October 28, 2016

George K. Livadas
Portfolio Manager

Dear Fellow Investor,

I am pleased to write this inaugural quarterly update for Alternative Value Strategy ("AVS") investors. The purpose is two-fold: to keep you abreast of portfolio positioning and holdings in light of market conditions and to update you on performance. As this is the first letter, it will include more detail than most.

Market Conditions

Equity markets have had a solid year-to-date (as of this writing, various U.S. equity indices are +5-9% YTD). But, it has not been without controversy and volatility. Markets swooned in January and early February as the price of oil declined sharply and touched below $30/barrel level. The "Brexit" vote temporarily shocked markets in late June and recently re-emerged with the October 6 “flash-crash” and continued slide of the British Pound. So far, these issues have proven to be only temporary set-backs, as broad equity markets have continued to move higher.

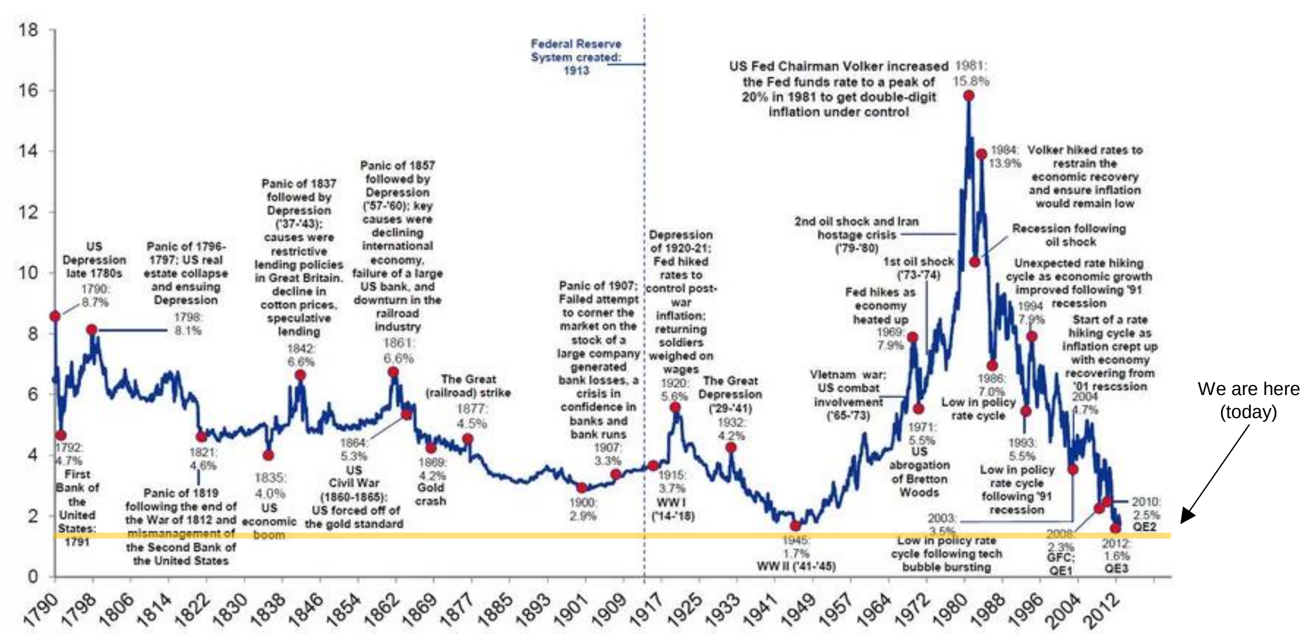
I’d like to discuss two specific topics to help frame current portfolio positioning: (1) historically elevated valuations (as measured by P/E and other fundamental multiples), and (2) the collectively poor performance of hedge funds.

By most measures, valuations are at/near all-time highs (Exhibit 1 below is just one example). While ultra-low interest rates (Exhibit 2), record profit margins, and a more tech-/service-oriented economy could all justify higher-than-historical valuations, the “consensus” view seems to be that markets are over-heated. *Most* portfolio managers and analysts that I speak with are worried about valuations and are struggling to find "good value" in stocks. I am sympathetic to both sides of the valuation debate, but err on the side of caution.

Exhibit 1: S&P 500 Median Forward P/E Ratio

Source: FactSet, BofA Merrill Lynch

Exhibit 2: Historical Interest Rates – 10-Yr U.S. Treasury Yield



Source: Global Financial Database, Goldman Sachs

In my view, another significant issue in public markets today is the dismal (I'm being kind) under-performance of the broad hedge fund universe. Over the last five years hedge funds have underperformed[1] the SPY (S&P 500 exchange-traded fund) by almost 12% – annually! I think the quote below nicely summarizes the current popular view of hedge fund managers:

> *"It seems like at the next gas station, we should stop and tell those guys [hedge fund managers] to get out and get us something to eat, and then drive away as fast as we can."*
>
> - *David Kelly, Chairman of the Teacher Retirement System of Texas*

A number of theories (e.g. rise of indexing, low rates, idea crowding) attempt to explain this poor performance. While most of the criticism is valid, it seems to have reached a fever pitch, with near-daily articles predicting the imminent death of the hedge fund industry.

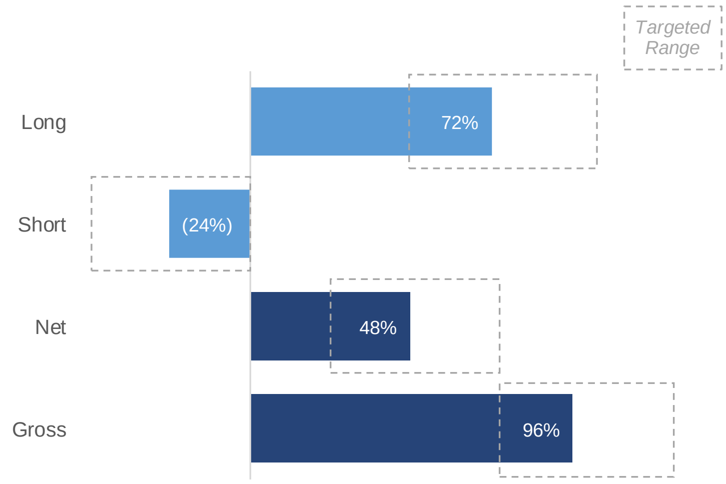
Other than my own biased, self-interest, why should you and I care about widespread hedge fund criticism? Because I believe it is at least in part a function of the relative old age (7+ years) of the current bull market in equities. As markets rise quickly, strategies that involve (a) hedging/shorting, and/or (b) a value-focused investment philosophy, increasingly struggle to "keep up" with long-only indices (which individuals can invest in more easily and cheaply than ever). Bottom-line: I believe the recent *volume* of criticism is something typically seen near intermediate "tops" in markets. While this is clearly not a scientific exercise, in my opinion it "checks another box" in warranting caution ahead.

[1] Data is for the period Sep 30, 2011 through Sep 30 2016. Hedge fund performance represented by the HFRI Fund Weighted Composite Index. SPY performance assumes dividends are reinvested. Sources: Hedge Fund Research, Inc. and Bloomberg.

Portfolio Positioning

Given the above issues, I have maintained a fairly cautious approach to managing our accounts. Net and gross exposure sit right in the middle of target ranges. You might ask: "if you're cautious, why isn't net exposure lower?" The answer: given the upward trajectory of markets over the long-term, I view net exposure at the bottom of our target range (25-75%) as a more aggressive "bet" on a bear market. I'm just not *that* pessimistic today. My preferred approach is to maintain a significant cash position that is available to deploy (long or short) as opportunities arise.

Exhibit 3: Current[2] Portfolio Exposure



Source: Upslope Capital, Interactive Brokers

Another cautious aspect of the accounts' current positioning is that the bulk of our *short* exposure is allocated to sector-specific index funds (vs. individual stocks). This is an acknowledgement of current challenges and elevated risks of short-selling. It is not my preferred approach. While valuations might suggest an environment ripe for short-selling, this has not been the case YTD. In my opinion, since the market "bottom" in February, shorting individual stocks has become unusually challenging. Many of the more heavily-shorted stocks have significantly outperformed the market. More worryingly for a portfolio manager with short exposure, a number have been acquired for large premiums (e.g. MattressFirm and Keurig Green Mountain, which were acquired for 115% and 78% premiums, respectively).

When evaluating potential "shorts," I look for some combination of: specific catalysts for decline (e.g. earnings miss), likely under-performance vs. specific longs, and valuation/consensus estimates that imply fundamental expectations far in excess of reality. From a risk perspective, I also consider the potential take-out by a competitor (or private equity firm). It is this last point that worries me the most today in selecting single-stock shorts. Given low rates, readily available financing, and lackluster global growth, potential acquirors desperate for growth seem to easily rationalize and finance an acquisition of a challenged business. This risk raises the bar for selecting individual shorts.

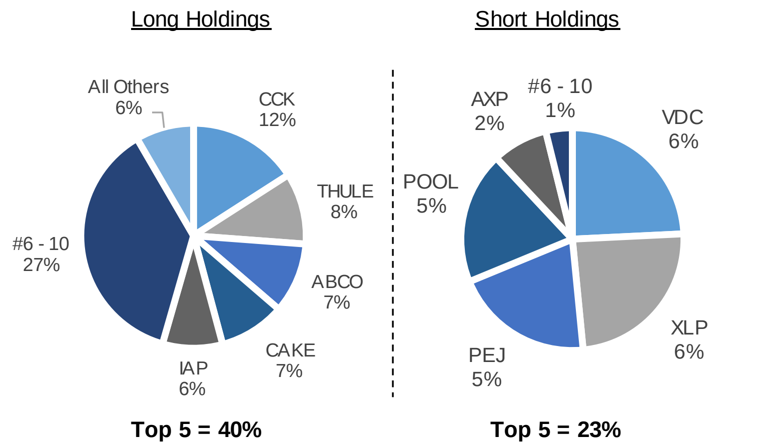
Finally, despite my ramblings above on the "market," my job is to select and manage a portfolio of individual securities that I believe will outperform over the long-term. In some ways, this makes analyzing market conditions a fruitless exercise: if I'm able to find interesting stocks with good value, I will buy them regardless of market conditions. To that end, I'm excited about the portfolio that we are invested in – a snapshot of which is provided below.

[2] As at October 18, 2016.

Overview of Key Holdings

A summary of our top holdings – both long and short – is provided below. Please note that percentages shown are percent of total capital. "Pie slice" sizes are relative to long and short exposure (e.g. XLP comprises 6% of total portfolio value and ~25% of short holding exposure), respectively.

Exhibit 4: Top Holdings and Portfolio Concentration[3]



Source: Upslope Capital, Interactive Brokers

Since this is the first quarterly update, I have also provided a more detailed overview of a number of key investments below. Going forward, I plan to include such detail only for new investments. As a reminder, I group the portfolio holdings into five categories:

- Core (top-quality, long-term holdings),
- Tactical (shorter-term holdings of more diverse quality),
- Special Situation (more idiosyncratic, higher-risk/-reward positions),
- Alpha Short (individual short positions), and
- Hedges (index fund shorts)

Core (Long)

Crown Holdings (CCK) is a leading global producer of beverage and food cans. In my opinion, CCK has historically been a fantastic (if wholly un-sexy) business with consistent and attractive returns on capital, slow/steady growth (long runway to grow consumption in emerging markets + steady conversion from glass to cans), and excellent, aggressive management. Crown enjoys sustainable competitive advantages (dominant scale and efficiency with geographic proximity to large, global customers) in an extremely rational and consolidated market. Looking ahead, CCK appears poised to benefit from a number of positive catalysts over the next 1-2 years: likely new customer wins following the merger of CCK's two biggest rivals, return of share buybacks as the company de-levers (previously bought back $1bn+ from 2010-2013), abating FX headwinds, and a potential secular improvement in "carbonated soft drink" volumes.

The Advisory Board Co (ABCO) is a provider of best-practices research and software/data solutions to the healthcare, and more recently, higher education industries. The business model is, in my view, misunderstood by most prospective investors. The shorthand description of what ABCO does is: "consulting." I find this to be inaccurate, as it implies: (a) ABCO's offering is highly discretionary, and (b) a very limited competitive advantage. What the Advisory Board *actually* does is collect massive amounts of data and information from its members on best practices and key challenges. ABCO then synthesizes and distributes this information to members in a standardized, user-friendly format (either via presentations, conferences, or software). This creates a virtuous cycle that is core to ABCO's competitive advantage: the more members that sign up and contribute information for

[3] As at October 18, 2016.

ABCO's research, the more valuable that research becomes. Better research leads to more members and more members leads to…better research.

The "non-discretionary" nature of ABCO's offering is proven out by a few statistics: five-to-one member ROI (per ABCO management), a 94% annual renewal rate, and the fact that sales grew ~4-5% even during the depths of the "Great Recession." While there are real risks (including ramping a very large, off-the-beaten-path recent acquisition), I think there is a lot to like about this business (strong cash flows, multi-year contracts, and runway for continued growth, as the healthcare and higher ed. industries are likely to face massive structural challenges over the long-term).

Thule Group (THULE.SS) is one of the few non-U.S. holdings in the portfolio. Headquartered in Malmö, Sweden and pronounced "too-lee," the company is the designer and producer of roof-racks (ski, bike, kayak, etc.) and "pods" seen on many cars here in Colorado and throughout the world. Thule was established in 1942 and has transformed itself into a leading outdoor, consumer-focused brand, known for its superior design. The business commands premium pricing (+20-30% vs. peers), has dominant market positions in its core markets (e.g. 50% global market share in sport & cargo carriers), significant operating leverage, an excellent "private equity-like" management team, and is well-positioned to benefit from long-term secular trends towards more active lifestyles. This trend towards a more active lifestyle seems to be occurring across demographics – "boomers" are remaining active longer and younger generations seem to enjoy sharing their active lifestyles with their young children. Thule, in my view, is positioned to benefit from both trends.

Tactical (Long)

The Cheesecake Factory (CAKE) operates and owns casual restaurants across the United States under its flagship and other brands (e.g. Grand Lux Cafe). While I find CAKE to be a relatively high-quality business, with an impressive track-record of steady same-store sales, new unit growth and cash flow generation, I characterize it as a "Tactical" holding due to the highly competitive nature of the restaurant industry (and thus limited/fleeting competitive advantage). The investment thesis for CAKE is also a bit more catalyst-driven than most of our longs: CAKE is poised to benefit from its first-ever national TV ad campaign (in partnership with MasterCard) this Fall. Current consensus estimates remain, in my view, excessively modest – likely due to the challenging current environment for restaurants. For CAKE, most analysts are expecting ~1% same-store sales growth over the next year+. The company seems likely to clear such a low bar. Given the carnage in the rest of the sector and the need for many portfolio managers to own *something* in the space, I am happy to own CAKE at today's reasonable price and under these circumstances.

Special Situation (Long)

Performance Sports Group (PSG) is the owner of a valuable collection of leading hockey, baseball, and lacrosse equipment brands (including Bauer, Easton and Cascade). As PSG is considered a "Special Situation" holding (the business is under significant distress and has a market cap of < $200mm) our position sizing is modest (< 2%). The opportunity stems from major missteps made by the now-prior management team. In 2014, PSG loaded up on debt and acquired Easton Baseball. In addition to taking on far too much debt, in my view, management made the grave mistake of issuing this debt entirely in USD, despite the fact that 40% of sales are in CAD, EUR, and other currencies. These errors, combined with the subsequent sharp drop in the CAD and a series of sporting goods retailer bankruptcies, left PSG on the verge of bankruptcy. Nonetheless, in my view, the equity that we own has significant value. The company has decent liquidity (some cash + significant access to a line of credit) and no debt maturities for several years. Based on normalized earnings estimates, the stock trades at a ~20% free cash flow yield – and seems a likely acquisition target.

Alpha Short

Pool Corp. (POOL) is the largest national distributor of pool supplies in the United States. I believe POOL is a relatively high-quality business with a decent moat – but one that has gotten well ahead of itself. POOL continues to trade at record-high valuations on record-high profit margins. Consensus estimates appear to be baking in continued margin growth and a return to "normalized" (pre-2008) levels of pool installations – neither which seem likely. Additionally, another attractive feature of the POOL short is its correlation with one of our long positions in the housing space (TopBuild – the largest national distributor and installer of insulation materials for residential construction). While I am confident that TopBuild will benefit from a continued rise in home building across the U.S., I believe the POOL short position provides an attractive "hedge" in the event this macro assumption is wrong.

Hedge (Short)

Consumer Staples Select Sector SPDR (XLP) is an exchange-traded fund ("ETF" or index fund) that tracks a portfolio of consumer staples companies. Its top five holdings[4], which comprise 42% of the ETF, are (in order): P&G, Coca-Cola, Philip Morris, Altria, and Wal-Mart. In my view, this short position provides an attractive hedge to a potential decline in the overall market. Consumer staples valuations are approaching all-time highs. For example, P&G was recently trading for 22x forward earnings vs. an 11x historical multiple. Same story with Coca-Cola: 21x vs. 14x historical. This, despite the fact that, top-line growth remains anemic.

What's going on here? As previously noted, many portfolio managers are struggling to find value in this extended bull market. So, if you're a "long-only" (e.g. mutual fund) portfolio manager what do you do? Buy and hide out in "safe" stocks, such as staples. "No one gets fired" for owning historically stable, well-known brands – even if valuations are stretched. For us, the short is attractive because if the market rises, it's hard to imagine staples rising *faster* than the market. If the market falls significantly, eventually I would expect many portfolio managers to rotate out of staples and into less "safe," but far more attractively priced stocks. Note: for diversification purposes, we are also short VDC, which is an exchange-traded fund substantially similar to XLP.

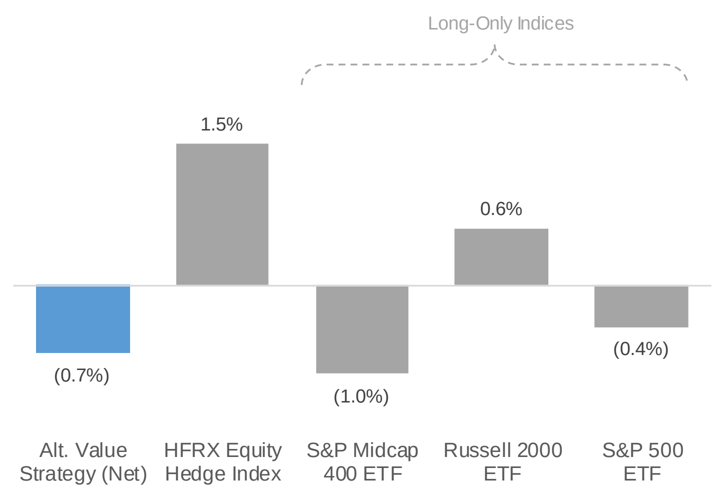
Performance Update

Please note that all reported performance numbers are unaudited, shown for a representative client account invested at the inception of the strategy on August 29, 2016, and are net of all applicable fees and expenses billed during the period[5]. Performance by individual account may vary due to timing differences involving deposits/withdrawals and other administrative reasons. Please refer to your individual quarterly report and monthly statements from Interactive Brokers for account-specific details.

Performance for the Alternative Value Strategy during Q3 2016 was -0.7%. The largest contributors to and detractors from performance (contribution to overall portfolio return in parentheses) were:

- Positive: Crown Holdings (+42 bps), Performance Sports Group (+42 bps), and Thule (+32 bps)
- Negative: ServiceMaster (-70 bps), ICAP (-42 bps), and Intercontinental Exchange (-25 bps)

Exhibit 5: Q3 2016 Net Performance vs. Selected Benchmarks



Source: Upslope Capital, Interactive Brokers
Note: index results are based on total return

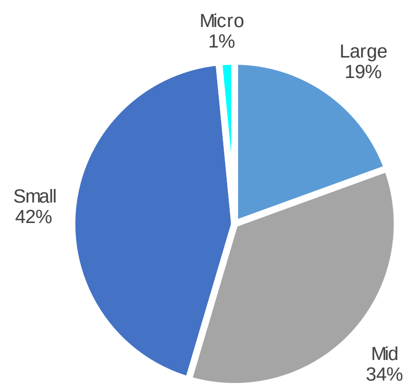
[4] As at October 18, 2016.
[5] Since management & performance fees are billed in arrears, Q3 2016 returns do not yet reflect the impact of such fees.

Since this is our first reporting period, I'd like to comment on benchmarking. First, in my view, measuring performance on a short-term basis (less than two years) is slightly worse than meaningless. While short-term movements in stocks are largely influenced by a "random walk," this effect is amplified by the concentrated nature of the Alternative Value Strategy accounts. Chasing short-term performance tempts many bad decisions. I'd like to avoid this for all of our sake.

Second, the benchmarks I am using are highly are not without their flaws (but, still relevant). Three of the four benchmarks are "long-only." Since the AVS accounts are invested using a long-*short* strategy (average net long exposure during Q3 was ~50%), you should generally expect underperformance in quickly rising markets and outperformance in falling markets. Finally, none of the indices capture the diverse exposure – by market cap – of the AVS accounts. Each index is focused on a particular segment of the market (e.g. large, mid, or small cap), whereas the current distribution of the AVS accounts is more varied:

Exhibit 6: Portfolio Exposure[6] by Market Cap.

Small/Mid Cap = 79% of Total Gross Exposure



Definitions: Micro (<$250mm), Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

Source: Upslope Capital, Bloomberg, Interactive Brokers

Additional views and thoughts on the selected index benchmarks are provided below:

HFRX Equity Hedge Index

- Description: third-party index designed to track the performance of equity-focused hedge funds
- Benefits: broadly similar strategies (equity + alternatives) that are not "long-only"
- Drawbacks: likely includes other "hedge fund" strategies not comparable to AVS (e.g. event-driven, sector-focused, market-neutral); little transparency as to underlying data sources

S&P Midcap 400 ETF (MDY)

- Description: exchange-traded fund intended to track the S&P Midcap 400 index
- Benefits: includes a comparable universes of companies; highly-transparent and easily investable
- Drawbacks: "long-only" index (i.e. when the index rises 1.0%, a portfolio that is 50% net long should, in theory, be expected to return only 0.5%)

[6] As at October 18, 2016.

Russell 2000 ETF (IWM)

- Description: exchange-traded fund intended to track the Russell 2000 (small cap) index
- Benefits: includes a comparable universe of companies; highly-transparent and easily investable
- Drawbacks: "long-only" index

S&P 500 ETF (SPY)

- Description: exchange-traded fund intended to track the S&P 500 (large cap) index
- Benefits: represents the most common and investable equity index
- Drawbacks: least relevant universe of stocks for the Alternative Value Strategy, which focuses more on mid- and small-cap stocks; "long-only" index

Closing Thoughts

While Q3 was a short and relatively uneventful period for the portfolio, I am thrilled to have formally launched and invested in what I believe is a promising and differentiated portfolio. I am grateful for your trust and the opportunity to manage a portion of your hard-earned money.

Please do not hesitate to contact me with any questions at all regarding the portfolio, your account, or any other matters.

Best Regards,

George K. Livadas

IMPORTANT DISCLOSURES

This document was originally prepared by the portfolio manager while managing the strategy under his previous employer. "Alternative Value Strategy" was the name used *internally* to refer to the strategy and the accounts managed under it. It has been edited from its original form, primarily to remove branding (and related references) for the prior investment management firm. The content has not been materially changed.

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as exchange-traded funds that track the S&P 500, S&P Midcap 400, and Russell 2000 indexes (tickers: SPY, MDY, IWM, respectively). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. The other benchmarks noted above (SPY, MDY, IWM) and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

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January 13, 2017

George K. Livadas
Portfolio Manager

Dear Fellow Investor,

I am pleased to provide the 4Q 2016 update for Alternative Value Strategy ("AVS") investors. The general topics are similar to the previous letter: updates on portfolio positioning and holdings in light of market conditions, as well as an update on performance.

Market Conditions

Equity markets closed out 2016 on a strong note. The ETFs that we track for the S&P 500, S&P Midcap 400, and Russell 2000 indices returned 4%, 7%, and 9%, respectively for Q4. Virtually all of the gains occurred in November – post-election. We were not well-positioned for the sharp rally. November was good for us on an absolute basis (+3%), but very frustrating on a relative basis.

While I have avoided politics like the plague (at least for the last couple of years), I feel obligated to discuss a few relevant issues regarding the election, in addition to providing some more general market color.

Healthcare

Today, the biggest "issue" impacting healthcare stocks is massive uncertainty. The President-elect ran on repealing and replacing the Affordable Care Act (aka ACA or Obamacare). Leading up to the election, healthcare execs were *certain* of a Clinton victory and continuation of the ACA. After years of massive change towards a particular set of policy goals, the sector is now faced with the prospect of yet another enormous shift. Various policy experts have outlined a path for Republicans and the President-elect to effectively repeal Obamacare. The process is likely to take time, but should begin in the coming months.

How does all of this impact our portfolio? Our second largest holding is The Advisory Board Co. (ABCO), a healthcare (and to a lesser extent, higher ed.) best-practices technology, research and consulting firm. As a general rule, ABCO *benefits* from change, uncertainty and budget challenges in the healthcare sector. However, too much uncertainty can freeze demand from ABCO's customers – and that's exactly what happened in November/December. To make matters worse, this freeze occurred during ABCO's busiest selling season. Needless to say, ABCO's share price suffered post-election – lagging the S&P 500 by 15% through year-end and costing the portfolio over 200 bps of performance in Q4. Despite these challenges, I'm excited about the outlook for ABCO. While 2017 will be challenging, ABCO should actually *benefit* from the election results over the long-run.

Tax Policy

The consensus view seems to be that the market rallied sharply post-election due to strong prospects for major corporate tax reform (read: cuts). While corporate tax reform is a top priority for congressional Republicans and the President-elect, I'm not sure unbridled optimism is warranted. If Republicans are required (either by members of their own party or the Democrats) to include significant "off-sets" to keep budget deficits under control in the near-term, they have a couple options. "Option A" is to clean up the tax code by lowering statutory rates and reducing deductions and other loopholes. In my view, this is the most attractive – but, unfortunately least likely – option. Additionally, if this policy is effected in a way that is anywhere close to budget-neutral, it would provide a more modest benefit to U.S. corporate tax payers – not exactly what the market seems to be pricing in.

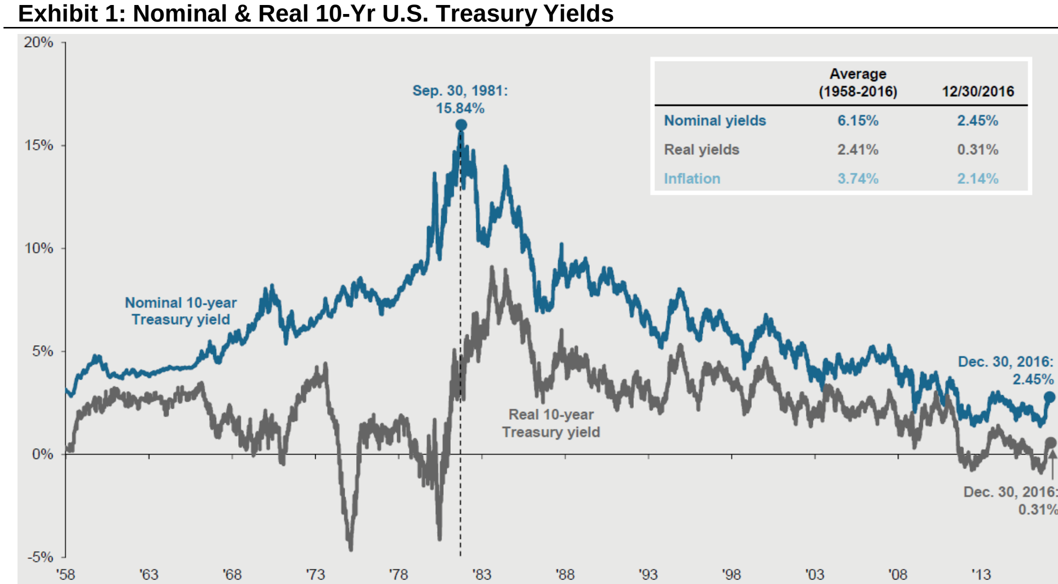
"Option B," which seems far more likely, is to reduce corporate tax rates and implement a "border tax adjustment" model. Under this scenario, lower corporate tax rates are partially "paid for" by adding a significant *import* tax, partially offset by export credits. Republican leaders (including the Speaker) are reportedly quite partial towards this plan. In my view, this plan (as reported in the media) adds significant complexity to the tax code – potentially throwing entire sectors into disarray (e.g. most retailers, who import just about everything and export just about nothing). The prospect of resulting trade wars is also worrisome. I'll finish with a favorite quote that I can't help but be reminded of when thinking of the border tax adjustment idea:

The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.
- *F.A. Hayek, in The Fatal Conceit*

Rising Rates

Since the election, the yield on 10-year U.S. treasuries has risen > 50 bps. Rates remain historically low (see Exhibit 1 below) – but the rise has been significant and has many calling for an end to the 30+ year bull market in bonds. While I'm no expert in forecasting the direction of rates, we're invested in three stocks that are positively exposed to rising rates: MarketAxess (MKTX), NEX Group (NXG.LN), and Interactive Brokers (IBKR; added post-quarter-end). MarketAxess and NEX Group are fixed income trading platforms (similar to stock exchanges – but for corporate and government bonds). As rates rise, volatility in bonds tends to increase. As volatility increases, so do volumes – and thus revenues. MKTX and NEX are each unique, attractive businesses in their own right – and I'd be happy to own them even in a flat/declining rate environment. Interactive Brokers, as you may know, is an online brokerage firm geared towards smaller professional investors. While IBKR earns most of its income from trading commissions (by far the lowest in the business, you should be pleased to know), it also earns a substantial portion from net interest income. As rates rise, IBKR's net interest income also rises.

Exhibit 1: Nominal & Real 10-Yr U.S. Treasury Yields



Source: J.P. Morgan

Market Valuations

I continue to believe valuations are generally stretched – after all, since Q3, valuations have only gone up. As a result, I did marginally more selling than buying during the quarter. While I do see a few convincing arguments that valuations are not "unreasonable" (see Exhibit 2 below), the biggest challenge for me is determining what components (Stock Prices = Earnings x P/E Multiple) will drive future returns.

Exhibit 2: S&P 500 Valuation Measures

Valuation measure	Description	Latest	25-year avg.*	Std. dev. Over-/under-valued
P/E	Forward P/E	16.9x	15.9x	0.3
CAPE	Shiller's P/E	28.3	26.0	0.4
Div. Yield	Dividend yield	2.2%	2.0%	-0.3
P/B	Price to book	2.7	2.9	-0.3
P/CF	Price to cash flow	11.5	11.4	0.0
EY Spread	EY minus Baa yield	1.2%	-0.4%	-0.8

Source: J.P. Morgan. Data as of December 31, 2016

Even if one believes earnings multiples are *not* poised to fall, it's hard to argue multiples will *rise* and contribute positively to returns (see circled items in Exhibit 3). So, we then look at fundamentals. The U.S. economy is very strong today – operating margins are near all-time highs, unemployment rate is near-trough, confidence is high, and we're *finally* seeing real wage growth. All good things. But, since the market is forward-looking, how does it get *better*? The most bullish arguments on that front are corporate tax reform and de-regulation. As previously discussed, the former point is questionable. The latter is more applicable to very specific sectors (perhaps banks, energy). A weaker dollar could be another positive catalyst (strong USD has been a major headwind for a few years) – but, this seems unlikely, as the Fed is virtually alone in the world as it boosts rates.

Exhibit 3: Valuations by Style

Current P/E vs. 15-year avg. P/E*

	Value	Blend	Growth
Large	16.2 / 13.8	16.9 / 15.3	18.1 / 17.6
Mid	17.0 / 14.7	18.1 / 16.4	19.5 / 19.1
Small	19.6 / 14.3	23.5 / 19.8	30.3 / 23.8

Current P/E as % of 15-year avg. P/E*

	Value	Blend	Growth
Large	117.5%	110.2%	102.9%
Mid	115.8%	110.3%	102.0%
Small	136.9%	118.9%	127.1%

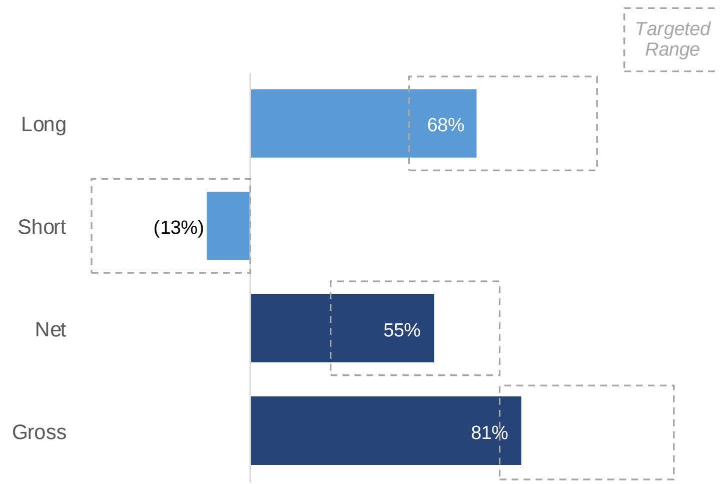
Source: J.P. Morgan. Data as of December 31, 2016

So, I remain cautious on overall valuations (particularly in our hunting ground of Small/Mid-Cap Value/Blend) and will be patient with our fairly conservative positioning. Good value seems harder than usual to come by – but it does exist, as you'll see below.

Portfolio Positioning

The portfolio is still conservatively positioned, with net long exposure of 55% (vs. 25-75% typical range). While 25-75% is our expected *range*, I consider ~65% to be more "normalized" (given markets tend to rise over the long-term). Current gross positioning is 80% – also near the bottom of our normal range. This is driven by lower exposure on the short side of the portfolio and is a reflection of my views that (a) the economy is strong, (b) markets are showing decent, positive momentum, and (c) shorting stocks on "valuation" alone (i.e. without a specific catalyst for the stock to fall) is a fool's errand.

Exhibit 4: Current[1] Portfolio Exposure



Source: Interactive Brokers

Portfolio Update

During the quarter, we made the following significant changes to the portfolio:

- **ServiceMaster (SERV)** – exited long position. SERV is the parent company of a portfolio of businesses (Terminix pest control, home warranty, and a maid service) that I believe are quite attractive. However, heavy insider selling during the quarter, combined with weak operational performance caused me to reconsider our position and exit immediately.
- **Owens Illinois (OI)** – closed short position. OI is a leading global manufacturer of glass bottles. This is a dying business that can – at the right price – provide a nice hedge to our significant long position in Crown Holdings. OI's stock price fell during the quarter and reached my target price. As a result, we exited the position and will look to re-add at a more attractive risk/reward.
- **American Express (AXP)** – closed short position. We were short AXP going into Q3 results on the assumption that AXP is facing significantly heightened competition (most notably from JPM). However, the macro environment proved to be a strong tailwind; and, AXP handily beat expectations. As a result, we took our lumps and quickly exited the position.

There were also a few other noteworthy "corporate actions" within the portfolio during the quarter:

- **Performance Sports Group (PSGLQ)** filed for Chapter 11 bankruptcy on October 31 and re-opened for trading down ~50%. If you recall, PSG is the parent company of Bauer (hockey equipment-maker), along with a number of other leading hockey, baseball, and lacrosse brands. This position (which we still hold) was categorized as a "Special Situation" due to the distressed nature of the business. Thus, it was only a ~1.5% position at the time the company filed for bankruptcy. As this is a re-org and not a liquidation, the company is undergoing an auction process and is likely to be sold in the coming months. A "stalking horse" bid for $575mm (enterprise value) has been submitted. By my estimates, this bid values the equity at ~$1/share (currently trading closer to $1.50). In my view, there are likely to be multiple bidders, with a reasonable possibility of recovering > $2/share. Given the modest sizing of the position, PSG cost the portfolio 73 bps of performance during the quarter – and 32 bps for all of 2016.
- **NEX Group (NXG.LN)**, as previously noted, is a leading venue for foreign currency and government bond trading. We originally acquired shares in its predecessor company, ICAP plc, because of an intriguing transaction the company was working to close. ICAP was comprised of a (dying) brokerage business, as

[1] As at January 9, 2017.

well as the aforementioned trading platforms. I have long found the trading platform side of the business to be quite attractive – but hesitated to own ICAP due to challenges at the broker. In November 2015, however, ICAP announced it would sell its brokerage business in an *all-stock* transaction to a competitor and continue to operate the remainder of the business as a standalone, public company. Upon closing the transaction on December 31, we received shares in the combined brokerage, as well as the new standalone business, NEX Group. We subsequently (post-quarter-end) sold the brokerage shares and used most of the proceeds to re-up our position in NEX Group.

Post-quarter-end we also made the following portfolio changes:

- **Interactive Brokers (IBKR)** – initiated a long position (as noted previously). I have followed IBKR for 7+ years. The company is run by its founder (who also owns a majority of the equity) and has an impressive record of growth and market leadership (IBKR has by far the fastest growth in accounts and customer trades in the online brokerage space). What drew me to IBKR at this time is what appears to be (based on management comments) a high likelihood that the company will divest its long-underperforming market-making business some time during 2017. I believe such an event would unlock significant shareholder value, as it would allow prospective shareholders to more clearly evaluate the attractive brokerage business.
- **Check Point Software (CHKP)** – initiated a long position. CHKP is the largest *pure-play* internet, network, and data security vendor globally. This $15 bn market cap business benefits from strong secular tailwinds (rising frequency and severity of cyber-attacks), among the strongest management teams in our portfolio (co-founder still runs the company, owns $3 bn of stock, and has a consistent record of growing free cash flow per share), is very reasonably valued (13x adjusted P/E), and is, in many ways, “hated” by the Street (a good thing from my perspective). CHKP is listed on the NASDAQ, headquartered in Tel Aviv, Israel, and sells its products globally (~40% into the US).
- **Franklin Resources (BEN)** – initiated short position. BEN (aka Franklin Templeton) is a large global, “traditional” asset manager that continues to suffer from significant client outflows. While the company has a very strong balance sheet (the most significant risk to a short position), it faces worsening secular (falling ETF fees, continued shift from active to passive investing) and regulatory challenges.
- **Darling Ingredients (DAR)** – exited long position. Darling is a rendering business with some exposure to alternative energy (largely through a clean diesel JV). While the stock appears reasonably inexpensive and the business is attractive, its risk/reward has worsened in recent months. As a result, we exited the position to make room in the portfolio for CHKP.

A note on portfolio turnover: to date, portfolio turnover (in terms of number of positions fully entered/exited) has been higher than I’d like for the strategy. I don’t want to make excuses, but I’ll make one here: this is due to the young age of the strategy and the work involved in establishing a portfolio from scratch. The initial portfolio was more diversified than I’d have liked it to be. As I’ve continued my research process, the portfolio has become more concentrated. Over time, I believe this will result in far lower turnover.

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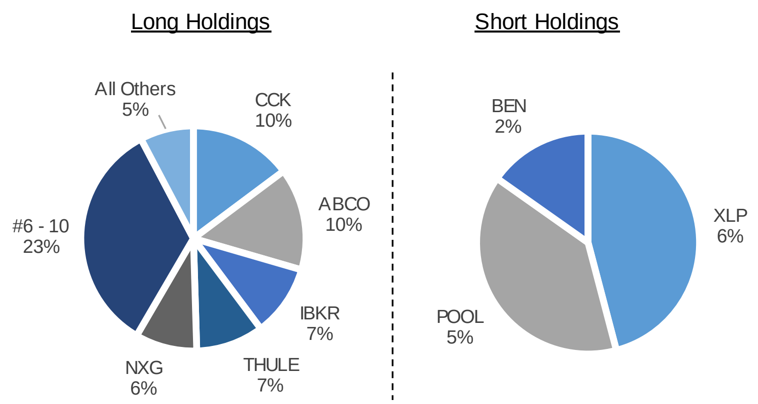
Exhibit 5: Top Holdings and Portfolio Concentration[2]



Top 5 = 40% **Top 5 = 13%**

Note: numbers show n are % of total capital; graphics proportional to Long / Short exposure

Source: Interactive Brokers

Performance Update

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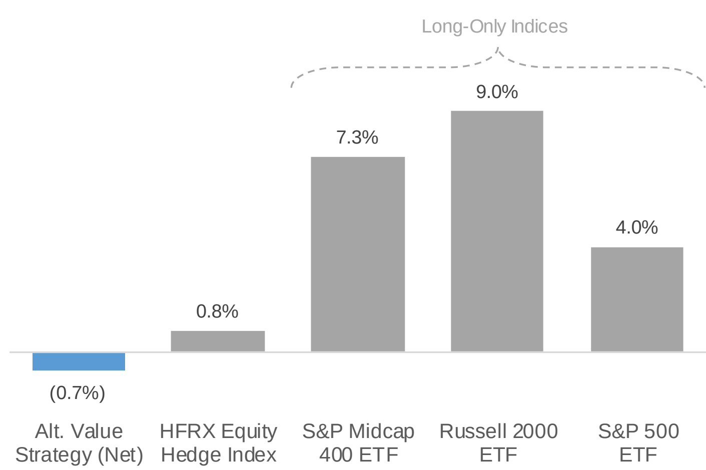
Performance for the Alternative Value Strategy during Q4 2016 was -66 bps. The largest contributors to and detractors from performance (contribution to overall portfolio return in parentheses) were:

- Positive: Summit Materials (+187 bps), Cheesecake Factory (+166 bps), and Del Taco (+118 bps)
- Negative: Advisory Board (-209 bps), Crown Holdings (-93 bps), and Russell 2000 hedge (-88 bps)

Exhibit 5: Q4 2016 Net Performance vs. Selected Benchmarks



Source: Interactive Brokers, Bloomberg
Note: ETF/index results are based on total return

[2] As at January 9, 2017.

Closing Thoughts

Despite my concerns over broader market "noise" and valuations, I remain enthusiastic about the prospects for our still-young and differentiated portfolio. I remain grateful for your trust and the opportunity to manage a portion of your hard-earned money.

Please do not hesitate to contact me with any questions at all regarding the portfolio, your account, or any other matters.

Best Regards,

George K. Livadas

IMPORTANT DISCLOSURES

This document was originally prepared by the portfolio manager while managing the strategy under his previous employer. "Alternative Value Strategy" was the name used *internally* to refer to the strategy and the accounts managed under it. It has been edited from its original form, primarily to remove branding (and related references) for the prior investment management firm. The content has not been materially changed.

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The description of investment strategies in this presentation is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in this presentation are meant to serve as examples of Upslope's investment process only and may or may not be trades that Upslope has executed or will execute. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on this presentation as the basis upon which to make an investment decision.

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as exchange-traded funds that track the S&P 500, S&P Midcap 400, and Russell 2000 indexes (tickers: SPY, MDY, IWM, respectively). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. The other benchmarks noted above (SPY, MDY, IWM) and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

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April 11, 2017

George K. Livadas
Portfolio Manager

Dear Fellow Investor,

I am pleased to provide the Q1 2017 update for Alternative Value Strategy ("AVS") investors. The general topics are similar to previous letters: updates on portfolio positioning and holdings in light of market conditions, as well as an update on performance. I will spend (significantly) less time discussing market conditions – and a bit more on portfolio strategy and investment philosophy.

Market Conditions

Equity markets continued their positive momentum into 2017. The ETFs that we track for the Russell 2000, S&P Midcap 400, and S&P 500 indices returned 2%, 4%, and 6%, respectively for the quarter. Advances occurred largely in January and February, with mixed results in March. Despite our conservative positioning (generally < 50% net long), the AVS accounts kept pace with the broader indices during the quarter, returning 6%[1].

In my view, not much has changed with regards to broader market conditions during the quarter. Rates ended roughly where they began, despite a 25 bps hike from the Fed – and signs of more to come. Equity markets still appear "expensive." On average, forward earnings and EBITDA *valuation multiples* for the indices noted above expanded 3% during the quarter. Recall from the Q4 letter that index valuations were *already* trading at a ~20% premium to 15-year averages at year-end. Echoing this sentiment, Gotham Capital's Joel Greenblatt recently noted in a talk at Google that the market is currently trading in the 17th percentile in terms of valuation (i.e. it's rarely been *more expensive* than it is today. To digress: I would highly recommend watching Greenblatt's one-hour talk, which is available here).

On the political front, I remain skeptical that significant pro-growth policy changes are imminent (I'd be happy to be wrong). *Significant* corporate tax reform – seemingly entangled with the messiness of ACA repeal/replace efforts, as well as the too-clever-by-half concept of a border-adjustment-tax – seems less likely by the day. The only real dog we have in the political fight is desiring more immediate policy certainty around healthcare. The Advisory Board (ABCO) remains one of our largest positions. And, while the outcome matters little for ABCO's fundamental value, I believe the stock would benefit from policy clarity.

Portfolio Strategy & Goals

Going forward, I plan to provide brief commentary on a rotating topic involving portfolio strategy and investment philosophy. This quarter, I'd like to discuss performance benchmarking – and how my thinking has (already) started to evolve.

Given the composition and concentration of the portfolio, I find myself increasingly discounting the value of benchmarking our returns vs. broad market indices (especially on a monthly/quarterly basis). Instead, **focusing on generating strong absolute returns over the long-term seems like the better approach**. The reason: when seeking abnormally high (yes, relative to broader markets) returns, owning a differentiated portfolio is a necessity. With just 14 positions concentrated in five industries, our portfolio looks nothing like the indices (as an illustration, see Exhibit 1 below). I believe this is a *very* good thing. But, it means we will often be out-of-sync with performance of the broader indices – particularly on a short-term basis.

[1]The amount shown is net of management fees billed during the current quarter, but excludes the impact of potential performance fees, which are calculated and billed annually.

Exhibit 1: Portfolio, S&P 500 Industry Exposure

Sector	AVS Weight	S&P 500 Weight	Difference
Industrials	22%	10%	12%
Financials	14	18	(4)
Consumer Non-Cyclicals	13	23	(10)
Technology	10	14	(4)
Consumer Cyclicals	5	9	(4)
Basic Materials	--	2	(2)
Communications	--	14	(14)
Energy	--	7	(7)
Utilities	--	3	(3)
Cash	51	--	51

Source: Interactive Brokers, Upslope Capital
Note: as of March 31, 2017. Excludes MDY (S&P MidCap 400 ETF) hedge

The obvious question you might ask is: "why are we so underweight the Communications (or pick any of the others) industry and overweight Industrials?" The reason: our strategy is *primarily* based on a bottoms-up approach. I don't look at or care much about what's in the S&P 500 or other indexes. I simply look for what I believe to be attractive, durable businesses whose stocks exhibit good risk/reward profiles. The only other influence on portfolio composition is my view of the current macro environment. And this is only a factor in the sense that, for example, the return hurdle might be higher for a business facing current or expected near-term cyclical challenges. Aside from that, the composition of the portfolio is guided almost entirely by a bottoms-up approach.

Despite my comments above, I appreciate the fact that your alternatives, as an investor in AVS, are largely index and other alternative funds. So, I will continue to publish index/benchmark numbers for comparison in the coming quarters. But, please don't be surprised if and when I drop the quarterly comparison!

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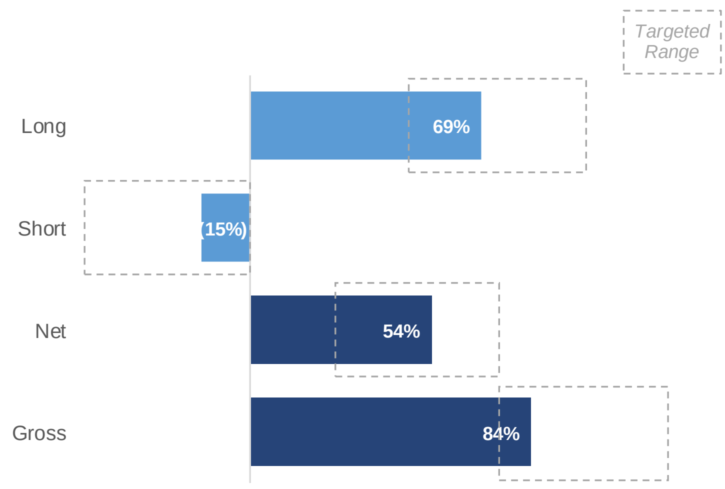
Portfolio Positioning

The portfolio remains conservatively positioned, with net long exposure of 54% (vs. 25-75% typical range). Current gross positioning is 84% – towards the bottom of our normal range. Overall portfolio positioning is guided by my success (or lack thereof) in identifying actionable, attractive investment opportunities – as opposed to a broader market view.

Exhibit 2: Current[2] Portfolio Exposure



Source: Interactive Brokers, Upslope Capital

Portfolio Update

During the quarter, we further consolidated the portfolio among our best ideas (while sticking to our position concentration limits). We added a handful of new positions and exited an even greater number. To date, portfolio turnover (which I am admittedly continuing to focus on reducing) has been guided by two themes: (1) focus and concentrate the portfolio further on best ideas – remove as much "noise" as possible, and (2) focus on businesses that we can own for the long-run, as opposed to shorter-term trading ideas. To that end, the major changes during the quarter included:

- **OTC Markets Group (OTCM)** is a new long position micro-cap / special situation. This $245mm market cap business trades "over-the-counter" ("OTC" – meaning, it is not listed on a national stock exchange). OTCM operates a trading venue focused on micro-cap and overseas-listed equities. For many smaller businesses, the overall cost of completing an IPO and listing on a national exchange (e.g. NYSE or NASDAQ) can be significant. In addition to listing fees, companies must take on major regulatory burdens. OTCM offers smaller companies a cost-effective alternative for accessing the capital markets. The company maintains > 95% market share in the U.S. OTC equities market and earns revenues from listing fees/services, market data, and trading volumes. Since 2009, OTCM has grown sales and free cash flow/share at a 12% and 21% CAGR, respectively. The CEO and other insiders own 41% of the company.

- **Natural Grocers by Vitamin Cottage (NGVC)** is an organic grocer and another micro-cap / special situation. With a market cap of $225mm, NGVC is headquartered in nearby Lakewood, CO. Its 130+ stores are found largely in CO, TX, AZ, and surrounding states. The founding family (second-generation) still manages the company and owns 39% of the stock. After an incredibly challenging 2.5 years for the business (the stock plunged from the mid-$40s to around $10 where it trades today), key macro and competitive headwinds are showing signs of a turn in the company's favor. Record-breaking deflation experienced by traditional grocers seems to be easing. The tidal wave of capital invested in the organic

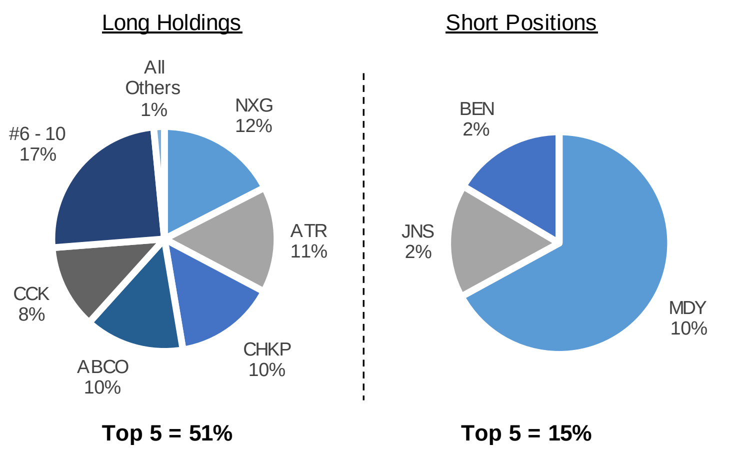
[2] As at April 5, 2017.

grocer space in recent years is showing signs of a slowdown (two examples: Whole Foods is stepping on the brakes with store expansion plans and Sprouts appears likely to be consolidated by a competitor). These events, combined with what I think is NGVC's extremely attractive valuation (18% yield on maintenance-only free cash flow), give the appearance of a very attractive risk/reward.

- **Interactive Brokers (IBKR)** – exited long position. While I was hesitant to close this position so quickly (we added it early in the quarter), I did so for two reasons: (1) management commentary during the quarter that implied a much slower-than-expected process for winding down the company's market-maker, and (2) to make room for an investment in a business (OTCM) that operates in generally the same industry.

- **Other Notable Changes**: We exited **BLD** (hit price target), **CAKE** (hit price target), **PSGLQ** (planned exit following disappointing auction process), **POOL** (cut losses), and **XLP** (hedge repositioning). Additionally, as noted in the Q4 letter, we initiated positions in **CHKP** (long) and **BEN** (short) shortly after the new year.

Exhibit 3: Top Holdings and Portfolio Concentration[3]



Source: Interactive Brokers, Upslope Capital
Note: numbers shown are % of total capital; graphics proportional to Long/Short exposure

[Intentionally Blank]

[3] As at April 5, 2017.

Performance Update

Please note that all reported performance numbers are unaudited, shown for a representative client account invested at the inception of the strategy on August 29, 2016, and are net of all applicable fees and expenses billed during the period . Returns shown are gross of potential performance fees, which are calculated and billed at year-end. Performance by individual account may vary due to timing differences involving deposits/withdrawals and other administrative reasons. Please refer to your individual statements produced by Interactive Brokers for account-specific details.

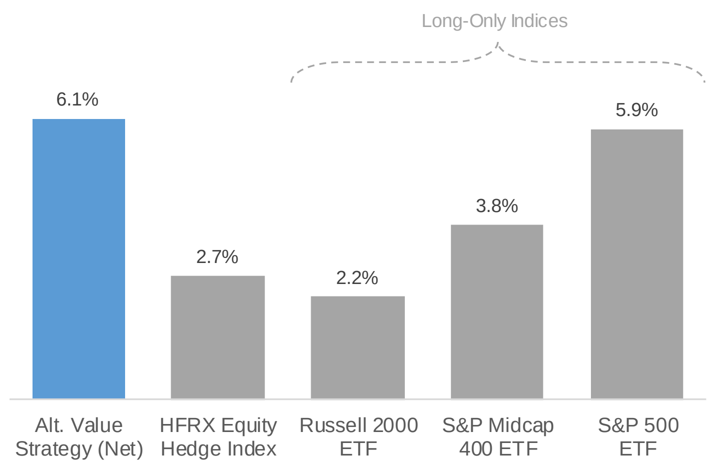
Performance for the Alternative Value Strategy during Q1 2017 was +615 bps[4]. The largest contributors to and detractors from performance are provided below. Gross contribution to overall portfolio return is noted in parentheses, along with identifiers for whether a position was (L)ong or (S)hort.

Exhibit 4: Top Contributors to Quarterly Performance

Positive Contributors	Negative Contributors
Advisory Board Co (L, +365 bps)	Pool Corp (S, -68 bps)
MarketAxess (L, +144 bps)	XLP/Cons. Staples ETF (S, -65 bps)
NEX Group* (L, +139 bps)	Del Taco (L, -23 bps)
Total Contribution from Longs	**Total Contribution from Shorts**
+831 bps	-182 bps

Source: Interactive Brokers, Upslope Capital
Note: amounts may not tie with aggregate performance numbers due to rounding and the exclusion of the impact from foreign currency cash positions (SEK, GBP)
* Includes contribution from TP ICAP (+4 bps)

Exhibit 5: Q1 2017 Performance[5] vs. Selected Benchmarks



Source: Interactive Brokers, Bloomberg
Note: based on total return

[4] The amount shown is net of management fees billed during the current quarter, but excludes the impact of potential performance fees, which are calculated and billed annually.
[5] The amount shown is net of management fees billed during the current quarter, but excludes the impact of potential performance fees, which are calculated and billed annually.

Closing Thoughts

As we head into the Q1 earnings season, I remain enthusiastic about the prospects for our unique and concentrated portfolio. I continue to be grateful for your trust and the opportunity to manage a portion of your hard-earned money.

Please do not hesitate to contact me with any questions at all regarding the portfolio, your account, or any other matters.

Best Regards,

George K. Livadas

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Dear Fellow Investors,

I am particularly excited to write about Q2 2017. First, our portfolios continued their strong performance YTD (now +12.5% net of management fees[1]). Second, I'm pleased to announce that I've begun the process of transitioning management of the portfolios to a newly-formed, independently-owned firm. The new firm, for which I am the Founder and Portfolio Manager, is named Upslope Capital Management.

While most of the operational work for Upslope is complete, I await registration of the firm with the State of Colorado as a registered investment adviser. In the meantime, I continue to manage the strategy for prior clients on a no-fee basis during the transition period.[2]

Now, back to the topics at-hand. In addition to the usual updates on portfolio positioning, market conditions, and performance, I will also spend some time discussing my general approach to short-selling this quarter.

Market Conditions

Equity markets advanced once again in Q2 – but more modestly and with a few hiccups. For the quarter, the S&P Midcap 400 ETF (MDY) and the HFRX Equity Hedge Index, returned 1.8% and 1.0%, respectively. Despite our conservative positioning (average of 52% net long during the quarter), the Upslope accounts more than kept pace during the quarter, returning 6.1%.

I continue to be wary of current market conditions. Equities look fairly expensive (though I don't believe there are real parallels to the 90's tech bubble, as some do) and a general "buy the dip" mentality seems pervasive. There were a few little tremors over the past month. Over the last three weeks of the quarter, "FANG" stocks (Facebook, Amazon, Netflix, Google) – which have carried much of the momentum for the overall market in recent years – pulled back an average of almost 6%. This was somewhat new.

Additionally, GMO's Jeremy Grantham, who is known by many as a sober, long-time market skeptic stated in his most recent quarterly letter, "this time seems very, very different" with regards to current and historical valuations. While acknowledging those are some of the most dangerous words in investing, Grantham goes on to detail why he thinks valuations and corporate profitability may have permanently shifted higher (the short version: he believes even if markets fall, valuation lows will be higher than they have in the past).

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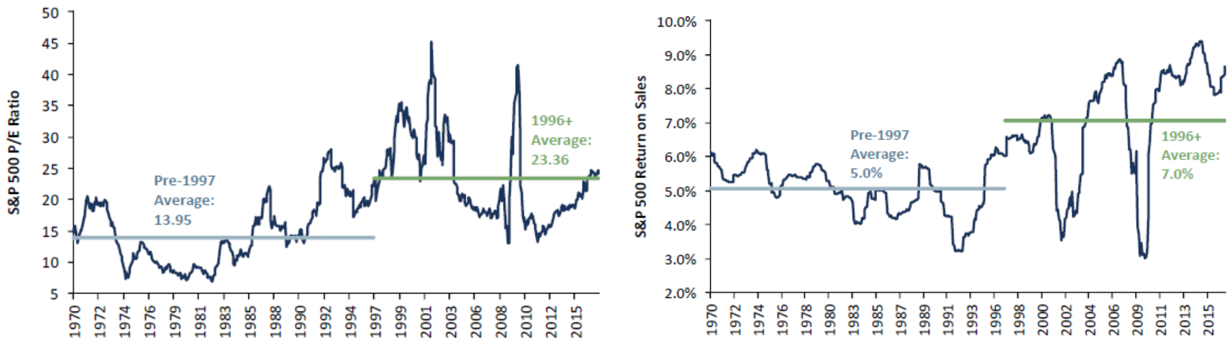
[1] Unless otherwise noted, all returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy, and are net of all fees and expenses billed during period shown. For the second quarter of 2017, the portfolio manager's prior employer elected to waive all accrued fees (both management and incentive) that had not yet been billed. As such, prospective performance-based fees are not included in any returns shown. As of the date of this letter, prior client accounts are being managed on a no-fee basis.

[2] For simplicity, I refer to "Upslope" throughout this document when discussing the current management of "client" accounts. However, Upslope is not currently operational. "Client" accounts are currently managed by the Portfolio Manager as an individual and on a no-fee basis.

Exhibit 1: Is It Different This Time? Some of Grantham's Evidence



Source: GMO, Compustat. Data as of 3/31/17

While Grantham's rationale is not unreasonable, I find it concerning to see more and more "it's different this time" arguments (many of which are convincing!) – especially when they start coming from people such as Jeremy Grantham. One quibble: I'd throw out much of the data in Grantham's P/E ratio chart (left chart in Exhibit 1 above) around the 2000-2001 and 2008-2009 periods, given these periods involved bursting bubbles (i.e. the "E" – earnings – in P/E ratios during these periods quickly shrunk, causing P/E ratios of certain sectors to temporarily spike). Bottom-line, while our (still conservative) positioning is driven by a bottom-up process, broader valuation measures and anecdotes such as the above give me some comfort that I'm on the right track.

Approach to Short-Selling

This quarter I'd like to discuss my approach and philosophy on short-selling – and some recent, related changes stemming from the transition to managing the portfolios under Upslope.

First, why do we short stocks? Two reasons: (1) **To make money** (as opposed to just a money-losing insurance policy)**.** Given the vast majority of returns in equity markets are generated by a small percentage of stocks, there *should* be opportunities to identify and profit from the losers. (2) **To enable more aggressive *buying* in a potential market downturn**. Having a portfolio of shorts that generates positive returns in a market downturn has tremendous psychological and practical benefits in managing a portfolio. While short-selling is a very different endeavor than seeking concentrated, high-quality long-term investments, I believe it adds real value over a full equity market cycle.

My approach to short-selling has always been to focus primarily on secular "losers," businesses with challenged financial models, and fads. Often, this means shorting companies that appear cheap – but whose stocks are likely to continue to slide, as estimates for future earnings continue to fall. In most cases, an impaired competitive position or lousy financial model can be observed by analyzing certain financial patterns: low returns on capital, poor/unpredictable cash flows, and persistent need to raise additional capital. I tend to avoid pure "valuation shorts" (shorting based on a specific view of what valuation multiples *should* be) and tread cautiously (with regards to position sizing) around "battleground" stocks (those with abnormally high short interest that can be subject to erratic trading as a result).

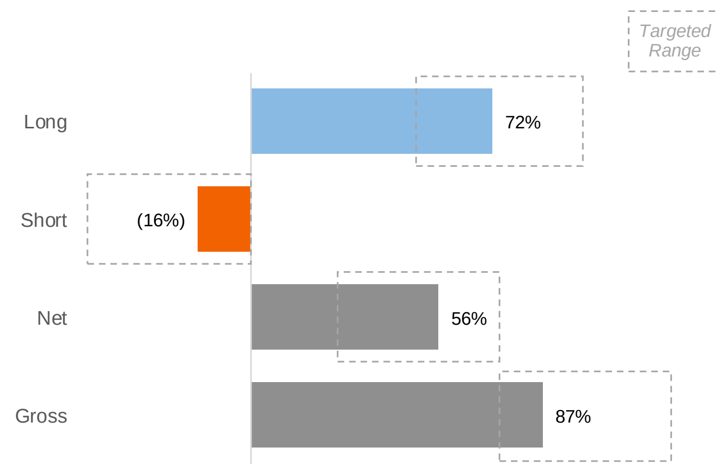
For a variety of reasons, I believe that shorting stocks of individual companies ("alpha shorts") is strongly preferable to shorting broad indexes. Under my previous employer, however, additional research coverage commitments made fully implementing this preferred approach impractical. As a result, I leaned more on market hedges than individual shorts as the most efficient way to manage the portfolios. Going forward, I plan to use market hedges far more sparingly and put greater emphasis on gaining short exposure through alpha shorts. You'll notice in the *Portfolio Update* section below that this process is already well underway.

One consequence of the shift is that the number of stocks in the portfolio will be somewhat higher than in the past. This is due to a conservative approach towards sizing short positions. While our longs can be quite large (several are around 10%), individual alpha shorts will never exceed 5% of the portfolio (in fact, most will be in the 1-3% range). Shorting stocks carries a number of added risks (examples: buyouts, short squeezes, etc.) and conservative sizing is, in my view, the most effective way to manage these risks.

Portfolio Positioning

At quarter-end, the portfolio remained conservatively positioned, with net long exposure of 56% (vs. 25-75% typical range) and gross exposure of 87% (towards the bottom of our normal range). As a reminder, overall positioning is guided by my success (or lack thereof) in identifying actionable, attractive investment opportunities – as opposed to a broader market view.

Exhibit 2: Current[3] Portfolio Exposure (% of Net Asset Value)



Source: Interactive Brokers, Upslope Capital

Portfolio Update

The most notable changes to the portfolio during the quarter were on the short side. We added four new "alpha short" positions and one hedge. We also closed one alpha short position and one hedge. I don't expect this level of activity to continue, as it was mostly due to a re-alignment of our short-selling strategy going forward. Activity on the long side was more muted: we added one new position and exited two others.

Details on the major changes to the portfolio during the quarter are provided below:

- **Eros International (EROS)** – new short. Eros is a leading producer and distributor of "Bollywood" film content. The company is headquartered in India but listed on the NYSE. I have followed this business for two years and have been continually amazed by its poor financial model, significant insider self-dealing and conflicts of interest, and entertainingly promotional management team.

[3] As at June 30, 2017.

While this is more of a “battleground” short than I’m normally comfortably with (40% of float is short), it checks virtually every other box one could possibly want in a short position.

- **Blue Apron (APRN)** – new short. Blue Apron completed its IPO on June 29 and is the leading home delivery service for meal kit deliveries (they provide specific recipes and portioned ingredients). While revenue growth has been explosive (albeit at a slowing pace), virtually every key performance indicator points to significantly worsening business prospects (in-line with the intensively and increasingly competitive environment in which APRN operates). Additionally, APRN has yet to reach profitability or positive free cash flow. While valuation appears “cheap,” I believe this will ultimately prove to be a value trap.

- **Bank of the Ozarks (OZRK)** – new short. Headquartered in Little Rock, AR, Bank of the Ozarks has grown into a major national player in the construction lending business, with total assets approaching $20 bn. While OZRK touts its conservative lending standards, it has grown its loan book at a ~40% CAGR for several years – a pace I believe will ultimately lead to material credit issues. Despite its much-touted conservatism, OZRK enjoys a far better yield on its loan assets, while maintaining a much lower allowance for losses than the vast majority of its peers. In short, something doesn’t add up, in my view. While I am confident OZRK’s model will eventually be proven less-than-conservative, I believe we are early. So, our position sizing is modest as we await concrete signs of fundamental deterioration.

- **STORE Capital (STOR)** – new long. STORE Capital is a leading triple-net REIT that owns and manages single-tenant properties (think of a single Taco Bell location). Over the past three months, I had fully researched the business as a contrarian play on retail sector pessimism. Valuation appeared reasonable, but not “table-pounding.” So, I did nothing. Then, on June 26, STOR announced a major investment from Berkshire Hathaway. I normally despise the concept of riding on the coattails of well-known investors. But, this situation was different: (a) I already knew and liked the business, and (b) the BRK investment seems likely, in my view, to tip STOR into a virtuous growth cycle (or at least provide a decent floor to the stock). Importantly, the position also provides a nice diversification benefit to the portfolio (STOR trades somewhat in sync with long-term bonds).

- **OTC Markets Group (OTCM)** – exited long. As I fine-tuned the overall strategy for Upslope (including a desire to maintain attractive liquidity terms for prospective clients), I ultimately decided OTCM’s trading volumes were too thin to fit the strategy going forward. Frankly, this was a disappointment, as I continue to like OTCM and its long-term prospects.

- **Other Notable Changes**: We exited **TACO** (hit price target) and **JNS** (concerned stock could rally after closing its merger with Henderson). We also initiated two short positions in ETFs (exchange-traded funds). First, we shorted **HACK**, which is a “cyber security” ETF. This position was designed as a hedge to our significant long position in CHKP, which hit estimated fair value far faster than expected. Additionally, we also added a short position in **EWC** (broad Canadian equities ETF). While this is an ETF short, I view it more as an “alpha short” intended to benefit from broad weakness in the Canadian economy and financial system in general. While shorting Canadian banks (which comprise >25% of the ETF) has historically been known a “widow-maker” (popular idea that no one has made much money off of to date), recent challenges at a top sub-prime mortgage lender combined with broad energy market weakness, gave me confidence the timing was right to take a shot here and now.

Performance Update

Please note that all reported performance numbers are shown for a composite of all accounts invested according to Upslope's core long/short strategy, and are net of all fees and expenses billed during period shown. Returns shown are gross of potential performance fees (as none have been billed nor are currently accrued through the date of this letter). Performance by individual account may vary due to timing differences involving deposits/withdrawals and other operational differences. Please refer to individual statements produced by the custodian for account details.

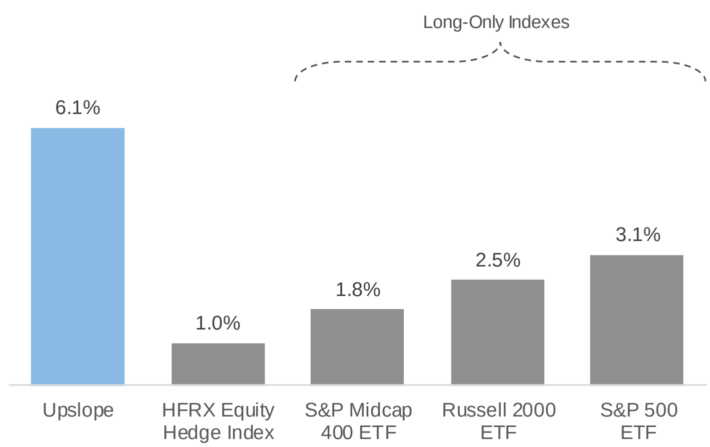
Performance for the Upslope portfolios during Q2 2017 was +6.1%. The largest contributors to and detractors from performance are noted below. Gross contribution to overall portfolio return is noted in parentheses, along with identifiers for whether a position was long (L) or short (S).

Exhibit 3: Top Contributors to Quarterly Performance[4]

Positive Contributors	Negative Contributors
NEX Group (L, +217 bps)	Natural Grocers (L, -80 bps)
Crown Holdings (L, +125 bps)	Owens-Illinois (S, -38 bps)
AptarGroup (L, +113 bps)	Janus (S, -23 bps)
Total Contribution from Longs	**Total Contribution from Shorts**
+669 bps	-67 bps

Source: Interactive Brokers, Upslope Capital
Note: amounts may not tie with aggregate performance numbers due to rounding, the impact from foreign currency cash positions (SEK, GBP) and fees

Exhibit 4: Q2 2017 Performance vs. Selected Indexes



Source: Interactive Brokers, Morningstar, Hedge Fund Research, Sentieo
Note: based on total return

[4] Individual contribution data based on performance of a representative account and may vary from account to account.

Closing Thoughts

Despite my continued unease with broader markets, I remain very enthusiastic about our unique portfolio. I am forever-grateful for your trust and the opportunity to manage a portion of your hard-earned money. Please do not hesitate to contact me (note: new email address provided below) with any questions at all regarding the portfolio, your account, or any other matters.

Best Regards,

George K. Livadas
george@upslopecapital.com

Appendix A: Historical Performance[5]

Net Returns (Composite)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400[6]
2016[7]	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	**(1.4%)**	**6.2%**
2017	7.3%	(1.9%)	0.8%	3.8%	2.6%	(0.4%)	--	--	--	--	--	--	**12.5%**	**5.7%**
Since Inception													**11.1%**	**12.3%**

Above returns are net of all fees billed to date. This includes a composite (dollar-weighted) average annualized management fee of 0.79% through 1Q 2017 (no fees thereafter). Returns do not include prospective performance-based fees, as none have been billed nor are currently accrued (through the date of this letter). Data includes all accounts managed using long/short (vs. long-only) strategy.

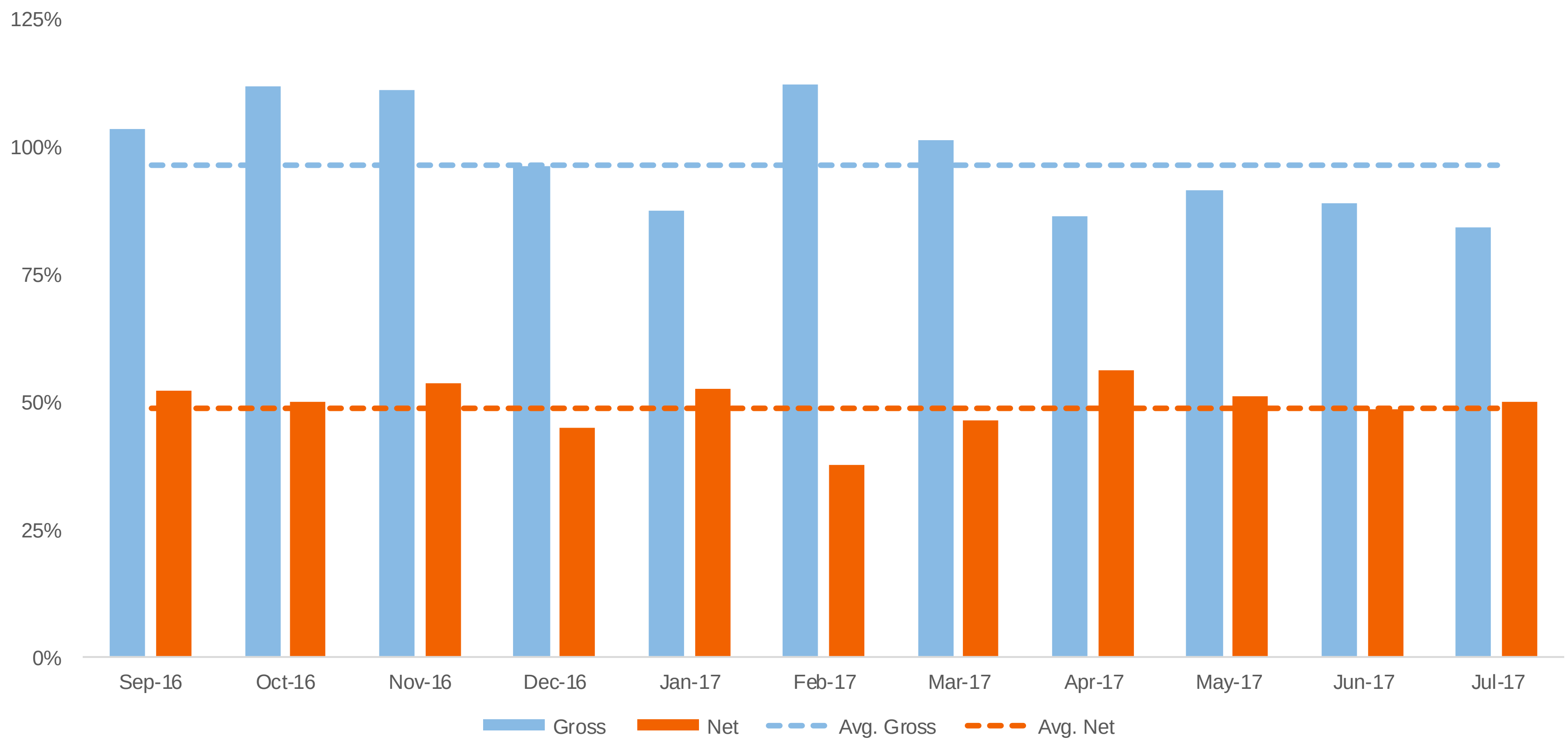
Given the variability in fees among accounts and timeframe, gross returns are also provided below.

Gross Returns (Composite)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400[8]
2016[9]	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.5%)	2.8%	(1.7%)	**(1.3%)**	**6.2%**
2017	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	--	--	--	--	--	--	**13.0%**	**5.7%**
Since Inception													**11.8%**	**12.3%**

[5] Data from inception to June 24, 2017 is based on portfolio manager's ("PM") performance at prior firm. PM has personally managed the strategy/accounts on a no-fee basis since June 27, 2017. **Past performance is no guarantee of future results.**
[6] Total return for the S&P Midcap 400 ETF (MDY) is shown.
[7] August 2016 and YTD 2016 data are shown from inception of the strategy on 8/29/16.
[8] Total return for the S&P Midcap 400 ETF (MDY) is shown.
[9] August 2016 and YTD 2016 data are shown from inception of the strategy on 8/29/16.

Appendix B: Daily Average Net Long & Gross Positioning by Month[10]



[10] Source: Upslope Capital, Interactive Brokers. Based on composite of all accounts invested according to Upslope's core long/short strategy.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. **Past performance is not indicative of future performance.**

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in this presentation are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in this presentation is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in this presentation are meant to serve as examples of Upslope's investment process only and may or may not be trades that Upslope has executed or will execute. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on this presentation as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of billed management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations verified by Stonegate International Administration. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Dividends and other cash distributions are not automatically or directly reinvested in securities held by Upslope clients.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as exchange-traded funds that track the S&P 500, S&P Midcap 400, and Russell 2000 indexes (tickers: SPY, MDY, IWM, respectively). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. The other benchmarks noted above (SPY, MDY, IWM) and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Dear Fellow Investors,

I am excited to provide this Q3 2017 update for Upslope Capital Management ("Upslope"). This was an eventful quarter on multiple fronts:

- **Upslope formally opened for business** in early August, after completing the necessary operational/regulatory transition processes (including becoming a Colorado registered investment advisor). We also surpassed the one-year mark on the strategy's track record (started at prior firm).

- **Upslope's core strategy returned[1] +4.6% in Q3, bringing YTD performance to +17.7%.** The portfolio's net and gross exposure YTD have averaged 48% and 92%, respectively. Please note: for a variety of reasons, we consider these figures more comparable to gross returns. Additional details are provided in Appendix A.

As always, I will be providing updates on the following topics in this note: general market conditions, portfolio positioning and key changes, and performance through Q3.

Market Conditions

I was tempted to copy/paste this section from previous letters. Not much has changed and I don't have a great deal to add. For the quarter, the S&P Midcap 400 ETF (MDY) and the HFRX Equity Hedge Index both returned 3.2%, bringing YTD performance to 9.1% and 7.1%, respectively.

I continue to worry about broader market conditions. It's a strange environment. The economy appears to be in good shape; but, stocks look expensive and *anecdotal* signs of a "top" abound (a recent example: CNBC ran an article about a well-known sports talk-radio host, who bragged about "crushing" the market with his technology stock picks). Although we added two new long investments during the quarter, it seems to be getting harder to find good *absolute* value (as opposed to stocks that are just *relatively* cheap). A common occurrence: hunting for value in an out-of-favor sector only to find that the troubled stocks aren't really *that* cheap.

Of course, one of the positives of Upslope's strategy is the mandate to maintain short exposure. On that front, I've grown increasingly excited about the (downside) prospects for our short positions. Although execution is never easy, compelling short ideas seem to be more plentiful and easier to find than 90 days ago. And, in aggregate, our short positions had a positive contribution to quarterly performance for the first time this year.

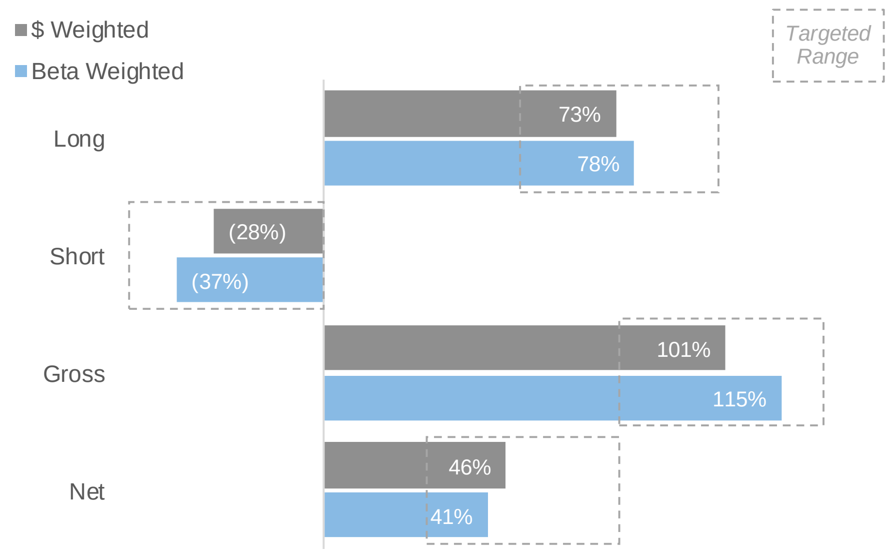
Portfolio Positioning

At quarter-end, the portfolio remained conservatively positioned, with net long exposure of 46% and gross exposure of 101%. While these amounts sit in the middle of our typical ranges, they include an 8% long position in Orbital ATK (which I consider a special case due to its pending sale to Northrop Grumman). As a reminder, overall positioning is guided by my success (or lack thereof) in identifying actionable, attractive investment opportunities – as opposed to a broader market view.

[1] Unless otherwise noted, all returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (which comprised the vast majority of AUM at quarter-end), and are net of all fees and expenses billed during period(s) shown. To date, no performance fees have been billed. **Please read all performance figures in conjunction with complete data and accompanying disclosures in Appendix A of this document.**

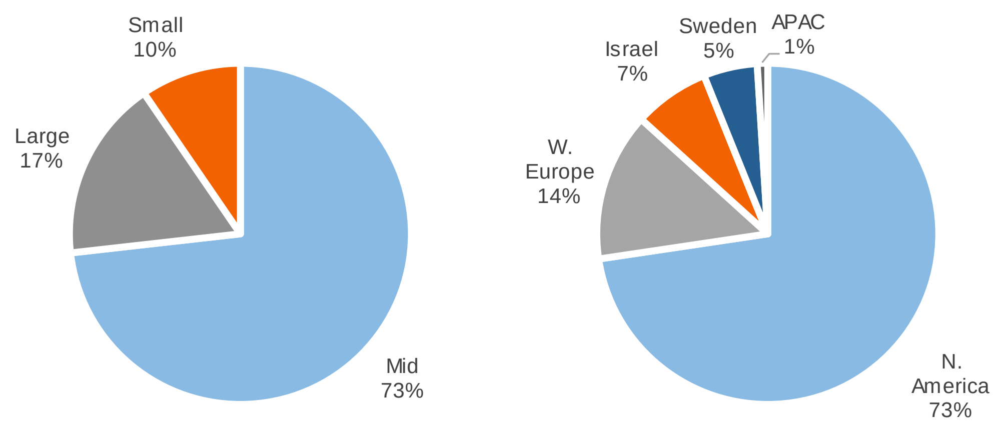
Exhibit 1 below has been updated from prior quarters to provide more detail: it now shows exposure on both a “$ Weighted” and “Beta Weighted” basis. “$ Weighted” is simply calculated using the dollar value of each position (this is what was shown in prior letters). “Beta Weighted” adjusts for the beta (a rough proxy for past volatility) of each position. So, a stock with a beta of 1.5 that comprises 10% of the portfolio is effectively included as a 15% position in the “Beta Weighted” analysis.

Exhibit 1: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo, Thomson Reuters
Note: as of 9/30/17

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers
Note: as of 9/30/17. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

Portfolio Update

We were active on both sides of the portfolio this quarter. We exited two longs and added two others. On the short side, we added five positions and exited two. The elevated level of activity on the short side was due, in part, to the slight shift in approach outlined last quarter. Details on some of the notable changes to the portfolio during the quarter are provided below:

- **Advisory Board (ABCO)** – exited long. After a lengthy sale process, Advisory Board announced in August that it would be acquired by UnitedHealth. This was not a surprise: the company had been under pressure from an activist investor to sell itself since January. From inception, ABCO contributed 330 bps to performance.

- **Orbital ATK (OA)** – new long. With the ABCO exit, OA was lined up to "replace" it. OA is a midcap aerospace/defense contractor focused on rocket propulsion, launch vehicles, and missile defense products (among others). Less than one month after opening the OA position, Northrop Grumman announced plans to acquire OA for a 22% premium. I *wish* I could claim I saw the deal coming; but, I didn't. I liked the business, its long-term outlook, and its value – and, we got lucky.

- **Salvatore Ferragamo Italia (SFER.IM)** – new long. Ferragamo is a €3.8 bn (market cap) leading global designer and producer of luxury shoes, leather goods, and apparel. Although SFER is listed on the Borsa Italiana and headquartered in Florence, it is a truly global business (~25% of sales each to N. America and Europe, 35% APAC, 10% Japan, 5% LatAm). The Ferragamo family still owns ~70% of the company – and I consider that a good thing. Over the past year+, the company has replaced senior leadership at both the management (CEO – second-ever non-Ferragamo, and CFO) and product design levels. During this time, SFER's stock has significantly underperformed peers. Valuation still isn't "obviously cheap," but appears reasonable enough, given the company's financial profile and what I perceive to be reasonable odds of upside to longer-term estimates. 2H 2017 seems likely to be challenging; but, I believe expectations are quite low.

- **Natural Grocers (NGVC)** – exited long. NGVC reported Q2 results in August. The quarter showed some hopeful signs related to our original thesis; but, other emerging issues caused the stock to plummet 34% in a single day. My already-shaky confidence in management was shattered during the call when the CEO bragged about doubling the store base over the last 5 years, even as same store sales have collapsed. I hate exiting positions shortly after "blow-ups"; but, our thesis broke and there are better businesses to spend time and mental energy on. All in all, NGVC cost us 200 bps from inception. Slowly but surely, I am learning to avoid situations involving drool-inducingly cheap valuation (e.g. 20%+ free cash flow yield. This style works for some – but, generally not for me). I will do my best not to make similar mistakes in the future.

- **Short Activity**: We exited two shorts, including Blue Apron (APRN), which hit our price target faster than expected. We also added four new consumer-discretionary short positions and one financial. Going forward, I plan to be more selective in discussing individual short positions in the quarterly letters. This is due to the public nature of the letters, the more sensitive nature of (some) shorts, the smaller sizing, and the more actively-traded approach I take towards shorting.

Performance Detail

The largest contributors to and detractors from Upslope's quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses, along with identifiers for whether a position was long (L) or short (S).

Exhibit 3: Top Contributors to Quarterly Performance

Positive Contributors	Negative Contributors
Orbital ATK (L, +156 bps)	Natural Grocers (L, -111 bps)
STORE Capital (L, +89 bps)	Undisclosed Restaurant (S, -53 bps)
Advisory Board (L, +81 bps)	EWC/Canada ETF (S, -25 bps)
Contribution from Longs	**Contribution from Shorts**
+435 bps	+25 bps

Source: Upslope, Interactive Brokers
Note: amounts may not tie with aggregate performance numbers due to rounding, the impact from foreign currency cash holdings and fees

Closing Thoughts

I'll close with an infamous (and perhaps over-used) quote that I've thought often about lately (I doubt I'm alone among equity portfolio managers):

"…As long as the music is playing, you've got to get up and dance. We're still dancing."

- Chuck Prince, CEO of Citigroup, in mid-2007

As small- and mid-cap indexes rallied sharply last month, I had that same sinking feeling that I had back in November when the small-cap Russell 2000 index rose 11%: "how am I supposed to keep up with *this*?" Certainly, not by changing our approach or positioning. While I worry about broader market conditions, "figuring out" where markets are headed is really just a hobby: it's fun to talk and "gossip" about, but my focus is on more important things (protecting our capital and identifying attractive individual stocks).

While Upslope's performance has benefited from this bull market, I continue to believe that our portfolio is unique, uncorrelated, and *defensive*. Nearly 50% of our *long* exposure stems from businesses I'd characterize as relatively defensive (CCK – food/beverage cans, ATR – healthcare packaging, OA – pending acquisition, STOR – real estate lessor with average contract duration of ~14 years). The remainder is invested in growing, higher-quality businesses that I believe are reasonably valued and apt to outperform over the long-term.

As always, I remain grateful for your trust and the opportunity to manage a portion of your hard-earned money. Please do not hesitate to contact me with any questions at all regarding the portfolio, your account, or any other matters.

Last, but not least, during the quarter we welcomed two new investors to Upslope. If you or anyone you know might be interested in learning more about Upslope and our investment approach, please get in touch!

