IRONVINE
CAPITAL PARTNERS, LLC

CORE EQUITY

Fellow Investors -

For the third quarter of 2020, the Ironvine Core Equity composite increased 12.7%. Since inception, Core Equity's annual rate of return stands at 16.8% which equates to a cumulative return of 109%. These figures, along with the data in the following table, are presented on a total return basis and shown net of all fees and expenses.

		Annualized Returns as of 09/30/20			Cumulative
	YTD 09/30/20	1 Year	3 Year	Inception 01/01/16	Inception 01/01/16
Ironvine Core Equity (net)	15.39%	26.36%	18.51%	16.82%	109.23%
S&P 500	5.57%	15.15%	12.28%	13.31%	81.05%

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

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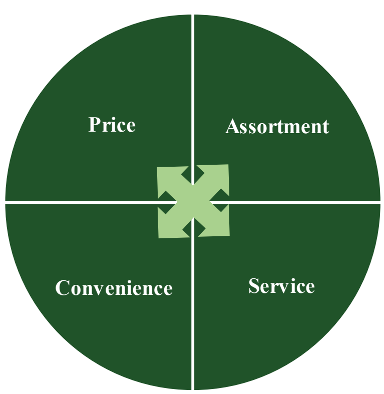
As we enter the home stretch of what has been an eventful year, we are pleased with the resilience of the businesses that constitute Core Equity. We obviously won't know the full impact of 2020 until well into next year, and there may yet be additional pandemic-related challenges ahead, but at this stage we can begin to assess how our companies have handled the initial stages of an undeniably difficult environment. To quote the often-quotable Yogi Berra, "In theory there is no difference between theory and practice. In practice, there is." The past eight months have provided a real-world test—more a "surprise mid-term exam" than a pop quiz—of the readiness, adaptability and durability of the corporations and management teams we've deemed worthy of partnership. As strengths and weaknesses were laid bare by the emergence of a small but potent microorganism, our 29 individual enterprises have demonstrated fortitude and the importance of their roles in modern society. We chose "mid-term" as opposed to "final" in describing this metaphorical exam, as the difficult course that has been COVID-19 appears as though it will remain in session for the foreseeable future.

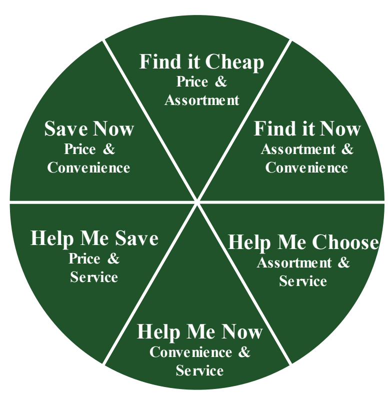
To more explicitly frame the strength described above, we presently expect less than one third of our portfolio constituents will see a decline in earnings this calendar year. Not a single business is expected to lose money. When one steps back and digests what has transpired economically over the course of this year, that possibility is a far superior outcome to what we envisioned when we wrote each of you in late March. Importantly, over half of our franchises are expected to grow underlying per share earnings power at a double-digit rate this year. Twenty-two of them are expected to do similar next year, despite continued coronavirus-related disruption. We, of course, hold projections of the near-term future lightly. Even for businesses with above average visibility, surprises are inevitable. 2020 serves as exhibits A, B *and* C. But directionally, the excess cash flow generating capacity of our businesses not only remains intact, we believe it has continued to expand amid the reordering of economic and competitive reality across much of global industry.

We have highlighted the resilient performance of a number of our holdings in recent letters (and would encourage any interested to revisit those writings) but wanted to spend a few minutes on our collection of retailers—Lowe's, Dollar General, Costco and Dollar Tree—which together represented roughly 15% of the Core Equity strategy at quarter end. Retail, as most operators and investors can attest, is an unforgiving business. Several years ago, McKinsey & Company published a study suggesting the average lifespan of a Standard & Poor's 500 business is approximately 14 years[1]. We would be surprised if the average retailer's lifespan is half that long. Barriers to entry are low, consumer preference is fickle, and competition is fierce. Few models survive, let alone thrive, in this wilderness. E-commerce presents—and in recent months, has turbocharged—an additional plane on which traditional brick-and-mortar retailers must compete. Our investments in each of the above companies were made with "eyes wide open" regarding these risks and the inherent difficulty of profitably delighting the U.S. consumer.

Our reason for mentioning these four has less to do with the real but transitory benefits of the pandemic (households "stocking up" on necessities at Costco and the dollar stores or homeowners visiting Lowe's to tackle projects they had long been putting off) and more to do with the ongoing relevance of their business models in an increasingly digital-first world. In many instances, jumping online and ordering a good for delivery in one or two days is superior to in-person shopping. Each of our families is a loyal Amazon Prime member and heavy user of the service. But there are use cases where the benefits of digital order and delivery are marginal, or even non-existent. Quick $8-$10 fill-in trips on the go, the weekly or bi-weekly grocery stock up at Costco, and/or the seasonal and emergency trips to the hardware store are shopping experiences where e-commerce struggles to add incremental value or convenience.

