Ironvine Core Equity
2nd Quarter 2019

To our Partners-

For the 2nd Quarter of 2019, the Ironvine Core Equity composite increased +6.8%. Since inception, Core Equity's annual rate of return stands at +14.4% which equates to a cumulative return of +60.3%. These figures, along with the data in the following table, are presented on a total return basis and shown net of all fees and expenses.

Cumulative Returns	Since Inception (1/1/16)	3 Year	1 Year	YTD (6/30/19)
Ironvine Core Equity (net)	60.25%	52.98%	15.67%	22.18%
S&P 500	54.60%	48.89%	10.42%	18.54%

Average Annual Returns	Since Inception (1/1/16)	3 Year	2 Year
Ironvine Core Equity (net)	14.42%	15.23%	14.02%
S&P 500	13.26%	14.19%	12.38%

Note: Ironvine Capital Partners performance data is presented net of all fees and expenses.
[1] Please refer to the Important Disclaimers at the end of this document.

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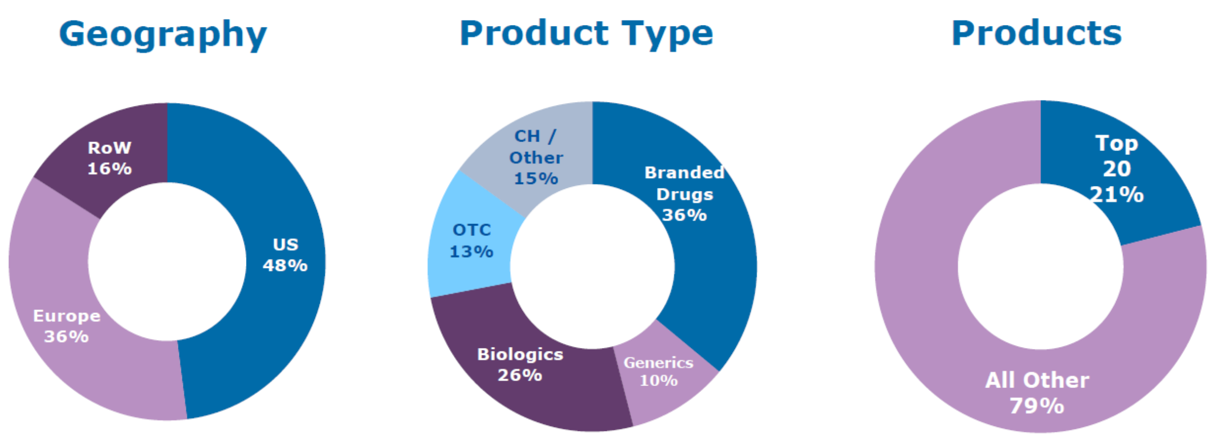
We are fond of recurring revenue businesses. Companies that play a critical role in the everyday functions of corporate or personal life and provide disproportionate value to customers are those we covet most. Ironvine Core Equity investors own pieces of many such businesses today. Broadband internet providers Comcast and Charter Communications (which we own via a stake in Liberty Broadband) allow individuals, businesses and machines to access information and communicate with ever increasing speed and efficiency. (Actor Will Ferrell helps add some additional perspective – "Before you marry a person, you should first make them use a computer with really slow internet to see who they really are.") Microsoft's Office 365 software suite enables productivity in the modern workplace, and its Azure cloud platform provides efficient -- and essential -- computing power for governments, large corporations such as Adobe and Pixar, and thousands of startups spawned globally each year. Costco provides customers high quality merchandise effectively at cost in exchange for an annual membership fee of $60 or $120. MasterCard and Visa offer a secure and globally accepted alternative to cash that now totals ~$15 trillion in cumulative annual spending (together,16-17% of global GDP). We could go on, but the underlying point is our preference for companies that make everyday life better and prioritize customer delight over profit maximization.