Best Regards,

George K. Livadas
george@upslopecapital.com

Net Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400[2]
2016[3]	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	**(1.4%)**	**6.2%**
2017	7.3%	(1.9%)	0.8%	3.8%	2.6%	(0.4%)	2.3%	0.1%	2.1%	--	--	--	**17.7%**	**9.1%**
Since Inception													**16.0%**	**15.9%**

Gross Returns

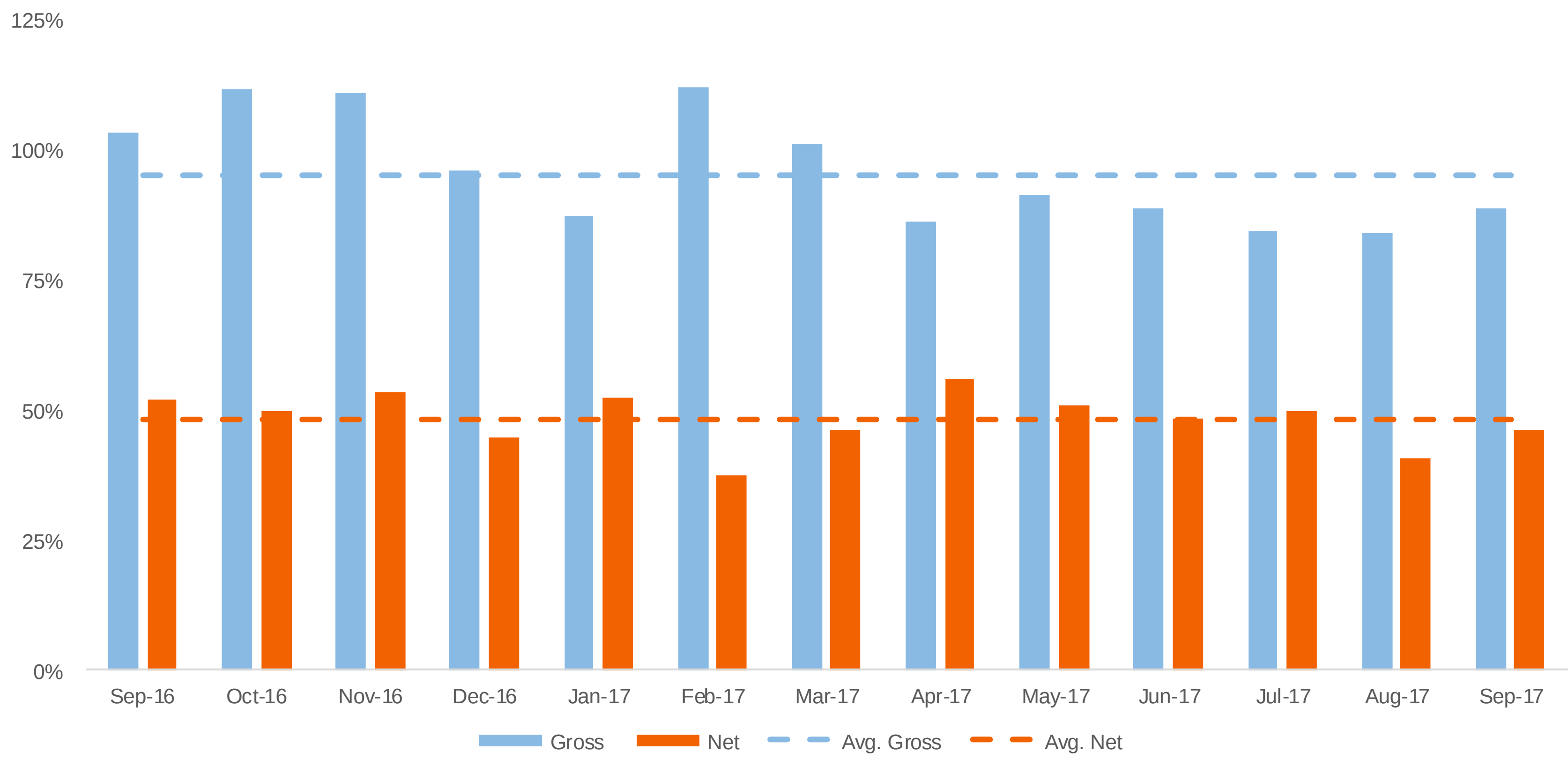
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400
2016	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.5%)	2.8%	(1.7%)	**(1.3%)**	**6.2%**
2017	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	--	--	--	**18.1%**	**9.1%**
Since Inception													**16.6%**	**15.9%**

NOTE: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (which comprised the vast majority of AUM at quarter-end). **Individual account performance may vary** (the minimum net returns for a full-fee account invested since inception and YTD are 15.4% and 17.3%, respectively)**.** Net returns are net of all fees and expenses billed during period(s) shown. **No performance fees have been billed in the periods shown.** Given the change in fee structure with the formation of Upslope, the variability of fees across individual accounts and the lack of performance fees billed to date, gross returns are also provided.

Data from inception to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under prior firm (as sole PM). After leaving the firm, PM personally managed the strategy/accounts on a no-fee basis through August 11, 2017. Upslope effectively became operational and has been managing the strategies thereafter. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS**

[2] Total return for the S&P Midcap 400 ETF (MDY) is shown.
[3] August 2016 and YTD 2016 data are shown from inception of the strategy on 8/29/16.

Appendix B: Daily Average Net Long & Gross Positioning by Month[4]



[4] Source: Upslope, Interactive Brokers. Based on composite of all accounts invested according to Upslope's core long/short strategy.

IMPORTANT DISCLOSURES

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as exchange-traded funds that track the S&P 500, S&P Midcap 400, and Russell 2000 indexes (tickers: SPY, MDY, IWM, respectively). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. The other benchmarks noted above (SPY, MDY, IWM) and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

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2017-Q4 Update **January 12, 2018**

Dear Fellow Investors,

I am excited to provide this update for Upslope Capital Management. Highlights for 2017 include:

- Upslope's core long/short strategy returned[1] +16.1% in 2017 and -1.3% in Q4.
- For 2017, Upslope's average net long exposure was 48%; gross exposure averaged 93%.
- The S&P Midcap 400 ETF (MDY) returned +15.9% for 2017 (+6.2% in Q4); the HFRX Equity Hedge Index was +10.0% for 2017 (+2.7% in Q4).

Q4 was another strong period for equities. While Upslope kept pace for the year, we lagged during the quarter, due to lower net long exposure and short-term underperformance in a few sizable positions. As I've noted in the past, being out-of-sync with broader indexes (particularly on a short-term basis) is the norm for us, given the concentrated and idiosyncratic nature of Upslope's long/short approach.

As always, in the remainder of this update, I will discuss: market conditions, portfolio positioning, and key updates to portfolio positions.

Market Conditions – "ALL-IN"

Looking ahead, I remain increasingly cautious on equity market conditions for three reasons:

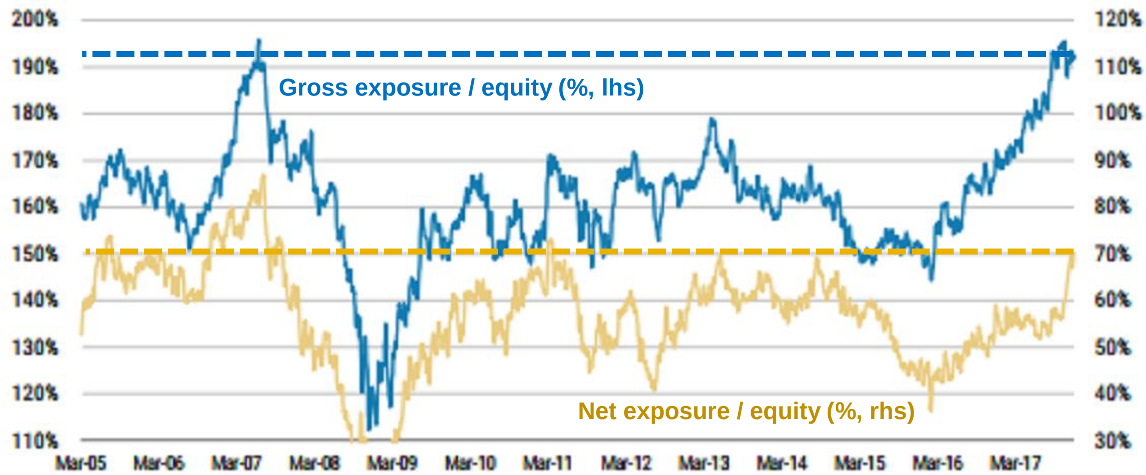
- Attractive absolute value is unusually hard to find,
- Institutional & individual investors appear to be "all-in" (fully invested with little cash-on-hand), and
- There are clear signs of excess and "reaching" for returns (i.e. taking imprudent risks to outperform surging markets).

These conditions have intensified in 2018, as most U.S. indexes are up >3% in just the first eight trading sessions of the year. On the first (and perhaps least interesting) point: most valuation metrics (e.g. price / earnings ratios) show stocks to be trading at a significant premium to historical levels. At this stage I believe it's unreasonable to expect significant further expansion in *valuation multiples*. Returns will need to come largely from fundamentals improving *beyond current expectations*. This could happen – the economy is very strong – but, we are likely losing one of the big, recent engines (multiple expansion) for returns.

Second, a number of data points suggest that institutional and individual investors are already "all-in" this bull market. A recent Bloomberg article included two notable charts. First, in Exhibit 1 below, long/short hedge funds are shown to have net long and gross exposure at/near typical peaks (ignoring the embarrassingly long exposure just before the financial crisis). In my view, the combination of near-peak long positioning ("bets" on markets going up) and peak leverage suggests likely volatility ahead.

[1] Unless otherwise noted, all returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (comprises the vast majority of AUM), and are net of all fees and expenses billed during period(s) shown. Composite performance calculations verified by Stonegate International Administration. **Please consider all performance figures in conjunction with accompanying disclosures and complete data in Appendix A.**

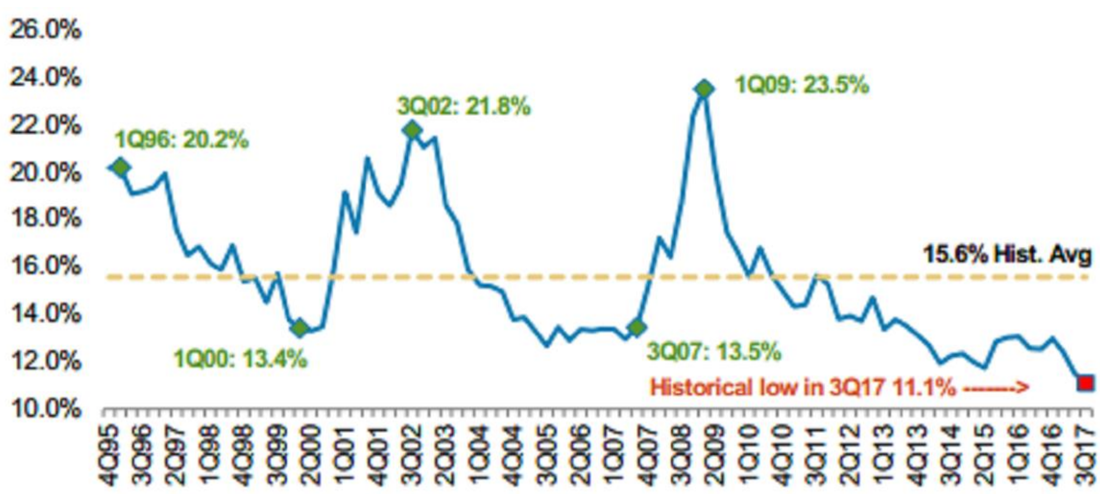
Exhibit 1: US Equity Long/Short Gross and Net Exposure



Source: Bloomberg, Morgan Stanley, Upslope (annotations)
Note: as of December 14, 2017; Beta- and Delta-adjusted

Individual (retail) investors also appear to be "all-in." A recent AAII survey concluded that individual investors ended 2017 with the highest allocation to equities in 16+ years. Consistent with this survey is another chart from the same Bloomberg article: cash as a percent of client assets at Schwab (the largest discount broker in the U.S.) was at/near all-time lows in 3Q 2017 (the latest data point available).

Exhibit 2: Charles Schwab Client Cash as a % of Total Client Assets: 1995 – 3Q17



Source: Bloomberg, Morgan Stanley, Charles Schwab, Upslope

Finally, if most investors are indeed "all-in," we'd expect to see signs of *reaching* for returns and questionable risk-taking behavior. That's exactly what we are starting to see, in my view. If there is an "obvious" bubble, it's Bitcoin and all things blockchain-related. The phenomenon seems to be bleeding into equity markets, where almost every week, another stock jumps on reports of (often highly questionable) involvement in Bitcoin, blockchain, etc. "I know this idea is crazy – but it's going to get crazier!" is an often-mentioned investment thesis here. The mood was captured perfectly in a January 2nd CNBC headline that read: **"Tiny company [that] owns some Hooter's restaurants says it will use blockchain for rewards program, boosting stock by 50%."** Lest you think this was an isolated incident, note the eye-popping returns (over just 60 days) for the stocks listed below. Many of these companies pulled off similar gimmicks.

Exhibit 3: Sample of Blockchain-Related Equities

		Nov 12, 2017 Price	Jan 11, 2018 Price	% Change
LFIN	Longfin Corp	$5.00	$42.63	753%
OSTK	Overstock.com	53.15	80.60	52
XNET	Xunlei Ltd	13.09	22.39	71
GCAP	GAIN Capital	7.19	8.61	20
SSC	Seven Stars Cloud Grp	2.06	4.83	134
RIOT	Riot Blockchain	7.16	20.85	191
NXTD	Nxt-ID	1.38	3.12	126
KODK	Eastman Kodak Co	3.75	8.40	124
SIEB	Siebert Financial	3.70	14.85	301
TEUM	Parateum	0.88	2.51	185
OTIV	On Track Innovations	1.26	1.38	10
MARA	Marathon Patent Grp	1.33	3.84	189
SRAX	Social Reality	3.36	5.57	66
NETE	Net Element	4.36	11.41	162
LTEA	Long Blockchain Corp	2.84	6.39	125
GROW	US Global Investors	2.83	4.39	55
FTFT	Future Fintech Grp	1.58	4.42	180
MGTI	MGT Capital Investments	1.82	3.86	112
GENE	Genetic Technologies	0.80	1.59	99
DSS	Document Security Systems	0.64	2.14	234
BURG	Chanticleer Holdings	2.24	3.30	47
DPW	Digital Power Corp	0.58	2.81	384
			Average	**165%**
			Median	**126**

Source: Upslope, Sentieo

Note: Upslope clients have no positions in any of the stocks above as of the date of this letter

Why are we discussing this wacky phenomenon that Upslope isn't even involved in? Because, I believe it represents investors of *all stripes* (including some well-known short-sellers!) taking undue risk in an attempt to outperform. None of these observations (elevated valuation multiples, fully-invested institutional and individual investors reaching for returns) tell us much about near-term market direction. But, taken together, I believe they provide a bright "yellow light" for equity investors.

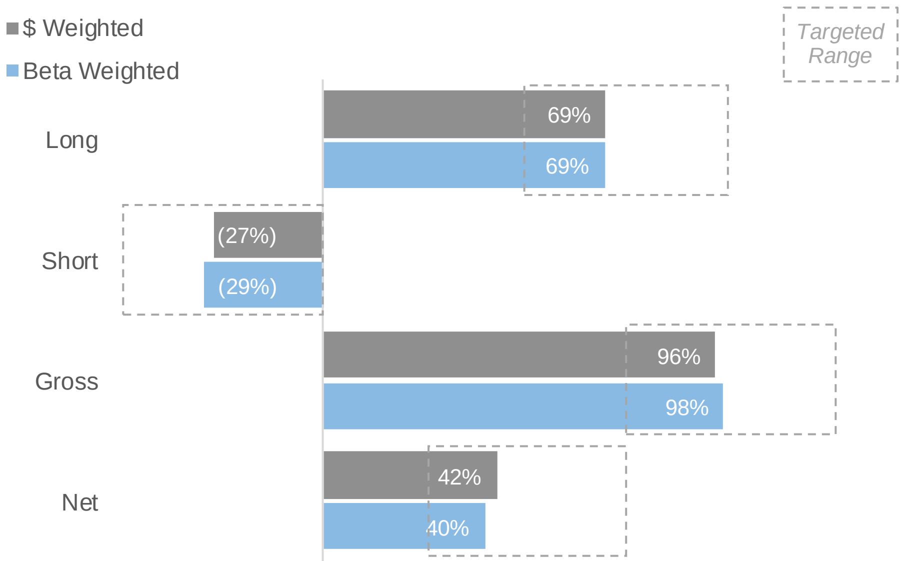
Given the above observations, I believe the prospects for Upslope's long/short approach to add value and alpha for clients in 2018 and beyond are increasingly attractive. Despite my ramblings above, I will reiterate that Upslope's positioning is guided by my success (or lack thereof) in identifying actionable, attractive investment opportunities – as opposed to a broader market view. However, I believe our conservative net positioning today is consistent with the above observations.

Portfolio Positioning

At quarter-end, adjusted net and gross exposure were 34% and 88%, respectively. These amounts have been adjusted for our Orbital ATK position (a special case due to its pending sale to Northrop Grumman). Net long exposure is closer to the bottom of our 25-75% targeted range. This reflects challenges finding higher-conviction value on the long side, combined with greater apparent opportunities on the short side.

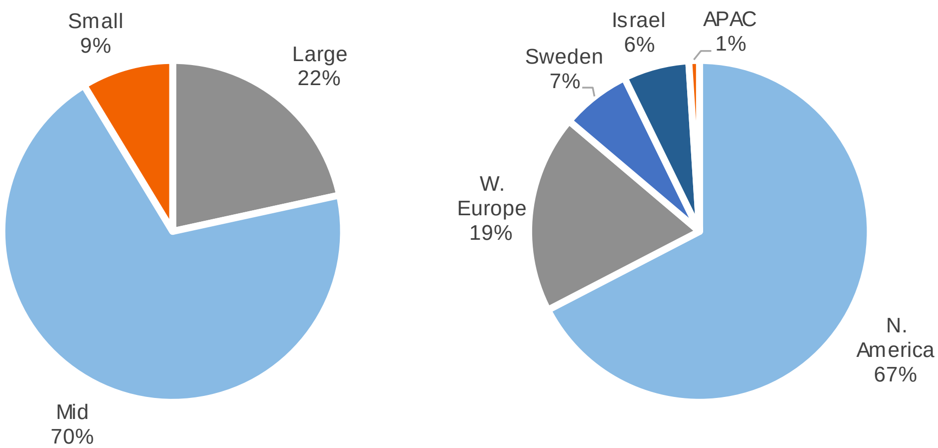
Exhibit 4 below shows (unadjusted) exposure on both a "$ Weighted" and "Beta Weighted" basis. As a reminder, "$ Weighted" is calculated using the dollar value of each position. "Beta Weighted" accounts for the beta (rough proxy for past volatility) of each position. So, a stock with a beta of 1.5 that comprises 10% of the portfolio would effectively be included as a 15% position in the "Beta Weighted" analysis.

Exhibit 4: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Sentieo, Thomson Reuters
Note: as of 12/31/17. "Beta Weighted" includes delta adjustments for derivative holdings, when applicable

Exhibit 5: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers
Note: as of 12/31/17. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

Portfolio Update

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses, along with identifiers for whether a position was long (L) or short (S).

Exhibit 6: Top Contributors to Quarterly Performance

Positive	Negative
MarketAxess (L, +64 bps)	Check Point Software (L, -64 bps)
Owens Illinois (S, +56 bps)	NEX Group (L, -56 bps)
STORE Capital (L, +50 bps)	Salvatore Ferragamo (L, -30 bps)
Total Contribution from Longs	**Total Contribution from Shorts**
-45 bps	-35 bps

Source: Upslope, Interactive Brokers
Note: amounts may not tie with aggregate performance numbers due to rounding, the impact from foreign currency cash holdings and fees

Key changes to the portfolio are discussed below:

- **Crown Holdings (CCK) – exited long and initiated short.** Since inception of Upslope's strategy (at a prior firm), Crown has been one of our largest long positions. However, a large acquisition in an unrelated business, announced just six days before Christmas ticked the 'very questionable capital allocation' box for me. Crown's $4 bn acquisition of Signode – an industrial/transit packaging company – undercut a number of the reasons I (and I suspect other shareholders) liked the stock: predictable, acyclical cashflows, de-leveraging, ramping share buybacks, and the prospect of a dividend. The deal, which added a materially cyclical business and a significant amount of debt, negated each of these attributes.

  Most of the time, when I decide to exit a long position, flipping and initiating a short position is not actively considered. However, in my view, there are few more obvious 'green-lights' to short a stock than a questionable, seemingly empire-building acquisition. While it's possible Signode will ultimately be a win for Crown, I believe the odds favor value destruction due to the flimsy strategic rationale. As one analyst asked during Crown's call announcing the deal: "how does Crown become a better company…[with] Signode in the portfolio?" Management did not have a good answer.

- **Bemis Company (BMS) – new long.** Bemis is a leading global packaging company, focused on flexible plastic films and other forms of plastic consumer packaging. Historically, Bemis has had a reputation for having strong technology, but more 'engineering'-focused (as opposed to shareholder-focused) leadership. The company's underperformance recently came to a head after it repeatedly missed earnings estimates and a major activist fund (Starboard Value) became a shareholder. As a result, a unique opportunity appears to have presented itself in this business that I have followed for several years. Why I like the opportunity:

  (1) **The company seems to be undergoing a sale process**, in my view. Press reports (*New York Post* and others) over the past six months have suggested BMS could be sold. One report indicated interest in the company from a foreign strategic buyer; another suggested Bemis has hired an advisor to explore strategic options.

  (2) **Bemis *should* be attractive to private equity buyers**, based on my analysis. Given the nature of Bemis' business – steady (if lackluster) end-markets, longer-term contracts, contractual pass-through of commodity price fluctuations – the company

could support a significant amount of leverage. Its reputation for being under-managed should further add to potential private equity interest.

(3) **Strategic buyers may also be interested.** Press reports have indicated potential interest from at least one strategic acquirer. While reports for that specific company have since been denied, the rationale remains: Bemis offers a buyer geographic and/or product (e.g. a primarily non-plastic packager) diversification. My assumption is that a strategic could pay more for BMS than a PE buyer, but that the odds of this scenario coming to fruition are lower.

(4) **The stock does not reflect the likelihood of a sale in a material way**, based on my work. Given the above observations, my view is that the odds of Bemis being sold are greater than 50%. Based on my analysis of the stock's performance since rumors first emerged of a potential sale, I believe the "unaffected" share price (i.e. what the stock should trade at if I am wrong about a sale) is ~$45.

(5) **Risks include**: no deal (and, potentially incorrect conclusion/analysis regarding the unaffected price), continued top-line/volume weakness, challenging pricing environment, moderate current leverage, exposure to volatile emerging markets (e.g. Brazil), management turnover, and general uncertainty.

- **Summit Materials (SUM) – exited long.** We first purchased shares in Summit prior to the 2016 election on the thesis that, regardless of outcome, infrastructure spending was likely to rise. SUM is a well-run business and was a reasonably-priced beneficiary of the above scenario. While congress has yet to pass a major infrastructure bill, SUM shares nonetheless reached our price target. For businesses of more "modest quality" (read: lower – due to cyclicality, high leverage, and reliance on M&A), such as SUM, my practice is to exercise tighter discipline when targets are hit.

Key updates to existing positions are discussed below:

- **Salvatore Ferragamo Italia (SFER.IM, Long):** Ferragamo's Q3 was weak, which was mostly expected. The company is undergoing a transition with a new design team preparing for a full launch of new products in 2018. As a result, sales were flat and operating profits fell 32% y/y in Q3, as the company cleared old inventory. SFER also pre-warned in December that 2018 would *also* be a "transition" year. Despite these challenges, the stock has been resilient: SFER closed down ~5-6% after each disappointment – yet, rebounded quickly. At year-end, SFER was trading above where it was prior to Q3 earnings. Expectations appear to be quite low.

- **NEX Group (NXG.LN, Long):** NEX Group had a challenging six months. In addition to management turnover, the company's margin 'turnaround' is behind schedule. Recent results showed a deeper margin hit to the Optimisation division, as the company invested heavily in growth opportunities related to the roll-out of new financial regulations in Europe for early 2018. While the position cost us during the quarter, the good news, in my view, is two-fold: we'd already lightened up on the position earlier in the year, and the stock now appears to be a good value again.

Closing Thoughts

Given current market conditions, I am particularly excited about the prospects for Upslope's differentiated, long/short portfolio to add value and alpha for clients in 2018 and beyond. This year is an especially important one for several of our top holdings, given ramping turn-around efforts (e.g. NEX Group and Ferragamo) and prospective strategic developments (e.g. Bemis).

As always, I remain grateful for your trust and the opportunity to manage a portion of your hard-earned money. Please do not hesitate to contact me with any questions at all regarding the portfolio, your account, or any other matters.

Last, but not least, if you or anyone you know might be interested in learning more about Upslope or our investment approach, please feel free to get in touch or pass along my contact information!

Best Regards,

George K. Livadas
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

Net Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400[2]
2016[3]	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	**(1.4%)**	**6.2%**
2017	7.3%	(1.9%)	0.8%	3.8%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(1.2%)	(0.6%)	0.5%	**16.1%**	**15.9%**
Since Inception													**14.5%**	**23.1%**

Gross Returns

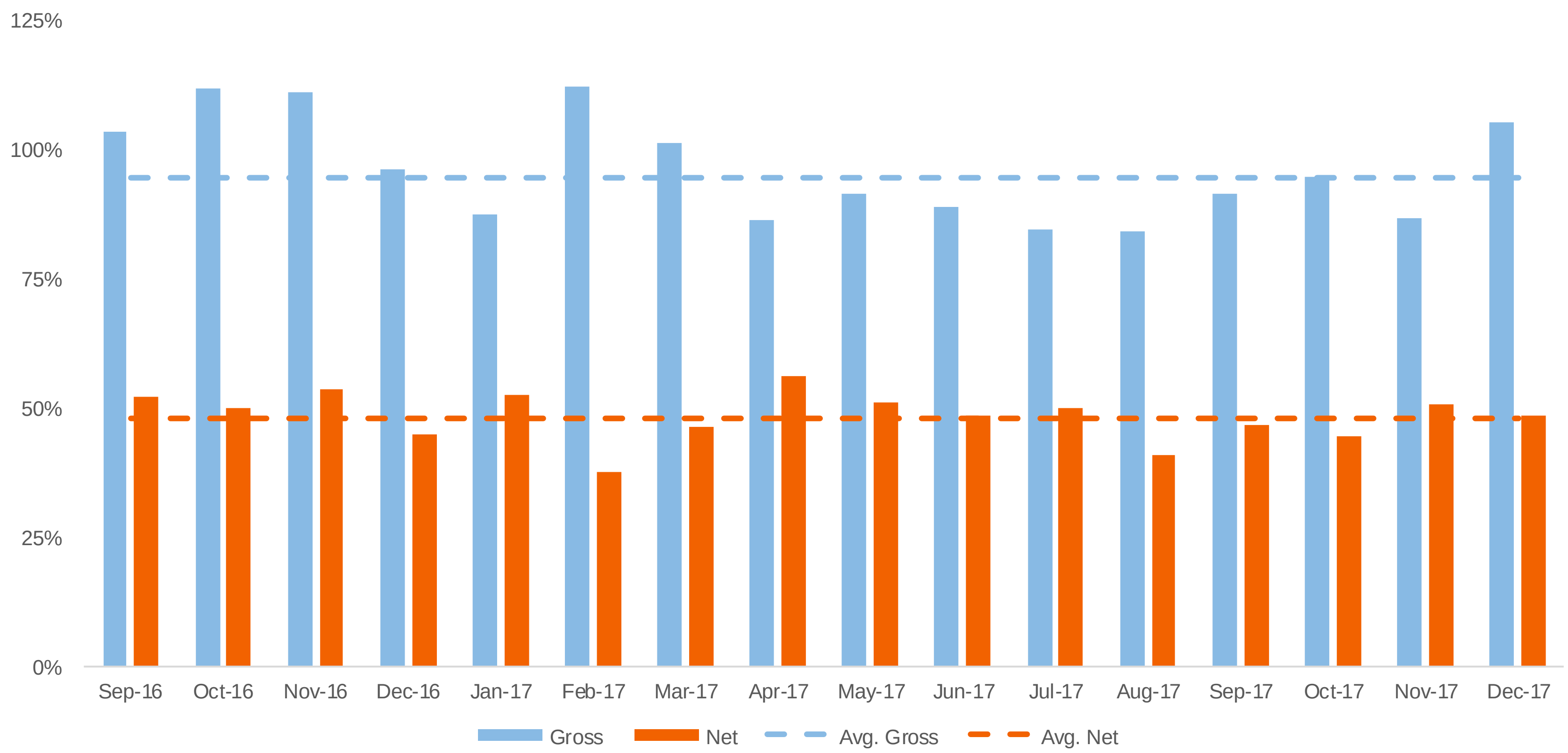
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400
2016	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.5%)	2.8%	(1.7%)	**(1.3%)**	**6.2%**
2017	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	**17.1%**	**15.9%**
Since Inception													**15.6%**	**23.1%**

NOTE: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (which comprised the vast majority of AUM at quarter-end). **Individual account performance may vary** (the minimum net returns for an account invested since inception and in 2017 were 13.7% and 15.6%, respectively)**. Net returns are net of all fees and expenses billed during periods shown.** Performance fees were not billed prior to October 2017. Given the change in fee structure with the formation of Upslope, and the variability of fees across individual accounts, gross returns are also provided.

Data from inception to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under prior firm (as sole PM). After leaving the firm, PM personally managed the strategy/accounts on a no-fee basis through August 11, 2017. Upslope effectively became operational and has been managing the strategies thereafter. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS**

[2] Total return for the S&P Midcap 400 ETF (MDY) is shown.
[3] August 2016 and YTD 2016 data are shown from inception of the strategy on 8/29/16.

Appendix B: Daily Average Net Long & Gross Positioning by Month[4]



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The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2017 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

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Upslope Capital Management
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2018-Q1 Update

April 6, 2018

Dear Fellow Investors,

I am excited to provide this update for Upslope Capital Management. Highlights for Q1 2018 include:

- Upslope's core long/short strategy returned[1] +6.1%
- Upslope's average net long and gross exposure were 40% and 94%, respectively
- The S&P Midcap 400 ETF (MDY) returned -0.8%; the HFRX Equity Hedge Index was +1.2%

As always, I will discuss: market conditions, portfolio positioning, and key updates to the portfolio. I am also bringing back a rotating topic on investment philosophy (this quarter: the role of M&A in Upslope's strategy).

MARKET CONDITIONS: Volatility, Finally!

After more of the same in January (booming markets, frustrated value-oriented investors), February marked a shift: the S&P 500 fell 10% in nine trading days – one of the fastest "corrections" in history. Despite the carnage, volatility for Upslope was modest due to low net long exposure, a few outperforming longs, and a well-timed volatility hedge (shorted SVXY in late January; fascinating back-story on the blow-up is here). In March, markets remained volatile – particularly for long-time *market* leaders (e.g. Facebook, Amazon, Netflix, Google). Appropriately, the biggest event for Upslope was unrelated to broader markets. CME announced plans to acquire NEX Group, one of our largest and longest-held positions, for a ~50% premium.

Looking ahead, I am less pessimistic on the outlook for equities than 90 days ago. "Neutral" is probably the right word. While I was outright concerned last quarter, the truth is that today I don't have conviction in either direction (I am quite comfortable with this, given Upslope's strategy). What has changed?

- Volatility has returned; the obvious signs of exuberance have (partly) faded[2]
- Valuation metrics are cheaper – a result of the pull-back and improved bottom-lines (tax cuts)

That said, a few considerations weigh on my mind. First, while the economy is undoubtedly strong, I continue to wonder how much better it – and a forward-looking market – can really get. Second: while markets have pulled back, investors need to maintain perspective. Most equity indexes are still just 6-7% below *all-time* highs. We are hardly awash in bargains.

Given this environment (still-elevated valuations, rising volatility, later innings of economic cycle), I believe prospects for Upslope's long/short approach to add value and alpha for clients in 2018 and beyond remain very attractive. No doubt, I am shamelessly biased and "talking my book." But, with 95%+ of my own liquid net worth invested alongside Upslope clients, these aren't just words.

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[1] Unless otherwise noted, all returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM) and are net of all fees and expenses billed during periods shown. Composite performance calculations verified by Stonegate International Administration. Performance may vary by account and clients should check individual statements for actual individual results. **Please consider all performance figures in conjunction with accompanying disclosures and complete data in Appendix A.**

[2] As an example: many of the "blockchain" companies I noted in our Q4 letter are down 30-40% since early January.

Upslope Capital Management
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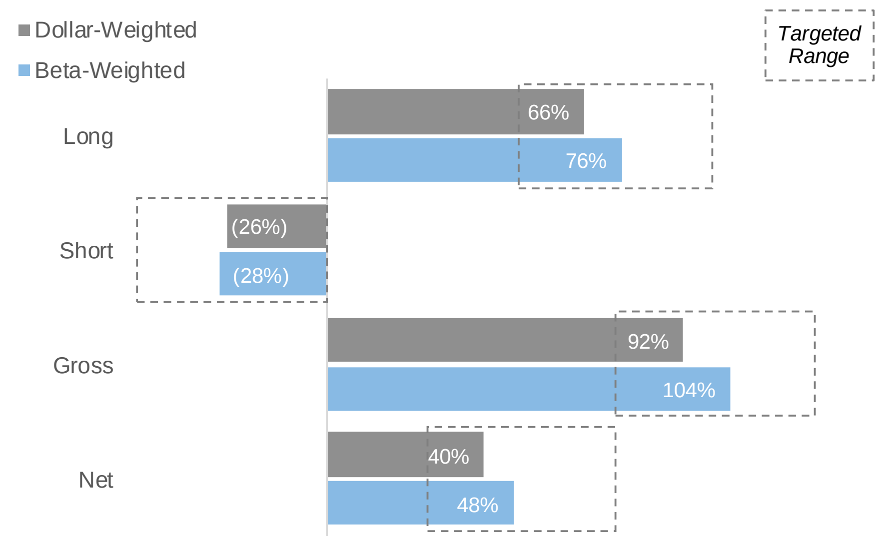
PORTFOLIO POSITIONING

At quarter-end, net long and gross exposure were 40% and 92%, respectively. This level of net long exposure sits moderately below the middle of our typical (25-75%) range – reflecting ongoing challenges in finding high-conviction value on the long side, along with greater ease in finding short opportunities.

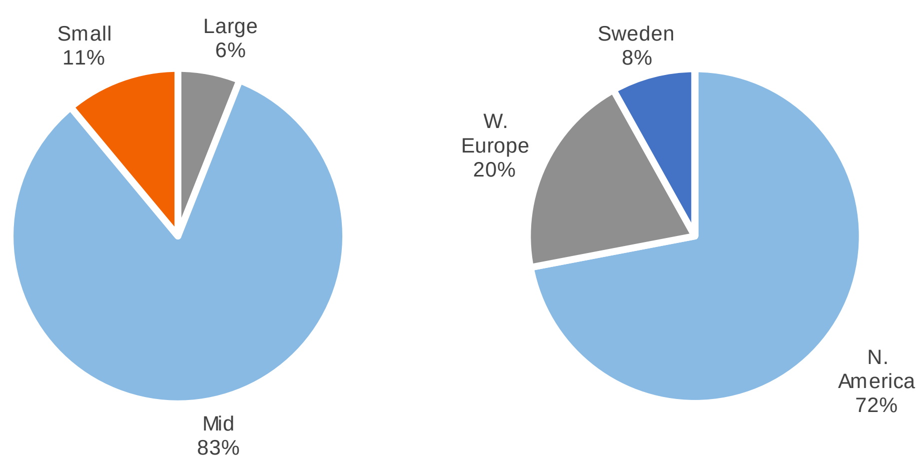
Exhibit 1 below shows exposure on both a "Dollar-Weighted" and "Beta-Weighted" basis. As a reminder, "Dollar-Weighted" is calculated using the dollar value of each position. "Beta-Weighted" accounts for the beta (rough proxy for past volatility) of each position.

Exhibit 1: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 3/31/18.

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers
Note: as of 3/31/18. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses, along with identifiers for whether a position was long (L) or short (S).

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Positive	Negative
NEX Group (L, +520 bps)	Bemis (L, -85 bps)
MarketAxess (L, +100 bps)	Burford Capital (L, -60 bps)
Camping World Hldgs (S, +95 bps)	MDY Hedges (L, -50 bps)
Total Contribution from Longs	**Total Contribution from Shorts**
+370 bps	+255 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance numbers due to rounding

Key changes and updates to the portfolio are discussed below:

- **Burford Capital (BUR.LN) – New Long:** Burford is an alternative asset manager focused on investing in commercial litigation claims. Historically, Burford invested using its own balance sheet. Today, Burford *also* has a fund business (acquired in late 2016 and similar to traditional HF/PE models). Despite rapid growth, Burford continues to earn attractive returns (historical ROIC/IRR of 75%/31%). The stock has doubled over the past year on the back of strong performance. But, this does not mean it is expensive, in my view. To the contrary, I believe Burford's current price is reasonable given the attractive nature of the business. I confess that I did a poor job of initiating/managing the position early on (thus, the position appearing in our top three losses for the quarter). But, I'm hopeful it will be merely a minor blip over the long-run. The 'pitch':

    (1) **Dominant player in rapidly growing industry, with significant runway ahead**: no competitors of comparable scale, little penetration of large addressable market, opportunities for geographic expansion.

    (2) **Scarcity value**: few competitors of scale, little correlation with major asset classes, natural path to liquidity (not reliant on capital markets) for underlying investments, high returns supported by at least some price insensitivity (bidding less competitive due to confidential nature of cases, time-sensitivity).

    (3) **Durable competitive advantages**: Burford is the biggest player in its space and has a critical mass of specialized talent. To hire/assemble a comparably experienced team of scale would be very challenging. Clients also benefit from Burford's scale via broader service offerings, deeper expertise, and an ability to deploy capital for larger opportunities.

    (4) **Reasonable valuation**: low-teen multiple on normalized (Upslope-estimated) earnings, despite rapid historical/expected growth and a scalable model (similar to other traditional/alternative asset managers).

    (5) **Soft catalysts**: rising sell-side coverage, potential up-listing to major exchange (from LSE's AIM), positive resolution to major cases, significant flows from fund performance fees.

(6) **Key risks**: recent management share sale (CEO/CIO sold 1/3 of holdings – first sale since founding in 2009), key man risk, estimate uncertainty, regulatory risk, potential losses in large cases, little portfolio transparency, FX (portfolio mostly in USD, debt mostly GBP).

- **Check Point Software (CHKP) – Exited Long:** After a series of less-than-inspiring excuses from management for repeat under-performance (seemingly losing share), we exited our position in Check Point. The position was more tactical in nature (tech being closer to the edge of my core competencies). As a reminder, this means I am typically quicker to exit a position when observing heightened risk (either fundamental, as was the case here – or valuation, when a stock reaches our price target) versus "Core" positions.

- **NEX Group (NXG.LN) – Current Long:** NEX (formerly known as ICAP) was one of the original investments made at the founding of the Upslope strategy. After a bumpy six months, NEX got back on track, reporting solid results in February. The big news, however, was an announcement that CME Group plans to acquire NEX for £10/share (~50% premium to NEX's unaffected price). The thesis behind our NEX investment from the start could be characterized as "expected turnaround and/or sale" (not unlike Bemis and Ferragamo). Based on contribution to returns since inception, we got a bit of both.

- **Salvatore Ferragamo (SFER.IM) – Current Long:** There's no way to sugar-coat it: Ferragamo is a mess. The company warned about a sales miss in December and then terminated its CEO in February (< 2 years in-role). No replacement has been named (search underway). The Ferragamo family rejects the prospect of a sale. Nonetheless! Despite the bad news, the stock has been resilient (it contributed a whopping +9 bps to Q1 returns). As I've noted before: expectations remain very low (investors appear to have completely written off 2018). While the turnaround is taking longer than I expected, I believe a sale of the company (despite family claims to the contrary) is incrementally more likely.

- **Bemis (BMS) – Current Long:** Bemis reached an agreement with activist investor Starboard Value during Q1. In addition to changes to the board, the agreement also called for the creation of a "Finance and Strategy Committee." The most notable component of the committee's mandate is to "retain independent financial advisors…to review the strategic landscape and explore and evaluate potential mergers, combinations, acquisitions, sales of [Bemis'] shares or significant assets, divestitures and strategic investments." I believe this is a positive development on the road to either a turnaround or sale of the company.

[Intentionally Blank]

INVESTMENT PHILOSOPHY: The (Accidental) Role of M&A in Upslope's Strategy

Since inception of the Upslope strategy 20 months ago, we have had three major holdings that have been the target of acquisitions: Advisory Board (sold), Orbital ATK (pending sale), and NEX Group (pending sale). While Upslope's approach doesn't explicitly seek M&A targets, I believe there is a decent correlation between the types of businesses and situations I often look for and above-average odds of an eventual sale. So, at a very high-level, what do I look for?

(1) **Unique, one-of-a-kind asset(s), with very few (if any) direct comparables**[3]

In many cases the businesses I'm describing are the "only game in town" for investors (or acquirers) to gain exposure to a specific industry/secular trend. For example: Advisory Board has a very unique business model aimed at helping healthcare providers improve efficiency through collaboration with peer companies. Orbital ATK is dominant in key parts of missile defense and has unique exposure to space. And NEX holds a virtual monopoly in its core U.S. treasuries trading platform business.

For Upslope's investment process, "uniqueness" can be a short-cut to uncover two desirable characteristics: obvious/sustainable competitive advantages and a lack of crowding in an investment (e.g. stock isn't widely-owned by a large group of hedge funds). Why does this short-cut sometimes work? First, companies with few (or no) peers are, almost by definition, industry leaders more likely to be competitively advantaged. Second, in my view, larger institutional investors are more likely to avoid digging into a quirky one-off industry with just one public company – not the most efficient use of time.

The other common themes that I generally look for are:

(2) **Supportive secular growth trends**

(3) **Attractive underlying financial model**

Bringing it all together, we hope to find a *unique* business that has good long-term growth prospects and an attractive financial model. It's simple and two of the three points aren't particularly original. But, this combination has the potential to make for a compelling acquisition target for a buyer looking to quickly expand into an adjacent product/service. For me, the possibility of owning an attractive business whose shares are (potentially) back-stopped by eager strategic buyers is ideal from a risk/reward perspective. Looking at the current portfolio, I see two potential examples:

(1) **MarketAxess (MKTX)**: virtual monopoly in electronic trading of corporate bonds in the U.S. (plus strong international offerings), backed by very strong secular (and potentially cyclical) tailwinds and a defensible, attractive financial model

(2) **Burford Capital (BUR.LN)**: leader in commercial litigation finance, an esoteric and uncorrelated asset class. Rapidly growing penetration of large end-market, high returns on portfolio investments (75% ROIC) and significant competitive advantages

To be clear, a sale of either business is not a part of my core investment thesis. Rather, the point of this exercise was to observe that acquisitions have so far been a byproduct of Upslope's independent investment process seeking interesting, higher-quality businesses.[4]

[3] Competitors with a similar overall business make-up (e.g. product, geography contributions).

[4] I would be remiss if I didn't address the fact that the two investments I have most explicitly identified as potential acquisition targets (Bemis and Ferragamo) are not mentioned here. The reason: I consider these to be different types of investments versus those discussed above. Upslope's strategy has deliberate allocations to higher-quality "Core" positions and more modest quality "Tactical" holdings, such as Bemis and Ferragamo.

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CLOSING THOUGHTS

I remain very excited about the prospects for Upslope's unique long/short portfolio to add value and alpha for clients in 2018. The developments of the past quarter (rising volatility and interest rates) should make for a more attractive environment for Upslope's strategy.

I am grateful for your trust and the opportunity to manage a portion of your hard-earned money. Please do not hesitate to contact me with any questions regarding the portfolio, your account, or any other matters.

Last, but not least: **I will be in New York in mid-May to meet with prospective investors**. If you or anyone you know might be interested in learning more about Upslope (whether in New York or elsewhere), please email me or pass along my contact information.

Sincerely,

George K. Livadas
george@upslopecapital.com

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Appendix A: Historical Long/Short Composite Performance

Net Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400[5]
2016[6]	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	**(1.4%)**	**6.2%**
2017	7.3%	(1.9%)	0.8%	3.8%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(1.2%)	(0.6%)	0.5%	**16.1%**	**15.9%**
2018	(1.4%)	1.7%	5.9%										**6.1%**	**(0.8%)**
Since Inception													**21.4%**	**22.1%**

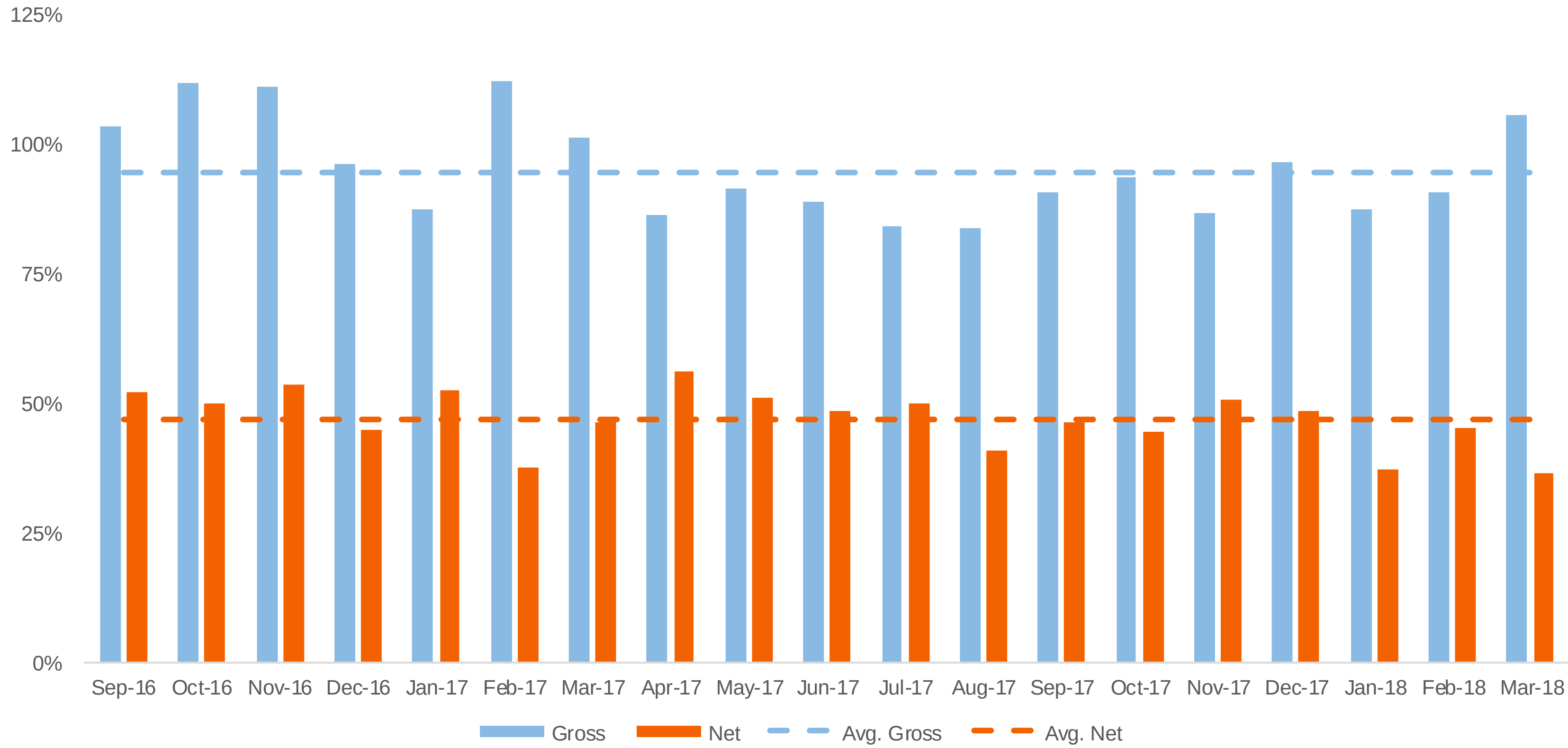
Gross Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Midcap 400
2016	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.5%)	2.8%	(1.7%)	**(1.3%)**	**6.2%**
2017	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	**17.1%**	**15.9%**
2018	(1.3%)	1.7%	5.9%										**6.3%**	**(0.8%)**
Since Inception													**22.7%**	**22.1%**

NOTE: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). **Individual account performance may vary** (minimum net returns for an account invested since inception and YTD 2018 were 20.5% and 6.0%, respectively)**. Net returns are net of all fees and expenses billed during periods shown.** Given the change in fee structure with the formation of Upslope, and the variability of fees across individual accounts, gross returns are also provided. Data from inception to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under prior firm (as sole PM). After leaving the firm, PM personally managed the strategy/accounts on a no-fee basis through August 11, 2017. Upslope became operational and has been managing the strategies thereafter. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS**

5 Total return for the S&P Midcap 400 ETF (MDY) is shown.
6 August 2016 and YTD 2016 data are shown from inception of the strategy on 8/29/16.

Appendix B: Daily Average Net Long & Gross Positioning by Month[7]



[7] Source: Upslope, Interactive Brokers. Based on composite of all accounts invested according to Upslope's core long/short strategy.

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IMPORTANT DISCLOSURES

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There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of billed management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations verified by Stonegate International Administration. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Dividends and other cash distributions are not automatically or directly reinvested in securities held by Upslope clients.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2017 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

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2018-Q2 Update

July 18, 2018

Dear Fellow Investors,

I am pleased to provide this update for Upslope Capital Management. I will discuss: market conditions, portfolio positioning, and key updates to the portfolio. The portfolio update is lengthier than usual (owing to new ideas); so, there will be no investment philosophy section this time. Performance highlights include:

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q2 2018	38%	+1.3%	+1.9%	+4.2%	-0.9%
1H 2018	39%	+7.1%	+8.2%	+3.3%	+0.2%
Since Inception	45%	+22.4%	+25.1%	+27.2%	+12.5%

MARKET CONDITIONS: "I'm Looking Through You"

I'm looking through you, where did you go
I thought I knew you, what did I know
You don't look different, but you have changed
I'm looking through you, you're not the same…

(The Beatles, 1965)

After a rocky Q1, U.S. equity markets appeared back on track in Q2: large- and mid-caps returned 4%, while small-caps returned almost 8%. Beneath the surface, however, things seemed different. Hedge funds struggled, as 'shorts' (often *lower* quality companies) outperformed.[2] Banks and other financials fell for a record-setting 13 consecutive days in late June.[3] China, along with several other emerging markets, entered a bear market (-20% from peak). And, volatility appears to have shifted to higher ground.

I could go on and discuss how the picture being painted – by both market and economic observations – suggests we're in the late stages of the economic cycle. I believe it. But, I've been (too) cautious for a while now. I've worried about all sorts of downfalls for the market (my formative years as an investor were the heart of the 2008 financial crisis – why do you ask?) and I don't need to bore you.

The relevant issue is really: how do these concerns impact portfolio construction? The portfolio is constructed on a bottom-up basis: seemingly attractive longs and shorts are added and net exposure mostly falls where it may. But, my caution influences the *types* of stocks I research (longs vs. shorts, etc.). If I'm doing an adequate job picking stocks, my market views shouldn't impact overall performance too much.

From inception to Q2, ~25% of gross exposure has been dedicated to shorts. These have cost us a modest ~2% despite the strong bull market (most U.S. indexes are up ~30% over that time). I believe today's environment remains favorable for Upslope's long/short approach to add value and alpha. As has always been the case, ~95% of my liquid net worth is invested alongside clients.

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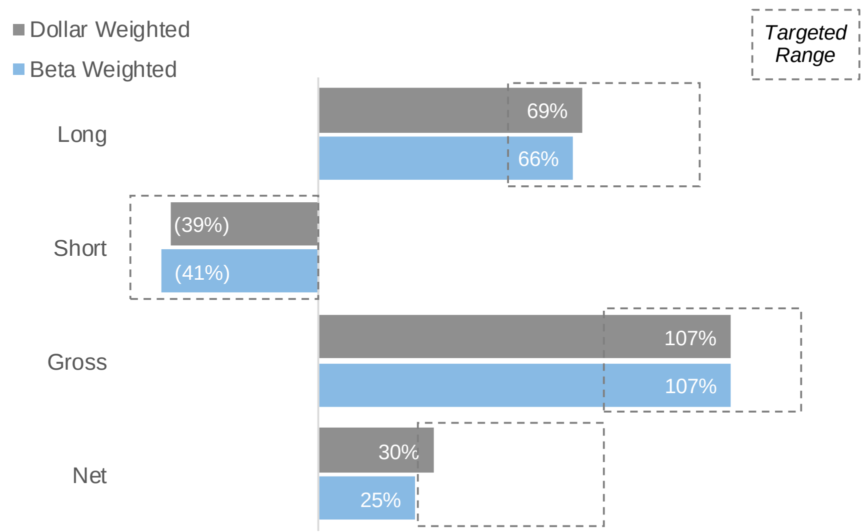
[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy (vast majority of AUM). "Since inception" data from 8/29/16, on which the portfolio manager began managing the strategy at prior firm. Composite returns verified by LICCAR. Please see important performance-related disclosures in Appendix A.
[2] Based on Q2 performance of the HFRX Equity Hedge Index and various media reports.
[3] Refers to performance of the XLF exchange-traded fund.

PORTFOLIO POSITIONING

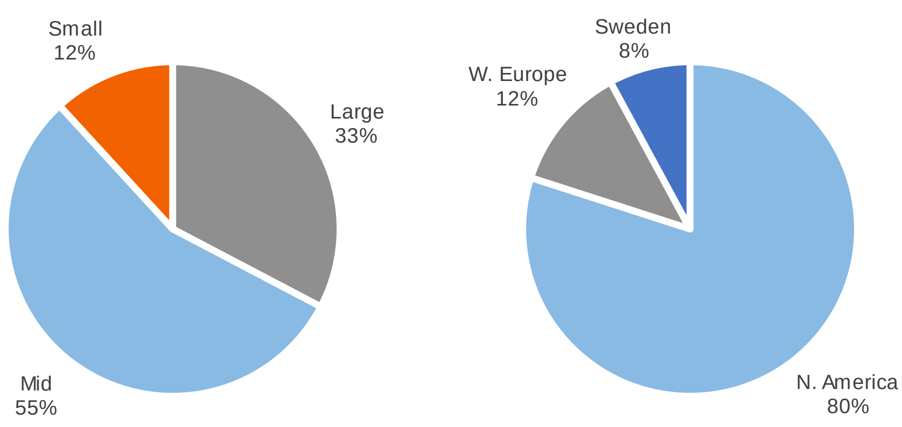
At quarter-end, gross exposure was 107%, while net exposure was 30% (typical range is 25-75%). Exposures are driven by the bottom-up opportunity set and currently reflect a greater number of perceived short opportunities, combined with a more moderate level of high-conviction long ideas.

Exhibit 1: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 6/30/18. Beta-weighted amounts include delta-adjusted impact of options, when applicable

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 6/30/18. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

You may notice our allocation to large caps is higher than usual. This is mostly due to two new longs (detailed later) and a new short with market caps between $12 billion and $14 billion – not too far from the upper bound ($11 billion) of my definition of “mid cap.”

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses, along with whether a position was long (L) or short (S).

Exhibit 3: Top Contributors[4] to Quarterly Performance (Gross)

Positive Contributors	Negative Contributors
Thule Group (L, +125 bps)	MarketAxess (L, -90 bps)
Molson Coors (L, +100 bps)	S. Ferragamo (L, -90 bps)
STORE Capital (L, +90 bps)	Vail Resorts (S, -60 bps)
Total Contribution from Longs	**Total Contribution from Shorts**
+205 bps	-20 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance numbers due to rounding

Key changes and updates to the portfolio are discussed below:

- **Cboe Global Markets (CBOE) – New Long:** CBOE owns and operates leading exchanges/trading venues for options, futures, equities, and FX around the world. Notably, its venues are #1 in market share in the U.S. for options, #2 in the U.S. for equities, and #1 in pan-European equities.

  As regular readers may know, the "exchange model" is one I am quite fond of. Established players benefit from a strong network effect (liquidity begets liquidity and is very hard to break), high margins and generally attractive long-term growth prospects. Secular growth is generally supported by long-term increases in the following: (A) electronification (phone- to web-based) of trading, (B) sophistication of investors and other market participants, and (C) overall complexity of global markets. Ideally, we can also find positive cyclical growth.

  While I have followed CBOE for quite a few years, it came into focus recently after the February VIX ETP product implosion (wonky background here and more detail below), which led to CBOE falling ~25% in a short period. The simple run-on sentence version of the thesis: "sentiment is bad and price is reasonable for a great business that I'd be happy to own for the long-term." The longer version:

  - **CBOE is the definition of a high-quality business**: steady historical growth plus very high margins and returns on capital, supported by deep competitive advantages (network effects) and led by a talented management team. I anticipate sustained top-line growth over the long-term, as well as cost savings from BATS acquisition and positive operating leverage.

  - **Strong management team** led by CEO Ed Tilly (in-role since 2013) and President/COO, Chris Concannon (joined via BATS acquisition). CBOE (and legacy BATS) has a history of strong product innovation. Concannon in particular is a noted market structure expert, having previously served as COO of Virtu Financial and as a staff attorney at the SEC. Notably, he acquired almost $1mm of CBOE shares in the open market on May 31.

  - **Positive cyclical exposure**: one of my assumptions for the current market environment is that volatility will stay elevated vs. recent years (hardly a bold assumption). On balance, this should be good for CBOE.

[4] Amounts rounded to nearest 5 basis points.

- **Misguided worries about VIX products**: CBOE shares sold off hard in February following the implosion of several VIX (volatility index) ETPs (exchange-traded products, similar to ETFs). While CBOE has no role in *managing* VIX ETPs, CBOE had been a beneficiary of their success, as well as of the broader "short VIX trade." By some estimates, the ETPs in question contributed only ~2% of total CBOE revenues.[5]

  Looking ahead, I see three scenarios: (A) traders return en masse to the "short VIX trade" and there is minimal adverse impact to CBOE, (B) the "short VIX trade" fades away, but is eventually replaced with other VIX-/hedging-related trades, as volatility shifts higher, or (C) traders exit the "short VIX trade" and do not replace prior activity in a material way. In my view, scenario 'B' is the most likely and an *eventual* positive for CBOE. 'A' seems somewhat likely; 'C' seems highly unlikely. This is not scientific.

- **Historical M&A premium should return**: CBOE has historically traded at a premium valuation, in part due to speculation of an eventual sale to a larger exchange (e.g. CME). In my view, a sale to CME (or others) has strategic merit and a premium should return.

- **Key risks**: VIX issues are complex and hard to predict, potential technology glitch could lead to losses, potential to lose share in competitive markets, regulatory risk, exposure to European equity markets (pricing based on notional value of securities traded).

* **Molson Coors (TAP) – New Long**: TAP is one of the largest brewers in the world, producing beer under the Coors, Miller, Blue Moon, Peroni, and Leinenkugel brands (among others). "Macro brewers," including TAP, have experienced significant volume declines (offset, in part, by price) and share loss to craft brewers in recent years. The consensus view – which I don't dispute, but view as well-baked into TAP's stock price – is that macro beer is in permanent, secular decline. As such, this is a "tactical" investment (i.e. it represents great value in a moderate "quality" business, and I will be even more disciplined on valuation than usual). The thesis:

  - **Attractive, cash-flowing business on sale**: while TAP undoubtedly has long-term challenges, the business generates very strong and surprisingly steady free cash flow due to its competitive position and track record of cost and pricing discipline.

  - **Value dislocation due to short-term issues**: during Q1 TAP faced a near-perfect storm of shorter-term issues that exacerbated fears about the durability of the business and led to a significant price/value dislocation in the stock (the stock fell 17% in two days). Recently, TAP was the single cheapest large cap consumer staple stock.[6]

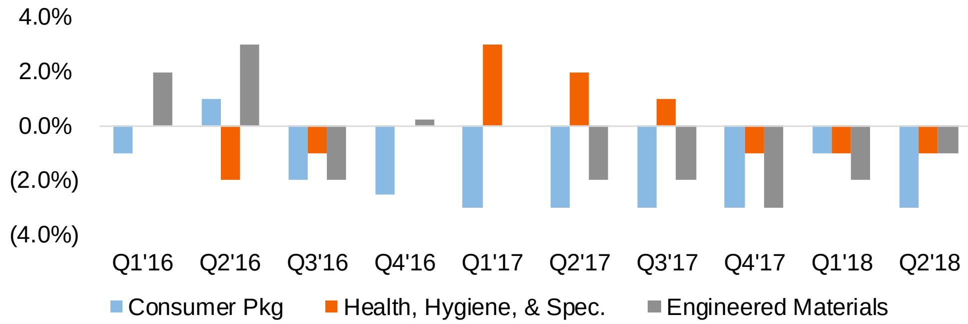
  - **Management appears to have the right priorities**: management has repeatedly emphasized that they will not "chase" volumes at the expense of profitability. While they continue to aim to grow revenues, their focus on profitability over top-line growth seems a positive for shareholders.

  - **Key risks**: secular challenges are real, high debt load (though I believe it's manageable, given the strong cash generation), family-controlled business, inflationary headwinds (e.g. rising aluminum packaging costs), expanding legalization of marijuana could place further pressure on macro beer in general (or encourage management to reach for ill-advised acquisitions).

[5] Barclays report published on February 12, 2018.
[6] Based on free cash flow (equity) yield, per BMO Capital Markets report published on April 11, 2018.

- **Berry Global (BERY) – New Short**: BERY is a plastic packaging company (think detergent bottles and caps, trash bags, tape, foam cups, etc.). I have long been skeptical of the quality of Berry's business, given its reliance on debt-financed acquisitions and lackluster organic growth (chart below). Bulls generally tout BERY's strong "free cash flow." But, historically BERY has spent nearly every penny of it on acquisitions. BERY had an ugly miss in its most recent quarter, and I believe the current environment (rising rates, inflation, and growing skepticism towards heavily indebted businesses) will continue to be challenging for the company. It also provides somewhat of a hedge to two long positions we have in plastic packaging (Aptar and Bemis).

Exhibit 4: Berry Global - Estimated Volume Growth by Segment



Source: Upslope, BMO Capital Markets, Berry filings
Note: Approximated per public filings and research reports. Periods shown for BERY's 9/30 FYE

- **Tesla (TSLA) – New Short**[7]: I confess that we are short Tesla, the high-flying electric auto manufacturer. I am mildly embarrassed to hold and discuss the position, given how crowded and unoriginal it is (I've even mocked the idea in the past, noting it's quite stupid to short a stock that *rises* as the short thesis plays out). However, I think the time may finally be right.

  Why now? In addition to the many well-known arguments[8] for shorting Tesla, there are real signs that Tesla's stretched balance sheet may be having an adverse impact on its quality and service.[9] Combine this with the very public and increasingly erratic (to be *very* generous) behavior of its CEO (Elon Musk) and **it's not hard to see that the Tesla brand – for both consumers *and* institutional shareholders – is being tarnished**.

  Given how crowded the short is, managing risk is as important as getting the call right. To do this, we're maintaining a modest short in the stock and pairing it with options. Lastly, I'll leave you with this notable quote from Elon Musk about the now-bankrupt solar company, Solyndra:

  > "The most you could say is that Solyndra executives were too optimistic. They presented a better face to the situation than should have been presented in the final few months, but then, if they didn't do that, it would have become a self-fulfilling prophecy of – as soon as a CEO says I'm not sure if we'll survive, you're dead."
  >
  > – Elon Musk (2011)

[7] Position initiated at the end of Q1 (March).
[8] To name a few: large debt load, constant historical cash burn/significant losses, questionable corporate governance, elevated valuation, challenged financial model, potentially flattening demand for legacy Model S/X vehicles, significant incoming competition, likely phase-out of certain tax credits/incentives, etc.
[9] Widespread complaints on social media and online forums from supposed customers regarding lengthy wait times for service/parts, as well as various quality issues for recent products.

- **Other Notable Short Activity**: I closed our shorts in Camping World Holdings (RV dealer led by CNBC's Marcus Lemonis – reached price target), Vail Resorts (got it wrong and cut losses), and Crown (food/beverage can company – reached price target). As always, we may re-enter any of these positions at another time. Additionally, I added a large cap restaurant short.

- **Salvatore Ferragamo (SFER.IM) – Update on Current Long**: it seems an update is warranted on this position every quarter. Unfortunately, developments were not positive. After rallying early, the stock fell ~15% when the Ferragamo family announced the sale of a 3% stake in the company. I viewed the transaction as (mostly) a non-event – after all, the wealthy, disparate family still owns 65% of shares. Clearly others felt differently, and I have been wrong. The downturn in Chinese equities and sentiment has also likely hit SFER shares (China/Hong Kong represent ~25% of SFER sales and contribute an outsized amount of growth).

OPERATIONAL UPDATE

I'm pleased to announce that we completed the transition to a new administrator (used primarily for performance verification), LICCAR, during the quarter. The purpose of the change is to enhance transparency into Upslope's performance history for existing and prospective clients. As part of the transition, the method used to calculate Upslope's monthly net performance figures has changed from being calculated on a cash basis to an accrual basis. This is more in-line with standard industry practice; and, I believe it provides a more useful view of performance. If you have any questions or concerns, please contact me.

CLOSING THOUGHTS

While Q2 lacked some of the fireworks of Q1, I remain excited about Upslope's unique long/short portfolio. As always, I am extremely grateful for your trust and the opportunity to manage a portion of your hard-earned money. Please do not hesitate to contact me with any questions regarding the portfolio, your account, or any other matters.

Last, but not least: **I will be in Texas (Dallas, Houston, and Austin) in September and New York in October**. If you or anyone you know might be interested in learning more about Upslope (whether in Texas, New York or elsewhere), please email me or pass along my contact information.

Sincerely,

George K. Livadas
george@upslopecapital.com

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

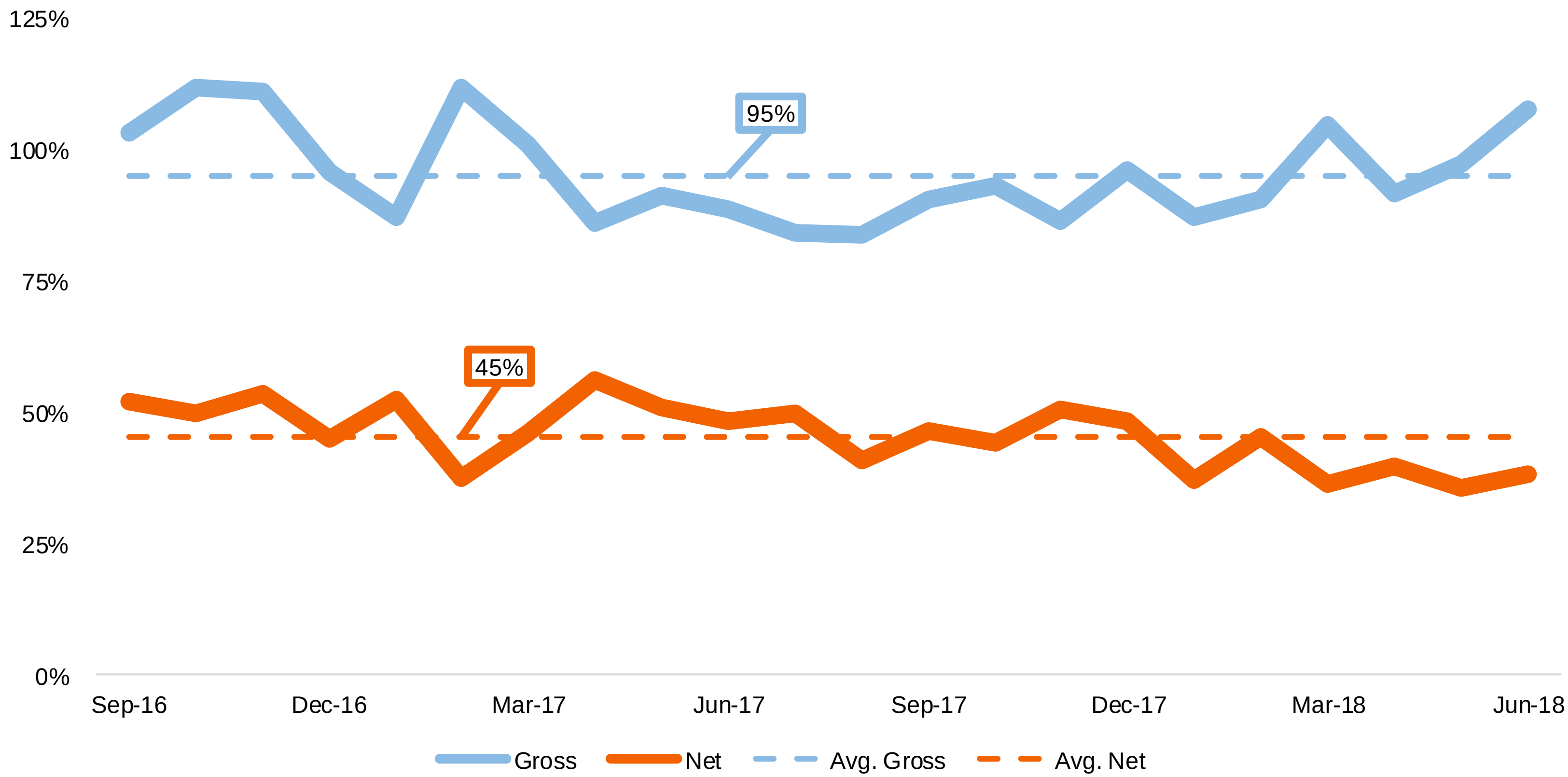
Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	Upslope – Net	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	--	--	--	--	--	--	7.1%
	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	--	--	--	--	--	--	8.2%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	--	--	--	--	--	--	3.3%
2017	Upslope – Net	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	Upslope – Gross	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	17.1%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

Source: LICCAR, Upslope, Interactive Brokers

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by the total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of billed fees, for an account invested since inception and YTD 2018 were 21.5% and 6.6%, respectively) and clients should review statements for actual results. Given changes in the fee structure related to the formation of Upslope, and the variability of fees across individual accounts (16% of composite AUM is non-fee-paying), gross returns are also provided. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under prior firm (as sole PM). PM managed the strategy/accounts on a no-fee basis through August 11, 2017. Upslope became operational and has been managing the strategies thereafter.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Upslope Capital Management
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There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations verified by LICCAR. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Dividends and other cash distributions are not automatically or directly reinvested in securities held by Upslope clients.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2018 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
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2018-Q3 Update

October 17, 2018

Dear Fellow Investors,

I am excited to share this update for Upslope Capital Management. During the quarter, we passed the two-year mark on our track record. Given our historically low net exposure and the backdrop of a strong market, I am satisfied with our absolute and relative performance. In this letter, I will discuss general market conditions and provide a number of updates to the portfolio. Performance highlights include:

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q3 2018	36%	+0.7%	+1.0%	+3.8%	-1.1%
YTD 2018	38%	+7.9%	+9.3%	+7.2%	-0.9%
Since Inception	44%	+23.3%	+26.4%	+32.0%	+11.3%

Note: clients should check individual statements for account returns, which may vary due to timing and other considerations

MARKET CONDITIONS: TAKE THE FORK

Q3 was another exceptionally strong period for *U.S.* equity indexes – most closed at or near all-time highs. But, a trend that kicked off in Q2 – U.S. markets outperforming weak foreign markets – accelerated dramatically in Q3. This was a strange dynamic that created a feeling of isolation. It was hard not to wonder: "can everything really be this good in the U.S., while everything *out there* appears to be falling apart?"

The answer, at least through mid-October, seems to be "no." Just a few days into October markets began to fall – most notably on October 10 when most indexes fell 3-4%. This marked the sharpest one-day sell-off since the February drama. While markets have rebounded a bit, the obvious question: is this a normal, healthy correction in a still-healthy bull market? We don't know. A few things to consider:

- **Overseas drama** – developments abroad have been ugly. China is in a bear market (-20% or more) and other emerging and European markets are very weak. Given the global nature of so many U.S. companies, the divergence in performance strikes us as unsustainable.
- **Wounded Generals** – "FANG" stocks (Facebook, Amazon, Netflix, Google) have been among the biggest leaders of this bull market. The recent, sharp weakness for this group – which resulted in its worst collective-sell-off in history – seems notable.
- **U.S. macro data remains strong** – while the health of the housing market has recently been called into question, overall the U.S. economy remains *very* strong. We've never argued against these facts, but continue to wonder how much better it can get.
- **Cyclical red flags** – stocks across a range of *cyclical* industries in the U.S. have weakened sharply in recent months. This is the most worrisome and directly-relevant data point, in our view. A sampling of these stocks is provided on the following page.

[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy (vast majority of AUM). "Since inception" data from 8/29/16, on which the portfolio manager began managing the strategy at prior firm. Composite returns verified by LICCAR. Please see important performance-related disclosures in Appendix A.

Exhibit 1: Challenged Cyclicals

Source: Upslope, Finviz
Note: as of 10/17/18 (intra-day)

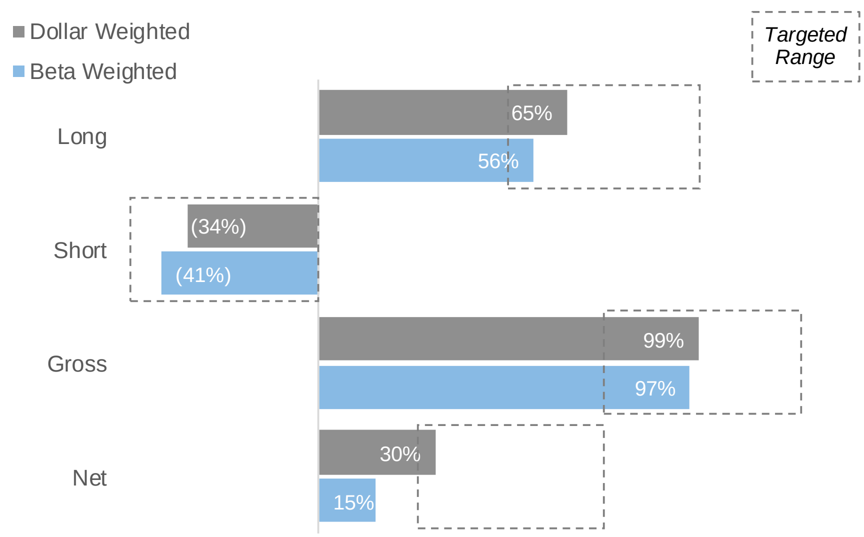
While we've admittedly been cautious for a while (that will be the case more often than not – why *wouldn't* we perpetually worry about losing our money?), current market conditions feel like a true fork in the road. One path leads to more volatility and a potentially serious course correction (i.e. U.S. joining the rest of global markets in some distress). The other leads to a broad rebound of *both* global and domestic markets.

We really don't know which way markets will go. Given Upslope's bottom-up approach and hedged long/short strategy, however, we are reminded of Yogi Berra's *"when you come to a fork in the road, take it"* line. In essence, it doesn't matter much which path the market takes: we are happy with either outcome.

PORTFOLIO POSITIONING

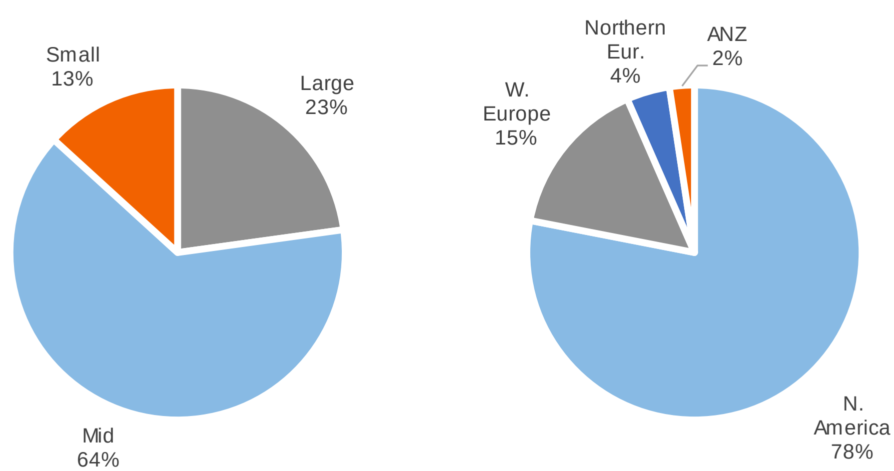
At quarter-end, gross exposure was 99%, while net was 30% (vs. normal expected range of 25-75%). One item to note: net exposure was just 15% on a Beta-Weighted basis, mostly due to the fact that our shorts have tended to have higher betas than our longs. Clearly this is something we monitor closely; however, for a variety of reasons we tend to focus more on Dollar-Weighted metrics.

Exhibit 2: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 9/30/18. Beta-weighted amounts include delta-adjusted impact of options, if any

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 9/30/18. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses, along with whether a position was long (L) or short (S).

Exhibit 4: Top Contributors to Quarterly Performance (Gross)[2]

Positive Contributors	Negative Contributors
AptarGroup (L, +165 bps)	Molson Coors (L, -80 bps)
Burford Capital (L, +145 bps)	MarketAxess (L, -70 bps)
Bemis Co (L, +145 bps)	Cboe Global Mkts (L, -70 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+215 bps	-110 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

New Positions[3]

- **New Long – Camping World Holdings (CWH):** We were previously short CWH (closed in April), the largest RV dealer in the U.S. The stock took another leg lower after we exited. Our short thesis was that CWH had been trading at a full valuation on estimates likely reflecting a peak for the sector. As a bonus, CWH was (still is) run by a 'CNBC personality' (Marcus Lemonis) – a factor we assumed might bother investors in a downturn. While not all of the factors have changed, a few key items have:

    - **CWH's stock and earnings multiple have both been cut in half.** The prices of *other* stocks across the sector have also been hit hard (down 10-50% YTD). All in all, expectations around the RV cycle appear to have been reset.

    - **The CEO has finally fumbled his way towards a logical explanation of CWH's Gander Mountain acquisition.** Gander Mountain was a bankrupt outdoor retailer that CWH initially pitched as an easy way for CWH to add to its customer database. Eventually, the strategy "evolved" and CWH noted the deal would enable it to efficiently add new dealer locations in under-penetrated markets. This confusion/messaging change had been a sticking point for investors.

    - **A well-known and sometimes-activist fund, Third Point, took a stake in Q2.** We don't necessarily expect them to "go activist" here, given the relative sizing. But, their presence seems a marginal positive at worst.

    - **Short interest has surged: CWH is one of the most shorted stocks of any we look at** (~50% short interest as a percent of float). We don't automatically view this as a positive. But, given the above commentary, it's not hard to envision CWH meeting/beating low expectations and the extreme level of short interest providing fuel for the stock.

    CWH isn't perfect and we still have a few lingering concerns (Lemonis, being long a "cheap" cyclical, missing something regarding short interest). Nonetheless, CWH represents a compelling risk-reward, in our view. The company maintains a dominant competitive position in an industry likely to grow over

[2] All amounts rounded to nearest 5 basis points.
[3] Upslope's general policy regarding disclosure of new positions is to discuss significant longs that we consider to have been fully established. For shorts, we aim to discuss an illustrative sample of positions (but generally desire added confidentiality).

the long-term. The business model – similar to auto dealers in that profitability is more driven by recurring services than unit sales – is an attractive one. Valuation, by virtually any metric, is near all-time lows. Free cash flow is likely to be solid through the cycle. And finally, despite some lingering skepticism towards Lemonis, we are comforted by the fact he remains the largest shareholder by far.

- **New Short – Sonos (SONO):** Sonos is a recent IPO with a simple short thesis that rhymes with past "IPO shorts" we've been involved with (Blue Apron, Amplify Snacks): it is a faddish, single-product company with few (if any) sustainable competitive advantages, that was pitched[4] and valued as something other than what it really is – a speaker company. On top of it, Sonos increasingly competes head-to-head with the biggest names in tech – Amazon, Google, and Apple – all of whom have other (non-profit-related) motives to sell their own (smart) speakers.

  The numbers tell a similar story to the qualitative case. Despite years of strong growth, Sonos has yet to reach material profitability (especially when accounting for stock-based comp). Add in the fact that revenue growth appears to be slowing and it's easy to see how the financial model could be challenged.

  While the stock has pulled back from its post-IPO peak, it remains fully-valued on most metrics (EV/Sales, and even "EV/Long-Term Target EBITDA" – a generous metric we created for this exercise), and we remain short.

<u>Updates on Existing Positions[5]</u>

- **Long Bemis (BMS) – Exited**: We promptly exited our position in Bemis, a producer of plastic packaging, following an announcement that Amcor (Australian-listed packager) would acquire the company in an all-stock transaction. This outcome was not a surprise. When we initiated the Bemis position in Q4 of last year, the core of the thesis was that it was likely to be sold due to years of under-management, an attractive asset base, and the presence of an activist investor.

- **Long Thule Group (THULE.SS) – Exited**: In early Q4, we finished exiting our position in Thule (designer of outdoor recreational carriers – e.g. ski- and bike-racks), which was initiated at inception of the strategy. This was a difficult decision. Thule is a fascinating, high-quality, niche business, but no doubt a cyclical one. Given the company's still-elevated valuation, the poor reaction to relatively strong Q2 results, moderate execution risk (newer product categories), and our macro bias (occasionally impossible to ignore), exiting the position seemed prudent.

- **Short Tesla (TSLA) – Update**: Where…does one even begin? We'll skip most of the details (though I'd be *more* than happy to discuss over email/phone – my wife would probably appreciate the break). We remain short and believe Tesla will continue to struggle. A few key issues/questions:

  - Why do executives continue leaving in droves if the Model 3 roll-out is sustainable & accelerating?
  - Why does the company refuse to raise capital, despite a *very obviously* stretched balance sheet?
  - Why won't the company provide an update on its Model 3 order backlog?
  - Why did Musk publicly taunt the SEC just before finalizing his settlement for securities fraud?
  - Why did TSLA recently engage Williams & Connolly partner Steven Farina, "chairman of the firm's Accounting Malpractice and Securities Litigation and Enforcement practice groups"?

- **Long MarketAxess (MKTX) – Update:** We have owned MarketAxess, the dominant "exchange" for corporate bond trading, since inception of the strategy – and have followed the company for many years

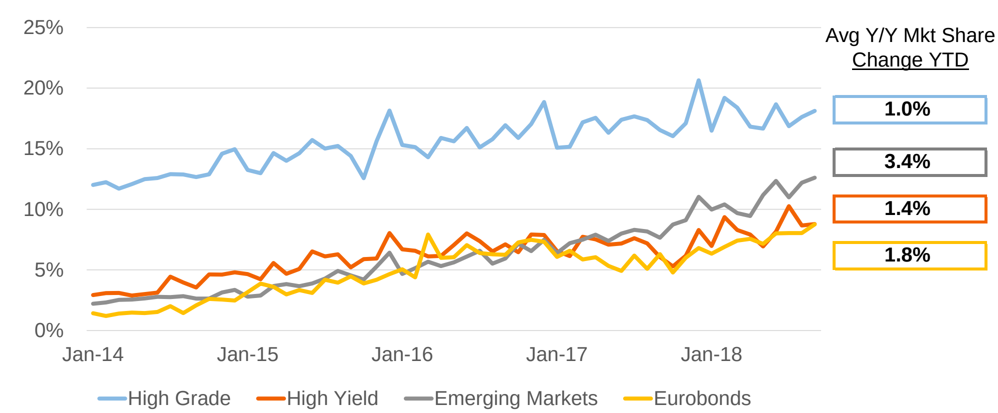
[4] In its prospectus, SONO was pitched, in our view, as something other than a traditional hardware business. There was discussion of recurring revenues, since customers often purchase multiple speakers for their homes over time. There was also discussion of the company's app and the competitive advantages it provides. We found none of these arguments compelling.
[5] Upslope's general policy is to discuss developments – positive or negative – for already-disclosed positions that had a material impact (in Upslope's judgement) on Upslope's performance during the quarter.

prior. The qualitative story has always been compelling: ~80%[6] of all *electronically-traded* (vs. voice/phone) corporate bonds trade on MKTX's platform. Yet, only ~20% of the corporate bond market trades electronically today. These factors create a powerful dynamic for MKTX: a dominant position in an industry with real network effects, a long run-way, and a clear secular trend.

While this is exciting, nothing is ever that easy: valuation has *always* appeared expensive. We've been happy to sit tight as shareholders, as valuation crept higher, given our view of MKTX as a "Core" position for the long-run. Nonetheless, at some point, worries about competitive pressures and/or other issues were bound to impact the stock. That has happened YTD, as MKTX fell 12% through the end of Q3.

While we keep close tabs on competitive changes, MKTX's position appears as strong as ever (see exhibit below). Valuation has entered the realm of reasonable, falling 7x from its peak on an EV/EBITDA basis (to 25x – yes, we hear howls of laughter from our traditional value friends). In this challenged year (by MKTX standards), the company is still expected to grow its top-line 8%. In summary: while 2018 has been frustrating, we remain enthusiastic about long-term prospects for the business and the stock.

Exhibit 5: MarketAxess Has Continued Gaining Market Share (Est.) Across Products



Source: Upslope, MarketAxess filings and investor relations

CLOSING THOUGHTS

It's early, but Q4 has gotten off to an encouraging start (historically, market volatility has been a positive for Upslope). As always, I am excited about the prospects for Upslope's unique long/short portfolio. Thank you for your continued trust and the opportunity to manage a portion of your hard-earned money. Please do not hesitate to contact me with any questions regarding the portfolio, your account, or any other matters.

Finally, **I will be in New York November 7-8**. If you or anyone you know might be interested in meeting, please email me or pass along my contact information.

Sincerely,

George K. Livadas
george@upslopecapital.com

[6] Per September 7, 2018 Barclays' report (based on data for U.S. High-Grade Corporate Bonds).

Upslope Capital Management

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		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	0.0%	1.4%	(0.4%)	--	--	--	9.3%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	--	--	--	7.2%
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	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

Source: LICCAR, Upslope, Interactive Brokers, Morningstar

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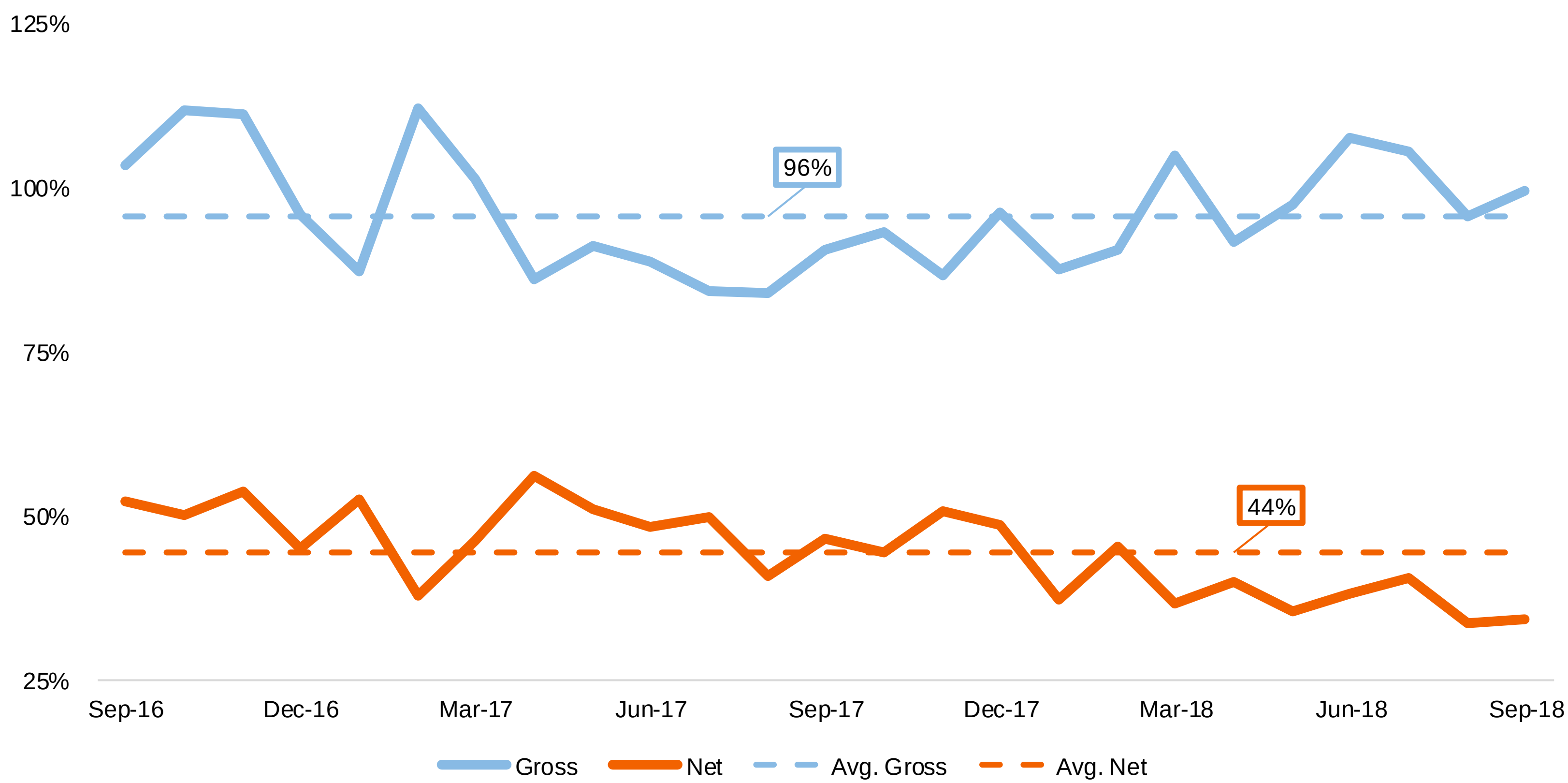

Source: Upslope, Interactive Brokers
Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2018 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

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Upslope Capital Management
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2018-Q4 Update

January 11, 2019

Dear Fellow Investors,

I am excited to share this update for Upslope Capital Management. It was an eventful quarter and year. We were very active across the portfolio; so, the 'new investments' section is unusually lengthy.

