



# IRONVINE

CAPITAL PARTNERS, LLC

Investors & Friends of Ironvine-

We recently gathered with many of you at our 2024 Investor Day. The event was a good opportunity for us to reiterate our investment philosophy, provide an update on our business, and discuss a number of key investments. We were pleased with the wide-ranging conversation and have included a transcript of our remarks, along with the accompanying presentation slides as an attachment to this letter, beginning on page five.

In addition to resting well with the competitive positioning of the businesses we own, we're excited about the depth and breadth of research being done at Ironvine. The list of companies we're prepared to act quickly on with the right set of circumstances (i.e. lower prices) continues to grow. From airplane engines, junk yards, and HVAC distribution, to interconnect systems and semiconductor capital equipment, the work we're doing spans the physical and digital worlds across companies of all sizes. The common thread is that each is dominant and, in many cases, led by incredible capital allocators.

We can't always predict the events that shake loose good opportunities. HEICO, now our second largest investment, is a great example. We'd long followed the business, waiting patiently for the chance to commit significant capital, and were presented with a window of opportunity at the onset of the pandemic in March of 2020. With our diligence done, we moved quickly to establish a large position following a 45% two-week decline in the stock price. The combination of elevated expectations and negative surprises often creates unique opportunities for those prepared to act, and we're happy to say our axes remain sharp.

2024 has been a torrid year for U.S. equity markets, particularly for the handful of businesses the market has deemed to be early AI-winners. Most indicators suggest the economy is strong. Employment is high and GDP is growing, with consensus Wall Street estimates suggesting S&P 500 constituents will grow earnings at double digit rates during 2025 and 2026. As we survey the landscape, there are areas warranting a degree of caution. Deficit spending in our country is growing the Federal debt at a breakneck pace, with the annualized interest expense to service it having reached \$950 billion. The ten-year US Treasury hit a 15-month low of 3.65% after the Fed's first rate cut in September but has sold off roughly 60 bps in the six weeks since as the bond markets reflect concerns that a return to higher inflation may be inevitable. And we're heading into the final days of a contentious election season that has the potential to bring widespread change to the United States' posture in several key areas including foreign policy, taxation, and regulation. The last 75 years of market history indicates making wholesale changes to an investment strategy based on the outcome of an election is a fool's errand. As owners of individual businesses, we have our antennas heightened in the current environment. Our aim is to operate with equanimity and decisiveness when opportunity inevitably comes.

\*\*\*\*\*

Thank you for your continued trust and confidence.

The Ironvine Team  
November 1, 2024



**IRONVINE**  
CAPITAL PARTNERS, LLC

**CONCENTRATED EQUITY**

	YTD 09/30/24	Annualized Returns as of 09/30/24				Cumulative	
		1 Year	3 Year	5 Year	10 Year	Inception 04/01/12	Inception 04/01/12
Ironvine Concentrated (net)	10.72%	23.71%	3.44%	12.13%	9.83%	11.40%	285.42%
S&P 500	22.08%	36.35%	11.91%	15.98%	13.38%	14.08%	418.71%
Equities	10.34%	24.75%	5.32%	12.01%	9.50%	10.53%	250.02%
Bonds	4.06%	10.98%	(2.72%)	(0.69%)	1.52%	1.62%	22.28%
Cash	4.08%	5.52%	3.57%	2.33%	1.63%	1.32%	17.74%

Performance reflects the results of the Ironvine Concentrated Equity Composite. Index returns are shown on a total return basis which assumes the reinvestment of dividends and interest income. Equities represent the total return of the S&P 1500 equal-weighted index. Bonds represent the returns of the Bloomberg US Treasury index with 7-10 years to maturity. Cash represents the returns of the Bloomberg 1-3 month Treasury Bill index. Indices are unmanaged, do not incur fees or other expenses, and are generally not available for investment. See the Important Disclaimers at the end of this document for additional pertinent information.





**IRONVINE**  
CAPITAL PARTNERS, LLC

**CORE EQUITY**

	YTD 09/30/24	Annualized Returns as of 09/30/24			Cumulative	
		1 Year	3 Year	5 Year	Inception 01/01/16	Inception 01/01/16
Ironvine Core (net)	12.21%	25.11%	4.28%	12.99%	13.59%	204.94%
S&P 500	22.08%	36.35%	11.91%	15.98%	14.62%	229.92%
Equities	10.34%	24.75%	5.32%	12.01%	10.80%	145.47%
Bonds	4.06%	10.98%	(2.72%)	(0.69%)	1.19%	10.95%
Cash	4.08%	5.52%	3.57%	2.33%	1.86%	17.55%

Performance reflects the results of the Ironvine Core Equity Composite. Index returns are shown on a total return basis which assumes the reinvestment of dividends and interest income. Equities represent the total return of the S&P 1500 equal-weighted index. Bonds represent the returns of the Bloomberg US Treasury index with 7-10 years to maturity. Cash represents the returns of the Bloomberg 1-3 month Treasury Bill index. Indices are unmanaged, do not incur fees or other expenses, and are generally not available for investment. See the Important Disclaimers at the end of this document for additional pertinent information.



## 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. Holdings mentioned, including the Ironvine Core Equity 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 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.

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."

**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 a 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.

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 was a primary decision maker in that capacity at Ironvine until his retirement on 12/31/20. 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.

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– 12/31/22. 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– 12/31/22. The Ironvine Core Equity Composite has had a performance examination for the periods 1/1/17– 12/31/22. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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 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 Paul Penke at 402.916.1702 or [ppenke@ironvinecapital.com](mailto:ppenke@ironvinecapital.com). No part of this article may be reproduced in any form, or referred to in any other publication, without express written permission.

This information is being presented for informational purposes only. Our investment strategies may not be appropriate for all investors. The presentation includes the opinions of the investment managers and there should be no assumption that our advice will be profitable. Investment involves risk and you may lose money.