The strength and durability of these entrenched traditional retailers comes from a combination of the unique ability to meet specific customer needs and distinct advantages each has nurtured over time. In reviewing the pie charts below (courtesy of Bernstein's Brandon Fletcher), one notices that it is very difficult for retailers (physical or digital) to be simultaneously proficient in more than two of the four categories in the left circle. Relative to competing alternatives, the dollar stores excel at combining Price and Convenience. Lowe's successfully marries Service and Assortment. Costco offers a differentiated pairing of Price and Assortment. These structural characteristics have proven challenging for e-commerce to disrupt and serve as the necessary foundations upon which each company continues to innovate.





[1] https://www.mckinsey.com/business-functions/organization/our-insights/the-organization-blog/activate-agility-get-these-five-things-right?cid=other-soc-twi-mip-mck-oth-1803&kui=22Dz35E4Rh_tNiibqblMrg#

Indeed, one of the things we admire most about our retailers is the disciplined reinvestment each is undertaking to continue to improve customer experience and overall value. The so-called "COVID dividend" has created a unique window of opportunity for the strong in retail to become stronger, particularly as customers consolidate shopping trips and form new habits.

Lowe's and Dollar General have invested heavily in recent quarters to expand their buy online and pickup in-store ("BOPIS") offerings. BOPIS, which includes curbside pickup, is a potentially powerful competitive weapon. It is cheaper for the merchant than same day delivery and more convenient for the customer than navigating a store. We hear the chorus of "amens" from the elderly and families with young children. All kidding aside, there is a reason Amazon, discount eyewear purveyor Warby Parker, wool shoemaker Allbirds, and other digitally native brands are building physical store networks. BOPIS has also proven difficult for subscale bricks-and-mortar competitors to offer. We think it is yet another tool Lowe's and Dollar General can utilize to continue to grow market share (Costco and Dollar Tree have yet to make significant investments in BOPIS; we are generally fine with the former and somewhat concerned about the latter).

Rather than cut costs in the face of economic uncertainty, each of our retailers has *accelerated* investment in its physical store network over the past year. Costco continues to improve its fresh and organic offerings. Dollar General is lowering costs and expanding selection via the self-distribution of frozen and refrigerated goods (DG Fresh) and an improved discretionary offering (Non-Consumable Initiative), in addition to introducing self-checkout. Lowe's is revamping its pro offering by increasing the availability of job-lot inventories, adding dedicated staff and initiating a loyalty program (among other steps). Dollar Tree is testing select non-$1 items at its stores and continuing to freshen the Family Dollar store base, approximately half of which will be new or newly remodeled by the end of this fiscal year. With a new CEO and chief merchandising officer, we are anxious to see if the company can sustainably improve the profitability of Family Dollar while building upon the Dollar Tree banner's many strengths.

Having now reached approximately 8% of company-wide sales, Costco and Lowe's are both upping their pure e-commerce games as well. Physical stores provide immediate brand recognition online (new customer acquisition continues to get more expensive for online-only retailers), venues where merchandise can be conveniently returned, and delivery/pickup optionality that many shoppers value. Both are investing heavily in targeted home and store delivery capabilities—Lowe's via an expanding cross-dock, bulk distribution and fulfillment center network, and Costco via the $1 billion acquisition of Innovel, which has the ability to reach 90% of U.S. homes (and will benefit from continuing to provide fulfillment services to third party customers). More complete online offerings coupled with improved distribution should enable both companies to sustain growth well into the future.

In summary, we believe our collection of retailers will emerge from the challenges of COVID-19 in better competitive shape than they went in. Retail is a business where cultures that value continuous improvement in "the little things" create enduring advantages (and those that don't wither). To beat Dollar General or Costco, one must do not one or two but closer to a million small things better[2]. Stock prices suggest the market has taken notice of a potentially more entrenched future for our select brick-and-mortar retailers (and a far less certain future for others). While all four will likely see growth slow next year, we believe each is well-positioned to continue to grow per share free cash flow against an ever-evolving consumer landscape.

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2 We credit Sleep, Zakaria & Co. and the wonderful Nomad Partnership writings with helping us better grasp and appreciate this important subtlety

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We did not invest in any new businesses during the quarter. Prices within the Ironvine Investment Universe continued to rise, and we generally found what we already own to be of greater interest. We did make one decision worthy of mention, however, in electing to sell roughly half of our Apple position in exchange for larger stakes in CoStar Group, Liberty Broadband, HEICO and Berkshire Hathaway. Apple has been a significant contributor to performance since inception and we continue to think highly of the business. Why sell then? Our portfolio management discipline leads us to undertake a fresh review of businesses that reach 6.0% of assets. Given that the majority of new investments begin with weightings between 3.0% and 4.0%, stocks that reach 6.0% of portfolios have significantly outperformed the rest of the pack. This outperformance in itself does not necessitate a sale (in part or in whole), but healthy competition for capital necessarily requires the risk-reward of the business continue to warrant an outsized position relative to our other investments (or those we could make in its place).