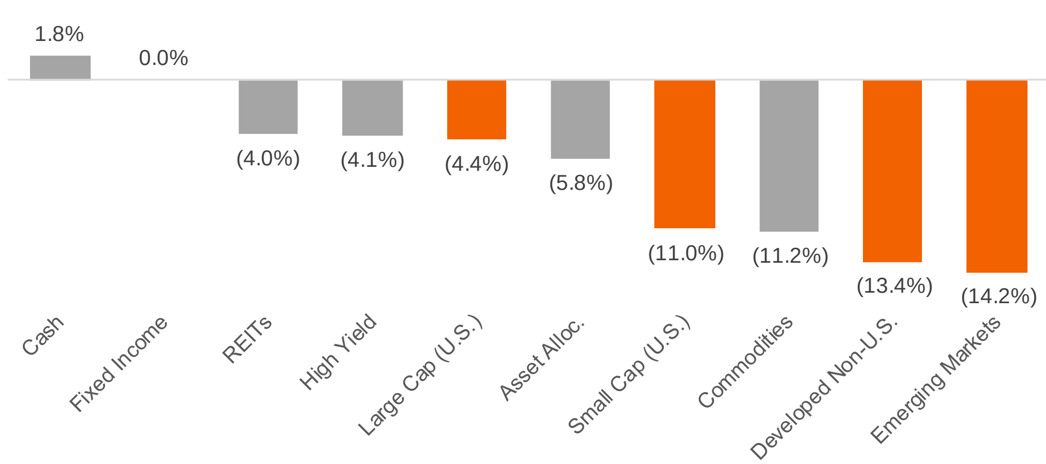
	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q4 2018	24%	-3.0%	-2.9%	-17.3%	-8.6%
FY 2018	34%	+4.6%	+6.2%	-11.3%	-9.4%
Since Inception	42%	+19.5%	+22.7%	+9.2%	+1.7%

Note: clients should check individual statements for account returns, which may vary due to timing and other considerations

MARKET CONDITIONS

Q4 was a brutal period for equities that easily wiped out strong YTD gains. In the U.S., small and midcaps were hit hardest in the quarter, falling 20% and 17%, respectively (large caps fared slightly better at -14%).[2] Notably, it wasn't just equities that lost money in 2018. For the first time in at least 18 years, "cash" was the top-performing and only major asset class with a positive return.[3] Fixed income was flat and virtually every other major asset class closed 2018 in the red.

Exhibit 1: Returns of Major Asset Classes in 2018



Source: Upslope, J.P. Morgan "Guide to the Markets" (1Q 2019)
Note: Diversified equity categories shown in orange

[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy (vast majority of AUM). "Since inception" data from 8/29/16, on which the portfolio manager began managing the strategy at prior firm. Composite returns verified by LICCAR. Please see important performance-related disclosures in Appendix A.
[2] Small, mid, and large cap total returns represented by IWM, MDY, and SPY exchange-traded funds.
[3] Per various historical J.P. Morgan "Guide to the Markets."

Most equity indexes entered the technical definition of a "bear market" in Q4. There was no shortage of issues to worry about: China, tariffs, soft housing data, Brexit, alarming weakness in bank stocks, flattening yield curve, etc. Combine these with previously-full valuations and a general, if unscientific, sense that we're "kind of due" for a recession, and it's no wonder most investors hit sell first and asked questions later.

Looking ahead, I don't know if a recession is imminent. It doesn't seem like it based on *most* macro data. But, overseas markets and economies are in rough shape and market-based alarms have sounded. Valuations have improved; but, many of the stocks one might actually *want* to own seem to have gone from over-valued to average (yes, they're as cheap as they've been in 3-5 years…but on a longer time-frame?).

Bringing it all together – and taking into account distant, hazy memories of the last bear market (no, this isn't *that*) – it seems prudent to proceed cautiously. There will be a time to get aggressive. I don't believe this is that time. Upslope's net exposure remains low, as I still see plenty of interesting shorts.

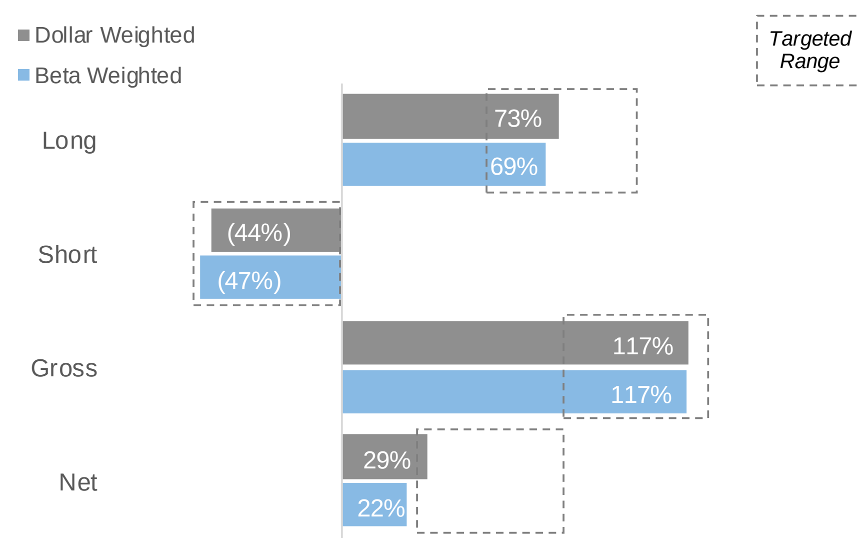
Given the volatility, this was our most active quarter since inception. We came in defensively positioned on a portfolio (low net) and individual security (concentrated in defensive longs and high-beta shorts) level. We exited with similar portfolio positioning, but more aggressive security selection. In essence, we added some macro-sensitive, but attractively-valued longs.

None of these changes were driven by a top-down market call, but by a view on where the best value lies today. New longs seem to have priced in plenty of (potential) bad news. On the short side, we have assembled a basket of more cyclical stocks that have levered up to do large and often questionable acquisitions (among other themes/shorts). I believe these changes leave the portfolio well-positioned, regardless of what lies ahead in 2019.

PORTFOLIO POSITIONING

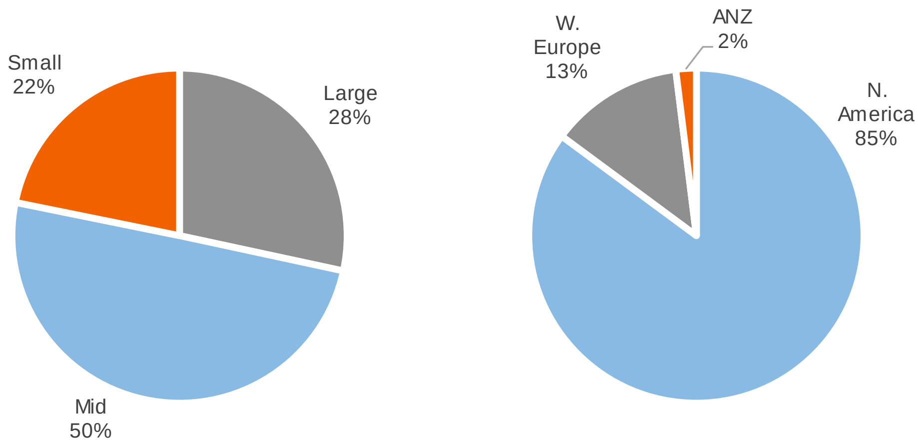
At quarter-end, gross exposure was 117%, while net was 29%. Exposures reflect a significant number of perceived short opportunities, combined with an average level of high-conviction long ideas.

Exhibit 2: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 12/31/18. Beta-weighted amounts include delta-adjusted impact of options, if any

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 12/31/18. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: MarketAxess (+115 bps)	Short: Tesla (-220 bps)
Short: CIBC (+85 bps)	Long: Camping World (-200 bps)
Short: Deutsche Bank (+70 bps)	Long: AptarGroup (-155 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-730 bps	+440 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding (nearest 5 bps)

As previously noted, this was an unusual quarter – the most active since inception. We exited two and added four new longs. We also rotated a number of shorts. Given the heightened level of activity, I will spare you from many pages of text. Instead, I've put my former investment banking formatting skills to work and put together a couple summary tables of our newest investments on the following pages.

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality). In discussing developments for previously-disclosed holdings, Upslope's policy is to *discuss* those that had a material impact (in Upslope's judgement) on overall performance during the quarter.

Exhibit 5: New Long Positions

Description	Key Investment Points & Risks
Long: Evercore (EVR)	
Evercore is a leading independent, boutique investment bank and one of the few near pure-plays on M&A and other corporate financial advisory. EVR also provides equity capital mkts, research, and wealth mgmt. services. EVR shares recently fell 40% from Aug to Dec '18, ultimately trading near its financial crisis-era P/E multiple.	✓ Independent advisory model getting more attractive with GS/DB scandals. ✓ Top reputation: doubled mkt. share since '11, continues attracting talent. ✓ History of strong growth (DD% rev growth every year except '08). ✓ Traditionally generates FCF per share far in excess of adj. EPS. ✓ Attractive valuation even on sharply haircut estimates (15x mid-cycle FCF). × Potential slowdown in global M&A activity (indirect tie to equity mkts). × Reputational risk and loss of mkt share and/or key employees. × Regulatory risk; challenged equity research budgets. × Cont'd challenges in (relatively) fledgling equities business.
Long: TopBuild (BLD)	
TopBuild is the largest installer and distributor of insulation for residential and commercial real estate in the U.S. BLD holds an est. 45% market share – roughly double the next biggest player. Upslope was previously long at the outset of strategy (exited early '17). BLD shares recently fell 50% from Jun to Dec '18; valuation is near historic trough.	✓ Outlook mostly tied to new housing construction – why it's cheap today. ✓ Growth model: housing mkt + share gains + mix-shift to single fam + M&A. ✓ Strong leadership in place since BLD was spun from MAS in '15. ✓ Integration of largest deal ever complete; expect to re-activate M&A soon. ✓ Attractive valuation for business positioned to outperform housing over LT. × Continued softness in housing and/or another leg up in rates. × Financial and operating leverage magnifies performance. × Potential execution challenges with acquisition strategy. × Inflation/potential challenges passing through cost increase.
Long: Just Eat (JE.LN)	
Just Eat is a UK-based global operator of online portals and services for restaurant delivery. 55% of revenues come from the UK, with the remainder from ANZ, Canada, Denmark, other Western Eur countries, Brazil, Mexico. JE shares declined 40% from Jul to Dec '18. Valuation remains near historic lows; trades at a 25% discount to peers.	✓ Beneficiary of clear trend towards ordering food online. ✓ Long growth runway in core markets (e.g. 42% of UK orders still by phone). ✓ Network effect model/competitive dynamic + dominant share in key mkts. ✓ One of few profitable players in its markets – comp advantage in downturn. ✓ Potential upside from eventual Brexit resolution. × Higher than expected "growth" investments as JE contends with UberEats. × Newer leadership still earning trust of the Street. × Cont'd macro weakness in core markets (risk of further Brexit delays). × FX: non-USD translation risk.
Long: Dollar Tree (DLTR)	
Dollar Tree is the largest discount retailer in the U.S. and the leading "dollar" (only) store. In 2015, DLTR acquired Family Dollar (FDO), which has been a mess ever since. Recent activist involvement (post-Upslope's investment) seeks legacy Dollar Tree banner pricing strategy shift and a sale of Family Dollar.	✓ Defensive business model – skews non-discretionary + deep value. ✓ Sustainable comp adv: unique model protects against getting "Amazon-ed". ✓ *Historically* steady growth history (3% same store + 6-8% unit growth). ✓ Reasonable valuation, given prospect for op improvements, defensiveness. ✓ Clear beneficiary of prospective tariff relief. × Uncertainty re: management willingness to engage with activist/ideas. × Continued or accelerated freight/labor/tariff cost pressures. × Headline/political risk re: impact on low income communities. × Weakness in DLTR banner would have outsized adverse effect on stock.

Source: Upslope, Sentieo, company filings

Exhibit 6: Selected New Shorts

Description	Key Investment Points & Risks
Short: Quaker Chemical (KWR)	
Quaker is a global provider of lubricants, oils, greases and other specialty chemicals to auto, steel and other industries. In April 2017 KWR announced the then-$1.4bn acquisition of Houghton, KWR's biggest competitor. The still-pending deal nearly doubles the size of the company. The transaction close has been delayed repeatedly (at least a full year delay from the original timeline) as KWR works through regulatory approval. Most recent delay was announced Jan 8 ("next few months" is the current timeline).	✓ Poor disclosure: most recently disclosed Houghton results are for 2016; 2017/18 *estimates* are 18-months old. No updates (despite requests) since. ✓ Combine above with surprisingly solid performance by KWR in face of challenged macro → possible KWR has been taking share from…Houghton. ✓ Full valuation – especially for business exposed to steel/autos with just 3% topline growth thru boom years – at 14.5x PF '19 EBITDA or 17x standalone. ✓ Databases (e.g. B'berg) show incorrect valuation of 9x EBITDA (use PF '19 est's, but with current cap structure) – possible issue for underfollowed stock. ✓ Taking on significant leverage (3x) for first time; leadership relatively inexperienced managing levered business (+ largest ever integration). × Lack of disclosures could cut both ways (possibly stronger than expected). × Potential input cost relief with declines in oil. × Improvement in global macro picture. × Unforeseen competitive/financial benefits from Houghton transaction.
Short: Yeti Holdings (YETI)	
Yeti is a designer and seller of high-end drink coolers, drinkware (e.g. travel coffee mugs), and general outdoor products. Despite market turmoil at the time, the company completed a long-awaited IPO on October 24, 2018 for $18/share (cut valuation and deal size during the process). Yeti previously tried to go public in 2016, but postponed the deal due to major channel issues (over-ordering in wholesale), among other reasons.	✓ Popular, but ultimately narrow/faddish product offering with limited addressable market and plenty of capable knock-off competition. ✓ Core/legacy cooler business growth has slowed (declined y/y in Q3); overall growth rescued by less attractive drinkware category. ✓ Questionable FCF generation ability: despite many years of solid growth, still isn't consistently FCF positive. ✓ Full balance sheet (>2x 2018e) – especially considering highly discretionary nature of products. ✓ Original backers have been trying to sell for years (2016 IPO effort). × Solid revenue growth + margin expansion can make for challenging short in near-term. 'What next?' should/will be the constant question investors ask. × Still-limited float, high/rising short-interest. × Potential sale of the company.

Source: Upslope, Sentieo, company filings

Existing Position Updates

- **Update: Long MarketAxess (MKTX)**: MarketAxess, the leading electronic "exchange" for corporate bonds, reported strong Q3 results and is similarly tracking to a strong Q4. The company continues taking share across all product categories and has benefitted from volatility. An interesting development: MKTX hired away CBOE's President/COO, Chris Concannon. If you recall, we are big fans of Concannon and he was a small part of our thesis for investing in *CBOE* (which we still own). At first, I was disappointed to see him leave CBOE – but was soon delighted to see where he landed!

- **Update: Short Tesla (TSLA)**: This was a painful quarter. We gave back our Q3 gains (recall: Musk was charged with securities fraud at the end of Q3, but settled just before the first trading day of Q4) and more. It was made worse by mistakes (e.g. adding to the position at the wrong time) I aim to avoid in the future. Nonetheless, we remain short and believe the case remains compelling. Tesla has now wrapped up what should be its highest growth quarter ever for the Model 3 (having filled much of a backlog built up over years). Short interest now sits near 3-year lows – a welcome development.

- **Exited Long – Salvatore Ferragamo (SFER.IM)**: I held on here longer than I should have. Over time, it became apparent the primary reason for owning SFER was hope for a sale of the company. The rationale for a deal remains solid; but, this was not part of our original thesis. It's also hard to envision a deal occurring at a price materially above today's. So, it was time to go. As we were tip-toeing out the door, the CFO resigned – an obvious nail in the coffin for the position.

- **Exited Long – Camping World Holdings (CWH)**: When we added the CWH position last quarter, it was structured using long-term call options, as I assumed the outcome was binary and wanted to limit losses if it didn't work. Sure enough, CWH fell more than 45% in Q4 on the back of soft Q3 results and a questionable outlook. After exiting our position, CWH's President unexpectedly resigned, with no explanation and via a questionably-timed filing.

- **Exited Short – Sonos (SONO):** We exited the Sonos short as the stock approached our price target. Depending on future performance/developments, we may re-add the position at another time.

CLOSING THOUGHTS

As always, I sincerely appreciate your continued interest, trust and the opportunity to manage a portion of your hard-earned money. If you have any questions regarding the portfolio, your account, or any other matters, please contact me.

Finally, **I will be in San Francisco and New York in March**. If you or anyone you know might be interested in meeting, please email or pass along my contact information.

Sincerely,

George K. Livadas
george@upslopecapital.com

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Appendix A: Historical Long/Short Composite Performance

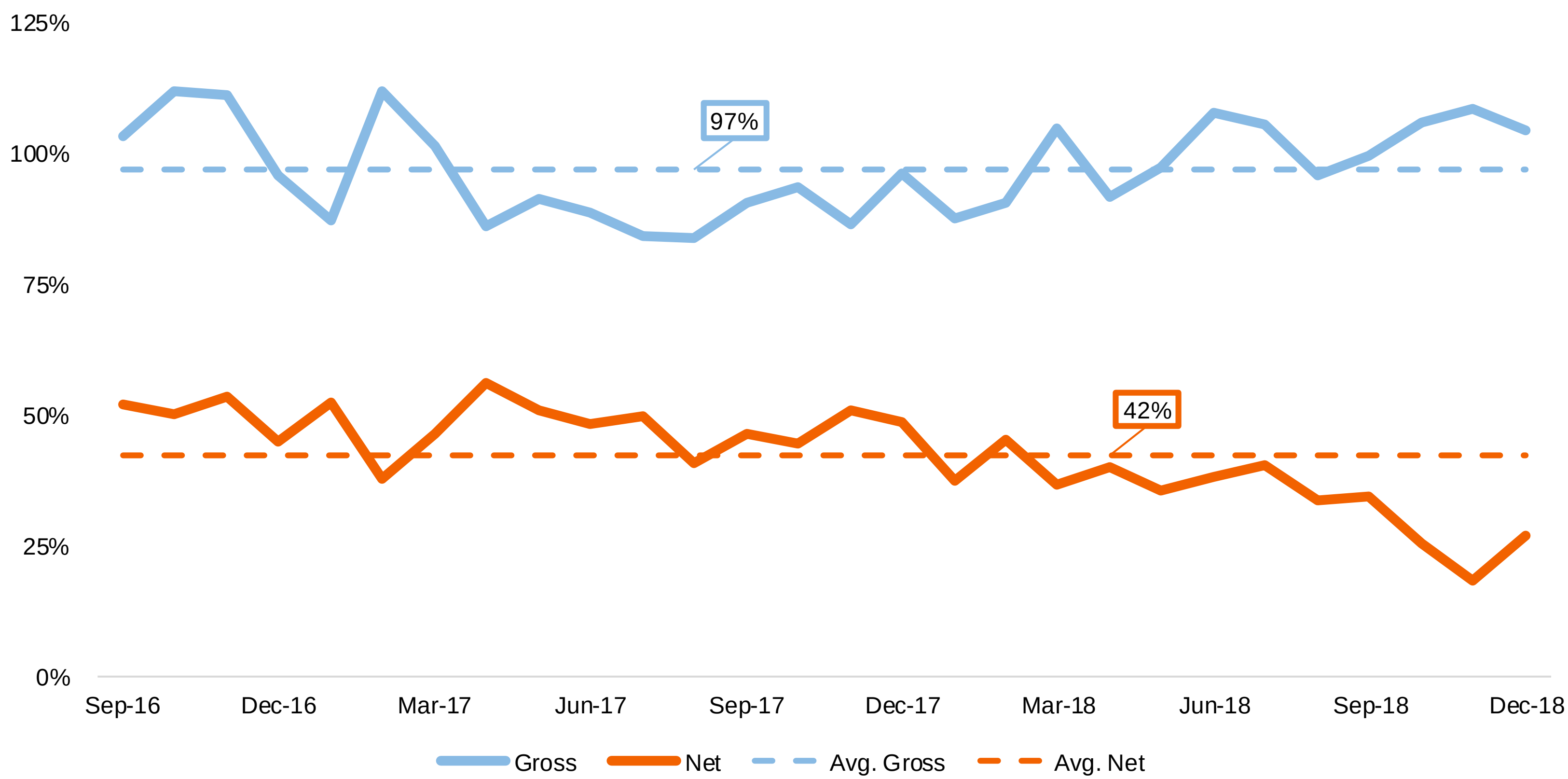
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	Upslope – Net	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	0.0%	1.4%	(0.4%)	1.2%	(1.2%)	(2.9%)	6.2%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope – Net	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	Upslope – Gross	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	17.1%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope – Net	19.5%	7.9%	3.5%	1.7	--
	S&P Midcap 400	9.1%	3.8%	10.4%	0.2	0.26
	HFRX Equity Hedge Index	1.7%	0.7%	4.4%	(0.3)	0.22

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by the total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2018 were 18.6% and 3.9%, respectively) and clients should review statements for actual results**.** Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

IMPORTANT DISCLOSURES

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
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2019-Q1 Update

April 18, 2019

Dear Fellow Investors,

I am pleased to share this update for Upslope Capital Management. As always, we will discuss general market conditions and updates on the portfolio. Given it was a quieter quarter in terms of portfolio activity, we're also providing a detailed overview of AptarGroup, one of our core long positions.

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q1 2019	44%	+7.4%	+8.3%	+14.4%	+6.0%
Last 12 Months	35%	+6.3%	+8.2%	+2.3%	-5.1%
Since Inception	42%	+28.4%	+32.9%	+25.0%	+7.8%

Note: clients should check individual statements for account returns, which may vary due to timing and other considerations

MARKET CONDITIONS – "BIZARRO"

In a well-known *Seinfeld* episode, Elaine finds herself befriending "bizarro" versions of Jerry, George, and Kramer. Elaine's "bizarro" friends are thoughtful, kind, and reliable – a mirror image of her real friends. Thinking about Q1 vs. Q4 reminded me of it all: in Q1, markets were kind, generous…and a little odd.

Stocks snapped back sharply in Q1, reversing most of Q4's losses. It's difficult to pinpoint an exact catalyst. Briefly-attractive valuations and the Fed easing off plans to raise rates were big drivers. But, what strikes us as *bizarre* is that many of the Q4 worries are still percolating. From our Q4 letter: "there was no shortage of issues to worry about: China [macro weakness], tariffs, soft housing data, Brexit, alarming weakness in bank stocks, flattening yield curve, etc." Housing data has stabilized for now, but other issues remain. The biggest change is simply that markets are higher (driven by P/E expansion, rather than earnings growth).

With this backdrop, it seems particularly bizarre to suddenly see a stampede of "unicorns" ($1bn+ private, VC-backed, tech-oriented companies) hustling to complete IPOs in 2019. If you forced me to use another "b-word" (bubble), I would point straight to Silicon Valley. Most unicorns have achieved impressive scale, yet are still nowhere near profitability. A recent blog post by Ali Griswold, summed up the situation nicely:

> *These [unicorn] losses are on a different scale from losses we've seen before. Pets.com, the poster child of the dot-com bubble, lost about $150 million from when it was founded in 1999 to when it collapsed in late 2000. Webvan, another infamous dot-com company, lost $610 million from 1998 through 2000.*
>
> *Let that sink in: The bubbliest companies of the dot-com bubble lost less over multiple years than Lyft lost in just 2018. Another fun fact: Amazon, the company that everyone loves point to as an example of how losing money eventually makes money, lost a combined $2.8 billion over its first 17 quarters as a public company, significantly less than the $4.5 billion Uber lost in 2017.*

[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy (vast majority of AUM). "Since inception" data from 8/29/16, on which the portfolio manager began managing the strategy at prior firm. Composite returns verified by LICCAR. Please see important performance-related disclosures in Appendix A.

So, there you have it: just 90 days removed from serious recession and late-cycle worries and we suddenly have a flood of highly speculative (valuations + questionable business/financial models) companies seeking to IPO and sell shares to the public. Got it.

Exhibit 1: "Bizarro" Markets

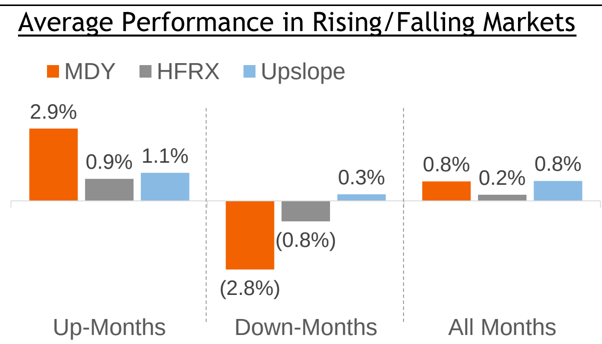
Source: Seinfeld (1996), YouTube, Upslope

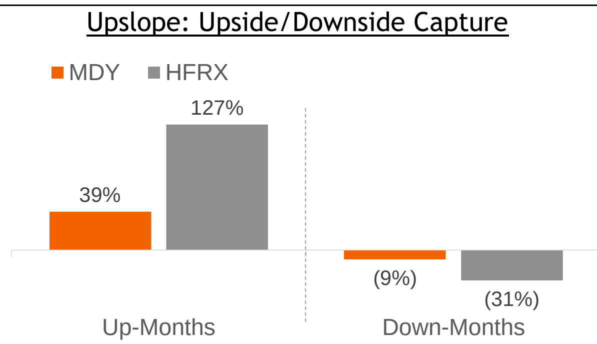
Moving on to Upslope's performance in the quarter: while I'm satisfied with our *absolute* results, the speed and intensity of the broader rally clearly caught us by surprise. Material short exposure dampened strong performance from longs.

A lesson learned: when short-selling suddenly seems *easy*, think hard about booking some gains. Short-selling is not supposed to be easy. But, it was in Q4. I constantly ponder ways to better capture potential outperformance when the market falls. Unfortunately, there's no silver-bullet. I'm extremely wary of over-learning a lesson – especially one that touches on risk management. For now, the best course is simply to be *even more aware* of situations when things suddenly seem "too easy."

Given today's unusual market backdrop, it might be helpful to remind readers what Upslope's strategy seeks to deliver: uncorrelated, equity-like returns through the cycle. One barometer I use to measure success is looking at monthly upside/downside "capture." This is simply Upslope's performance divided by the performance of the market in a given month. Since inception, downside capture has been below zero (i.e. returns have been slightly positive when the market has fallen), while upside capture has been 39%. These trends mostly continued in Q1, as upside capture was 37% and 24% in January and February, and sharply negative in March, when the S&P Midcap 400 index was down.

Exhibit 1:





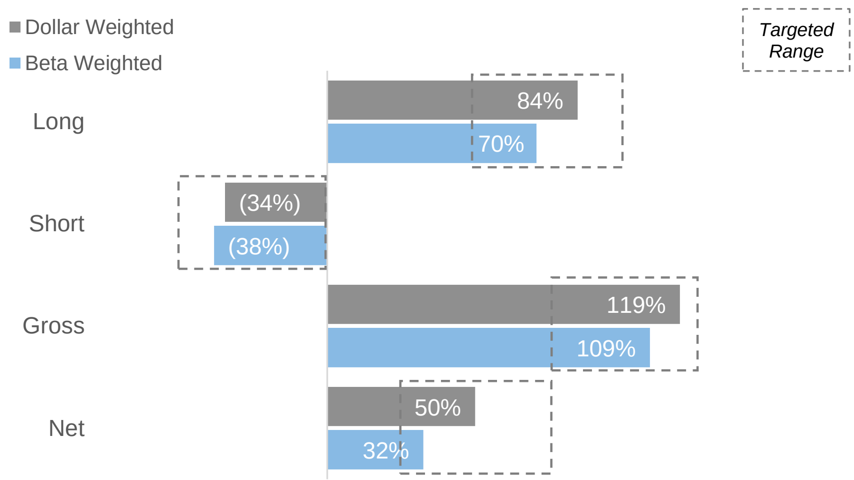
Source: Upslope, Liccar, Morningstar
Note: MDY = S&P Midcap 400 ETF, HFRX = HFRX Equity Hedge Index

Looking ahead, we continue to see attractive long and short opportunities. Approximately two-thirds of our current long exposure is defensive in nature (i.e. not cyclical and/or benefits from volatility) – though we continue to own the more cyclical longs noted in the Q4 letter. Regardless of what happens over the rest of 2019, I remain confident in Upslope's differentiated approach towards protecting and growing our hard-earned capital.

PORTFOLIO POSITIONING

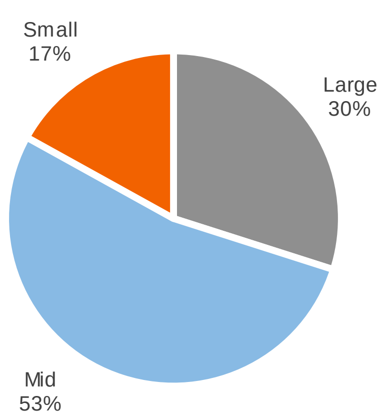
At quarter-end, gross exposure was 119%, while net was 50%. Overall, exposures reflect a reasonable number of perceived opportunities on both the long and short sides of the portfolio.

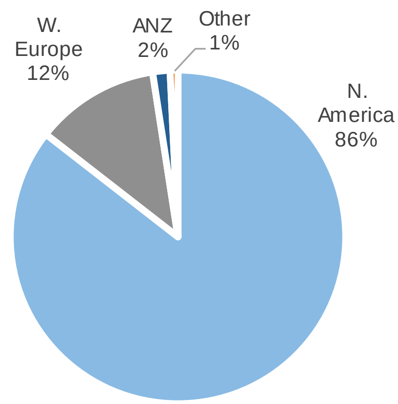
Exhibit 2: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 3/31/19. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 3: Gross Exposure by Market Cap & Geography





Source: Upslope, Interactive Brokers, Sentieo
Note: as of 3/31/19. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn)

PORTFOLIO UPDATES[2]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: TopBuild (+260 bps)	Short: Undisclosed (-100 bps)
Long: Just Eat (+195 bps)	Short: Yeti (-95 bps)
Long: Evercore (+175 bps)	Short: REIT Hedge (-85 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+1,370 bps	-535 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding (nearest 5 bps)

As previously noted, given the subdued level of activity on the long side of the portfolio this quarter, I thought it'd be helpful to discuss one of our long-standing "Core" long positions, AptarGroup, in more detail.

AptarGroup (ATR) – Current Long

Aptar is a specialty packaging company, focused on designing and producing innovative *dispensing* solutions. Products range from perfume sprayers to inhalers, injectable devices, sport-bottle-caps, and food pouch closures. The business is operated across three segments:

Exhibit 5: Aptar Segment Highlights

Beauty + Home *(52% of Sales)*	Pharma *(35% of Sales)*	Food + Beverage *(14% of Sales)*
Illustrative Products 		

Source: Upslope, company website
Note: % of sales figures for 2018

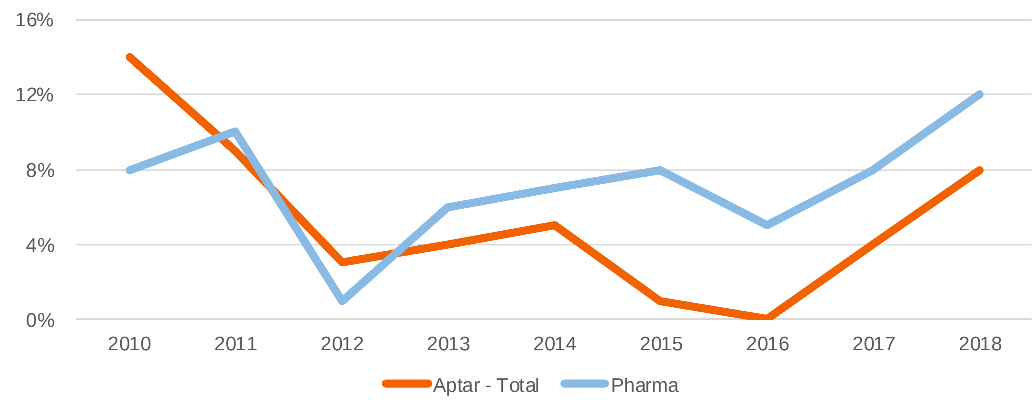
[2] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

I first started following Aptar in 2014 while working on the sell-side, covering the non-paper-based packaging sector. For much of the group, there are a few common threads: steady-but-lackluster organic growth, full balance sheets, and "value investor-friendly" valuation multiples.

Within this framework, Aptar is an odd duck among packagers. Leverage is low (historically ~1x – "*why are they so conservative?*" is a common question) and valuation is stubbornly high (20-25x P/E). While Aptar might *seem* to fit the mold on the steady-but-lackluster growth front, it doesn't really, in our view.

Digging in a bit, one can make two observations about sales growth. First, USD strength in recent years has dampened *reported* growth (~75% of sales comes from overseas and there is a fairly clean translation effect that adversely hit results in 2014, 2015, and 2016 by 2%, 12%, and 2%, respectively). Second, Aptar's Pharma segment – which contributes just 35% of sales, but almost 70% of EBIT – has consistently outgrown the overall business. So, while overall sales growth has been just okay, the most important driver of profitability is growing nicely.

Exhibit 6: Core Sales Growth[3]



Source: Upslope, Sentieo, company filings

In addition to attractive growth, Pharma also sports 30% EBIT margins – 3-4x that of Aptar's other segments. With products that include inhalers, injectable components/units, valves and various others that play an important role ensuring proper dosage/delivery of drugs, the Pharma segment looks a lot like a medical device business. Aptar's offerings are deeply embedded with customers – oftentimes working through multi-year development and regulatory approval processes (with ATR products specifically folded into regulatory approvals). The end result: as long as Aptar continues providing high quality products, customers are extremely sticky and have little incentive to 'shop' Aptar's (growing, high-margin) business.

Since initiating the position in 2016, the core of our thesis has been:

- **Attractive Pharma asset hidden in plain sight** – at its core, Aptar is a high-quality healthcare business – sticky customer base, attractive secular growth, high margins, non-cyclical, minimal commodity exposure. While the majority of sales come from traditional, sleepy packaging end-markets, the company is transitioning to become a pure-play pharma/healthcare packager.

- **Reasonable absolute and relative valuation** – despite trading at a sizable premium to traditional packagers, valuation appears reasonable, given the (a) superior nature of ATR's Pharma focus, and (b) slow transition towards becoming a Pharma pure-play (and the wide gap in valuation vs. more comparable companies, such as WST). In our view, ATR's valuation multiples *should* rise over time as Pharma contributes a higher portion of bottom-line.

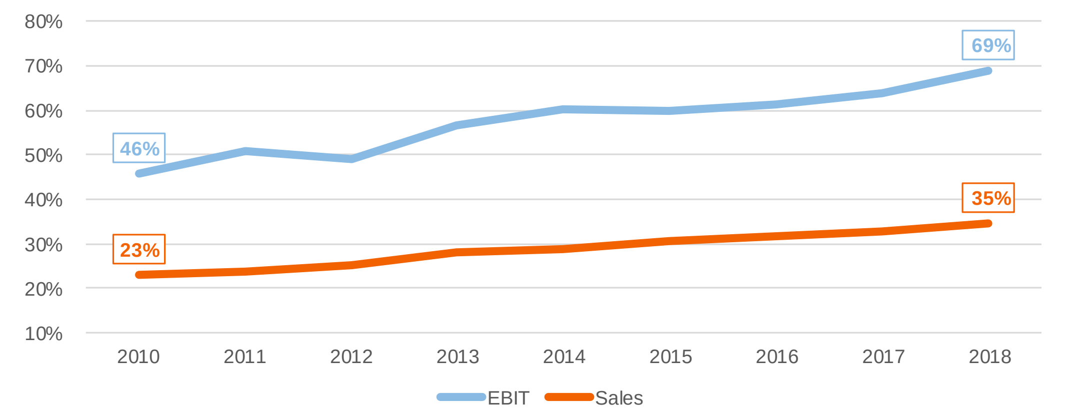
[3] Excludes the impact of FX and acquisitions, if any.

- **Conservative balance sheet** – In addition to helping investors "sleep at night," ATR's balance sheet provides flexibility for tuck-in M&A and the occasional (accelerated) buyback program. This conservatism is a positive side effect of catering to Pharma customers and ensuring they're comfortable Aptar will be a reliable partner through-the-cycle.

- **Key risks** – FX translation (75% non-US – mostly Euro exposure), still somewhat new CEO (combined with multi-year lead-times for Pharma pipeline), execution risk for recent and future acquisitions, some leverage, cyclical nature of portion of Beauty + Home segment.

Aptar's steady transition towards becoming a pure "Pharma" business is shown below:

Exhibit 7: Pharma Contribution to Aptar Total…



Source: Upslope, Sentieo, company filings
Note: EBIT contribution shown only as a % of reported segments (i.e. excludes overhead)

Recent developments have also reinvigorated our excitement about the Aptar thesis: Aptar recently acquired CSP Technologies for $555mm. The deal accelerates expansion of ATR's Pharma segment, and bolsters its position in food service/safety through (assumed) higher-margin/-tech offerings. Of Aptar's three largest acquisitions – CSP ($555mm, 2019), Mega Airless ($218mm, 2016) and Stelmi ($207mm, 2012) – two (CSP and Stelmi) were primarily focused on Pharma. In our view, this is a clear sign management has the right priorities in growing the business.

Despite its slow-moving, but very real mix-shift towards Pharma, Aptar is still primarily covered by packaging analysts. This matters because valuation multiples for more healthcare-focused companies (e.g. West Pharmaceutical Services, which trades at a ~50-60% premium to ATR and competes directly, to a limited extent, with ATR's Pharma segment) are significantly higher than for traditional packaging companies – and for good reason. Regardless of whether analyst coverage changes over time, we are happy to own this attractive business at current prices.

__Other Notable Activity/Updates__

- **Update – Short Yeti (YETI)**: Yeti is a designer and seller of high-end coolers, drinkware, and general outdoor products. Our (my) short call on YETI was (very) wrong, both in terms of timing (too early, wrote-off lack of catalyst) and valuation (not egregious). From inception to the end of Q1, the position cost us 40 bps of performance. After sitting out part of the recent rally, we reinitiated the position in early Q2. Today, the short makes more sense: on top of our prior thesis, valuation is now an aggressive 30x 2019E EPS and there is a near- term catalyst on the horizon (lock-up agreement expiration – i.e. the company's PE backer and other insiders may soon begin selling shares).

- **Update – Long TopBuild (BLD)**: TopBuild is the largest installer and distributor of insulation for residential and commercial real estate in the U.S. The company reported solid Q4 results (same branch sales +7% with slightly improved operating margins), mostly in-line with consensus. The stock is up almost 60% year-to-date. Despite the sharp rally, BLD's valuation multiples remain just below long-term averages. In our view, BLD was priced for a recession during Q4 when we added the position.

CLOSING THOUGHTS

As always, I appreciate your continued interest, trust, and the opportunity to manage a portion of your hard-earned money. If you have any questions regarding the portfolio, your account, or any other matters, please contact me.

Sincerely,

George K. Livadas
george@upslopecapital.com

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Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	Upslope – Net	3.8%	1.0%	2.4%	--	--	--	--	--	--	--	--	--	7.4%
	Upslope – Gross	4.0%	1.3%	2.9%	--	--	--	--	--	--	--	--	--	8.3%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	--	--	--	--	--	--	--	--	--	14.4%
2018	Upslope – Net	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	0.0%	1.4%	(0.4%)	1.2%	(1.2%)	(2.9%)	6.2%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope – Net	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	Upslope – Gross	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	17.1%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope – Net	28.4%	10.1%	3.4%	2.4	--
	S&P Midcap 400	25.0%	9.0%	9.9%	0.7	0.26
	HFRX Equity Hedge Index	7.8%	2.9%	4.2%	0.2	0.20

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by the total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2019 were 26.9% and 7.0%, respectively) and clients should review statements for actual results. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

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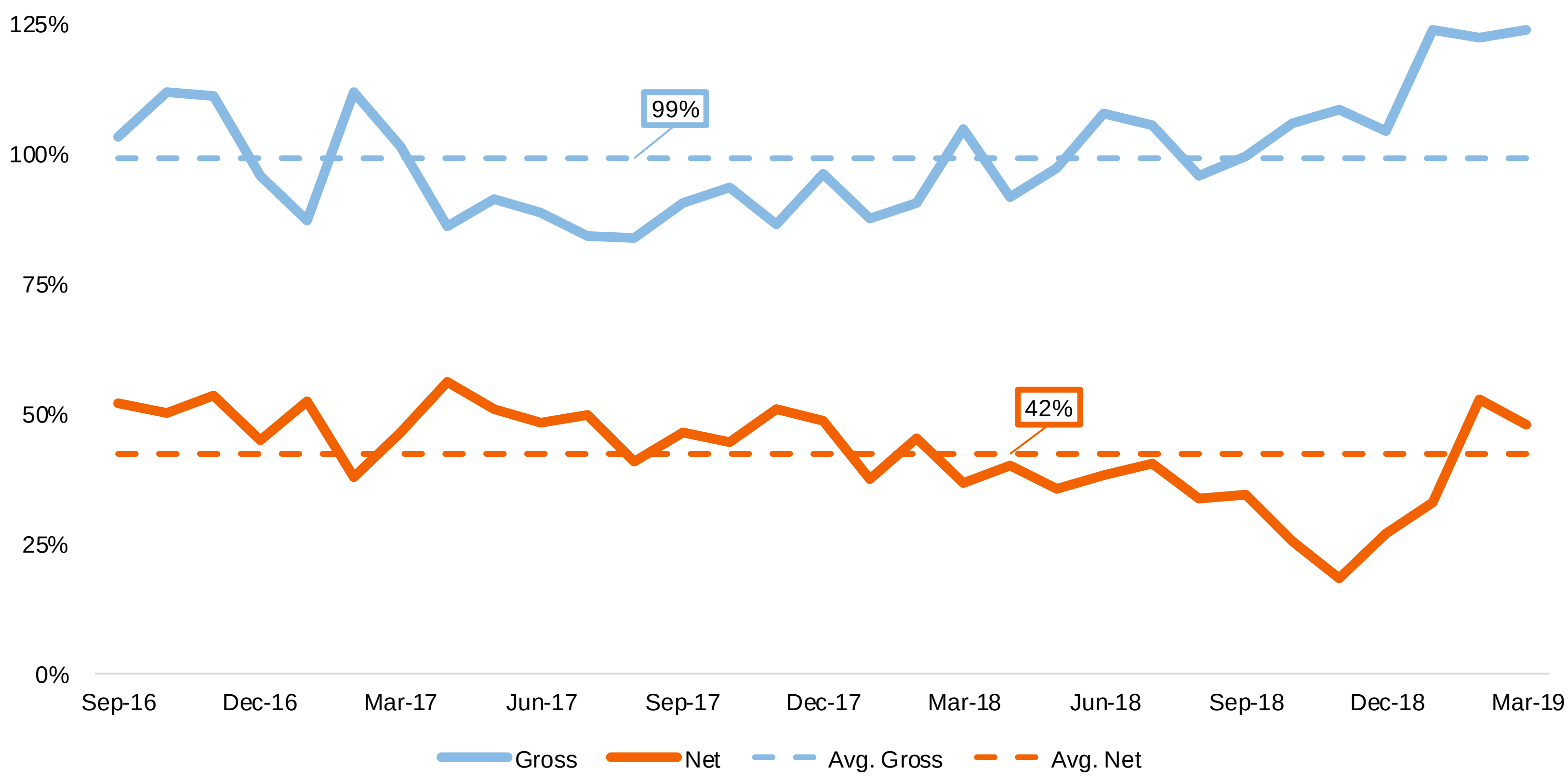
Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in this presentation are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in this presentation is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in this presentation are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on this presentation as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Dividends and other cash distributions are not automatically or directly reinvested in securities held by Upslope clients.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2019 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes. Results for these benchmarks do not reflect trading fees and expenses.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

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2019-Q2 Update — July 15, 2019

Dear Fellow Investors,

I'm pleased to share this update for Upslope Capital Management. If Q1 was unusually quiet for us, Q2 was abnormally busy.

Performance-wise, a lot went right. Q2 was a near-ideal environment: defensive stocks mostly outperformed, volatility returned, and we had notable wins on both the long and short sides of the portfolio. This level of absolute and relative quarterly performance will not be the norm. I remain as focused and paranoid as ever about protecting and growing our hard-earned capital.

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q2 2019	40%	+7.8%	+9.3%	+3.1%	+0.0%
YTD 2019	42%	+15.8%	+18.4%	+17.9%	+6.0%
Last 12 Months	36%	+13.1%	+16.1%	+1.2%	-4.2%
Since Inception	42%	+38.4%	+45.2%	+28.8%	+7.8%

Note: clients should check individual statements for account returns, which may vary due to timing and other considerations

MARKET CONDITIONS – "MONEY FOR NOTHING"

U.S. equity indexes returned between +2% (small-cap) and 4% (large-) in Q2. The end-result hides notable intra-quarter drama. For example, the S&P Midcap 400 index dropped 8% in May and bounced back in June by…8%. Volatility is *our* friend. Upslope is more nimble than the average active manager and volatility creates opportunities on both sides (long/short) of the portfolio. I firmly believe volatility is here to stay, given late-cycle *worries* that should persist from here through the next down-turn. Looking ahead, a few quick observations:

- **Valuations are elevated**, with the S&P 500 trading for ~17x forward earnings.[2] Excluding late-90's "bubble years," P/E multiples have tended to top-out ~18-19x. So, **the lone path upward would be from a sustained re-acceleration in fundamentals**. This seems unlikely.

- On balance, **it seems a bad sign that the Fed is poised to cut rates**. Yes, lower rates make stocks look relatively cheaper. But, how can one not interpret a move by the Fed as a response to macro weakness? **A cheap stock with deteriorating fundamentals is called a "value trap."**

- Odds & ends: **speculative markets (IPOs, bitcoin, SPACs) are once again bubbling up**. This is a red flag. The **yield curve remains sloppy** (partially inverted) – another red flag. This matters more due to the potential impact on bank lending than to 'signal value.'

I won't claim to know what will happen in the months (or year!) ahead. But, the odd combination of speculative enthusiasm, combined with blinking yellow lights on the macro front, keeps me comfortable with our defensively-positioned portfolio.

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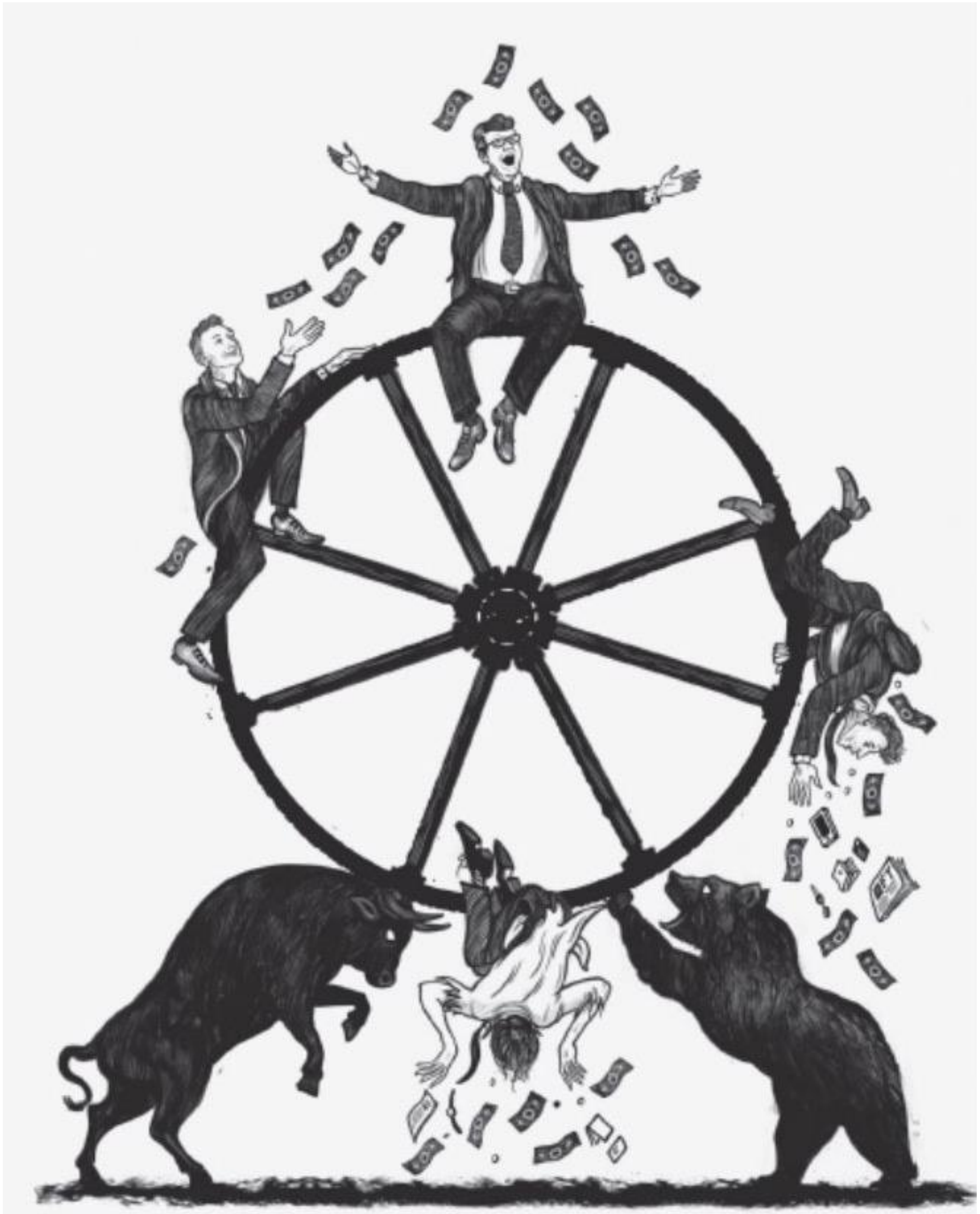
[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy (vast majority of AUM). "Since inception" data from 8/29/16, on which the portfolio manager began managing the strategy at prior firm. Composite returns verified by LICCAR. Please see important performance-related details and disclosures in Appendix A.
[2] Source: J.P. Morgan Asset Management's *Guide to the Markets*, dated June 30, 2019.

Exhibit 1: Equity Markets During Q2



Wall Street's Wheel of Fortune
(illustration by David Foldvari)

Source: *Capital Returns* (Marathon Asset Management)

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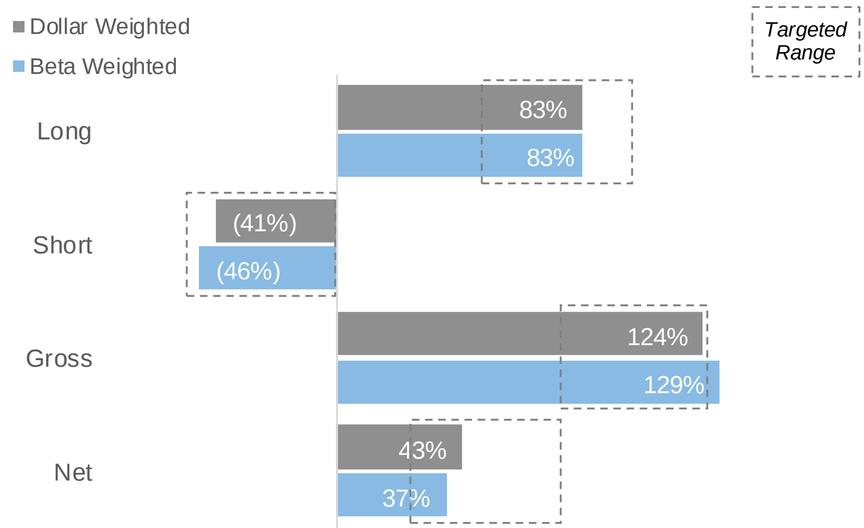
PORTFOLIO POSITIONING

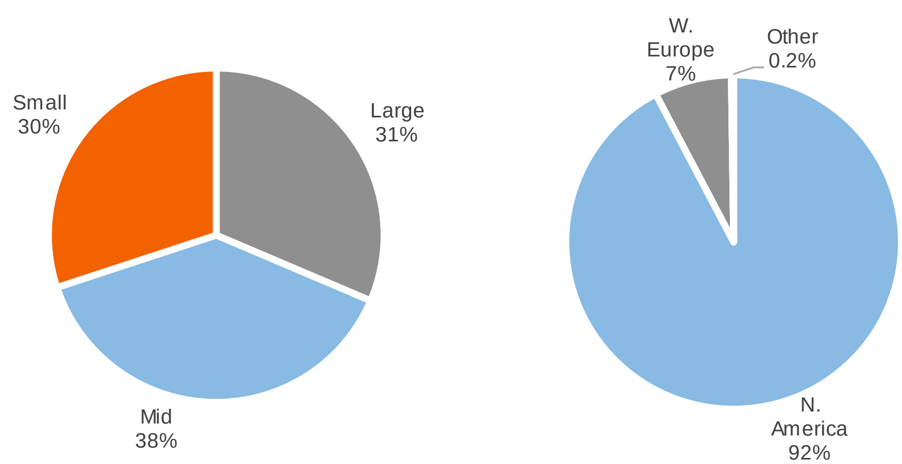
At quarter-end, gross exposure was 124% and net was 43%. Exposures reflect a fair number of perceived opportunities on the long side of the portfolio and an elevated number of opportunities on the short side.

Exhibit 2: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 6/30/19. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 6/30/19. Definitions: Small ($250mm - $3bn), Mid ($3bn - $11bn), Large (>$11bn). At the end of Q2 2019, approximately half of "large cap" exposure was from two stocks with market caps of ~$12bn.

PORTFOLIO UPDATES[3]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: MarketAxess (+250 bps)	Long: Just Eat (-80 bps)
Long: TopBuild (+210 bps)	Short: Undisc. Exchange (-40 bps)
Long: AptarGroup (+165 bps)	Long: Evercore (-35 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+705 bps	+225 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding (nearest 5 bps)

New Positions

Brief summaries of key new positions are provided below. Additional details are provided in Appendix C. Readers are encouraged to review the commentary about key risks for each position.

- **New Long – FLIR Systems (FLIR):** FLIR is a leading developer and producer of sensors, cameras (infrared), and systems "that detect people, objects and substances that may not be perceived by human senses." Its end-markets are diverse, but skew defensive: 40% of earnings comes from "government and defense." Elsewhere, FLIR products are used for anything from gas/leak detection, marine navigation, to infrastructure and traffic/highway solutions.

  Why do we like FLIR today? First, it has a solid and defensive base business, which has a history of non-cyclical growth and profitability. Second, there is a possible growth inflection in the coming years on both the defense side (starting to bid for larger contracts) and non-defense side (FLIR is the only "automotive-qualified" provider of infrared cameras – the prospect of a major shift/acceleration in the use of "autonomous" driving technology could eventually be significant for FLIR). And, third, it's still early, but there are signs that financial performance is improving under new management (joined mid-2017). 2018 closed with the best free cash conversion and ROIC for FLIR in many years.

- **New Long – Hilton Grand Vacations (HGV):** spun out of Hilton 2.5 years ago, HGV is a leading timeshare operator. HGV is a surprisingly attractive business (strong history of through-the-cycle growth and ROIC), whose stock has already, in our view, priced in decent odds of a recession (read: it looks cheap). Further, in late 2017 HGV embarked on a massive inventory build program that not surprisingly (given cycle worries) spooked investors. As HGV emerges from the trough of this investment cycle over the coming year, we think two things will happen: (1) cash flows and capital returns will accelerate, and (2) the inventory build will prove sensible regardless of the macro backdrop.

- **New Short – Coca-Cola Consolidated (COKE):** Coca-Cola Consolidated is not *that* Coke, but a much smaller *bottler* of Coke products (primarily in the Southeast and Mid-Atlantic). Our detailed thesis, released publicly on May 14, is available here. To summarize: COKE changed its name at the beginning of 2019 – notably removing the word "bottling." We think the name change confused retail investors

[3] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

and, combined with a low-float, enabled COKE to more than double through mid-May. Our analysis of COKE's fundamentals showed it to be a lackluster consumer staple business, with low returns, low growth and sub-par corporate governance.

The stock fell ~20% from mid-May to the end of Q2. We remain short and believe significant downside still exists, as the stock was trading for >40x a very-low quality EPS (2019E) at quarter-end.

- **New Short – Ranpak Holdings (PACK):** Ranpak is a packaging business recently brought public via SPAC (special purpose acquisition co) after being owned by four private equity firms over the preceding 16 years. There are lots of red flags: PACK is an over-levered (6x) crumpled paper company[4] being pitched by management as a growthy, "green," asset-light play on e-commerce (among other investment buzzwords du jour – "internet of things" is even mentioned in the investor deck). Management pushes the most aggressive adjustments to free cash flow we have ever seen in covering the packaging sector. The stock appears generously-valued, considering the issues noted. Upside should be further limited by a significant dilution overhang.

Updates on Existing Positions[5]

- **Exited Short – Eros International (EROS)**: Eros is a Bollywood film company listed on NYSE. Our thesis (that the company appears to have an extremely flawed financial model – at best) finally played out. In June, it was reported that Eros' key subsidiary missed two monthly debt payments. EROS shares went into free-fall, dropping more than 80% through the end of Q2. We have exited the position.

- **Exited Long – Burford Capital (BUR.LN)**: Burford is a leading provider of litigation financing. Fundamentally, there seems to be a lot going right for Burford. However, after one too many sleepless nights, I concluded the corporate governance risks (well-known, but too-easily-dismissed, in my view) warranted we exit the position. The problem? A *combination* of the following: (1) the CEO and CFO are married, (2) the Company's lack of interest in up-listing (Burford is the largest company listed on London's secondary AIM market) makes no sense to me, and (3) generally complex accounting that leaves me feeling ill-equipped to spot potential funny business. If just *one* of the three issues existed, we could probably own the stock – but, not all three.

- **Exited Long – Molson Coors (TAP)**: Performance at Molson Coors continues to be lackluster and the stock remains (very) cheap. This *might* be an okay scenario to sit on for the long-run – but, there seem to be better uses of capital.

- **Biggest Detractor: Long – Just Eat (JE.LN)**: Just Eat is an online platform for food delivery in Europe, Canada, Australia, and parts of Latin America. Frankly, it is our lowest conviction position. While JE benefits from clear secular tailwinds (shift to ordering takeout food online), there is not much going right for the company at the moment (lack of permanent CEO, barrage of capital flooding the space – yes, we're long – it says so right up there). Nonetheless, the company has unique, and likely strategically valuable assets (paired with a prodding activist). The stock is undoubtedly cheap *if* JE can get its act together and/or rationality begins to emerge in the broader industry.

- **Biggest Contributor: Long – MarketAxess (MKTX)**: MarketAxess is the leading venue for trading corporate bonds electronically. The company had a strong quarter – and released even stronger monthly data after Q1 results, showing an acceleration in share gains. I have been surprised by the magnitude of the move in the stock and trimmed the position.

[4] They literally provide equipment that crumples paper (among other things) for "void-fill" and cushioning, as you might find in a box that's too large for the item you ordered. Yes, box-makers and companies like Amazon are working to reduce this "void."
[5] Upslope's general policy is to discuss developments – positive or negative – for already-disclosed positions that had a material impact (in Upslope's judgement) on performance during the quarter.

OPERATIONS UPDATE

I'm happy to report than in recent months we partnered with a firm called Canalyst. Based in Vancouver, Canalyst provides access to thousands of working, updated financial models for public companies (and pending IPOs). While it may sound like a small change, the product has provided me with significant leverage – similar to suddenly having an Analyst on-staff that produces and updates models for current and prospective positions in real-time. Needless to say, I am grateful for the partnership!

CLOSING THOUGHTS

I don't know what lies ahead for markets. But, I remain excited about the prospects for our unique portfolio. As always, thank you for your trust and the opportunity to manage a portion of your hard-earned money. Please contact me with any questions regarding the portfolio, your account, or anything else.

Finally, **I will be in New York in early August**. As we approach the strategy's three-year mark later that month, if you or someone you know might be a good fit for Upslope's unique and uncorrelated strategy, please email or pass along my contact information.

Sincerely,

George K. Livadas
george@upslopecapital.com

Upslope Capital Management
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Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	Upslope – Net	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	--	--	--	--	--	--	15.8%
	Upslope – Gross	4.0%	1.3%	2.9%	3.0%	3.5%	2.5%	--	--	--	--	--	--	18.4%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	--	--	--	--	--	--	17.9%
2018	Upslope – Net	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	0.0%	1.4%	(0.4%)	1.2%	(1.2%)	(2.9%)	6.2%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope – Net	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	Upslope – Gross	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	17.1%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope – Net	38.4%	12.1%	3.2%	3.2	--
	S&P Midcap 400	28.8%	9.3%	10.7%	0.7	0.24
	HFRX Equity Hedge Index	7.8%	2.7%	4.2%	0.2	0.19

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by the total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2019 were 36.2% and 14.9%, respectively) and clients should review statements for actual results**.** Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Upslope Capital Management
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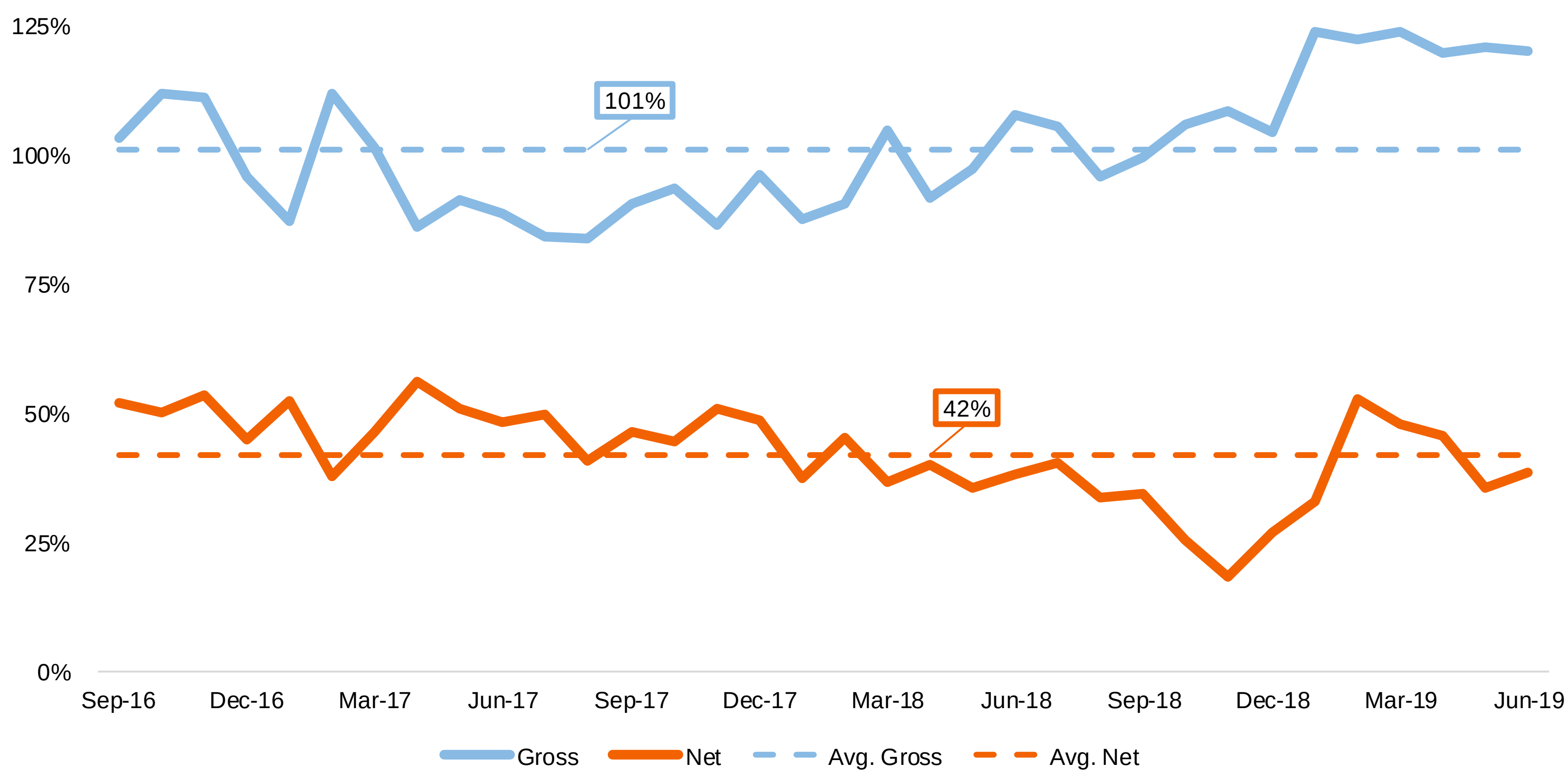
Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: New Position Details

LONG – FLIR SYSTEMS (FLIR)

FLIR develops and produces sensors, cameras, and systems "that detect people, objects and substances that may not be perceived by human senses." Key products include: infrared cameras, measurement and diagnostic systems, drones, and threat-detection systems. FLIR's end-markets are very diverse. About 40% of earnings comes from "government and defense" – military, law enforcement, first responders, etc. On the industrial/commercial side, products are used for anything from gas detection, marine navigation, and autonomous driving, to infrastructure and traffic/highway solutions. Why do we like FLIR today?

- **FLIR's base business is defensive, growing, and profitable**: the core of FLIR's earnings is comprised of government and defense sales, as well as other infrastructure, safety, and maintenance-related sales (i.e. even outside of the formal "Government & Defense" segment, products are often not so discretionary/cyclical). FLIR's business has become even more defense-focused, following two recent acquisitions (unmanned ground vehicles and aerial drones).

- **Potential growth inflection in coming years:** there are two developing sources of potential growth acceleration at FLIR. First, on the government/defense side, FLIR is now competing for larger, multi-year "franchise" programs (e.g. targeted modernization efforts within the military). FLIR has expanded its capabilities (in part through M&A) to better compete for more substantial contracts. While tough to quantify, FLIR's defense business seems well-positioned to improve in the near-term.

  Second, and much longer-term, we see potential from FLIR's still-modest exposure to autonomous driving. Thermal cameras are a highly useful technology, as they cut through adverse weather/lighting conditions and identify objects more precisely and at a greater distance than other technologies. At the very least, thermal is a valuable complement to existing systems. Today, FLIR is the "only automotive qualified thermal [camera] provider on the market" and is in production with several OEMs. Given rapidly rising interest and technological advancements in autonomous driving, FLIR appears well-positioned to benefit from long-term adoption.

- **Reasonable valuation**: FLIR trades at a premium on an EV/EBITDA basis (~15x vs. 13x historically). However, we note that free cash conversion in 2018 was the best in at least 10 years and ROIC the best since 2011. Nonetheless, investors are certainly paying a premium to FLIR's long-term valuation. In our view, this is reasonable, given the defensive nature of FLIR's core business and the prospect of a growth inflection in the coming years.

- **Key risks**: FX (almost half of sales are non-U.S.), government budget exposure, cyclical exposure in non-government segments, execution/integration of recent acquisitions (which were fully-valued), noise around CFO's prior company, and, general regulatory risk.

LONG – HILTON GRAND VACATIONS (HGV)

Hilton Grand Vacations, which spun out of Hilton 2.5 years ago, is a leading timeshare operator. While HGV is a cyclical business, our view is that its cyclicality is overstated, the stock has priced in decent odds of a recession, and that the business is well-positioned today due to significant recent investments. You might cringe at the "timeshare" word; however, industry leaders seem to have improved practices over the years (after significant scrutiny – and driven in part by affiliations with major brands, such as HGV's with Hilton). Further details on the thesis:

- **Attractive financial profile**: HGV has a strong history of top-line growth, with revenue growth every year since the 2008 financial crisis (when revenues declined a mere 3%). ROIC is also attractive –

generally in the high-teens. Free cash flow is lumpy, but strong over time. The balance sheet is solid and reasonably levered at 1.4x.

- **Not as cyclical as you'd think**: in our view, about 40% of HGV's EBITDA comes from contractual and/or highly predictable sources (mostly existing financing income and resort fees). Remaining EBITDA is a mix of sales to new customers, upgrades from existing customers (which HGV argues are fairly predictable), and rental/ancillary fees (non-recurring hotel-like fees). So, there is a good base of non-cyclical earnings, as well as a cyclical element.

  However, we think the "cyclical" piece of HGV might not be as volatile as one might assume. The logic has to do with *how* a timeshare is sold: generally, via a marketing effort tied to a *heavily-discounted* one-time vacation. As a case-study: during 2008-9, HGV was able to continue growing tour visits (aka marketing), more than off-setting lower conversion rates, because (a) discounted vacations sounded like a relatively great deal, and (b) they already had inventory on-hand to tour and sell (competitors did not have inventory on-hand, nor could they get financing to acquire new inventory).

- **Emerging from investment and free cash flow trough:** in late 2017, HGV began a significant, multi-year investment program to build inventory. The ramp scared investors, given questions around such an investment program this "late in the cycle" and its impact on free cash flow. In our view, the plan makes sense (see 2008-9 comments above). Today, HGV appears close to a trough with free cash (out)flows. Despite depressed cash flow from a peak investment year (2018), HGV still generated enough to buyback 5% of its shares. Needless to say, buybacks should accelerate as HGV emerges from its cash flow trough.

- **Attractive valuation**: Given the above characteristics, HGV shares appear to have discounted plenty of bad news (if not a recession) – trading for just 12x 2019 EPS and ~8x EBITDA, despite a reasonable likelihood of accelerated growth and capital return stemming from its investment program. Since its spin from Hilton, HGV shares have traded between ~6-11x EBITDA.

- **Strong management team**: HGV has been led by its CEO, Mark Wang since 2008, when he became President under Hilton ownership. Having founded three timeshare businesses prior to his time at Hilton/HGV, Wang is also credited with introducing the timeshare concept to Japan. Generally, we appreciate his long-term orientation and straight-forward communications style, when discussing the business and its strategy. Wang currently owns 330k HGV shares (~$10mm).

- **Key risks**: regulation, unexpected decline in tour flow/conversions, natural disasters, general exposure to credit markets (active in securitization markets plus has exposure to consumer credit through its own loan book).

SHORT – RANPAK HOLDINGS (PACK)

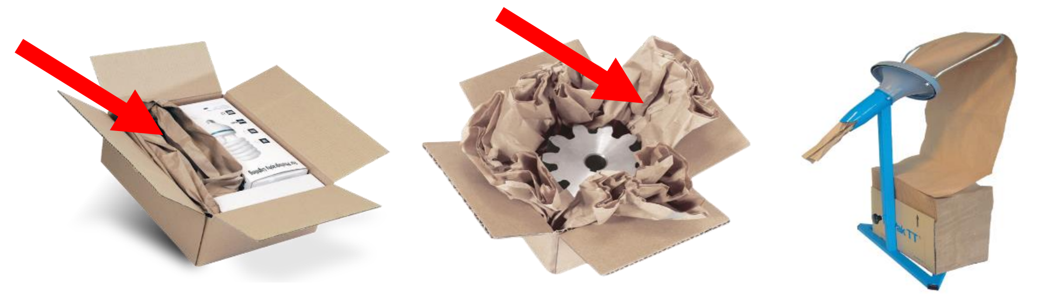
Ranpak is a paper-based packaging business recently brought public via sale to a SPAC (special purpose acquisition co) managed by One Madison. We think the PACK short will work for the following reasons:

- **Red-flag: Ranpak went public via SPAC** and the base rate of success for SPACs is awfully low. This is a well-known fact; but, Ranpak's history appears to be a good case study. Before going public, Ranpak was owned by four consecutive private equity firms (since 2002). As a result, it seems highly unlikely that management today will suddenly find low-hanging fruit to accelerate profitability. Based on filings, Ranpak appears not to have been the first (or second) choice acquisition target of One Madison.[6]

[6] Based on S-4 dated April 23, 2019, management for One Madison (the SPAC that acquired Ranpak) submitted indications of interest for two potential targets in May 2018. Both processes eventually ceased due to disagreements over valuation.

- **Red-flag: Aggressively pitched as something it's not**: if you read PACK's investor relations presentations, you see every buzzword and investment theme du jour imaginable: "environmentally friendly…pure-play," "ecommerce" exposure, razor/razor-blade, asset-light, internet of things, click and collect, and even "millennial...household formation." But, what does Ranpak actually do? **They sell crumpled paper (and machines that crumple paper)**, seen here:

Exhibit 5: Key End-Solutions: "Void Fill" and "Cushioning"



Source: Ranpak website

- **Red-flag: Aggressive adjustments hide weak fundamentals**: management touts Ranpak's relatively strong sales growth in recent periods. However, profitability has lagged materially. While top-line grew at a 7% CAGR from 2015-2018, adj. EBITDA expanded at a less than 3% rate. Actual free cash flow is also weak, but masked. Management's suggested formula for free cash flow excludes "growth capex" – something we've never seen in the packaging space. Moving to a traditional calculation of free cash flow[7] cuts PACK's free cash conversion from adj. EBITDA down from ~83% to ~20% (last three years).

- **Red-flag: Over-levered balance sheet.** PACK is levered at almost 6x *management-adjusted* EBITDA. This is at the very upper end of the packaging universe and, in our view, a dangerous level for a packager with decent potential cyclicality. PACK also appears to have at least some commodity exposure (paper prices), as well as FX risk (~50% non-US).

- **Fully-valued on an absolute and relative basis.** Based on Upslope's 2019 estimates, PACK trades for more than 10x EBITDA and at an ~8% free cash flow yield (before taking into account significant dilution overhang from warrants and other/founder shares). Given the relatively low quality of the business (small, commoditized product, poor free cash conversion, very high leverage, est. low single-digit ROIC), this seems far too rich. Berry Plastics (BERY), for example, trades closer to 8x EBITDA and at a 10% free cash flow yield. We'd argue PACK should trade at a material *discount*.

- **Risks to short:** small market cap and somewhat illiquid, margins could unexpectedly improve, growth may turn out to be more sustainable than anticipated, sale to a strategic or financial buyer.

SHORT – COCA-COLA CONSOLIDATED (COKE)

A detailed memo covering Upslope's COKE thesis is available here.

[7] Using the "traditional" calculation of free cash flow: Cash Flow from Operations less Total Capital Expenditures.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2019 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

These materials may not be disseminated without the prior written consent of Upslope Capital Management, LLC.

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2019-Q3 Update

October 11, 2019

Dear Fellow Investors,

I am excited to share this update for Upslope Capital Management: during Q3, we passed the three-year mark on the strategy. Since inception, the goal has been to deliver attractive, equity-like returns with significantly reduced market risk and correlation vs. traditional long-only equity strategies. I am pleased with results so far and encouraged by recent progress on the business development front.[1] Of course, I remain hungry and focused in my efforts to protect and grow our hard-earned capital.

Q3 was interesting. Tailwinds from last quarter (defensive stocks outperforming, elevated volatility) intensified in August and reversed sharply in September. As a result, August was our second-best month since inception (+7%) and September our second-worst (-2%). With the portfolio exhibiting higher volatility and a greater correlation to the broader hedge fund universe than I would like, it was clear that the portfolio needed some modest rebalancing. So, Q3 was very active for us.

	Upslope Exposure & Returns[2]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q3 2019	37%	+5.7%	+6.8%	-0.2%	+1.8%
YTD 2019	40%	+22.4%	+26.4%	+17.6%	+7.9%
Last 12 Months	36%	+18.7%	+22.8%	-2.7%	-1.4%
Since Inception	42%	+46.3%	+55.1%	+28.5%	+9.7%

Note: clients should always check individual statements for returns, which vary due to timing and other considerations

MARKET CONDITIONS – "ALL THE SMALL THINGS"

One simple method I use to identify good shorts is to look for stocks with large piles of red flags – the more, the better. They don't have to be earth-shattering and there need not be a single 'killer' risk.[3] Each issue might easily be explained away on its own. But when a list gets long enough, you just *know* that sooner or later bad things will happen to the stock. That is my view on equity markets today.

For now, the U.S. economy seems just fine. Valuations are full, but not extreme. Yet, we have a *very* long list of issues that trigger flashbacks to crises past. None seem dangerous or serious enough in isolation to really tip the market (or economy) into bear (recession) territory. But the list is long and expanding:

- Inverted yield curve
- 10-year low on ISM manufacturing
- Falling job openings
- Obscure bank issues (repo weirdness)
- Momentum/factor breakdown
- Bigtime IPO failures/flops (WeWork, Uber)
- Macro problems overseas (Asia, Europe)
- Bonus: VC greed/excess (IPO complaints)

Maybe I'm looking too hard for comparisons to crises past and will always find ultimately meaningless parallels. That is very possible. But, at this point, I struggle to believe that every single issue above can just be neatly written off. Something "interesting" seems bound to happen.

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[1] Please see Appendix A for important performance-related disclosures and details.

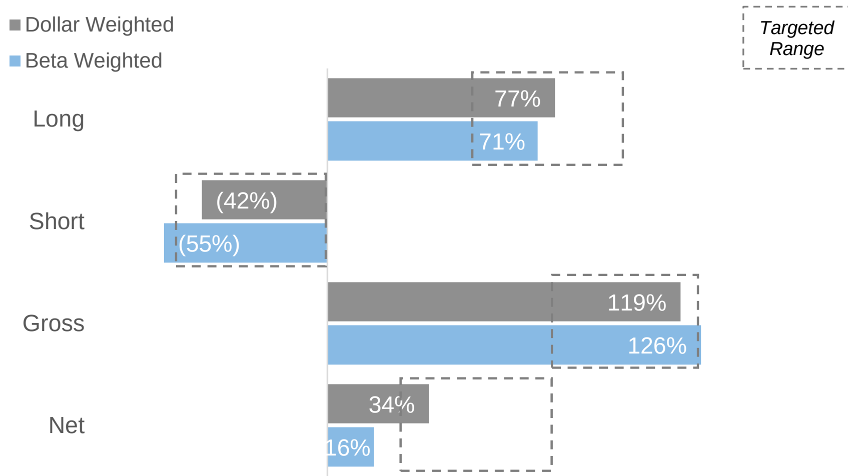
[2] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.

[3] A silly, but real example: we are short a company whose CEO's home was described in the press as a "19th-century French-style mansion on a 105-acre property complete with a private chapel and fountains." Of course, there are other red flags.

PORTFOLIO POSITIONING

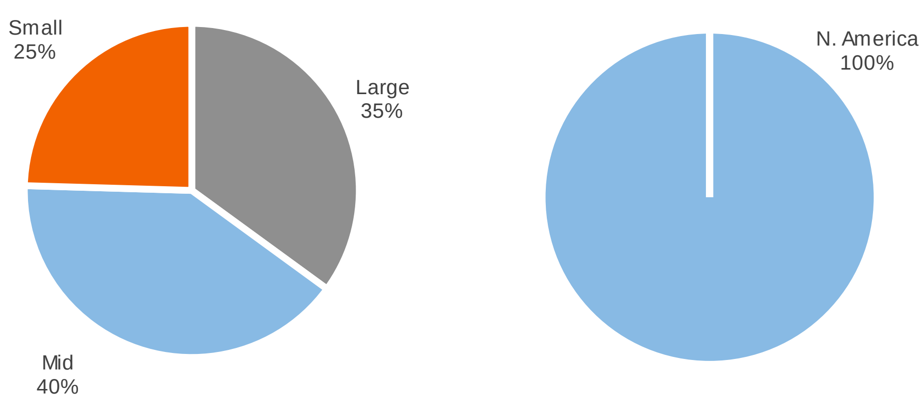
At quarter-end, gross exposure was 119% and net was 34%. Exposures reflect an average number of perceived long opportunities and an elevated number of shorts. One unusual development: the portfolio had no exposure to non-U.S. stocks at quarter-end. This is the result of recently exiting Just Eat (JE.LN) and a couple shorts. We are actively looking for opportunities overseas.

Exhibit 1: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 9/30/19. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 9/30/19. Definitions: Small ($250mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn).

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Cboe (+135 bps)	Long: FLIR Systems (-85 bps)
Long: STORE Cap. (+120 bps)	Long: Evercore (-85 bps)
Long: TopBuild (+105 bps)	Long: AptarGroup (-50 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+405 bps	+275 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding (nearest 5 bps)

New Positions

- **New Long – Gartner (IT):** Gartner is a leading research and consulting company (commonly known for its "Magic Quadrant" charts – example below in Exhibit 4), serving more than 15,000 organizations globally. In 2017, Gartner acquired DC-based Corporate Executive Board ("CEB") for $2.6 billion. The transaction combined Gartner's historic strength in IT and Supply Chain research with CEB's broader focus on HR, Sales, Finance and Legal function best practices research. While the industrial logic of the transaction was sound, in our view, execution has frustrated investors (slower growth, higher required "investment" spend). The frustration came to a head with Q2 earnings, when the stock fell almost 20% in one day. This caught our attention. Why we like Gartner today:

    - **Attractive business model with clear competitive advantages.** Two features we really like about Gartner: revenues are recurring/relatively predictable (high client retention and even higher wallet retention) and the underlying product gets more valuable as Gartner grows (as it has historically). Both aspects are driven by Gartner's position as the leading authority in core research areas (e.g. technology). Why does it matter? Because it enables Gartner to serve as a backstop for important corporate decisions (sort of a "CYA" for executives). And from there, growth just further entrenches Gartner's position as the go-to authority.

    - **Strong financial model, consistent with above observations.** We see several signs in Gartner's financial model that the above qualitative assessment is correct: (A) strong and historically steady returns on invested capital (ROIC), and (B) steady organic growth bolstered by good pricing power and legacy customer wallet retention >100%. On the first point, ROIC took a hit with the CEB acquisition. However, there are signs of improvement over the past four quarters: profitability has improved and capital velocity has ticked up.

    - **CEB issues more likely than not to be resolved**, in our view. Despite the Q2 earnings shock, it actually looks like management has done (or still has time to do) much of what they said they would do with CEB. Further, the CEB issues seem understandable, temporary, and not necessarily reflective of a deal-gone-bad (e.g. making improvements to the underlying product – even if it

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

means a short-term hit to sales/productivity). In general, we like situations where a company with a historically strong management team has been punished for heavy investment spend or other temporary set-backs. Stuff happens. Finally, while we're cautiously optimistic on CEB, even if the business continues to decline, the overall impact should eventually be manageable, as legacy CEB only comprises ~20% of Gartner today.

- **A few other reasons to like Gartner that don't fit elsewhere:** First, Gartner has recently reduced its debt to a reasonable level and is again engaged in buying back shares. In the five years pre-CEB, share count declined an average of 3%/year. Second, Gartner fits well within Upslope's portfolio (tech-adjacent exposure – we have rarely had *any* exposure to tech) and lines up with our investment style of generally seeking attractive, unique businesses with few direct comparables.

- **Key Risks:** (A) Continued CEB challenges: perhaps management has indeed really screwed up with the CEB deal. The downside in that scenario doesn't seem disastrous. But, the issue will no doubt drive shares in the coming year. (B) Macro/cyclical downturn. Gartner appears moderately cyclical based on performance during 2009 (sales -11%, FCF -8%). A still somewhat full balance sheet compounds this risk for shares. (C) Reputational risk: Gartner's business model relies heavily on the business maintaining its reputation for unbiased, high-quality products. Should anything happen to damage this reputation, Gartner's business could suffer severely.

Exhibit 4: Gartner Magic Quadrant for Analytics & Business Intelligence Platforms

Source: Gartner, Qlik, Upslope

- **New Long – Undisclosed:** This position is not fully-established and is a "Tactical" holding, added as part of the aforementioned effort to "rebalance" the portfolio.[5] At a high-level, despite exposure to solid end-markets, the business has struggled. Our bet is that the company is headed into a period with improving sector tailwinds (especially on the political front – *pause for laughter*) that should aid a turnaround. As a backstop, the business seems to have significant strategic value.

- **New Short – Sealed Air (SEE):** Sealed Air is a global flexible plastic packaging company (e.g. bubble-wrap, Cryovac, and other protective/food packaging products) that we have followed for quite a few years. In August, we published our short thesis here. We remain short (one of our largest).

Key Updates on Existing Positions

- **Exited Long – Evercore (EVR)**: Evercore is a leading independent investment bank. We added EVR during the Q4 market meltdown last year. The business remains well-positioned for the long-run and has had a solid year, fundamentally. But, it is no doubt (highly) cyclical. Given this mixed background, we see greater opportunities on the long side elsewhere.

- **Exited Long – FLIR Systems (FLIR)**: FLIR is a leading developer and producer of infrared sensors, cameras, and systems. Sometimes we (I) make mistakes. That was the case with FLIR, which was added just last quarter. There is nothing "wrong" with FLIR, per se. But, I changed my mind about the underlying quality of the business and the opportunity after additional consideration.

- **Exited Long – Just Eat (JE.LN)**: Just Eat is a UK-based global operator of online portals and services for restaurant delivery. In July, Just Eat announced an agreement to be acquired by rival Takeaway.com. We ultimately exited the position, given (A) the prospect of a takeout was a (secondary) aspect of our thesis that has now played out, (B) the all-stock structure of the transaction, and (C) the generally challenging environment in the industry.

CLOSING THOUGHTS

These should be exciting times for long/short equity portfolio managers. Historically, volatility has created opportunities for Upslope's strategy. I believe our portfolio is well-positioned for whatever the market might throw at us: significant exposure to defensive longs are, in part, balanced with targeted exposure to cyclicals in unique situations. On the short side, our biggest positions are what I affectionately call "faux compounders" (so-so businesses trading at premium valuations due to confused and/or misguided assumptions). Others are simply cyclicals whose prospects (and valuations) appear one-sided.

Thank you for your trust and the opportunity to manage a portion of your hard-earned money. If you have any questions at all regarding the portfolio, your account, or anything else, please contact me.

Sincerely,

George K. Livadas
george@upslopecapital.com

[5] A reminder on how we break out long positions: "Core" vs. "Tactical." Core longs are considered high-quality, high-conviction, *potential* 'permanent' holdings. Given the nature of the underlying businesses, sizing for Core longs can be quite large (up to 12% at cost). Tactical longs more closely resemble traditional 'value' investments – more moderate quality (vs. Core) and opportunistic in nature (i.e. greater price target discipline, higher position turnover). Tactical sizing maxes out at 8% (at cost).

