IRONVINE
CAPITAL PARTNERS, LLC

CONCENTRATED EQUITY

Fellow Investors-

Ironvine's Concentrated Equity strategy returned 5.2% in the first quarter of 2021. From its inception nine years ago, the strategy has compounded at an average annual rate of 13.1%, which equates to an absolute return of 202%. These figures, along with the data in the following table, are presented on a total return basis inclusive of dividend and interest income and shown net of all fees and expenses.

	Annualized Returns as of 03/31/21				**Cumulative**
	1 Year	**3 Year**	**5 Year**	**Inception 04/01/12**	**Inception 04/01/12**
Ironvine Concentrated (net)	50.32%	16.66%	16.95%	13.07%	201.99%
S&P 500	56.35%	16.78%	16.29%	14.53%	238.94%

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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Long-term interest rates returned to pre-pandemic levels during the quarter, reflecting ongoing healing in the U.S. economy and expectations of higher inflation ahead. The valuation framework underlying each of the businesses we own contemplates a wide range of operating and macroeconomic environments. Our "base" cases, which reflect the individual company scenarios we believe are most likely to take place, have envisioned some combination of higher interest rates and more measured market sentiment driving valuation multiples lower in the years ahead. To be clear, we don't know that this *will* in fact take place, or when. However, in the event it does, we believe healthy per share growth across our portfolio companies provides an offset and the opportunity for high single digit rates of return from today's prices. That may not sound exciting in absolute terms, but the rising rate scenario is unlikely to treat fixed income and its various proxies nearly as kind. If long-term interest rates were to instead remain closer to present levels, we would expect investor returns to more closely resemble underlying free cash flow growth. And on that score, we like what the future appears to hold for our businesses.

During last quarter's letter, we highlighted pockets of public market pricing that had us scratching our heads. Fast forward three months, and the fear of missing out on rising asset prices continues to stiff arm risk aversion in many of those same—and perhaps a few new—areas. Ironvine's investment philosophy and process, which we've outlined in past writings and cover in detail on our website[1], steer us clear of speculative excess. As such, we remain unconcerned about any *lasting* impact on Ironvine portfolios when the greed/fear pendulum in these corners inevitably swings the other direction. Having invested through three significant market downturns (2001-02, 2008-09, 2020) and the profitable multi-year periods that emerged from each, we construct our Core and Concentrated Equity strategies expecting to encounter all kinds of stock market weather. While collective expectations appear to be somewhat ahead of fundamental

[1] Ironvine website: www.ironvinecapital.com

reality at present, we have found this market state to be more the norm than the exception. Our eyes remain firmly fixed on the long term, and we see an acceleration of productive reinvestment activity taking place inside many of our companies that should widen their respective competitive leads as we move forward.

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New Investment in AON

In February, Ironvine made a new investment in professional services giant Aon. Aon is a durable, capital-light, fee generating machine with market expertise, industry relationships, and businesses processes that border on irreplicable. The company is currently the second largest insurance brokerage in the world and has built a formidable consulting business alongside it. Aon holds #1 or #2 positions in each of its major markets—insurance brokerage, reinsurance brokerage, retirement consulting, health care consulting, and human capital management (HCM) consulting. Importantly, Aon doesn't take principal or underwriting risk, instead positioning itself as a close advisor to businesses and a valuable distributor of risk to insurers. Its diverse customer base[2] and expertise in growing, niche markets lends itself well to the recurring revenue streams[3] we are attracted to. Combined with a relentless focus on efficiencies and prudence with shareholder capital, Aon has built strong competitive advantages.

Aon was brought public in 1971 by its founder Patrick Ryan when the company had just $25 million in sales. At that time, the business was a brokerage firm that also underwrote and retained the risk on its policies, operating exclusively in the auto industry. Ryan's intention was to use the IPO proceeds to diversify into new lines outside of auto. Looking back on the following 34 years it's fair to say Mr. Ryan accomplished that goal—under his reign as CEO the company made more than 400 acquisitions focused mostly in the brokerage market.

Greg Case joined Aon as CEO in 2005 after a successful 17-year career at McKinsey & Co where he worked his way to the top of its global insurance practice before ultimately leading the consulting firm's financial services businesses. He brought a strict ROIC-based[4] decision-making framework to Aon along with nearly two decades of experience helping shape (and being shaped by) key parts of McKinsey's business and culture. Case has been instrumental in transforming Aon from good to great over his 16 years at the helm.

In 2008, a few years after becoming CEO, Case sold Aon's collection of insurance underwriting businesses after deeming them—we believe accurately—higher risk and inferior to its strong insurance brokerage operations. He used the proceeds from these transactions ($2.8 billion in all) to repurchase a considerable amount of Aon's outstanding shares and to acquire Benfield Group, fortifying Aon's #1 position in reinsurance broking[5].