Of course, consistent, predictable revenue streams aren't everything. The capital required to operate a business, its opportunity for ongoing reinvestment and the skill with which its management stewards excess cash flow are all of significance to long-term investors. Our lone new addition in Core Equity during the second quarter, **Catalent (CTLT)**, scores favorably along each of these dimensions. Catalent is a contract development and manufacturing organization (CDMO) that assists biopharmaceutical and consumer companies across 80 countries and five continents in developing and manufacturing medications / products. Catalent provides advanced delivery technologies such as extended release and fast-dissolving oral tablets, inhalers, injectables and softgel coatings to customers that otherwise lack the scale or the technological know-how to manufacture internally. As one envisions the lifecycle of a typical small or large molecule drug, Catalent is often manufacturing for its customers from the earliest stages of research, through development, into clinical trials, upon commercialization and following the loss of patent exclusivity. In other words, from cradle to grave.

In many industries, businesses providing outsourced services require disproportionate amounts of ongoing capital investment, lack differentiation and/or have significant customer or product concentration and end up "price takers" as a result. Not so for Catalent. Returns on tangible capital invested rest squarely in the mid-teens. A combination of process knowledge, intellectual property and scale advantages have earned CTLT market leading positions in softgels, inhalation, complex oral dose forms and complex injectables. As well, the company produces over 7,000 different products on behalf of 1,000+ customers spanning branded medications (those with patent protection), generics, biologics, over-the-counter treatments and consumer health products (vitamins, minerals, supplements). Catalent's 20 largest products represent just 21% of sales, resulting in a diverse stream of revenues and profits across customers, geographies and products as depicted below.



One of the more attractive elements of Catalent's business is that its services represent a small fraction of a drug's overall cost to society. In total, Catalent typically represents between 2% and 8% of a medication or product's average selling price. More importantly, biopharmaceutical industry regulations make switching manufacturing partners a risky and expensive endeavor. Once a customer has decided to outsource (which typically happens early in the research process), Catalent's delivery technology, the production equipment in use and the specific manufacturing location(s) are all specified by name in FDA

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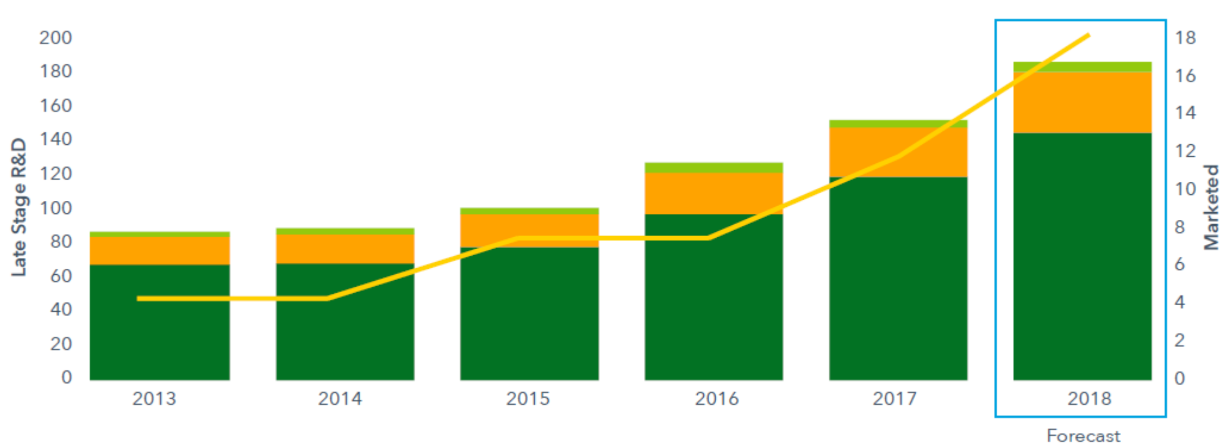
(and other regulatory bodies') filings / approvals. Changing any one of these variables introduces the prospect of being out of the market for a significant period of time. Is the potential for lost revenue worth the potential savings on such a small cost?

The CEO of a Catalent competitor says it well: "You've got to really severely screw it up for people to move [a drug] because the cost and effort required in moving production…you've got to go to every single country where you're selling the product, go to the regulatory authorities and go through a process of recertifying another place to make it. It takes two, three years. It costs a boatload of money. Once you have the product and you do a good job, [outsourced manufacturing]'s a very sticky business with great forward visibility." With Catalent's track record of reliability and the headaches associated with change, it's no wonder few biopharmaceutical manufacturers ever make the switch. In fact, Catalent has lost just two products (again, out of more than 7,000) over the course of the past ten years to an alternate manufacturer. This customer lock-in also provides Catalent with a degree of pricing power that it has been judicious in wielding. Contractual price increases typically contribute a modest, but consistent, +0.5% to +1.0% to the company's revenue growth each year. They also provide evidence of the non-commoditized nature of the company's offerings.