Appendix A: Historical Long/Short Composite Performance

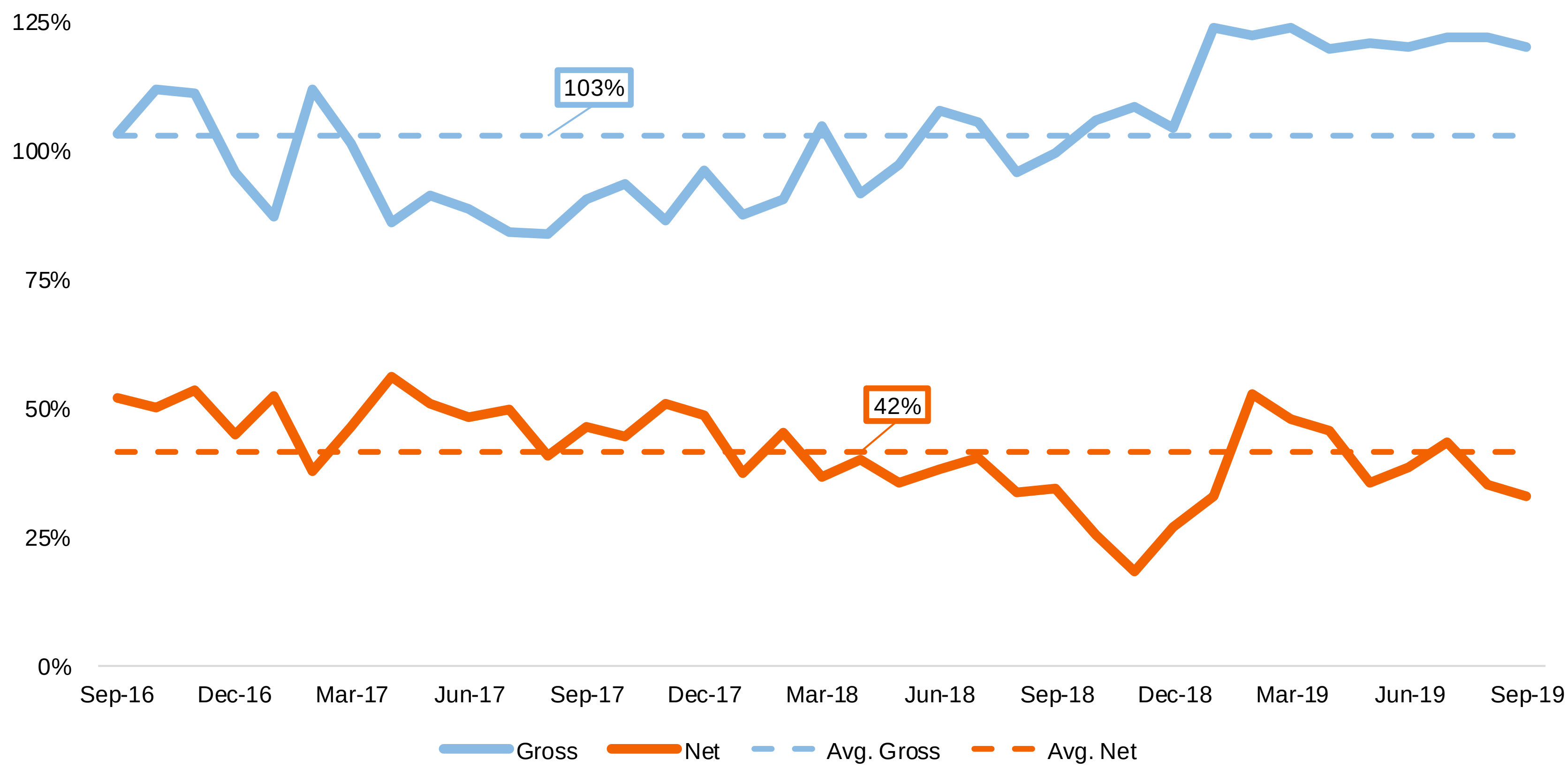
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	Upslope – Net	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	--	--	--	22.4%
	Upslope – Gross	4.0%	1.3%	2.9%	3.0%	3.5%	2.5%	0.9%	8.4%	(2.4%)	--	--	--	26.4%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	--	--	--	17.6%
2018	Upslope – Net	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	0.0%	1.4%	(0.4%)	1.2%	(1.2%)	(2.9%)	6.2%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope – Net	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	Upslope – Gross	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	17.1%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope – Net	46.3%	13.1%	3.3%	3.3	--
	S&P Midcap 400	28.5%	8.5%	10.5%	0.6	0.19
	HFRX Equity Hedge Index	9.7%	3.0%	4.0%	0.3	0.18

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2019 were 43.5% and 21.0%, respectively). Clients should always review statements for actual results**.** 13% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2019 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2019-Q4 Update

January 16, 2020

Dear Fellow Investors,

I am pleased to share this update for Upslope Capital Management. 2019 was a strong year for Upslope and I'm happy with our performance in light of our typically modest net long exposure to markets.

That said, our Q4 performance was disappointing. A challenging environment – at least for a defensive-minded long/short strategy[1] – was made worse as we stepped on a few more landmines than usual (most notably DollarTree, which was over-sized given elevated risk). While I'm comfortable managing through (and accepting of) tough environments, I take personal responsibility for the latter challenges.

Despite the above, I am excited about prospects for our differentiated portfolio and strategy – especially during what should be a volatile year ahead. With the vast majority of my family's investable net worth invested right alongside clients, I remain focused on protecting and growing our hard-earned capital.

	Upslope Exposure & Returns[2]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q4 2019	43%	-2.9%	-2.7%	+6.9%	+2.6%
FY 2019	41%	+18.9%	+23.1%	+25.8%	+10.7%
Since Inception	42%	+42.1%	+51.0%	+37.4%	+12.6%

Note: clients should always check individual statements for returns, which vary due to timing and other considerations

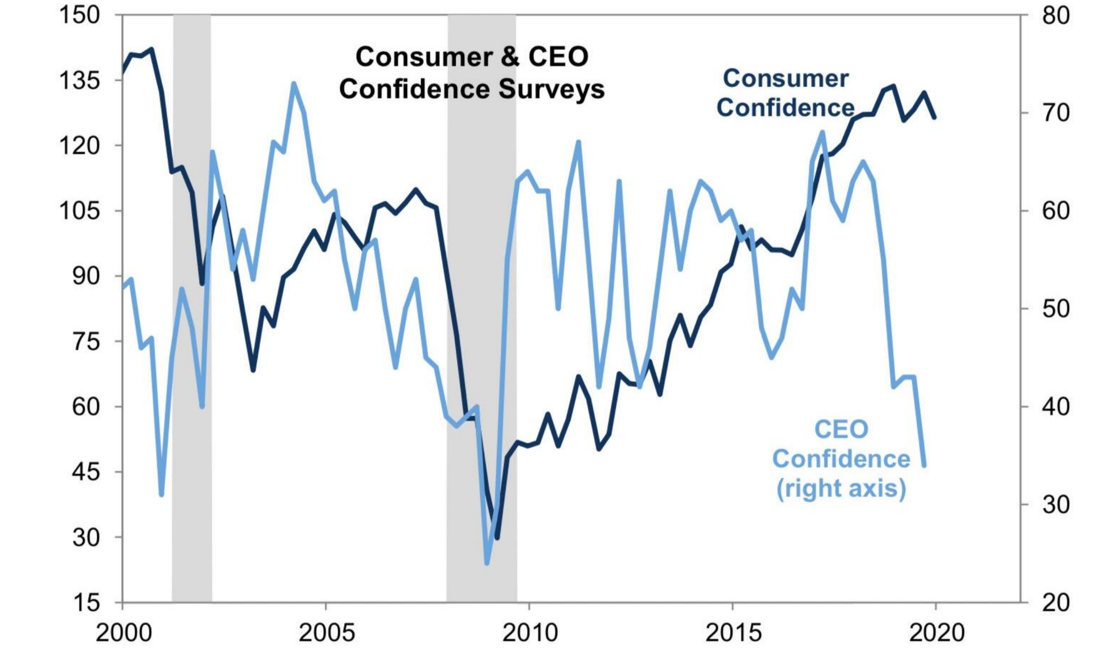
MARKET CONDITIONS – THE VOLATILITY WE CRAVE?

One year ago – sitting on the edge of a very possible bear market – I noted, "it seems prudent to proceed cautiously." With an excellent sense of humor, the Market Gods and the S&P 500 promptly delivered a 30%+ return over the next 12 months. Fortunately, the damage from my caution was minimal for the year, as a result of our bottom-up approach to portfolio construction. Looking back, I was too pessimistic on prospects for valuation multiple reflation (drove the vast majority of 2019 market returns – the opposite of 2018) and the potential for macro conditions to quickly stabilize.

I'm biased when it comes to market prognostications – volatility is good for Upslope's business. But, I believe that from where we sit today, it is wise to be positioned for volatility. It certainly doesn't feel like it *today*, but the 2020 calendar seems supportive of this. Noise from the election, questionable trade war resolutions, mixed macro data (looking at you, yield curve inversion lag and CEO confidence surveys – charts of both are on the following page), and recently spiked geopolitical risks are all top of mind. That U.S. markets are trading near peak (ex-'90s technology bubble) valuations and year-end gross leverage at hedge funds was the highest in a decade – also adds to the caution.[3]

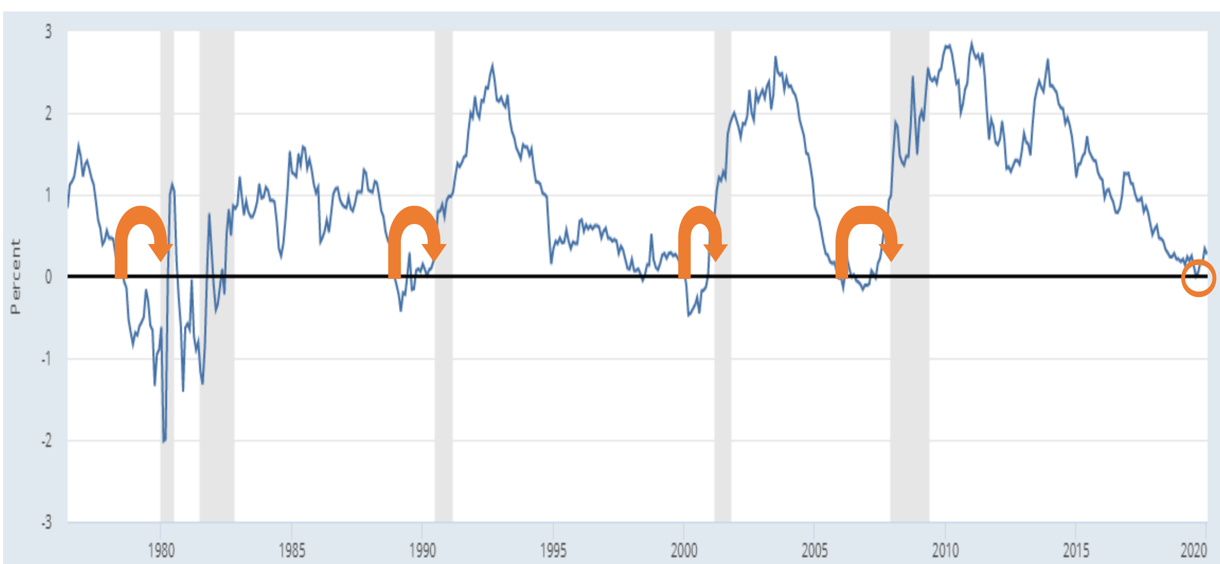
[1] Some supporting data: an S&P 500 high-beta ETF (SPHB) outperformed the S&P 500 ETF (SPY) and a "minimum volatility" ETF (USMV) by more than 4% and 10%, respectively, during Q4 2019.
[2] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[3] Sources: Based on J.P. Morgan valuation data and Morgan Stanley Prime Brokerage (at 12/31/19) data.

Exhibit 1: Consumer vs. CEO Confidence



Source: Goldman Sachs (via Carl Quintanilla), Upslope
Note: Recessions indicated by gray shading

Exhibit 2: Slight Inversion of the Yield Curve (10-Year Minus 2-Year Treasury Yield) in 2019 Generally a Good Leading Indicator, but Recession Lag Post-Inversion Varies Widely

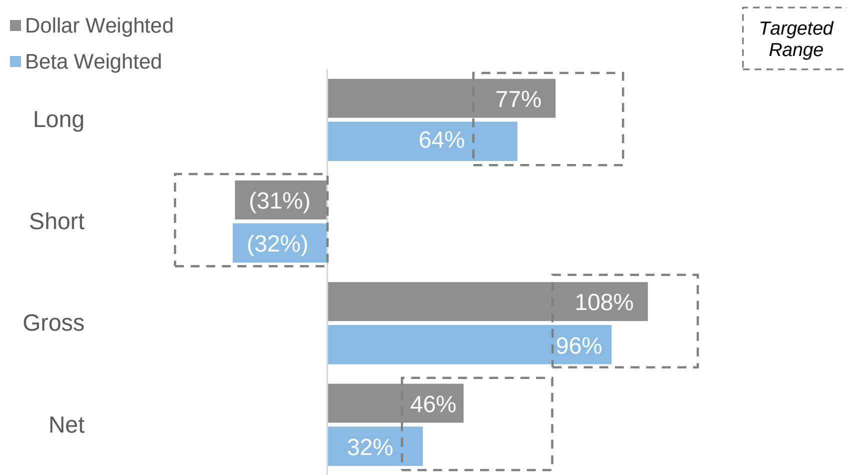


Source: St. Louis Fed, Upslope
Note: Recessions indicated by gray shading

PORTFOLIO POSITIONING

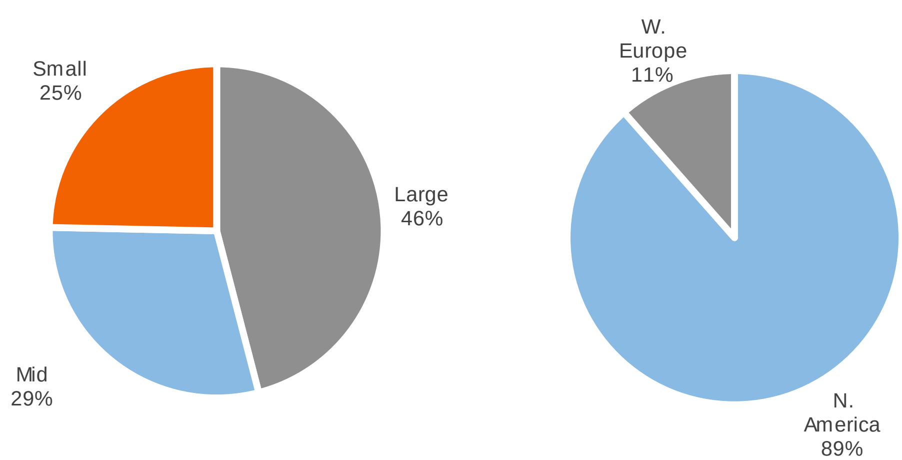
At quarter-end, gross and net exposures were 108% and 46%, respectively. This reflects an average number of perceived opportunities on both the long and short sides of the portfolio.

Exhibit 3: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 12/31/19. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 4: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 12/31/19. Definitions: Small ($250mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn).

A brief comment regarding large cap exposure, which has crept up. While "large cap" is the biggest category today, the more important data point, in our view, is the weighted average market cap for the *portfolio*. This stood at $10 billion at quarter-end – still comfortably within our midcap definition.

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 5: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: TopBuild (+125 bps)	Long: DollarTree (-180 bps)
Long: Hilton Grand Vac. (+65 bps)	Short: Tesla (-85 bps)
Long: Gartner (+55 bps)	Long: Undisclosed[5] (-70 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+130 bps	-400 bps

Source: Upslope, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

New Positions

Long – Royal DSM (DSM.NA)

Royal DSM is a €20 billion (enterprise value) Amsterdam-listed business, mostly comprised of two diverse segments: Nutrition (ingredients for animal feed, human nutrition, dietary supplements/vitamins and personal care) and Materials (engineering plastics for autos and electronics, resins and other highly specialized materials). Why we like DSM today:

- **Leader in diverse, attractive end-markets.** Generally, we think of nutrition and specialty ingredients businesses as inherently attractive – steady relatively non-cyclical growth and at least modest pricing power (classic case of selling small, but important pieces of an end-product). DSM's end-markets are supported by long-term tailwinds: animal health by population growth and rising wealth (which leads to greater protein consumption), and human health/nutrition by health consciousness and aging populations. While DSM's Materials segment is quite different (and more cyclical), it contributes just ~30% of total EBITDA (and we are separately comfortable with the exposure).

- **Upside from new product pipeline.** DSM has a robust new product pipeline (specifically, within the Nutrition segment) that should add materially to the company's long-term growth (late 2020 and beyond). A couple examples: "Clean Cow" and fermentative Stevia. Clean Cow is a feed solution designed to reduce greenhouse gas emissions from cattle by 30%. Fermentative Stevia is a more efficiently produced sugar replacement that can be used for both food and beverages. It doesn't appear that the market is giving DSM much credit for these and other new products initiatives.

- **Solid financial model and clean balance sheet.** DSM has delivered strong free cash flow per share growth in recent years (implied guidance is 10%+), along with improving returns on capital (and incremental capital). Consistent with this, management appears properly incentivized, with a focus on ROCE, EBITDA and free cash flow growth, and organic sales growth (among other metrics/goals). The balance sheet is only modestly levered at ~1x net debt/EBITDA.

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).
[5] Initiated position during Q4, but not yet fully-sized (or committed).

- **Reasonable valuation.** DSM trades at a 4% free cash flow yield, which we think is reasonable given the defensive nature of the overall business, steady underlying growth, and earnings upside from new products. The stock is clearly cheap versus traditional specialty ingredients businesses (not 100% apples-to-apples, but certainly a valid reference point) – though trades at a premium to its own historical valuation (justified by markedly improved and sustainable performance, in our view).

- **Key Risks:** (A) CEO recently retired and DSM transitioned to Co-CEO structure (of which we are not fans). Nonetheless, co-CEOs appear very strong (one was leading earnings calls even before CEO announced his retirement). We also can't help but wonder whether the structure signals potential for a break-up of the business (separating out Materials segment) – almost certainly a positive development. (B) Cyclical exposure – primarily in Materials (e.g. linked to autos), but DSM also has significant vitamin commodity exposure in Nutrition. (C) Potential failure of new products under development. (D) FX: 80% of DSM's business is outside of the U.S. Generally, the risk is translation; however, there is a bit of a cost-revenue mismatch with a few select currencies. (E) African Swine Fever exposure in animal nutrition a headwind (though DSM is diversified by species and geography).

Short – Focus Financial (FOCS)

We recently posted our short thesis for Focus Financial (FOCS) on Twitter and our website. FOCS is a $3.7 billion (enterprise value) roll-up of independent registered investment advisors (RIAs). We believe the business model and balance sheet are fundamentally flawed (constructed assuming a never-ending bull market and saddled with a huge debt) and that management has aggressively "over-sold" many of the business' features.

This is the third "activist short" memo we have published in the last nine months. The prior two: Coca-Cola Consolidated (COKE) in May 2019 and Sealed Air (SEE) in Aug 2019. The simple aim of these public memos is to shine a light on stocks with obvious and elevated risks that are not fully priced in. Given the rising prevalence of passive investing and the old age of this bull market, we think this is a worthwhile effort and plan to continue to selectively publish such commentary.

Key Updates on Existing Positions

Current Long – DollarTree (DLTR)

Despite a challenging quarter, we remain long DLTR. The company has been engaged in a game of whack-a-mole – first addressing broad weakness in its Family Dollar banner and now facing challenges with slumping margins. While disappointing, the notion that management simply took its eye off the ball – having focused exclusively on improving Family Dollar's top-line during 2019 – is plausible. Bigger picture, the company continues to *slowly* dig itself out of the large hole created from the Family Dollar acquisition. Should management stumble yet again, DLTR would seem ripe for activist involvement.

Exited Short – Tesla (TSLA)

We exited our Tesla short following Q3 earnings. Our reasons for exiting were to cut losses on two fronts: financial and time (being short Tesla can be a massive distraction, given the firehose of news-flow and position crowding. Yes, I should have known better and will be more conscientious of this going forward).

Exited Long – TopBuild (BLD)

TopBuild is the leading national installer and distributer of insulation materials for residential/commercial real estate. BLD was a "Tactical" position and we exited largely based on full valuation and to make room for more attractive ideas.[6] Since inception, BLD has been a top three contributor to Upslope's performance.

[6] Position fully exited in January 2020.

CLOSING THOUGHTS

The year ahead should offer a constructive environment for nimble, uncorrelated strategies that thrive on volatility. As always, I am grateful for your trust, patience, and the opportunity to manage a portion of your hard-earned money. If you have any questions at all regarding the portfolio, your account, or anything else, please contact me.

Last but not least, I will be in San Francisco (Jan. 23-24) and New York (early March). If you or someone you know is interested in getting together to learn more about Upslope's approach, please don't hesitate to contact me.

Sincerely,

George K. Livadas
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	Upslope – Net	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	Upslope – Gross	4.0%	1.3%	2.9%	3.0%	3.5%	2.5%	0.9%	8.4%	(2.4%)	0.9%	(0.2%)	(3.4%)	23.1%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope – Net	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	Upslope – Gross	(1.3%)	1.7%	5.9%	0.5%	2.4%	(1.1%)	0.0%	1.4%	(0.4%)	1.2%	(1.2%)	(2.9%)	6.2%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope – Net	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	Upslope – Gross	7.6%	(1.9%)	0.8%	4.0%	2.6%	(0.4%)	2.3%	0.1%	2.1%	(0.7%)	(0.6%)	0.5%	17.1%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope – Net	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	Upslope – Gross	--	--	--	--	--	--	--	0.0%	(0.7%)	(1.6%)	2.8%	(1.7%)	(1.3%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope – Net	42.1%	11.1%	3.7%	2.4	--
	S&P Midcap 400	37.4%	10.0%	10.1%	0.8	0.07
	HFRX Equity Hedge Index	12.6%	3.6%	3.9%	0.4	0.09

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2019 were 39.4% and 17.5%, respectively). Clients should always review statements for actual results**.** 13% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Upslope Capital Management
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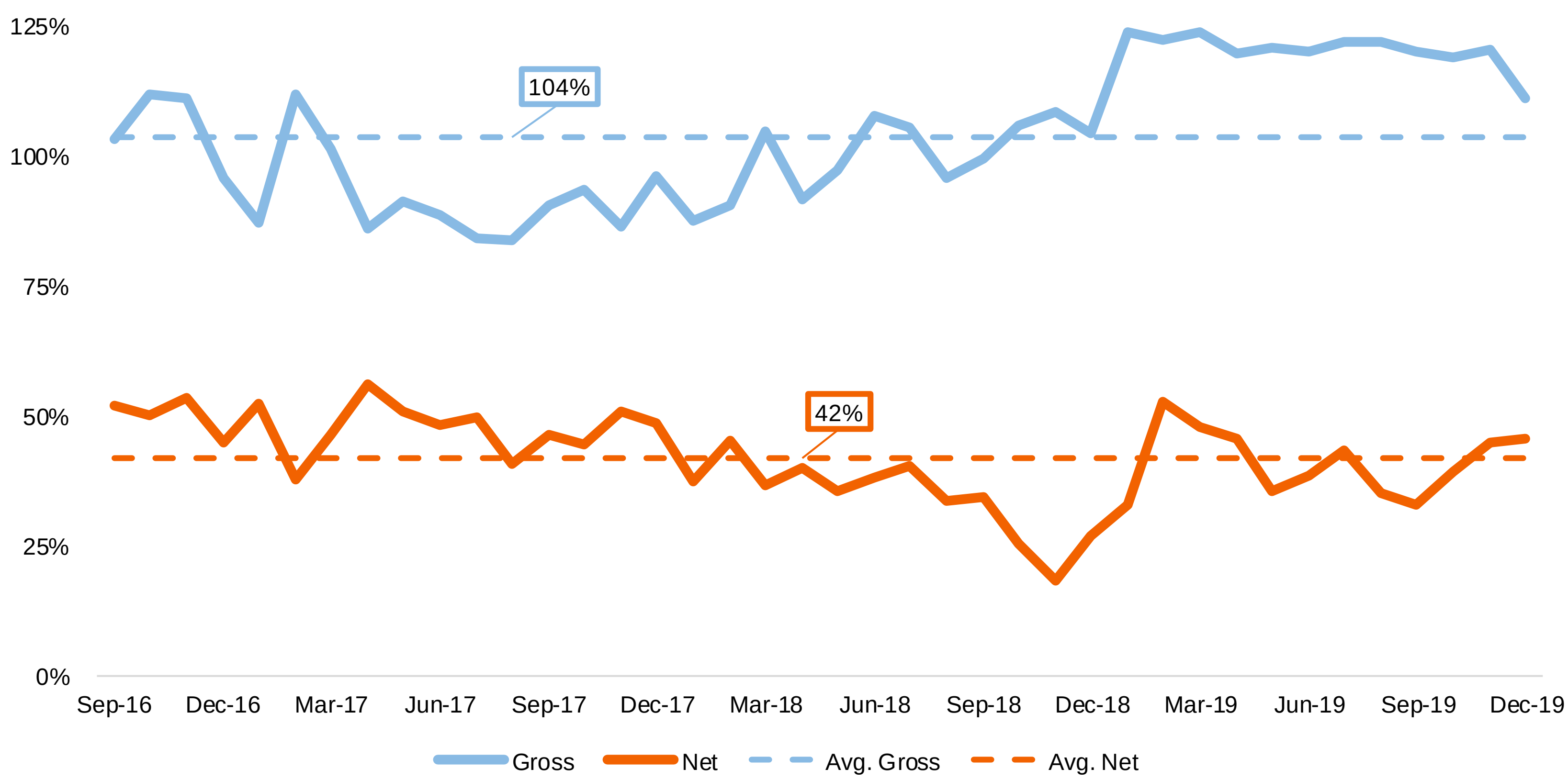
Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

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PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2020-Q1 Update

April 17, 2020

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation vs. traditional equity strategies. Q1 was an unprecedented time for markets. Upslope's relative performance and stability were solid. Protecting our capital remains a priority.

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q1 2020	31%	-1.9%	-1.7%	-29.6%	-13.3%
Last 12 Months	38%	+8.6%	+11.7%	-22.6%	-9.4%
Since Inception	41%	+39.4%	+48.4%	-3.3%	-2.4%

Note: clients should always check individual statements for returns, which vary due to timing and other considerations

At the risk of setting a bad precedent (doing so, given extreme volatility), April to-date performance for Upslope is +6%. This puts the strategy at +4% YTD vs. -11% and -27% for the HFRX Equity Hedge Index and S&P Midcap 400 ETF (MDY), respectively.[2] These figures are approximate and could change quickly, given still-volatile markets.

MARKET CONDITIONS – SOME STOCKS ARE CHEAP, OTHERS…NOT SO MUCH

I don't know where equity markets are headed. I've written and re-written this section several times (most versions resembled a *doth-protest-too-much* attempted take-down of the Bull case). I think investors are too optimistic on the timeline for *truly* re-opening the economy (i.e. in a sustainable manner that's actually embraced by individuals and looks relatively similar to 2019).

The good news: we don't need to figure out what equity *indexes* will do to observe that more than a few stocks are, in fact, good bargains today. Others are surprisingly – shockingly – expensive and unscathed (e.g. the Nasdaq-100 index is +15% over the last 12 months). This should be a *great* environment for stock-picking – and for long/short strategies in particular. Reflecting this, Q1 was our most active quarter portfolio-wise since at least Q4 2018.

By most measures, the cheapest stocks today are small-/mid-cap "value" stocks (see Exhibit 1 below). Given this and the fact cheap "junk" usually outperforms early in market snap-backs, there is a temptation to load up on stocks of low-quality businesses. I think this is mistake, given: (1) the prevalence of value-traps (shares appear cheap, but represent ownership of businesses in permanent decline) and (2) the long-term benefits of owning steadily-growing and competitively-advantaged businesses with solid balance sheets at attractive prices are well-worth any short-term performance "sacrifice," in my view.

What to do? Ideally, we can find longs that fall in a sweet-spot: well-managed businesses with sustainable competitive advantages and staying power, but irrationally tagged by investors as "junk." Two of our "new" longs (quotes around "new" because these are two stocks we've owned before) fit the bill. We re-added

[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] Interim figures for Upslope and MDY estimated at April 16, 2020 close; HFRX as of April 15 (the most recent date available).

Evercore (EVR), a world-class M&A advisory franchise – that happens to be cyclical – at a crisis-level valuation. We also added Crown Holdings (CCK), a global beverage/food can business that we've been both long and short in the past. The vast majority of CCK's cash flows exhibit modest, non-cyclical growth; and, investors appear to be ignoring potential upside from the typically lackluster food can segment. But, a levered balance sheet has spooked investors.

Exhibit 1: Pockets of Cheapness…but Discounts to Long-Term *Average* P/Es ~~are~~ were Modest

	Current P/E as % of 20-Year Average P/E		
	Value	Blend	Growth
Large Cap	**90%**	**100%**	**106%**
Mid…	**82%**	**90%**	**104%**
Small…	**73%**	**95%**	**134%**

Source: J.P. Morgan Asset Management *Guide to the Markets*
Note: data as of Mar. 31, 2020; major indexes have since rallied ~6-10%, even as estimates continue to get cut

Other additions to the portfolio were quite different. Diploma (DPLM.LN) is a U.K.-based specialty distributor. This is an under-the-radar, high-quality business that finally went on sale. "High-quality" is an over-used phrase in the investing world (I'm not innocent); but, I think it applies here, given DPLM's track record of disciplined GDP+ growth, conservative balance sheet, and notable exposure to non-cyclical healthcare markets.

At the opposite end of the "quality" spectrum is Subsea 7 (SUBC.NO), a Norway-based provider of specialized off-shore energy services. Of the four new longs, SUBC could most fairly be tagged with the "junk" label. Fine. Here our bet is that the business has staying-power due to a solid market position, an abnormally strong balance sheet, and a sober-minded management team. *If* the energy cycle turns, SUBC will be there to benefit.

On the flip-side, what did we kick out? Businesses with at least two of the following: (A) below average execution during *good* times, (B) full balance sheet, and/or (C) operations in/near the direct line of fire of COVID-19. Gartner (IT), Hilton Grand Vacations (HGV), and STORE Capital (STOR) all fit the bill.

* * * * *

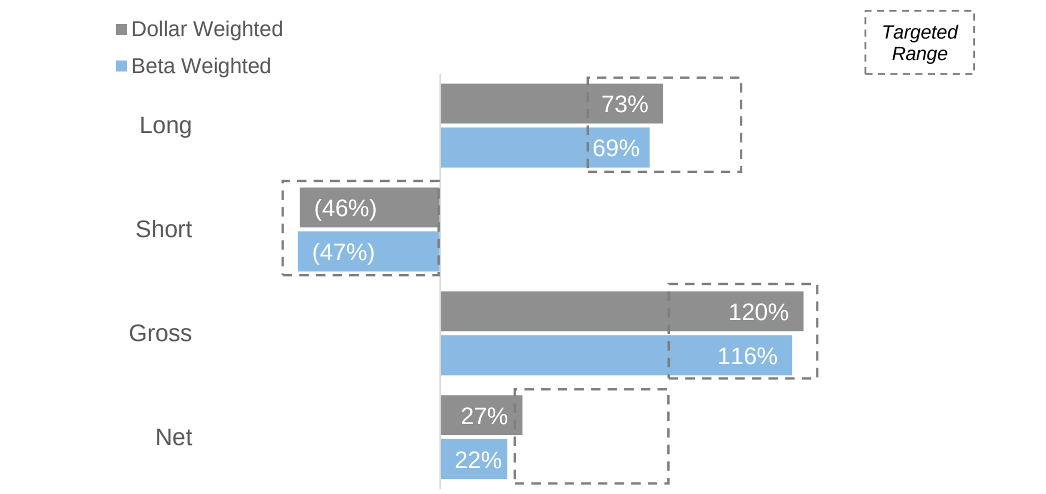
One investor whose thought process and critical thinking we admire is Bronte Capital's John Hempton. In a 2017 letter, he noted, "our goal here is to continuously improve the quality of our investments." This simple comment has stuck with me as a true-north principle – especially important during times of crisis. While Upslope's strategy deliberately has two different quality tiers[3] for long investments, I believe the portfolio today is materially better than it was on January 1. I don't know where markets are headed, but I am confident that the unique portfolio of businesses we own will thrive over the long run.

[3] "Core" longs are considered "high-quality, high-conviction, potential 'forever' holdings" and are targeted to be 2x the aggregate size of "Tactical" longs, which are more opportunistic positions closer to traditional "value" investments.

PORTFOLIO POSITIONING

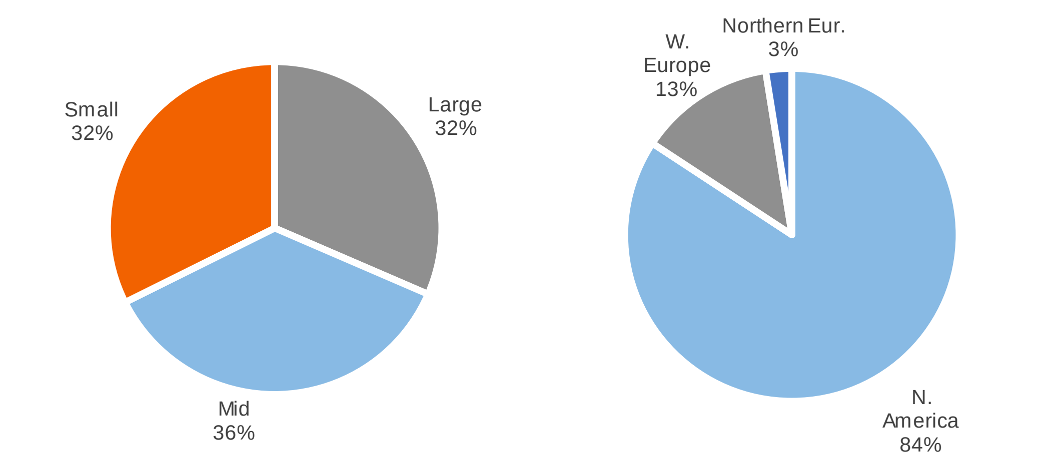
At quarter-end, gross and net exposures were 120% and 27%, respectively. This reflects an average number of perceived opportunities on both the long and short sides of the portfolio (partly skewed by a couple of larger short positions considered lower risk).

Exhibit 3: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 3/31/20. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 4: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 3/31/20. Definitions: Small ($250mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn).

At period-end, weighted average market cap for the portfolio was $9.6 billion (roughly similar across longs and shorts), while median was $7.2 billion for longs and $3.3 billion for shorts.

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 5: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Short: Undisclosed (+230 bps)	Long: Hilton Grand Vac (-395 bps)
Long: Evercore (+180 bps)	Long: CBOE (-275 bps)
Short: Undisclosed (+175 bps)	Long: Crown (-265 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-2,185 bps	+2,015 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Key Updates on Existing Positions

Cboe Global Markets (CBOE) – Current Long

CBOE operates major equity and derivative exchanges across the U.S. and Europe. By all accounts, CBOE had a very strong Q1: market volatility surged and volumes for most of CBOE's largest product categories grew 40-50% year-over-year. Pricing (per contract or share) was solid. While volatility is good for exchanges, it's possible to have too much of a good thing. Q1's record-breaking volatility led to at least one relatively high-profile proprietary trading firm blow-up and the start of a broader withdrawal from trading in CBOE's flagship VIX (volatility index) futures product by customers.

The net result of the above? CBOE shares fared only slightly better than the S&P 400 Midcap index – a disappointment, considering the nature of the position. Nonetheless, recent events appear a temporary set-back, as opposed to anything that invalidates our thesis. CBOE continues to offer attractive, proprietary products that should be in strong (and often counter-cyclical) demand for years to come.

Select Shorts – Update

We exited our YETI short early in the quarter in an effort to move the portfolio away from positions with extreme "crowding" (e.g. massive short interest). During the quarter, we also exited our Sealed Air (SEE) and Coca-Cola Consolidated (COKE) shorts, as shares fell near/below our downside targets. Following sharp rallies in each, we re-initiated both positions post-quarter end.

* * * * *

Given the heightened level of activity, a brief summary table laying out the basics of our newest long investments is provided on the following page.

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

Exhibit 6: New Long Positions

Description	Key Investment Points & Risks
Long: Diploma (DPLM.LN)	
Diploma is a UK-based specialty distributor focused on 3 verticals: life sciences (e.g. lab consumables), seals (heavy machinery), and controls (wiring, cable harness components). Broadly, DPLM focuses on essential products that are part of customer operating budgets and supplements growth with cash-flow-funded acquisitions. Shares fell 40% from Feb to Mar. This is a stock we've "stalked" for a long time.	✓ Unique model focused on niche products, paired w/conservative M&A strategy ✓ Track record of steady, through-the-cycle FCF growth ✓ Balanced, global exposure to cyclical and secularly-growing end-markets ✓ Some leverage to (U.S.) infrastructure spend (possibly a good thing soon) ✓ Strong balance sheet with almost no net debt ✓ Intense mgmt. focus on returns on capital and cash flow × Direct COVID-19 challenges in Life Sciences and Controls (aero. exposure) × Cyclical end-markets (Seals, Controls) and FX (mostly translation) × Potential execution missteps with de-centralized, acquisition-supported model × Relatively new management team × Regulatory risk (primarily in Life Sciences)
Long: Crown Holdings (CCK)	
Crown is a leading global producer of beverage cans (~65% of EBIT), food cans (15%), and transit packaging (20%). Upslope has previously been both long and short shares. Shares fell 40% from Feb highs to Mar trough, owing (in our view) largely to the Company's full balance sheet.	✓ Steady, mostly non-cyclical business beaten up due to full balance sheet ✓ Significant exposure to bevcans – the outlook for which remains very strong ✓ Previously lackluster food can unit likely to shine following recent events ✓ Strong FCF generation and attractive relative and absolute valuation ✓ Mgmt. lessons learned and optionality re: Transit Packaging segment × Transit Packaging cyclical challenges and headline risk re: strategic review × Full balance sheet – more than 4x net leverage × Mixed mgmt. track record of capital allocation (specifically M&A) × Modest LT secular headwinds in food cans
Long: Subsea 7 (SUBC.NO)	
Subsea 7 is a Norway-based, global offshore energy services provider. SUBC provides technical services that span the offshore lifecycle: from facility design and engineering to procurement, construction, maintenance, repair and eventual shut-down. Shares fell more than 60% YTD through mid-March. Valuation remains near historic lows by several measures.	✓ Conservative, disciplined mgmt. team with solid cap allocation record ✓ Strong balance sheet with no material net debt ✓ Specialized, niche service provider with leading market positions ✓ Positioned for cyclical upside, given staying power and sector destruction ✓ Highly complementary to Upslope's overall-defensive portfolio × No end in sight to cyclical downside in energy × Balance sheet dynamics could change × Elevated competition in alt. energy (so far, mgmt. has been disciplined) × Newly-promoted CEO (long-standing operator and seems a continuation) × New, more specialized sector for Upslope (wading in slowly…)
Long: Evercore (EVR)	
Evercore is a leading independent, boutique investment bank focused largely on M&A and other corporate financial advisory, including restructuring. EVR also provides equity capital mkts, research, and wealth mgmt. services. Shares fell almost 60% from Feb highs to Mar trough, ultimately trading below its financial crisis-era P/E multiple.	✓ Market-leading franchise with strong net-cash balance sheet ✓ Top reputation: doubled mkt. share since '11, continues attracting talent ✓ History of strong growth (double-digit rev growth in all but 3 years since 2002) ✓ Traditionally generates FCF per share far in excess of adj. EPS ✓ Reasonable valuation on conservative trough EPS estimate × M&A activity near zero in short-term (some restructuring exposure will off-set) × Reputational risk and loss of mkt share and/or key employees × Cont'd challenges in (relatively) fledgling equities business × General regulatory risk

Source: Upslope, Canalyst, Sentieo, company filings

CLOSING THOUGHTS

In the Q4 letter, I mentioned 2020 "should offer a constructive environment for nimble, uncorrelated strategies that thrive on volatility." I believe this continues to be the case. The last couple of months have, unsurprisingly, seen correlations among individual stocks at upper extremes. Such an environment emphasizes overall portfolio positioning (e.g. net and gross exposure) over security selection. As correlations eventually and inevitably fall, individual stock selection should become a much bigger driver of returns. On this front, I am as excited as ever about the prospects of Upslope's unique and differentiated portfolio.

Given the extraordinarily uncertainty and personal stress many are experiencing, I am particularly grateful for the continued trust of Upslope's clients. I will continue to communicate intra-quarter as-needed. In the meantime, please don't hesitate to contact me with any questions at all regarding the portfolio, your account, or anything else.

Finally, if you are interested in adding to your account or if you know someone that might be interested in becoming an Upslope client, please call or email me.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	Upslope	0.0%	(2.3%)	0.4%	--	--	--	--	--	--	--	--	--	(1.9%)
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	--	--	--	--	--	--	--	--	--	(29.6%)
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	39.4%	9.7%	3.8%	2.0	--
	S&P Midcap 400	(3.3%)	(0.9%)	15.4%	(0.2)	0.13
	HFRX Equity Hedge Index	(2.4%)	(0.7%)	6.7%	(0.4)	0.13

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2020 were 36.8% and -4.1%, respectively). Clients should always review statements for actual results**.** 11% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational.

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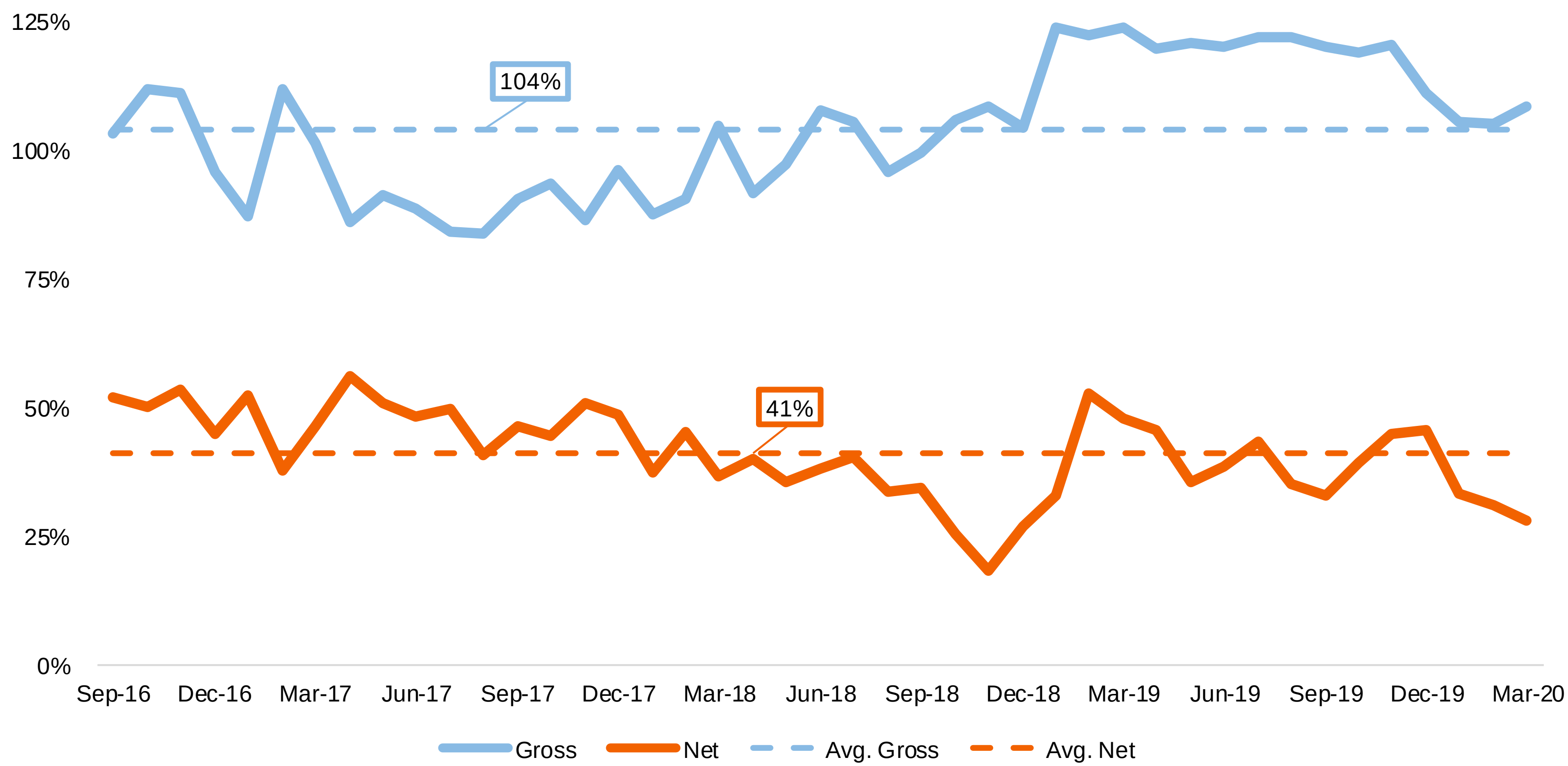

Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

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Upslope Capital Management
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2020-Q2 Update

July 14, 2020

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. While "significantly reduced market risk" contributed to our strong Q1, it did the opposite in Q2. Our participation in the broader rally was limited, owing to modest net exposure and the (typical) defensive-skew of individual positions.

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q2 2020	35%	+1.2%	+1.4%	+23.9%	+8.1%
YTD 2020	33%	-0.7%	-0.3%	-12.8%	-6.3%
Last 12 Months	37%	+1.9%	+3.6%	-7.0%	-2.1%
Since Inception	41%	+41.1%	+50.5%	+19.8%	+5.5%

Note: clients should always check individual statements for returns, which vary due to timing and other considerations

MARKET CONDITIONS – "NO ONE KNOWS WHAT IT MEANS, BUT IT'S PROVOCATIVE"[2]

Q2 was the best quarter for stocks in decades. Markets simultaneously saw deep-recession levels of unemployment *and* obvious pockets of late-90s Tech Bubble-style excess.[3] Certainly, I underestimated the efficacy of government stimulus efforts and the intensity of the excitement over the economy bouncing back from wide-scale shutdowns.

Today, there are some obvious risks that lie directly ahead. "Obvious" typically means it's priced in. But this market has been far from typical since February. A large, second COVID-19 wave and peak election season are both upon us. Thankfully, the death toll from the second wave has been muted. Logic suggests this will change; we hope not. On the macro front, long-term unemployment trends remain worrisome and large swaths of the economy (travel, leisure) are shrouded in existential uncertainty. We will undoubtedly get through all of these challenges sooner or later. The question is: when? I don't know the answer, but investors seem optimistic about 2021 and I'm less certain.

We continued to high-grade the portfolio during the quarter, leaving it better positioned for the long-run than I think it's ever been.[4] Longs are mostly the same – save for an exit (DollarTree) and two additions (Ritchie Bros. and, early in Q3, a "business services company" we're still adding to). More on these later. The short book turned over a bit, as we added (or re-added) fresh ideas, cleaned out stale positions, and added index hedges that seem to have an attractive risk/reward in the current environment (despite my usual distaste for "hedges").

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[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] Blades of Glory (2007).
[3] Some examples: surges in new account openings at retail brokers, new all-time highs in high-flying (and often quite speculative) tech stocks, aggressive/persistent call option buying, and, in a bizarre twist: a game of 'greater fool chicken,' in which investors bid up stocks of companies that were literally bankrupt (Hertz being the most prominent).
[4] For those unfamiliar with the term, 'high-grading' means upgrading the quality of a portfolio – i.e. shifting exposure more towards companies with strong balance sheets, lower cyclicality, steady growth and more dominant competitive advantages.

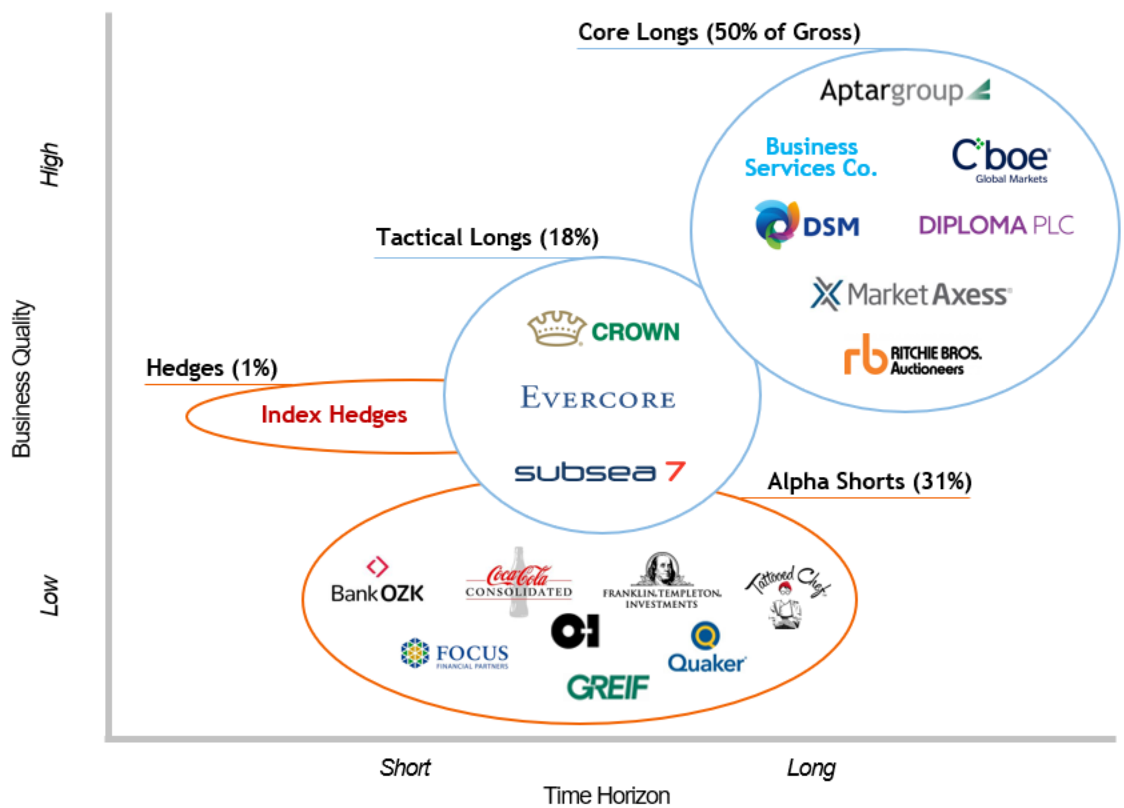
PORTFOLIO SNAPSHOT AND THOUGHTS ON BEING DIFFERENT

This won't be a regular feature; but, I thought it'd be helpful to layout a snapshot of the portfolio in Exhibit 1 below (descriptions of all Longs are in the Appendix). Why am I doing this? First, it occurs to me that even regular readers may not have a sense for what Upslope's portfolio actually looks like, since the letters typically just mention key changes. Second, I wanted to emphasize that Upslope's portfolio looks nothing like that of a typical hedge or mutual fund.

In a world awash with cheap index products and all-too-often beta-driven "hedge" fund strategies, Upslope's goal is to deliver something different: equity-like returns with low correlation. Since inception, correlations with the S&P 500 and Midcap 400 are both below 0.20. In addition to potential diversification benefits when paired with most traditional portfolios, 'being different' also happens to be the only approach I am aware (or capable) of that lays the groundwork for potential outperformance of equity markets over the long-run.

While the benefits of 'being different' seem obvious, the path can sometimes be frustrating. Upslope's year-to-date results have been a textbook example. As markets crashed in Q1, the confidence resulting from having successfully protected capital during a nearly-unprecedented market collapse contrasted perfectly with intense "POMO" (pain of missing out) in Q2. Despite short-term challenges, I could not be more enthusiastic about our strategy and unique portfolio. From the perspective of a portfolio manager, it suits my personality and temperament perfectly – something essential for success in investing. Of course, the vast majority of my family's investable net worth also remains invested right alongside Upslope clients.

Exhibit 1: Portfolio Snapshot

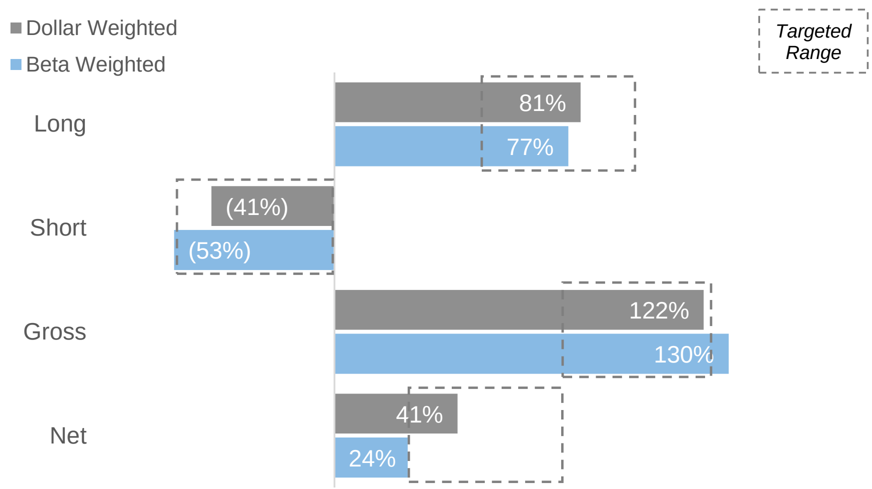


Source: Upslope. Note: positions as of 7/13/20 and may change without notice. **Only a sample of current short positions are shown.** Logos not positioned deliberately *within* categories. **See Appendix C for a brief overview of all long positions.**

PORTFOLIO POSITIONING

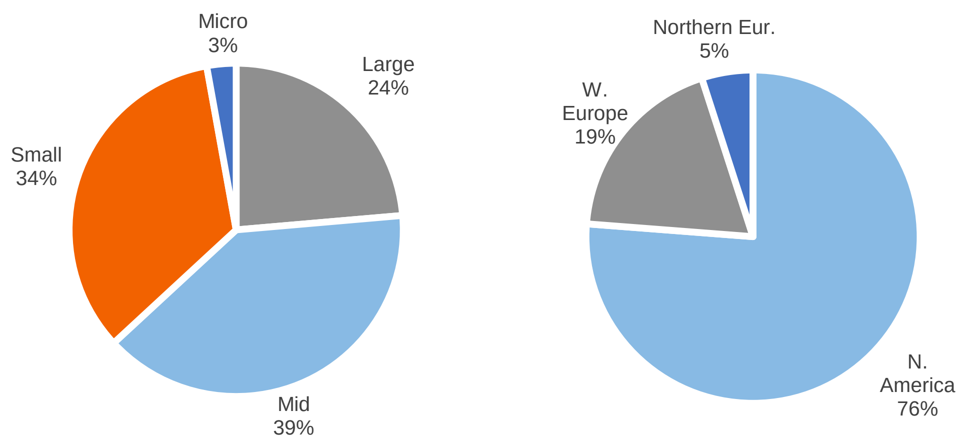
At quarter-end, gross and net exposures were 122% and 41%, respectively. This reflects an average number of perceived opportunities on the long side of the portfolio and above average exposure on the short side (further enhanced by hedges).

Exhibit 2: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 6/30/20. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo.
Note: as of 6/30/20.
Definitions: Micro (<$250mm), Small ($250mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn).

PORTFOLIO UPDATES[5]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: MarketAxess (+390 bps)	Short: Quaker Chem. (-205 bps)
Long: Evercore (+250 bps)	Short: Bank OZK (-130 bps)
Long: Royal DSM (+200 bps)	Short: Focus Fin. (-130 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+1,325 bps	-1,185 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Ritchie Bros. Auctioneers (RBA) – New Long

Ritchie Bros. is the world's leading auctioneer and operator of marketplaces for the sale of used heavy equipment (construction, farming, energy, etc.). Through in-person and online auctions, as well as brokered transactions, RBA facilitated the sale of $5+ billion worth of equipment in 2019. Our thesis is as follows:

1) **Clear, durable competitive advantages.** As the clear leader in facilitating used heavy equipment sales, RBA enjoys significant competitive advantages – similar to those of a dominant financial exchange (e.g. stock market). When customers want to transact, they are far better served participating in an RBA auction, which offers deeper inventory selection, superior access to buyers and more efficient pricing. While direct and indirect competition certainly exists, RBA's competitive advantages should continue to strengthen over time, as the company grows.

2) **Potential inflection point with parallels to financial exchanges.** Due to COVID-19, RBA rapidly flipped to operating its auctions 100% online in Q1. While in-person auctions won't disappear for good, it seems likely that an acceleration towards a greater online mix will stick. If so, there are some interesting, potential precedents in the financial exchange world. When financial exchanges have shifted in the past from floor- and/or phone-based trading to purely "electronic" (online) trading, volumes have generally moved higher. While RBA's business is focused on a very different "asset class," it seems possible such a shift could remove transaction frictions and provide a boost to volumes and margins over the long-run.

3) **Financial results tell a consistent story.** There are a number of metrics that appear supportive of the thesis that RBA has an attractive operating model and durable competitive advantages: (A) RBA has historically grown GTV (global transaction value, a key metric used to track the health of the business) in the high-single-digit range. Even in the financial crisis, GTV only fell ~8% from peak to trough (over two years). (B) RBA's revenue take rate (revenues as a % of GTV – very rough approximation of pricing power) has grown steadily over the last 10+ years. (C) Solid and sustained returns on invested capital and high/growing free cash flow (to firm) margins.

[5] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

4) **Potential cyclical upside.** RBA has indirect exposure to infrastructure spending (and odds for some kind of stimulus on this front in the next 12 months appear higher than normal) and could be a beneficiary of distress in the energy sector (liquidation auctions).

5) **Strong balance sheet.** We *may* be nearly out of the woods with regards to the COVID-19 crisis (from a market perspective), but a strong balance sheet is still highly desirable today. RBA is levered just 1.0x net and has good access to liquidity.

6) **Key Risks.** (A) New, unproven CEO, (B) lumpy quarter-to-quarter performance and (related) potential for losses on inventory deals (i.e. *part* of RBA's model involves actually purchasing inventory to be sold in auctions), (C) uncertainty regarding long-term impact of COVID-19, (D) general and unpredictable cyclical nature of the business.

DollarTree (DLTR) – Exited Long

After multiple quarters of lackluster execution and excuses from management, it became clear that thesis drift (*hoping* for fresh activist involvement – not central to our original long thesis) was setting in. Further, a big part our DLTR thesis was expected outperformance (of the business and stock) during times of economic stress. Given questionable execution in recent years, we are no longer confident that such outperformance is a given.

SPACs – New Short(s)

Year-to-date, there has been a notable SPAC (special purpose acquisition company) boom – a clear sign of speculative fervor. As a reminder, SPACs are publicly-traded shell companies comprised of a pool of cash in search of an acquisition target. Like others, we think of the SPAC model as highly-flawed and believe they rarely work out over the long-run.[6] Management teams are heavily incentivized to do a deal – any deal. So, most over-pay for lousy businesses that were unable or unwilling to complete a traditional IPO or strategic sale process. There are exceptions; but, they are rare.

Given the above – and the intense enthusiasm for SPACs today – we believe attractive opportunities exist on the short side for select SPACs. We've begun assembling a "basket" of such shorts where enthusiasm appears to far exceed the long-term potential of the underlying target business. In selecting which SPACs to short, we have focused largely on qualitative characteristics that: (a) indicate a high likelihood of failure and (b) make them less susceptible to dangerous short squeezes (space tourism would be an example of something to avoid). Despite this focus, sizing for each position is relatively small.

One example of the above, that we are currently short, is Tattooed Chef (ticker: FMCI). Tattooed Chef is the pending target for a SPAC called Forum Merger II. Bulls believe FMCI is the second coming of Beyond Meat (BYND), a poster-child for the pockets of wild, bubbly excess noted previously. At least BYND has *some* arguable competitive advantage (i.e. they actually produce proprietary, meat-less "raw" ingredients). FMCI, on the other hand, simply sells pretty standard, "plant-based," pre-prepared frozen foods. Some examples: $13 bags of frozen vegetables and $16 cauliflower-crust frozen pizza – hardly exciting or unique stuff. Despite an obvious lack of competitive advantages and the long list of typical SPAC headwinds/risks, FMCI shares appear very richly-valued.

[6] Older study on the challenges for SPAC returns: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2139392

CLOSING THOUGHTS

While it's impossible to know what lies ahead in markets, I think we can confidently agree the second half of 2020 will be "interesting." Upslope's portfolio is well-positioned to handle whatever markets throw at us. In addition to strong downside protection, positioning is balanced between defensive, secular growers (such as AptarGroup, who designs/produces pharma packaging) and businesses more directly exposed to a broader re-opening of the economy (e.g. Evercore, a leading boutique M&A advisor that should eventually benefit from pent-up M&A activity and lower-for-longer rates).

As always, I'm grateful for your trust and the opportunity to manage a portion of your hard-earned money. If you have any questions at all regarding the portfolio, your account, or anything else, please don't hesitate to contact me.

Finally, if you are interested in adding to your account or know someone that might be interested in becoming an Upslope client, please call or email me.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

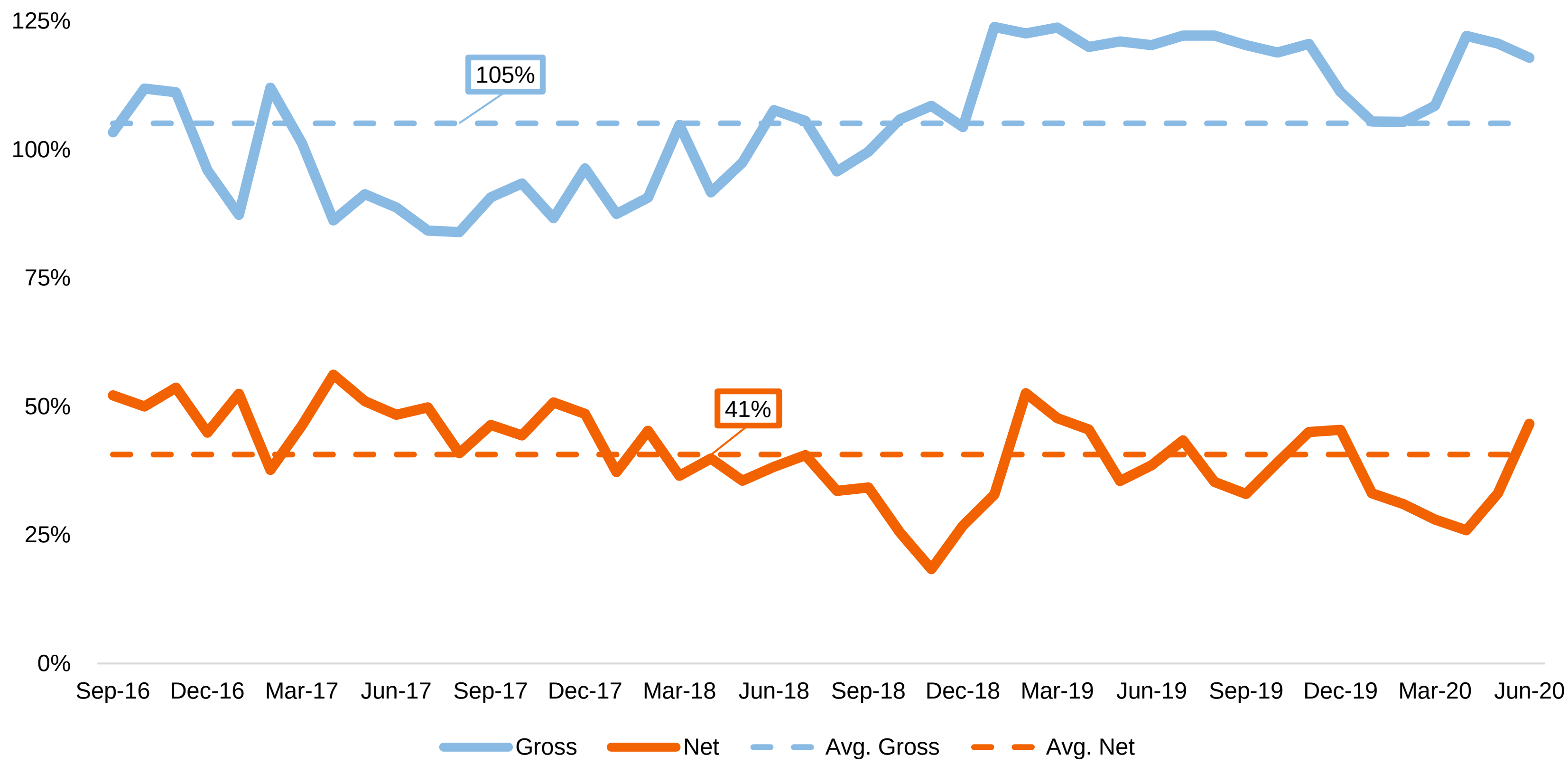
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	--	--	--	--	--	--	(0.7%)
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	--	--	--	--	--	--	(12.8%)
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	41.1%	9.4%	4.1%	1.8	--
	S&P Midcap 400	19.8%	4.8%	14.9%	0.2	0.18
	HFRX Equity Hedge Index	5.5%	1.4%	6.4%	(0.1)	0.15

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2020 were 37.9% and -3.1%, respectively). Clients should always review statements for actual results**.** 11% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational.
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable and growing pharma packaging unit. Steady secular grower misclassified and undervalued due to its legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 30% of EBIT.

Business Services Co. (Undisclosed)

Undisclosed (still adding to position), midcap specialty services provider hit hard by the COVID-19 crisis.

Cboe Global Markets (CBOE)

Diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. Unique products with counter-cyclical buffers and strong competitive advantages; backstopped by compelling potential take-out (sale to strategic) rationale.

Crown Holdings (CCK)

Top two global producer of beverage and food *cans*, as well as transit packaging products. Recession-resistant free cash flow stream bolstered by long-term secular shift (driven, in part, by environmental considerations) from the use of glass packaging to metal/cans.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Evercore (EVR)

Leading independent, boutique investment bank focused largely on M&A and other corporate financial advisory. Market-leading franchise with history of share gains, strong balance sheet, and significant cyclical upside post-normalization.

MarketAxess (MKTX)

Platform for electronic trading of fixed income (mostly corporate high-grade, high-yield, Eurobonds, emerging markets). Beneficiary of long-term trend towards electronic trading; market share gains have accelerated sharply YTD, further bolstering dominant competitive position.

Ritchie Bros. (RBA)

World's leading auctioneer/operator of marketplaces for the sale of used heavy equipment (construction, ag, energy, etc.). Dominant leader in fragmented markets that should benefit from straight-forward network effects, acceleration towards more auctions held online, and indirect cyclical upside.

Royal DSM (DSM.NA)

Netherlands-based nutrition (specialty ingredients for human/animal feed, vitamins, supplements, personal care) and materials (auto, other specialized materials) business. Defensive foundation (Nutrition segment), bolstered by strong product pipeline; overall, underappreciated due to cyclicality of Materials segment.

Subsea 7 (SUBC.NO)

Norway-based, global specialty offshore energy services provider; provides technical services, including facility design/engineering, procurement, construction, maintenance, repair and shut-down. Conservatively managed and well-positioned to weather current cyclical downturn.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2020 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2020-Q3 Update

October 14, 2020

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Solid year-to-date performance has generally been enabled by a favorable environment for stock-picking (plenty of volatility and dispersion) and Upslope's ability to be nimble.

	Upslope Exposure & Returns[1]			Benchmark Returns	
	Average Net Long	Return, Net of Fees	Return, Gross of Fees	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q3 2020	55%	+7.5%	+8.3%	+4.7%	+3.6%
YTD 2020	40%	+6.7%	+8.0%	-8.7%	-2.9%
Last 12 Months	41%	+3.6%	+5.1%	-2.4%	-0.4%
Since Inception	42%	+51.6%	+63.0%	+25.4%	+9.3%

Note: clients should always check individual statements for returns, which may vary due to timing and other factors

MARKET CONDITIONS – WHITE NOISE

Q3 was another strong period for equities – especially U.S., large cap, and/or tech stocks. Upslope's strategy and style tend to avoid the latter two categories and we usually have a material portion of the portfolio outside of the U.S. (nearly 25% today). The environment in Q3 was supportive of our approach; but, our focus areas are still relatively out of favor.

I don't have a good read on where markets or the economy are headed and have made peace with this. A favorable stock-picking environment has made such a mindset – head-down, focused on bottom-up work – more rational and easier to stomach. There are too many distractions and sideshows. Vaccine development news, stimulus headlines, and presidential tweets send markets flying or cratering (mostly flying, let's be honest) on a near-daily basis. The unemployment and macro picture continues to improve but remains sketchy on an absolute basis. Trying to make sense of elevated macro risk and clear signs of froth in public markets (full valuations, an all-out SPAC bonanza,[2] aggressive call option buying, and a brief stock-split craze reminiscent of the 90s Tech Bubble, for example) is bound to drive an investor insane. No one knows where we're headed. And it's better to be clear about this than pretend otherwise.[3]

Today, the portfolio is marginally more net long traditional, cyclical "value" than 90 days ago. I am conscientious of any shift at the portfolio level, even though it's mostly a byproduct of bottom-up stock-selection. While I feel ill-equipped to determine whether the long-awaited rotation to "value" (away from growth) is finally upon us, Upslope's portfolio and strategy are well-prepared for it, if/when the time comes. Some commentary on the topic is included on the following pages.

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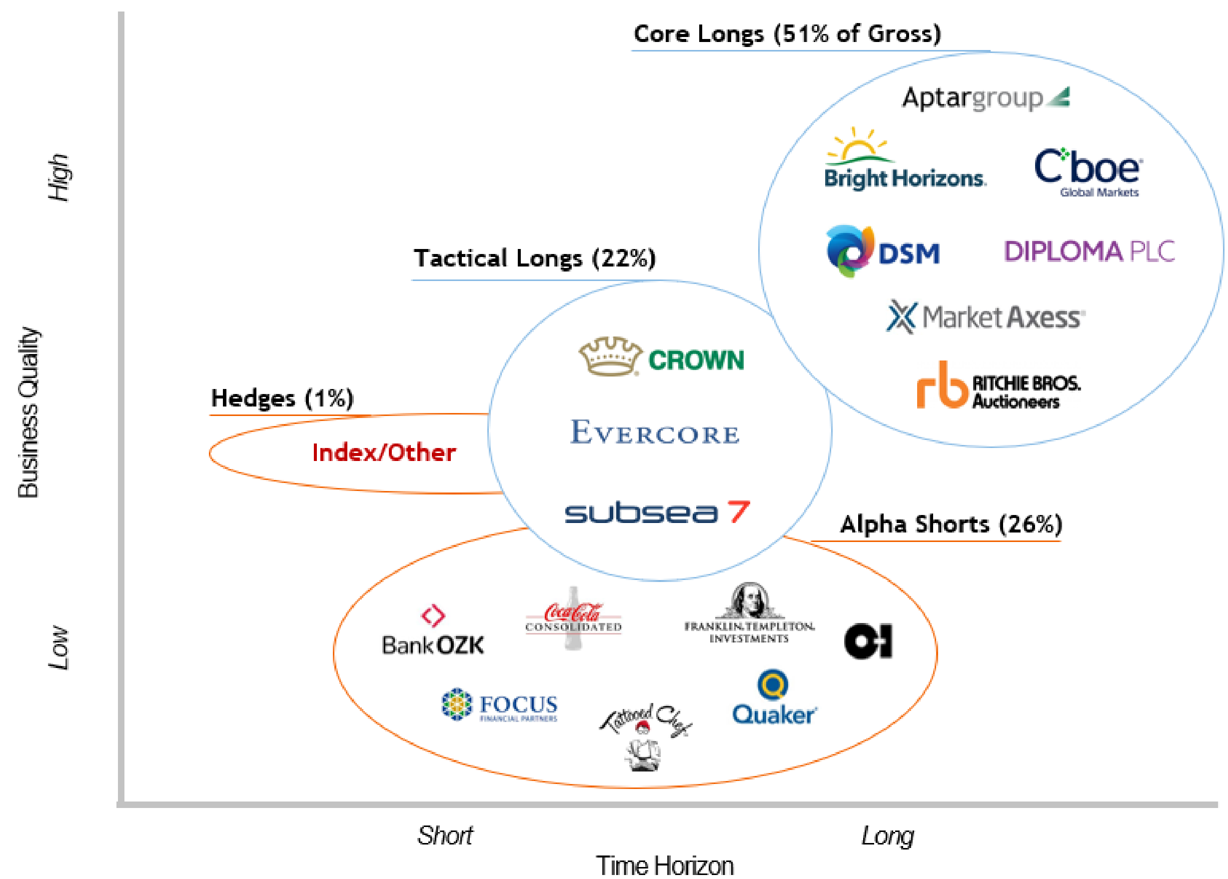
[1] Unless otherwise noted, returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] SPAC background on page 5 of the Q2 letter, if you're unfamiliar.
[3] If you're interested in even more commentary on the macro picture, I recommend this excellent blog post (with which I generally agree) by an anonymous author (no affiliation).

VALUE PRACTICE

Since inception, Upslope's longs have been divided into two categories: Core and Tactical. The categories aren't scientific. They provide guideposts for position sizing and a framework for selling. Some quick definitions: Core longs are higher "quality" businesses (not-too-cyclical growers that are competitively advantaged, profitable, and well-managed), while Tactical longs look more like traditional "value" stocks (cyclical, "low P/E"). *Reasonable* valuation is essential when initiating a Core position; but, valuation isn't much of a factor for exiting. For Tactical longs, valuation is a major factor for deciding to initiate *and* exit a position. The current portfolio, by category, is shown below in Exhibit 1.

Exhibit 1: Portfolio Snapshot



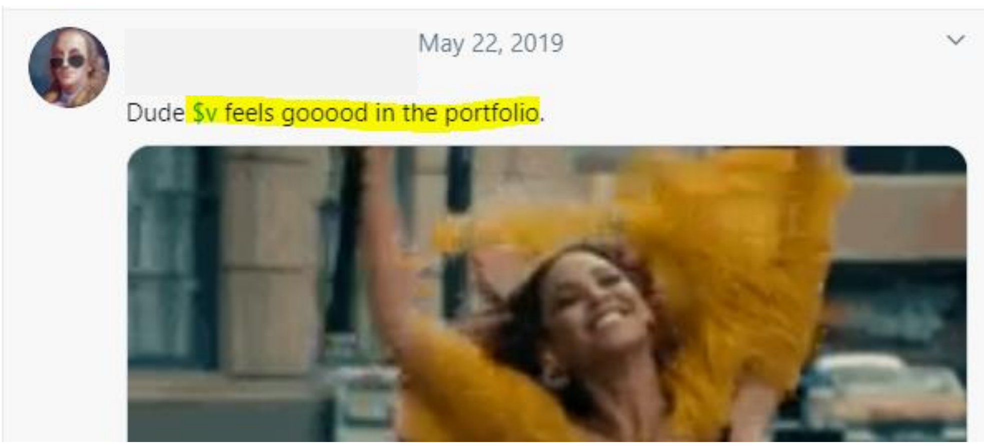
Source: Upslope. Note: as of 10/13/20 and may change without notice. **Only a sample of current short positions (which may not be representative of the full short portfolio) are shown.** Logos not positioned deliberately *within* categories. **See Appendix C for a brief overview of all long positions.**

Looking at Upslope's track record, one could easily suggest Tactical longs (aka "traditional value") have been a complete and utterly frustrating waste of time. About 85% of returns from longs have been generated by Core positions, despite the category holding just a 60% weight. Certainly, some mistakes were made and lessons learned.[4] But, much can also be explained, in my view, by the sharp underperformance of value stocks in recent years.

[4] Don't own levered secular losers, no matter how cheap. Don't make excuses for terrible management, no matter how cheap.

Importantly, Upslope's commitment to investing in both categories from the start has been due to the fact that: (A) **different market regimes favor certain styles**. We never want to be permanently wedded to one narrow style, as these regimes can last a *long* time (e.g. value has underperformed growth for the past 10+ years and is relatively cheaper than at anytime over the last 20 years[5]) and (B) **investors can't simply change styles on a whim without sustained practice**, given the experience and skill-set needed to succeed investing in, for example, an insulation installer (Tactical) vs. a financial exchange (Core) are very different. On this latter point, some time ago, a user Tweeted the following (note: "$v" = Visa, which is most certainly a "high-quality" stock):

Exhibit 2: What It's Like Owning Popular 'Quality' Stocks



Source: Twitter

While this was obviously a joke, I think it's a great way to cut through it all and illustrate the difference between owning "high-quality" (especially the popular ones) and "value" stocks in recent years. Sure, there are hiccups and valuation might decline along the way with "quality." But, generally it is easy to believe the underlying business will be just fine over the long-run. Buy at a reasonable price, watch fundamentals closely for adverse changes, and sit tight.

By contrast, owning "value" most certainly does not "feel good." The list of worries is long: potentially serious short- and/or long-term fundamental and competitive challenges, less-than-ideal capital allocation by management, cheap-but-declining valuation, cyclical considerations (which can make valuation analysis an entirely different animal), and, balance sheet concerns (that amplify all prior issues). So, owning "value" is completely different from an emotional and analytical perspective.

It is also different from a portfolio management and trading perspective. When buying an out-of-favor value stock, one can logically assume the position will lose money almost immediately (due to the more contrarian nature of the position and the impossibility of timing cycles perfectly) – not exactly the case when buying a popular growth or "quality" stock.

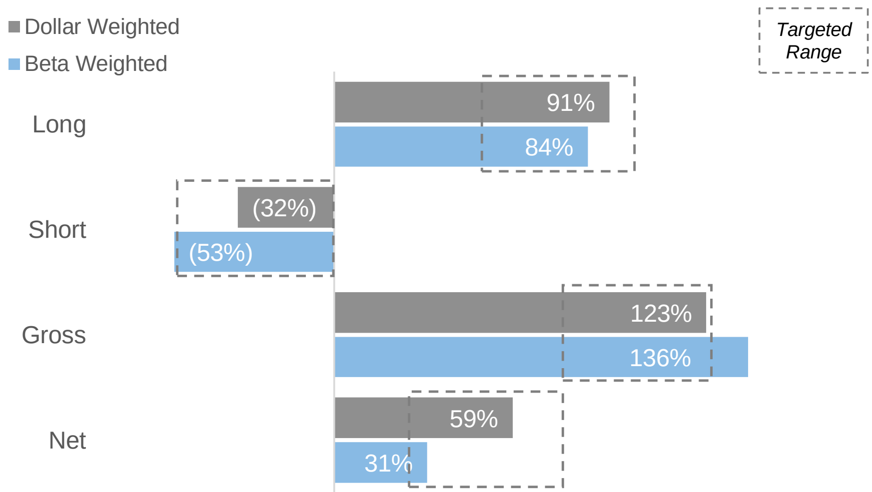
In conclusion, if the goal is to be prepared for evolving market regimes, practicing the out-of-favor style is essential. While it is hard to measure precisely, I believe Upslope has gotten better at finding and managing Tactical ("value") long positions over the past 4+ years and is well-prepared in the event of a market regime change.

[5] Per J.P. Morgan Asset Management's *Guide to the Markets* (4Q 2020, as of September 30, 2020).

PORTFOLIO POSITIONING

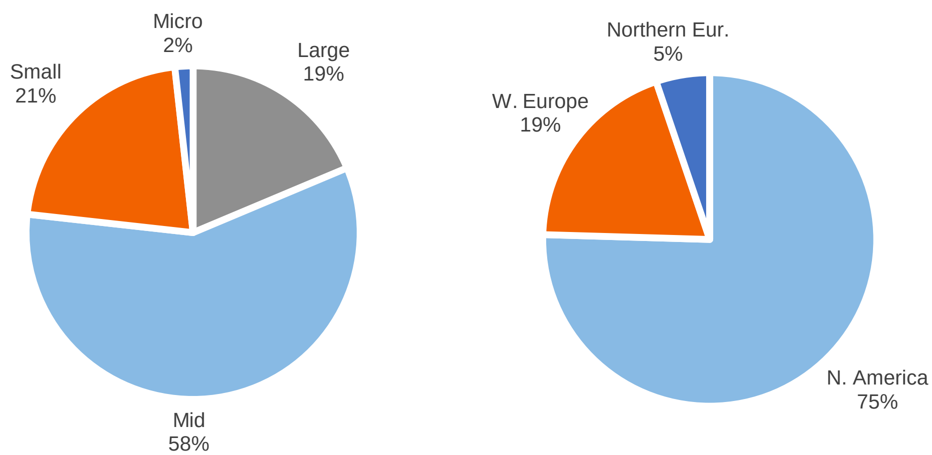
At quarter-end, gross and net exposures were 123% and 59%, respectively. Beta-weighted net long exposure was quite a bit lower (31%), owing to the typically higher-beta nature of our shorts and the impact of hedges. Overall, positioning reflects an elevated number of perceived opportunities on the long side combined with abnormally heightened macro uncertainty.

Exhibit 3: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 9/30/20. "Beta Weighted" amounts include delta-adjusted impact of options, if any

Exhibit 4: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 9/30/20
Definitions: Micro (<$350mm), Small ($350mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn)

PORTFOLIO UPDATES[6]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 5: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Ritchie Bros (+330 bps)	Short: Hedges, net (-280 bps)
Long: Bright Horizons (+250 bps)	Short: Forum Merger II (-55 bps)
Long: Diploma (+235 bps)	Short: Coke Consol. (-55 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+1,320 bps	-490 bps

Source: Upslope, LICCAR, Interactive Brokers

Note: Amounts may not tie with aggregate performance figures due to rounding

Bright Horizons Family Solutions (BFAM) – New Long

Bright Horizons is a leading operator of daycare centers and related services, primarily in the United States and, to a lesser extent, the U.K. and Netherlands. Offerings include full-service daycare (~85% of revenues in a normal year), back-up care (on-site or home-based for both children and the elderly; ~10% of revenues), and education advisory (~5% of revenue).

What makes Bright Horizons unique is its employer-sponsored offering (e.g. on-site daycare center operated for the benefit of a company's employees. The employer covers capex and facility maintenance). This focus results in a stickier customer base (95%+ retention[7]), lower capital needs, and the opportunity to compete more on quality of service than price. Within this attractive niche, BFAM is 6x as large as its next biggest competitor.

While BFAM's earnings were hit hard due to COVID-19 shutdowns, the company's competitive position has likely been *strengthened*, relative to smaller competitors, as a result of the crisis. Further details on the thesis are below:

1) **Definition of an essential business.** The essential nature of BFAM's business, combined with its industry-leading scale (and thus durability) is what initially attracted us to the company. Simply put, the economy cannot fully re-open without daycare providers also being open. "Work from home" – whether it's here to stay or not – is not a serious threat to the business model or demand over the long-run (I *dare* you to try to be productive "working from home" while simultaneously watching a toddler or two full-time).

2) **Clear competitive advantages, likely enhanced by the pandemic.** In the highly-fragmented childcare services industry, sticky employer-customer relationships, as well as industry-leading scale and a trusted brand are all key competitive advantages for Bright Horizons. Ultimately, the company seems far better equipped to navigate pandemic-driven changes and adversity relative

[6] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

[7] At employer-sponsored centers.

to smaller-scale competitors – leaving ample room for and possibly accelerating growth and consolidation.

3) **Attractive financial model.** Over the last 10 years, BFAM has generally grown revenue in the 8-10% range, while experiencing modest operating leverage and delivering strong free cash flow (free cash margin has expanded notably). While there will be at least a temporary margin reset due to COVID-19, there is no reason to believe that margins can't ultimately continue to expand over the long-term, as the business grows.

4) **Low cyclicality.** During a "normal" recession (i.e. one not triggered by a pandemic and related shutdowns), BFAM could be considered a business with low cyclicality due to the essential nature of its services. The company grew revenues during the financial crisis, despite decent exposure to financial services sector employers. Today, BFAM has a highly diverse customer base, with Healthcare & Pharma as its largest industry exposure (30% of 2019 sales, followed by Financial Services at 16%).

5) **Institutional backstop.** Given Bright Horizons' low cyclicality, predictable cash flows and leading competitive position within a fragmented industry, it seems logical to assume that private equity would be quite interested in the business should it face challenges again. Supportive of this assumption is the fact that BFAM (A) was previously owned by private equity (2008-13) and (B) easily raised $250mm of new equity from a respected institution during the height of pandemic.

6) **Key Risks.** (A) relatively full balance sheet (~4x net leverage based on depressed 2020 consensus earnings – closer to ~2x normalized), (B) margin headwinds likely to persist over the short-and medium-term due to COVID-19-related capacity constraints, and (C) modest macro/cyclical exposure, given employer-sponsor connection.

CLOSING THOUGHTS

2020 has undoubtedly been one of the strangest periods many investors have experienced. Volatility into year-end seems likely; but, many investors are already well-hedged. Given how the year has gone so far, it would not be a shock to see a performance-chasing rally into year-end. I am keeping an open-mind and excited about prospects for Upslope's unique portfolio regardless of what happens with equity indexes.

Thank you, as always, for your trust and the opportunity to manage a portion of your hard-earned money. If you have any questions, are interested in adding to your account, or know someone that might be interested in becoming an Upslope client, please call or email.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	--	--	--	6.7%
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	--	--	--	(8.7%)
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

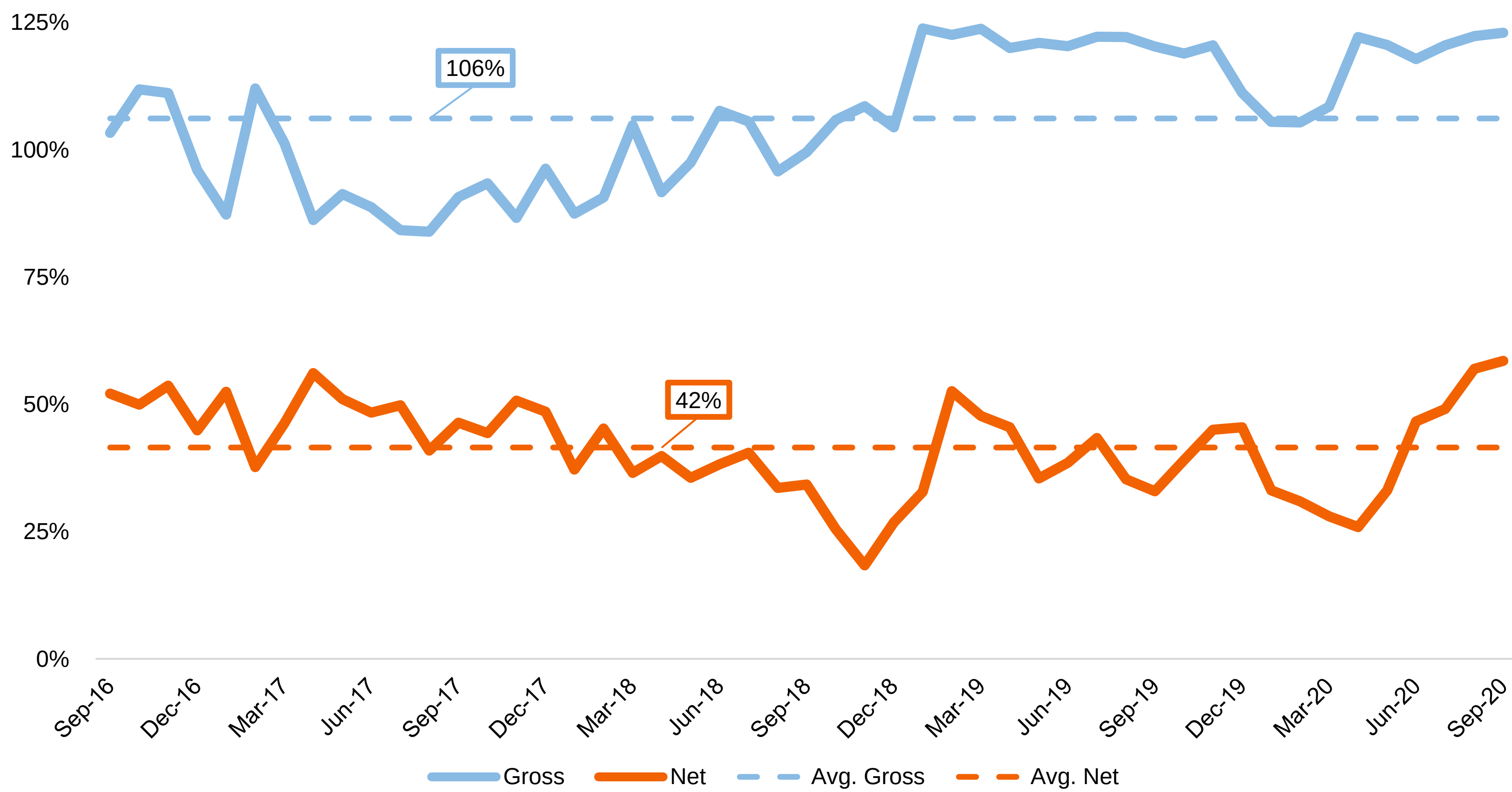
		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	51.6%	10.7%	3.9%	2.2	--
	S&P Midcap 400	25.4%	5.7%	14.5%	0.3	0.20
	HFRX Equity Hedge Index	9.3%	2.2%	6.3%	0.0	0.19

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2020 were 48.2% and 4.4%, respectively). Clients should always review statements for actual results**.** 10% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable and growing pharma packaging unit. Steady secular grower misclassified and undervalued due to its legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but <30% of EBIT.

