

MANOLE CAPITAL'S FINTECH LOW NET

The FinTech Low Net strategy is a long/short portfolio focusing on companies in the financial and technology sectors. Within financials, it benefits from volatility and higher interest rates, without credit sensitivity. Instead of investing in traditional financial companies, like banks or insurance companies, Manole Capital avoids opaque balance sheets and credit sensitivity. Within technology, the portfolio is heavily weighted towards the secular growth of the payments industry. We prefer to own transparent, transaction-based business models, generating predictable free cash flow.

DEFINITIONS

FINTECH /fin'tek/	Any company that "utilizes technology to improve an established process"
SUCCESS /sək'ses/	Generating excellent long-term returns and limiting a material loss of capital

MONTHLY PERFORMANCE

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2022	Gross	-3.04	-2.65	3.45	1.69	-2.89	1.28	1.00	1.16	1.93	1.75			3.49
	Net ²	-3.12	-2.72	3.36	1.62	-2.97	1.20	0.92	1.06	1.85	1.66			2.64
2021	Gross	-2.52	3.58	-2.63	3.37	-4.06	1.98	-1.14	-0.68	-2.68	1.94	-1.44	-4.84	-9.14
	Net ²	-2.59	3.51	-2.72	3.29	-4.14	1.89	-1.22	-0.76	-2.76	1.86	-1.52	-4.92	-10.06
2020	Gross	3.75	-1.78	0.24	1.78	6.79	-0.52	5.30	2.60	-2.13	-6.90	0.56	4.89	14.66
	Net ²	3.66	-1.86	0.15	1.70	6.71	-0.61	5.21	2.52	-2.22	-6.99	0.48	4.80	13.53
2019	Gross	-0.54	2.02	0.35	-0.35	1.78	-0.37	-0.01	3.91	-3.58	-0.60	-1.82	-0.62	-0.03
	Net ²	-0.62	1.94	0.27	-0.43	1.70	-0.45	-0.10	3.83	-3.66	-0.69	-1.90	-0.70	-1.02
2018	Gross	1.64	1.39	0.46	-0.58	-1.39	0.17	-0.85	2.89	-0.84	-1.59	-2.59	0.45	-0.96
	Net ²	1.56	1.32	0.37	-0.67	-1.47	0.09	-0.94	2.80	-0.92	-1.68	-2.68	0.37	-1.95
2017	Gross	0.34	-0.61	-1.35	-0.99	3.28	2.99	2.75	0.91	1.30	0.35	2.09	-0.01	11.45
	Net ²	0.26	-0.69	-1.44	-1.07	3.19	2.90	2.67	0.82	1.21	0.26	2.01	-0.09	10.35
2016 ¹	Gross							1.34	1.45	-0.19	-1.89	-2.09	-0.43	-1.85
	Net ²							1.26	1.36	-0.27	-1.98	-2.17	-0.51	-2.35

¹Partial period beginning on July 1, 2016. No benchmark is presented because we have yet to identify one that properly reflects this Fin Tech strategy. ²Net reflects an annual management fee of 1%

EXPOSURE

Sector	Industry	Long	Short	Gross	Net
Technology	Acq's / Processors	12%	-3%	15%	9%
Technology	B2B	9%	-2%	11%	7%
Technology	Bank Tech		-21%	21%	-21%
Technology	Data / Info		-6%	6%	-6%
Technology	Payment Network	11%		11%	11%
Technology	Software	7%	-14%	21%	-7%
Technology	Total	39%	-46%	85%	-7%
Financial	Capital Markets		-4%	4%	-4%
Financial	Credit Services		-3%	3%	-3%
Financial	Data / Info	5%	-2%	7%	3%
Financial	Diversified		-3%	3%	-3%
Financial	Execution / Liquidity	23%		23%	23%
Financial	Total	28%	-12%	40%	16%
Industrials	Data / Info	5%	-3%	8%	2%
Other	Other		-6%	6%	-6%
Real Estate	Towers / Services	5%	-13%	18%	-8%
	Total	77%	-80%	157%	-3%

PERFORMANCE ANALYSIS

	Annualized			
	1 Year	3 Year	5 Year	Inception
Gross	-2.93%	1.70%	1.73%	2.48%
Net	-3.90%	0.69%	0.72%	1.46%

Avg Monthly Return	0.23%
Profitable Percentage	51% (39 of 76)
Outperformance with S&P Down	81% (17 of 21)
vs S&P 4Q'18	-3.7% vs -13.5%
vs S&P 1Q'20	+2.1% vs -19.6%
vs S&P 1H'22	-2.3% vs -20.0%
Best / Worst Month	May'20 +6.79% / Oct'20 -6.90%

Calculated using Actual fees based on gross AuM

RISK ANALYSIS

Sharpe Ratio	0.11
Standard Deviation (Mthly/Annualized)	2.40% / 8.30%
Max Drawdown	11.47%

Based on the composite's Gross ITD performance and Avg RFR of 1.56%

PORTFOLIO COMPOSITION

Average Long Position	3.0%
Average Short Position	2.7%

Top Longs

Charles Schwab Corp (SCHW)
Global Payments (GPN)

Top Shorts

* Available upon Request

All performance results are based on the strategy's composite returns and include accruals and the reinvestment of all dividends, interest and capital gains. Performance is presented in US Dollars. Any investment or strategy managed by Manole is speculative in nature and there can be no assurance that the investment objective(s) will be achieved. Past performance is not a guarantee of future results. Manole Capital Management, LLC is a registered investment adviser with the State of Florida. Manole claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the quality or accuracy of the content contained herein. Manole has been independently verified for the periods March 1, 2015 through December 31, 2021. The verification report is available upon request. 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. Verification does not provide assurance on the accuracy of any specific performance report. To receive a GIPS report, please contact GIPS@manolecapital.com