It comes as little surprise, then, that Catalent's growth has been steady over the course of its 10+ year corporate history. The general increase in global pharmaceutical consumption (Catalent's revenue is tied to units, not drug prices), the launch of new products, a gradual increase in the rate of outsourcing, and modest price increases have contributed to healthy mid-single digit annual organic sales growth. Catalent's strategic move into the world of biologic production through the acquisitions of Cook Pharmica (2017) and Paragon Biosciences (2019), however, has positioned the company for a step up in growth over the next 5-10 years. As the chart below highlights, demand for clinical and commercial biologic production has increased significantly over the past several years. A significant portion of the companies conducting and commercializing these breakthrough medicines operate as "virtual" pharmaceutical businesses with no in-house research or manufacturing capabilities, preferring instead to leverage the external expertise and scale of providers like Catalent. We believe this backdrop provides an attractive decade-plus reinvestment runway.

Exhibit 3: Number of Next Generation Biotherapeutics Currently Marketed or in Late-Stage Pipeline



Source: IQVIA Institute, IQVIA R&D Insight, Jan 2018

We are often asked by current and prospective investors how and where we source our investment ideas. Catalent came to us via one of our favorite channels – ongoing research on an existing portfolio company. Thermo Fisher Scientific, a top ten holding in Core Equity, announced the acquisition of Patheon in May 2017. We were unfamiliar with the company or industry at the time. As we worked through due diligence on Thermo's purchase, we were immediately attracted to the structural characteristics of the CDMO industry – strong entry barriers, a fragmented competitive landscape, high degrees of customer intimacy, defensible returns on capital and a large and expanding market opportunity. Naturally, the next step was to look for additional ways to gain exposure to contract drug manufacturing, which led us to a relatively small number of publicly available peers. Catalent stood out among the group given its size and focus, so we began formal research coverage of the business. Our ownership culminated in April following the announcement of the $1.2 billion Paragon Bioservices acquisition, which we believe provides Catalent the opportunity to grow underlying per share business value at an attractive rate in the years ahead.

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When we named this strategy Ironvine "Core Equity" several years ago, it reflected the team's desire to build and maintain a collection of 25-30 businesses that best represented the "core" of the IVCP investment philosophy. As partners, our aim in these communications is to further distill that essence by describing what we do, why we do it and the specific means via which we seek to protect and grow our capital. We write *our* rather than *your* because each of us has the majority of his personal net worth invested alongside you in Ironvine Capital Partners' two equity strategies.

With considerable thought and care, and with the benefit of lessons learned along the way, the IVCP team has established and continues to refine an investment philosophy that avoids:

- undue reliance on a single decision maker or idea generator (we operate as a team)
- the need to continually time purchase and/or sale transactions well (we are long-term investors)
- dependence upon successful macroeconomic forecasts (we think and act like business owners)
- the incentive to take unnecessary risk (we want to compound capital sustainably)
- what Buffett often refers to as the "institutional imperative" (we regularly and systematically challenge our own ideas and seek to avoid running with the herd)

Our investment process marries the qualitative with the quantitative, art with science, fact collection with judgment. It focuses on identifying businesses with durable competitive advantages, attractive and sustainably above-average returns on capital, steady growth, consistent excess cash generation, prudent capital structures and shareholder-friendly management teams. If one were to treat the Core Equity portfolio as a single operating company, it would boast returns on capital of 19%, a free cash flow yield of approximately 5.0%, a five-year organic growth profile between +7% and +8% and modest leverage of approximately 1.5 times cash flow. We would invest heavily behind a business with those characteristics, and as mentioned earlier, we have. As managers, we task ourselves with continuously evaluating the relative merits of what we own today vs. what we could own in its place. Significant IVCP research time is spent in search of ways to improve an already attractive stable of companies. Given the high bar that must be cleared for inclusion in Ironvine portfolios, most of the time the answer is "we'll take what we've got". With one roster spot open, the team is excited about having potentially uncovered another future compounder early in the third quarter. We have been working to establish a position and look forward to updating you on our progress later this fall.