Bright Horizons Family Solutions (BFAM)

Leading childcare provider with unique and dominant corporate partnership model. Hit hard by COVID-19 shutdowns, the BFAM platform should emerge competitively stronger and continue to benefit from long-term growth in demand for dependable, high-quality childcare.

Cboe Global Markets (CBOE)

Diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. Unique products with counter-cyclical buffers and strong competitive advantages; backstopped by compelling potential take-out (sale to strategic) rationale.

Crown Holdings (CCK)

Top two global producer of beverage and food *cans*, as well as transit packaging products. Recession-resistant free cash flow stream bolstered by long-term secular shift (driven, in part, by environmental considerations) from the use of glass packaging to metal/cans.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Evercore (EVR)

Leading independent, boutique investment bank focused largely on M&A and other corporate financial advisory. Market-leading franchise with history of share gains, strong balance sheet, and significant cyclical upside post-normalization.

MarketAxess (MKTX)

Platform for electronic trading of fixed income (mostly corporate high-grade, high-yield, Eurobonds, emerging markets). Beneficiary of long-term trend towards electronic trading; market share gains have accelerated sharply YTD, further bolstering dominant competitive position.

Ritchie Bros. (RBA)

World's leading auctioneer/operator of marketplaces for the sale of used heavy equipment (construction, ag, energy, etc.). Dominant leader in fragmented markets that should benefit from straight-forward network effects, acceleration towards more auctions held online, and indirect cyclical upside.

Royal DSM (DSM.NA)

Netherlands-based nutrition (specialty ingredients for human/animal feed, vitamins, supplements, personal care) and materials (auto, other specialized materials) business. Defensive foundation (Nutrition segment), bolstered by strong product pipeline; overall, underappreciated due to cyclicality of Materials segment.

Subsea 7 (SUBC.NO)

Norway-based, global specialty offshore energy services provider; provides technical services, including facility design/engineering, procurement, construction, maintenance, repair and shut-down. Conservatively managed and well-positioned to weather current cyclical downturn.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2020 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
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2020-Q4 Update

January 13, 2021

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. In 2020, Upslope's portfolio had little correlation to markets during the collapse early in the year and strong absolute returns in the second half.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q4 2020	53%	+7.9%	+24.4%	+7.8%
FY 2020	44%	+15.1%	+13.5%	+4.6%
Since Inception	42%	+63.5%	+56.0%	+17.8%

Note: clients should always check individual statements for returns, which may vary due to timing and other factors

MARKET CONDITIONS – SPACs!

I am equal parts amused, nervous, and excited by opportunities stemming from the SPAC circus. The SPAC (aka blank check) boom is a mini-me 90s tech bubble. It accelerated sharply in Q4 and into the new year and, I believe, provides a good peek into the market's mood. Demand for shares appears virtually unlimited: SPAC IPOs rolled out at a record pace in Q4 and it's not uncommon to see some trade at material premiums to NAV before *announcing* an acquisition. In these cases, investors are paying $1.30 (for example) for $1.00 of cash in a concrete way. It's not totally illogical: once a deal – *any* deal – is announced, SPAC investors can't pay enough to own shares of the newly-public company. The target could be an auto mechanic dressed up as a trendy electric vehicle "manufacturer." It doesn't matter. That investors are paying huge premiums (50-100-200%) to market clearing prices (the multiples SPACs pay to take the operating companies public in the first place!) is of zero concern. SPAC investors are not a picky bunch.

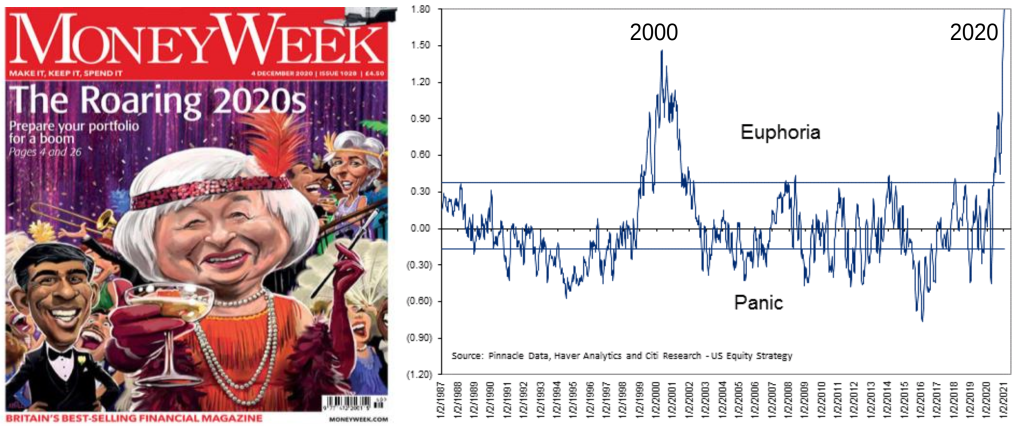
"Get rich quick" is the prevailing mood. Given the above and other speculative oddities today (e.g. aggressive call option buying and a new Bitcoin frenzy), professional investors have started to accept (or embrace) the notion that large parts of the market are in bubble territory. This all seems…strange against the backdrop of the ongoing COVID tragedy and a global economy sputtering along. Yet, most institutional and retail investors not only survived the COVID Crash but were *emboldened* by it. If you survived March 2020, what's left to fear? A global pandemic and unemployment spiking to depression levels? Big deal; last time that happened was the buying opportunity of a lifetime. In this context, it should hardly be a surprise that the S&P hit new all-time highs and closed higher the day rioters violently infiltrated the U.S. Capitol.

Such an environment made Q4 (and YTD) the most challenging period for short-selling that I can recall. I suspect some of this changes in the coming quarters.[2] For now, the primary goal on the short side is survival. This means being patient with position sizing and timing, and generally avoiding the temptation to ramp up short exposure (despite feeling like a kid in a candy store).

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.

[2] For more on this topic, please see the SPAC shorts discussion in Appendix D.

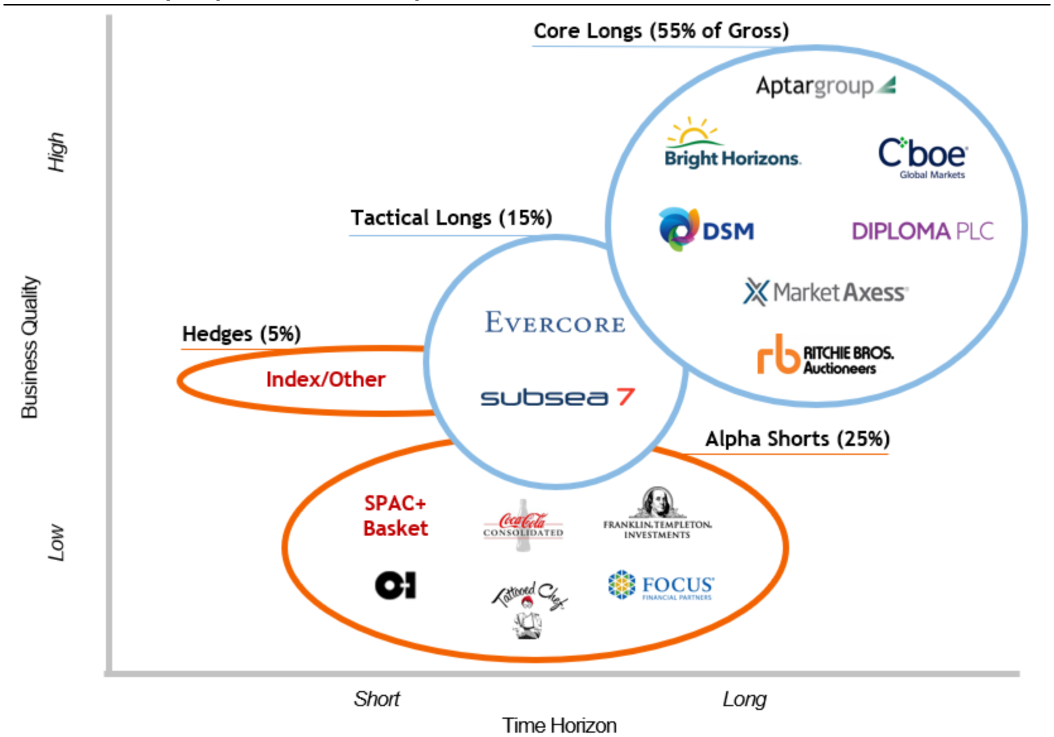
Exhibit 1: Market Mood One-Two Combo



Source: MoneyWeek (December 4, 2020), Citi (Panic/Euphoria model, shown from Jan 1987 - Jan 2021)

Overall, Upslope's positioning is relatively unchanged vs. Q3. Cyclical exposure is still somewhat elevated vs. our own history; but, the core of the long portfolio remains defensive. The biggest changes: we exited Crown Holdings and added significantly to Cboe Global Markets (brief descriptions of all longs are in Appendix C). On the short side, exposure to speculative "growth"[3] is higher than usual, with the addition of a "SPAC+ basket." This positioning should enable us to navigate the strange environment for a while, while being well-prepared to pounce upon an eventual and significant market regime change.

Exhibit 2: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 12/31/20 and may change without notice. **Only a small sample of current short positions (which may not be representative of the full short portfolio) are shown.** Logos not positioned deliberately *within* categories. See Appendix C for a brief overview of all longs.

[3] Scare quotes due to the fact that many of these businesses are entirely unproven (or worse) and hockey-stick growth prospects are primarily based on management and SPAC sponsor forecasts.

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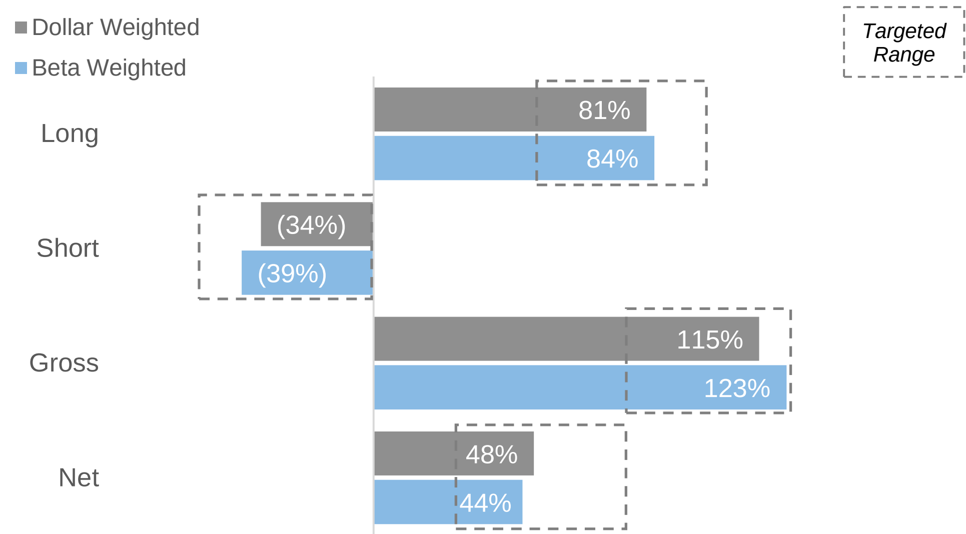
PORTFOLIO POSITIONING

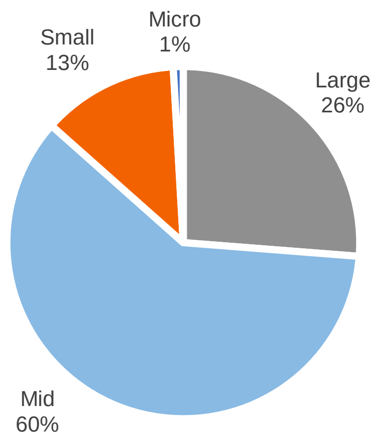
At quarter-end, gross and net exposures were 115% and 48%, respectively. Overall, positioning reflects a rising number of perceived opportunities on the short side combined with continued macro uncertainty.

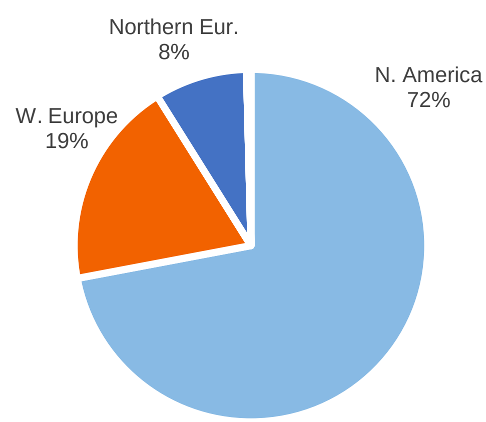
Exhibit 3: Current Portfolio Exposure (% of Net Asset Value)



Source: Upslope, Interactive Brokers, Sentieo
Note: as of 12/31/20. “Beta Weighted” amounts include delta-adjusted impact of options, if any

Exhibit 4: Gross Exposure by Market Cap & Geography





Source: Upslope, Interactive Brokers, Sentieo
Note: as of 12/31/20
Definitions: Micro (<$350mm), Small ($350mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn)

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 5: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Evercore (+505 bps)	Short: Hedges, net (-205 bps)
Long: Subsea 7 (+285 bps)	Short: Quaker Chemical. (-85 bps)
Long: Crown Holdings (+225 bps)	Short: Focus Financial (-80 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+1,880 bps	-955 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Crown Holdings (CCK) – Exited Long

We exited Crown Holdings near the end of the quarter. The business is performing well and an exit *feels* early. But, CCK was a "Tactical" holding (historically, we've been short CCK about as often as long) and thus I am more sensitive to valuation. Today, Crown's valuation and leverage are relatively full and the long thesis is well-understood by investors.

Cboe Global Markets (CBOE) – Update on Long

We added significantly to our CBOE exposure during the quarter. The company is facing near-term challenges (e.g. intense competition in cash equities, "cyclical" pressures in VIX (volatility) complex, regulatory noise around data). However, I believe the core of the business is not impaired. Importantly, an original part of our thesis involved the prospect of an eventual sale of the company under the right conditions. Acknowledging that the odds of any public company being sold are always remote, I believe those conditions are clearly present today. For more details on this topic, please see Appendix D.

SPAC+ Basket – New Shorts

During Q4, most of my research efforts were focused on compiling a basket of SPAC shorts. At period-end, we were short 11 SPACs and two smaller "EV" (electric vehicles, which might as well be SPACs, in my view) stocks. These are deliberately small positions, with most in the ~50 bps range. In total, EVs (SPAC or not) comprise about 1/3 of the basket's exposure. The remainder includes various consumer staple, discretionary, and materials businesses. For more details on this topic, including an overview of why now seems like the right time to initiate and hold these positions, please see the end of Appendix D.

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

CLOSING THOUGHTS

2020 was not an easy year, but I am pleased with how Upslope's portfolio performed throughout. I am thankful for the light at the end of the COVID tunnel and related distractions (and even more thankful that to date these have *only* been distractions). It seems genuinely hard to imagine today, but risk and volatility *will* re-emerge in markets. I don't know when it will happen. But, I remain focused and committed to protecting and growing our capital.

Thank you for your trust and the opportunity to manage a portion of your hard-earned money. If you have any questions, would like to add to your account, or know someone that may be a good fit for Upslope's differentiated approach, please call or email.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

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Appendix A: Historical Long/Short Composite Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	15.1%
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	13.5%
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	63.5%	12.0%	3.8%	2.6	--
	S&P Midcap 400	56.0%	10.8%	14.1%	0.6	0.23
	HFRX Equity Hedge Index	17.8%	3.8%	6.1%	0.3	0.21

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2020 were 59.1% and 13.7%, respectively). Clients should always review statements for actual results**.** 10% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational.

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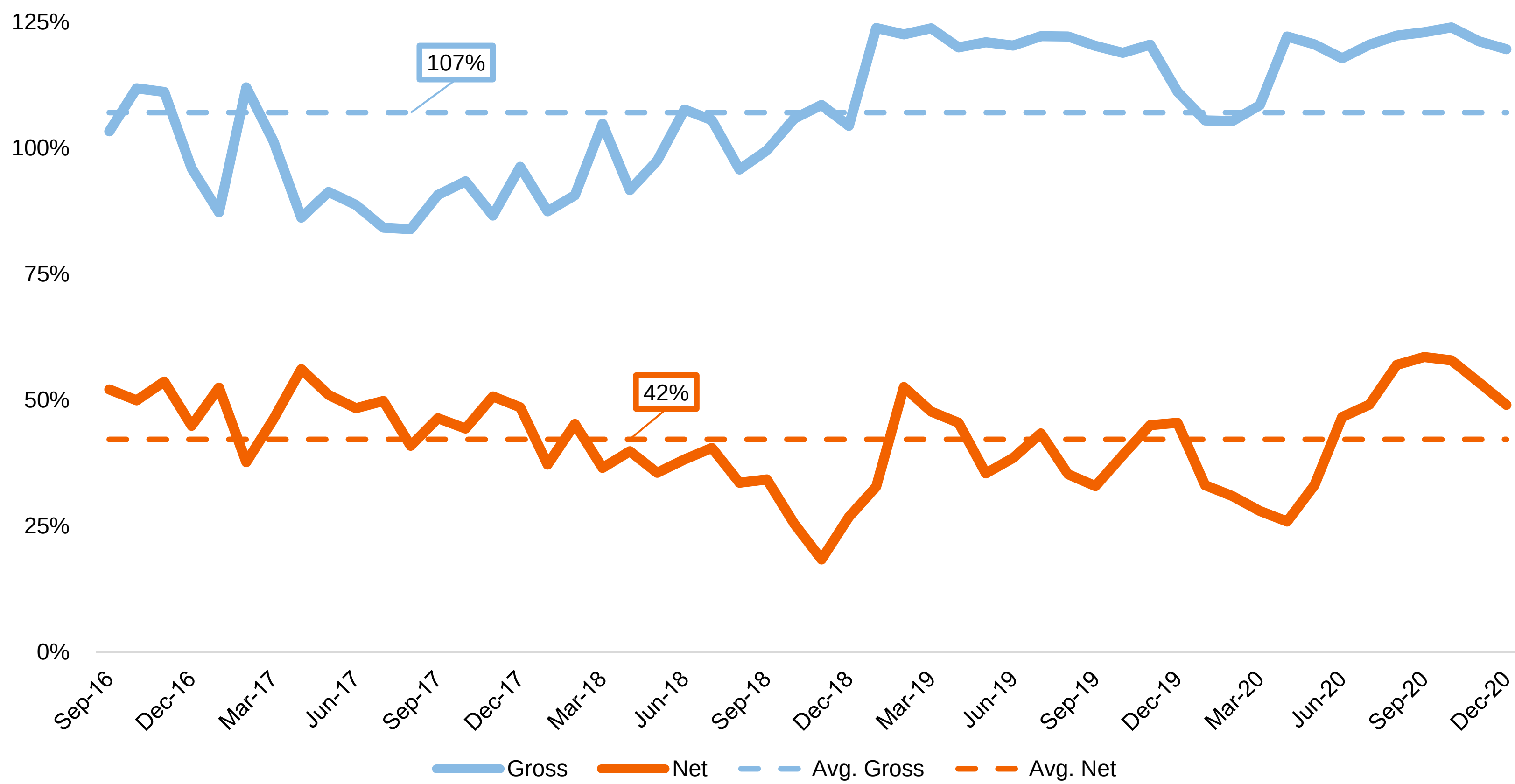
Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable and growing pharma packaging unit. Steady secular grower misclassified and undervalued due to its legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but <30% of EBIT.

Bright Horizons Family Solutions (BFAM)

Leading childcare provider with unique and dominant corporate partnership model. Hit hard by COVID-19 shutdowns, the BFAM platform should emerge competitively stronger and continue to benefit from long-term growth in demand for dependable, high-quality childcare.

Cboe Global Markets (CBOE)

Diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. Unique products with counter-cyclical buffers and strong competitive advantages; backstopped by compelling potential take-out (sale to strategic) rationale.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Evercore (EVR)

Leading independent, boutique investment bank focused largely on M&A and other corporate financial advisory. Market-leading franchise with history of share gains, strong balance sheet, and significant cyclical upside post-normalization.

MarketAxess (MKTX)

Platform for electronic trading of fixed income (mostly corporate high-grade, high-yield, Eurobonds, emerging markets). Beneficiary of long-term trend towards electronic trading; market share gains have accelerated sharply YTD, further bolstering dominant competitive position.

Ritchie Bros. (RBA)

World's leading auctioneer/operator of marketplaces for the sale of used heavy equipment (construction, ag, energy, etc.). Dominant leader in fragmented markets that should benefit from straight-forward network effects, acceleration towards more auctions held online, and indirect cyclical upside.

Royal DSM (DSM.NA)

Netherlands-based nutrition (specialty ingredients for human/animal feed, vitamins, supplements, personal care) and materials (auto, other specialized materials) business. Defensive foundation (Nutrition segment), bolstered by strong product pipeline; overall, underappreciated due to cyclicality of Materials segment.

Subsea 7 (SUBC.NO)

Norway-based, global specialty offshore energy services provider; provides technical services, including facility design/engineering, procurement, construction, maintenance, repair and shut-down. Conservatively managed and well-positioned to weather current cyclical downturn.

Appendix D: Detailed Portfolio Company Updates

Current Long: Cboe Global Markets

We added significantly to our CBOE exposure during the quarter. The company is facing near-term challenges (e.g. intense competition in cash equities, "cyclical" pressures in VIX (volatility) complex, regulatory noise around data). However, I continue to maintain that the core of the business is not impaired. Importantly, an original part of our thesis involved the prospect of an eventual sale of the company under the right conditions. Acknowledging that the odds of any public company being sold are always remote, I believe those conditions are clearly present today, as discussed below:

1) **'Cyclical' trough in VIX trading** – following the unprecedented spike in the VIX in 2020 (see below), many traders/investors exited the VIX market entirely. Open interest, a leading indicator for volumes, plunged ~50% to levels seen as early as 2011. Was this due to invalidation of the product itself? Certainly not, I'd argue. Instead, it became temporarily too challenging and expensive to trade, given a persistently elevated and volatile VIX. As VIX normalizes further – as it always has following market shocks – traders should re-enter the market more aggressively (open interest has indeed stabilized and slowly started to rebound). For a potential acquiror, the prospect of missing a temporary, cyclical trough should add a sense of urgency.

Exhibit 6: VIX Challenges Have Persisted, but are Likely Cyclical After an Unprecedented Year

Source: Upslope, Finviz. Note: data as of 1/7/21.

2) **Second-tier management + unique/valuable assets = attractive M&A target**. In mid-2019, CBOE lost one of its top operating executives, Chris Concannon (a logical successor to the current CEO), to a competitor. Since then, the prevailing view of management has deteriorated markedly, in my view. New product development has floundered, the company has made a number of uninspired acquisitions, its buyback program has underwhelmed despite a conservative balance sheet and attractive valuation, and management has appeared to lack

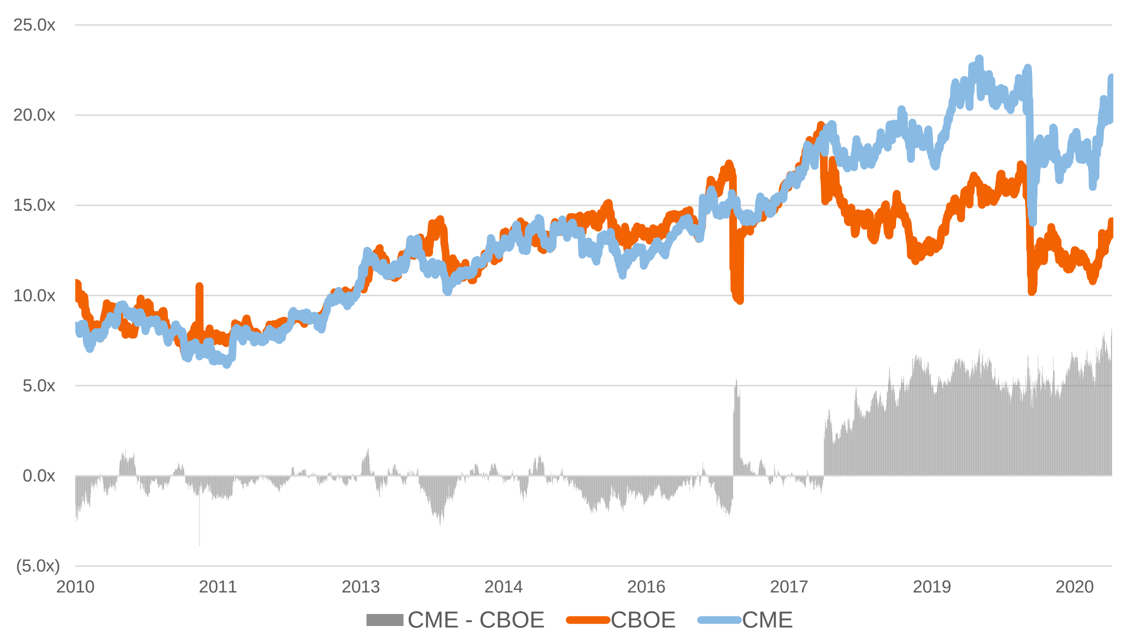
any sense of urgency in addressing the stock's sharp underperformance (vs. peers and the broader market).

Despite under-management, CBOE really does have unique and valuable assets. In addition to leading positions in single-stock and proprietary index options, CBOE has a virtual monopoly on the trading of volatility (VIX) products, an extremely useful tool for investors in *most* market conditions. VIX is the biggest reason most investors own the stock. It's also a product that competitor CME has shown interest in of late. Just last year CME launched its own volatility-related product; it's gotten negligible traction to date. Bottom-line: CBOE is an attractive business that could likely be managed far better by another owner with a more aggressive management team and complementary products.

3) **Current valuation is in-line with precedent transactions.** CBOE currently trades for 14x 2021e EBITDA. Precedent transactions (a blend of diversified and derivative-focused exchange deals) have typically occurred in the high-teens to mid-20s EBITDA range. A 19x multiple would represent a more than 35% premium, which is also in-line with most precedents.

4) **All-time high valuation discount vs. CME (a logical buyer) and other competitors.** A wide relative valuation discount makes the financing and financial rationale for a deal much easier and more attractive for potential acquirors.

Exhibit 7: EV/NTM EBITDA - Increasingly Attractive Relative Valuation



Source: Upslope, Sentieo. Note: data as of 1/8/21.

Finally, even if there isn't an actual sale (again, always a long-shot call), most of the above factors should represent an attractive set-up for owning CBOE shares on a stand-alone basis. Valuation is attractive (6% free cash flow yield), the business is highly profitable (near-70% EBITDA margins), the balance sheet is under-levered (1x net), and cash flows are likely to grow at least modestly over the long-run.

New Shorts: SPAC+ Basket

The SPAC market really does resemble a modern version of the 90s tech bubble. Through mid-January, I counted 21 announced or closed EV-related (electric vehicle) SPACs that had a combined pro forma enterprise value of almost $120bn. This group is expected to generate less than $700mm of sales in 2020 for a combined EV/Sales multiple of about 175x. Of course, virtually every EV SPAC has offered up hockey-stick-shaped projections, with the group forecasting a 230% revenue CAGR through 2022 (Competition? What competition?). This implies a 16x 2022 revenue multiple, about in-line with Tesla, the poster-child for bubble stocks in general. Except, unlike Tesla, the vast majority of EV SPACs have little scale and often little-to-no working product *today*. But, SPAC investors are optimistic about the future and willing to pay fat premiums to transaction prices.

Historically, the SPAC free lunch was mostly paid for by retail investors. Institutions owned shares at the IPO price and generally sold to retail for a premium upon announcement or closing of a deal. Inevitably, such premiums often proved misguided. Projections provided by sponsors/management when pitching the viability of a deal (for which they get compensated for simply closing) are often far too rosy. Apparently, there's a reason many previously-unheard-of businesses opted out of going public via the traditional IPO route, which forbids such projections. But the current SPAC boom has been a free lunch for everyone involved thus far.

My own to-be-proven theory is that the broader SPAC universe will *start* to wobble sometime in the first half of this year. This is based on a few observations.

1) **In recent years we've seen a number of mini-bubbles come and go rapidly** (pot stocks, short vol, blockchain, etc). We've also seen what looks like a general speeding up of broader market regimes (flash bear markets of late 2018 and early 2020). For the SPAC bubble to be exempt from this phenomenon, one must assume that SPACs really are a better, lasting mousetrap vs. traditional IPOs. This seems highly unlikely.

2) **Lock-ups[5] for a large swath of SPACs will begin expiring and rapidly increasing the "supply" of shares for sale.** The recent and sharp acceleration of SPAC IPO filings and pricings should also contribute to this phenomenon of "more SPAC shares for sale."

3) **Recently closed SPACs will begin reporting actual financial results in the new year.** These results should be interesting, given the number that have provided investors with laughably aggressive earnings forecasts to justify transactions.

During Q4, most of my research efforts were focused on compiling a basket of SPAC shorts. **At period-end, we were short 11 SPACs and two smaller electric vehicle stocks** (which might as well be SPACs, in my view). In total, EVs (SPAC or not) comprise about 1/3 of the basket's exposure. When the phrase "EV" is mentioned, most think of cutting-edge businesses. Entertainingly, several "EV" SPACs and businesses could properly be characterized as mechanics focused on electric vehicles.[6]

I describe these shorts as a "basket" because most are sized ~50 bps and I've taken more of a top-down approach in selecting them than usual. For example, seven had IPOs underwritten by an investment bank with a historically terrible "track record" (I estimate the average return from IPO price for the bank's 2015-

[5] Typically, SPAC sponsors/insiders must hold their shares for 180 days post-transaction close.
[6] Lightning eMotors, being acquired by GigCapital3 (GIK), is one such example. Link to recent factory tour here. Upslope/clients are short as of the date of this letter.

2017 SPAC IPO classes was about -25%. A large portion of these are -75% or more. At period end, our SPAC shorts traded at an average *premium to IPO price* of almost 100%). Of course, 'sketchy underwriter' is far from the only criteria. Beyond that, I looked for: (a) extreme intellectual dishonesty (e.g. glorified mechanic example noted above, valuation benchmarking comparing outer-year multiples for the target company vs. nearer-term multiples for peers), (b) lack of scale and/or clear leadership in industry, (c) highly-aggressive forecasts relative to historical results (common theme: companies that have operated for a decade or more with relatively little revenue/earnings to show), and (d) large piles of other red flags (e.g. CEO choosing to leave significant money on the table by opting for cash over shares).

Exhibit 8: Upslope's SPACs+ Short Basket

	Company	Actual/PF TEV	2021e-'23e Rev CAGR	TEV / '21 Sales	TEV / '22 Sales	TEV / '23 Sales	TEV / '21 EBITDA	TEV / '22 EBITDA	TEV / '23 EBITDA
1	SPAC	[Column Intentionally Blank]	50%	7.3x	5.4x	3.2x	180.2x	36.0x	18.0x
2	SPAC		6%	4.2x	4.0x	3.7x	14.2x	13.4x	12.5x
3	SPAC		35%	4.1x	2.9x	2.3x	23.1x	16.5x	12.7x
4	EV Co.		72%	10.5x	7.0x	3.6x	86.0x	44.4x	15.4x
5	SPAC		65%	26.3x	16.0x	9.7x	nmf	258.1x	70.5x
6	SPAC		53%	17.4x	10.6x	7.4x	97.0x	37.7x	26.1x
7	SPAC		118%	481.0x	357.3x	100.9x	nmf	nmf	nmf
8	SPAC		161%	255.2x	80.2x	37.4x	nmf	nmf	nmf
9	SPAC		23%	3.5x	2.8x	2.3x	12.2x	9.8x	8.1x
10	SPAC		219%	16.0x	2.9x	1.6x	nmf	67.4x	20.2x
11	SPAC		163%	57.6x	19.5x	8.3x	nmf	nmf	109.9x
12	SPAC		109%	5.5x	2.5x	1.3x	105.0x	7.5x	3.8x
13	EV Co.		113%	20.3x	6.0x	4.5x	nmf	nmf	nmf
	Total	**$29,220**	**58%**	**20.1x**	**12.5x**	**8.0x**	**4,714.4x**	**135.9x**	**55.5x**
	Median	**$1,209**	**72%**	**16.0x**	**6.0x**	**3.7x**	**86.0x**	**36.0x**	**16.7x**

Source: Upslope, Sentieo, and company filings. Note: data as of 12/31/20.

A question I often get: why not just sit on the sidelines and wait for the SPAC craze to "break" before putting on the shorts? My view is that this would likely lead to missing the downturn altogether, given the emotional challenge of quickly adding positions *after* what will likely be sudden, sharp declines. Instead, my approach here and with other high-beta shorts has historically been to 'hang around the hoop' (i.e. size small enough to survive and be ready to add when the inevitable break occurs). Nonetheless, I am keeping an open mind on all fronts – both with regards to each of the individual SPAC shorts and with the basket as a whole.

IMPORTANT DISCLOSURES

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There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2021 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

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Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2021-Q1 Update

April 15, 2021

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Q1 was challenging, much like other periods where markets went vertical. Fortunately, the cadence throughout (and continuing into Q2) provided a source for optimism: after sharp losses in January (-5%), the portfolio stabilized in February (flat), and had solid performance in March (+3%).

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q1 2021	52%	-1.9%	+13.6%	+2.7%
Last 12 Months	49%	+15.1%	+83.2%	+23.9%
Since Inception	43%	+60.5%	+77.2%	+20.9%

Note: clients should always check individual statements for returns, which may vary due to timing and other factors

I've noted before that on "normal" days Upslope's performance can be estimated as our net long exposure (e.g. 40%) multiplied by the up/down move in indexes. However, when markets explode to the upside or downside, the sign often gets flipped. It's not unusual for us to make money on dramatic down days for the market or lose money on huge up days. While I strive to position us better for the latter, I am unwilling to wholly sacrifice the downside protection Upslope has historically delivered. I realize this sounds quaint, or even ridiculous, in the current environment. There are much better products available to investors who believe markets will continue to go straight up for a long period of time. Of course, I don't think the torrid pace will continue. And regardless, I believe Upslope's deliberately steady and uncorrelated approach remains very complementary to more aggressive and/or traditional equity strategies.

MARKET CONDITIONS – WHERE BOOM BANDS ARE PLAYING

During Q1, there were three types of stocks in our universe: **Trash Value** (cheap to start the year, very cyclical, few competitive advantages), **Speculative Growth** (outrageously expensive, rapidly growing, unprofitable/high-risk model), and **Purgatory** (historically strong, steady performers and Upslope's bread and butter; not particularly cheap or expensive to start the year, defensive, solid competitive advantages). This is overly-simplistic and self-serving. But, it was hands-down the most effective way to categorize *our* stocks and monitor exposures.

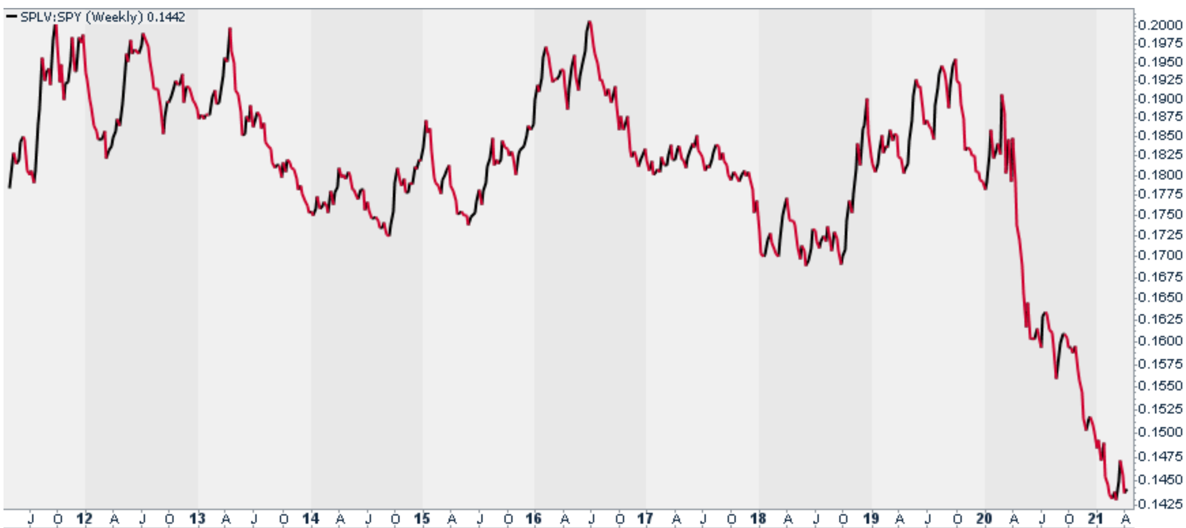
As is typical, we were net long Purgatory and short the other two categories to start the year. This cost us – especially in January. Shorts rose dramatically and, as the name suggests, Purgatory longs languished (despite strong reported results). While our Speculative Growth short theses have started to play out (we are still short the SPAC+ basket laid out in Q4), remaining short Trash Value as long as I did was a mistake. Exuberance over the "re-opening trade" and the theory that the world is on the cusp of a new "Roaring 20s" have propelled these stocks. We have mostly gotten out of the way. Trash Value stocks may be lousy long-term investments, but relative to frothier parts of the market, they at least look cheap.

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.

Looking ahead, markets have continued to climb; but, there is change under the surface. Momentum for the most speculative names has cracked. Retail enthusiasm has waned (an ironic result of actual "re-opening"). This can be seen, for example, in the sharp, recent underperformance of the most questionable SPACs and the Ark ETF complex (a family of funds focused on aggressive growth "story" stocks). Historically, when pure momentum stocks break as hard as many of these have, it takes quite awhile, if ever, to recover. While many are down 30-40-50% from their highs, plenty are still up or flat year-to-date, and virtually all (at least of the stocks we follow) remain egregiously over-valued.

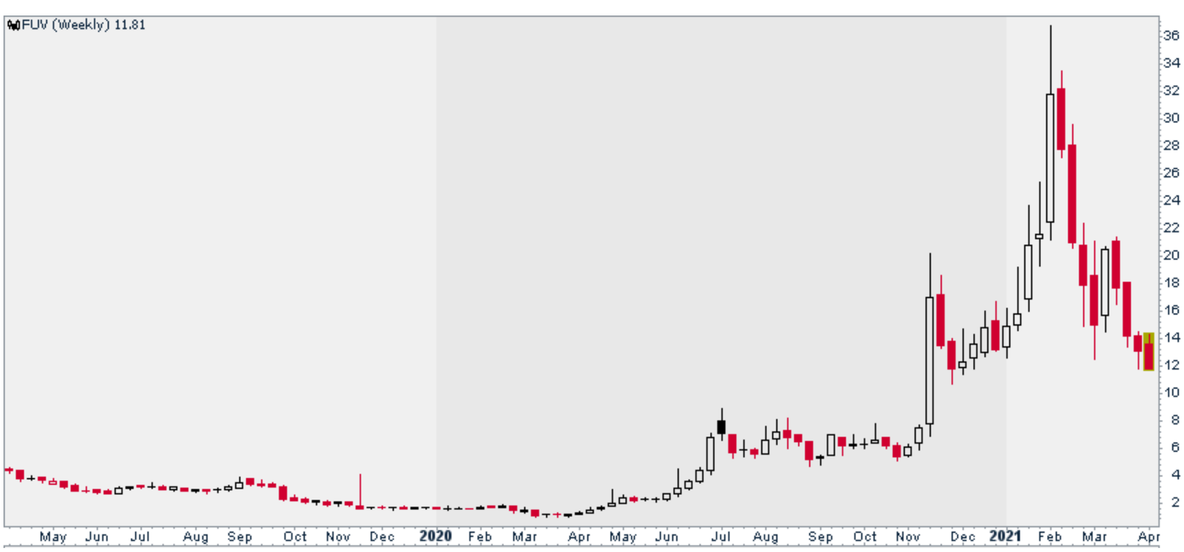
As the market begins to separate out genuine, durable businesses from hot air, I believe prospects for Upslope's strategy will continue to improve on both a relative and absolute basis. In line with this, I recently added materially to my own Upslope account for the first time since inception of the strategy 4.5 years ago.

Exhibit 1: Sharp Underperformance of Defensive, Low Volatility Stocks vs. Broader Market



Source: Upslope, StockCharts.com. Note: as of 4/14/21. Chart represents the performance of SPLV (an ETF that tracks an index of stocks with low volatility) relative to the S&P 500.

Exhibit 2: An Example of Broken Momentum and Typical YTD Trajectory for Speculative Stocks

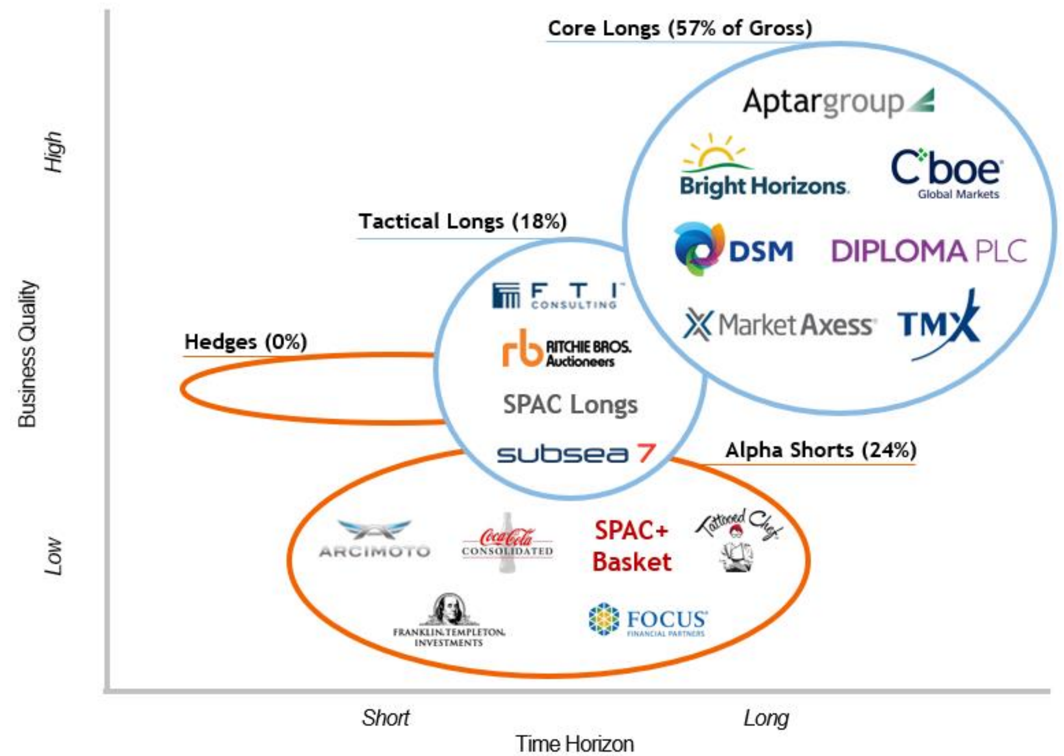


Source: Upslope, StockCharts.com. Note: as of 4/9/21. FUV is included in our SPAC+ short (part of the "+" in SPAC+) basket.

PORTFOLIO POSITIONING

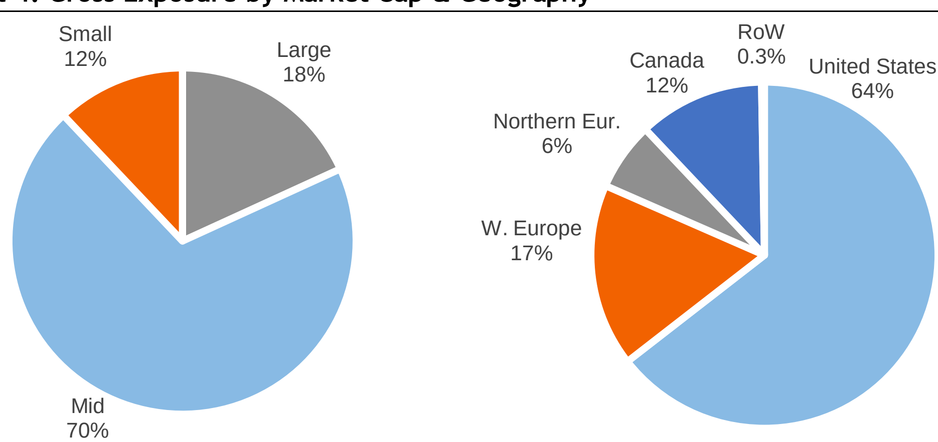
At quarter-end, gross and net exposures were 120% and 62%, respectively. Beta-adjusted exposure was much lower (47% net) due to the defensive nature of the portfolio (relatively lower beta longs) and two SPAC *long* positions with effectively capped downside (more on this later). Overall, positioning reflects a significant number of perceived opportunities on both the long and short sides of the portfolio.

Exhibit 3: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 3/31/21 and may change without notice. Only a small sample of current short positions (which may not be representative of full short portfolio) are shown. Logos not positioned deliberately *within* categories. See Appendix C for a brief overview of all longs.

Exhibit 4: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 3/31/21. Definitions: Micro (<$350mm), Small ($350mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn).

PORTFOLIO UPDATES[2]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: FTI Consulting (+180 bps)	Short: Hedges, net (-115 bps)
Long: Diploma (+165 bps)	Long: Ritchie Bros. (-115 bps)
Long: Evercore (+105 bps)	Short: Undisclosed (-75 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+510 bps	-670 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Evercore (EVR) – Exited Long

Evercore is a leading boutique investment bank, mostly focused on M&A advisory. We exited the position in Q1. The business is performing well, but it is extremely cyclical and was a "Tactical" holding (for which I exhibit tighter valuation discipline). When we bought shares last March, they were cheap even assuming trough earnings. Today, estimates are above prior cycle peak and valuation is less compelling.

FTI Consulting (FCN) – New Long

FTI is a boutique consulting firm with expertise in distress, bankruptcy, and other specialized dispute advisory services. "Long controversy and messiness" is one way to describe a position in FTI. Distress, litigation, regulatory changes, and corporate crises can all benefit FTI. The position is a virtual mirror image to Evercore. When we added Evercore one year ago, it was hard to envision the M&A market quickly turning around and thriving – just as it is hard to envision the restructuring market booming today. Yet, many of the pieces are in place to provide tailwinds for FTI in the coming years (bloated balance sheets, potentially rising rates, court re-openings, elevated potential for regulatory change, and a SPAC boom that could ultimately contribute to demand for FTI's services). Additional details on the thesis are in Appendix D.

TMX Group (X.TO) – New Long

TMX is the leading operator of financial exchanges (equity, derivative, fixed income) in Canada. Revenues are roughly: 35% data/analytics, 25% capital formation (tied to IPOs and secondary offerings), 25% equity (and to a lesser extent fixed income) trading, and 15% derivatives trading. About 40% of data/analytics revenue comes from TMX's Trayport unit, a unique and attractive asset acquired in 2017 and focused on European energy trading. Given a monopoly-like position in most core markets and a reasonable valuation, TMX is a proudly boring idea likely to outperform should we see another uptick in volatility and/or a sustained rise in inflation (outsized exposure to commodity and natural resource businesses combined with a toll-road style business model). Additional details on the thesis are in Appendix D.

[2] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

SPAC+ Short Basket – Update + New Longs

The core of our "SPAC+" short basket remains the same as a quarter ago – with a few tweaks. Chris Brown of Aristides Capital was recently quoted about short-selling: "why fight Mike Tyson, when you can kick grandma in the shins?" This is a perfect way to describe changes made and our general approach to managing the SPAC+ basket. We are mostly short a fairly pathetic bunch of companies pretending to be something they're not.[3] The basket continues to be the biggest single driver of our short portfolio. While many of the underlying stocks have fallen significantly from their highs earlier in the year, I still believe SPACs represent one of the most attractive opportunities for shorts in the quarters and years ahead.

During Q1 we also added two new SPAC…longs. Let me explain. After a SPAC announces its acquisition target and just prior to closing, shareholders may redeem shares for NAV (usually ~$10) instead of holding through the close. In the case of the SPACs we now sheepishly own, we were able to acquire shares within ~5% of NAV. So, even before considering the underlying businesses, we know downside is capped at…5%.[4] Further, as I know all too well, it's been *very* common for SPACs to trade at big premiums to NAV prior to close. So, we are left with a "trade" that has virtually no downside (~5%), significant potential upside (20%? 50%?), and provides a reasonable hedge against our large basket of SPAC shorts.

Currently, we are long BOWX (soon-to-be owner of WeWork) and GRSV (soon-to-be-owner of Ardagh's beverage can business). Given the logical "re-opening" exposure and sizzle-factor (a technical term) of WeWork, I was shocked shares were available post-announcement anywhere near the $10 NAV. For GRSV, the company operates in a sector I know very well and fits nicely with our packaging short exposure. While I believe both positions stand on their own from a risk-reward perspective, I do think of them as hedge-like in nature (i.e. paired against shorts and likely shorter-term positions).

Cboe Global Markets (CBOE) – Update (Long)

CBOE is a diversified financial exchange (equity, derivative, FX) operator. In Q4, I added to the position in anticipation of 2021 being *the* year, if ever, for CBOE to potentially put itself up for sale. In Q1, the company amended compensation agreements for various executives boosting severance pay in the event of a change of control (i.e. sale of the company). Management claims the amendment was the result of a routine review aimed at bringing the company in-line with peers. Upslope's analysis suggests it was already in-line and now has more generous change of control benefits than most direct peers. Bottom-line: this is a small, but positive development for the thesis that CBOE will either be sold or turned around this year.

CLOSING THOUGHTS

While delivering strong *absolute* returns over the long-run is always my primary mission, losing even a small amount as markets go up significantly is always frustrating. With the majority of my liquid net worth invested alongside Upslope clients I share that frustration. At the same time, however, I am cognizant of the fact that a genuinely unique, concentrated, long/short portfolio can be extremely uncorrelated – especially in the short-run. I remain very confident in the long-run outlook for our portfolio and am excited for the periods ahead.

[3] Examples? Two "mechanics" (my word) masquerading as futuristic electric vehicle companies, a trendy frozen meal producer pretending to be the next BeyondMeat (not even sure that's a good thing), a three-wheeled ATV manufacturer that fancies itself as the next…Segway-but-for-electric-vehicles, and so much more. Lest you think these might be literal penny stocks, note that as of 4/12/21, the median enterprise value of our SPAC+ basket was ~$1.5bn.

[4] There is, of course, the potential for mark-to-market losses before shares can be redeemed. But, this is not a major concern for us given the relatively un-levered nature of Upslope's portfolio.

As always, I am ever-grateful for the trust you've placed in me to manage a portion of your hard-earned money. If you have any questions, would like to add to your account, or know someone that may be a good fit for Upslope's unusual approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

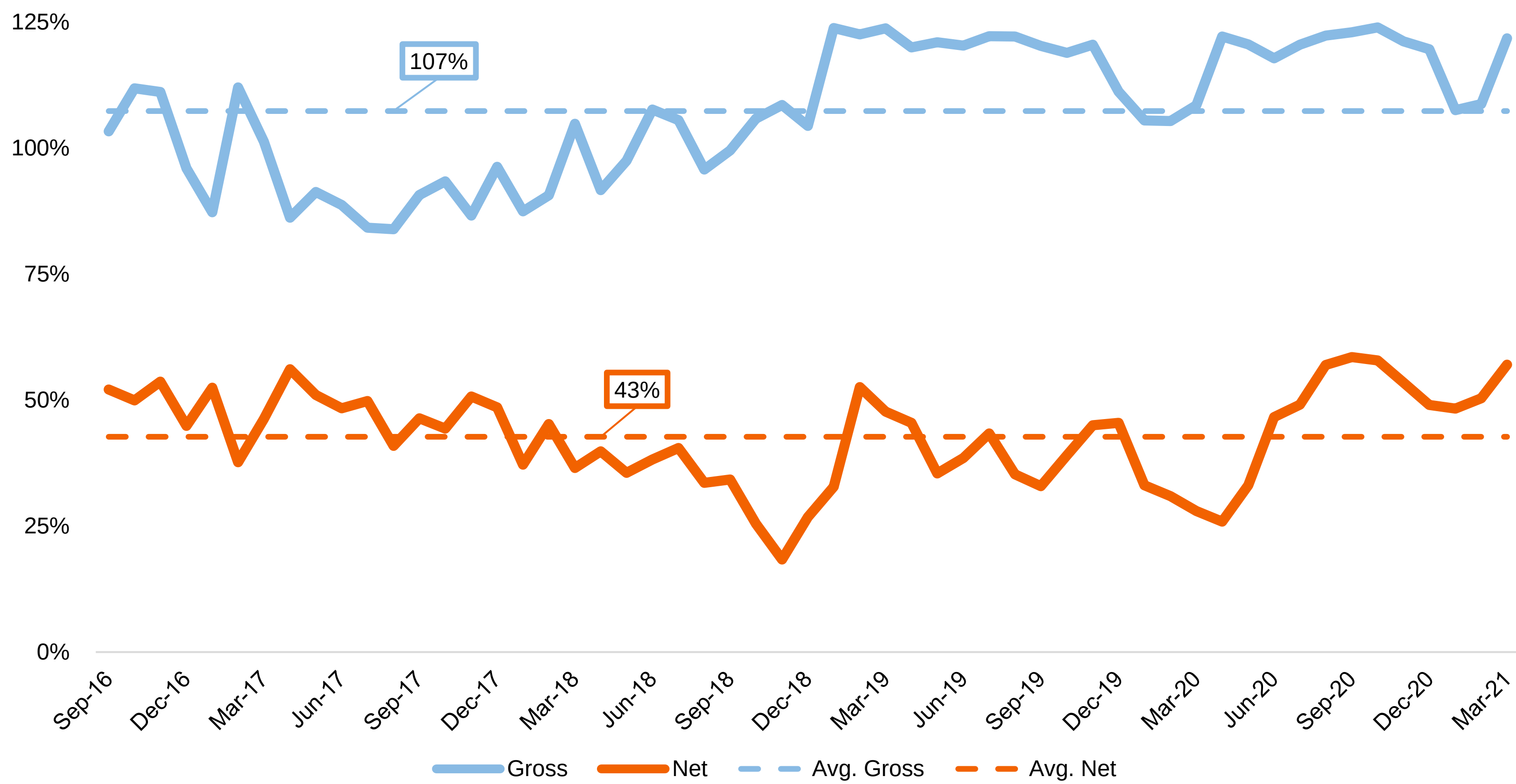
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	Upslope	(5.1%)	0.3%	3.2%										(1.9%)
	S&P Midcap 400	1.4%	6.8%	4.9%										13.6%
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	15.1%
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	13.5%
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	60.5%	10.9%	4.4%	2.0	--
	S&P Midcap 400	77.2%	13.3%	13.7%	0.8	0.22
	HFRX Equity Hedge Index	20.9%	4.2%	5.9%	0.4	0.22

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2021 were 56.1% and -2.2%, respectively). Clients should always review statements for actual results**.** 11% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable and growing pharma packaging unit. Steady secular grower misclassified and undervalued due to its legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but 25% of EBIT.

Bright Horizons Family Solutions (BFAM)

Leading childcare provider with unique and dominant corporate partnership model. Hit hard by COVID-19 shutdowns, the BFAM platform should emerge competitively stronger and continue to benefit from long-term growth in demand for dependable, high-quality childcare.

Cboe Global Markets (CBOE)

Diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. Unique products with counter-cyclical buffers and strong competitive advantages; backstopped by compelling potential take-out (sale to strategic) rationale.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

FTI Consulting (FCN)

Boutique consulting and advisory firm, with leading expertise in restructuring, dispute/conflict advisory, and other practices. Ultimately, anticipate FCN will benefit from elevated deal-flow in the wake of longer-term pandemic effects, reopening/normalization, potentially rising rates and long-term effects from SPAC boom.

MarketAxess (MKTX)

Platform for electronic trading of fixed income (mostly corporate high-grade, high-yield, Eurobonds, emerging markets). Pure-play beneficiary of long-term trend towards electronic trading; market share gains accelerated sharply in 2020, further bolstering already-dominant competitive position.

Ritchie Bros. (RBA)

World's leading auctioneer/operator of marketplaces for the sale of used heavy equipment (construction, ag, energy, etc.). Dominant leader in fragmented markets that should benefit from straight-forward network effects, acceleration towards more auctions held online, and indirect cyclical upside.

Royal DSM (DSM.NA)

Netherlands-based nutrition (specialty ingredients for human/animal feed, vitamins, supplements, personal care) and materials (auto, other specialized materials) business. Defensive foundation (Nutrition segment), bolstered by strong product pipeline; overall, underappreciated due to cyclicality of Materials segment.

Subsea 7 (SUBC.NO)

Norway-based, global specialty offshore energy services provider; provides technical services, including facility design/engineering, procurement, construction, maintenance, repair and shut-down. Conservatively managed and well-positioned to thrive coming out of cyclical downturn; optionality from transition to wind.

TMX Group (X.TO)

Largest exchange operator in Canada, with exposure to equities, fixed income, and derivatives, as well as European energy trading/data. Anticipate steady, defensive growth, with potential outperformance in the event of rising inflation and/or elevated volatility.

Appendix D: New Portfolio Company Overviews

FTI Consulting (FCN) – New Long

FTI is a specialty consulting and financial advisory firm generally focused on restructuring, litigation, risk mitigation, and crisis management. Clients include large global corporates, banks, private equity funds, governments, and 96 of the top 100 law firms.[5]

Our FTI thesis is relatively simple. Year-to-date, businesses with defensive or remotely counter-cyclical characteristics have been out of favor. While it remains challenging to predict a strong near-term outlook for restructuring, I believe the long-term outlook for FTI remains strong, as many of the pieces are in place to provide tailwinds for years to come (e.g. bloated balance sheets, potentially rising rates, court re-openings, elevated potential for regulatory change, and a massive SPAC boom that could ultimately contribute to demand for FTI's services on the other side). Further, FTI has shown an ability to grow (modestly) regardless of environment. More specifically, our FTI thesis includes the following points:

1) **Leading player in restructuring advisory; end-markets likely at short-term cyclical trough.** FTI is one of the leading specialty restructuring consulting/advisory firms. Overall, the recent macro environment has provided surprisingly few tailwinds for FTI to date. However, as the economy more fully reopens, stimulus fades, and/or rates rise, it seems likely businesses will face significant change (both good/bad). Generally, change, complexity (e.g. regulatory) and conflict are good for FTI's business. The current SPAC bubble also seems like a possible long-term opportunity for FTI.

2) **Attractive model has delivered steady growth during strong macro periods and exceptional growth during times of crisis.** While the core of FTI is counter-cyclical, certain pro-cyclical elements, plus a tuck-in M&A strategy, have enabled it to deliver modest growth even outside of crises. This dynamic leads me to view FTI as a perpetual, cheap call option on the distress cycle.

3) **Solid competitive advantage.** FTI's services are largely focused on high-risk events that are incredibly important and "one-time" in nature for many clients (e.g. bankruptcy). This means clients are likely to select a firm with a strong reputation, such as FTI, and be less sensitive to price. FTI has delivered a relatively steady ROIC over the long-run – consistent with the thesis that the company has a defensible competitive position.

4) **Scarcity value.** FTI has very few publicly-traded, direct "comps." The closest is Houlihan Lokey (HLI); however, even HLI (often viewed as a distress cycle bet) has a bit more traditional corporate finance advisory (pro-cyclical) exposure. Historically, Upslope has sought to own attractive businesses with few direct peers.[6]

5) **Attractive valuation + strong balance sheet.** FTI shares trade for a 6-7% free cash flow yield (based on Upslope estimates). The company also ended 2020 with no net debt. Given the highly defensive characteristics of the business and where we seem to be in the distress cycle, this valuation seems more than reasonable, even after recent appreciation of shares.

6) **Key Risks.** (A) lumpy earnings (due to project-based nature of the business) combined with limited sell-side coverage = more volatile share price than typical, (B) "macro headwinds" – for FTI this means continued fiscal and monetary stimulus efforts likely to push out the distress cycle, and (C) potentially more pro-cyclical than in the past (and hard to size this precisely).

[5] Based on the American Lawyer Global 100.
[6] This topic was discussed in detail beginning on p. 5 of Upslope's Q1 2018 letter.

TMX Group (X:TO) – New Long

TMX is the leading operator of financial exchanges (equity, derivative, fixed income) in Canada. Revenues can roughly be broken down as: 35% data/analytics, 25% capital formation (e.g. tied to IPOs and secondary offerings), 25% equity (and to a lesser extent fixed income) trading, and 15% derivatives trading. About 40% of data/analytics revenue comes from TMX's Trayport unit, a unique and attractive asset acquired in 2017 and focused on European energy trading/data.

Similar to FTI, TMX is a relatively sleepy business that has been somewhat neglected in the recent frenzied market environment. Given a monopoly-like position in most of its core markets and a reasonable valuation, TMX seems likely to outperform should we see another uptick in volatility and/or a more sustained increase in inflation. Our thesis includes the following points:

1) **Attractive exchange model and dominant competitive position.** TMX operates a diversified exchange business, with a near-monopoly status in Canadian equity listings and a dominant position in European energy market trading/data (especially gas, power, and coal). As regular readers know, the "financial exchange" model is one I have long been fond of. Since inception, Upslope has been consistently net long "exchanges" (MKTX, NEX Group, CBOE). Established players benefit from a strong network effect (liquidity begets liquidity and is hard to break), high margins and attractive long-term growth. Like most exchanges I've gravitated towards, TMX fundamentals are also levered in part to volatility, making it an attractive candidate for an uncorrelated equity portfolio.

2) **Well-positioned in the event of material inflation.** While it's hard to know whether more serious inflation is on the horizon, the odds appear higher than any time in recent years. My goal is to construct a portfolio that can thrive in a variety of environments – not to outright predict the macro picture. Given TMX's mostly Canadian listings, the company has material exposure to sectors that could benefit in an inflationary regime (energy, mining, and other resources). This comes largely in the form of listing fees (ongoing and capital raise-related) and trading fees. Further, given the nature of TMX's model (toll road-like and a near-monopoly), TMX is very well-positioned to maintain pricing power across products.

3) **Reasonable valuation.** TMX currently trades for a 5% free cash flow yield – reasonable for a not-so-cyclical, steady (DD% EPS) grower and monopoly – with an option on inflation. While TMX does trade at a premium to its own history, I believe it's well-justified and the result of two unique aspects of its history: (A) years ago, TMX was mostly owned by local investors and benchmarked against other, lower-quality financials (e.g. banks). Today, it is more appropriately compared to other exchanges outside of Canada, (B) Following its 2017 acquisition of Trayport, TMX eventually re-rated higher. This seems logical, as Trayport added a sizable segment that is extremely predictable/stable (SaaS model), effectively improving the overall quality of TMX's business.

4) **Key Risks.** (A) FX translation (mostly CAD, but also has GBP exposure from Trayport), (B) cyclical/macro risk (i.e. I view commodity exposure as a good thing, but it may not be), (C) some market-based revenues (i.e. market declines can directly pressure revenues), (D) continued pressure on fixed income derivatives business from low rates, (E) position boosts exchange portfolio exposure to the upper end of my comfort zone; however, MKTX is currently undersized and each of the three exchange positions (CBOE, MKTX, TMX) have fairly distinct drivers, regulatory regimes and business models.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2021 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2021-Q2 Update **July 19, 2021**

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. After a challenging Q1, Upslope's absolute performance in Q2 was solid. While I'm excited about our longs, the outlook today for a thoughtfully-executed short-selling strategy with effective risk management appears as good as it's been in over two decades.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q2 2021	64%	+2.8%	+3.4%	+5.1%
YTD 2021	58%	+0.9%	+17.5%	+7.9%
Last 12 Months	56%	+17.0%	+53.0%	+20.4%
Since Inception*	44%	+10.9%	+13.3%	+5.1%

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized.

MARKET CONDITIONS – THE TYSON ZONE[2]

It's difficult to catalogue all the market absurdities in Q2 – I won't try. It started on a reasonable note, as many of the most speculative stocks began their return to earth through mid-May. Shortly thereafter, however, things went off the rails – again. A quote from sports-blogger-turned-day-trader Dave Portnoy[3] neatly and accidentally summed it up best: "It's early. If it is a Ponzi, get in on the ground floor!" The attitude of being "in on it" is not isolated to Portnoy or the crypto markets to which he was un-jokingly referring. Examples of this attitude are plentiful – especially when it comes to SPACs, heavily-shorted stocks, and small-caps touted on social media. I have a lot to say about our portfolio, so I won't beat the market outlook horse dead. Markets are frothy and will continue to be so until they're not.

One mistake I made during a fast-moving 2020 (post-March) was being overly-patient and not demanding enough of Upslope's long portfolio. While keeping turnover in-check remains an important and worthwhile goal, I am trying to be more conscientious of when elevated activity may be warranted. Year-to-date, more has been warranted. In Q2 we exited two longs (MarketAxess and Subsea 7) and added long positions in Envestnet (ENV) and a European healthcare business (to be discussed at a later date, as the position is material but not yet "full"). I also made changes to our SPAC "portfolio", which (including both shorts and longs) could effectively be considered another investment category (in the spirit of Upslope's Core vs. Tactical long categories) on its own – for now.

Once again, I believe prospects for Upslope's strategy have improved on both a relative and absolute basis versus 90 days ago. Similar to last quarter, I added materially to my own Upslope account for the now-second time since inception of the strategy almost 5 years ago.

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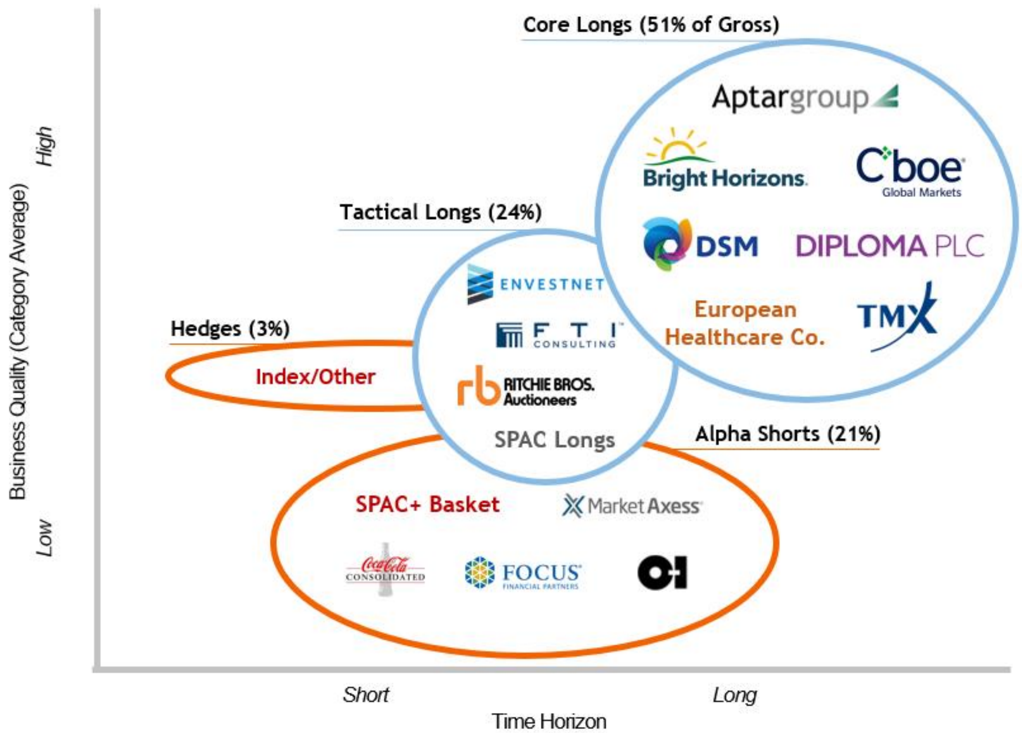
[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] If you're not familiar with this handy term, see here.
[3] Portnoy uttered this line while aggressively promoting a tiny cryptocurrency to his 2.5 million Twitter followers.

PORTFOLIO POSITIONING

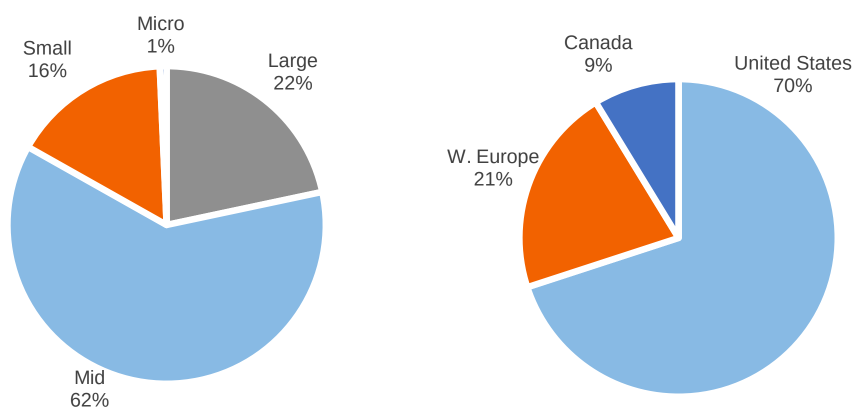
At quarter-end, gross and net exposures were 129% and 67%, respectively. Beta-adjusted net was lower (57%) due to the defensive nature of the portfolio (relatively lower beta longs). Overall, positioning reflects a significant number of perceived opportunities on both the long and short sides of the portfolio. Gross exposure was elevated above our typical 100-125% range owing mostly to a large position in a pre-transaction SPAC trading near NAV (effectively limiting downside).

Exhibit 1: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 6/30/21 and may change without notice. Only a small sample of current short positions (which may not be representative of full short portfolio) are shown. Logos not positioned deliberately *within* categories. See Appendix C for a brief overview of all longs.

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 6/30/21. Definitions: Micro (<$350mm), Small ($350mm - $3bn), Mid ($3bn - $12bn), Large (>$12bn).

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Cboe (+400 bps)	Long: Bright Horizons (-120 bps)
Long: Diploma (+155 bps)	Long/Short: MarketAxess (-50 bps)
Long: Royal DSM (+110 bps)	Short: Undisclosed (-60 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+445 bps	-125 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

MarketAxess (MKTX) – Exited Long and Initiated Short

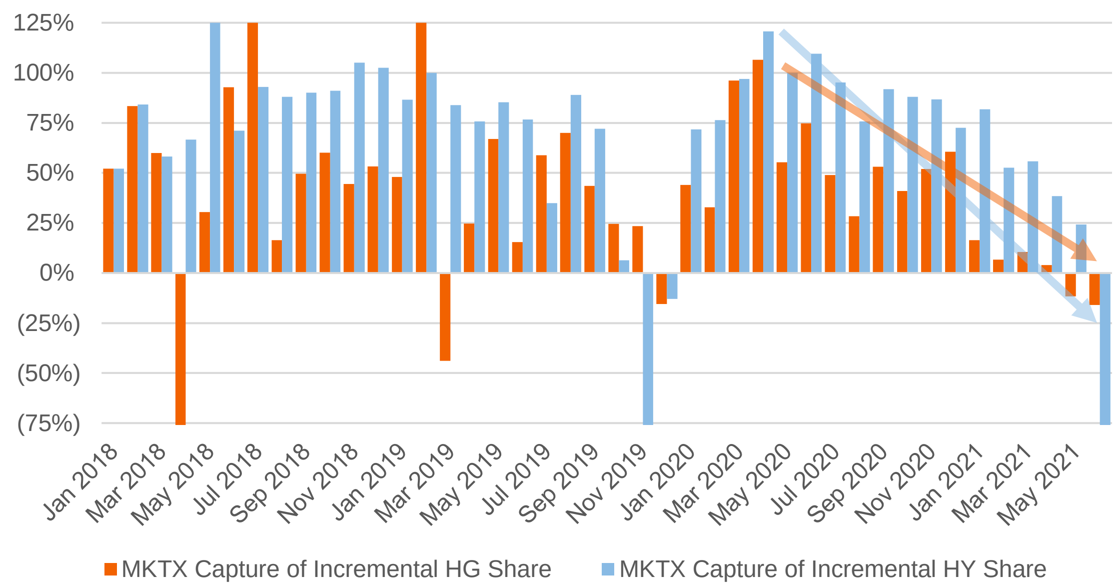
MarketAxess is the leading platform for the electronic trading of fixed income securities (mostly corporate high-grade, high-yield, Eurobonds, emerging markets bonds). The stock has been a Core long of Upslope's strategy since day one, nearly five years ago. Over time, the position became increasingly challenging to manage – fundamentals remained attractive, but valuation got out of hand (at one point shares traded for almost 75x earnings). MKTX is a fantastic business, but not a hyper growth company (mid-teens % revenue growth is how I'd characterize it). I am not well-suited to sit tight when valuation becomes *that* extreme. Nonetheless, so long as long-term fundamentals remained solid, I did my best over the years to sit tight.

Unfortunately, fundamentals began to shift late last year. Historically, the primary data point that investors *truly* cared about was market share gains. For years, MKTX took share of overall bond trading volumes – often in a manner that *felt* unopposed. So long as MKTX was quickly adding share, investors could feel confident that the electronic market wasn't saturated and competition wasn't encroaching on MKTX's profit pool. The shift YTD has two components – one more worrisome than the other. First, MKTX faces "tough comps" due to market share having accelerated sharply in 2020 – no big deal as far as I'm concerned, beyond shorter-term implications for the stock. The second, more troubling issue is that while MKTX has shown clear signs of deceleration in share gains year-to-date, its primary, but smaller competitor, Tradeweb (TW), has shown a sharp *acceleration* in share gains.

As shown in the charts below, TW has captured a rising amount of *incremental* share from MKTX for about one year now. This is not the first time MKTX has ceded incremental share gains to TW over a multi-month period: the second half of 2019 saw a similar shift. What makes it "different this time" is that TW now has a serious base of market share in MKTX's core products (e.g. high-grade bonds) and is a genuinely formidable competitor. As of June, TradeWeb's share of high-grade volumes sat at an all-time high – nearly double where it was a year ago. Today, TW share also represents ~60% of MKTX's vs. ~37% during the late 2019 shift. MKTX's share lead in high-grade vs. TW is at an all-time low. Advances in high yield trading for TW follow a similar trajectory.

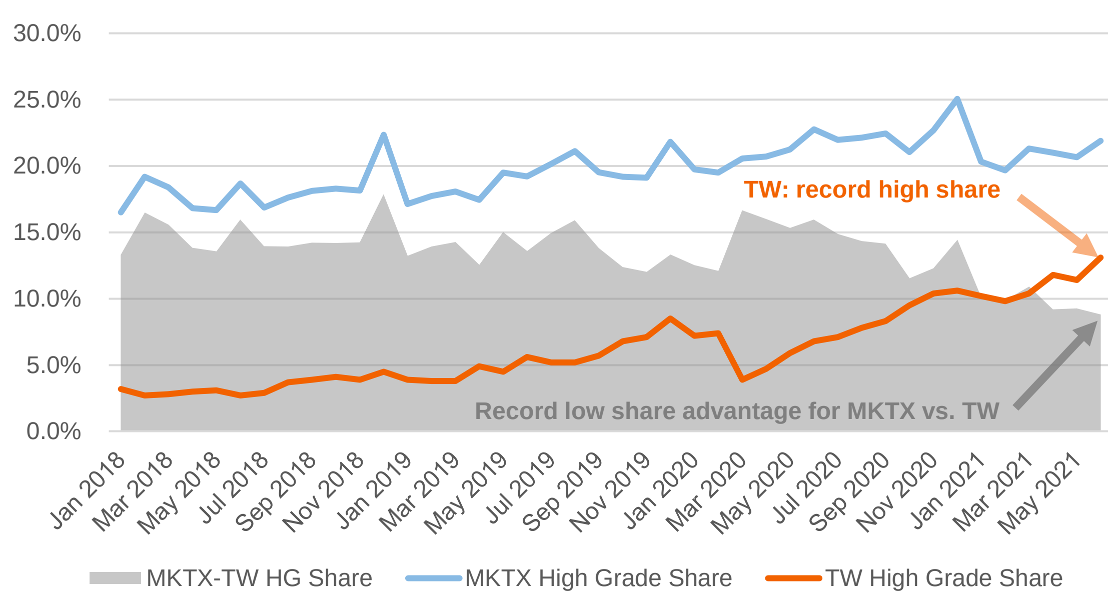
[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

Exhibit 4: Falling Incremental Market Share Captured by MKTX



Source: Upslope, company filings. **Calculated as MKTX y/y monthly share gain divided by sum of MKTX + TW y/y share gains.** HG = High-Grade; HY = High Yield. TW share based on "Fully Electronic" ADV. Data through June 2021. Y-axis intentionally limited to cap data points that aren't particularly meaningful.

Exhibit 5: TW is a Much More Serious Contender Today vs. the Late 2019 "Catch-up" Period



Source: Upslope, company filings. TW market-share based on "Fully Electronic" ADV. Data through June 2021.

Compounding the incremental share concerns is the backdrop against which this has occurred. Two key points here. First, MKTX has long appeared to charge (on an apples-to-apples product basis) a significant premium to what TW charges for credit trades. This suggests potential disappointment on not just volumes, but also pricing ahead, as it's a defensive lever MKTX can pull. Indeed, Q2 "pricing," which MKTX reported in early July, disappointed and declined both sequentially and year-over-year. Second, for a number of years market observers worried MKTX could lose ground to TW due to its lack of treasury/hedging capabilities. In late 2019 MKTX moved to address the issue by making its largest-ever acquisition and buying LiquidityEdge. That TradeWeb has gained so much ground against MarketAxess 20 months after the deal closed suggests potentially deeper innovation issues. While recent trends could revert, **alarm bells should be ringing loudly for MKTX shareholders – especially with the stock trading for almost 60x earnings.**

Given the above observations, Upslope not only exited the last of our long position in MKTX, but initiated a short. I admire the company and management; but, the combination of falling short-term estimates, material risk of a sustained increase in competitive pressures (and related deceleration in long-term growth), and extreme valuation makes for a compelling, straight-forward short thesis, in my view.

Subsea 7 (SUBC.NO) – Exited Long

Subsea 7 is a Norway-based offshore energy services provider, whose shares Upslope first purchased in early 2020. The company executed well in the face of a challenging environment. However, shares have relatively underperformed on virtually all time horizons (especially frustrating considering the rally in the energy sector "post-COVID"). As a result, my patience has worn out and we exited the position.

SPAC+ Basket – Update

The core of Upslope's "SPAC+" *short* basket remains roughly the same as a quarter ago. On the long side, however, I did swap out one of our positions – exiting GRSV and adding TCVA. GRSV is the soon-to-be-owner of Ardagh's beverage can business. Given the state of the beverage can market (rapidly increasing supply) and the nature of the business and position (partially intended as a long hedge for our SPAC shorts), I concluded better risk-reward and portfolio fit could be found elsewhere. Enter TCVA, which is a pre-transaction SPAC sponsored by the well-regarded Technology Crossover Ventures (TCV). This is TCV's first SPAC, which I believe provides some incremental incentive to "get it right" and execute a transaction with an attractive target at a reasonable price. Trading right around NAV, TCVA has limited functional downside and strong optionality in the event TCV can source and execute a value-added transaction.

Finally, as previously noted, our gross exposure is elevated above historic norms due largely to the addition of our SPAC longs (TCVA in particular). I do not wish to change our conservative gross exposure target range of 100-125% – that is the level of risk at which I am most comfortable, and it forces a certain amount of focus for the portfolio. However, given the conservative starting point (100-125% gross) and the nature of our SPAC longs – effectively limited downside and straight-forward analysis – I believe it makes sense to layer on the additional exposure. Upside may prove negligible and the exercise may turn out to be a waste of time. But, the cost of the added exposure – measured in both downside risk and research time – is relatively de minimis.

Envestnet (ENV) – New Long

Envestnet is a leading wealth management technology platform used by investment advisors, banks, and other (mostly financial) institutions. The company offers a comprehensive product suite, largely aimed at helping independent advisors manage their businesses more efficiently. Examples include technology that supports advisor marketing and communication, client onboarding, investing, trading and rebalancing, and financial planning, among many other offerings. ENV holds a top three market share[5] in virtually all of their core products and is one of only a few that offers a comprehensive platform of scale.

[5] Per T3/Inside Information Advisor Software Survey (2021 and others).

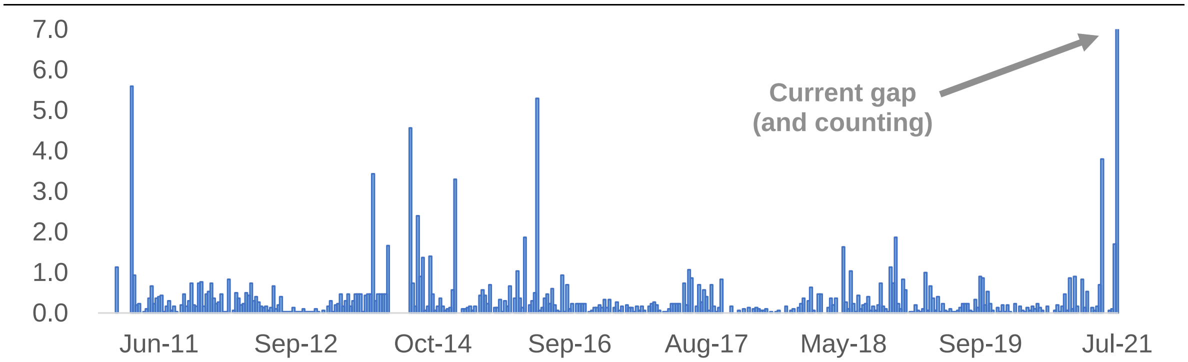
Despite an attractive underlying business model (long-term growth tailwinds, incredibly sticky products) ENV has faced challenges in recent years. Most notably, its 2015 acquisition of Yodlee (a leading financial data aggregation and analytics platform) has disappointed, weighed on, and distracted the company ever since. Tragically, the Envestnet's long-standing CEO (a co-founder) was also killed in a car crash in 2019.

Today, ENV generally maintains its strong competitive position, but has seen shares underperform on 1-, 2-, and 3-year timeframes. Leadership, vision, and recent execution are arguably lacking. It's easy to sympathize: current CEO Bill Crager was thrust into the role in late 2019 after the prior CEO's death (a 30-year colleague and friend of Crager's) and just prior to the COVID-19 pandemic.

In early 2020 it appeared ENV might finally be moving to offload the Yodlee distraction. But, with the onset of COVID shortly after the rumors, a transaction was never consummated. Over a year later, however, management has shown increasing openness to a sale. While noting the importance of Yodlee's offering to ENV's vision, management has clearly stated all options are on the table. The CEO even recently pondered aloud about how ENV would "engage and offer the ability for [Yodlee] to continue to grow in other verticals" with a potential "partner" (presumably a Yodlee buyer).[6] In my view, a Yodlee sale – even without a blockbuster price tag – would remove the biggest distraction ENV has faced over the past 5+ years and open a path to more consistent execution for ENV's fundamentally attractive core business.

Aside from management commentary what else might point to a potential transaction soon? Perhaps the fact that after years of consistent, relentless insider selling (not unlike many tech-oriented businesses with heavy share-based comp, to be fair), selling has completely vanished for ~7 months and counting – the longest drought in company history. The most recent insider sales at the end of 2020 included some executed via 10b5-1 plans (automatic sales for executives based on pre-determined formulas); were some of these programs cancelled? Why? Also note that in late 2018 BlackRock made a strategic investment in Envestnet, validating the notion that ENV is comprised of a unique collection of valuable assets.

Exhibit 6: Months Between Consecutive ENV Insider Sales



Source: Upslope, OpenInsider, company filings.

CLOSING THOUGHTS

Just as everyday life has quickly normalized year-to-date, markets have simultaneously gone the opposite direction, becoming an increasingly bizarre spectacle. Fortunately, the unusual environment – unprecedented in my 17-year career at least – has already turned out to be a great environment for tweaking

[6] Source: Sentieo, Virtual Investor Day Q&A (June 30, 2021) transcript.

and experimenting with new investment approaches (largely on the short side).[7] This has been a fruitful exercise and I am excited to put these new tools to work. Ultimately, I believe this period will also prove to have been an excellent one for both short-selling and disciplined stock-picking.

As always, I am extremely grateful for the trust you have placed in me to manage a portion of your hard-earned money. If you have any questions, would like to add to your account, or know someone that may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

[7] Some examples: (a) basket approach to SPAC shorts that focuses more exclusively on following "bad actors," (b) more closely examining, considering, and weighing shareholder promotion, concentration, and crowding risk for potential shorts.

Appendix A: Historical Long/Short Composite Performance

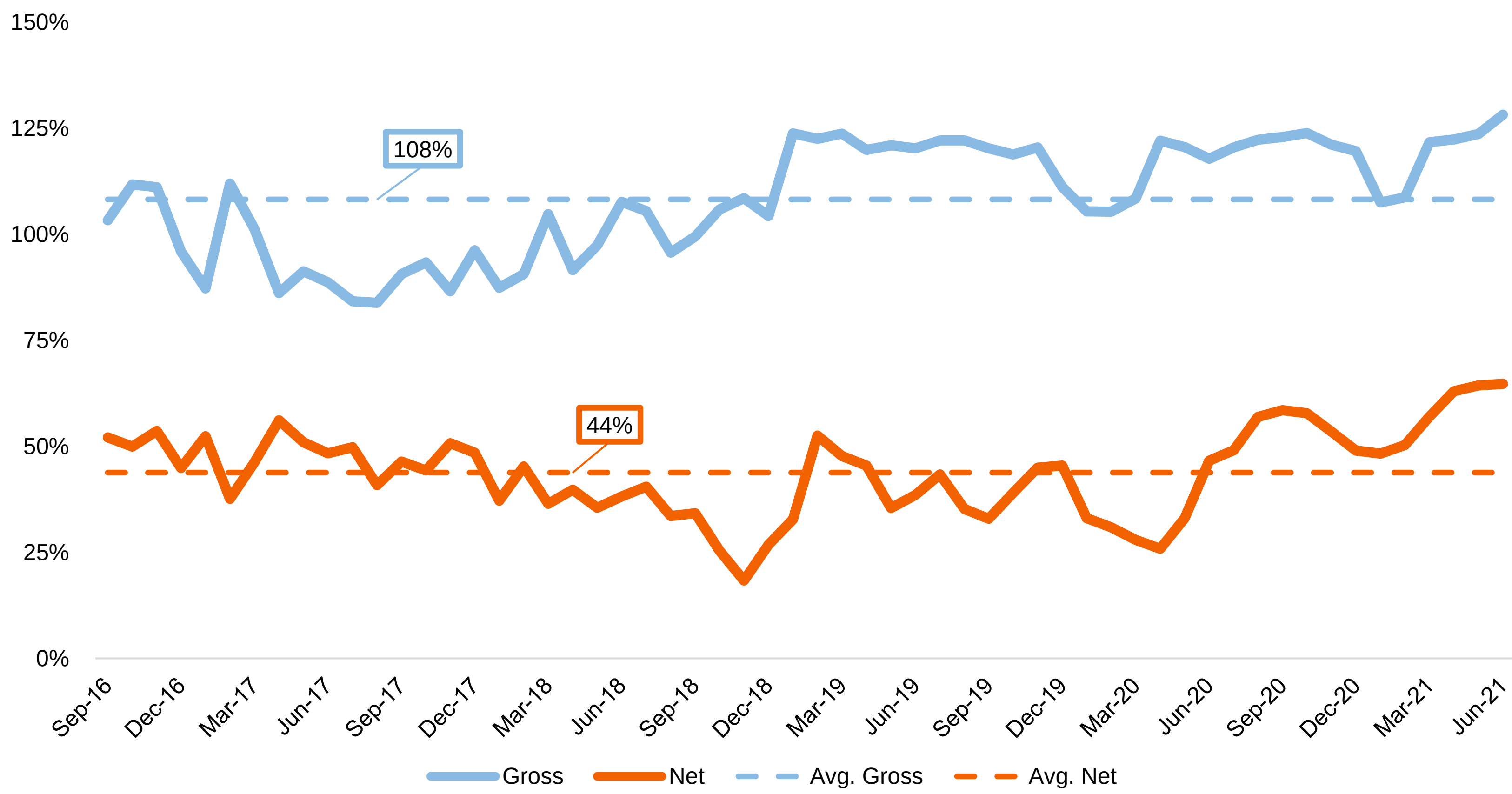
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)							0.9%
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)							17.5%
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	15.1%
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	13.5%
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Total Return	Annualized Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	65.1%	10.9%	4.3%	2.1	--
	S&P Midcap 400	83.2%	13.3%	13.4%	0.8	0.23
	HFRX Equity Hedge Index	27.0%	5.1%	5.8%	0.5	0.22

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2021 were 60.3% and -0.0%, respectively). Clients should always review statements for actual results**.** 12% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable and growing pharma packaging unit. Steady secular grower misclassified and undervalued due to its legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but 25% of EBIT.

