IRONVINE CAPITAL PARTNERS, LLC

Core Equity

Fellow Investors -

For the fourth quarter of 2020, the Ironvine Core Equity composite increased 11.2%. Since inception, Core Equity's annual rate of return stands at 18.4% which equates to a cumulative return of approximately 133%. 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.

		Annualized Returns as of 12/31/20			**Cumulative**
	1 Year	**3 Year**	**5 Year**	**Inception 01/01/16**	**Inception 01/01/16**
Ironvine Core Equity (net)	28.34%	20.01%	18.40%	18.40%	132.73%
S&P 500	18.40%	14.18%	15.22%	15.22%	103.04%

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

We begin with a few observations of the current environment. It may come as a surprise that we don't spend significant time attempting to ascertain what's behind the prices of most public equity securities. We instead focus on a smaller subset of companies and industries where we observe durability we understand, opportunity for continued reinvestment, and economic profiles any business owner would covet. How markets price assets that fall outside of these concentric circles thus garners little mindshare. However, the anecdotes we've read and the headlines we've seen over the past several weeks have led to more than a few raised eyebrows around the office. We avoid market prognostication and won't begin that practice now, but we can't help but observe pockets of public equity pricing that appear to offer long-term investors more risk than future return.

More importantly, and more practically as Core Equity investors, 2020 was a fruitful year for our businesses. The finer points and final tallies will be reported over the course of the next several weeks, but we expect that our companies will have grown earnings or free cash flow by roughly 12% on a weighted average basis versus 2019. While this is below the 16% annualized rate at which those metrics grew in each of the prior two years, it significantly outpaces an anticipated decline in earnings power of 17% for the S&P 500. As one digs deeper into the numbers, a wider than normal range of growth rates lies beneath what might otherwise look like a more normal year. Businesses that benefitted from the pandemic—our collection of retailers, life science tools and diagnostics franchises, rating agencies, and broadband providers—saw their growth rates accelerate to above normal levels over the past 12 months. Those directly disrupted/impacted—payment networks, theme park operators, and banks—saw declines, in some cases pronounced. Neither of the demand states underlying these two extremes is representative of what we expect to persist in the intermediate future, but together they illustrate the benefits of thoughtful diversity and the collective resilience we aim to capture as owners of a portfolio of outstanding businesses.

By our estimate, the values of our respective holdings grew faster than the above mentioned 12% over the course of the year. How might this be possible? There are a number of contributing factors:

- Significant internal reinvestment that pressured current profitability but generates what we believe will prove long-term value-enhancing rates of return (Disney, Catalent, CoStar Group)

- The ability to capture future opportunity on an accelerated basis, driven in part by the pandemic (PayPal, Thermo Fisher, Dollar General)

- Further deepening of competitive entrenchment via improved products / service / market position (Microsoft, Danaher, Analog Devices)

- Cyclical declines in earnings / cash generation that pressured 2020 metrics but had a lesser impact on our estimates of long-term excess cash flow generation (HEICO, Visa, Mastercard, Starbucks, JPMorgan Chase)

The prices attributed to our 29 holdings as of year-end increased at a faster rate during 2020 than our underlying value appraisals, but not dramatically or worryingly so in the aggregate. It is plausible that we have pulled forward some future returns, but absent another 2020-like shock to the global system we see another year of healthy earnings / free cash flow growth ahead for our businesses. As we've communicated in the past, market prices don't always move in lock step with increases (or decreases) in tangible value in the short run (there are a number of extreme examples of this on display today), but over longer periods of time the public market mechanism has proven adept at reflecting tangible value creation (and destruction).

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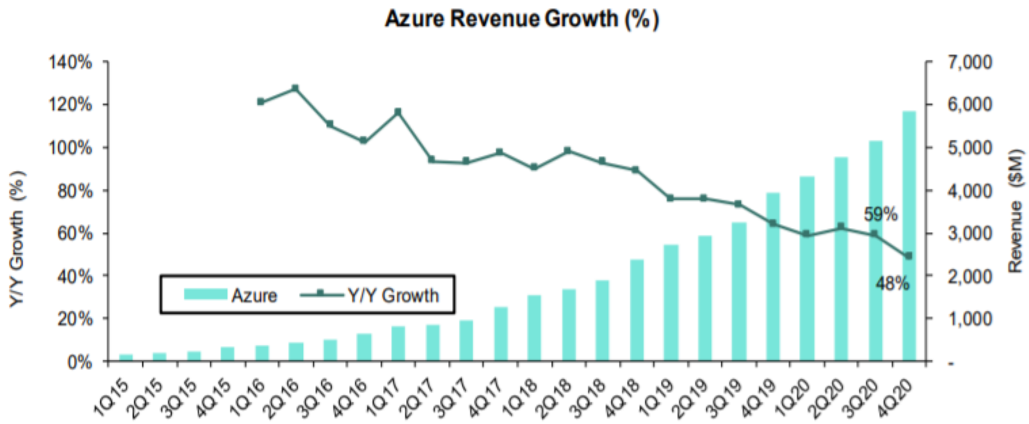
We welcome the slower pace and time for reflection that is often typical of the final weeks of the calendar year. As we digested the past year's events over the holidays and wrestled with what learnings will endure, we were struck by how much has changed in the five years since Core Equity's inception. As one example, internet penetration around the globe has increased by 50% versus 2015, resulting in an additional 1.5 billion people joining the digital universe. The derivative impacts of this expansion continue to reshape businesses, upend industries, profoundly alter political landscapes, and present investors with both opportunity and risk. Simultaneously, the U.S. Federal Reserve has expanded its balance sheet in size (by $3 trillion in assets to ~$7.5 trillion) and scope (reaching well beyond U.S. Treasury securities), long-term interest rates have been halved (as measured by 10-year Treasury securities), and U.S. corporate tax rates are 40% lower (from 35% to 21%). The cumulative effect of these forces has been, in a word, profound.

