Memo to: MCJ Capital Partners

From: M. Carter Johnson

Re: Q1 2021 Performance Update

Date: 4/15/2021

Dear Partners & Friends,

For Q1 of 2021 our total return was +8.10% compared to +6.00% for the broader S&P Index, +5.09% for the MSCI World index, and +12.64% for the Russell 2000.[1]

Since inception (as marked February 12, 2020), our total return is +65.42% compared to +19.65% for the broader S&P Index, +19.30% for the MSCI World index, and +34.46% for the Russell 2000.

	MCJ Capital Partners	S&P	MSCI World	Russell 2000
Q1 2021	8.10%	6.00%	5.09%	12.64%
2021	8.10%	6.00%	5.09%	12.64%
Since Inception	**65.42%**	**19.65%**	**19.30%**	**34.46%**

**Performance as reported by Interactive Brokers.*

Commentary on Q1 2021

Looking through the noise of markets, our companies seem well positioned to take advantage of life Post-Pandemic. As economies around the globe reopen, 2021 will undoubtedly provide one of the easier year over year comparison periods for many businesses out there. Our focus however will be on monitoring the results of our businesses and how well they continue to execute on initiatives contributing to the growth of their intrinsic value over the long term.

In Q1 we were able to enter two new positions worth mentioning - Hamilton Thorne (TSXV.HTL) and Midway Partners (ASX.MWY). I distributed our thesis on Midway Partners around the time we completed our entry and will use this update to introduce you to Hamilton Thorne.

Commentary on Our Companies

In January of 2021, we built a position in Hamilton Thorne. From our analysis we concluded Hamilton Thorne to be an above average business led by solid management and well positioned for near and long term growth. In addition, at our entry we considered shares of HTL to be trading at a fair price offering above average compounding opportunities going forward.

Hamilton Thorne is a little company based in Beverly, Massachusetts. The company is in the business of manufacturing, marketing, and distributing essential products to the highly fragmented end market of fertility clinics (among other Assisted Reproductive facilities). Sales of the company's growing product portfolio are protected by heavy regulatory barriers, high switching cost, superior brand positioning, and proprietary sales & distribution channels. The company's product mix support reasonable margins that should expand over time as operations grow in size. HTL grows through both organic sales and accretive acquisitions. Acquisitions broaden the product portfolio, allowing cross selling opportunities in which HTL is able to introduce legacy products to new customers, while simultaneously offering the new product to legacy customers. This accelerates sales across multiple channels and gives HTL somewhat of a "flywheel" within its operations.

It's our belief there are multiple catalyst favoring HTL in the near and long term future. In the near term, nonemergency medical treatment should rebound in a "Post-Covid" operating environment. This will elevate demand for HTL's product line, some more than others. On an operational front, HTL has made year over year improvements to the company's salesforce. In addition, the company has received regulatory approval to introduce product lines to new geographies. Both initiatives should help push HTL's organic sales growth above industry averages. Perhaps most impactful in the near term is our belief that HTL is positioned to complete a sizable acquisition in 2021. The company has a stated goal of completing a material acquisition once every 12-18 months, with the last occurring in August of 2019. As of early 2021, HTL has built one of its largest cash reserve in its operating history. In addition, on managements recent earning call, CEO David Wolf expressed explicit interest in accelerating this 12-18 month historical pace going forward. Wolf has led a disciplined capital allocation strategy (some would say too conservative), and we feel comfortable with him initiating a stronger push to tap their acquisition pipeline more aggressively. In the past, HTL has issued equity to help finance growth. We believe this too will change going forward. Cross referencing likely acquisition candidates, it's reasonable to conclude that HTL's free cash flow (in combination with appropriate leverage) should be able to support acquisitions moving forward without the need to issue more equity.

As it pertains to the fertility business, HTL benefits from servicing an industry that is experiencing strong demand fueled by a number of tailwinds. Overall infertility is rising across the globe. This phenomenon is primarily due to global trends in later age family planning and obesity related health issues. As infertility rates rise, demand for treatment is equally accelerating. Increased awareness in the improvement of treatment success rates is contributing to more patients willingness to seek treatment. This is in spite of the associated preconceived financial burdens. In addition, across the globe regulatory mandates are forcing insurance companies to include fertility treatment coverage, thus making treatment more feasible. As treatment becomes more financially affordable, demand will further accelerate. As a small but global company, HTL is well positioned to capitalize on these long term trends.