Bright Horizons Family Solutions (BFAM)

Leading childcare provider with unique and dominant corporate partnership model. Hit hard by COVID-19 shutdowns, the BFAM platform should emerge competitively stronger and continue to benefit from long-term growth in demand for dependable, high-quality childcare.

Cboe Global Markets (CBOE)

Diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. Unique products with counter-cyclical buffers and strong competitive advantages; backstopped by compelling potential take-out (sale to strategic) rationale.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Envestnet (ENV)

Leading wealth management technology platform with incredibly sticky offering. Recent challenges and executive changes combined with unique, valuable assets significantly elevate the odds of a positive divestment/transaction, in Upslope's view.

European Healthcare Co. (Undisclosed)

High-quality midcap healthcare business with improved long-term positioning as a result of strong execution throughout COVID-19 crisis.

FTI Consulting (FCN)

Boutique consulting and advisory firm, with leading expertise in restructuring, dispute/conflict advisory, and other practices. Ultimately, anticipate FCN will benefit from elevated deal-flow in the wake of longer-term pandemic effects, reopening/normalization, potentially rising rates and long-term effects from SPAC boom.

Ritchie Bros. (RBA)

World's leading auctioneer/operator of marketplaces for the sale of used heavy equipment (construction, ag, energy, etc.). Dominant leader in fragmented markets that should benefit from straight-forward network effects and acceleration towards more auctions held online; also provides some counter-cyclical exposure.

Royal DSM (DSM.NA)

Netherlands-based nutrition (specialty ingredients for human/animal feed, vitamins, supplements, personal care) and materials (auto, other specialized materials) business. Defensive foundation (Nutrition segment), bolstered by strong product pipeline; overall, underappreciated due to cyclicality of Materials segment.

TMX Group (X.TO)

Largest exchange operator in Canada, with exposure to equities, fixed income, and derivatives, as well as European energy trading/data. Anticipate steady, defensive growth, with potential outperformance in the event of rising inflation and/or elevated volatility.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility, and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2021 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2021-Q3 Update **October 18, 2021**

Dear Fellow Investors,

I am excited to share this update for Upslope Capital Management: during Q3, we passed the five-year mark on the strategy. Since inception, the goal has been to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Equity markets have been exceptionally strong through these five years, with returns well above historic, long-term averages. I'm generally pleased with Upslope's results. However, my evergreen goal is to do better during periods of market strength, while never straying from Upslope's differentiated focus on protecting capital during hard times. Adjustments include ensuring the portfolio always has at least modest exposure to attractively-priced, *higher-beta* longs and striving for a "macro optimist by default"[1] mindset.

	Upslope Exposure & Returns[2]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q3 2021	68%	-0.2%	-1.8%	+1.3%
YTD 2021	62%	+0.8%	+15.3%	+9.2%
Last 12 Months	60%	+8.7%	+43.5%	+17.7%
Since Inception*	**45%**	**+10.3%**	**+12.2%**	**+5.1%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized.

MARKET CONDITIONS – ONE TICK FORWARD

Markets have been on edge since early September, owing to increasingly stubborn inflation and supply chain issues. Rising costs may prove transitory. But, if a "Doomsday Clock" existed for tracking the odds of a serious inflation problem, it surely would have ticked forward 60 seconds this quarter. A secondary concern is rising tensions with China. More worrying than the trade spat of years past, tensions are increasingly military-based. It seems notable (and under-discussed) that during Q3 legendary investor George Soros wrote *three* separate op-eds flagging China-related political and investment risks.

I don't know how either of these concerns du jour will shake out. It's important to remember that a Doomsday Clock can tick backwards too. Both appear to be "low probability, high impact" issues. Stocks have been overextended and *very* generously valued for much of 2021. After a recent, modest correction pockets of value have begun to emerge. But, it's hardly a bonanza (famous last words before a spike higher for stocks).

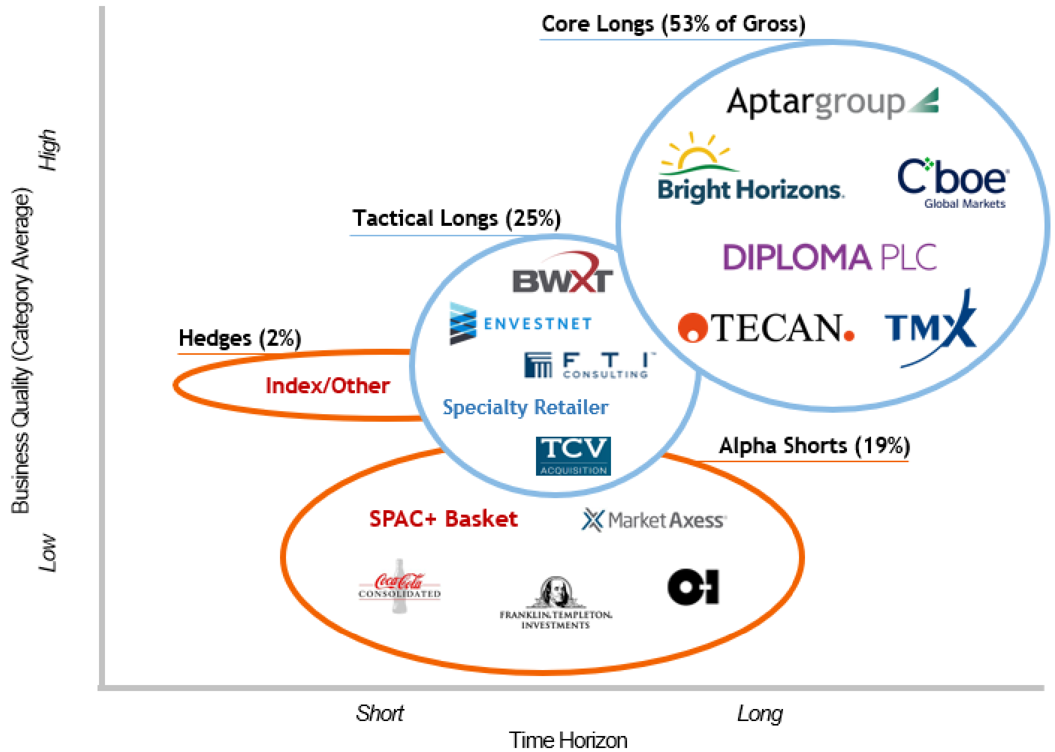
Upslope's portfolio is a shade different today than in the past: we have an unusual amount of exposure to what I'd describe as catalyst-driven stocks. This isn't merger arb (i.e., a bet on or against an *already-announced* transaction closing). But, four of our eleven longs (accounting for 60% of long exposure), appear primed for potentially positive catalysts in the coming quarters. I am happy to be overweight this type of exposure in a wobbly, extended market. While a sharp pullback in indexes could harm the chances of some of the potential catalysts from happening, in general most are less market-sensitive than the average stock.

[1] To elaborate: this is squishy but doesn't mean ignoring macro risks. It means in the absence of hard evidence, assume the macro outlook is healthy enough. This doesn't preclude individual theses based on sector-specific challenges/cyclical skew.
[2] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.

PORTFOLIO POSITIONING

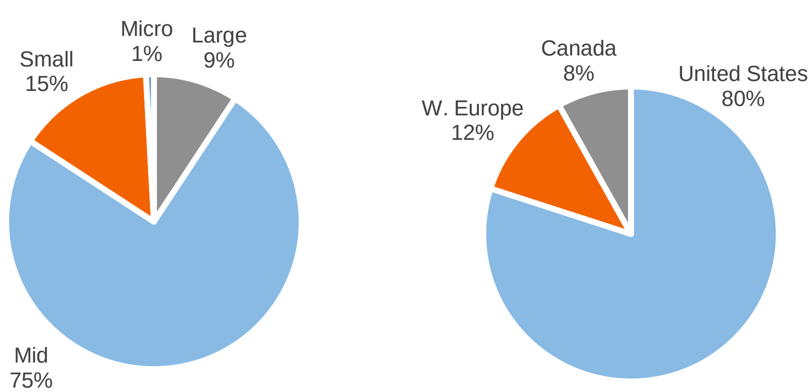
At quarter-end, gross and net exposures were 129% and 54%, respectively. Positioning continues to reflect a heightened number of perceived opportunities on both the long and short sides of the portfolio. Similar to last quarter, gross exposure was elevated above our typical 100-125% range owing mostly to a large position in a pre-transaction SPAC (TCV Acquisition Corp.) trading near NAV.

Exhibit 1: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 9/30/21 and may change without notice. Only a small sample of current short positions (which may not be representative of full short portfolio) are shown. Logos not positioned deliberately *within* categories. See Appendix C for a brief overview of all longs.

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 9/30/21. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

PORTFOLIO UPDATES[3]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Royal DSM (+150 bps)	Long: AptarGroup (-185 bps)
Long: Tecan (+80 bps)	Long: BowX Acq'n (-75 bps)
Long: Envestnet (+55 bps)	Long: BWX Tech. (-60 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-15 bps	+25 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Exited Longs

Royal DSM (DSM. NA) is a Netherlands-based specialty nutrition and materials business. Valuation has sharply re-rated since Q4 2019 when Upslope initiated the position (EV/EBITDA from 12x to 17x), reflecting strong execution in Nutrition and a transformation towards higher quality end-markets. Given full valuation, catalysts that have played out, and a market cap now well above Upslope's focus, I exited the position.

Ritchie Bros. (RBA) is the world's leading auctioneer/operator of marketplaces for used heavy equipment. RBA thrived in the early COVID days, but has faced a tough 12 months due to cyclical headwinds (tight equipment market = lower volumes). While the headwinds will abate, management messaging, turnover, and capital allocation decisions have become increasingly concerning, in my view, leading me to sell the position.

BowX Acquisition (BOWX) is a SPAC and soon to be owner of WeWork. I sold the position to stay disciplined with the core investment thesis, which wasn't so much about a passionate love for WeWork, as much as recognizing an asymmetric "trade."

Cboe Global Markets (CBOE) – Update (Long)

CBOE is a diversified financial exchange operator with dominant positions in index and volatility (VIX) derivatives. It was a dramatic quarter for shareholders. On Aug. 15, the *Financial Times* reported that CME Group planned to acquire CBOE. Shares spiked immediately and were briefly halted. About an hour later, CME released a forceful denial of the article, claiming no negotiations to acquire CBOE had taken place. Despite the frustrating sequence of events, I continue to believe a transaction for CBOE in the coming months is more likely than not (and that the *FT* episode was generally linked to ongoing negotiations and a potential trial-balloon of sorts). In the meantime, fundamentals for the business remain solid and valuation entirely reasonable on a standalone basis.

[3] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

Tecan (TECN.SW) – New Long

Based in Switzerland, Tecan provides systems, instruments, and consumables to facilitate automation in clinical and research labs. It is the market leader (~30% share) in automated liquid handling. The company was a clear winner throughout the COVID-19 crisis, directly contributing to vaccine development efforts (e.g. BioNTech had been using a Tecan platform to develop cancer-focused mRNA treatments and was able to pivot the platform to developing the COVID vaccine) and playing a pivotal role in bolstering global testing capabilities (e.g. partnership with Thermo Fisher to develop a PCR test processing system and mass production of disposable pipettes for the U.S. government). On the flipside, TECN also faced significant, albeit smaller, headwinds from lab closures.

Generally, Upslope's thesis is that Tecan is a classic "high-quality" business made stronger by the COVID-19 crisis. While not a household name, prior to COVID, Tecan had a strong history of solid non-cyclical growth (HSD% organic, complemented by tuck-in acquisitions), secular tailwinds (rising lab automation demands due to aging global population, rising global wealth, increasing healthcare spend), clear competitive advantages (solid reputation/technology, high switching costs), a strong balance sheet (typically net cash), and plain-spoken management. The company also earns ~1/3 of its revenue (pro forma for recent acquisition) from more recurring consumables/service sales.

With a solid foundation pre-COVID, Tecan's positioning has been significantly strengthened on both a qualitative (higher-profile, more trusted brand due to exceptional execution during the crisis) and quantitative basis (larger installed base and a cash flow windfall put to productive use expanding Tecan's market opportunity and competitive advantages).

On this last point, part of Upslope's original thesis for Tecan (initiated position in early May) was that management – who appear thoughtful and very patient – seemed likely to announce an attractive, value-enhancing transaction in the near-term. This played out, with Tecan announcing a $1bn acquisition of Paramit in June. Based in the U.S., Paramit develops and manufactures medical devices and instruments, with a particular focus on medical mechatronics/robotics and lower volume, complex manufacturing. As an example, Paramit supplies key components for Intuitive Surgical's da Vinci surgical robot. Paramit is known for its patented vPoke assembly process, which boasts a defect rate of 0.5/million (vs. 200/million industry standard)[4] and enables broad manufacturing flexibility. It's early, but the industrial logic (expansion into adjacent markets, complementary geographies and services, enhanced manufacturing capabilities) makes sense and the financial terms are reasonable (easily accretive and outlined synergies appear conservative). Given the financing of the transaction and Tecan's strong cash generation, it would not be a surprise to see the company announce additional acquisitions in the medium-term.

In terms of risks, the largest factor for Tecan shares continues to be COVID-related uncertainty – i.e. how quickly global testing demand will fade relative to the pace of (smaller) reopening benefits. Combined with somewhat elevated valuation (albeit in-line with or cheaper than peers), this should continue to generate volatility for shares. I gain some comfort here due to the highly complementary fit with Upslope's portfolio in terms of style ("quality" healthcare) and "reopening" factor exposure. Other risks include M&A execution (Paramit is the largest acquisition in the company's history), regulation, manufacturing defects, and mild customer concentration (more so at Paramit).

[4] Source: Berenberg research note dated September 8, 2021.

BWX Technologies (BWXT) – New Long

BWX Technologies designs and produces nuclear reactors, components and fuel, primarily for the U.S. Government and Navy (and, more recently, NASA). The company is the sole supplier for its Naval products (~75% of sales), which are used for the power and propulsion of *all of* the Navy's aircraft carriers and submarines. With nuclear subs (aka "boomers") forming the backbone of the "Sea" leg of the Nuclear Triad, BWX plays a vital and sensitive[5] role supporting the national security of the United States. Of course, BWX is exceptionally well-positioned should the saber-rattling vis-à-vis China continue. The recent Aukus security pact, which may eventually benefit BWX, illustrates the urgent and strategic importance of maintaining a modern nuclear-powered sub fleet.

Even if relations with China stabilize (and hopefully they do), BWX shares seem poised to outperform. After four years of essentially going nowhere, the stock currently trades near the low-end of its historical valuation range – just over 13x EBITDA vs. typical range of 13-16x. With a literal monopoly position (albeit against a sole purchaser), BWX has historically generated modest top-line growth with attractive returns on capital (mid-20s). Given the stability of the business and its competitive position, as well as the current geopolitical backdrop, current valuation seems very reasonable.

Importantly, beginning in 2017 BWX embarked on an aggressive capex expansion program, eventually tripling capex as a percentage of sales. In addition to ramping capacity to support Navy growth, BWX spent heavily developing its medical/radioisotope business. While not yet concluded, there is light at the end of the tunnel that should bode well for shares. 2020 appears to have been the capex peak and BWX seems on track for more normalized capex by the end of 2022. This should lead to de-levering the balance sheet (from an already-reasonable 3x gross debt/EBITDA), a potential acceleration in capital returned to shareholders, and/or the prospect of increased M&A.

Lastly, while BWX's core today is its Naval operations, there is long-term optionality from the other units (~25% of revenue), which are currently focused on Canadian nuclear power (fuel and components), medical, space (NASA) power, and microreactors. BWX faces little competition, if any, across many of these areas. A sizable portion (>50%) of the recent capex program was also invested in a new Mo-99/Tc-99 radioisotope (essentially a cleaner, more cost efficient alternative to current products on market – used in cardiology, oncology, neurology, and diagnostics) production line that should lead to an acceleration in growth outside of Naval operations.

Major risk factors for BWX include the possibility of physical accidents, production defects and resulting liabilities, as well as cost pressures due to strained government budgets and/or rising input costs, some leverage (~2x net), and ESG flow headwinds (not fundamental, of course, but a reality).

CLOSING THOUGHTS

"25 steps forward, 24 steps back" is how I've often described 2021 to date for Upslope's portfolio. It doesn't quite roll off the tongue, but the math checks out. While performance has been muted year-to-date, I am as enthusiastic as ever about Upslope's unique portfolio today, which I believe is well-diversified across catalyst-driven situations and attractive long-term prospects.

[5] According to a recent Morgan Stanley report, the United States has only shared its naval nuclear propulsion technology one time – with the U.K. in 1958.

More than ever, I sincerely appreciate the trust you've placed in me to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your account, or know someone that may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Historical Long/Short Composite Performance

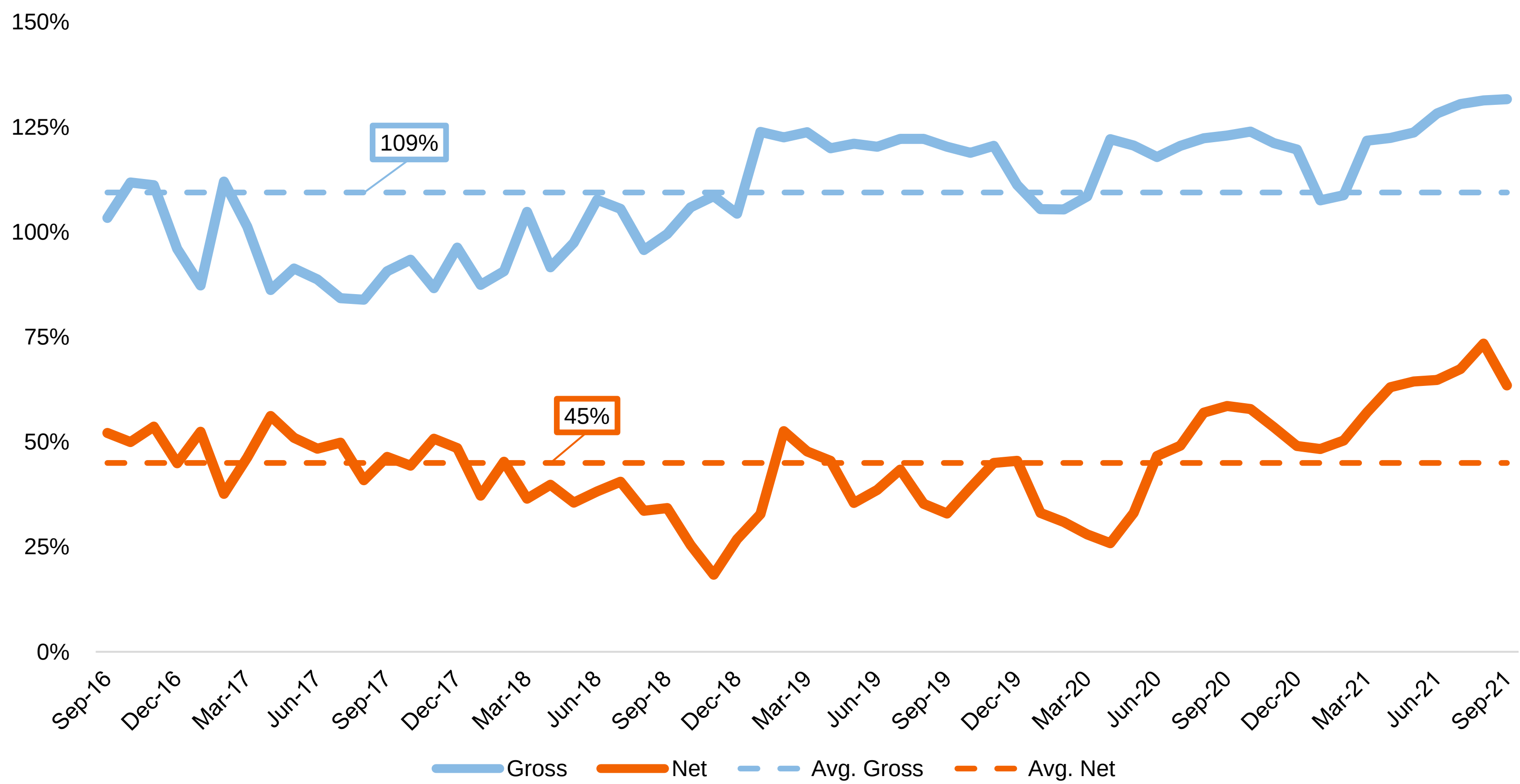
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)				0.8%
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)				15.3%
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	15.1%
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	13.5%
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	10.3%	64.8%	4.6%	1.8	--
	S&P Midcap 400	12.2%	79.9%	13.2%	0.8	0.25
	HFRX Equity Hedge Index	5.1%	28.7%	5.7%	0.5	0.23

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2021 were 60.1% and -0.2%, respectively). Clients should always review statements for actual results**.** 12% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable and growing pharma packaging unit. Steady secular grower misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

Bright Horizons Family Solutions (BFAM)

Leading childcare provider with unique and dominant corporate partnership model. Initially hit hard by COVID-19, BFAM passed the "stress test" and should emerge competitively stronger, while continuing to benefit from long-term growth in demand for dependable, high-quality childcare.

BWX Technologies (BWXT)

Leading producer of nuclear reactors, components, and fuel, primarily for the power and propulsion of U.S. Navy subs and carriers. In addition to rising geopolitical tensions, the approaching end of a major capex cycle and optionality in non-Naval units should provide tailwinds for shareholders in the years ahead.

Cboe Global Markets (CBOE)

Diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. Unique products with counter-cyclical buffers and strong competitive advantages; shares are backstopped by a compelling potential take-out rationale.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Envestnet (ENV)

Dominant wealth management technology platform with incredibly sticky offering. Recent initiatives and management actions combined with unique assets significantly elevate the odds of a "turnaround or takeout (divestiture)" outcome.

FTI Consulting (FCN)

Boutique consulting and advisory firm, with leading expertise in restructuring, dispute/conflict advisory, and other practices. Anticipate FCN will ultimately benefit from elevated deal-flow in the wake of longer-term pandemic effects, reopening/normalization, potentially rising rates and long-term effects from SPAC boom.

Specialty Retailer (Undisclosed)

Canada-based retailer with unique business model and long-term secular tailwinds. Not yet a full position and thus not publicly disclosed.

Tecan Group (TECN.SW)

Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution throughout the COVID-19 pandemic.

TMX Group (X.TO)

Largest exchange operator in Canada, with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth, with potential outperformance in the event of rising inflation and/or elevated volatility.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility, and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2021 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2021-Q4 Update **January 19, 2022**

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. 2021 was a relatively challenging year in which "equity-like" returns were not achieved, owing to lingering COVID issues at two key longs (AptarGroup and Bright Horizons, both of whom should see challenges ease in 2022)[1] and a tough environment for defensive styles during much of the year. Nonetheless, I am heartened by the fact performance in a challenging year was still positive, and am very excited for what lies ahead, given recent equity market developments.

	Upslope Exposure & Returns[2]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q4 2021	59%	+3.4%	+8.0%	+2.7%
FY 2021	61%	+4.2%	+24.6%	+12.1%
Since Inception*	**46%**	**+10.5%**	**+13.2%**	**+5.3%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized.

MARKET CONDITIONS – "I'M LOOKING THROUGH YOU"

Why, tell me why did you not treat me right?
Love has a nasty habit of disappearing overnight
You're thinking of me, the same old way

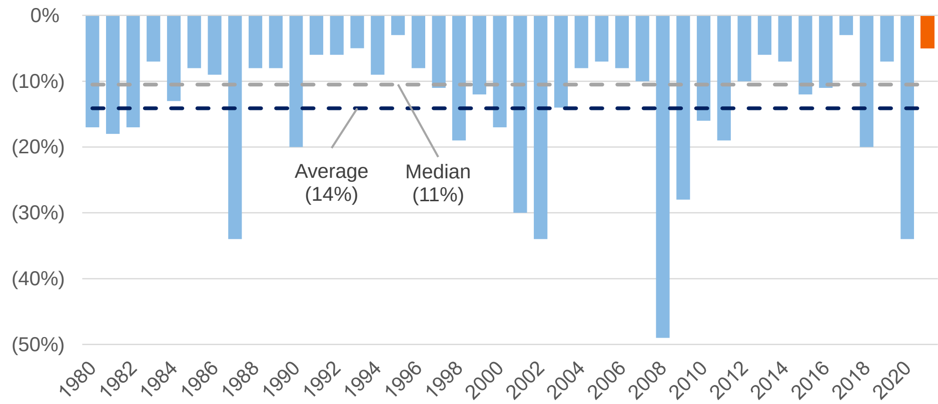
(The Beatles, 1965)

After a mixed Q3, U.S. equity markets roared back in Q4. But much like Q2 2018, when I first referenced *I'm Looking Through You* in this section, things have changed under the surface. Despite rising indexes, many growth stocks – and the funds holding them – have gotten clobbered. The poster child for "speculative growth," the Ark Innovation ETF (ARKK) has been more than cut in half from its highs.[3] "Value" has performed well – though performance within indexes has generally been limited to a narrow set of stocks (often, but not always, a sign of poor underlying market health). While it won't be a straight line, this backdrop should continue to bode well for our significant short exposure in the year ahead.

2022 is very likely to be more volatile than 2021. This is hardly going out on a limb. Since 1980, an "average" year for the S&P 500 has seen a 14% drawdown (or 11% median); the biggest drawdown in 2021 was 5%. While by no means a market timing mechanism, equity index returns in recent years also appear entirely unsustainable (see Exhibit 2 below). Add in significant uncertainty from the highest inflation in decades and clearly rising geopolitical risks involving China and Russia, and it's not hard to see that 2022 has the potential for serious volatility.

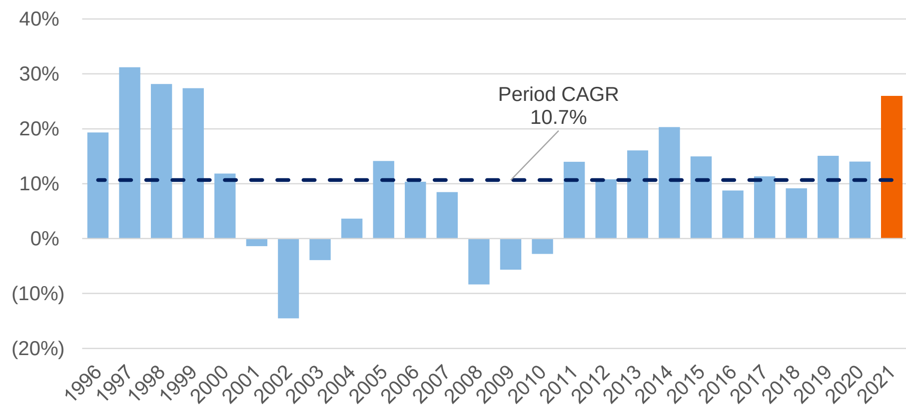
[1] Combined, these positions cost ~325 bps outright (i.e. without considering opportunity cost in a year with indexes up sharply).
[2] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[3] "Speculative" in the business model (e.g. little revenue, unprofitable) and/or extreme valuation sense.

Exhibit 1: Typical Drawdown for S&P 500



Source: Upslope based on data from J.P. Morgan Asset Management, FactSet and Standard & Poor's

Exhibit 2: S&P 500 (SPY) Trailing Three-Year Total Return CAGR



Source: Upslope, Sentieo

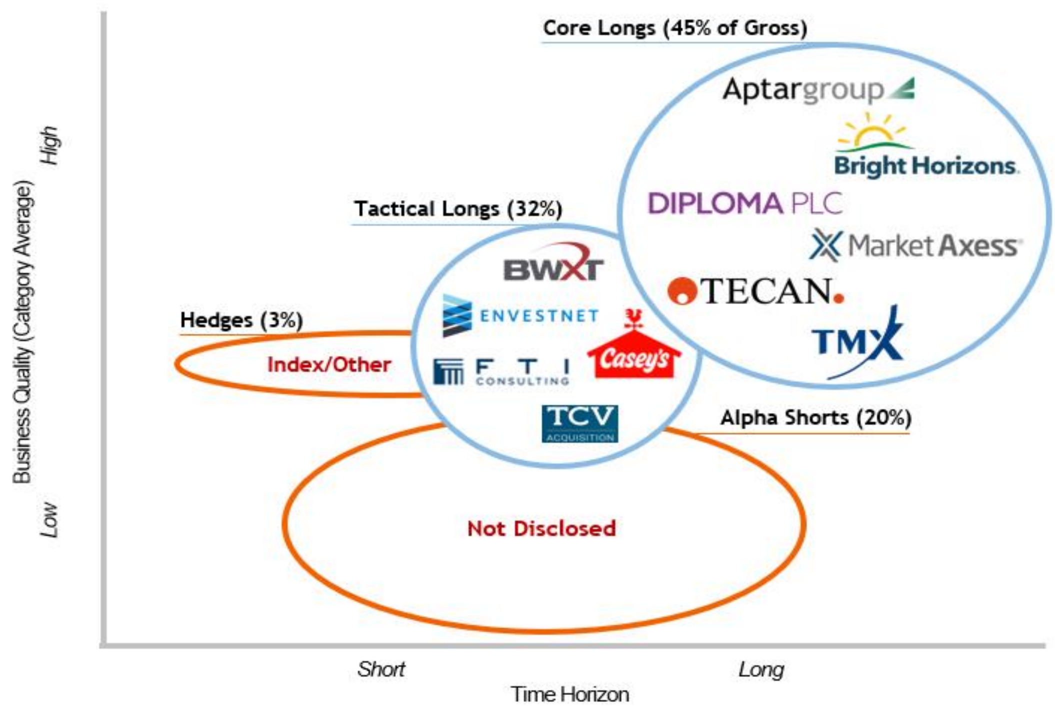
With an increasingly treacherous investing environment, defensive strategies, which have been out of favor since the March 2020 bottom, should see a resurgence. We'll see. On the short side, this has started to play out. For longs, the picture is more mixed. The low-volatility index (SPLV) that I track has barely bounced off the decade-plus bottom relative to its high-beta counterpart (SPHB). Regardless, I remain very enthusiastic about the prospects for Upslope's unique and defensive portfolio, which should continue to grow earnings and cash flows over the long-run.

Finally, I mentioned last quarter that Upslope's portfolio had higher than normal exposure to "catalyst-driven" stocks. While I'm still optimistic about the potential for a positive catalyst in two of the four positions, I have mostly thrown in the towel on CBOE and one other (prefer not to name it just yet). I had hoped for better outcomes across the board, but the reality is these situations are *never* certain and are always a judgment call about the overall risk/reward. Generally, Upslope's style is focused on potential catalyst situations where perceived downside is negligible even if significant upside may be a long-shot. CBOE was a good example. It didn't have the optimal outcome, but the risk/reward for shares coming into 2021 was *so* compelling that the end result was still quite positive: CBOE was the largest contributor to performance for the year and now a top five contributor since the inception of Upslope's strategy.

PORTFOLIO POSITIONING

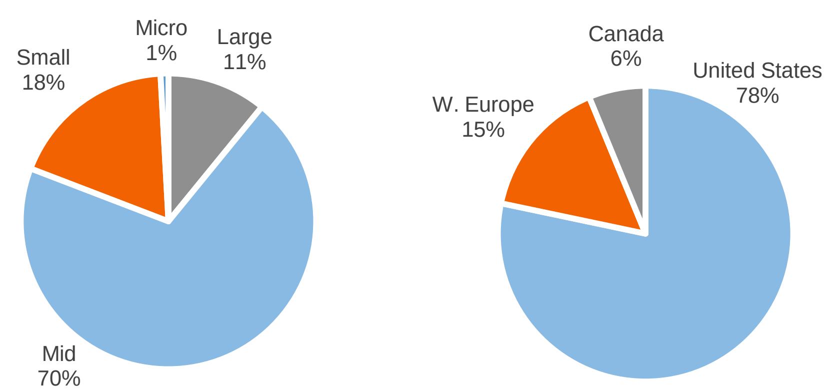
At quarter-end, gross and beta-adjusted net exposures were 135% and 44%, respectively. Positioning reflects a heightened number of perceived opportunities on both the long and short sides of the portfolio. As in recent quarters, gross exposure is elevated (vs. typical 100-125% range) owing to a large position in a pre-transaction SPAC (TCV Acquisition Corp.) trading below NAV.

Exhibit 3: Upslope Portfolio Snapshot[4]



Source: Upslope. Note: as of 1/4/22 and may change without notice. Logo positioning *within* categories not reflective of relative time horizon/business quality. See Appendix C for a brief overview of all longs.

Exhibit 4: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 1/4/22. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

[4] Not disclosing shorts publicly due to current market conditions. As always, clients should feel free to contact me regarding any/all positions, including shorts.

PORTFOLIO UPDATES[5]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 5: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Diploma (+190 bps)	Long: BWX Tech. (-85 bps)
Short/Long: MarketAxess (+160 bps)	Short: Index Hedges (-75 bps)
Long: FTI Consulting (+125 bps)	Short: Asset Manager (-55 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+340 bps	+70 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

<u>Cboe Global Markets (CBOE) – Exited Long</u>

CBOE is a diversified, global exchange (equity, derivative, FX) operator with dominant positions in index and volatility (VIX) derivatives. After 3.5 years, we effectively exited the position in early 2022. Ultimately, the two key pillars of the investment thesis – improving fundamentals and a potential take-out – broke by year-end. While I believe we came very close to seeing CBOE get acquired, it appears to be off the table for the foreseeable future (an uptick in insider selling and a very sharp acceleration in acquisition and strategic activity are notable). Additionally, while 2021 saw a nice improvement in fundamentals, the rebound in CBOE's key VIX product appears to have stalled. On the options front, CBOE also appears to face notable risk should retail interest fade (this seems likely, given what's happened to many retail-favorite stocks in recent months).

<u>MarketAxess (MKTX) – Reinitiated Long</u>

MarketAxess is the leading platform for electronic trading of corporate fixed income securities (mostly High-Grade, High Yield, Eurobonds, Emerging Markets). The stock was a Core long of Upslope's – until early 2021, when it became apparent the company was coming under significant competitive pressure from Tradeweb, a smaller but formative competitor. After being short for most of 2021, we covered in December and reinitiated a modest long position. Why now?

(1) **Fundamental outlook has stabilized and may have troughed; evolving revenue mix bodes well for future growth**. MKTX faced two key issues in 2021: increasing competitive intensity from Tradeweb and a generally tough environment (low volatility and incredibly tough comps vs. 2020). On this latter point, we know 2021 will be a far easier comp for MKTX. And, as previously noted, higher volatility ahead seems a reasonable bet.

On the competitive front, it's true that MKTX continues to face challenges – especially within its core High-Grade product. However, the issues are well known and appear to be getting less bad. More

[5] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

importantly, MKTX finished the year with record high market share in its three "Other Credit" products (High Yield, Emerging Markets, and Eurobonds). I believe these products, which also carry higher fee rates than High-Grade, are underappreciated by investors. Interestingly, **2021 was the first time that Other Credit comprised a majority of trading volumes for MKTX**, having risen from 32% in 2014 to 53% in 2021. This should bode well for future growth – especially since most of the Other Credit categories are less "electronified" than High-Grade and thus have even longer runways.

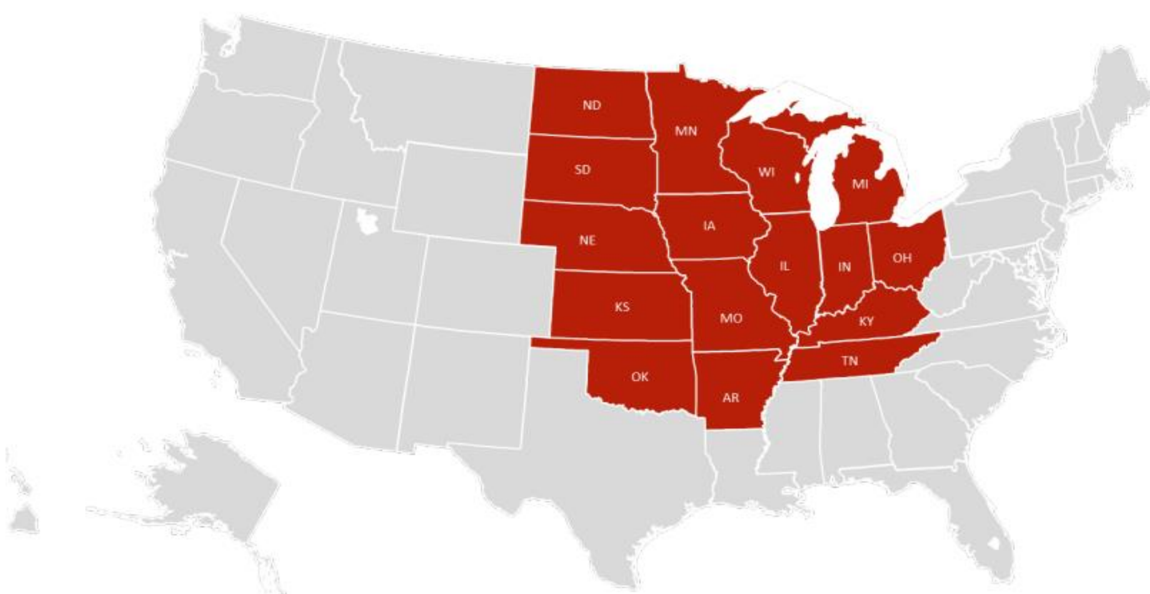
(2) **Shares have massively de-rated from about 50x EBITDA to 30x**. This is still not "cheap" – especially considering the environment for high-multiple stocks – and we are sized somewhat cautiously to reflect this. But, one can't ignore that MKTX continues to be a highly attractive business (nearly 60% EBITDA margins, double-digit top line growth, a fortress balance sheet, and genuine strategic value). Additionally, if fundamentals do, in fact, turn up, valuation will quickly appear reasonable.

(3) **Takeout optionality becoming a consideration as enterprise value approaches $13 billion.** The math surrounding a potential MKTX take-out is still somewhat challenging, given the relatively high multiple on the stock. However, given the strategic value of the business, it's awfully hard to see shares go much lower without serious interest from large, diversified exchanges. And again, should fundamentals turn up, the takeout math will also quickly improve.

Casey's General Store (CASY) – New Long

Casey's is the 3rd largest operator of convenience stores in the United States and effectively the 5th largest pizza chain in the country. Geographically, Casey's is focused exclusively on the Midwest and South, with locations primarily in small towns (almost half with populations <5,000; three-quarters with <20,000). Gross profit is split across Grocery & General Merchandise (37%), Fuel (32%) and Prepared Food & Dispensed Beverage (28%).

Exhibit 6: Casey's Unique & Concentrated Footprint



Source: Casey's investor presentation

Generally, Upslope's thesis is that Casey's is an attractive, defensive, and growing value-oriented stock – perfect for the environment today (and years ahead), which for some time has been enamored with sexy, speculative growth stories. The company has a unique and concentrated geographic footprint (see above), which could eventually make it an M&A target. At <11x EBITDA the stock is not expensive on either a relative or absolute basis and the balance sheet is reasonable (<2x net leverage).

CASY's competitive advantages are obvious and reflected in its financials. The primary competitive advantage Casey has versus competitors is its massively larger scale, as many competitors are effectively "mom & pop" convenience stores. Casey's also benefits from the diversity of its model. This has come in to focus of late as retailers everywhere have faced rising inflationary headwinds. Casey's has been able to offset a significant portion of cost increases with expanded fuel margins (on the flipside, CASY has the ability to flex margins down to drive traffic in-store). This flexibility, combined with its scale advantages enable Casey's to offer better value to customers, while still operating profitably.

CASY's historical performance and financials tell a consistent story with the advantages noted above. The company has delivered 19+ years of positive inside (ex-Fuel) same-store sales and 3.5% average unit growth over the last decade. Meanwhile, Gross and EBITDA margins have steadily risen, while ROIC has remained consistently in the 10-14% range.

While Casey's long-term track record is impressive, the outlook appears increasingly bright, as management has begun to accelerate both unit growth and internal initiatives. For unit growth, management has targeted a 5% CAGR through FYE 2023 (note April 30 fiscal year-end). Significant progress has already been made on this front with three sizable recent acquisitions. Despite these larger deals, the M&A runway continues to be very long due to the highly fragmented nature of the convenience store industry.

On the internal initiatives front, Casey's has been very busy over the past two years and has a number of shots on goal that could accelerate growth including: breakfast menu refresh (better quality food + coffee), continued expansion of digital rewards program, opening of 3rd distribution center, private label expansion, and delivery partnerships (DoorDash launched, UberEats in 2022).

Key risks for shares include: sustainability of fuel margins, M&A/new unit execution, inflation, miscellaneous concentrated exposures (Midwest, tobacco sales), and long-term uncertainty regarding electric vehicle adoption (arguably, this was tested during peak-COVID, when fuel volumes fell precipitously and inside sales did just fine. Further mitigated by geographic focus and slower regional adoption of EVs).

CLOSING THOUGHTS

2021 was a challenging but productive year. On the investing front, Upslope's circle of competence for short-selling was greatly expanded. Historically, I had focused most of my efforts on fads and value trap style shorts with only a negligible focus on bad actors/frauds. 2021 was the inverse and required a very different approach to short-selling in terms of research process, time allocation, and position sizing/management. While there were certainly bumps in the road, the addition of this new skillset contributed materially to performance in 2021 and should benefit Upslope clients in the years ahead.

On the business development front, Upslope welcomed a number of new, high-quality clients during the year, including a small family office, several professional equity investors, an entrepreneur, and an executive in one of Upslope's core competency industries. I am extremely proud of the quality of Upslope's client base – about 1/3 of whom are current or retired professional equity investors themselves.

As always, I appreciate the trust you've placed in me to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your account, or know someone that may be a good fit for Upslope's atypical and defensive approach, please call or email anytime.

Sincerely,

George K. Livadas
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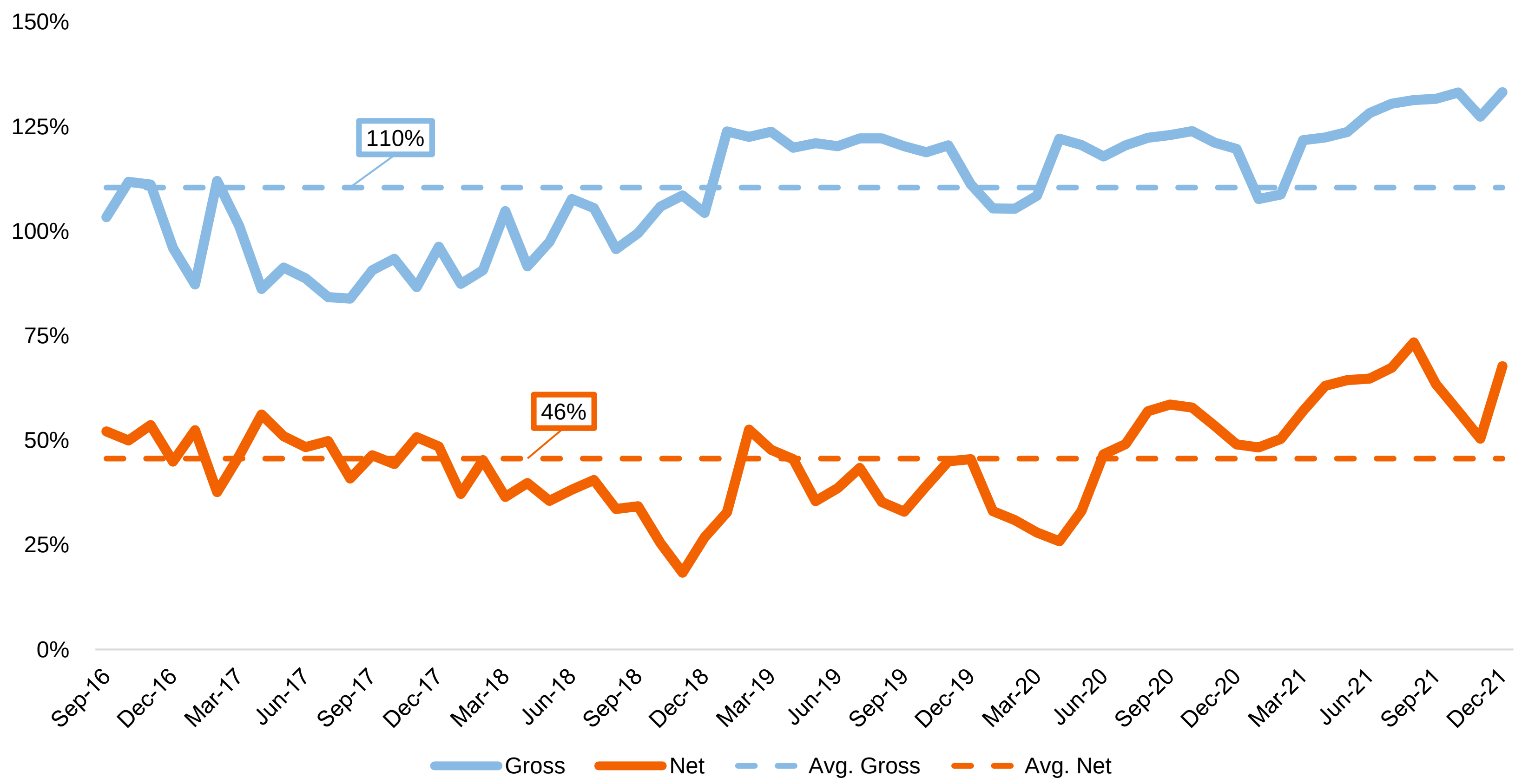
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	24.6%
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	15.1%
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	13.5%
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	18.9%
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	25.8%
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	4.6%
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	(11.3%)
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	16.2%
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	15.9%
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	(1.6%)
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	6.2%

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	10.5%	70.4%	4.7%	1.8	--
	S&P Midcap 400	13.2%	94.3%	12.9%	0.9	0.28
	HFRX Equity Hedge Index	5.3%	32.1%	5.6%	0.6	0.26

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns are shown for a composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 index represented by total return for a related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2021 were +64.7% and +3.3%, respectively). Clients should always review statements for actual results**.** 11% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 is based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR)

Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Overall misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

Bright Horizons Family Solutions (BFAM)

Leading childcare provider with unique and dominant corporate partnership model. Initially hit hard by COVID-19, BFAM passed the "stress test" and should ultimately emerge competitively stronger, while continuing to benefit from long-term growth in demand for dependable, high-quality childcare.

BWX Technologies (BWXT)

Leading producer of nuclear reactors, components, and fuel, primarily for the power and propulsion of U.S. Navy subs and carriers. In addition to rising geopolitical tensions, the approaching end of a major capex cycle and optionality in non-Naval units should provide tailwinds for shareholders in the years ahead.

Casey's General Stores (CASY)

3rd largest independent convenience store operator in the U.S. and 5th largest pizza chain; unique footprint exclusively focused on the Midwest/South. Growing business with highly defensible model offers good value and significant optionality from organic initiatives and M&A.

Diploma (DPLM.LN)

U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Envestnet (ENV)

Dominant wealth management technology platform with incredibly sticky offering. Recent initiatives and management actions combined with unique assets significantly elevate the odds of a "turnaround or takeout (divestiture)" outcome.

FTI Consulting (FCN)

Boutique consulting and advisory firm, with leading expertise in restructuring, dispute/conflict advisory, and other practices. Anticipate FCN will ultimately benefit from elevated deal-flow in the wake of longer-term pandemic effects, reopening/normalization, potentially rising rates and long-term effects from SPAC boom.

MarketAxess (MKTX)

Platform for electronic trading of fixed income (mostly corporate high-grade, high-yield, Eurobonds, emerging markets). Beneficiary of long-term trend towards electronic trading. After a challenged 2021 (macro + competitive), outlook appears to have stabilized and M&A backstop becoming a consideration.

Tecan Group (TECN.SW)

Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution throughout the COVID-19 pandemic.

TMX Group (X.TO)

Largest exchange operator in Canada, with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth, with potential outperformance in the event of rising inflation and/or elevated volatility.

IMPORTANT DISCLOSURES

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There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2022 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

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Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2022-Q1 Update

April 18, 2022

Dear Fellow Investors,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Q1 was a volatile, but *relatively* favorable environment for Upslope's approach, which skews towards defensive, value-conscious investments. This has continued into April, as Upslope is now up year-to-date (vs. -7% for the S&P Midcap 400 index) as of this writing.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q1 2022	66%	-0.3%	-5.0%	-0.3%
Last 12 Months	64%	+5.9%	+4.1%	+8.9%
Since Inception*	**47%**	**+10.0%**	**+11.6%**	**+5.0%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized.

MARKET CONDITIONS – REGIME CHANGE

Q1 had it all: a speculative growth bust, war, inflation/commodity crises, rising rates, lingering pandemic issues, and a briefly inverted yield curve. The only thing missing: an above-average correction in the stock market. In February, the S&P 500 bottomed at almost -14% YTD – dead in-line with the average draw-down for the market since 1980 – and closed the quarter just -5%. With a macro and geopolitical backdrop seemingly much worse than "average," it's hard not to be impressed with the resiliency. I'm not sure if this bodes well or ominously for the period ahead. On the one hand, stocks rising in the face of bad news historically suggests that bad news is priced in. On the other, we've had multiple episodes since January 2020 where stocks didn't care about bad news until…they suddenly did.

"Regime change" continues to be *the* theme of 2022. Regime change in financial markets and regime change geopolitically. In financial markets, we saw a hard shift from growth to value stocks early and a persistent step-up in inflation. These are big, broad changes to trends that have lasted, by some measures, 10+ and 40+ years, respectively.

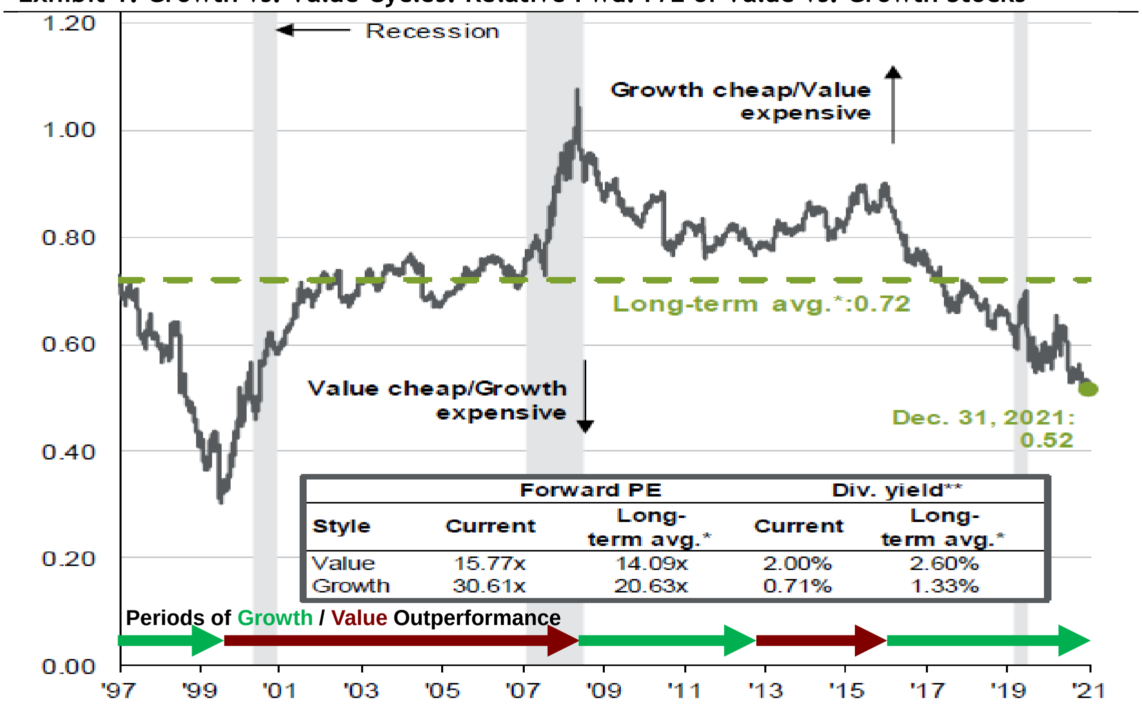
Given the violent undercurrents in markets, opportunities abound – both long and short. Many SPACs and other speculative growth stocks have whipped around, but continue on their way to circa $0/share. Macro volatility has expanded the opportunity set for shorts. Upslope's short exposure has similarly shifted to become more balanced (though we are still short plenty of speculative nonsense).

On the long side, Upslope's portfolio has historically leaned 2:1 in favor of "Core" (quality) vs. "Tactical" (value) holdings.[2] By the end of Q1 this ratio flipped, with the portfolio more tilted to Tactical value than ever. The shift is one I've pondered and prepared for, for years (see the "Value Practice" section starting

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] A reminder: Core holdings are generally higher "quality" businesses with less valuation sensitivity, while "Tactical" are what most consider traditional value investments (more modest quality, highly valuation sensitive, often cyclical).

on p. 2 of the [2020 Q3 letter] for a very related discussion). The change was one part deliberate (turning over more stones in value stock land and trimming some expensive positions), one part opportunistic (jumping at timely situations I'd been monitoring). I'm open to changing my mind quickly, but I believe the regime change towards value is likely to last for years, supported by higher baseline inflation and a historical tendency for growth-to-value rotations (and vice versa) to last for 3-5+ years at a clip (see Exhibit 1 below).

Exhibit 1: Growth vs. Value Cycles: Relative Fwd. P/E of Value vs. Growth Stocks



Source: *J.P. Morgan Guide to the Markets*, 1Q 2022 (arrow/annotations at bottom by Upslope).

While "value" has outperformed of late, there are many value stocks I have little interest in. Cyclicals that look "cheap," due to elevated cycle peak risk and whose share performance rely on perfectly timed financial engineering – no thanks. Instead, Upslope favors economically and competitively defensive businesses. In recent periods, it became quite challenging to find stocks that were both (a) defensive and (b) cheap. But in Q1 several opportunities emerged to own stocks that were both defensive and cheap. In late January, I started to further expand our defense industry exposure with the addition of two uniquely-positioned European defense stocks (Kongsberg and Chemring). I also added Silgan, an underappreciated and highly defensive packaging business (produces food cans and specialty closures/dispensers).

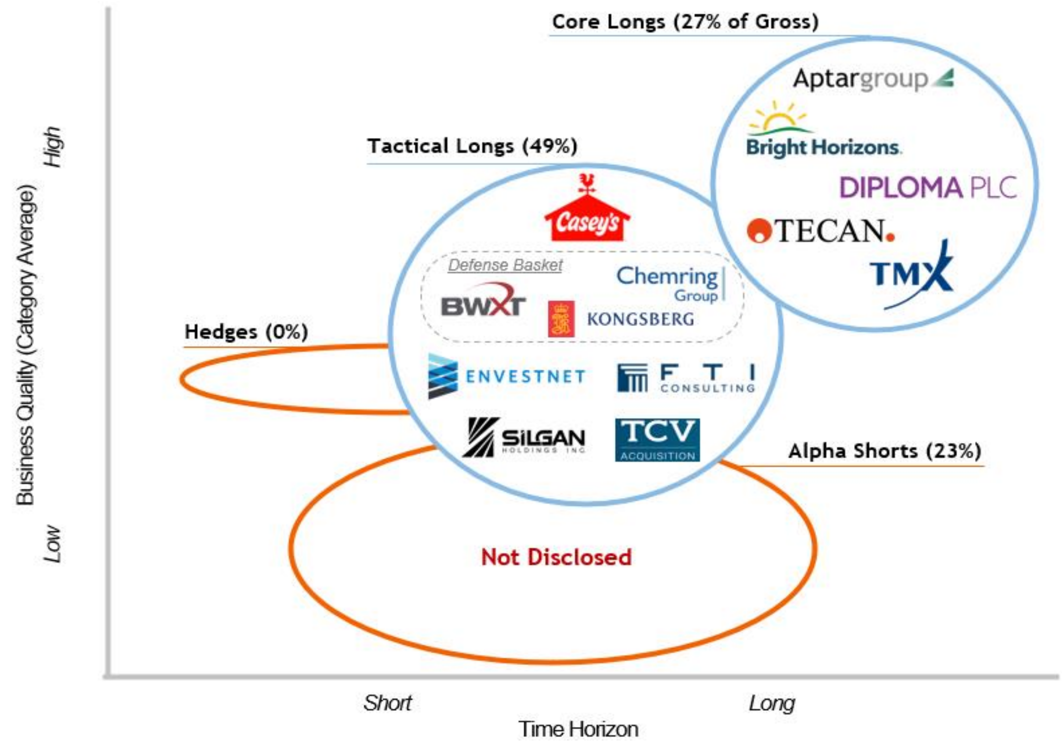
Overall, I'm excited about Upslope's portfolio companies and construction today. Our longs should be capable of weathering a variety of economic conditions, including sustained inflation and the prospect of a recession (not that I am predicting one soon). Most aren't particularly economically sensitive and can quickly pass through cost increases (often contractually). They'll also do just fine should recent macro fears prove misguided. Our shorts, on the other hand, are fragile. Many require generous capital market conditions to fund their "science projects"; others are nakedly exposed to commodity and interest rate fluctuations.

My aim with portfolio construction is not to lean too hard on any single macro theme, but to ensure the portfolio thrives in a variety of scenarios – both expected and outlier. I believe that's exactly how we're positioned today.

PORTFOLIO POSITIONING

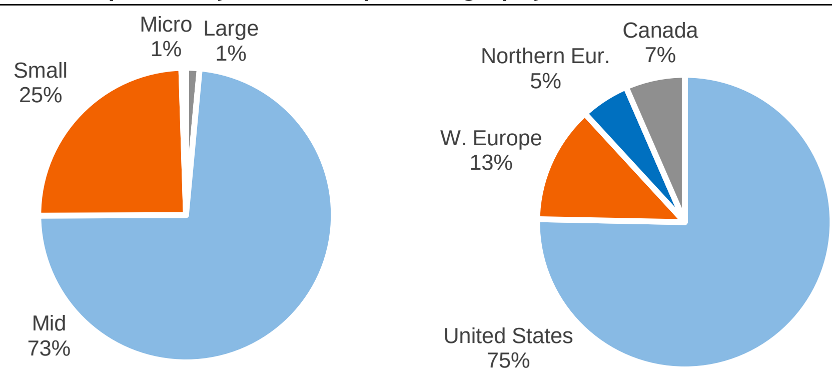
At quarter-end, gross and beta-adjusted net exposures were 135% and 38%, respectively. Positioning reflects a heightened number of perceived opportunities on both the long and short sides of the portfolio and sharply lower average beta among longs than shorts. Gross exposure is elevated (vs. typical 100-125% range) owing to a large position in a pre-transaction SPAC (TCVA) trading below NAV.

Exhibit 2: Upslope Portfolio Snapshot[3]



Source: Upslope. Note: as of 4/5/22 and may change without notice. Logo positioning *within* categories not reflective of relative time horizon/business quality. See Appendix C for a brief overview of all longs.

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 4/5/22. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

[3] Not disclosing shorts publicly due to current market conditions. As always, clients should feel free to contact me regarding any/all positions, including shorts.

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Kongsberg (+150 bps)	Long: Tecan (-320 bps)
Long: Chemring (+85 bps)	Long: Diploma (-255 bps)
Short: Ranpak (+80 bps)	Long: MarketAxess (-90 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-410 bps	+405 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Defense Basket: New Longs

"There is a before and after 24th of February.
The security landscape has completely changed…"
- *Swedish PM Magdalena Andersson, April 13, 2022*

In Q3 2021, I added BWX Technologies (sole supplier of nuclear reactors, components, and fuel largely for the propulsion of U.S. Navy submarines and carriers) to the portfolio. Part of the thesis involved clearly rising geopolitical tensions. Having extensively studied Russian language and history over many years, I quickly became interested in and alarmed by the events surrounding Ukraine. It seemed obvious that defense spending would accelerate globally – not just in the short-term, but also the long-term. As a result, I added two additional defense stocks to the portfolio starting in late January.

While I typically haven't deployed a "basket" approach (multiple, smaller thematic positions) to longs, I don't feel comfortable holding outsized positions in many niche defense stocks due to their elevated operational risks (e.g. handling explosives and hazardous materials). Our three defense-related holdings – BWXT and the two new positions discussed briefly below – are each sized at ~2/3 that of a normal position. Brief commentary on the new positions is provided below.

Kongsberg Gruppen (KOG:NO)

Kongsberg is a 200+ year old Norwegian defense contractor and niche maritime industrial player. The company is 50.004% owned by the Norwegian government and has three segments: **Defence & Aerospace, Maritime, and Digital**. Profitability is split somewhat evenly across the first two segments, while Digital is still generally loss-making (but faster-growing). Key Defence & Aerospace products include: mid-to-long range surface to air missile defense system (NASAMS, "the world's most widely used air defence system in its segment"), joint strike missile (JSM, used on F-35s), and remote weapons systems (RWS – enable guns to be mounted on military vehicles, while operated safely from inside the cabin).

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

Kongsberg Maritime is a global leader in dynamic positioning systems and other offshore/commercial vessel components and services. Customers include all major offshore oil and gas operators, as well as other commercial, passenger, and fishery customers. Finally, Kongsberg Digital is the company's software unit focused mostly on simulation, largely in energy and maritime end markets.

Why do I like this quirky business? First, KOG has exposure to two end markets likely to see cyclical upturns in the years ahead: global defense and offshore energy (traditional + wind). Second, KOG holds dominant, defensible positions in key products, including NASAMS, remote weapons systems, JSM, and maritime systems. Third, management has shown to be strong stewards of capital: they maintain a conservative balance sheet (~1x net cash/EBITDA) and appear adept "portfolio managers" (executing well on the acquisition of Rolls Royce commercial marine despite the curveball that was COVID, and actively pursuing a separation of Kongsberg Digital to unlock value). Finally, there is some optionality with the prospect of a Digital segment IPO.

Key risks for KOG include execution (given magnitude of recent order intakes), government control (arguably there are benefits, as well, but it remains a risk), input cost inflation, GDP sensitivity in Maritime, and general lumpiness of defense contract wins.

Chemring Group (CHG:LN)

Chemring is a UK-listed specialty defense business with two segments: **Countermeasures & Energetics** (65% of sales, 60% of profit) and **Sensors & Information**. Historically, Chemring was known for its countermeasures products – decoy flares used by military aircraft for missile defense. Here, CHG is dominant, with ~50% market share, ~2x that of the next biggest competitor. On the energetics side, CHG produces components and specialty explosives for a range of end-uses, including rocket and satellite launches, missiles, ejector seats, and oxygen mask deployment. Within Sensors & Info, CHG's sensors business encompasses a variety of devices/systems aimed at supporting military and anti-terror operations. Key products include mine and IED detection devices for military vehicles and chemical/biological detection systems. Finally, CHG's Roke unit, which sits in Sensors & Info, is focused on providing often highly-classified cyber warfare engineering and consulting services. Roke has been a gem within the CHG portfolio, with outsized (double-digit) revenue growth and solid 20%+ EBITA margins.

Upslope's thesis for CHG involves four key points: (1) the company is operating in sweet spots that should outgrow the broader defense market for years. Those areas include cyber warfare (Roke has already shown an ability to grow quickly here) and conflict-linked products (a recent Berenberg analysis confirmed as much: CHG has the second highest exposure to "conflict-driven demand" among European aero/defense stocks). Unfortunately, my view is that after years of relative quiet on the geopolitical front, a resurgence of activity is more likely to continue than not. (2) Chemring's business has been transformed and improved drastically over the past 3+ years under a new CEO. Despite a muted demand environment (following U.S. drawdowns in the Middle East), margins and cash conversion are up significantly, the balance sheet is almost debt-free, and all the while the company has invested significantly in increasing exposure to attractive end markets (e.g. investing in its Roke cyber warfare unit and exiting commodity products). (3) Despite the quickly improving demand environment, as well as transformation of the business and balance sheet, CHG was reasonably-valued and Upslope was able to purchase shares for ~9x EBITDA. Estimates have not yet been materially revised, but in my view shares remain attractively valued. (4) Finally, while a secondary consideration, CHG's size and the niche nature of its business make it a logical takeout candidate (the #2 countermeasures player was sold in 2018 for 14x EBITDA).

Key risks include: possibility of manufacturing accidents due to the dangerous nature of some of its operations (handling explosives), ongoing U.K. fraud investigation (opened in 2018 before current CEO joined and appears focused on decade-old contracts that are immaterial in size), competition (relatively small player that faces better-funded competitors), sensitivity to Roke results, and concentrated exposure to the global F-35 program (via countermeasures).

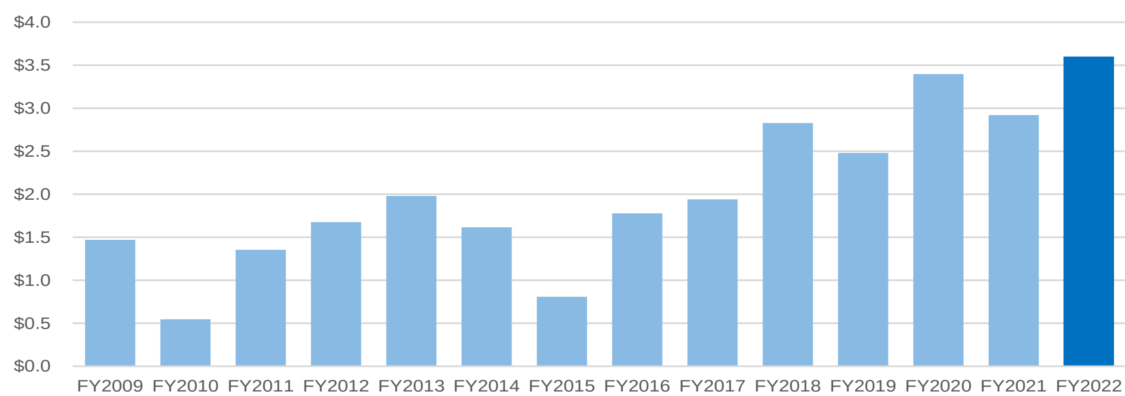
Silgan Holdings (SLGN) – New Long

Silgan is a one-foot hurdle. The company grows modestly and consistently – largely through M&A – and the stock is obviously cheap (12x EPS, 9% FCF yield) on an absolute and relative basis. Shares should perform well in a variety of the most likely environments and represent an opportunity to own a stock that is at once defensive/non-cyclical and cheap. The company has three segments: **Metal Containers** (food cans, which is what SLGN is most known for and proactively shifted away from in recent years; 40%+ of operating income), **Dispensing & Specialty Closures** (plastic/metal caps and dispensing systems/sprayers; 40%+ of operating income), and **Plastic Containers** (15% of operating income). In 2020, SLGN acquired Albéa's dispensing business (a key competitor of Aptar's – one of Upslope's longstanding Core longs).

While very much a traditional value stock (i.e. not exactly "quality"), I could foresee owning shares longer-term as SLGN has quietly positioned itself in recent years as a PE-style packaging platform that happens to be publicly traded. Management has historically been disciplined capital allocators, pivoting away from the slowly-melting-ice-cube that is food cans (now < 50% of revenue).

Given low-growth end markets, this is effectively a bet on management's ability to continue executing their acquisition strategy. Organic volumes in food cans are likely to be flat-to-slightly negative, while revenues should exceed this by a couple percent (pricing/inflation). Despite industry headwinds, free cash flow per share has grown nicely, as shown in the exhibit below. On the margin, growth headwinds are slowly lessening as the company shifts away from food cans, which have the biggest headwinds (negative LSD% volume most years) and have gone from contributing 63% to 49% of revenue over the last five years.

Exhibit 5: Silgan Free Cash Flow / Share



Source: Canalyst, Sentieo, and Upslope.

Given the ultra-defensive nature of its end markets SLGN's balance sheet is extremely manageable – with net leverage expected to approach 2.5-3.5x by the end of this year. Under 3x would clearly be under-levered (private packagers have been levered up to 6x) – and likely lead to a sizable return of capital in the absence of additional M&A. A few other observations and considerations:

(1) Given this is a bet on management, insider ownership (CEO + CFO) is a bit disappointing (~$7mm combined). However, the former CEO (current Chairman) owns $30mm and two now-older co-founders

own more than $500mm…each. I believe the active presence of the former CEO (as well as co-Founders) provides oversight to the current CEO, who has been at SLGN for 17 years (last 9 of which he was COO).

(2) SLGN's shift towards plastics and away from food cans has dramatically opened up the runway for M&A, given the highly fragmented nature of the industry (vs. highly consolidated food can industry). The company is a scale player in plastic packaging/dispensers and should continue to participate in consolidation for years to come.

(3) While it's hard to identify a concrete catalyst, the overall set-up – low relative valuation, on track to be under-levered, economically defensive, expanding runway for M&A, late-70s co-founders with massive stakes – suggests SLGN could become a private equity target for a fund seeking a cash-generative packaging platform. Private equity has a long history of involvement in plastic packaging and has more recently been active with food can assets (e.g. Crown and Ball transactions).

Key risks for Silgan shareholders include: long-term secular headwinds in food cans (stable and strong cash generator, but could change), overall commoditized products, inflation (good pass-through mechanisms, but input volatility and a levered balance sheet are still risks), acquisition integration challenges/risks, ESG headwinds (especially on plastic/dispensers side), and annual harvest volatility.

MarketAxess (MKTX) – Exited Long

After what appeared to be bottoming fundamentals for MKTX, the two most recent months of trading volume and market share data have been increasingly disappointing. Given a not-obviously-cheap valuation (inconsistent with a takeout bid – for now) and management commentary seemingly in denial about obvious problems, I sold the small remainder of our shares post-Q1. The back-and-forth has been frustrating but warranted. I know MKTX better than just about any company Upslope has been involved with, so at least the distraction has been mild. This is likely not the last time Upslope will be involved with the stock.

CLOSING THOUGHTS

The year has started on a positive note for Upslope. There will be setbacks – defensive styles do not grow to the sky (a feature, not a bug). But, I believe the challenges of recent years will prove to have been an effective training ground for the unusual and volatile market we find ourselves in today and the years ahead. For now, valuation discipline, pragmatic risk management, and an ability to be nimble are the key success factors.

I appreciate the trust you've placed in me to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your account, or know someone that may be a good fit for Upslope's atypical and defensive approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Long/Short Composite Performance (Net)

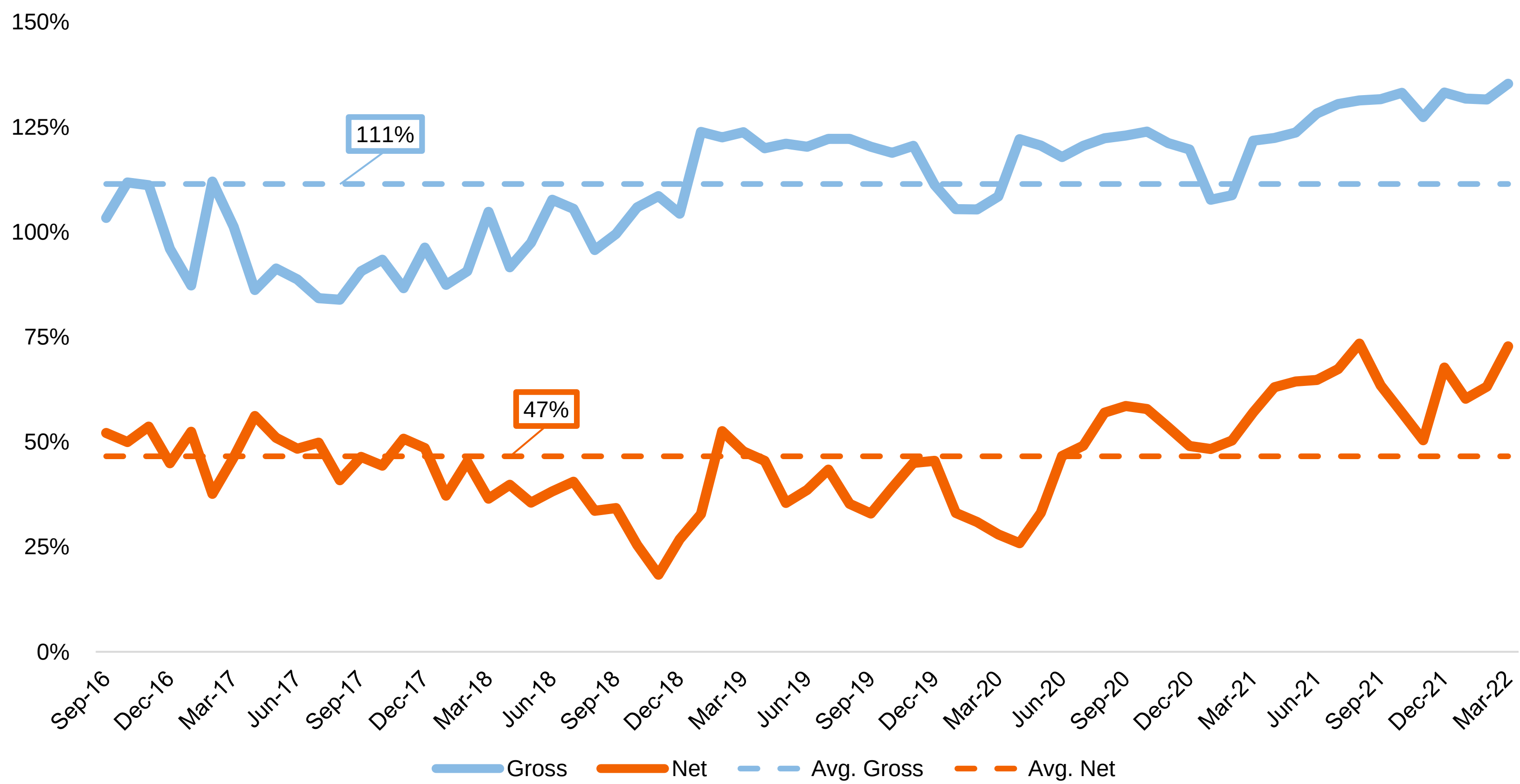
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	Upslope	(2.3%)	0.8%	1.3%										**(0.3%)**
	S&P Midcap 400	(7.3%)	1.1%	1.3%										**(5.0%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	10.0%	70.0%	4.7%	1.7	--
	S&P Midcap 400	11.6%	84.5%	13.0%	0.7	0.30
	HFRX Equity Hedge Index	5.0%	31.7%	5.5%	0.5	0.28

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns shown for composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2022 were +64.3% and -0.7%, respectively). Clients should always review statements for actual results**.** 11% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

Bright Horizons Family Solutions (BFAM): Leading childcare provider with unique corporate partnership model. Hit hard by COVID-19, BFAM passed the "stress test" and should ultimately emerge competitively stronger, while continuing to benefit from LT growth in demand for dependable, high-quality childcare.

BWX Technologies (BWXT): Leading producer of nuclear reactors, components, and fuel, primarily for the power and propulsion of U.S. Navy subs and carriers. In addition to rising geopolitical tensions, the nearing end of a major capex cycle and optionality in non-Naval units should provide tailwinds ahead.

Casey's General Stores (CASY): 3rd largest independent convenience store operator in the U.S. and 5th largest pizza chain; unique footprint exclusively focused on the Midwest/South. Growing business with highly defensible model offers good value and significant optionality from organic initiatives and M&A.

Chemring (CHG.LN): Niche defense contractor focused on Countermeasures & Energetics (defensive flares, specialty explosives) and Sensors & Info (cyber warfare, explosive/chem/bio detection). End markets should outgrow defense market for years; also has elevated "conflict-driven" demand exposure.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Envestnet (ENV): Dominant wealth management technology platform with incredibly sticky offering. Recent initiatives and management actions combined with unique assets significantly elevate the odds of a "turnaround or takeout (divestiture)" outcome.

FTI Consulting (FCN): Boutique consulting and advisory firm, with leading expertise in restructuring, dispute advisory, and other practices. Should ultimately benefit from elevated deal flow in wake of longer-term pandemic effects, reopening, rising rates and long-term effects of SPAC boom/bust.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missiles/defense, remote weapons systems) and maritime (offshore energy and commercial) business, majority owned by Norway. Dominant positions in niche products with cyclically attractive end markets and a strong management team and balance sheet.

Silgan (SLGN): Food can, dispensing system, and plastic packaging producer managed with a private equity mindset. Defensive end markets, attractive valuation and disciplined model make for attractive baseline investment with balance sheet optionality (M&A or capital return).

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution throughout the COVID-19 pandemic.

TMX Group (X.TO): Largest exchange operator in Canada with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth with potential outperformance in the event of rising inflation and/or elevated volatility.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

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There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2022 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

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Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2022-Q2 Update

July 19, 2022

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Volatility from Q1 continued and intensified in Q2, making for another relatively favorable environment for Upslope's approach.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q2 2022	69%	+0.8%	-15.4%	-4.4%
YTD 2022	67%	+0.5%	-19.7%	-4.7%
Last 12 Months	65%	+3.8%	-14.8%	-0.9%
Since Inception*	**48%**	**+9.7%**	**+7.9%**	**+4.0%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized.

MARKET CONDITIONS – ALL SOBERED UP?

Bargains have begun to emerge, but investors need to be pickier than usual – despite a market -20% YTD. Not everything is on sale and the macro environment is packed with landmines. Flawed businesses whose stocks saw bubbly valuations last year will remain challenged, in my view. Just as it was wise to remain humble making predictions about inflation, it's best to be open-minded about the macro road ahead. A recession is likely. Will it be shallow and somewhat painless – "technical" in the spirit of mis-predicted "transitory" inflation? Or at least V-shaped, like the crises of recent years (2018, 2020) that investors have learned to love? I'm not so sure.

Upslope's portfolio continues to lean defensive and cheap. Quality is surprisingly high for some of our longs with newfound cheapness. One example (purchased in Q2) is Ball Corp. In late 2020, Ball traded for over 30x earnings – ridiculous for a humble beverage can producer (albeit an exceptionally well-managed one). It recently traded for half that. Drawdowns are not the same as "value"; but, this seems like an "obviously reasonable" price for the clear leader in a consolidated industry that's historically shown limited macro sensitivity, a good ability to pass through costs, consistent growth, and disciplined capital allocation.

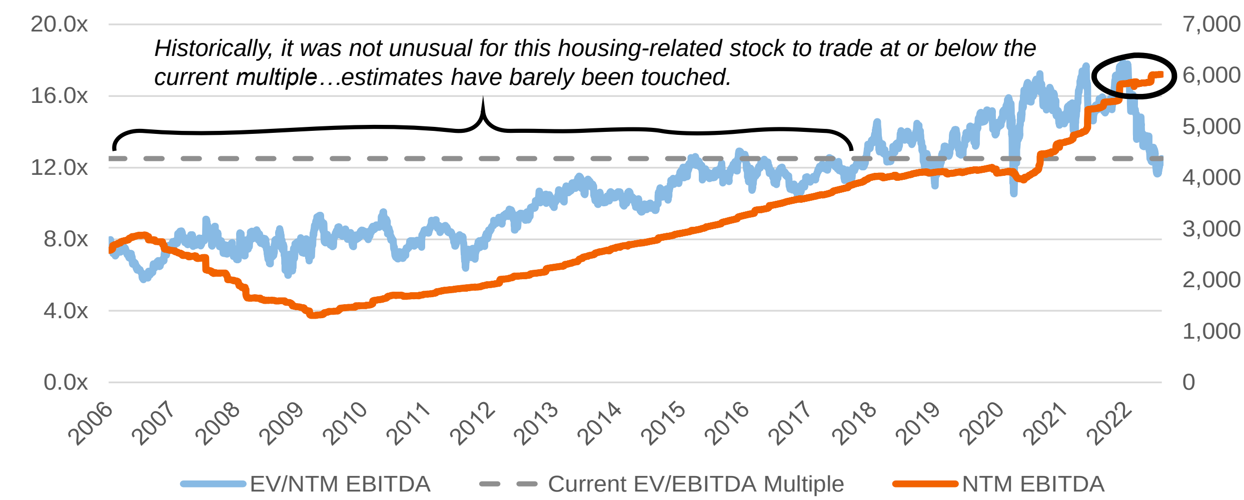
On the short side, our shift away from "SPAC+" shorts continues.[2] In their place: increased exposure to select pockets of cyclicals – namely packagers and housing. Some have been indirect beneficiaries of the inflationary environment (fundamentally and as "value stocks"), which seems likely to wane. These stocks have held up surprisingly well, even though historically they have been harmed more than most in a sluggish economy.

I came about our housing-linked shorts in a roundabout way. After initiating a starter *long* in a housing stock during the quarter, I concluded (after some restless nights) that in the face of a historic spike in mortgage

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] Of course, I retain the right to about-face on this.

rates, it was all just a little too cute. While the stock had de-rated, shares have seen lower trough valuations in the past *and* estimates hadn't even budged yet. So not only did I hit eject on the starter long, but I sought worse offenders as shorts. "Quality" and "compounders" are words investors use to describe most of them. These shorts are reasonably cyclical and only cheap relative to the past five boom years. The outlook has changed, and the longer-term floor has historically been lower. While I have no illusions about housing shorts being in the early innings, estimate cuts should still compound potential downside. A clear example of the above phenomenon is shown below.

Exhibit 1: Still Compounding in Housing?



Source: Sentieo, Upslope. Note: as of 7/15/22; EBITDA figures adjusted by multiplier to keep example blind.

Looking ahead, what would it take for me to get more broadly bullish – and what would that look like in terms of Upslope's portfolio? It's easiest to answer the second question first: you'd see a reduction in outright short exposure and an increase in the average beta (cyclicality) of our longs.

What would cause this to happen? On the short side, I would need to have a harder time finding interesting ideas. Today, I don't believe it is *that* difficult. There are still plenty of SPACs with more downside (approx. 100% in many cases – just on fewer dollars, which means more risk). There are also plenty of cyclicals that seemingly only "work" in a best-case perfect-landing macro scenario, while offering sharp downside if current events continue down the same path.

Finding attractive, higher beta longs is more challenging. Despite the market pullback, there isn't much that I'm excited about in this category (although we're getting warmer). I had some fits and starts here in Q1, with a few starter positions that I ultimately ended up cutting entirely. Most of the cyclical areas I've studied have priced in a softening economy. But, downside is not yet limited enough. I have a well-worn and growing shopping list that I hope to get another shot at soon. While I'm excited about what may lie ahead, I believe patience is still warranted.

Upslope Capital Management
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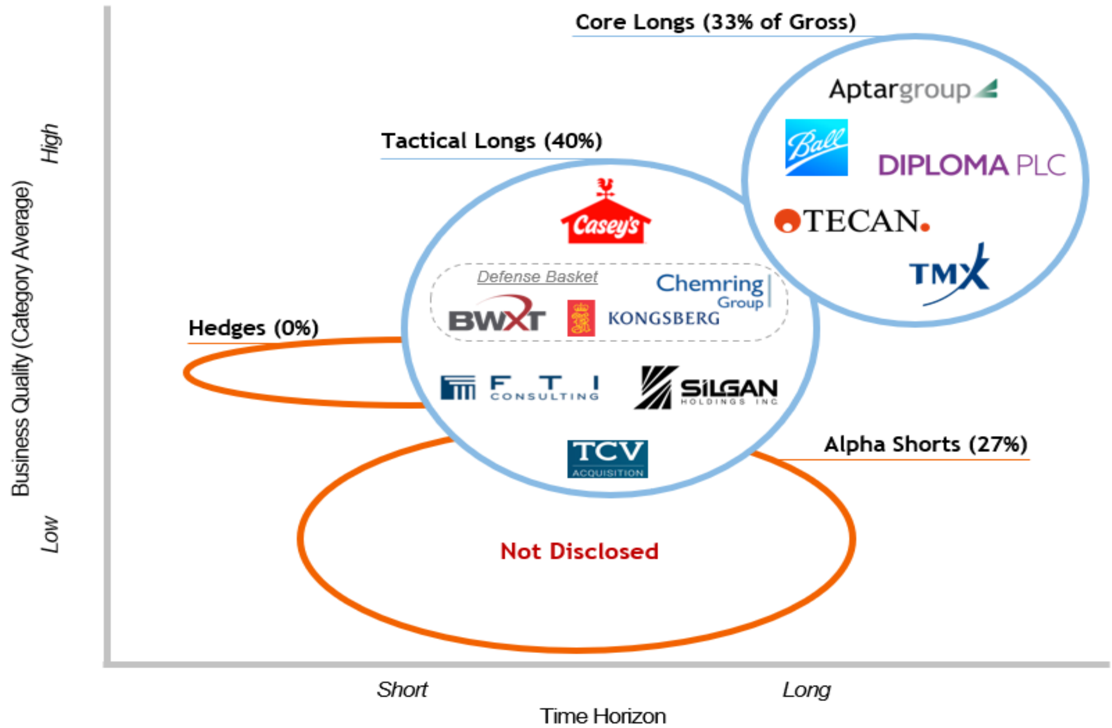
PORTFOLIO POSITIONING

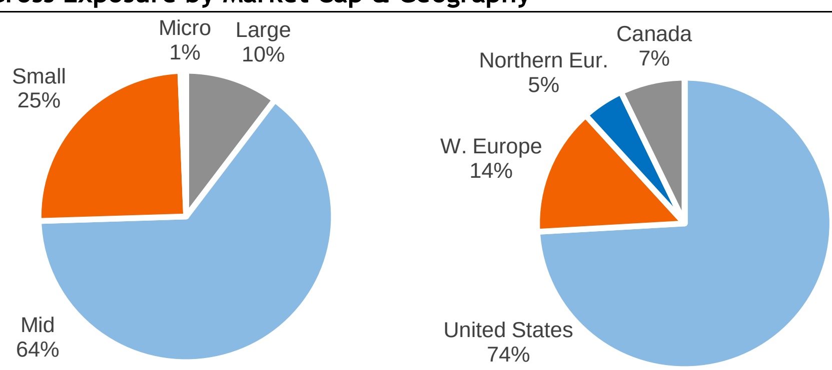
At quarter-end, gross and beta-adjusted net exposures were 135% and 37%, respectively. Positioning continues to reflect a heightened number of perceived opportunities on both the long and short sides of the portfolio – and sharply lower average beta among longs than shorts. Gross exposure is elevated (vs. typical 125% range) owing to a large position in a pre-transaction SPAC (TCVA) trading below NAV.

Exhibit 2: Upslope Portfolio Snapshot[3]



Source: Upslope. Note: as of 6/30/22 and may change without notice. Logo positioning *within* categories not reflective of relative time horizon/business quality. See Appendix C for a brief overview of all longs.

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 6/30/22. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

[3] Not disclosing shorts publicly due to current market conditions. As always, clients should feel free to contact me regarding any/all positions, including shorts. "Starter" longs (based on Upslope's judgement) are not shown.

PORTFOLIO UPDATES[4]

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: FTI Consulting (+160 bps)	Long: Diploma (-185 bps)
Short: Tattooed Chef (+125 bps)	Long: Bright Horizons (-155 bps)
Short: Ranpak (+95 bps)	Long: Tecan (-145 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-885 bps	+995 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

Bright Horizons (BFAM) – Exited Long

Bright Horizons is a leading childcare provider with a unique corporate partnership model. Upslope's thesis was that BFAM was hit hard by COVID-19 but should ultimately emerge competitively stronger. This thesis broke in Q2 (arguably, I confess, much earlier), as the company continued to struggle on most fronts (enrollment + margins) and announced its largest-ever acquisition – in Australia. In addition to poor timing (aggressive deal from a position of weakness), the acquisition also signaled to me a lack of near-term opportunities in BFAM's core U.S. market.