A combination of risks—growing discontent among App Store partners, rising tensions with China (where Apple is believed to generate half of App Store revenue), more aggressive competitive behavior against rising anti-trust scrutiny, and the possibility of losing Alphabet's licensing fees[3]—together with Apple shares trading at an increasingly wide premium to our base case business value estimate tipped the scales in favor of several holdings we believe offered more compelling long-term potential for capital appreciation. We discussed the merits of HEICO and CoStar Group in our first and second quarter letters, respectively. We are pleased to own more of each. Berkshire Hathaway is well known by all. We harbor no illusions of differentiated insight into its operations or future capital deployment, only that its intrinsic value continues to grow and the stock price has not kept pace. Should the chorus of those constructive on industrial America post-pandemic prove correct, Berkshire should stand to benefit. And if they're not, we believe the risk of permanent loss is minimal.

Liberty Broadband, the holding company via which John Malone holds a controlling stake in Charter Communications, replaced Apple in Core Equity's top ten holdings. Broadband internet's prospects remain bright, with the pandemic having underscored the importance of high speed connectivity in both the home and workplace. Even excluding the ~400,000 internet customers the company added via COVID-related support programs, Charter increased its subscriber rolls by over one million during the first nine months of the year, equal to what it gained through the entirety of 2019. We see years of healthy free cash flow per share growth ahead at an attractive discount, and have confidence CEO Tom Rutledge will continue to successfully execute his broadband-first plan.

At the top of the following page is a snapshot of Core Equity's largest positions as of quarter end, as well as a summary of the key contributors and detractors over the past 12 months. Your individual account weightings may differ slightly from the table depending upon the timing of cash flows, the size of your account and/or rounding. Aside from the partial sale of Apple, there was little in the way of notable changes in our top 10 holdings or overall positioning during the quarter.

[3] Alphabet is believed to pay Apple between $8 and $12 billion annually to be the default search engine on its Safari web browser

Top 10 Holdings as of 09/30/2020	
Company	**Allocation**
MICROSOFT CORP.	5.7%
LOWE'S COMPANIES INC.	5.6%
THERMO FISHER SCIENTIFIC INC.	4.9%
CATALENT INC.	4.5%
S&P GLOBAL INC.	4.2%
LIBERTY BROADBAND CORP.	4.2%
MOODY'S CORP.	4.0%
LABORATORY CORP. OF AMERICA	3.8%
DANAHER CORP.	3.7%
DOLLAR GENERAL CORP.	3.6%
Top 10 as % of Assets	**44.2%**

Company	Average Weight	Portfolio Contribution
Top Contributors -12 months ended 09/30/2020		
APPLE INC.	4.6%	4.5%
CATALENT INC.	3.8%	3.2%
MICROSOFT CORP.	5.7%	3.1%
LOWE'S COMPANIES INC.	4.8%	2.5%
THERMO FISHER SCIENTIFIC INC.	4.2%	2.2%
Top Detractors -12 months ended 09/30/2020		
US BANCORP	2.4%	-1.2%
WELLS FARGO & CO.	1.3%	-1.2%
LIBERTY SIRIUS XM	1.3%	-1.1%
RAYTHEON TECHNOLOGIES	1.4%	-1.0%
DOLLAR TREE INC.	2.9%	-0.7%

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In closing, we are excited to announce the official launch of the Ironvine Capital Partners website – https://ironvinecapital.com/. Our hope is that it will serve as a practical way to access your account, stay up to speed with our present thinking, and deepen your understanding of our proven investment philosophy and process. We would welcome any feedback you might have as to how we can continue to improve its usefulness over time.

More than ever, we are grateful for your trust and confidence. Having like-minded investors makes our work fulfilling and enables us to continue thoughtfully planting the seeds of future investment returns.

The Ironvine Investment Team

October 29, 2020

Important Disclaimers

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

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

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

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

The Ironvine Core Equity Composite was created on 12/29/2017, with an inception date of January 1, 2016. The strategy does not seek to directly track or compare itself to any particular equity benchmark, but the composite is compared against the total return of the S&P 500. The benchmark includes 500 stocks representing all major industries of the economy. Ironvine Core Equity employs a total return strategy and the S&P 500 is provided as it is the most widely recognized alternative to any actively managed mandate amongst global investors. Past performance is not indicative of future results. All results are calculated in US Dollars and include reinvestment of dividends and other earnings.

Ironvine Capital Partners ("Ironvine") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ironvine has been independently verified for the periods 12/1/13– 12/31/19.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Ironvine Core Equity Composite has been examined for the periods 01/01/17– 12/31/19. The verification and performance examination reports are available upon request.

Performance presented prior January 1, 2017 occurred while the Portfolio Manager, Richard L. Jarvis, was affiliated with a prior firm. Mr. Jarvis was the only individual responsible for selecting the securities to buy and sell at the predecessor firm and is the primary decision maker in that capacity at Ironvine. This performance record was incorporated into the Ironvine Core Equity Composite in compliance with the portability requirements of the GIPS standards. A copy of the Portability report is available upon request.

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

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

For more information about any of the above contact Ryan Mendlik at 402.715.5224 or rmendlik@ironvinecapital.com.