The degree of change has been no less meaningful when looked at through the collective lens of our operating companies. Consistent with our initial investment theses, many of the businesses in which we hold minority stakes are either driving, helping to facilitate, or stand to be direct beneficiaries of ongoing secular change.

- During fiscal 2015, Microsoft's Azure cloud platform generated just shy of $1 billion in annual revenue with negative contribution margins. Fast forward five years, and Azure printed an estimated $20 billion in annual revenue with contribution margins north of 50% (please see the Bernstein chart below). In 2015, Microsoft Teams—a productivity application similar to Zoom, Slack, and others—was still two years from official launch; it now boasts 115 million daily active users (and growing)



- The number of gene and cell therapies undergoing clinical trials has quadrupled over the past five years (reaching roughly 1,100 today), with nine FDA approved therapies now on the market versus zero five years ago; Thermo Fisher, Danaher and Catalent have and will continue to play key roles in helping the U.S. Food and Drug Administration achieve its stated desire to approve up to 10 to 20 new gene therapies each year by 2025

- Disney acquired a streaming platform (Bamtech, 2017), swallowed Twenty-First Century Fox (2019), and has successfully launched a powerful direct-to-consumer offering with 137 million paying customers that is a legitimate rival to Netflix; in a made-for-streaming twist, the incumbent has now become the disruptor, and vice versa

- PayPal, which officially separated from parent eBay in the summer of 2015, has since doubled its user base, doubled its merchant base, and more than tripled the Total Purchase Volume (TPV) flowing through its two-sided network; the continued enriching of its digital wallet with features like bill pay, cryptocurrencies, rewards, and "buy now pay later" provides the opportunity to penetrate the holy grail of every day spending

- Global card penetration of personal consumption expenditures (PCE) has increased by 25% since 2015 and now represents approximately half of all consumer-to-business spending outside of China; over this same period, the number of global acceptance points for card-present and card-not-present transactions (ecommerce) has grown dramatically and Visa has added more than 500 million new credentials to previously unbanked consumers around the world

- The percentage of Americans who regularly shop for groceries at dollar stores has increased from 21% in 2015 to >50%, demonstrating the value consumers receive from the combination of low prices and convenience; this trend has likely been driven in part by a 40% increase in the number of Dollar General locations over the past five years (fun fact: there are now more dollar stores in the U.S. than McDonald's and Starbucks *combined)*

- In round numbers, Apple's Services business (App Store, Apple Care, Apple Music, iCloud, etc.) has grown from $20 billion in revenue to approaching $60 billion on an annualized basis over the past five years—these non-hardware profit streams cement Apple's relationship with an installed base that now totals 1.65 billion devices; similarly, Apple has created two new hardware platforms –the Apple Watch and Airpods—that now total $25-30 billion in annual revenue (exceeding the size of both the Mac and iPad platforms)

Some of these trends were readily identifiable in 2015—the shift of computing to the cloud, dollar stores' unit growth opportunity, the secular trend in commerce away from cash. Others were less so—Microsoft Teams' launch and the relative importance of remote collaboration tools, Apple's new products, etc. Our accuracy in assessing the pace of these changes was in the right ballpark in a handful of cases, and orders of magnitude wrong in others. What we find interesting is that **despite our inability to predict the above trends with anywhere near 100% accuracy, the Ironvine formula of investing behind platforms in growing industries that lower costs, improve efficiency, confer trust, and delight end users has enabled us to participate—in some instances, disproportionately—in the benefits brought about by the past five years of change.**

In that same vein, rather than attempting to predict what will transpire over the ensuing five years our approach remains focused on investing in the platforms upon which such changes are likely to be affected. We don't know which vertical software companies will emerge as the next winners, nor which video games will become the next viral social networks, but we are confident Microsoft will play a role in facilitating their growth via reliable, low-cost computing power and productivity tools. Similarly, we don't know which therapeutics will prove effective or how (precisely) they will be delivered, but our life science tools and manufacturing businesses will assuredly provide necessary instruments and consumables during discovery, clinical trials, and commercial production. Finally, we may not invest behind many of the emerging digital and ecommerce franchises (due to price or a lack of imagination on our part), but Core Equity investors will help facilitate their growth through the increasing utility of PayPal and Venmo's digital wallets and the ubiquitous payment "rails" provided by Visa and Mastercard. These are just a handful of examples, but this is the kind of thinking that drives our research efforts and gives us confidence than in five years we'll once again reflect on the unforeseen ways in which our businesses have enabled growth and created lasting value.