Envestnet (ENV) – Exited Long

Envestnet is a leading wealth management technology platform. Based on various management initiatives and actions and the fact ENV is a collection of unique assets, Upslope's thesis was that the odds of a "turnaround or takeout" were quite high. This thesis broke on both fronts during Q2. Fundamentals (tied to broader market performance) deteriorated sharply; and, the odds of a takeout (dependent on financing conditions and general risk appetite) also declined. To put an exclamation point on it, ENV also saw an exodus of various upper-/mid-level executives.

Ball Corp. (BALL) – New Long

Ball is a simple business, focused primarily on producing beverage cans (90% of segment earnings, with the remainder largely focused on niche aerospace instruments, sensors, and spacecraft). An aggressively un-sexy business, "bevcans" is an attractive niche with historically low sensitivity to macro volatility and solid pricing power (due to tight contractual pass-through of raw material costs and a highly consolidated industry). Barriers to entry aren't particularly high, but it is challenging for sub-scale entrants to compete and operate efficiently vs. large global players such as Ball. At its foundation, the business is driven by canned beverage (beer, soft/energy drinks, etc.) volumes, with a modest, but persistent uplift owing to a

[4] Upslope's general policy regarding disclosure of *new* positions is to discuss significant longs considered to have been fully established. For shorts, Upslope aims to discuss an illustrative sample of positions (generally desiring added confidentiality).

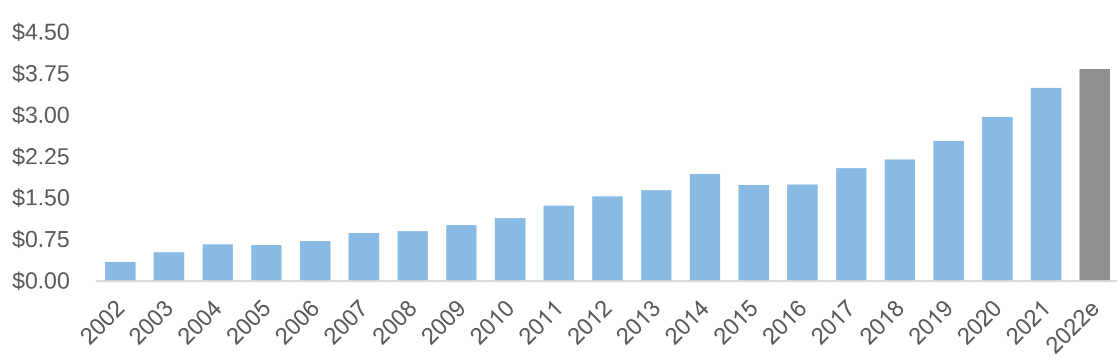
long-term shift from glass and plastic beverage packaging to aluminum (lighter, easier to recycle, and less energy-intensive).

No surprise, the core of Upslope's thesis isn't about heart-racing upside so much as it is about owning a well-managed, attractive business with limited downside and a history of double-digit free cash flow growth. Ball shares have struggled significantly over the past 18 months. 2021 was the stock's worst year of relative (vs. S&P 500) underperformance since at least 2000 (a fun fact for those of us that believe we just concluded Tech Bubble 2.0). 2022 kicked off similarly. While the S&P 500 itself saw one of its worst starts to a year ever, Ball shares underperformed even that by an additional 11% (-30% in 1H). Much of this was, in my view, due to a badly needed correction of over-valuation. In recent years Ball became an "ESG" darling, owing to its (logical) messaging around sustainability, as well as its steady performance through COVID-era macro volatility. This exuberance has finally been corrected, in my view.

A big part of my enthusiasm for Ball today is the expected removal of a series of temporary but noisy headwinds. Among them: concern over Russian operations (<5% of sales and expected to exit), weakness in Brazil (historically volatile and nothing new; also consistent with competitor's experience), and inflationary pressures (headwind to margins that should ultimately be recouped). On top of these concerns, investors (including myself) have eyed significant bevcan industry capacity expansions in recent years with some concern and skepticism. To date, industry expansion has not been speculative and has been tied directly to contracted new volumes. While it remains an issue to watch, I believe: (a) it's very widely known and largely priced in today, and (b) we could see some capacity expansion pauses or reversals in the periods ahead (which would be cheered by investors).

Aside from fading headwinds, there are plenty of reasons to like Ball as a business and stock. First, as noted, Ball's business is largely driven by canned beverage volumes, which tend not to be particularly cyclical, and are bolstered by the steady shift towards aluminum beverage packaging. Second, Ball has historically been viewed as the best-managed packager with a disciplined, ROIC-focused management team. I have long agreed with this assessment, but believe the stock is no longer priced as such today. Third, despite tough sledding for shares of late, I believe Ball is exactly the type of stock that should thrive on at least a relative basis in today's uncertain macro environment. The core is defensive and the business is better insulated against inflationary and recessionary headwinds than most. The company can also thrive should macro concerns subside. Finally, Ball's niche Aerospace segment remains an obvious source of optionality, given the geopolitical climate and investors' lack of focus on it.

Exhibit 5: Steady Earnings per Share (Adj.) through Economic Cycles



Source: Canalyst, Sentieo, and Upslope.

Key risks for Ball shares include: (1) “Peak cycle” concerns, including: Ball’s purchase of arena naming rights (in Denver), CEO retirement, industry capacity expansion, and previously intense ESG interest. While these are still risks, I believe downside is far more limited today at half of the peak multiple. (2) Further valuation compression is also possible. I see this happening largely in a scenario where the broader market completely falls apart – during which Ball would almost certainly outperform. (3) Relatively new CEO (was head of bevcans for years and the logical successor to prior CEO). (4) Correlation to existing Upslope “packaging” longs. Ball is indeed more correlated to these positions than other Upslope longs; however, each has a different end market focus (Aptar = pharma, Silgan = food, Ball = beverage). (5) FX translation headwinds due to the global nature of the business.

Despite near-term uncertainty, I am particularly excited to be a shareholder in Ball, a business I’ve long followed and admired but never owned due to the price tag. While the best opportunities in bear markets tend to be found in beaten up shares of high-risk cyclicals, the unique circumstances Ball has faced in recent years have afforded us an unusual opportunity to own shares of a steady, predictable business at a discount – precisely when such predictability should be uniquely valuable.

CLOSING THOUGHTS

The environment continues to be favorable for Upslope’s strategy. I am pleased to have protected capital YTD but not satisfied with muted absolute returns. While capital preservation remains a priority, I am more actively on the hunt for investments that are less defensive in nature but still have limited downside. For now, I will echo what I said in Q1: valuation discipline, pragmatic risk management, and an ability to be nimble are the key success factors in 2022, and I am more focused on them than ever.

As always, I sincerely appreciate the trust you’ve placed in me to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your account, or know someone who may be a good fit for Upslope’s atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Long/Short Composite Performance (Net)

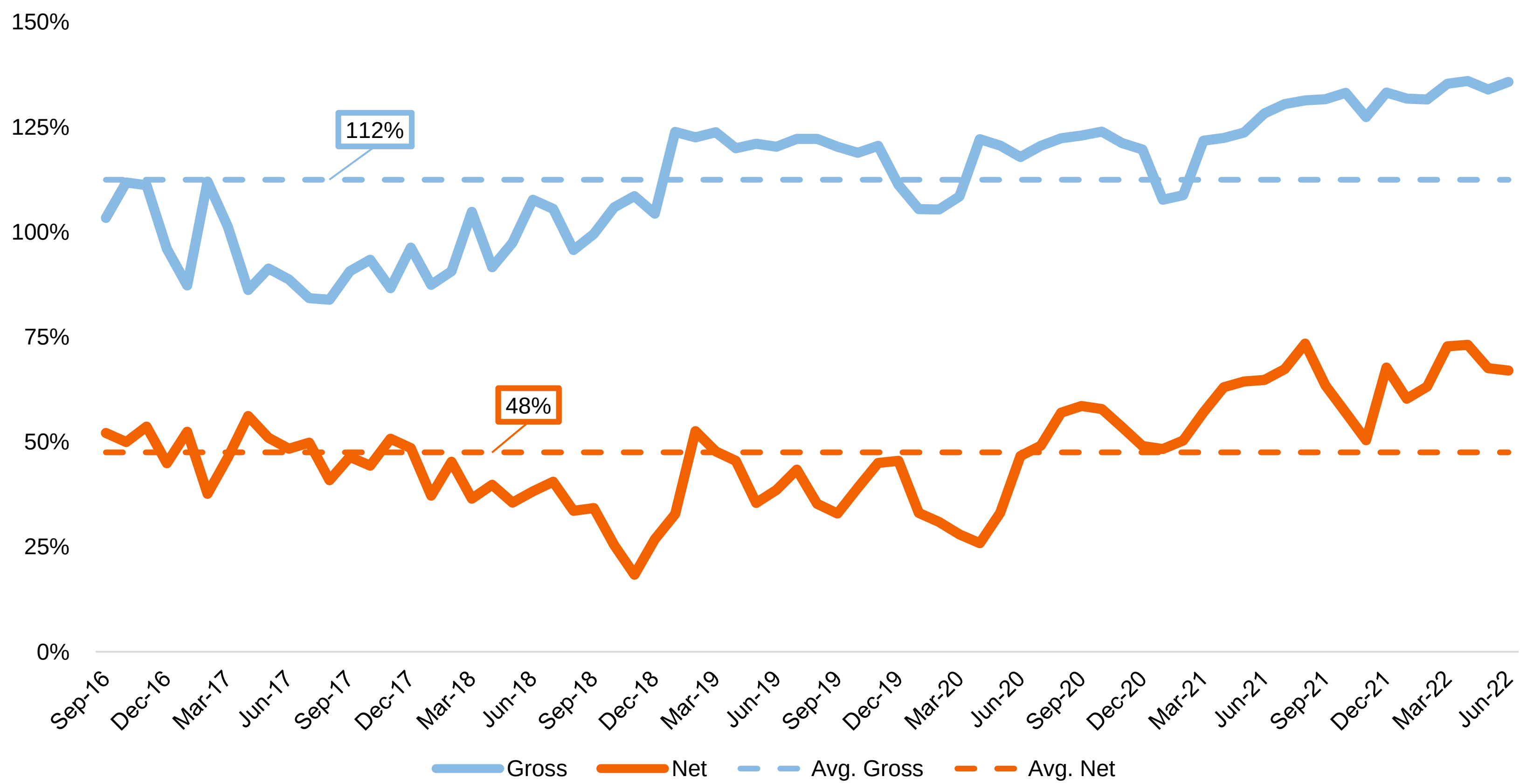
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)							**0.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)							**(19.7%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	9.7%	71.3%	4.7%	1.6	--
	S&P Midcap 400	7.9%	56.1%	13.7%	0.4	0.28
	HFRX Equity Hedge Index	4.0%	25.8%	5.5%	0.4	0.27

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns shown for composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2022 were +65.2% and -0.5%, respectively). Clients should always review statements for actual results**.** 10% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

Ball Corp. (BALL): Leading global producer of beverage cans run by best-in-class management team. Resilient business model with a history of attractive, double-digit earnings growth over the long-term and through economic cycles. Also operates a niche aerospace business.

BWX Technologies (BWXT): Leading producer of nuclear reactors, components, and fuel, primarily for the power and propulsion of U.S. Navy subs and carriers. In addition to rising geopolitical tensions, the nearing end of a major capex cycle and optionality in non-Naval units should provide tailwinds ahead.

Casey's General Stores (CASY): 3rd largest independent convenience store operator in the U.S. and 5th largest pizza chain; unique footprint exclusively focused on the Midwest/South. Growing business with highly defensible model offers good value and significant optionality from organic initiatives and M&A.

Chemring (CHG.LN): Niche defense contractor focused on Countermeasures & Energetics (defensive flares, specialty explosives) and Sensors & Info (cyber warfare, explosive/chem/bio detection). End markets should outgrow defense market for years; also has elevated "conflict-driven" demand exposure.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

FTI Consulting (FCN): Boutique consulting and advisory firm, with leading expertise in restructuring, dispute advisory, and other practices. Should ultimately benefit from elevated deal flow in wake of longer-term pandemic effects, reopening, rising rates and long-term effects of SPAC boom/bust.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

Silgan (SLGN): Food can, dispensing system, and plastic packaging producer managed with a private equity mindset. Defensive end markets, attractive valuation and disciplined model make for attractive baseline investment with balance sheet optionality (M&A or capital return).

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution throughout the COVID-19 pandemic.

TMX Group (X.TO): Largest exchange operator in Canada with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth with potential outperformance in the event of rising inflation and/or elevated volatility.

IMPORTANT DISCLOSURES

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

The description of investment strategies in these materials is intended to be a summary and should not be considered an exhaustive and complete description of the potential investment strategies used by Upslope discussed herein. Varied investment strategies may be added or subtracted from Upslope in accordance with related Investment Advisory Contracts by Upslope in its sole and absolute discretion.

Any specific security or investment examples in these materials are meant to serve as examples of Upslope's investment process only. There is no assurance that Upslope Capital will make any investments with the same or similar characteristics as any investments presented. The investments are presented for discussion purposes only and are not a reliable indicator of the performance or investment profile of any composite or client account. The reader should not assume that any investments identified were or will be profitable or that any investment recommendations or investment decisions we make in the future will be profitable. Any index or benchmark comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between Upslope's strategy and the benchmarks referenced, including, but not limited to, risk profile, liquidity, volatility, and asset composition. You should not rely on these materials as the basis upon which to make an investment decision.

There can be no assurance that investment objectives will be achieved. Clients must be prepared to bear the risk of a loss of their investment.

Any performance shown for relevant time periods is based upon a composite of actual trading in accounts managed by Upslope under a similar strategy. Except where otherwise noted, performance is shown net of management and incentive fees (where applicable), and all trading costs charged by the custodian. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of client portfolios may differ materially due to differences in fee structures, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio.

Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2022 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

These materials may not be disseminated without the prior written consent of Upslope Capital Management, LLC.

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2022-Q3 Update

October 18, 2022

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Q3 was challenging. Investors faced a violent bear market rally (S&P 500 +14% from Q2-end to August 16 peak) that was entirely given back (and more) in the end (-17% from peak to Q3-end). Despite a lackluster quarter for Upslope, the environment remains favorable as macro volatility and risk continue to be elevated. Q4 has started on a positive note.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q3 2022	72%	-4.7%	-2.5%	-0.1%
YTD 2022	69%	-4.2%	-21.6%	-4.8%
Last 12 Months	66%	-0.9%	-15.4%	-2.3%
Since Inception*	**49%**	**+8.4%**	**+7.2%**	**+3.8%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized.

MARKET CONDITIONS – "IT'S A BEAR MARKET, YOU KNOW"[2]

Most fund managers will discuss their views on the macro environment this quarter. Most (including yours truly) have not been able to predict what's ahead or how it impacts markets. So, I am going to cut this section short and spare your energy for a lengthier discussion on individual stocks later in the letter.

*****

Upslope's largest longs remain defensive, but the rest of the book has more zip (beta) than usual. I sheepishly exited Ball (beverage can company), replaced BWX Technologies (nuclear subs) in our defense basket, and added several "starter" longs (smaller positions established earlier in the research process). The use of starter longs is a bit of a change; but, I think the current environment is an ideal one for testing. Details on all of these are provided later.

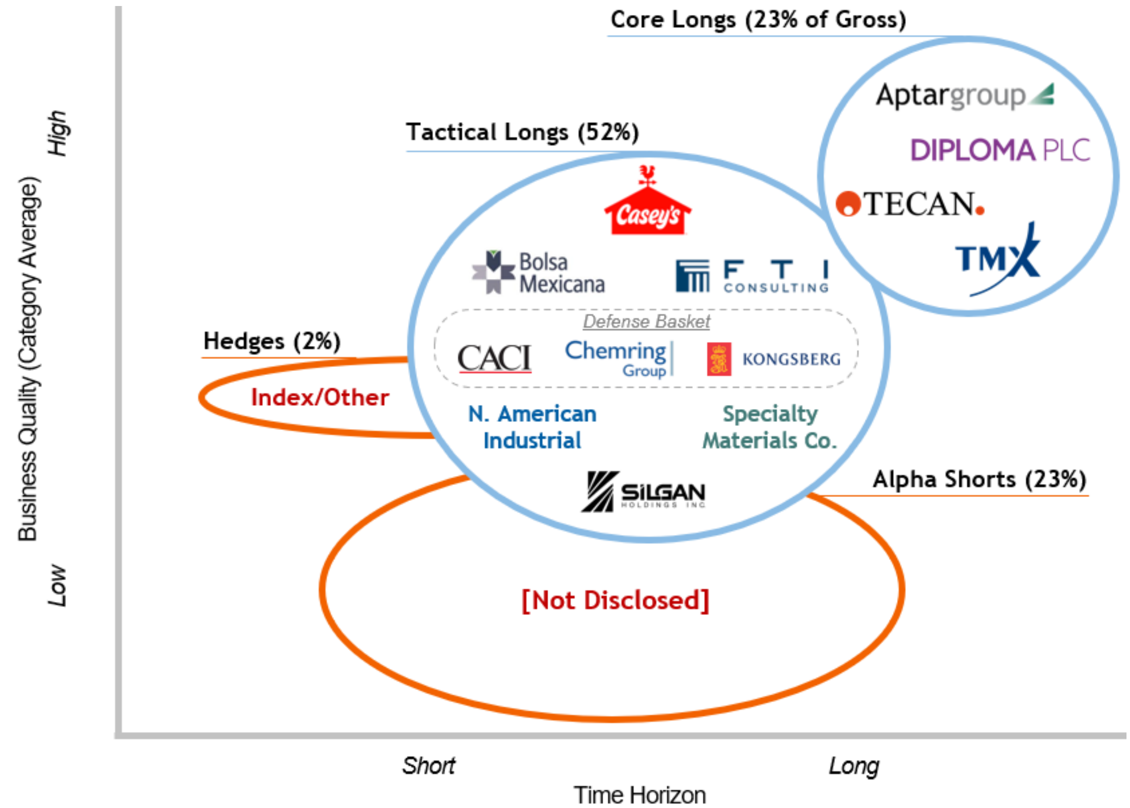
On the short side, aggregate exposure hasn't changed much. However, shorts now skew much more towards regular way cyclicals (and housing-related) than SPACs. At quarter-end, we had the lightest exposure to "SPAC+" shorts since 2020 (< 5% of the portfolio). Index hedges have also played a bigger role than in the past, owing to bear market conditions (more on hedges later).

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] My own twist on and a nod to Old Turkey in *Reminiscences of a Stock Operator*; quick background here.

PORTFOLIO POSITIONING

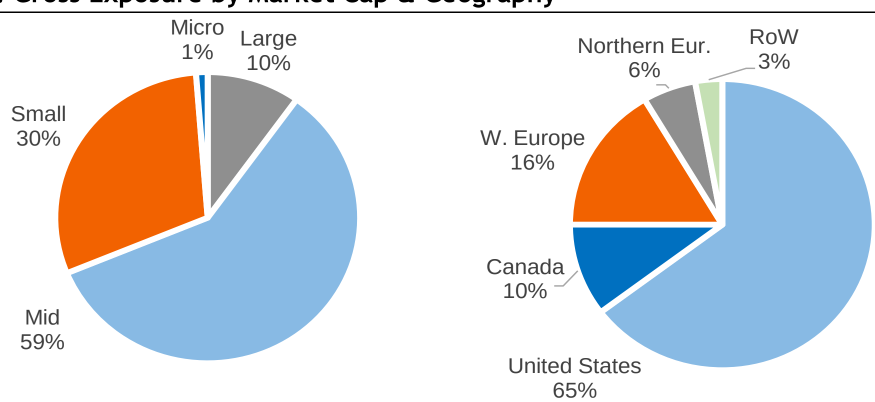
At quarter-end, gross and beta-adjusted net exposures were 136% and 0%, respectively. Excluding hedges, net was within Upslope's typical +25-75% range. Gross remains elevated mostly due to a large position in a pre-transaction SPAC (TCVA). Positioning also reflects a heightened number of perceived opportunities on both sides of the portfolio (long and short).

Exhibit 2: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 9/30/22 and may change without notice. Logo positioning *within* categories not reflective of relative time horizon/business quality. TCVA (pre-deal SPAC) not shown above, given cash-like nature.

Exhibit 3: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 9/30/22. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 4: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long/Short: Hedges, net (+370 bps)	Long: Ball (-145 bps)
Long: Tecan (+95 bps)	Long: Kongsberg (-110 bps)
Long: Casey's (+35 bps)	Long: Undisclosed (-95 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-655 bps	+200 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding

<u>Hedges – Comment</u>

Year-to-date, I have used outright hedges (e.g. index puts and calls) more materially than in the past. The main purpose is to adjust Upslope's effective net exposure up or down depending on (a) underlying fundamental portfolio exposures and (b) point-in-time market conditions. I do not anticipate this will be a permanent feature of Upslope's portfolio/strategy. However, I believe they can be useful when deployed in a thoughtful and level-headed manner *under the textbook bear market conditions of today*.

<u>Ball Corp. (BALL) – Exited Long</u>

Ball is the largest global producer of beverage cans. I promptly exited our position following disappointing Q2 earnings. Upon entering the position, I noted the risk that the bev-can market had potentially over-expanded in recent years. I believed the risk was manageable and unlikely to play out. Unfortunately, I was wrong: either the industry has indeed overextended itself or Ball is uniquely facing challenges. Neither is good for Ball shareholders. I would not normally let "one bad quarter" scare me out of a position. However, the messaging from Ball – CEO seemingly choking up while announcing results and layoffs, combined with a sharp cutback in capital returns (something BALL shareholders had long been accustomed to) – was crystal clear: this is not likely just a one or two quarter problem.

<u>BWX Technologies (BWXT) – Exited Long</u>

BWX is a leading producer of nuclear reactors, components, and fuel, primarily for the power and propulsion of U.S. Navy subs and carriers. I sold our position and replaced it with CACI (detailed below). While I remain intrigued by the BWX story – unique product set, optionality outside of defense, and prospect of accelerating free cash flows – I became concerned with elevated management turnover (Chairman, CFO, CAO, and two division heads in the last year). Given the above-normal trust required in management for the thesis (believing capex will normalize and boost free cash flow soon and murky, long-tailed investments outside of defense), I decided to move on.

CACI International (CACI) – New Long

CACI provides specialized technology and consulting services, primarily to U.S. defense and intelligence agencies. The U.S. Army is CACI's single largest customer. This position replaces BWXT in Upslope's "defense basket" (articulated in Q1 on p. 4). CACI's business is mostly split across Expertise (providing talent to government agencies – e.g. software engineers) and Technology (design and delivery of specific technology-oriented services and products, including for example, battlefield hardware). The company offers its services and products in support of both day-to-day agency operations and specific missions.

At a high-level, CACI reminds me of another Upslope long in an unrelated sector: Silgan Holdings (packaging/dispensing and food can business). Both are truly sleepy value stocks that trade for low double-digit earnings multiples, but have a strong history of steady value creation and free cash flow per share growth. Both the stocks and underlying businesses appear very well-positioned for the uncertain macro (or geopolitical, in CACI's case) environment we're likely to face in the years ahead. Other notable thesis points for CACI specifically:

(1) **Long-term Geopolitical & Other Tailwinds** – like other components of Upslope's defense basket, CACI should benefit from an attractive defense spending environment for years to come. CACI should also benefit from IT modernization efforts in U.S. government agencies, as well as its strength in cyber/electronic warfare offerings.

(2) **Strong Management** – CACI's CEO has been in-role since 2019 and previously served in various COO capacities for the company since 2012. His communication is unusually straightforward and clear, and his focus on "free cash flow per share" (despite underwhelming comp incentives) is notable. He is also a significant shareholder, owning $20mm+ of stock (and only one modest sale – in 2020 – during his history at the company).

(3) **Attractive Financial Profile** – CACI has a track record of solid organic growth (typically around mid-single-digit %) with limited cyclicality, supplemented with tuck-in acquisitions (for which there continues to be a long runway). ROIC is modest (HSD%) but stable. The balance sheet is nearly under-levered at ~2.5x net – providing flexibility for additional acquisitions or share buybacks.

(4) **Healthy Earnings Backdrop** – given strong geopolitical tailwinds, bipartisan support for defense, and a sizable gap between rising defense budgets and recent outlays (which typically come through on a lag and correlate with revenues for CACI/peers), the earnings outlook for CACI should be solid in the periods ahead. Such a healthy outlook is unusual in the current market/economy.

(5) **Attractive Valuation** – even if estimates do not come up, valuation on consensus figures today is modest, suggesting limited downside: 7%+ FCF yield, 11x EBITDA, 14x EPS. Notably, CACI peer ManTech was recently taken private by Carlyle Group at a premium valuation (5% FCF yield, 16x EBITDA, 26x EPS). The deal was announced in May 2022 and closed in September.

Key risks for CACI shareholders include: high portion (~30%) of fixed price contracts (mitigant: solid track record of managing costs and, more importantly, significant diversification by project), lumpy organic growth, labor availability/challenges, M&A execution risk (very acquisitive and larger deals could present heightened risk), and potential government budget headwinds (depending on November elections and potentially driven by elevated inflation/rates longer-term).

Starter Positions – New Longs

As noted, I have begun to more actively test the concept of "starter" positions and am highlighting some of these below. Should any graduate to full-sized positions, I plan to provide additional details.

Bolsa Mexicana de Valores (BOLSAA:MM)

Bolsa Mexicana de Valores ("BMV") is a leading financial exchange (equity, fixed income, and derivatives) operator, primarily in Mexico. This position has been fully established, but is likely to remain modest, given higher investment risks and diligence limitations.

Overall, there is a lot to like about BMV. While the company's equity business is clearly challenged at the moment due to a dearth of new listings and a spike in *de*-listings, equities represent only ~25% of the overall business. Outside of equities, growth continues to be solid, with double-digit gains in most segments. The company is extremely profitable (60%+ EBITDA margins), has an overly conservative balance sheet (1x net cash), strong cash flows supporting a large dividend (6% yield), and is very cheap (12x earnings vs. most developed market peers trading closer to 20x – and virtually all these peers carry 1-3x of net debt). While I do not see any specific near-term catalysts, I view BMV as a cheap call option on either a broader Mexico resurgence (logical "reshoring" beneficiary – more on this below) or a one-sided bet on a broad (global) market rebound. Either outcome should bolster BMV's recently tepid growth. Major risks for investors include FX, political/regulatory uncertainty, and a newer competitor in equities (BIVA).

North American Industrial (Undisclosed)

This is the largest position among "starters," but I may continue to add more. The company has direct exposure to supply chain design and equipment – and thus potential "reshoring" – with a primary focus on defensive sectors/end markets, primarily in North America and Europe.

Some comments on "reshoring" – the theory that global supply chains will continue their fits of unreliability and that we'll see a bulking up of supply chains closer to home. I believe this theory (which is mostly all it is so far) has merit, and that lasting scars from the global pandemic and Ukraine will ultimately push it forward. What I like about the idea from an investment perspective is that reshoring-related stocks seemingly have a few ways to win. Most are higher beta and/or cyclicals that have performed at least as poorly as the broader market year-to-date. So, they can win with a broader macro/market snapback. On a relative basis, they can also win with a continued worsening in geopolitical and supply chain issues – even if that occurs during a recession. Investors need to be selective. Plenty of so-called reshoring stocks look to me like generic cyclical macro bets. Others, to my surprise, have very material exposure to sales in China, which in my view is inconsistent with a bullish reshoring thesis. Needless to say, I think there should be opportunities for selective investors in the years ahead. For some thought-provoking related reading on the topic, I highly recommend this interview with Russell Napier.

Specialty Materials Co. (Undisclosed)

Small-cap specialty materials company that is commodity-oriented and was "blown up" (read: lots of debt) by a series of unfortunate events tied to Europe/Ukraine. It looks like a depressed cyclical at first blush, but the profile has changed. My thesis is the company *should* benefit from a recession due to input cost relief and mostly stable end market demand.

Global Asset Manager (Undisclosed)

Added post-quarter end, this alternative asset manager has had strong flows and solid performance in recent years. Shares appear quite cheap (comparable to traditional mutual fund managers, despite far healthier fundamentals and outlook), provide some (much-needed for Upslope) market beta, and have outsized exposure to beaten-down European markets and investors.

FINE-TUNING THE STRATEGY

When I began managing Upslope's strategy, I started with extremely conservative gross exposure[3] – running around 100% and self-imposing a 125% limit. Over the last four years, however, I have consistently run the strategy right at the 125% limit.[4] Given (a) my experience and comfort at 125%, and (b) Upslope's historic downside volatility of just ~1/3 that of long-only indexes, I believe a modest increase in the gross *limit* to 150% is reasonable. While this could slightly increase downside volatility, it should also, in my view, improve overall returns – a seemingly reasonable tradeoff given the track record. Another benefit is that it will provide me with more flexibility to avoid being forced to tinker with positions, even when we're at a reasonable exposure level (e.g. right at 125%).

This change does not mean I expect to run at 150% all or most of the time. My philosophy is that maximum gross should be reserved for select times when there are unusually actionable opportunities on both sides of the portfolio. Alternatively, during material drawdowns (absolute and/or relative), lower gross exposure is prudent. Overall, this is not a topic I take lightly. I've been pondering a change for years and my own money is invested alongside yours. If you have any concerns or questions at all, please contact me.

CLOSING THOUGHTS

These are not easy times for investors, but I am as excited as ever about the path ahead for Upslope and its differentiated portfolio. Valuation discipline, pragmatic risk management, and an ability to be nimble continue to be the key success factors in 2022 and for the foreseeable future.

Thank you, as always, for the trust you've placed in me to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your account, or know someone who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

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[3] Effectively defined as total dollars at risk per dollar invested with Upslope. For example, an account worth $100 that has $75 of longs and $50 of shorts has 125% gross exposure.

[4] Astute observers may have noticed that historical gross exposure (Appendix B) has already risen above the historical 125% "max." The excess above 125% has been entirely due to holding TCVA, which is a pre-deal SPAC that I view as cash-like and therefore exclude for gross (and net) exposure calculation purposes.

Upslope Capital Management

ALTERNATIVE \ VALUE \ CONCENTRATED

Appendix A: Long/Short Composite Performance (Net)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)				**(4.2%)**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)				**(21.6%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	Upslope	8.4%	63.3%	5.0%	1.3	--
	S&P Midcap 400	7.2%	52.3%	14.0%	0.4	0.31
	HFRX Equity Hedge Index	3.8%	25.7%	5.5%	0.3	0.27

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns shown for composite of all accounts invested according to Upslope's core long/short strategy (the vast majority of AUM). Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2022 were +57.6% and -5.5%, respectively). Clients should always review statements for actual results**.** 10% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

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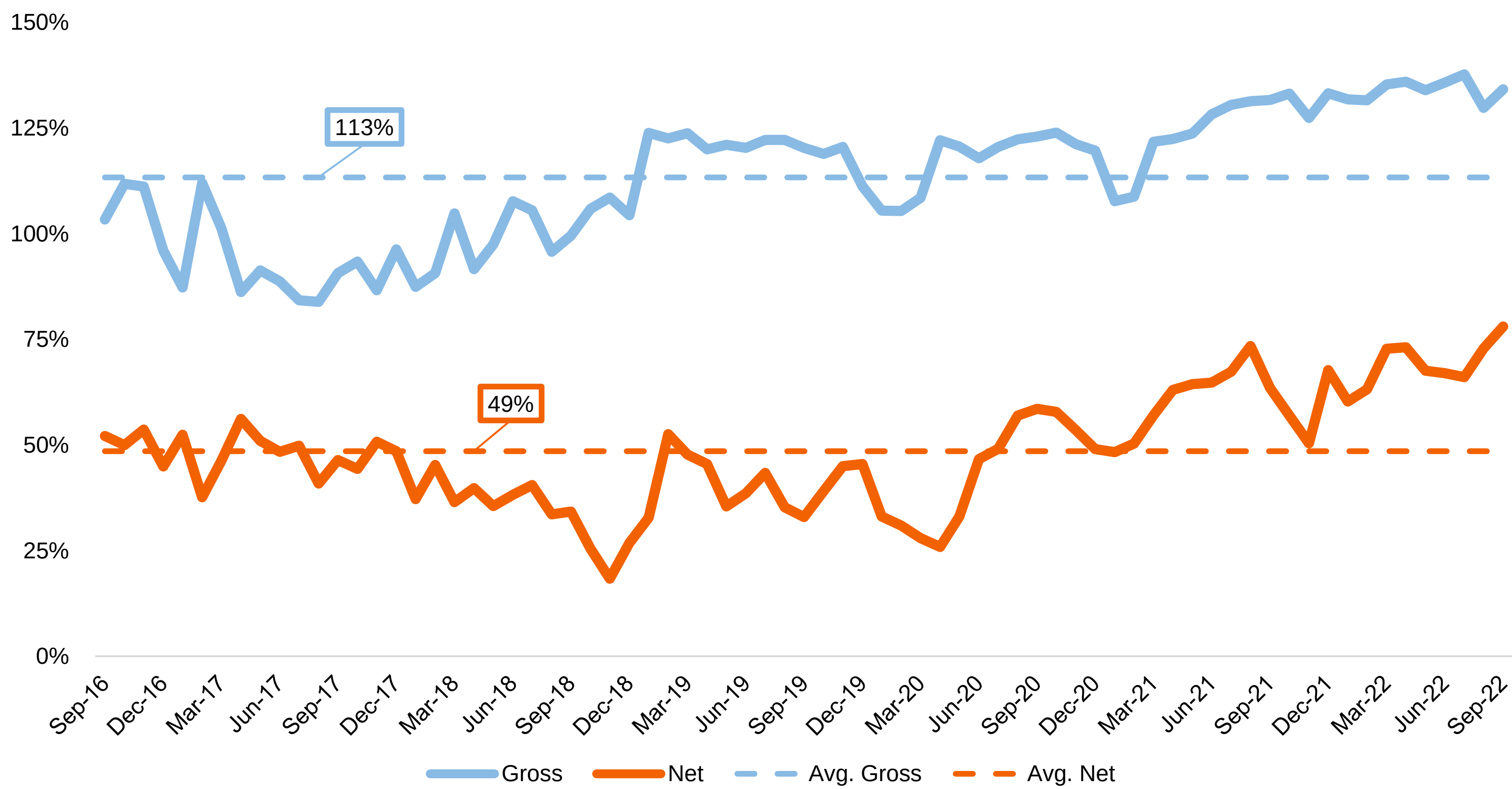

Source: Upslope, Interactive Brokers

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AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

Bolsa Mexicana de Valores (BOLSAA:MM): Dominant financial exchange operator in Mexico. Despite known headwinds in its equities business, the company is diversified, highly cash generative, conservatively managed, and shares appear a cheap call option on global macro reacceleration and/or Mexico resurgence.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Casey's General Stores (CASY): 3rd largest independent convenience store operator in the U.S. and 5th largest pizza chain; unique footprint exclusively focused on the Midwest/South. Growing business with highly defensible model offers good value and significant optionality from organic initiatives and M&A.

Chemring (CHG.LN): Niche defense contractor focused on Countermeasures & Energetics (defensive flares, specialty explosives) and Sensors & Info (cyber warfare, explosive/chem/bio detection). End markets should outgrow defense market for years; also has elevated "conflict-driven" demand exposure.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

FTI Consulting (FCN): Boutique consulting and advisory firm, with leading expertise in restructuring, dispute advisory, and other practices. Should ultimately benefit from elevated deal flow in wake of longer-term pandemic effects (e.g. rising rates and SPAC boom/bust) and restructuring cycle.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

N. American Industrial (Undisclosed): "Starter" position with direct exposure to supply chain equipment and design, primarily for defensive sectors and end markets in North America and Europe. Potential reshoring beneficiary.

Silgan (SLGN): Food can, dispensing system, and plastic packaging producer managed with a private equity mindset. Defensive end markets, attractive valuation and disciplined model make for attractive baseline investment with balance sheet optionality (M&A or capital return).

Spec. Materials Co (Undisclosed): "Starter" position with a commodity-oriented business severely harmed by events in Europe/Ukraine. With a different profile vs. its own history, anticipate company may benefit from a recession due to input cost relief and mostly stable end market demand.

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution throughout the pandemic.

TMX Group (X.TO): Largest exchange operator in Canada with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth with potential outperformance in the event of rising inflation and/or elevated volatility.

IMPORTANT DISCLOSURES

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2022 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Upslope Capital Management
ALTERNATIVE \ VALUE \ CONCENTRATED

2022-Q4 Update

January 18, 2023

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. 2022 was a good year for Upslope, with strong capital preservation during the most violent months for the market and solid performance during relief periods.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q4 2022	61%	+11.2%	+10.7%	+1.7%
FY 2022	67%	+6.5%	-13.3%	-3.2%
Since Inception*	**49%**	**+9.9%**	**+8.6%**	**+4.0%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized (from August 2016).

MARKET CONDITIONS – THE WAITING PLACE

Investors have been not-so-patiently waiting for an all-clear signal. Markets have become increasingly jumpy on any "news" as a result. It doesn't matter much if the news is good or bad. Something just needs to happen so investors can *feel good* about buying stocks.

I'm not sure how the big issues of the day (inflation, rates, housing, geopolitics) resolve, but the outcome that would frustrate the largest number of investors seems to be for markets to remain stuck…waiting for another 6, 12 or 18 months. The current bear market has dragged on for about a year. This compares to the "average" bear of 20 months. A sizable number ran to 30+ months.[2] Extended malaise isn't out of the question, even if it would feel unprecedented to most active investors today. This isn't scientific.

In theory, navigating this environment shouldn't be that complicated (not to be confused with "easy"). But it's a different playbook than those that were most successful for the past decade. It involves leaning on traditional value stocks (as opposed to high-class compounders or fallen growth stocks), being extra disciplined with valuation, and staying nimble. Trimming (or adding to) stocks purely on…*gasp*…valuation grounds is probably wise. There will come a time when letting longs run further valuation-wise makes sense. But that's beyond The Waiting Place. Morgan Stanley's Mike Wilson echoed this sentiment in a recent note, "...a Fed pause will likely not lead to higher P/Es if growth is really rolling over."

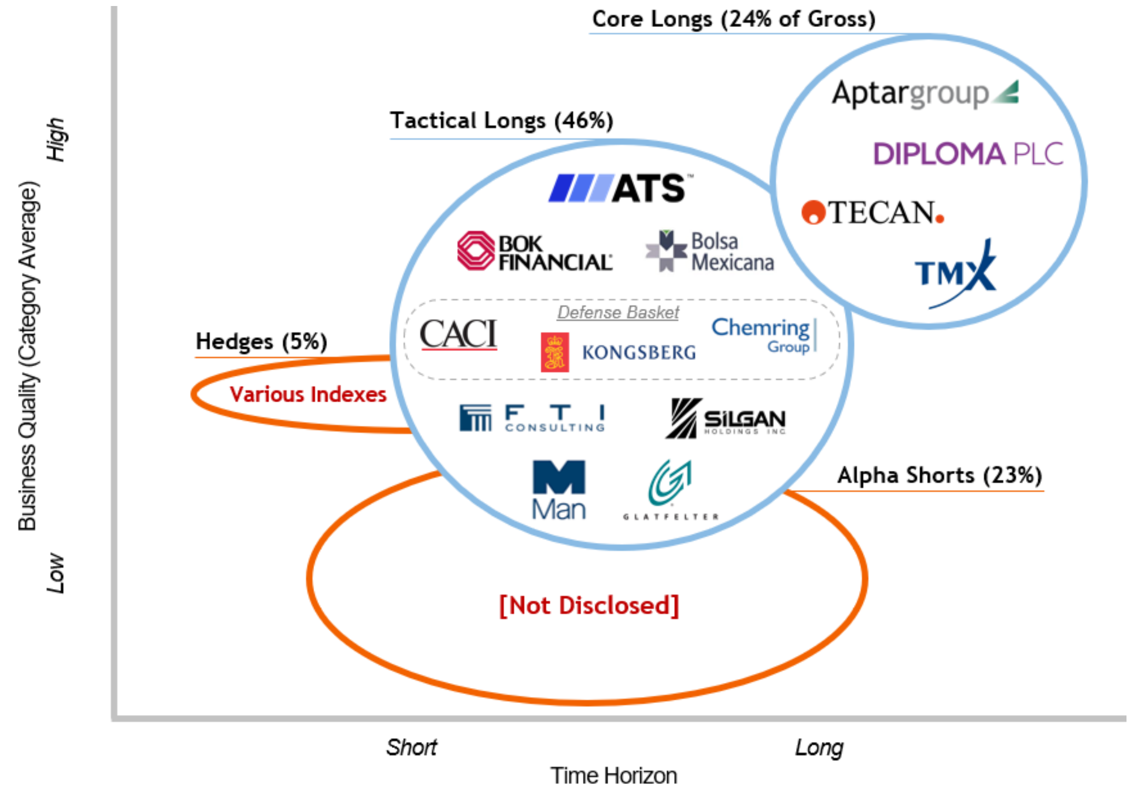
Upslope's portfolio and recent actions reflect the above. Tactical Longs (aka traditional value) comprise the bulk of our longs and recent adds. This group is more diverse than in the past, reflecting a view that most traditional value stocks are almost by definition higher risk. It also reflects ongoing testing of "starter" positions noted last quarter (so far, so good). An overview of recent purchases, including the *starters* previously alluded to, is provided on page 4.

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] Source: J.P. Morgan Asset Management, 1Q 2023 *Guide to the Markets*.

PORTFOLIO POSITIONING

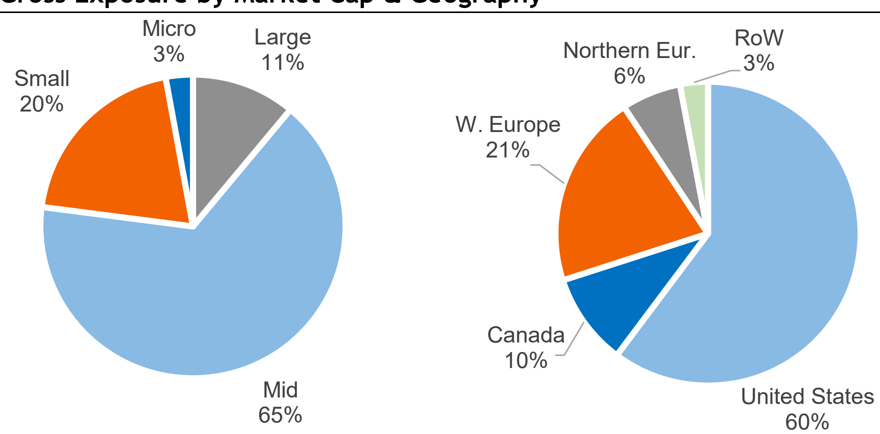
At quarter-end, gross and beta-adjusted net exposures were 148% and 28%, respectively. Positioning reflects a heightened number of perceived opportunities, particularly on the long side of the portfolio (offset with elevated hedges).

Exhibit 1: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 12/31/22 and may change without notice.

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 12/31/22. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Kongsberg (+295 bps)	Short: Hedges, net (-220 bps)
Long: Silgan (+210 bps)	Short: Undisclosed (-75 bps)
Long: Diploma (+205 bps)	Short: Undisclosed (-60 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+1,535 bps	-295 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding.

<u>Casey's (CASY) – Exited Long</u>

Focused exclusively on the Midwest/South, Casey's is the third largest independent convenience store operator in the U.S. The company has executed well and shares have outperformed a challenging market nicely since the position was initiated a year ago. It may seem strange to sell a position with this backdrop, but I did so for two reasons. First, it was purchased in the first place as a reasonably priced defensive during an orgy of speculation. In this context, CASY served its purpose. Second, given the developments of the past year and Upslope's overall still-defensive portfolio, I think there are better uses of capital today – specifically cheaper, less-defensive longs. Some of these are highlighted in Exhibit 4 below.

<u>TCV Acquisition Corp. (TCVA) – Exited Long</u>

TCVA is a pre-transaction SPAC, sponsored by the venture capital firm Technology Crossover Ventures. While I added it in 2021 as a "free" call option (and a loose hedge for SPAC+ shorts), I exited this quarter due to: (a) losing realistic hope for completion of a successful acquisition, and (b) the position becoming a (mild) distraction.

<u>New Longs</u>

Given heightened activity in recent quarters (mostly Q3), a summary table laying out the basics of Upslope's newest longs is provided below. The table includes the three "starter" positions discussed in the last letter, as well as one new addition (BOK Financial). For the most part, these are still sized somewhat modestly.

Exhibit 4: New Long Positions

Description	Key Investment Points & Risks
ATS Corp (ATS.TO)	
ATS is a global automation solutions provider focused mostly on defensive end markets (e.g. healthcare, food & bev); other markets include automotive, consumer and energy. End-to-end solutions include factory design, machinery/equipment sales, and maintenance. Position initiated in Q3 2022 (disclosed as "N. American Industrial").	✓ Clear re-shoring beneficiary, with "win-win" set-up even if re-shoring doesn't fully unfold (expect strong macro in that environment) ✓ Attractive sector and geo exposures: 50% life sci, 20% food/bev / 80% highly regulated markets / 55% N. America, 35% Europe ✓ Track record of GDP+ organic growth, enhanced by tuck-in acquisitions in fragmented markets ✓ Solid comp. advantages due to leading scale/full-service capabilities and position as trusted partner where trust is paramount × Acquisition strategy (+ moderate leverage) could falter × Macro: end markets defensive, but underlying business clearly cyclical × Lumpy organic growth × Supply chain challenges
BOK Financial (BOKF)	
BOK Financial is a regional bank based in and primarily focused on OK, as well as TX, NM, CO, and surrounding states. Given its footprint, BOKF has concentration in energy lending and related services to the sector. The bank also has a sizable healthcare lending unit. Position initiated in Q4 2022.	✓ Conservatively run bank with solid credit track record, despite energy volatility ✓ Strong reputation + specialized expertise specifically within energy sector ✓ Straight-forward management with culture of conservatism driven by still-active founder (now Chairman and owns 55%) ✓ Reasonable valuation – low-end of historical P/E range + average P/B – despite conditions/outlook more favorable than anytime in last 10+ years ✓ Possible portfolio hedge in event energy/rates remain elevated (or worse); expect limited downside if energy/rates ease × Volatility in results outside of lending – e.g. trading, other services, securities book × Potential loan losses due to macro weakness × Macro sensitivity with regards to rates/energy × New, more specialized sector for Upslope
Glatfelter Corp (GLT)	
Glatfelter is a specialty materials company listed in the US, but with most of its footprint in W Europe. Products/end markets include specialty papers/materials for tea, hygiene (diapers, wipes), and wallpaper. The company had material exposure to Russia/Ukraine (largely via wallcoverings). Position initiated in Q3 2022 (disclosed as "Specialty Materials Co").	✓ Leading market positions in stable end markets (tea, hygiene); regardless of macro conditions, easing inflation should help performance ✓ Despite prior mgmt. missteps (bad M&A + just bad luck in E. Euro), business profile materially better vs. legacy GLT, which had significant traditional paper ops ✓ Precedent acquisitions valued at material premium to GLT today; new CEO has significant incentives/alignment to create value due to share-based comp package ✓ Significant optionality if war in Ukraine resolves sooner than expected × Precarious balance sheet + energy exposure in Europe × Turnaround of Jacob Holm (spunlace) acquisition/unit could fail × Commodity products with little genuine pricing power
Man Group (EMG.LN)	
Based in the U.K., **Man is a leading alternative asset manager** with $138bn of assets under mgmt. (AUM). Alternatives products comprise ~70% of AUM, while the remainder is long-only public equities + fixed income. Position initiated in Q4 2022 (disclosed as "Global Asset Manager").	✓ Differentiated, alternative investment strategies focused on public, liquid markets ✓ Positive long-term net inflows, despite headwind from rising allocations to privates ✓ Cheap even assuming zero performance fees; actively repurchasing shares ✓ Outsized exposure to Europe (cuts both ways, but view as net positive) ✓ Potential beneficiary if private equity industry falters (not base case, but odds elevated, given dramatic shift in macro vs. past 30+ yrs; rates + recession risk) × Fundamentals directly tied to equity/financial markets (albeit with a beta < 1.0) × Performance of key funds/strategies could falter; liquid alts can be source of funds × Like boutique banks, talent walks out the door nightly and holds bargaining power × FX risk: overweight GBP in terms of expense base

Source: Upslope, Canalyst, Sentieo, company filings

Upslope Capital Management
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CLOSING THOUGHTS

2022 was a good year for Upslope's strategy, which has outperformed its benchmarks (with far lower volatility) on a 1-, 3-, and 5-year basis, as well as since inception. A thoughtful and well-aligned client base that "gets" what Upslope's defensive approach is and is not supposed to do was a key enabler of this result.

I believe Upslope's low-volatility approach can continue to outperform over the long-run. While embracing volatility in exchange for theoretically higher long-term returns has become trendy in recent years, the style has never appealed to me. The basic decay math that $1.00 invested in a return stream of {+20%, -20%, +20%, -20%} will ultimately be worth $0.92 is under-appreciated, in my view. Volatility *does* matter – not just in helping clients stay the course, but also in delivering long-term outperformance.

Looking ahead, capital preservation remains front and center. Nevertheless, I am trying hard to be as open-minded as possible for better times ahead.

Thank you again for the trust you've placed in me to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your account, or know someone who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Long/Short Composite Performance (Net)

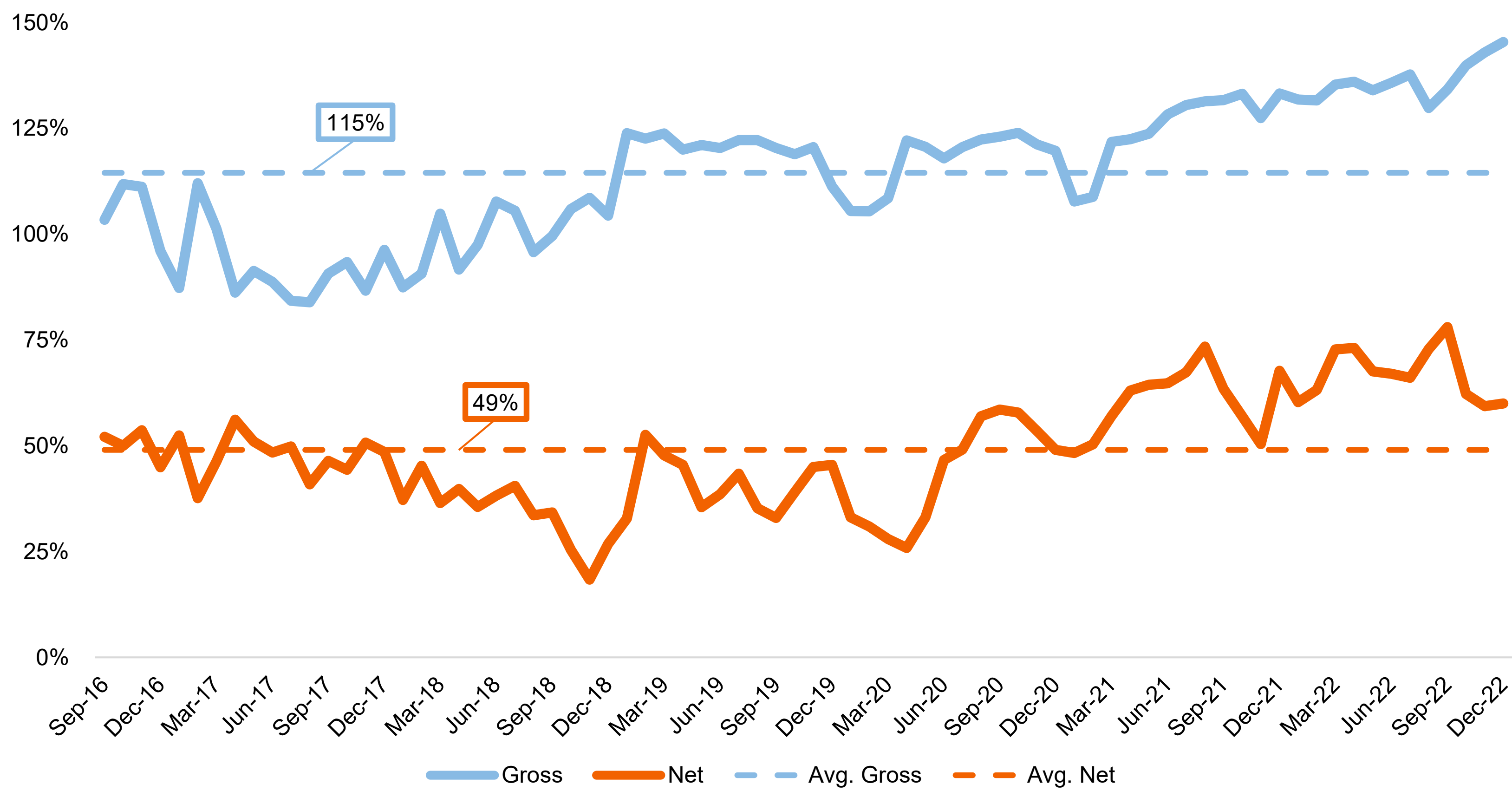
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)	3.0%	5.7%	2.1%	**6.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)	10.5%	6.0%	(5.5%)	**(13.3%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	**Upslope**	**9.9%**	**81.6%**	**4.9%**	**1.6**	--
	S&P Midcap 400	8.6%	68.5%	13.9%	0.5	0.33
	HFRX Equity Hedge Index	4.0%	27.9%	5.4%	0.4	0.27

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Upslope also manages a long-only version of the strategy for a subset of assets under management. Performance for a composite of these (or all) accounts is available upon request. Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2022 were +74.6% and +5.5%, respectively). Clients should always review statements for actual results**.** 10% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy.

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

ATS Corp. (ATS:TO): Canada-based factory automation solutions provider primarily serving defensive end markets (healthcare, food, etc.) in N. America and Europe. Active acquisition strategy + potentially accelerating reshoring tailwinds should sustain growth ahead.

BOK Financial (BOKF): Regional bank based in and primarily focused on OK, as well as TX, NM, and CO. Conservative culture + unique energy expertise + modest valuation support BOKF shares on a standalone basis. Also view position as a portfolio hedge in the event of sustained, elevated rates and/or energy prices.

Bolsa Mexicana de Valores (BOLSAA:MM): Dominant financial exchange operator in Mexico. Despite known headwinds in its equities business, the company is diversified, highly cash generative, conservatively managed, and shares appear a cheap call option on global macro reacceleration and/or Mexico resurgence.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Chemring (CHG.LN): Niche defense contractor focused on Countermeasures & Energetics (defensive flares, specialty explosives) and Sensors & Info (cyber warfare, explosive/chem/bio detection). End markets should outgrow defense market for years; also has elevated "conflict-driven" demand exposure.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

FTI Consulting (FCN): Boutique consulting and advisory firm, with leading expertise in restructuring, dispute advisory, and other practices. Should ultimately benefit from elevated deal flow in wake of longer-term pandemic effects (e.g. rising rates and SPAC boom/bust) and restructuring cycle.

Glatfelter (GLT): Specialty materials company with most of its footprint in W. Europe. Commodity products largely serve defensive end markets (e.g. tea, hygiene). Significant exposure to E. Europe + ill-timed M&A put company in distress. Anticipate easing inflation to "bail out" the company, regardless of other macro considerations.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

Man Group (EMG.LN): UK-based alt. manager with $138bn of AUM (70% alts, 30% long-only). Differentiated, strategies focused on public, liquid markets have withstood sector headwinds well over years and could see resurgence, given dramatically changed macro environment. Position also provides portfolio with "cheap beta."

Silgan Holdings (SLGN): Food can, dispensing system, and plastic packaging producer managed with a private equity mindset. Defensive end markets, attractive valuation and disciplined model make for attractive baseline investment with balance sheet optionality (M&A or capital return).

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution during the pandemic.

TMX Group (X.TO): Largest exchange operator in Canada with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth with outperformance during periods of elevated inflation and/or volatility.

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While Upslope believes all information herein is from reliable sources, no representation or warranty can be made with respect to its completeness. Any projections, market outlooks, or estimates in these materials are forward-looking statements and are based upon internal analysis and certain assumptions, which reflect the views of Upslope and should not be construed to be indicative of actual events that will occur. As such, the information may change in the future should any of the economic or market conditions Upslope used to base its assumptions change.

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Benchmarks: Upslope's performance results shown are compared to the performance of the HFRX Equity Hedge Index, as well as the exchange-traded fund that tracks the S&P Midcap 400 (ticker: MDY). The HFRX Equity Hedge Index is typically not available for direct investment. Benchmark results do not reflect trading fees and expenses.

The HFRX Equity Hedge Index (source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2023 Hedge Fund Research, Inc. All rights reserved) was chosen for comparison as it is generally well recognized as an indicator or representation of the performance of equity-focused hedge fund products. Any other benchmarks noted and used by Upslope have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of the investor's performance to that of certain well-known and widely recognized, investable indexes.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

UPSLOPE CAPITAL MANAGEMENT

2023-Q1 Update

April 17, 2023

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. During Q1, markets saw notable up-and-down volatility. These months were not particularly dramatic for Upslope: we lost a little in January as markets went vertical (up) and made a little in February and March, as markets dropped.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q1 2023	66%	-1.2%	+3.8%	+0.8%
Last 12 Months	67%	+5.5%	-5.2%	-2.1%
Since Inception*	**50%**	**+9.3%**	**+8.9%**	**+3.9%**

Note: clients should always check individual statements for returns, which may vary due to timing and other factors.
*Since Inception returns are annualized (from August 2016).

In addition to the usual updates, **I am thrilled to announce the launch of Upslope Partners Fund, LP**, a commingled hedge fund that will deploy the same differentiated strategy Upslope has used via SMAs (which will be converted into the fund) since inception. The fund will be open to Accredited Investors, and I expect an initial close on July 1. This change was a long-time coming, and I believe it will greatly enhance Upslope's operating and tax efficiency as well as long-term growth trajectory. If you are an Accredited Investor and interested in learning more or joining the partnership, please contact me.

MARKET CONDITIONS – KNOWN (UN)KNOWNS

"Cautiously pessimistic"[2] is an apt way to describe my current views towards markets. I see a couple of big bad 'Known Knowns' – deeply inverted yield curve and bank crisis/tightening credit. We know these are issues, and we know what they generally lead to: recession. On the positive side, we have an economy and jobs market that have proven amazingly resilient. No doubt a big deal, but are they likely to get better or worse from here? Pull up a long-term chart of the unemployment rate and you *know* the answer.

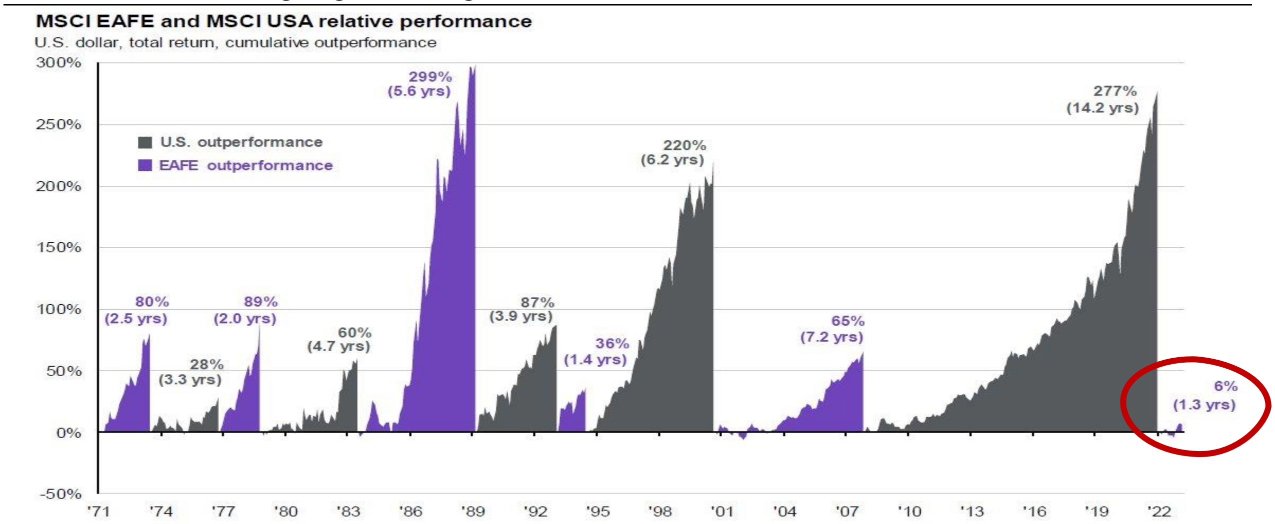
The Known *Unknowns* (issues we're aware of, but whose effects are unclear) list is daunting: still-unresolved inflation, wildly uncertain geopolitical tensions, and possible central bank reactions (helpful, adversarial?) to all of the above. On inflation, many continue to mistakenly put our troubles in the Known *Knowns* category – "we know it's almost over and this will be good for stocks." We do not know this. We know it will end, but importantly we don't know when or *how*. Inflation antidotes have some notorious and lagging side effects. The geopolitical issues are serious and frankly I feel like a conspiracy theorist for mentioning them. The path and outcomes are impossible to predict. But we don't have to keep our heads in the sand. While Upslope is generally positioned to benefit from volatility, I hope such crises are not the spark. Our positioning reflects my views on market conditions and opportunities – not the other way around.

I'll close this section with a thought-provoking analysis from J.P. Morgan's quarterly *Guide to the Markets*, as well as a related and curiously timed contrarian "cover indicator" from *The Economist*. Last year's growth-

[1] Unless otherwise noted, returns shown for a composite of all accounts invested according to Upslope's core long/short strategy. Please see important performance-related details and disclosures in Appendix A.
[2] With a nod to a Twitter friend who goes by a handle of this name.

to-value "regime change" was much talked about. However, another big regime change is also afoot. For the first time since the Financial Crisis, US stocks have consistently underperformed (squint at the bottom-right of the chart below) global peers. This could be a mere blip, as some have been in the past. For now, it seems early and that the change has the potential to last for some time. Investors with the ability to invest overseas, such as Upslope, should have an advantage in navigating evolving investment regimes.

Exhibit 1: Another Big Regime Change…



Source: FactSet, MSCI, J.P. Morgan Asset Management (*Guide to the Markets*). Note: Regime change determined when cumulative outperformance peaks and is not reached again in the subsequent 12-month period.

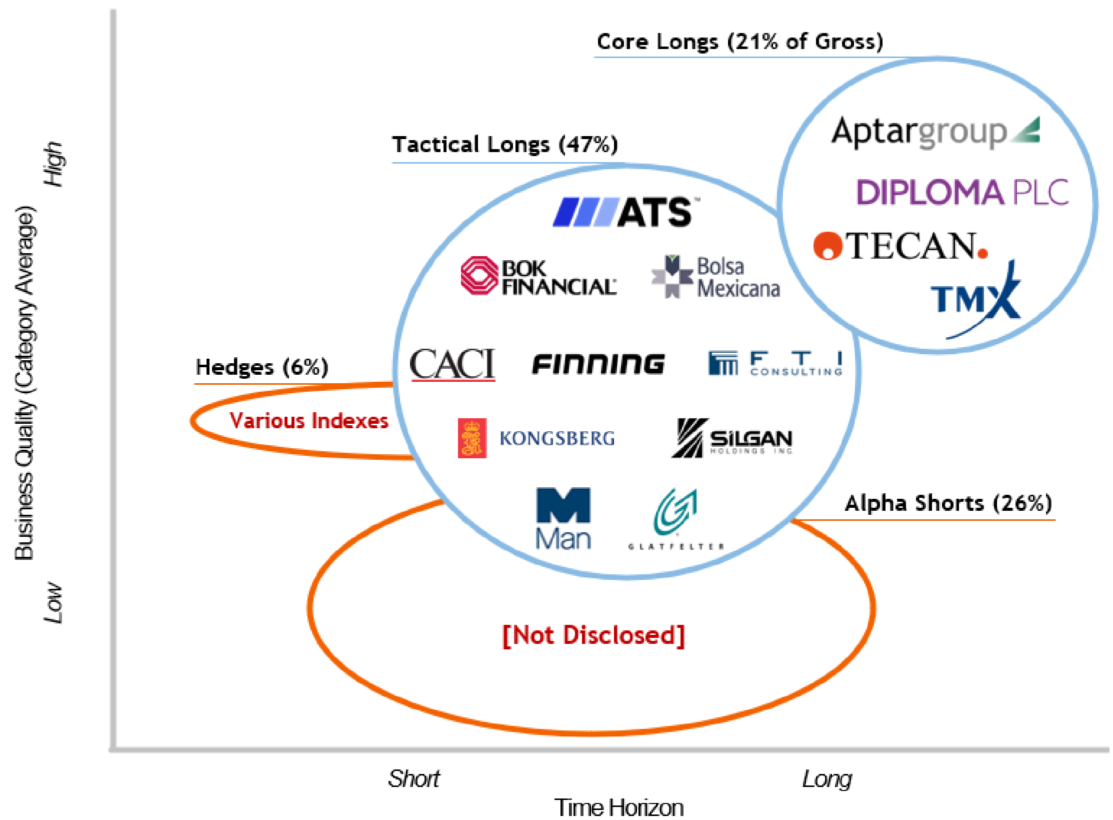
Exhibit 2: …and a Classic Economist "Cover Curse"

Source: The Economist (April 15, 2023)

PORTFOLIO POSITIONING

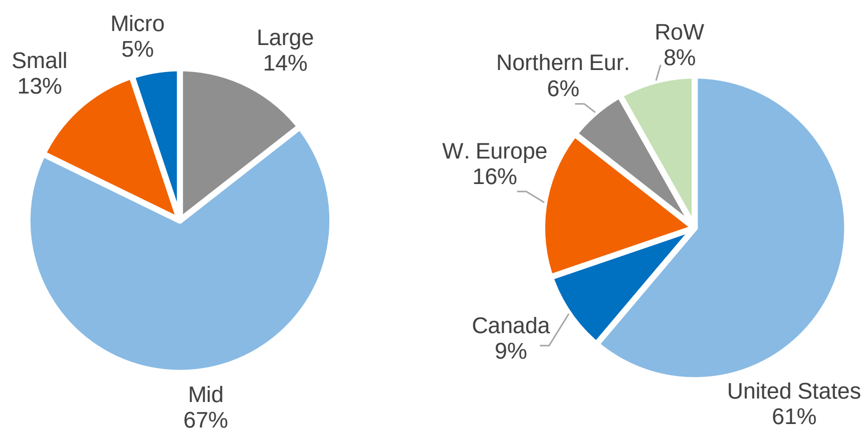
At quarter-end, gross and beta-adjusted net exposures were 146% and 39%, respectively. Positioning reflects a heightened number of perceived opportunities, both long and short.

Exhibit 3: Upslope Portfolio Snapshot



Source: Upslope. Note: as of 4/13/23 and may change without notice.

Exhibit 4: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 4/13/23. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 5: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: ATS Corp (+220 bps)	Short: Hedges, net (-305 bps)
Long: FTI Consulting (+200 bps)	Long: BOK Financial (-155 bps)
Long: Man Group (+100 bps)	Short: Undisclosed (-75 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+240 bps	-345 bps

Source: Upslope, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding.

Chemring (CHG:LN) – Exited Long

Chemring is a niche defense contractor focused on flares, energetics, and cyber warfare, among other areas. The company has navigated the uncertain environment fine but has not benefited as materially as I expected. Additionally, the CFO, who played a key role in driving the company's recent turnaround, announced plans to retire. I'm not overly concerned by the change, but the loss of a key executive is another negative. We may be CHG shareholders again in the future. But, for now there appear to be better opportunities for our capital.

Banks – Long & Short Update

Given recent events and Upslope's long BOK Financial position noted last quarter, I wanted to briefly discuss our involvement with bank stocks. While the outlook for regional banks appears cloudy at best, BOKF appears well-positioned to weather the crisis due to a conservative culture, niche geo/sector focus and strong balance sheet. Understandably, shares were not immune; however, BOKF outperformed the sector and losses were blunted a bit by several bank shorts. On the short side, exposure has been diverse, and themes include hard-to-reverse funding/confidence spirals, questionable credit, and extraordinarily crowded "safe-havens" (the latter has not worked to date). I am not sure how the regional bank "crisis" will resolve; however, our long BOKF position is modest, and overall Upslope is net short bank stocks today.

Finning (FTT:CN) – New Long

Finning is the world's largest dealer and distributor of Caterpillar equipment. The company operates in three regions: Canada, South America (Chile, Argentina, Bolivia), and UK & Ireland. I view FTT as a reasonably high-quality business (classic dealer model that benefits from steady service income) serving highly cyclical end markets driven by commodities, mining, energy and infrastructure. Shares appear very cheap today. As with all cyclicals though, cheapness is often a reflection of peak cycle worries. I share these concerns, which is why FTT is a modestly sized "starter" position for Upslope. Why not wait until the coast is clear before initiating the position at all? Because FTT is highly complementary to Upslope's defensive portfolio and cycle timing is notoriously difficult. I plan to discuss FTT in more detail if/when it graduates to a full size.

CLOSING THOUGHTS

As investors grapple with the prospect of a recession ahead, Upslope's unique and defensive portfolio appears exceptionally well-positioned to navigate the uncertain environment. Exposure to more traditional "value" stocks and non-U.S. businesses should provide an added tailwind for some time.

With the transition of Upslope's core business model from SMAs to a fund vehicle, I am more thankful than ever for Upslope's clients. I sincerely appreciate your trust, support, and, recently, your patience with the fund transition process. I can't wait for Upslope's next chapter ahead.

If you have any questions at all, would like to add to your account, or know a qualified investor who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Long/Short Composite Performance (Net)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	Upslope	(2.6%)	1.6%	(0.3%)										**(1.2%)**
	S&P Midcap 400	9.3%	(1.9%)	(3.2%)										**3.8%**
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)	3.0%	5.7%	2.1%	**6.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)	10.5%	6.0%	(5.5%)	**(13.3%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

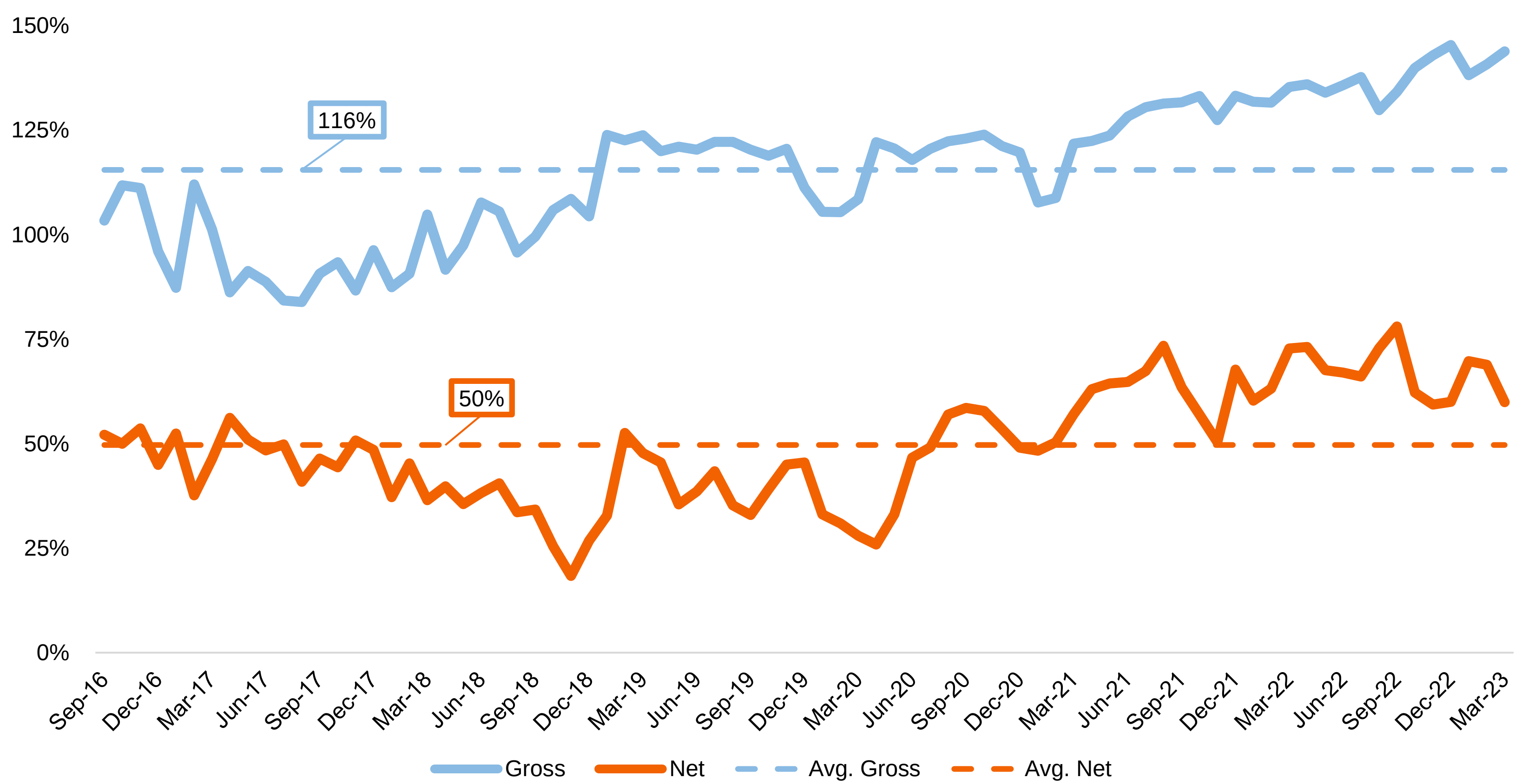
		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	**Upslope**	**9.3%**	**79.3%**	**4.9%**	**1.5**	--
	S&P Midcap 400	8.9%	74.9%	13.7%	0.5	0.29
	HFRX Equity Hedge Index	3.9%	28.9%	5.3%	0.4	0.26

Source: Upslope, Interactive Brokers, LICCAR, Sentieo, Morningstar

Note: Returns shown for composite of all accounts invested according to Upslope's core long/short strategy. Upslope also manages a long-only version of the strategy for a subset of assets under management. Performance for a composite of these (or all) accounts is available upon request. Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual account performance may vary** (minimum returns, net of fees, for an account invested since inception and YTD 2023 were +72.4% and -1.8%, respectively). Clients should always review statements for actual results. 11% of composite assets were non-fee paying at period-end. Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

UPSLOPE CAPITAL
MANAGEMENT

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Based on composite of all accounts invested according to Upslope's core long/short strategy.

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

ATS Corp. (ATS:TO): Canada-based factory automation solutions provider primarily serving defensive end markets (healthcare, food, etc.) in N. America and Europe. Active acquisition strategy + potentially accelerating reshoring tailwinds should sustain growth ahead.

BOK Financial (BOKF): Regional bank based in and primarily focused on OK, as well as TX, NM, and CO. Conservative culture + unique energy expertise + modest valuation support BOKF shares on a standalone basis. Also view position as a portfolio hedge in the event of sustained, elevated rates and/or energy prices.

Bolsa Mexicana de Valores (BOLSAA:MM): Dominant financial exchange operator in Mexico. Despite known headwinds in its equities business, the company is diversified, highly cash generative, conservatively managed, and shares appear a cheap call option on global macro reacceleration and/or Mexico resurgence.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Finning (FTT:TO): World's largest dealer and distributor of Caterpillar (CAT) equipment, operating in Canada, South America, and UK/Ireland. Well-managed cyclical business, with "pick and shovel" type exposure to commodities and infrastructure. Highly complementary to Upslope's otherwise-defensive portfolio.

FTI Consulting (FCN): Boutique consulting and advisory firm, with leading expertise in restructuring, dispute advisory, and other practices. Should ultimately benefit from elevated deal flow in wake of longer-term pandemic effects (e.g. rising rates and SPAC boom/bust) and restructuring cycle.

Glatfelter (GLT): Specialty materials company with most of its footprint in W. Europe. Commodity products largely serve defensive end markets (e.g. tea, hygiene). Significant exposure to E. Europe + ill-timed M&A put company in distress. Anticipate easing inflation to "bail out" the company, regardless of other macro considerations.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

Man Group (EMG.LN): UK-based alt. manager with $140bn+ of AUM (70% alts, 30% long-only). Differentiated, strategies focused on public, liquid markets have withstood sector headwinds well over years and could see resurgence, given dramatically changed macro environment. Position also provides portfolio with "cheap beta."

Silgan Holdings (SLGN): Food can, dispensing system, and plastic packaging producer managed with a private equity mindset. Defensive end markets, attractive valuation and disciplined model make for attractive baseline investment with balance sheet optionality (M&A or capital return).

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution during the pandemic.

TMX Group (X.TO): Largest exchange operator in Canada with exposure to equities, fixed income, and derivatives, as well as European power/energy trading/data. Anticipate steady, defensive growth with outperformance during periods of elevated inflation and/or volatility.

IMPORTANT DISCLOSURES

General

Upslope Capital Management, LLC ("Upslope") is a Colorado registered investment adviser. Information presented is for discussion and educational purposes only. This presentation is not an offer to sell securities of any investment fund or a solicitation of offers to buy any such securities. Securities of the fund managed by Upslope are offered to selected investors only by means of a complete offering memorandum and related subscription materials which contain significant additional information about the terms of an investment in the fund (such documents, the "Offering Documents"). Any decision to invest must be based solely upon the information set forth in the Offering Documents, regardless of any information investors may have been otherwise furnished, including this presentation. Investments involve risk and, unless otherwise stated, are not guaranteed.

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Investment Strategy

The description herein of the approach of Upslope and the targeted characteristics of its strategies and investments is based on current expectations and should not be considered definitive or a guarantee that the approaches, strategies, and investment portfolio will, in fact, possess these characteristics. In addition, the description herein of the fund's risk management strategies is based on current expectations and should not be considered definitive or a guarantee that such strategies will reduce all risk. These descriptions are based on information available as of the date of preparation of this document, and the description may change over time. Past performance of these strategies is not necessarily indicative of future results. There is the possibility of loss and all investment involves risk including the loss of principal.

The investment targets described in this presentation are subject to change. Upslope may at any time adjust, increase, decrease or eliminate any of the targets, depending on, among other things, conditions and trends, general economic conditions and changes in Upslope's investment philosophy, strategy and expectations regarding the focus, techniques, and activities of its strategy.

Portfolio

The investments or portfolio companies mentioned, referred to, or described are not representative of all investments in vehicles or SMAs managed by Upslope and there can be no assurance that the investments will be profitable or that other investments made in the future will have similar characteristics or results. Past performance of Upslope's investment vehicles, investments, or investment strategies are not necessarily indicative of future results. Investors should be aware that a loss of investment is possible. No representation is being made that similar profits or losses will be achieved.

Performance Results

Performance results presented are for information purposes only and reflect the impact that material economic and market factors had on the manager's decision-making process. No representation is being made that any investor or portfolio will or is likely to achieve profits or losses similar to those shown.

Performance results are net of all fees, including management and incentive fees, as well as all trading costs charged by the custodian, to the investor. Composite performance calculations have been independently verified by LICCAR, LLC. Performance of individual investors may vary based upon differing management fee and incentive allocation arrangements, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Performance estimates are subject to future adjustment and revision. The information provided is historical and is not a guide to future performance. Investors should be aware that a loss of investment is possible.

This presentation cannot and does not guarantee or predict a similar outcome with respect to any future investment. Upslope makes no implications, warranties, promises, suggestions or guarantees whatsoever, in whole or in part, that by participating in any investment of or with Upslope you will experience similar investment results and earn any money whatsoever.

Indices Comparisons

References to market or composite indices, benchmarks, or other measures of relative market performance over a specified period of time are provided for information only. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index.

Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs or any performance fees. Unlike indices, Upslope's investments will be actively managed and may include substantially fewer and different securities than those comprising each index. Upslope's performance results as compared to the performance of HFRX Equity Hedge Index and S&P Midcap 400 (ticker: MDY) are for informational purposes only. HFRX Equity Hedge Index is an index that main positions both long and short in primarily equity and equity derivative securities. S&P Midcap 400 (ticker: MDY) is a stock market index that serves as a gauge for the U.S. mid-cap equities sector.

The investment program of Upslope does not mirror the indices and the volatility may be materially different than the volatility of the indices. Direct comparisons between Upslope's performance and the aforementioned indices are not without complications. The indices may be unmanaged, may be market weighted, and indices do not incur fees and expenses. Due to the differences among the portfolios of Upslope and the aforementioned indices, no such index is directly comparable to Upslope.

Fund Terms

The summary provided herein of the terms and conditions of the fund managed by Upslope does not purport to be complete. The fund's Offering Documents should be read in its entirety prior to an investment in the fund.

UPSLOPE CAPITAL MANAGEMENT

2023-Q2 Update

July 17, 2023

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Q2 was a volatile and challenging period, much like other aggressively risk-on markets. Echoing what I wrote in early 2021: while these stretches are frustrating, I am focused on absolute performance and unwilling to sacrifice the downside protection Upslope has historically delivered.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q2 2023	53%	-1.2%	+4.8%	+2.1%
YTD 2023	59%	-2.5%	+8.8%	+3.0%
Last 12 Months	63%	+3.3%	+17.4%	+4.6%
Since Inception	**50%**	**+8.7%**	**+9.3%**	**+4.1%**
Downside Deviation		*5.0%*	*13.5%*	*5.2%*
Sortino Ratio[2]		**1.34**	**0.54**	**0.40**

Note: LPs/clients should always check individual statements for returns, which may vary due to timing, fee schedules and other factors. Since inception returns, downside standard deviation, and Sortino are all annualized figures (from August 2016).

In addition to the usual updates, **I am thrilled to announce the successful transition of Upslope's business model from separate accounts to a commingled fund structure, vis-à-vis Upslope Partners Fund, LP** (the "Fund"). The Fund utilizes the same differentiated strategy Upslope has deployed since inception. If you are an Accredited Investor and interested in learning more or joining the partnership, please contact me.

MARKET CONDITIONS – BABY BUBBLE

It's been a strange few months. Something changed in mid-May. We've embarked on a replay of the early 2021 bubble. While not as intense as the first act, the sequel almost feels more shocking. Did anyone learn anything? Ironically, I think Upslope's strategy has already benefited from lessons learned. The Fund's approach to shorts has clearly improved vs. what might have been expected two years ago, even if YTD has been relatively difficult. Aside from these observations, I don't have much to add on the market/macro front. I'll conserve my writing and your reading energy for more detailed commentary on the portfolio.

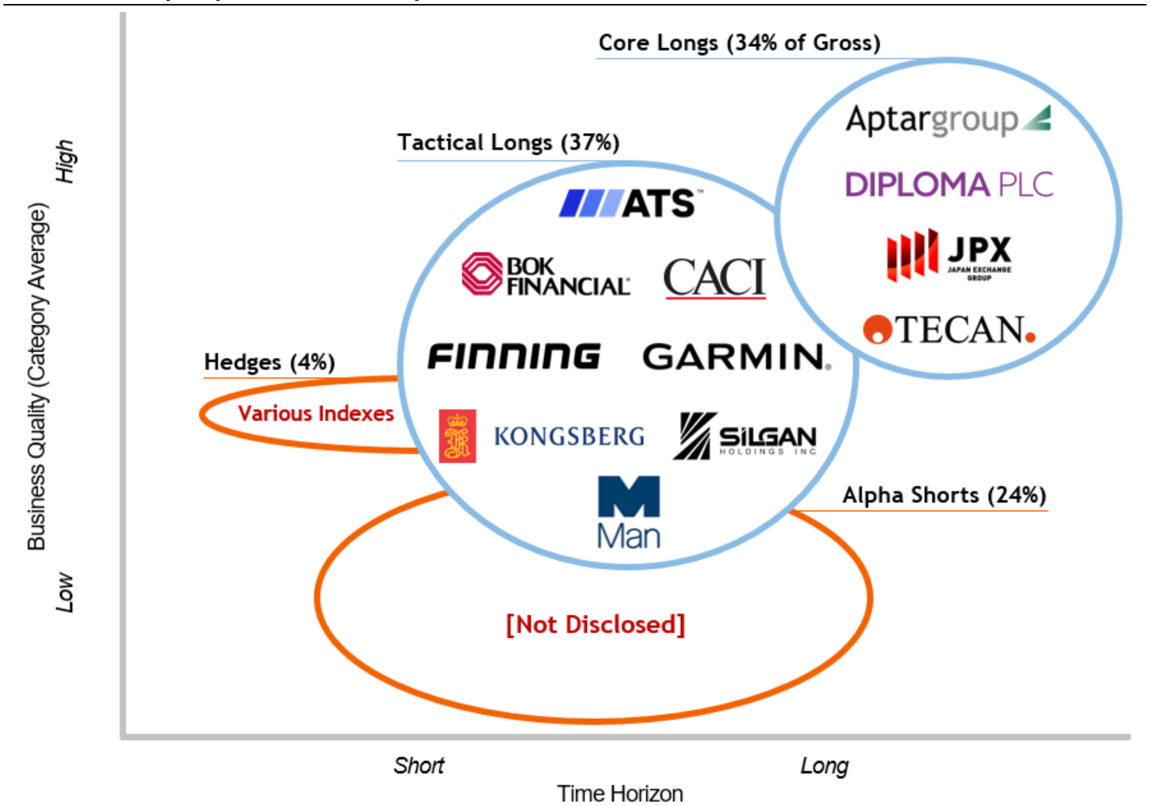
On that front, this quarter was a natural time to reassess the portfolio due to the Fund transition. As a result, I made some notable changes – mostly on the long side. We exited two starter and two longer-held longs (Glatfelter, Bolsa Mexicana, TMX and FTI Consulting) and added two new ones (Garmin and Japan Exchange Group). Details on each of these changes are provided later.

[1] Returns prior to June 2023 are for a composite of all separate accounts invested according to Upslope's core long/short strategy. Subsequent returns are for Upslope Partners Fund, LP. See important performance-related details and disclosures in Appendix A.
[2] Calculated as: (Net return since inception - 2.0% risk-free rate) / downside deviation.

PORTFOLIO POSITIONING

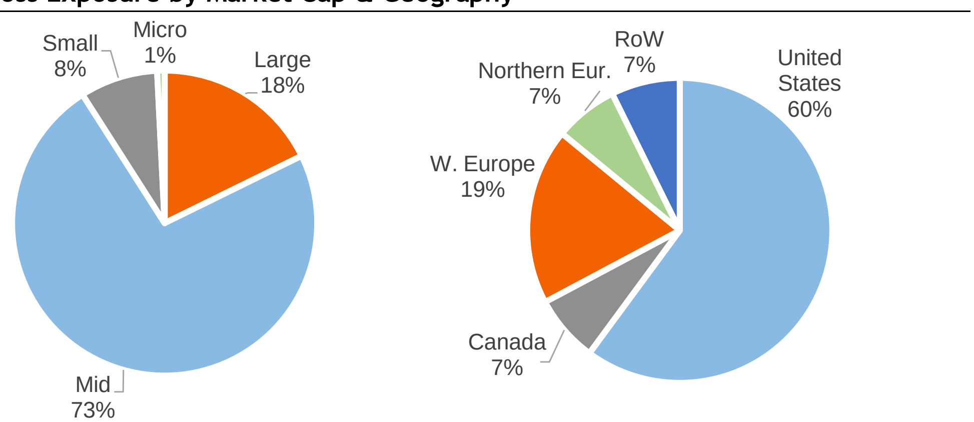
At quarter-end, gross and beta-adjusted net exposures were 145% and 41%, respectively. Positioning reflects a heightened number of perceived opportunities, both long and short.

Exhibit 1: Upslope Portfolio Snapshot



Note: as of 7/12/23 and may change without notice. Some positions may be undisclosed at Upslope's discretion.

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo. Note: as of 7/12/23. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Short: Undisclosed (+155 bps)	Long: Tecan (-125 bps)
Long: CACI Int'l (+125 bps)	Long: Silgan Hldgs (-105 bps)
Short: Tattooed Chef (+110 bps)	Short: Undisclosed (-85 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+135 bps	-250 bps

Source: Upslope, Opus Fund Services, LICCAR, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding. Figures shown include amounts for both the separate account composite (Apr and May) and the Fund (Jun).