In 2010, Case spearheaded the acquisition of HR, retirement, and health care consulting giant Hewitt Associates for $4.9 billion in a cash and stock deal that propelled Aon from a subscale follower to the #1 or #2 player in each of these categories. As part of the acquisition, Aon acquired Hewitt's benefits administration business which it later sold to Blackstone for approximately $5 billion, recouping its entire capital outlay for Hewitt while sharpening its strategic focus and using proceeds, again, to repurchase a considerable amount of discounted Aon stock.

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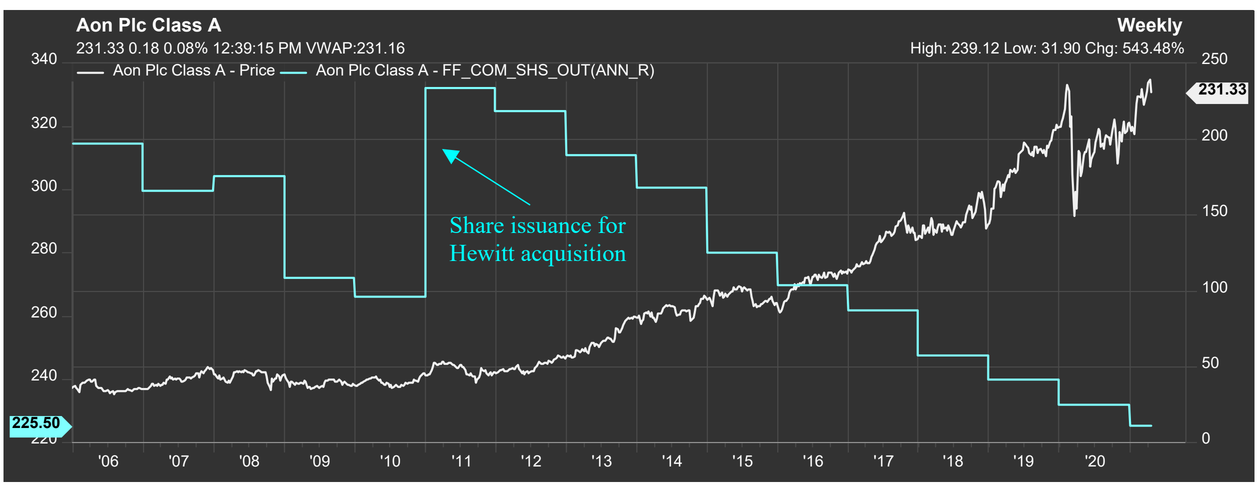
[2] Aon's largest customer makes up < 1% of consolidated revenue
[3] Aon categorizes 80% of its revenue as recurring and nondiscretionary with the remaining 20% being mostly recurring but more economically sensitive
[4] ROIC: Return on invested capital
[5] Pro Forma for Benfield, Aon's share of the reinsurance brokerage market was estimated at 40%

In addition to tactically reshaping Aon's portfolio of businesses, Greg Case has led a data-driven culture of continuous improvement the company refers to as "Aon United." Once an amalgamation of disparate entities resulting from years of acquisitions and dispositions, Aon United has unified the company via a single operating platform designed to galvanize collaboration across the company so that its full suite of solutions can be brought to bear in the market.

Separately, Aon is investing heavily to curate and commercialize the enormous sums of data flowing through its brokerage platforms with tools and differentiated insights it can offer clients. These investments have furthered Aon's advantages over small and mid-sized brokers that either lack the financial resources or the scope of data necessary to build comparable analytics solutions.

Finally, we have grown to admire the rigor Greg Case brings to capital allocation decisions. Rather than repurchasing stock at any price behind the guise of "returning capital," Case maintains a range of returns he believes Aon shares will generate over time based on its competitive positioning, growth prospects, and share price. Those returns serve as the opportunity cost with which Aon compares all other capital outlays to. This unique approach to resource allocation has yielded steady organic growth, well-timed M&A, and a noteworthy reduction in Aon's outstanding shares—all of which have yielded a reciprocally noteworthy increase in per share profitability.

The chart below provides further context around Aon's capital allocation decisions dating back to the beginning of Case's tenure as CEO. The teal line (indexed to the left vertical axis) represents the company's shares outstanding over time, and the white line (right vertical access) shows AON's share price. Despite issuing equity for the Hewitt purchase in 2010, the share count has been reduced by ~1/3 dating back to 2006.



The next chapter of Aon's story is being written as we speak. Just as the heavy lifting of Case's Aon United vision begins to bear fruit, Aon has agreed to merge with Willis Towers Watson (WLTW) in a move that would solidify the combined entity's lead over industry rival Marsh & McLennan. WLTW will add scale to a number of Aon's already entrenched businesses and bring with it a go-to-market approach that could use a shot in the arm and a cost structure known for some bloat. In short, we believe the raw material that Willis brings to the table is particularly well-suited for Aon to unleash its business processes on.

