

Manole Capital's Fintech Long/Short (Low Net) Portfolio

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

Strategy Performance	2023		Annualized				Cumulative		
	1 Month	YTD	1 Year	3 Year	5 Year	Since Inception	3 Year	5 Year	Since Inception
Gross Return	1.87	-2.63	5.30	1.57	0.94	2.45	4.79	4.79	17.98
Net Return ¹	1.79	-2.95	4.26	0.56	-0.06	1.43	1.69	-0.32	10.20

No benchmark is presented because we have yet to identify one that properly reflects this Fin Tech strategy. ¹Net reflects an annual management Fee of 1%

Exposure					
Sector	Industry	Long	Short	Gross	Net
Financials	Acq's / Processors	8%	-2%	10%	6%
Financials	B2B	6%		6%	6%
Financials	Bank Technology		-6%	6%	-6%
Financials	Capital Markets	5%	-5%	10%	0%
Financials	Credit Services		-3%	3%	-3%
Financials	Data / Info	5%	-2%	7%	3%
Financials	Diversified		-3%	3%	-3%
Financials	Execution / Liquidity	13%		13%	13%
Financials	Payment Network	12%		12%	12%
Financials	Software	2%	-2%	4%	0%
Financial	Total	51%	-23%	74%	28%
Technology	Acq's / Processors	4%	-2%	6%	2%
Technology	IT Services		-3%	3%	-3%
Technology	Software	5%	-2%	7%	3%
Technology	Total	9%	-7%	16%	2%
Industrials	B2B	3%		3%	3%
Industrials	Bank Technology		-6%	6%	-6%
Industrials	Data / Info	4%	-5%	9%	-1%
Industrials	IT Services		-8%	8%	-8%
Industrials	Software		-5%	5%	-5%
Industrials	Total	7%	-24%	31%	-17%
Other	Other		-4%	4%	-4%
Real Estate	Towers / Services	5%	-8%	13%	-3%
	Total	72%	-66%	138%	6%

Performance Analysis	
Average Monthly Return (Gross)	0.23%
Profitable Percentage	52% (43 of 82)
Outperformance with S&P Down	83% (19 of 23)
vs S&P 4Q'18	-3.7% vs -13.5%
vs S&P 1Q'20	+2.1% vs -19.6%
vs S&P CY'22	+7.4% vs -18.1%

Risk Analysis	
Std Dev (Mthly / Annualized)	2.38% / 8.25%
Sharpe Ratio	0.09
Downside Market Capture ¹	9.8%

Based on the composite's Gross ITD performance and Avg RFR of 1.74%
¹Downside Market Capture vs the SP500TR

Portfolio Composition	
Number of Longs	27
Number of Shorts	28
Average Position Longs vs Shorts	2.7% vs 2.4%
TOP LONGS	TOP SHORTS
MasterCard (MA)	*Upon Request
Global Payments (GPN)	

WARREN FISHER, CFA FOUNDER

Warren started his career at Goldman Sachs Asset Management (GSAM), after graduating with a Bachelor of Science in Accounting from Lehigh University in Bethlehem, PA in 1994. While on GSAM's Growth Equity team, Warren was responsible for both the Financial sector, as well as Service companies in the Technology industry. In addition to his analyst duties, Warren was a Portfolio Manager on several of GSAM's '40 Act mutual funds. Over his 19 years at GSAM, Warren was a Co-Portfolio Manager for The Goldman Sachs Growth Opportunities Fund (mid cap), The Goldman Sachs Capital Growth Fund (large cap) as well as The Goldman Sachs Flexible Cap Growth Fund (all cap). In 2013, Warren joined Fortress Investments, to help build Logan Circle's first equity franchise. In 2015, Warren created Manole Capital to exclusively focus on the emerging FINTECH industry.

INVESTMENT PHILOSOPHY

Manole Capital is a long-term investor in businesses, not a short-term trader. We focus on strong, durable franchises with identifiable growth prospects. Our holdings are market share leaders, have high barriers to entry and have pricing power. It is critical to our investment process that all companies generate free cash flow and that management teams properly and rationally allocate capital. Our process is based upon conducting proprietary, bottoms-up, fundamental analysis of the emerging Fintech industry.

MONTHLY RETURNS

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2023	Gross	-4.23	0.50	-0.69	1.87									-2.63%
	Net ²	-4.31	0.42	-0.78	1.79									-2.95%
2022	Gross	-3.04	-2.65	3.45	1.69	-2.89	1.28	1.00	1.16	1.93	1.75	1.88	1.85	7.39%
	Net ²	-3.12	-2.72	3.36	1.62	-2.97	1.20	0.92	1.06	1.85	1.66	1.80	1.76	6.33%
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%

All performance results are based on the strategy's composite returns and include accruals and the reinvestment of all dividends, interest and capital gains. The Flagship Fintech composite represents all fully discretionary, fee-paying, separately managed account (SMA) portfolios within the Fin Tech investment strategy. 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. The Fin Tech composite has had a performance examination for the periods March 1, 2015 through December 31, 2021. The verification and performance examination reports are available upon request. To receive a GIPS report, please contact GIPS@manolecapital.com

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