At our entry, we viewed HTL to be priced more than reasonable. IVF supply peers such as Virtolife trade at significant premiums relative to HTL. This premium is largely justified by Vitrolife's higher gross and operating margins. Meanwhile, HTL is in a position to grow at an accelerated rate above industry average, all while improving operating leverage. As a result, we believe HTL's discount to industry peers will close significantly. In addition, management has been proactive in completing necessary initiatives to up-list HTL from the TSX venture exchange. A successful up-listing would further increase demand for the underlying securities. Regardless of a rerate or up-listing, we believe HTL's value will benefit from a long runway in which the company is capable of growing their economic earnings. In summary, we're happy to be owners of what we believe is a good company at a fair price.

Thinking Things Through

If you're in the business of valuing businesses, at the present moment it can be quite tempting to throw up your hands in frustration and forgo searching opportunities because of broad market valuations. Yet looking over our Big Board, I find roughly 20% of our ideas to be trading in ranges we believe to be reasonable on absolute and relative valuation levels. Most of these are smaller companies. Many are listed on lesser known exchanges unheard of to most investors...And that's exactly why we "turn over rocks" in these areas. When broad market valuations are high and speculative behavior is running rapid, it pays to fish in lesser known ponds around the world. We'll keep looking for good businesses at fair prices.

As always, thank you for your trust in being a steward of your capital and a part of what we are building.

All the best,

M. Carter Johnson
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PS – If you're looking for a good read going into the summer, check out my good friend Adam Mead's new release "The Complete Financial History of Berkshire Hathaway: A Chronological Analysis of Warren Buffett and Charlie Munger's Conglomerate Masterpiece." I had the opportunity to read through it during the editorial phase and find it to be one of the best Berkshire books I've come across.

MCJ CAPITAL PARTNERS

March 2021

Investment Strategy

MCJ Capital Partners implements a capacity constrained strategy with a bias towards investing in high quality, smaller businesses less accessible to larger capital bases. Our approach generally creates low overlap with major indices and less correlated results to broader markets. All capital is managed on behalf of accredited investors and select institutions through separately managed account (SMA) structures. We are based in Denver, Colorado.

Return[1]

	March	Q1	2021	Since Inception
MCJ Capital Partners	**4.06%**	**8.10%**	**8.10%**	**65.42%**
S&P	4.21%	6.00%	6.00%	19.65%
MSCI	2.58%	5.09%	5.09%	19.30%
Russell 2000	1.26%	12.64%	12.64%	34.46%

*Please note performance may vary from account to account due to slight variations of non fractional share weightings, timing and other factors.

Unique & Differentiated[3]

Our strategy includes:

- *0 of 30 Companies In The Dow Jones Industrial Average ETF*
- *1 of 2080 Companies In The Russell 2000 ETF*
- *2 of 507 Companies In The S&P 500 ETF*
- *1 of 103 Companies In The NASQAD Composite ETF*
- *16 Companies Not Included In Any of These Major Indices*

Performance[1]

YTD	8.10%
Q1	8.10%
March	4.06%

Information[2]

Structure	Separately Managed Accounts
Months Positive	80%
Months Negative	20%
Worst Month	March 2020
Worst Drawdown	-10.61%

Service Providers

Legal	Akerman LLP
Prime Broker	Interactive Brokers
Custodian	Interactive Brokers

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[1]The performance results shown are those of the first account under management of MCJ Capital Partners LLC ("MCJ") and are the result of the application of MCJ's proprietary investment process. These performance results are presented net of all fees including brokerage, margin, custodial, and a 1% management fee beginning in January 2021. No management fee was charged in 2020, all other fees were present. A client's return with respect to an investment would be reduced by any fees or expenses a client may incur in the management of its investment advisory account, including advisory fees in the future. The performance results include the reinvestment of dividends and interest on cash balances where applicable.

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[2]Calculated and provided by Interactive Brokers, LLC. The performance results shown are those of the first account under management of MCJ. Performance results may vary from account to account due to timing and other factors.

[3]Data as of 3/31/2020. Inception date 2/12/2020. To make the Index comparisons, the following funds were used: SPDR Dow Jones Industrial Average ETF Trust; Vanguard Russell 2000 ETF; Vanguard S&P 500 ETF; and Invesco QQQ Trust.

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MCJ Capital Partners and accounts actively managed by MCJ Capital Partners have a long position in Hamilton Thorne (HTL) & Midway Limited (MWY) and would benefit from overall price appreciation of the stocks. At any time we may close the positions without notice.