FTI Consulting (FCN) – Exited Long

FTI is a boutique consulting firm with expertise in restructuring, dispute, and other areas. Upslope first invested in FTI as a contrarian idea in Feb 2021 ("what's more out of favor during a speculative bubble than a restructuring consultant?"). The stock is one of Upslope's biggest contributors since inception, and until recently one of the portfolio's largest longs. After disappointing 1Q results, however, I exited the position and ultimately initiated a modest short. Rationale for the abrupt change: (1) contrarian thesis has played out and no longer holds (opposite is true), (2) long-time CEO has suddenly started selling big chunks of stock for the first time ever (that I can tell), (3) shares recently hovered ~27x EPS – expensive and right where they peaked during the 2008-9 financial crisis. While the restructuring cycle may have more to go, I think FTI shares will see serious multiple compression, and (4) increasingly choppy performance: over the last four quarterly earnings reports, shares have moved -8%, +11%, -19%, -9%. This is not entirely management's fault but it's notable.

TMX Group (X:CN) – Exited Long

TMX is the largest exchange operator in Canada. As with FTI, Upslope also purchased TMX in early 2021. The thesis that TMX was well positioned to navigate a potential environment seeing heightened volatility and inflation has largely played out as expected. While valuation isn't offensive, I think there are better opportunities in "exchange-land" today (one discussed below).

Other Exited Longs

Upslope also sold Glatfelter (GLT – distressed specialty materials company) and Bolsa Mexicana (BOLSAA:MM – Mexican stock/financial exchange) in the quarter. Both were sub-scale positions and I ultimately concluded I wasn't going to "get there" in fully sizing them up.

Garmin (GRMN) – New Long

Garmin is a leading technology business mostly known today for its smartwatches and fitness trackers (about half of sales), as well as navigation and communication systems (serving consumer, aviation, marine, and automotive end markets). There are three key reasons I believe the stock is interesting, and I'll elaborate further on each below:

(1) **Surprisingly high-quality business** – both qualitatively and financially – despite appearance as a consumer "widget" maker. This doesn't make shares compelling today, but it means the investment should work out fine if I'm wrong on some of the factors noted below.

(2) **Positioned to benefit from both existing secular trends and emerging changes to public health** – rising interest in outdoors, adoption of health-tracking devices, new weight-loss drugs.

(3) **Valuation is reasonable on conservative estimates** that discount a credible management team's outlook and the prospect of accelerated demand for health-tracking devices.

First, why would I describe a (mostly) consumer hardware business as "quality"? Due to quirks of its engineering-focused culture and a history of long-term involvement by its co-founders, Garmin is a classic "riches in niches" story. Its products mostly target niche markets – e.g. ultra-marathoner tracking, cockpit controls, marine navigation. This has earned Garmin a somewhat narrow, but extremely loyal user base and a brand that is the gold standard in its categories. It has also helped Garmin effectively hold its own against competitors both small and (extremely) large, such as Apple and Google (Fitbit).

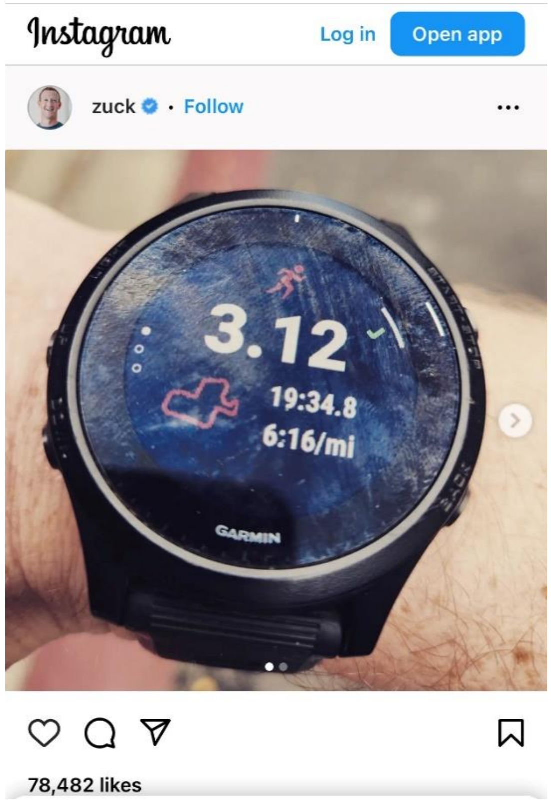
Garmin has a history of owner-operator style management that continues to this day.[3] One of the co-founders is the Executive Chairman and still owns 10% of shares. The other co-founder sadly passed away, but his son is on the board and the family still owns 10%. The CEO joined the company in 1989 – practically a co-founder himself. Due to all of this, Garmin has a track record of focusing on the long-term and doing right by its customers. As an example: the company is one of the few today that arguably under-monetizes its retail customers by charging only for hardware and offering the software/network for free. I consider this both an advantage and potential opportunity. They also have an intense focus on feature improvement that further bolsters the brand and customer loyalty advantages.

Financially, Garmin also exhibits a number of quality factors. While cyclically exposed, the company has a long-term track record of mid-single digit+ organic growth and steady mid/high-teen ROIC (again, steady despite competing against big tech behemoths). The balance sheet is rock solid, with ~2x net *cash*.

Looking ahead, I believe Garmin will continue to benefit from the long-term secular trends it has for some time (e.g. rising consumer interest in the outdoors and adoption of health-tracking devices). More interestingly, Garmin appears exceptionally positioned to benefit from emerging changes to public health (e.g. GLP-1 weight-loss drugs). Should we see a genuine revolution on this front, I believe we will see a wave of consumer interest in health and fitness. Will people actually exercise more? I don't know. But, I am fairly sure that people will be interested in…signaling good health. As the gold standard for fitness tracking, Garmin seems the best choice on this front. A Garmin signals you're serious about running, swimming, or biking; an Apple signals you're available via text/email anytime, anyplace (sorry). One executive that's become quite known for his fitness recently posted the picture below:

[3] Fun fact: Gar-min is actually named after the two co-founders, Gary (Burrell) and Min (Kao).

Exhibit 4: Happy Customer Showing Off His Garmin on Social Media



Source: Upslope, Mark Zuckerberg's Instagram.

Valuation-wise, Garmin shares appear reasonable enough at 18x 2024 EPS (LT range of ~13-24x) and 12x EBITDA (typical range of ~8-15x). Despite a credible management team, consensus seems to discount some key growth initiatives – most notably in the Auto segment. While Auto is currently the smallest unit in terms of revenue (~7%), management is pointing to a 40% revenue CAGR over the next several years. While margins will be modest, this growth is underpinned by recent wins with BMW (infotainment-related) and others. Flipping the unit's 2022 loss of ~$80mm to a positive contribution by 2024/2025 would have a meaningful impact on the bottom-line. No need to get too far ahead of ourselves, but the reemergence of a serious Auto unit due to the company's ability to play a role in electric vehicle consoles and/or navigation could be an interesting longer-term opportunity. I note that Garmin has a solid history of reinventing itself. For Garmin's core Fitness and Outdoor units, consensus estimates also appear reasonable or even conservative, as a simple reversion to pre-2020 growth rates (i.e. no upside from developments in public health) seems to be assumed.

Aside from the obvious cyclical risk of any consumer discretionary, Garmin also faces other potential risks. Most of its manufacturing is in Taiwan. Here, I worry about the impact that rising tensions and noise might have on the stock, even if a hot conflict never actually unfolds. The company is also still emerging from its COVID hangover. Like many other consumer discretionary companies – especially those with a fitness/outdoor focus – Garmin saw boom-times during the pandemic. While inventories have stabilized, they are still elevated vs. historical levels (there appears to be good reason for this). Lastly, Garmin competes head-to-head against much larger competitors – some of whom may care less about competing profitably in select categories. Despite these risks, I think Garmin shares represent an attractive opportunity that fits very well with Upslope's defensive portfolio.

Japan Exchange Group (8697:JP) – New Long

Japan Exchange Group ("JEG") is the largest operator of financial (equities and derivatives) exchanges in Japan. The quick thesis:

(1) **Attractive business model**, similar to other global exchanges – monopolistic competitive position, steady growth, high margins (66% EBITDA), and defensive/volatility-linked model. This part of the thesis is straightforward, and I won't elaborate further here.

(2) **Likely accelerated growth ahead** due to recent and expected changes to Japanese equity market structure and evolving institutional investor flows (e.g. re-allocation from China). This is core to the thesis, and I will discuss it in greater detail below.

(3) **Attractive absolute + relative valuation**, despite a relatively better backdrop and superior balance sheet (1.5x net *cash*) – 11x EBITDA, 5%+ FCF yield. Modest valuation due to lower historical growth and history of fits/starts in Japan.

The Japanese equity market is currently experiencing a revival due to the convergence of a number of factors: rising commitment to corporate governance reform (after decades of desperately needing such reform), redirected investment away from China (with institutions generally underinvested in Japan to begin with), upcoming reform to individual retirement programs (huge boost to tax incentives for "NISA" plans, starting in Jan 2024; notably, the domestic population has about 1/4 and 1/2 the exposure to stocks as Americans and Europeans, respectively[4]), the Nikkei 225 finally approaching its 30-year+ high, and investments from Warren Buffett and other higher-profile investors. While I acknowledge this could all be a trap and the end of a good run, the "long Japan" thesis makes a lot of sense to me. As relates to JEG, I'd be concerned if it were trading at a premium to global peers, with heroic underlying growth assumptions – but the opposite appears true.

While many Japan-focused investors have focused on deep value stocks, JEG is interesting because of both the quality of the business (classic exchange model) and the central role it's playing in the Japan renaissance itself. The Tokyo Stock Exchange (TSE), owned by JEG, is a key driver of the biggest piece of the puzzle – corporate governance reform. TSE has helped drive reform by implementing a new market tiering system that encourages higher corporate governance standards and "constructive dialogue with global investors." TSE believes these efforts should improve market valuations and increase domestic and global investor participation. With about 35% of revenue tied to domestic equities, JEG would benefit directly from success here, as both valuations and trade velocity increase, driving JEG revenue growth. Outside of equities, JEG could also see accelerated growth in its JGB and recently-launched ST interest rate futures businesses – areas that tend to thrive with macro volatility.

Despite the potential tailwinds, JEG shares trade at an attractive relative and absolute valuation. I believe this is due to the many false starts Japan has had over the past 3+ decades. JEG revenue growth has historically been…tepid, at best (*low* single-digit) – largely due to lack of interest in the Japanese market. While I understand investor hesitation to underwrite an acceleration, the convergence of all the factors noted above strongly suggests an acceleration is likely. JEG's relatively modest valuation seems particularly compelling in this context.

Key risks for JEG shares include: FX, continued sluggish trading volumes, elevated technology expenses and/or system failures, regulation, business model exposure to broader market valuations.

[4] Source: CLSA report.

CLOSING THOUGHTS

Just 90 days ago there was widespread talk (including on this very page, I confess) of a potential recession ahead. It feels silly now, but it's a good reminder that things change rapidly in financial markets. Will it be game-on again for recession calls 90 days from now? Perhaps. Indexes and narrow sectors have been extraordinarily strong. But there is an underlying concern that perhaps not all is well. Rates remain stubbornly high, despite the inflation dragon seemingly being slayed. I have recently started "high-grading" the portfolio – tilting exposure to higher quality longs and reducing exposure to more macro-sensitive traditional value. Whatever happens on the macro front, I am confident that Upslope's unique portfolio is well-positioned to navigate through it.

Finally, I want to thank Upslope clients once again for all your help and patience (especially patience) throughout the Fund transition process. You should receive the next monthly fact sheet/commentary from me in early August and your first statement from Opus shortly thereafter. Thank you, as always, for the trust you've placed in me to manage a portion of your hard-earned money.

If you have any questions at all, would like to add to your investment, or know a qualified investor who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Long/Short Composite Performance (Net)

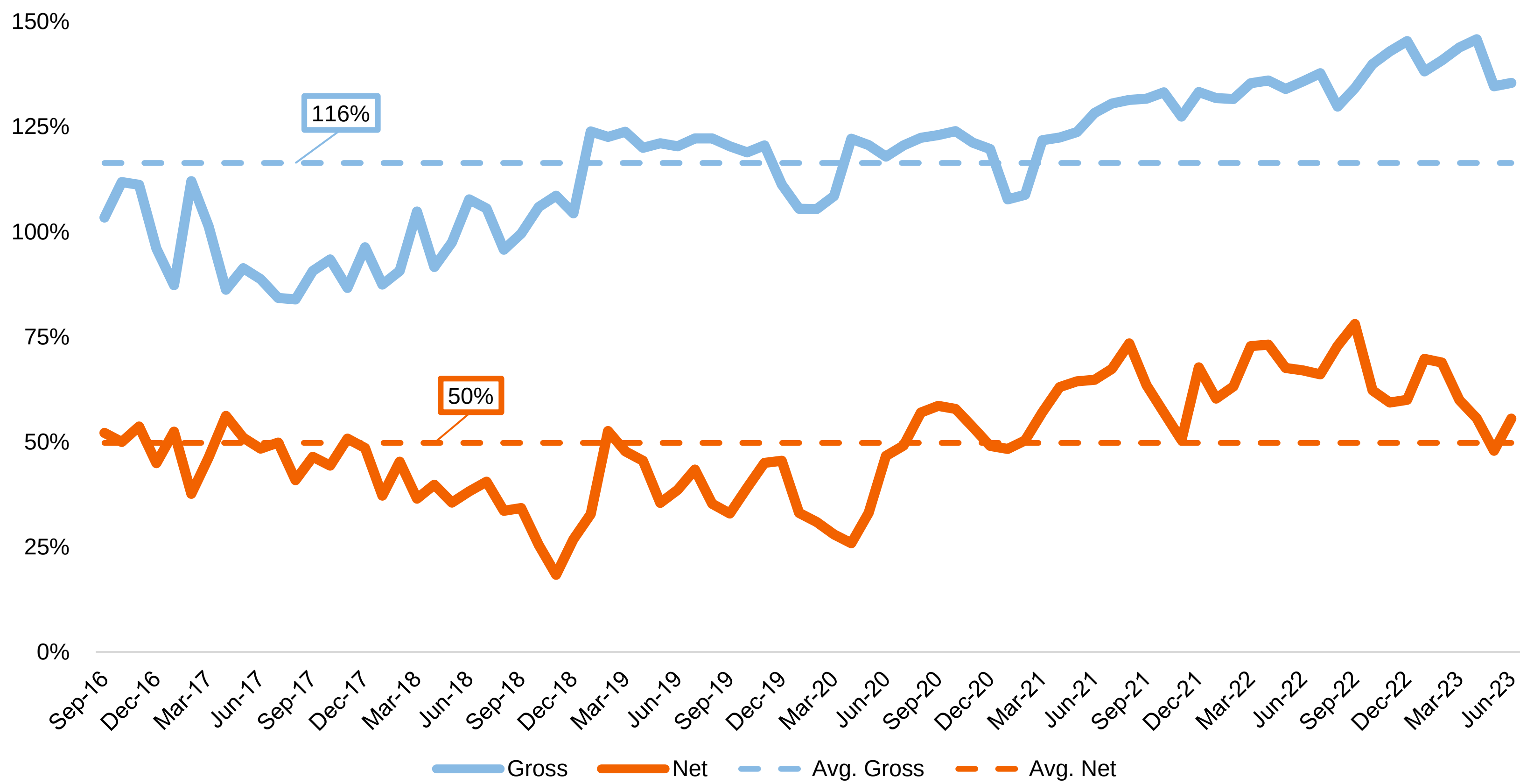
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	Upslope	(2.6%)	1.6%	(0.3%)	2.2%	(3.5%)	0.1%							**(2.5%)**
	S&P Midcap 400	9.3%	(1.9%)	(3.2%)	(0.8%)	(3.2%)	9.2%							**8.8%**
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)	3.0%	5.7%	2.1%	**6.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)	10.5%	6.0%	(5.5%)	**(13.3%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	**Upslope**	**8.7%**	**77.1%**	**5.0%**	**1.3**	--
	S&P Midcap 400	9.3%	83.3%	13.5%	0.5	0.29
	HFRX Equity Hedge Index	4.1%	31.6%	5.2%	0.4	0.25

Source: Upslope, Interactive Brokers, Opus Fund Services, LICCAR, Sentieo, Morningstar

Note: Returns from inception to May 2023 shown for composite of all separate accounts invested according to Upslope's core long/short strategy. Returns from June 2023 onward shown for Upslope Partners Fund, LP. Performance for a composite of all accounts managed by Upslope from inception is available upon request. Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual investment performance may vary**. Investors should always review statements for actual results**.** Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Data from inception to May 2023 shown for composite of all separate accounts invested according to Upslope's core long/short strategy; data from June 2023 onward shown for Upslope Partners Fund, LP.

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

ATS Corp. (ATS): Canada-based factory automation solutions provider primarily serving defensive end markets (healthcare, food, etc.) in N. America and Europe. Active acquisition strategy + potentially accelerating reshoring tailwinds should sustain growth ahead.

BOK Financial (BOKF): Regional bank based in and primarily focused on OK, as well as TX, NM, and CO. Conservative culture + unique energy expertise + modest valuation support BOKF shares on a standalone basis. Also view position as a portfolio hedge in the event of sustained, elevated rates and/or energy prices.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Finning (FTT:TO): World's largest dealer and distributor of Caterpillar (CAT) equipment, operating in Canada, South America, and UK/Ireland. Well-managed cyclical business, with "pick and shovel" type exposure to commodities and infrastructure. Highly complementary to Upslope's otherwise-defensive portfolio.

Garmin (GRMN): Leading technology business known for its smartwatches, navigation, and control/communication systems across retail, aviation, marine and auto. Well-managed discretionary business that is a potential beneficiary of recent and prospective advances in public health.

Japan Exchange Group (8697:JP): Largest exchange operator in Japan with exposure to equities, derivatives, and information services. Key driver and beneficiary of ongoing efforts to reform Japanese equity market structure and corporate governance standards.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

Man Group (EMG.LN): UK-based alt. manager with $140bn+ of AUM (70% alts, 30% long-only). Differentiated, strategies focused on public, liquid markets have withstood sector headwinds well over years and could see resurgence, given dramatically changed macro environment. Position also provides portfolio with "cheap beta."

Silgan Holdings (SLGN): Food can, dispensing system, and plastic packaging producer managed with a private equity mindset. Defensive end markets, attractive valuation and disciplined model make for attractive baseline investment with balance sheet optionality (M&A or capital return).

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution during the pandemic.

UPSLOPE CAPITAL
MANAGEMENT

IMPORTANT DISCLOSURES

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Performance results are net of all fees, including management and incentive fees, Fund operating expenses, as well as all trading costs charged by the custodian, to the investor. Historical SMA composite performance calculations (inception – May 2023) have been independently verified by LICCAR, LLC. Subsequent returns based on Fund performance data from Opus Fund Services. Performance of individual investors may vary based upon differing management fee and incentive allocation arrangements, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Performance estimates are subject to future adjustment and revision. The information provided is historical and is not a guide to future performance. Investors should be aware that a loss of investment is possible.

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Indices Comparisons

References to market or composite indices, benchmarks, or other measures of relative market performance over a specified period of time are provided for information only. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index.

Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs or any performance fees. Unlike indices, Upslope's investments will be actively managed and may include substantially fewer and different securities than those comprising each index. Upslope's performance results as compared to the performance of HFRX Equity Hedge Index and S&P Midcap 400 (ticker: MDY) are for informational purposes only. HFRX Equity Hedge Index is an index that maintains positions both long and short in primarily equity and equity derivative securities. S&P Midcap 400 (ticker: MDY) is a stock market index that serves as a gauge for the U.S. mid-cap equities sector.

The investment program of Upslope does not mirror the indices and the volatility may be materially different than the volatility of the indices. Direct comparisons between Upslope's performance and the aforementioned indices are not without complications. The indices may be unmanaged, may be market weighted, and indices do not incur fees and expenses. Due to the differences among the portfolios of Upslope and the aforementioned indices, no such index is directly comparable to Upslope.

Fund Terms

The summary provided herein of the terms and conditions of the fund managed by Upslope does not purport to be complete. The fund's Offering Documents should be read in its entirety prior to an investment in the fund.

UPSLOPE CAPITAL
MANAGEMENT

2023-Q3 Update — October 17, 2023

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. The Fund's portfolio was resilient in Q3, with shorts offsetting nearly all losses from longs, as the prospect of materially higher-for-longer rates finally began to sink into markets. I'm pleased that Upslope protected capital during this stretch but remain focused on returning to positive absolute returns.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q3 2023	57%	-0.5%	-4.3%	+0.2%
YTD 2023	59%	-3.0%	+4.1%	+3.2%
Last 12 Months	59%	+7.9%	+15.2%	+4.9%
Since Inception	**50%**	**+8.3%**	**+8.3%**	**+4.0%**
Downside Deviation		*4.9%*	*13.5%*	*5.1%*
Sortino Ratio[2]		**1.28**	**0.46**	**0.39**

Note: LPs/clients should always check individual statements for returns, which may vary due to timing, fee schedules and other factors. Since inception returns, downside standard deviation, and Sortino are all annualized figures (from August 2016).

MARKET CONDITIONS – WEALTH, WAR & WEIGHT-LOSS[3]

Three comments and areas of focus:

(1) The **macro picture remains hazy** for many market participants (myself included). Inflation has eased, but rates remain perilously high. Hardly a unique view, but I would be surprised if rates remained elevated (or worse) much longer and something *didn't* break (e.g. banks, housing, private equity/credit – the Fund is short a bit of each). My default assumption is that a recession was postponed, but not cancelled. This is a fairly low confidence view and somewhat against the tide.

(2) The **"micro" (stock-picking) environment is about as exciting as any time I can remember**. Markets have become narrowly focused on two big themes: GLP-1 (weight-loss) drugs and Artificial Intelligence. The former is more relevant for Upslope's universe of stocks. While the rate environment clouds the picture, some companies have been bluntly shoved into winner/loser buckets based on perceived exposure to these themes. Upslope is not blindly fighting either trend; but, the crudeness with which markets have responded has left me overwhelmed (in a good way) on the idea generation front. The Fund was fully invested – long and short – at the end of Q3.

(3) **Geopolitical risk is clearly the highest in decades and markets don't care much**. Sarah C. M. Paine of the Naval War College recently noted that dictators "often very accurately tell you what they're going to do." In markets, it pays to be an optimist over the long-run. For the past decade it

[1] Returns prior to June 2023 are for a composite of all separate accounts invested according to Upslope's core long/short strategy. Subsequent returns are for Upslope Partners Fund, LP. See important performance-related details and disclosures in Appendix A.
[2] Calculated as: (Net return since inception - 2.0% risk-free rate) / downside deviation.
[3] A nod to Barton Biggs' *Wealth, War & Wisdom*.

has also increasingly paid to be an optimist in the *short run*. Because of this dynamic, I think markets have gotten used to hand-waiving away even the most overt saber-rattling ("they don't really mean it") and risks until the last possible moment. Slow reactions to the pandemic outbreak and invasion of Ukraine are examples.

Recent events in Israel (and Ukraine) have provided an increasingly stark reminder that genuine evil still exists today and must be dealt with urgently. We appear to be re-entering a period in which pretending otherwise is no longer an option. It's difficult to guess what the path ahead looks like, but the relative calm of the past decade+ seems unlikely to repeat in the near-term. While it pales in comparison to the human and personal considerations, implications for investors are serious and will continue to be top of mind.

* * * * *

During the quarter, the Fund (re-)added Ball (leading beverage can business) in addition to several "Starter" longs. Details on the refreshed Ball thesis and a broader update on the Fund's approach to portfolio construction are provided below.

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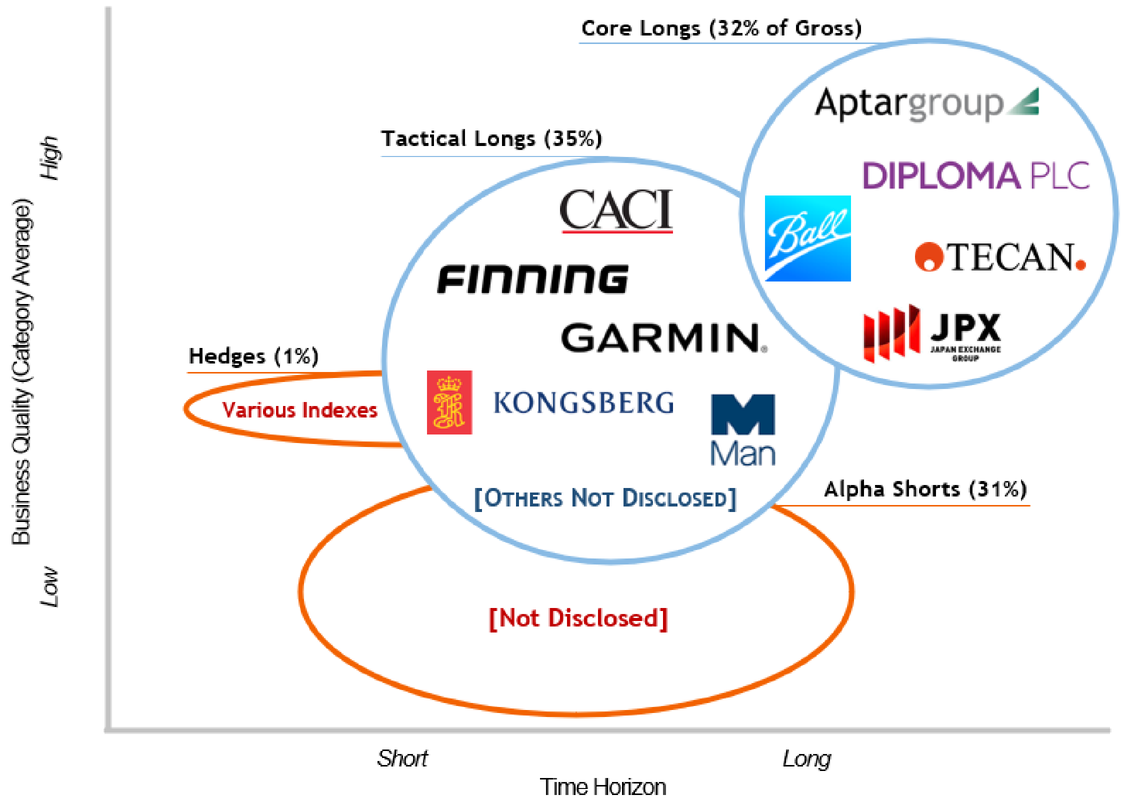
UPSLOPE CAPITAL MANAGEMENT

PORTFOLIO POSITIONING

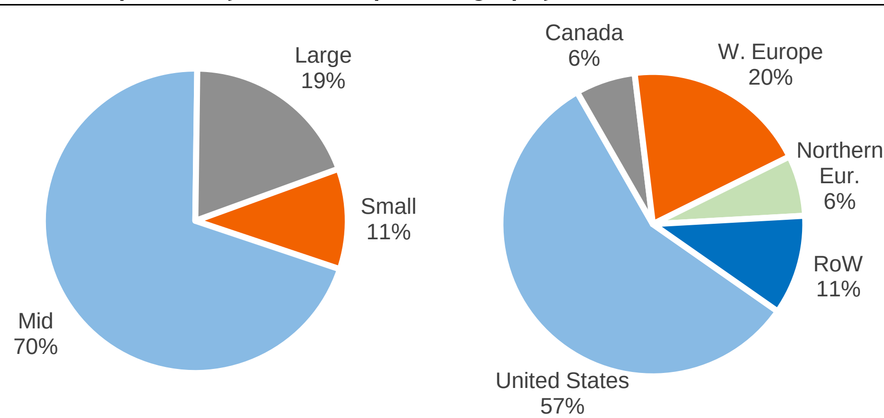
At quarter-end, gross and beta-adjusted net exposures were 149% and 45%, respectively. **Positioning reflects an unusually high number of perceived opportunities – both long and short.**

Exhibit 1: Upslope Portfolio Snapshot



Note: as of 9/30/23 and may change without notice. Positions disclosed at Upslope's discretion.

Exhibit 2: Gross Exposure by Market Cap & Geography



Source: Upslope, Interactive Brokers, Sentieo/AlphaSense. Note: as of 9/30/23. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).

UPSLOPE CAPITAL MANAGEMENT

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Aptar (+105 bps)	Long: Ball (-140 bps)
Long: Japan Exchange (+80 bps)	Long: Tecan (-100 bps)
Short: Building Prod Co (+75 bps)	Long: Kongsberg (-80 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
-530 bps	+500 bps

Source: Upslope, Opus Fund Services, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding.

Exited Longs

Upslope exited three previously disclosed longs in the quarter: **ATS** (factory automation – increasingly uneasy with M&A strategy and believe better reshoring opportunities exist), **Silgan** (food cans/plastic packaging – better use of capital for the Fund, given underlying weakness in stocks), and **BOK Financial** (regional bank – cheap, but concluded outlook was 'lose-lose' given rate environment and macro picture).

Ball Corp (BALL) – 'New' Long

Ball is the leading global producer of beverage cans. Upslope was long Ball (briefly) in 2022 before I concluded it was too early. No doubt, the company is still facing challenges. Some are temporary and likely to reverse in the near-term (fully leveraged balance sheet, industry over-expansion, overly aggressive carbonated soft drink (CSD) pricing) or medium-term (Budweiser exposure). Others are highly uncertain (GLP-1 weight-loss drug impact) but are being priced with certainty, assuming no actions on the part of bevcan or CSD producers (e.g. Coke, Pepsi) to offset any *still-hypothetical* pain.

Importantly, Ball's recent announcement that it is selling its Aerospace unit, which has no strategic relevance to the core bevcan business, for after-tax proceeds of ~30% of the company's market cap, provides a hard catalyst for shares to stabilize in the year ahead. In addition to de-levering the balance sheet – more important than ever, given the rate environment – the divestiture provides Ball with significant firepower to resume buybacks. The transaction should close in 1H 2024 and seems well-aligned with a bottom or rebound across many of the issues Ball has faced of late.

Risks still remain – the issues noted above are all very real, but they are all well-known and mostly temporary, in my view. To be frank, we have already been whipsawed with the latest purchase, as I assumed the market would show more immediate appreciation for the divestiture. But the combination of: low valuation for an economically defensive business with troughing fundamentals and a significant cash windfall seems like an optimal setup for even moderately patient investors.

Other Long Activity – Comment on Portfolio Construction

The portfolio looks a bit different today than in the past due to expanded testing of the "Starter" strategy, as noted in prior letters. Currently, Upslope has several Starter longs, mostly in the 1-5% range. As always, I don't plan to discuss individual positions until (if) they graduate into permanent, fully-sized status. The most notable Starters today include a defensive non-U.S. retailer, a market structure business, and a housing-related industrial. Today, Starters fall into three categories:

(1) Ideas where I've completed enough work to establish a toehold, but still have more to do,

(2) Companies facing obvious short-term challenges where I believe the near-term path in shares is likely lower, but the stock is 'cheap enough' and outright attractive over the longer-term, and

(3) Exposure to 'counter-shorts' – higher-beta longs with good risk/reward that trade more in-sync with many of Upslope's shorts on a daily basis and can be used to manage overall net long exposure more effectively and efficiently.

Historically, I used Starters primarily for #1, a little for #2, and not at all for #3. Today, I am using starters a lot for #2 and #3 and a moderate amount for #1.

While still open-minded, I am increasingly confident that the above approach will add value to Upslope's core strategy. Notably, it helps the Fund in a few areas I've been seeking to improve: better crystallize outperformance following market pullbacks and reduced frustration on a daily basis (because of better long/short pairing). Importantly, it also dovetails nicely with my desire to maintain higher gross exposure (as noted a few quarters ago) without increasing single stock concentration risk. Again, I remain open-minded and may conclude this approach is a distraction and I need to re-focus on just 10 longs, period. For now, I'm very optimistic and energized by the prospects of this change.

CLOSING THOUGHTS

"Survive the tough periods and good times will take care of themselves" is how I generally think of risk and portfolio management over the long-term. Surprisingly, 2023 could be characterized as one of those tough periods for Upslope's strategy, which could crudely be described as "long defensives, short garbage" (there's a lot more nuance, but that's not an unfair generalization). YTD (through Sep 30), defensives have underperformed high-beta stocks by nearly 20% and were -6% on an absolute basis.[4] I'm not sure when the tide will turn, but I believe the setup is quite good for Upslope's approach. Many steadily growing, highly profitable, and economically defensive businesses have de-rated sharply. This, precisely when rates have begun to potentially top out and the risk of recession should become front and center once again.

As always, thank you for the trust you've placed in me and Upslope to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your investment, or know a qualified investor who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

[4] Defensives = SPLV, high-beta = SPHB.

UPSLOPE CAPITAL
MANAGEMENT

Appendix A: Long/Short Strategy Performance (Net)

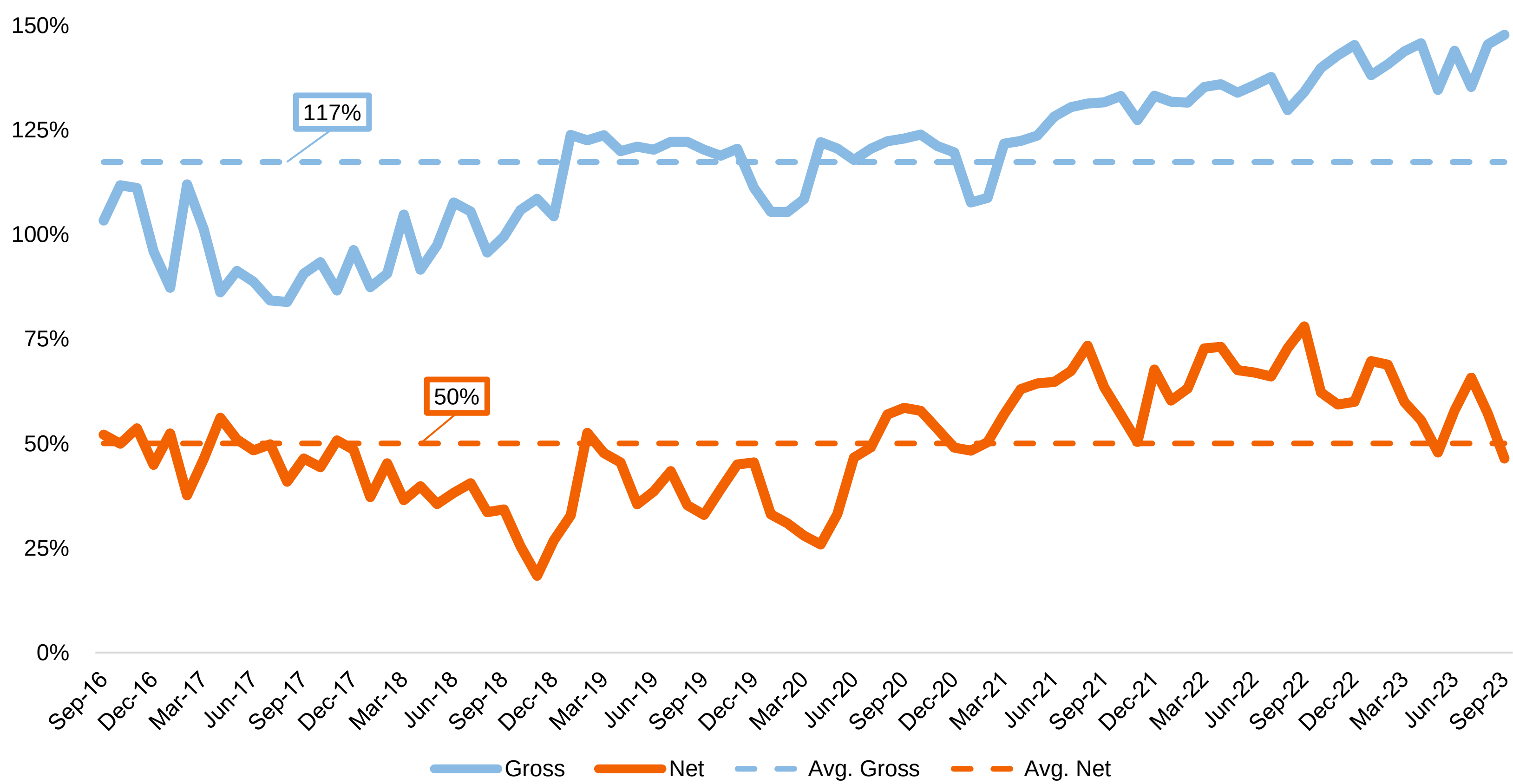
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	Upslope	(2.6%)	1.6%	(0.3%)	2.2%	(3.5%)	0.1%	(0.6%)	(0.2%)	0.3%				**(3.0%)**
	S&P Midcap 400	9.3%	(1.9%)	(3.2%)	(0.8%)	(3.2%)	9.2%	4.1%	(3.0%)	(5.3%)				**4.1%**
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)	3.0%	5.7%	2.1%	**6.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)	10.5%	6.0%	(5.5%)	**(13.3%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	**Upslope**	**8.3%**	**76.2%**	**4.9%**	**1.3**	--
	S&P Midcap 400	8.3%	75.4%	13.5%	0.5	0.29
	HFRX Equity Hedge Index	4.0%	31.9%	5.1%	0.4	0.25

Source: Upslope, Interactive Brokers, Opus Fund Services, LICCAR, Sentieo, Morningstar

Note: Returns from inception to May 2023 shown for composite of all separate accounts invested according to Upslope's core long/short strategy. Returns from June 2023 onward shown for Upslope Partners Fund, LP. Performance for a composite of all accounts managed by Upslope from inception is available upon request. Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual investment performance may vary**. Investors should always review statements for actual results**.** Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Monthly Average Net Long & Gross Positioning



Source: Upslope, Interactive Brokers

Note: Data from inception to May 2023 shown for composite of all separate accounts invested according to Upslope's core long/short strategy; data from June 2023 onward shown for Upslope Partners Fund, LP.

Appendix C: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which contribute 60% of sales but just 15% of EBIT.

Ball Corp (BALL): Leading global producer of aluminum cans for beer, carbonated soft drinks, and other beverages. Facing several temporary challenges that appear to be stabilizing, likely coinciding with the divestiture of the company's Aerospace segment for a significant cash windfall.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Finning (FTT:TO): World's largest dealer and distributor of Caterpillar (CAT) equipment, operating in Canada, South America, and UK/Ireland. Well-managed cyclical business, with "pick and shovel" type exposure to commodities and infrastructure. Highly complementary to Upslope's otherwise-defensive portfolio.

Garmin (GRMN): Leading technology business known for its smartwatches, navigation, and control/communication systems across retail, aviation, marine and auto. Well-managed discretionary business that is a potential beneficiary of recent and prospective advances in public health.

Japan Exchange Group (8697:JP): Largest exchange operator in Japan with exposure to equities, derivatives, and information services. Key driver and beneficiary of ongoing efforts to reform Japanese equity market structure and corporate governance standards.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

Man Group (EMG.LN): UK-based alt. manager with $140bn+ of AUM (70% alts, 30% long-only). Differentiated, strategies focused on public, liquid markets have withstood sector headwinds well over years and could see resurgence, given dramatically changed macro environment. Position also provides portfolio with "cheap beta."

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution during the pandemic.

IMPORTANT DISCLOSURES

General

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The description herein of the approach of Upslope and the targeted characteristics of its strategies and investments is based on current expectations and should not be considered definitive or a guarantee that the approaches, strategies, and investment portfolio will, in fact, possess these characteristics. In addition, the description herein of the fund's risk management strategies is based on current expectations and should not be considered definitive or a guarantee that such strategies will reduce all risk. These descriptions are based on information available as of the date of preparation of this document, and the description may change over time. Past performance of these strategies is not necessarily indicative of future results. There is the possibility of loss and all investment involves risk including the loss of principal.

The investment targets described in this presentation are subject to change. Upslope may at any time adjust, increase, decrease or eliminate any of the targets, depending on, among other things, conditions and trends, general economic conditions and changes in Upslope's investment philosophy, strategy and expectations regarding the focus, techniques, and activities of its strategy.

Portfolio

The investments or portfolio companies mentioned, referred to, or described are not representative of all investments in vehicles or SMAs managed by Upslope and there can be no assurance that the investments will be profitable or that other investments made in the future will have similar characteristics or results. Past performance of Upslope's investment vehicles, investments, or investment strategies are not necessarily indicative of future results. Investors should be aware that a loss of investment is possible. No representation is being made that similar profits or losses will be achieved.

Performance Results

Performance results presented are for information purposes only and reflect the impact that material economic and market factors had on the manager's decision-making process. No representation is being made that any investor or portfolio will or is likely to achieve profits or losses similar to those shown.

Performance results are shown for the Fund's Class A interests net of all fees, including management and incentive, Fund operating expenses, as well as all trading costs charged by the custodian, to the investor. Historical SMA composite performance calculations (inception – May 2023) have been independently verified by LICCAR, LLC. Subsequent returns based on Fund performance data from Opus Fund Services. Performance of individual investors may vary based upon differing management fee and incentive allocation arrangements, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Performance estimates are subject to future adjustment and revision. The information provided is historical and is not a guide to future performance. Investors should be aware that a loss of investment is possible.

This presentation cannot and does not guarantee or predict a similar outcome with respect to any future investment. Upslope makes no implications, warranties, promises, suggestions or guarantees whatsoever, in whole or in part, that by participating in any investment of or with Upslope you will experience similar investment results and earn any money whatsoever.

Indices Comparisons

References to market or composite indices, benchmarks, or other measures of relative market performance over a specified period of time are provided for information only. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index.

Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs or any performance fees. Unlike indices, Upslope's investments will be actively managed and may include substantially fewer and different securities than those comprising each index. Upslope's performance results as compared to the performance of HFRX Equity Hedge Index and S&P Midcap 400 (ticker: MDY) are for informational purposes only. HFRX Equity Hedge Index is an index that maintains positions both long and short in primarily equity and equity derivative securities. S&P Midcap 400 (ticker: MDY) is a stock market index that serves as a gauge for the U.S. mid-cap equities sector.

The investment program of Upslope does not mirror the indices and the volatility may be materially different than the volatility of the indices. Direct comparisons between Upslope's performance and the aforementioned indices are not without complications. The indices may be unmanaged, may be market weighted, and indices do not incur fees and expenses. Due to the differences among the portfolios of Upslope and the aforementioned indices, no such index is directly comparable to Upslope.

Fund Terms

The summary provided herein of the terms and conditions of the fund managed by Upslope does not purport to be complete. The fund's Offering Documents should be read in its entirety prior to an investment in the fund.

UPSLOPE CAPITAL
MANAGEMENT

2023-Q4 Update | **January 11, 2024**

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Q4 was unusual for Upslope's typically defensive strategy. Similar periods in the past (markets going vertical) have been relatively challenging for Upslope. This quarter, however, saw the strongest absolute performance since inception. While I've worked hard to improve on this particular front (better up-market capture), I have not and will not lose sight of Upslope's defensive focus.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q4 2023	69%	+15.8%	+11.5%	+3.6%
FY 2023	61%	+12.4%	+16.1%	+6.9%
Since Inception	**51%**	**+10.2%**	**+9.6%**	**+4.4%**
Downside Deviation		*4.9%*	*13.4%*	*5.0%*
Sortino Ratio[2]		**1.69**	**0.56**	**0.47**

Note: LPs/clients should always check individual statements for returns, which may vary due to timing, fee schedules and other factors. Since inception returns, downside standard deviation, and Sortino are all annualized figures (from August 2016).

MARKET CONDITIONS – ~~AI~~ REVOLUTION

A recent podcast with a well-regarded hedge fund manager offered such a perfect window into markets today that I had to listen twice. As they wrapped up the episode, the upbeat co-hosts asked the fund manager what "worries or excites" him most today. The guest laid out a long, thoughtful answer, focused almost exclusively on war and other geopolitical risks and events. After an awkward pause, one of the hosts earnestly blurted out, "it…does sound like you're excited about the AI revolution?" The other host immediately thanked his colleague for attempting to end on a positive note.

I continue to believe events in Ukraine, Israel, and China have broader implications than are appreciated by markets today. This doesn't automatically make me "bearish" and admittedly I don't really know what those implications are (no one does). But, **while most investors view simmering geopolitical risk as a distraction, I think it's closer to the main event.** For now, my takeaways are simple (from most to least confident): own defense stocks and broad reshoring winners, and don't get caught off-guard by tail events. The last point – the haziest of the bunch – is a consideration for virtually every decision in the portfolio.

With sharp up and down volatility throughout, Q4 was very active. Some notable additions (all long): Chemring (UK-based defense company that Upslope previously owned and re-added), North West Co (Canadian specialty retailer), nVent Electric (electrical connection/protection supplier), and Intel (leading semiconductor device manufacturer). Upslope also exited Man Group (UK-based alt. asset manager). As always, further details are below.

[1] Returns prior to June 2023 are for a composite of all separate accounts invested according to Upslope's core long/short strategy. Subsequent returns are for Class A interest in Upslope Partners Fund, LP. See important performance-related details and disclosures in Appendix A.
[2] Calculated as: (Net return since inception - 2.0% risk-free rate) / downside deviation.

UPSLOPE CAPITAL MANAGEMENT

PORTFOLIO POSITIONING

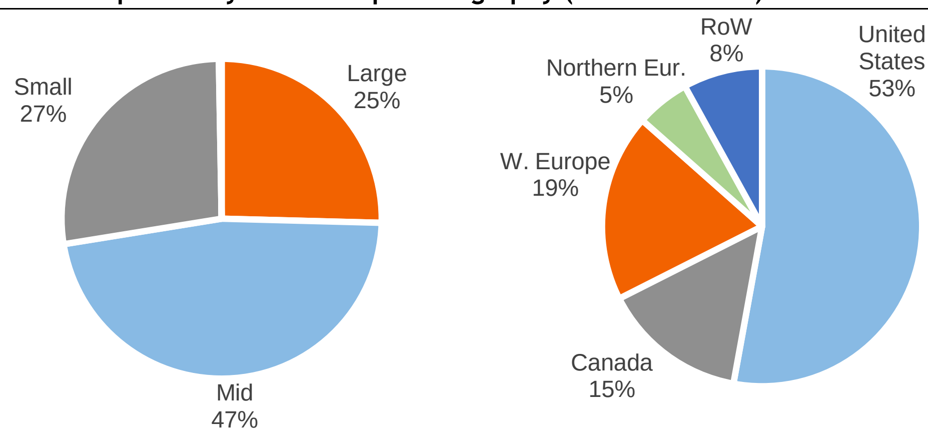
At quarter-end, gross and beta-adjusted net exposures were 147% and 44%, respectively[3]. Positioning continues to reflect a high number of perceived opportunities – both long and short.

Exhibit 1: Portfolio Snapshot[4]

NAME	TICKER	INDUSTRY	HQ	MCAP ($B)
Core Longs (27% of Total Gross Exposure)				
Ball Corp	BALL	Containers & Packaging	USA	$18.1
Japan Exchange Group Inc	8697:JP	Capital Markets	Japan	11.0
AptarGroup, Inc.	ATR	Containers & Packaging	USA	8.1
Diploma PLC	DPLM:LN	Trading Companies & Distributors	UK	6.1
Tecan Group AG	TECN:SW	Life Sciences Tools & Services	Switzerland	5.2
Tactical Longs (34%)				
Garmin Ltd	GRMN	Household Durables	USA	$24.6
nVent Electric PLC	NVT	Electrical Equipment	USA	9.8
Kongsberg Gruppen ASA	KOG:NO	Aerospace & Defense	Norway	8.1
CACI International Inc	CACI	Professional Services	USA	7.2
Finning International Inc	FTT:CN	Trading Companies & Distributors	Canada	4.2
North West Company Inc	NWC:CN	Food & Staples Retailing	Canada	1.4
Chemring Group plc	CHG:LN	Aerospace & Defense	UK	1.2
Starter Longs (17%)				
Intel Corporation	INTC	Semiconductors	USA	$211.9
Undisclosed	--	Consumer Finance	USA	16.0
Undisclosed	--	Capital Markets	USA	7.5
Undisclosed	--	Specialty Retail	Canada	1.6
Undisclosed	--	IT Services	USA	0.8
Shorts (23%)				

Note: as of 12/31/23 and may change without notice. Positions disclosed at Upslope's discretion. Source: Upslope, Sentieo

Exhibit 2: Gross Exposure by Market Cap & Geography (Total Portfolio)



Note: as of 12/31/23. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn). Source: Upslope, Interactive Brokers, Sentieo

[3] Net exposure adjusted for hedges that rolled off in early January.
[4] The format for this section has been updated, and while not as "pretty" as before, this layout hopefully provides a clearer snapshot of the portfolio.

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Intel (+445 bps)	Long: Undisclosed[5] (-115 bps)
Long: Chemring (+270 bps)	Short: Technology Co (-110 bps)
Long: Diploma (+195 bps)	Short: Bank (-70 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+2,630 bps	-700 bps

Source: Upslope, Opus Fund Services, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding.

Man Group (EMG.LN) – Exited Long

Man Group is a UK-based alternative asset manager. Upslope exited the position during the quarter, primarily to make room for new, higher-conviction longs.

Chemring (CHG.LN) – 'New' Long

Chemring is a UK-based niche defense contractor focused on flares, specialty explosives, and cyber warfare. Upslope was long Chemring for much of 2022 before exiting in Q1 2023, when I noted: "we may be [Chemring] shareholders again in the future." Sure enough, an opportunity arose to purchase shares at an attractive valuation, even prior to the disturbing events in the Middle East. Shares had languished YTD as 1H results suffered from a pure timing issue (now resolved) and the company committed to investing in new capacity for desperately needed (by NATO allies) energetics (apparently capex = bad, even when it accelerates growth and generates strong returns).

While the Street couldn't have cared less about shares, which sat at sector and 5-year low valuation multiples at the end of Q3, management initiated a serious (7%+ of shares) buyback for the first time in CHG history. Regulatory filings show the company ramped the buyback sharply in October and November. Cheap valuation, strong and accelerating sector tailwinds, clean balance sheet, strategic assets, and an aggressive buyback – what more could one want? Shares have now re-rated, but the rising demand outlook and strategic value of the company still appear under-appreciated.

nVent Electric (NVT) – New Long[6]

nVent Electric is a leading supplier of electrical protection and connection components and systems. The company was originally spun out of Pentair in 2018. NVT is an inherently attractive business because it holds mostly dominant or leading market share positions for products with a high cost of failure and a relatively low overall cost to customers. This provides customer stickiness and real pricing power when needed. While macro-sensitive, the company is unusually well positioned today as a clear beneficiary of

[5] "Starter" that has since been exited.
[6] Initiated as a "Starter" in Q3 2023.

the IRA (Inflation Reduction Act) specifically, as well as the more general trends of reshoring and electrification. While the current up-cycle won't last forever, NVT also appears to have a long runway for inorganic growth that should bolster growth over the long-run. Since its 2018 spin, NVT has begun to establish a solid track record of acquisitions, with six (mostly tuck-in) transactions representing over $700mm in company sales today.

Some other details and nuances that attracted me to the company: geographically, nVent is focused on North America (~70% of sales) and EMEA (20%). Most NVT products are simple in nature (see examples below), which reduces supply chain complexity/risk. In its core Enclosures segment (half of sales), NVT holds ~80% market share and is considered the gold standard ("the Kleenex of electrical enclosures" as one former employee effectively put it). In the Electrical & Fastening segment (30% of sales), NVT maintains a leading market position in a highly fragmented market. The company recently completed a big step towards consolidating this market by acquiring ECM Industries. NVT's largest acquisition to date, ECM generated over $400mm of LTM sales and $100mm of EBITDA.

Exhibit 4: Sample nVent Products

Source: nVent website

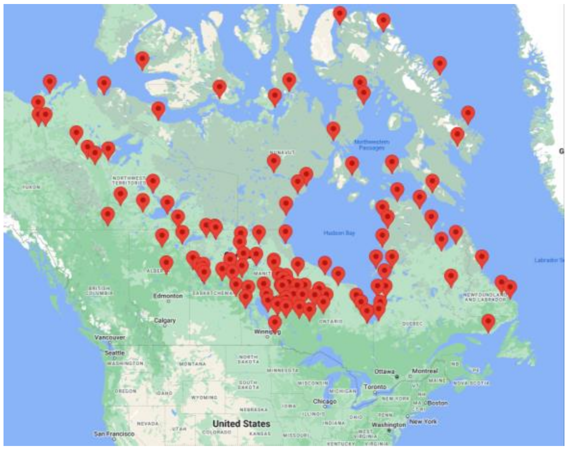
Financially, nVent generates significant free cash flow – historically converting ~100% of Adj Net Income (currently lower due to leverage from the ECM deal, but should revert as the company de-levers). Even post-ECM, NVT has a reasonable balance sheet (2.5x net debt/EBITDA). And finally, valuation appears reasonable at a ~5% 2024E FCFF yield.

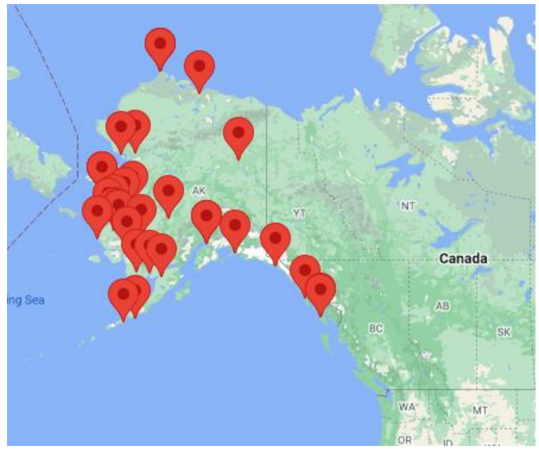
Risks primarily include: cyclical end-markets (tied to industrial RE construction), potential for IRA/reshoring demand to wane, and M&A execution risk.

North West Company (NWC.TO) – New Long

North West is a specialty retailer focused on geographically remote and hard-to-reach regions throughout Canada (56% of sales), Alaska, as well as islands in the South Pacific, Caribbean and BVI. Although its operations are diverse, 75% of revenue comes from food-related sales. The remainder is "general merchandise" products (apparel, health products, basic goods and other products). Given the nature of its business, NWC has a JV investment in an arctic shipping business and operates its own small regional cargo/passenger airline.

Exhibit 5: North West Co Footprint (Select Banners)





Note: only Alaska Commercial Company and Northern Store banners are shown. Source: North West Co website

"Other than that," what's interesting about shares of North West today? First, as investors have warmed up (an understatement) to the idea of a "soft landing" for the broader economy, economically defensive stocks have been discarded. North West is about as defensive of a business as I've seen – selling essential food and goods, often as the sole source for such products in the small communities it serves. While NWC shares have *not* been "discarded," they trade near historic lows on most valuation metrics (currently 7x NTM EBITDA, 13x EPS, 7% FCFE yield, and 4% dividend) despite reasons for optimism. Second, the reasons for optimism: a significant portion of NWC's customer base is comprised of indigenous peoples who are beginning to see a significant increase in directed government investment and settlement payments. Ultimately, this should be a positive for North West and the communities it serves. There is precedent for such a situation for North West: customers saw a similar windfall during 2007-08.

Key risks for shares include: weather/natural disasters, sensitivity to the price of oil (due to some Alaskan customer reliance on annual state dividend), FX (mostly Canadian Dollar), and potential regulatory/political risk given the delicate nature of the company's relationship with many of its communities and the essential nature of the company's products.

Intel (INTC) – New Long[7]

This is not a traditional long for Upslope in any sense. Intel is outside of the box in terms of typical sector and market cap focus, and the position is really a portfolio hedge (and structured as such). The thesis is very simple: Intel is uniquely positioned to benefit in two important scenarios, both of which require "protection" for Upslope's portfolio: a continued melt-up in technology stocks and/or rising tensions over Taiwan. Combined with expectations and sentiment around Intel that were incredibly low, this nudged me to add exposure via long-dated INTC call options. While still material in terms of delta-adjusted exposure, the position has been reduced repeatedly and is much more modest today.

[7] Initiated as a "Starter" in Q3 2023.

CLOSING THOUGHTS

I am excited about the year ahead. It's not an exaggeration to say 2023 was a relative disaster for many defensive-oriented stocks and, by extension, strategies (see table below). Despite this, Upslope's uncorrelated portfolio delivered solid returns and remains positioned today to take advantage of volatility that seemingly has only one way to go (not down).

Exhibit 6: Total Returns for Select Index Funds

Style	Ticker	Product	2023 TR
Defensive	SPLV	Invesco S&P 500 Low Volatility ETF	0.5%
	XLP	Consumer Staples Select Sect. SPDR (ETF)	(0.8%)
Aggressive	SPHB	Invesco S&P 500 High Beta ETF	33.3%
	ARKK	ARK Innovation ETF	67.6%

Source: Upslope, FactSet

As always, thank you for the trust you've placed in me and Upslope to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your investment, or know a qualified investor who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
1-720-465-7033
george@upslopecapital.com

Appendix A: Long/Short Strategy Performance (Net)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	Upslope	(2.6%)	1.6%	(0.3%)	2.2%	(3.5%)	0.1%	(0.6%)	(0.2%)	0.3%	2.4%	6.6%	6.1%	**12.4%**
	S&P Midcap 400	9.3%	(1.9%)	(3.2%)	(0.8%)	(3.2%)	9.2%	4.1%	(3.0%)	(5.3%)	(5.3%)	8.4%	8.6%	**16.1%**
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)	3.0%	5.7%	2.1%	**6.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)	10.5%	6.0%	(5.5%)	**(13.3%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	**Upslope**	**10.2%**	**104.1%**	**4.9%**	**1.7**	--
	S&P Midcap 400	9.6%	95.6%	13.4%	0.6	0.32
	HFRX Equity Hedge Index	4.4%	36.7%	5.0%	0.5	0.28

Source: Upslope, Interactive Brokers, Opus Fund Services, LICCAR, Sentieo, Morningstar

Note: Returns from inception to May 2023 shown for composite of all separate accounts invested according to Upslope's core long/short strategy. Returns from June 2023 onward shown for Class A interest in Upslope Partners Fund, LP. Performance for a composite of all accounts managed by Upslope from inception is available upon request. Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual investment performance may vary**. Investors should always review statements for actual results**.** Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which historically contributed a majority of sales but just less than one-fifth of EBIT.

Ball Corp (BALL): Leading global producer of aluminum cans for beer, carbonated soft drinks, and other beverages. Facing several temporary challenges that appear to be stabilizing, likely coinciding with the divestiture of the company's Aerospace segment for a significant cash windfall.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Chemring (CHG.LN): Niche, UK-based defense contractor focused on defensive flares, specialty explosives and cyber warfare. Setup for shares includes undemanding valuation, accelerating sector tailwinds, clean balance sheet, strategic assets, and an aggressive buyback.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Finning (FTT.TO): World's largest dealer and distributor of Caterpillar (CAT) equipment, operating in Canada, South America, and UK/Ireland. Well-managed cyclical business, with "pick and shovel" type exposure to commodities and infrastructure.

Garmin (GRMN): Leading technology business known for its smartwatches, navigation, and control/communication systems across retail, aviation, marine and auto. Well-managed discretionary business that is a potential beneficiary of recent and prospective advances in public health.

Intel Corp (INTC): Global semiconductor product manufacturer uniquely positioned to benefit in two extreme tails: continued melt-up of technology stocks or rising saber-rattling over Taiwan. Position structured as a portfolio hedge.

Japan Exchange Group (8697.JP): Largest exchange operator in Japan with exposure to equities, derivatives, and information services. Key driver and beneficiary of ongoing efforts to reform Japanese equity market structure and corporate governance standards.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

North West Co. (NWC.TO): Canada-based specialty retailer focused on geographically hard-to-reach regions, including Northern Canada, Alaska, Caribbean and BVI. Defensive underlying business model (75% food and faces little competition) that should benefit from elevated government investment and settlement measures.

nVent Electric (NVT): Leading provider of niche electrical protection and connection components and systems. Clear beneficiary of reshoring and electrification trends, with a developing track record and runway for inorganic growth.

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution during the pandemic.

Appendix C: Terminology

Core Longs: Higher "quality" businesses (defined as low cyclicality, clean balance sheet, obvious and durable competitive advantages) managed with less valuation sensitivity (i.e. typically won't exit a Core long solely because of valuation) and assuming a multi-year time horizon.

Tactical Longs: Traditional "value" investments of more modest quality (reasonably or very cyclical, currently experiencing operational, competitive or financial challenges) managed with greater valuation sensitivity (i.e. typically begin to exit if shares approach full valuation) and assuming a shorter time horizon (typically 6-18 months).

Starter Longs: Generally smaller, undisclosed longs that fall into at least one of the following groups:

1. Ideas where I've completed enough work to establish a toehold, but still have more to do.
2. Companies facing obvious short-term challenges where I believe the near-term path in shares is likely lower, but the stock is 'cheap enough' and outright attractive over the longer-term.
3. 'Counter-shorts' – higher-beta longs with good risk/reward that trade more in-sync with Upslope's shorts on a daily basis and can be used to manage overall net long exposure more effectively and tax-efficiently.

Alpha Shorts: Individual company short positions.

Hedges: Diversified index hedges (either long or short).

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The investment targets described in this presentation are subject to change. Upslope may at any time adjust, increase, decrease or eliminate any of the targets, depending on, among other things, conditions and trends, general economic conditions and changes in Upslope's investment philosophy, strategy and expectations regarding the focus, techniques, and activities of its strategy.

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The investments or portfolio companies mentioned, referred to, or described are not representative of all investments in vehicles or SMAs managed by Upslope and there can be no assurance that the investments will be profitable or that other investments made in the future will have similar characteristics or results. Past performance of Upslope's investment vehicles, investments, or investment strategies are not necessarily indicative of future results. Investors should be aware that a loss of investment is possible. No representation is being made that similar profits or losses will be achieved.

UPSLOPE CAPITAL
MANAGEMENT

Performance Results

Performance results presented are for information purposes only and reflect the impact that material economic and market factors had on the manager's decision-making process. No representation is being made that any investor or portfolio will or is likely to achieve profits or losses similar to those shown.

Performance results are shown for the Fund's Class A interests net of all fees, including management and incentive, Fund operating expenses, as well as all trading costs charged by the custodian, to the investor. Historical SMA composite performance calculations (inception – May 2023) have been independently verified by LICCAR, LLC. Subsequent returns based on Fund performance data from Opus Fund Services. Performance of individual investors may vary based upon differing management fee and incentive allocation arrangements, the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. Performance estimates are subject to future adjustment and revision. The information provided is historical and is not a guide to future performance. Investors should be aware that a loss of investment is possible.

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References to market or composite indices, benchmarks, or other measures of relative market performance over a specified period of time are provided for information only. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index.

Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs or any performance fees. Unlike indices, Upslope's investments will be actively managed and may include substantially fewer and different securities than those comprising each index. Upslope's performance results as compared to the performance of HFRX Equity Hedge Index and S&P Midcap 400 (ticker: MDY) are for informational purposes only. HFRX Equity Hedge Index is an index that maintains positions both long and short in primarily equity and equity derivative securities. S&P Midcap 400 (ticker: MDY) is a stock market index that serves as a gauge for the U.S. mid-cap equities sector.

The investment program of Upslope does not mirror the indices and the volatility may be materially different than the volatility of the indices. Direct comparisons between Upslope's performance and the aforementioned indices are not without complications. The indices may be unmanaged, may be market weighted, and indices do not incur fees and expenses. Due to the differences among the portfolios of Upslope and the aforementioned indices, no such index is directly comparable to Upslope.

Fund Terms

The summary provided herein of the terms and conditions of the fund managed by Upslope does not purport to be complete. The fund's Offering Documents should be read in its entirety prior to an investment in the fund.

UPSLOPE CAPITAL
MANAGEMENT

2024-Q1 Update

April 22, 2024

Dear Fellow Investor,

Upslope's objective is to deliver attractive, equity-like returns with significantly reduced market risk and low correlation versus traditional equity strategies. Q1 was a solid quarter for Upslope's defensive strategy. While the Fund lagged long-only indexes, absolute performance was strong, owing to outperformance of longs, partly offset by shorts and hedges. The Fund remains well-protected against serious potential macro and/or geopolitical shocks, which continue to lurk.

	Upslope Exposure & Returns[1]		Benchmark Returns	
	Average Net Long	Net Return	S&P Midcap 400 ETF (MDY)	HFRX Equity Hedge Index
Q1 2024	84%	+5.5%	+9.9%	+3.4%
Last 12 Months	66%	+20.1%	+22.9%	+9.7%
Since Inception	**52%**	**+10.6%**	**+10.6%**	**+4.7%**
Downside Deviation		*4.8%*	*13.2%*	*5.0%*
Sortino Ratio[2]		**1.81**	**0.65**	**0.54**

Note: LPs/clients should always check individual statements for returns, which may vary due to timing, fee schedules and other factors. Since inception returns, downside standard deviation, and Sortino are all annualized figures (from August 2016).

MARKET CONDITIONS – WHICH LESSONS?

At the end of Q1, the overwhelming consensus – even among typically cautious types – was that investors *needed* to own stocks through at least the November election. After all, markets are strong in election years and financial conditions should continue to improve and/or remain easier than they should be. While dented by the recent correction, this narrative doesn't *really* seem to have changed much. It's hard to argue with it. Inflation has been stubbornly sticky but hasn't really mattered to markets until very recently. Same story with overtly rising geopolitical tensions. For now, the "lessons" of 2020-2021 (pain of missing out) have been seared in investor minds much more so than those of 2022 (consequences for undisciplined speculation). We'll see which lesson stands the test of time.

*****

There continues to be plenty to do on both the long and short sides of the portfolio. Shorts are balanced across "Fads & Frauds" (consider this the formal renaming of the "SPAC+" category of shorts), select cyclicals, and sleepier low-quality business shorts. Notable on the long side, Upslope exited Intel early in Q1 and added two "chocolate" stocks. While there's no end in sight to the cocoa crisis, I'm confident humanity will find a way to solve this problem. As always, further details are provided later.

[1] Returns prior to June 2023 are for a composite of all separate accounts invested according to Upslope's core long/short strategy. Subsequent returns are for Class A interest in Upslope Partners Fund, LP. See important performance-related details and disclosures in Appendix A.

[2] Calculated as: (Net return since inception - 2.0% risk-free rate) / downside deviation.

PORTFOLIO POSITIONING

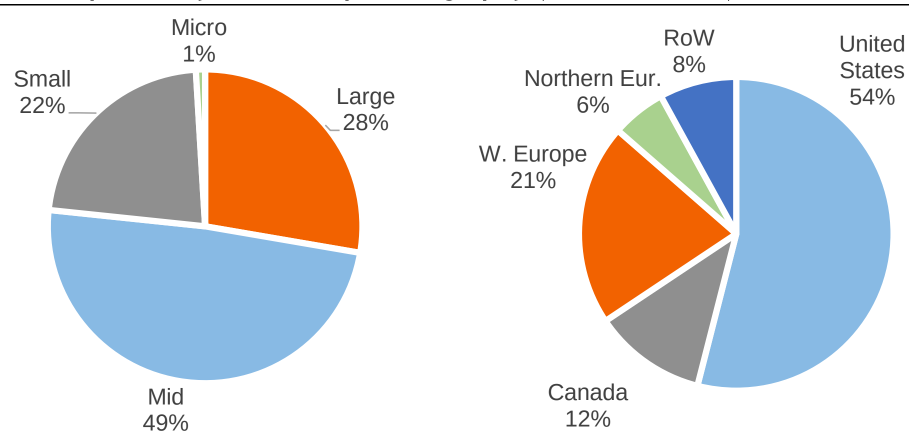
At quarter-end, gross and beta-adjusted net exposures were 143% and 61%, respectively. Positioning continues to reflect a high number of perceived opportunities on both sides (long and short) of the portfolio.

Exhibit 1: Portfolio Snapshot

NAME	TICKER	INDUSTRY	HQ	MCAP ($B)
Core Longs (25% of Total Gross Exposure)				
Ball Corporation	BALL	Containers/Packaging	United States	$21.3
Japan Exchange Group, Inc.	8697-JP	Investment Banks/Brokers	Japan	14.2
AptarGroup, Inc.	ATR	Containers/Packaging	United States	9.5
Diploma PLC	DPLM-LON	Wholesale Distributors	United Kingdom	6.3
Tecan Group AG	TECN-SWX	Medical Specialties	Switzerland	5.3
Tactical Longs (35%)				
Garmin Ltd.	GRMN	Telecommunications Equipment	United States	$28.5
nVent Electric plc	NVT	Electronic Components	United States	12.4
Kongsberg Gruppen ASA	KOG-OSL	Aerospace & Defense	Norway	12.2
CACI International Inc Class A	CACI	Information Technology Services	United States	8.4
Finning International Inc.	FTT-TSE	Wholesale Distributors	Canada	4.2
North West Company Inc.	NWC-TSE	Specialty Stores	Canada	1.4
Chemring Group PLC	CHG-LON	Aerospace & Defense	United Kingdom	1.3
Starter Longs (18%)				
Hershey Company	HSY	Food: Specialty/Candy	United States	$29.0
Undisclosed	--	Aerospace & Defense	United States	20.3
Undisclosed	--	Finance/Rental/Leasing	United States	17.5
Undisclosed	--	Medical Specialties	United States	9.9
Barry Callebaut AG	BARN-SWX	Food: Specialty/Candy	Switzerland	8.0
Undisclosed	--	Containers/Packaging	United States	5.4
Undisclosed	--	Specialty Stores	Canada	1.7
Shorts (22%)				

Note: as of 3/31/24 and may change without notice. Positions disclosed at Upslope's discretion. Source: Upslope, FactSet

Exhibit 2: Gross Exposure by Market Cap & Geography (Total Portfolio)



Note: as of 3/31/24. Market cap ranges: Micro (<$400mm), Small ($400mm - $3bn), Mid ($3bn - $13.5bn), Large (>$13.5bn).
Source: Upslope, Interactive Brokers, FactSet

PORTFOLIO UPDATES

The largest contributors to and detractors from quarterly performance are noted below. Gross contribution to overall portfolio return is noted in parentheses.

Exhibit 3: Top Contributors to Quarterly Performance (Gross)

Top Contributors	Top Detractors
Long: Kongsberg (+335 bps)	Short: Various Hedges (-370 bps)
Long: Japan Exchange (+265 bps)	Long: Intel (-180 bps)
Long: nVent Electric (+195 bps)	Short: Housing-related (-100 bps)
Longs – Total Contribution	**Shorts – Total Contribution**
+1,290 bps	-605 bps

Source: Upslope, Opus Fund Services, Interactive Brokers
Note: Amounts may not tie with aggregate performance figures due to rounding.

Barry Callebaut (BARN-SWX) and Hershey Foods (HSY) – New Longs

Upslope is long Barry Callebaut and Hershey. Hershey is a leading chocolate, candy, and salty snacks provider, primarily in the US. Switzerland-based Barry Callebaut ("BC") is the biggest chocolate company Americans have never heard of. It is the largest global outsourced processor and manufacturer of cocoa and chocolate products – serving "the entire food industry," including premium chocolatiers, bakeries, pastry chefs, and restaurants. The company is vertically integrated, with expertise in cocoa bean sourcing and processing, as well as chocolate manufacturing.

The investment theses have some obvious similarities and notable differences. **The key similarity: both are ideally positioned to capture market share during the current cocoa crisis, setting them up well to emerge even stronger.** Hershey and BC are also both quality, defensive consumer staples-like businesses trading at relative discounts. Shares for each have sharply lagged the market and are down on an absolute basis over the last two years, impacted by the unprecedented surge in cocoa prices (see below), worries about the impact from GLP-1 weight-loss drugs, and a general contraction in consumer staples valuations. By far the most important factor weighing on shares today is daily updates in the financial and mainstream press on cocoa prices.

Exhibit 4: Cocoa Futures ($/MT)

Source: Finviz

Barry Callebaut

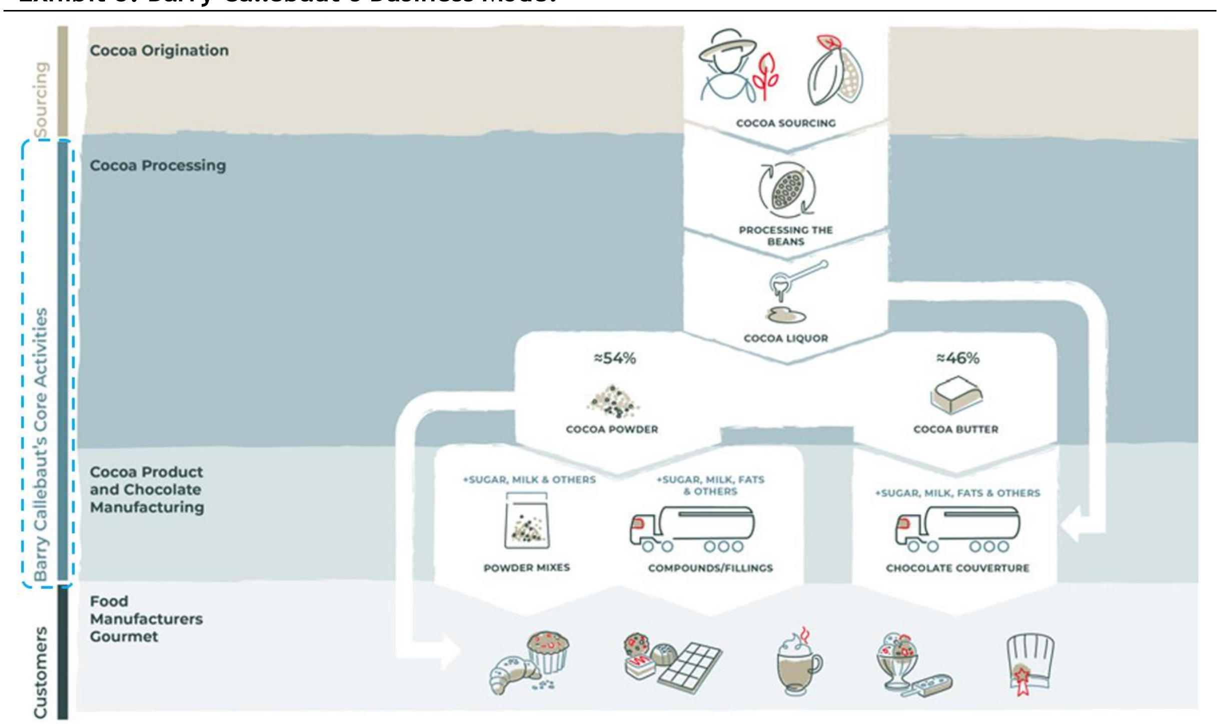
Barry Callebaut is a defensive, reasonably high-quality business facing several temporary challenges. The troubles can partly be traced back to a plant contamination scare in late 2022. This was a catalyst for change at the company, ultimately resulting in a CEO transition and implementation of a multi-year streamlining and modernization program. These changes had just begun when cocoa prices started to take off. As an outsourced chocolate producer, BC appears more directly in the line of fire of cocoa prices. However, recent results (covering the early ramp in prices) and outlook have not quite shown this and are aligned with Upslope's key thesis points:

(1) BC's vertically integrated model and role as the largest global manufacturer of cocoa and chocolate products, position it better than any competitor to navigate the crisis. Simply put, BC has a major competitive advantage in times of supply crisis due to better sourcing and financing capabilities. This should enable share gains that should at least partly offset market and volume headwinds. Recent results also show the company's cost pass-through mechanisms working very well.

(2) With cocoa prices catching financial and mainstream press headlines daily, valuation at decade+ lows, and EPS estimates already down sharply, such worries seem extremely well-known. Bottoms (or tops, in the case of cocoa prices) are impossible to time; but, it's hard to argue the pendulum hasn't already swung sharply in one direction.

(3) While not an original view, it seems highly likely the great cocoa squeeze will end like virtually every other extreme commodity squeeze in history. We don't know the timing or trigger, but ultimately cocoa prices should revert and collapse. Forward-looking markets should only need to see a way out of the crisis – not an immediate exit. Should this coincide with BC's efficiency efforts already underway, it could provide a strong tailwind to free cash flow for years to come.

Exhibit 5: Barry Callebaut's Business Model



Source: Barry Callebaut annual report (2022)

Hershey

Upslope's thesis on Hershey is similar to BC in that the company should be able to navigate the cocoa crisis better than smaller competitors due to its scale and experience. However, there are some important differences and additional points to note:

(1) With chocolate inflation continuing to rise sharply, consumers are likely to trade down to cheaper products (Barry Callebaut noted this on its April 10 earnings call). While Hershey has some diversification outside of chocolate, its chocolate offerings contain relatively lower amounts of cocoa and sell at lower price points vs. premium competitors. Like BC, this means Hershey should be positioned to take share in the current challenged market.

(2) Hershey's scale and experience mean it should also have the tools (e.g. hedging programs and sourcing) to navigate the cocoa crisis better than smaller competitors. Should cocoa remain elevated for an extended period, it seems likely the industry would see quite a few smaller competitors wiped out. This would benefit large, established players like Hershey.

(3) If/when cocoa prices do revert, Hershey should benefit as prices lag commodity declines and margins expand. This could occur in an environment with reduced competition (prior point).

(4) Finally, it's worth acknowledging that we don't *really* know how the cocoa shock will affect Hershey. It is entirely possible that Hershey has so little cocoa in its products that the financial impact won't be particularly dramatic. If this is the case, point (3) above would be moot, but shares should see significant relief.

Exhibit 6: Major Hershey Brands

Source: Hershey investor presentation

Valuation and Risks

Shares of Hershey and Barry Callebaut trade at attractive valuations on both an absolute basis and relative to their own history. Each trades near decade-low earnings multiples (with depressed consensus estimates) and normalized[3] free cash flow yields of 6-7%. This seems reasonable considering depressed sentiment and the economically defensive nature of both companies. Note that actual 2024 free cash flow estimates are currently depressed, as Hershey begins winding down a multi-year investment program and BC faces temporary working capital headwinds from the cocoa surge.

Major risks include: significant uncertainty regarding extreme cocoa prices and impacts on margins, volumes, and (for BC in particular) balance sheet; potential long-term headwinds from proliferation of weight-loss drugs (Upslope's view is that the effects on these businesses are years away – at worst); M&A

[3] Based on Upslope analysis/estimates.

execution risks (Hershey has been acquisitive in the past); short-term operational challenges as Hershey wraps up a multi-year ERP transition.

Intel (INTC) – Exited Long

Upslope exited Intel during the quarter. Against the backdrop of a now-full valuation, soft Q4 results meant there were better uses of capital. From inception of the position last August, Intel contributed 285 bps to (gross) performance.

CLOSING THOUGHTS

I remain open-minded about the year ahead. Shares of steady, defensive businesses have sharply lagged broader markets for *years* now. But, with serious cracks developing in recent weeks, the tide may be turning. Regardless of whether such factor tailwinds develop, I am excited about the prospects for Upslope's uncorrelated portfolio – which looks like no one else's.

Thank you for the trust you've placed in me and Upslope to manage a portion of your hard-earned money. If you have any questions at all, would like to add to your investment, or know a qualified investor who may be a good fit for Upslope's atypical approach, please call or email anytime.

Sincerely,

George K. Livadas
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UPSLOPE CAPITAL MANAGEMENT

Appendix A: Long/Short Strategy Performance (Net)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	Upslope	0.1%	2.3%	3.0%	--	--	--	--	--	--	--	--	--	**5.5%**
	S&P Midcap 400	(1.7%)	5.9%	5.6%	--	--	--	--	--	--	--	--	--	**9.9%**
2023	Upslope	(2.6%)	1.6%	(0.3%)	2.2%	(3.5%)	0.1%	(0.6%)	(0.2%)	0.3%	2.4%	6.6%	6.1%	**12.4%**
	S&P Midcap 400	9.3%	(1.9%)	(3.2%)	(0.8%)	(3.2%)	9.2%	4.1%	(3.0%)	(5.3%)	(5.3%)	8.4%	8.6%	**16.1%**
2022	Upslope	(2.3%)	0.8%	1.3%	3.1%	(1.5%)	(0.8%)	1.5%	(4.0%)	(2.3%)	3.0%	5.7%	2.1%	**6.5%**
	S&P Midcap 400	(7.3%)	1.1%	1.3%	(7.1%)	0.8%	(9.6%)	10.9%	(3.2%)	(9.2%)	10.5%	6.0%	(5.5%)	**(13.3%)**
2021	Upslope	(5.1%)	0.3%	3.2%	2.4%	0.4%	(0.0%)	2.4%	1.6%	(4.0%)	3.9%	(3.2%)	2.9%	**4.2%**
	S&P Midcap 400	1.4%	6.8%	4.9%	4.3%	0.2%	(1.1%)	0.3%	2.0%	(4.0%)	5.9%	(3.0%)	5.2%	**24.6%**
2020	Upslope	0.0%	(2.3%)	0.4%	4.9%	(0.7%)	(2.9%)	1.9%	4.6%	0.8%	3.2%	3.6%	0.9%	**15.1%**
	S&P Midcap 400	(2.6%)	(9.4%)	(20.2%)	14.1%	7.2%	1.3%	4.7%	3.5%	(3.3%)	2.2%	14.3%	6.5%	**13.5%**
2019	Upslope	3.8%	1.0%	2.4%	2.6%	3.0%	2.1%	0.7%	7.2%	(2.1%)	0.7%	(0.2%)	(3.4%)	**18.9%**
	S&P Midcap 400	10.3%	4.3%	(0.6%)	4.0%	(8.1%)	7.8%	0.9%	(4.1%)	3.1%	1.1%	2.9%	2.8%	**25.8%**
2018	Upslope	(1.3%)	1.6%	5.5%	0.4%	2.0%	(1.1%)	(0.0%)	1.2%	(0.4%)	1.0%	(1.1%)	(2.9%)	**4.6%**
	S&P Midcap 400	2.8%	(4.4%)	1.0%	(0.4%)	4.1%	0.4%	1.7%	3.2%	(1.1%)	(9.6%)	3.2%	(11.3%)	**(11.3%)**
2017	Upslope	7.5%	(1.9%)	0.7%	4.0%	2.6%	(0.4%)	2.3%	0.1%	1.7%	(0.8%)	(0.7%)	0.5%	**16.2%**
	S&P Midcap 400	1.6%	2.6%	(0.5%)	0.8%	(0.5%)	1.5%	0.9%	(1.5%)	3.9%	2.2%	3.7%	0.2%	**15.9%**
2016	Upslope	--	--	--	--	--	--	--	0.0%	(0.8%)	(1.6%)	2.7%	(1.8%)	**(1.6%)**
	S&P Midcap 400	--	--	--	--	--	--	--	(0.4%)	(0.6%)	(2.7%)	7.9%	2.2%	**6.2%**

		Annualized Return	Total Return	Downside Dev.	Sortino Ratio	Corr. vs Upslope
Since Inception	**Upslope**	**10.6%**	**115.3%**	**4.8%**	**1.8**	--
	S&P Midcap 400	10.6%	114.9%	13.2%	0.7	0.33
	HFRX Equity Hedge Index	4.7%	41.3%	5.0%	0.5	0.28

Source: Upslope, Interactive Brokers, Opus Fund Services, LICCAR, FactSet, Sentieo, Morningstar

Note: Returns from inception to May 2023 shown for composite of all separate accounts invested according to Upslope's core long/short strategy. Returns from June 2023 onward shown for Class A interest in Upslope Partners Fund, LP. Performance for a composite of all accounts managed by Upslope from inception is available upon request. Performance for S&P Midcap 400 represented by total return for related exchange-traded fund (ticker: MDY). **Individual investment performance may vary**. Investors should always review statements for actual results**.** Data from inception (August 29, 2016) to June 24, 2017 based on portfolio manager's ("PM") performance managing the strategy under a prior firm (as sole PM). Thereafter, PM managed the strategy/accounts on a no-fee basis through August 11, 2017, after which Upslope became operational. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Appendix B: Portfolio Company (Long) Descriptions

AptarGroup (ATR): Specialty packaging business focused on pumps and sprayers, with a highly profitable, defensive, and growing Pharma unit. Misclassified and undervalued due to legacy/traditional packaging businesses (Food + Beverage, Beauty + Home), which historically contributed a majority of sales but just less than one-fifth of EBIT.

Ball Corp (BALL): Leading global producer of aluminum cans for beer, carbonated soft drinks, and other beverages. Facing several temporary challenges that appear to be stabilizing, likely coinciding with the divestiture of the company's Aerospace segment for a significant cash windfall.

Barry Callebaut (BARN.SW): Leading global outsourced chocolate producer facing temporary headwinds due to recent surge in cocoa prices. Low expectations have allowed for a seemingly attractive entry price in advance of share gains and, over the long-run, a likely reversion of input costs.

CACI International (CACI): Specialized technology and consulting services provider, primarily to U.S. defense and intelligence agencies. Anticipate company will benefit from geopolitical tailwinds, strong position in cyber defense, and continued consolidation opportunities.

Chemring (CHG.LN): Niche, UK-based defense contractor focused on defensive flares, specialty explosives and cyber warfare. Setup for shares includes undemanding valuation, accelerating sector tailwinds, clean balance sheet, strategic assets, and an aggressive buyback.

Diploma (DPLM.LN): U.K.-based specialty distributor focused on essential consumable products across life sciences, seals (machinery), and controls (aerospace wiring/harnesses). Unique model and conservative M&A strategy have historically enabled attractive free cash flow growth through the cycle.

Finning (FTT.TO): World's largest dealer and distributor of Caterpillar (CAT) equipment, operating in Canada, South America, and UK/Ireland. Well-managed cyclical business, with "pick and shovel" type exposure to commodities and infrastructure.

Garmin (GRMN): Leading technology business known for its smartwatches, navigation, and control/communication systems across retail, aviation, marine and auto. Well-managed discretionary business that is a potential beneficiary of recent and prospective advances in public health.

Hershey Foods (HSY): Dominant North American chocolate and salty snack business facing "headline" pressures due to recent surge in cocoa prices and GLP-1 worries. Likely overblown fears have allowed for a seemingly attractive entry price in advance of potential share gains and harvesting of recently elevated investment spend.

Japan Exchange Group (8697.JP): Largest exchange operator in Japan with exposure to equities, derivatives, and information services. Key driver and beneficiary of ongoing efforts to reform Japanese equity market structure and corporate governance standards.

Kongsberg Gruppen (KOG.NO): 200+ year old defense (missile/defense, remote weapons systems) and maritime (offshore, commercial) business, majority owned by Norwegian government. Dominant positions in niche products with cyclically attractive end markets, strong management team and solid balance sheet.

North West Co. (NWC.TO): Canada-based specialty retailer focused on geographically hard-to-reach regions, including Northern Canada, Alaska, Caribbean and BVI. Defensive underlying business model (75% food and faces little competition) that should benefit from elevated government investment and settlement measures.

nVent Electric (NVT): Leading provider of niche electrical protection and connection components and systems. Clear beneficiary of reshoring and electrification trends, with a developing track record and runway for inorganic growth.

Tecan Group (TECN.SW): Switzerland-based lab automation and consumables business, with leading market position in automated liquid handling. Attractive and defensible base business greatly enhanced by exceptional execution during the pandemic.

Appendix C: Terminology

Core Longs: Higher "quality" businesses (defined as low cyclicality, clean balance sheet, obvious and durable competitive advantages) managed with less valuation sensitivity (i.e. typically won't exit a Core long solely because of valuation) and assuming a multi-year time horizon.

Tactical Longs: Traditional "value" investments of more modest quality (reasonably or very cyclical, currently experiencing operational, competitive or financial challenges) managed with greater valuation sensitivity (i.e. typically begin to exit if shares approach full valuation) and assuming a shorter time horizon (typically 6-18 months).

Starter Longs: Generally smaller, undisclosed longs that fall into at least one of the following groups:

1. Ideas where I've completed enough work to establish a toehold, but still have more to do.
2. Companies facing obvious short-term challenges where I believe the near-term path in shares is likely lower, but the stock is 'cheap enough' and outright attractive over the longer-term.
3. 'Counter-shorts' – higher-beta longs with good risk/reward that trade more in-sync with Upslope's shorts on a daily basis and can be used to manage overall net long exposure more effectively and tax-efficiently.

Alpha Shorts: Individual company short positions.

Hedges: Diversified index hedges (either long or short).

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The investment program of Upslope does not mirror the indices and the volatility may be materially different than the volatility of the indices. Direct comparisons between Upslope's performance and the aforementioned indices are not without complications. The indices may be unmanaged, may be market weighted, and indices do not incur fees and expenses. Due to the differences among the portfolios of Upslope and the aforementioned indices, no such index is directly comparable to Upslope.

Fund Terms

The summary provided herein of the terms and conditions of the fund managed by Upslope does not purport to be complete. The fund's Offering Documents should be read in its entirety prior to an investment in the fund.