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The tables below highlight Core Equity's largest holdings as of quarter end, as well as the most significant performance contributors and detractors over the past 12 months. The careful reader will notice some changes in our top 10 holdings versus a quarter ago, much of which was a result of intraquarter price action. We closed Core Equity's position in Bank of New York Mellon in April to fund our purchase of Catalent.

Top 10 Holdings as of June 30, 2019	
Company	**Allocation**
MICROSOFT	5.6%
APPLE	4.7%
LOWES COMPANIES	4.5%
WALT DISNEY	4.1%
COSTCO WHOLESALE	4.0%
COMCAST	3.8%
THERMO FISHER SCIENTIFIC	3.7%
CATALENT INC.	3.7%
BERKSHIRE HATHAWAY	3.6%
MOODY'S CORP.	3.5%
TOP 10 AS % OF ASSETS	**41.2%**

Company	**Average Weight**	**Portfolio Contribution**
Top Contributors - 12 months ended 6/30/19		
MICROSOFT	5.2%	1.9%
STARBUCKS	3.0%	1.8%
DOLLAR GENERAL	3.9%	1.3%
WALT DISNEY	3.7%	1.3%
CISCO SYSTEMS	4.2%	1.3%
Top Detractors - 12 months ended 6/30/19		
CIMPRESS	0.9%	-1.8%
LIBERTY SIRIUS XM	2.9%	-1.3%
WELLS FARGO	2.9%	-0.6%
BANK OF NEW YORK	2.7%	-0.3%
EBAY	0.6%	-0.3%

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Thank you for your continued trust and confidence.

The Ironvine Investment Team

July 31, 2019

Important Disclaimers

Reported performance figures represent an average, or composite, of our progress. Individual returns will vary based on the timing of your investment with us, fee differentials, or other account-specific circumstances. Client reporting, including positioning and performance, will be sent under separate cover.

Past performance is not a guarantee or a reliable indicator of future results. All investments contain risk and may lose value. This material contains the current opinions of the authors such opinions are subject to change without notice. This material is distributed for informational purposes only. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Core Equity portfolio holdings mentioned, including the Top Ten Holdings, are subject to change and are not recommendations to buy or sell any security.

Ironvine Capital Partners (Ironvine) is an investment adviser registered with the SEC that commenced managing client assets in November of 2013. The Firm definition includes all assets that are managed in Ironvine's Concentrated Equity, Core Equity, and Dividend Growth Strategies.

Ironvine Capital Partners claims compliance with the Global Investment Performance Standards (GIPS®). To receive a description of Ironvine Capital Partners' composites and a presentation that adheres to the GIPS standards, please contact Ryan Mendlik, rmendlik@ironvinecapital.com, 402.715.5224, or write Ironvine Capital Partners; 9290 W. Dodge Rd, Ste 203; Omaha, NE 68114.

The Ironvine Core Equity Composite *includes all accounts over which Ironvine deems to have discretion and that follow the composite strategy. Ironvine Core Equity seeks to earn above average long-term returns by investing primarily in portfolio of common equity securities with a particular focus on companies that have the ability to generate high and sustainable returns on invested capital.*

The Ironvine Core Equity Composite was created on 12/31/2017, with an inception date of January 1, 2016. The strategy does not seek to track or compare itself to any particular equity benchmark, but for informational purposes the composite is compared against the total return of the S&P 500. The benchmark includes 500 stocks representing all major industries of the economy. Ironvine Core Equity employs a total return strategy and the S&P 500 is provided for illustrative purposes only, as it is the most widely-recognized alternative to any actively managed mandate amongst global investors. Past performance is not indicative of future results. All results are calculated in US Dollars and include reinvestment of dividends and other earnings.

Ironvine claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ironvine has been independently verified for the periods 12/1/13– 12/31/18.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Ironvine Core Equity Composite has been examined for the periods 01/01/17– 12/31/18. The verification and performance examination reports are available upon request.

Performance presented prior January 1, 2017 occurred while the Portfolio Manager, Richard L. Jarvis, was affiliated with a prior firm. Mr. Jarvis was the only individual responsible for selecting the securities to buy and sell at the predecessor firm. A review of the performance record for compliance with the portability requirements of the GIPS standards was completed by an independent accounting firm. The verification and performance examination report are available upon request.

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