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Standalone Aon is expected to generate approximately $11.5 billion in revenue in 2021 and convert just shy of $3 billion of that into operating cash flow. After capital expenditures of roughly $200 million—a mere 1.7% of revenue—we expect the company to produce about $2.8 billion in free cash flow, representing a free cash flow yield in excess of 5% (19x free cash flow). With returns on invested capital in the 20s and a free cash flow margin of 24%, Aon's valuation is attractive in its own right. The addition of Willis Towers Watson will add roughly $8 billion in revenue and $1.4 billion of run rate free cash flow day one, and we believe the merger integration provides a path to $1 billion of *incremental* cash generation the companies couldn't otherwise unlock on their own.

Aon is well situated from a competitive position regardless of where of the approval process for Willis Towers ends up. Revenue growth is modest but durable, and we expect operating leverage and working capital efficiencies will drive double digit free cash flow growth for some time. Shrewd stock buybacks should augment this growth on a per share basis. Indeed, after pausing stock buybacks at the outset of the pandemic, Aon's board increased its repurchase authorization towards the end of 2020 and management commented in October that "*the return on capital opportunity of share repurchase is exceptional.*" Needless to say, we are excited to watch Aon execute the next leg of its storied value creation journey—this time as partial owners of the company.

Incremental Investment in Adobe

We nearly doubled the size of our investment in Adobe during the quarter. Adobe's software tools are revolutionizing the digitization of workflows in three large and growing end markets—creativity, document management, and marketing. Each of its three businesses hold strong market positions and are growing rapidly but are at different stages in their profitability journeys. Adobe benefits from a dominant competitive position, a cash-rich balance sheet, strong free cash flow generation, growth independent of economic cycles, strong returns on capital and margins, and an increasing appetite to shrink its share count. It's noteworthy that Adobe scores higher than almost every business in Ironvine's Durability Ranking system. Coming into March, Adobe's share price had been stagnant since August 2020 despite strong free cash flow growth. As a result, its valuation multiple contracted meaningfully and provided us with an opportunity to increase our stake. We believe Adobe is one of the highest quality businesses in the world and that its shares will compound at a double-digit rate from our most recent purchase prices.

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In closing, we're pleased to announce that Ironvine hired Paul Penke as Head of Operations and Client Portfolio Manager in March. As a longtime friend and follower of the firm, Paul brings over a dozen years of actuarial consulting experience to Ironvine. In the near term, Paul's efforts will be focused on day-to-day operations, allowing us to direct our time toward incremental research and strategy. In time, Paul will own portions of our client communication efforts, and we believe he has the skillset and demeanor to potentially grow into additional roles. Given his background analyzing large data sets, garnering insights, and presenting solutions to business owners and executives, we're confident Paul will be a valuable resource to clients.

Paul has been a student of investing for nearly two decades and is cut from the same philosophical cloth as each of us. In fact, Paul has already invested the majority of his net worth in Ironvine's strategies. Since inception, one of the hallmarks (and differentiators) of Ironvine has been our commitment to invest the overwhelming majority of our respective net worth directly alongside clients. We are fortunate to have found a high caliber colleague who chose to join us in Ironvine's primary pursuit: a decades-long effort to compound capital at attractive rates via ownership in a collection of outstanding businesses.

We look forward to introducing Paul to many of you in the coming months!

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Thank you for your continued support.

The Ironvine Investment Team

April 28th, 2021

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.

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 Concentrated Equity Composite *includes all accounts over which Ironvine deems to have discretion and that follow the composite strategy. Ironvine Concentrated Equity seeks to earn above average returns by investing primarily in a concentrated portfolio of global issuers in all facets of capital structures, including and not limited to common and preferred stocks, debt instruments, convertibles etc.*

The Ironvine Concentrated Equity Composite was created on December 1, 2013, with an inception date of April 1, 2012. 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 Concentrated 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– 12/31/20. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. The Ironvine Concentrated Equity Composite has had a performance examination for the periods 12/1/13– 12/31/20. The verification and performance examination reports are available upon request.

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Performance presented prior December 1, 2013 occurred while the Portfolio Management Team was affiliated with a prior firm and the Portfolio Management Team members were the only individual(s) responsible for selecting the securities to buy and sell. A review of the performance record for compliance with the portability requirements of the GIPS standards was completed by an independent accounting firm. The verification and performance examination report are available upon request.

Prior to October 2017 the composite was named "The Ironvine Composite."

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 1.0% for relationships less than $10 million, 0.90% for relationships between $10 million - $25 million, 0.80% for relationships between $25 million - $50 million, 0.70% for relationships between $50 million - $100 million, and 0.60% for relationships above $100 million (each tier indicated as an annual percentage charged quarterly). Actual investment advisory fees incurred by clients may vary. The collection of fees produces a compounding effect on the total return net of fees. For example, a portfolio that earned 8% annually for ten years would result in a cumulative return of 115.9% before investment management fees and 96.7% net of such fees, assuming a 1.00% fee per year. The annual dispersion calculation shown above reflects the asset weighted standard deviation of returns around the asset weighted mean return.

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

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