years experience in finance and varied roles in healthcare, including 2 healthcare startups, both of which were acquired, as well as time at Goldman Sachs and an internship at Arlington Value Management. He is the founder of Olavi Group, a healthcare consulting firm focused on research, data analytics and healthcare purchasing strategies. He holds a B.A. in Finance from the University of Utah.

Greg Greer has over 15 years of experience in investing, banking, and strategy consulting. Greg began investing in mutual funds in high school after reading finance books at the local library. He started his career at Goldman Sachs and later worked for Capco, a strategy consulting firm advising some of the top Fortune 500 clients. He received a B.S. in Finance from the University of Utah and an MBA from Carnegie Mellon University.

APPENDIX – SAMPLE HOLDINGS

	VIRTU FINANCIAL	covetrus	ARISTA	COGNEX
Overview: Market Cap Industry	$5.5B | market execution services	$3.7B | animal-health technology and services company	$27B | cloud networking solutions	$14B | machine vision products and barcode readers
Details	Provides market making solutions, including over $1B/yr in price improvement for investors. $1B+ in free cash flow/year	Spin-off from Henry Schein, a healthcare solutions firm. 31x forward earnings, .8x sales; 2.5x book value	Network solutions sold through direct sales and channel partners. Strong growth on no debt. Good margins.	Good distribution network and strong product lineup. 70% of sales in electronics, logistics and automotive. High margins.
Position Size	10-15%	5-10%	10%	5-10%
Competitive Advantages	Oligopoly; only public market making firm; big buy-back opportunity.	Software, Hardware, Services for growing pet market (including pet telemedicine)	Proprietary “EOS” network solution, scalable applications, low debt	Strong product lineup, high margins, solid distribution network, no debt