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As is our custom, below we provide a snapshot of our largest positions as of year-end, as well as a summary of the key contributors and detractors over the course of 2020. Your individual account weightings may differ slightly from the table depending upon the timing of cash flows, the size of your account and/or rounding.

Top 10 Holdings as of 12/31/2020	
Company	**Allocation**
MICROSOFT CORP.	5.4%
LOWE'S COMPANIES INC	4.9%
CATALENT INC.	4.9%
THERMO FISHER SCIENTIFIC INC.	4.7%
LIBERTY BROADBAND CORP.	4.1%
HEICO CORP. CLASS A	4.1%
WALT DISNEY CORP.	4.0%
LABORATORY CORP. OF AMERICA	3.7%
COMCAST CORP.	3.7%
MOODY'S CORP.	3.6%
Top 10 as % of Assets	**43.0%**

Company	Average Weight	Portfolio Contribution
Top Contributors -12 months ended 12/31/2020		
CATALENT INC.	4.3%	3.8%
APPLE INC.	3.9%	3.4%
MICROSOFT CORP.	5.7%	2.8%
PAYPAL HOLDINGS INC.	2.7%	2.6%
THERMO FISHER SCIENTIFIC	4.5%	2.2%
Top Detractors -12 months ended 12/31/2020		
LIBERTY SIRIUS XM	0.6%	-1.8%
WELLS FARGO & COMPANY	0.5%	-1.7%
RAYTHEON TECNOLOGIES	0.7%	-1.6%
US BANCORP	2.1%	-1.3%
JP MORGAN CHASE & CO.	2.2%	-0.7%

Some context regarding the detractors column above may be helpful. Early in the pandemic, we identified opportunities to tax efficiently upgrade Core Equity's durability and future return profile, which led us to close positions in Liberty Sirius XM, Wells Fargo, and Raytheon Technologies. This explains the small average portfolio weighting for those securities, as we no longer held them for the final eight months of the calendar year. The proceeds from those sales were reinvested in HEICO, Bank of America, Danaher and Walt Disney, among others, each of which made strong contributions to 2020 results.

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We would be remiss in not acknowledging our retiring partner Rich Jarvis' contribution to Core Equity investors—and Ironvine more broadly—over the past four years. Rich is the original architect of this strategy and has protected and grown capital at enviable rates for over 30 years. The consummate learner and student of public markets, we have been beneficiaries of his investment wisdom and perspective. He is a reminder of what it takes to excel in this business—curiosity, hard work, continual improvement, and a rational and repeatable process. Rich, we wish you well in this next season of life, knowing your home office will remain a hive of fruitful thinking until (and well after) European and Hawaiian adventures resume.

Thank you, as always, for your continued trust and confidence.

The Ironvine Investment Team

February 1st, 2021

Important Disclaimers

We recently updated our Form ADV and Customer Relationship Statement. There were no material changes to these documents, but if you would like to review a copy of them, please visit our website at https://ironvinecapital.com or contact us at 402-715-5224.

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, is 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, LLC (Ironvine) is an independent registered investment adviser registered with the United States Securities and Exchange Commission. The firm definition includes all assets that are managed by Ironvine.

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 12/29/2017, with an inception date of January 1, 2016. The strategy does not seek to directly track or compare itself to any particular equity benchmark, but 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 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 Capital Partners ("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– 12/31/19.

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– 12/31/19. 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 and is the primary decision maker in that capacity at Ironvine. This performance record was incorporated into the Ironvine Core Equity Composite in compliance with the portability requirements of the GIPS standards. A copy of the Portability report is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. To be included in the composite an account must have a minimum value of $25,000 at the beginning of a month. The U.S. Dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Returns are presented net of management fees and commissions and include the reinvestment of all income. Net of fee and commission performance was calculated using actual management fees and commissions. The investment management fee schedule for the composite is tiered, at 1.00% for relationships less than $25 million, 0.90% for relationships between $25 million - $50 million, 0.75% for relationships above $50 million. Actual investment advisory fees incurred by clients may vary. The collection of fees produces a compounding effect on the total return net of fees. For example, a portfolio that earned 8% annually for ten years would result in a cumulative return of 115.9% before investment management fees and 96.7% net of such fees, assuming a 1.00% fee per year. The annual dispersion calculation shown above reflects the asset weighted standard deviation of returns around the asset weighted mean return.

The firm's list of composite descriptions is available upon request. Effective 1/1/2017 Ironvine merged with Saddle Road Partners, LLC (Saddle Road). The surviving entity is Ironvine Capital Partners, LLC.

For more information about any of the above contact Ryan Mendlik at 402.715.5224 or rmendlik@ironvinecapital.com. No part of this article may be reproduced in any form, or referred to in any other publication, without express written permission.