



Annual Report

20
23

Legal Disclaimer

This report is for informational purposes only and is not an offer to buy or sell or a solicitation to buy or sell any securities, investment products or other financial product or service, or an official confirmation of any transaction. The content of this report is solely based on publicly-available information.

The content of this report, referenced estimates, financial projections and opinions in this presentation are those of Limestone Capital (known as “Limestone”) and its executive team, senior portfolio managers, portfolio managers, analysts, junior analysts and all other associated affiliates. The content of this report is subject to alteration or change without notice to the reader. The referenced estimates, financial projections and opinions in this report are subject to alteration or change without notice to the reader.

Limestone Capital, its executive team, senior portfolio managers, portfolio managers, analysts, junior analysts and all other associated affiliates will not accept any legal or financial liability for factual or omitted information contained within the report, typographical and grammatical errors made, or any content contained herein this report.

Limestone Capital, its executive team, senior portfolio managers, portfolio managers, analysts, junior analysts and all other associated affiliates will not accept any liability for financial and non-financial damages arising from the utilization or dependence of the content contained herein this report, including referenced estimates, financial projections and opinions.

Limestone Capital, its executive team, senior portfolio managers, portfolio managers, analysts, junior analysts and all other associated affiliates strongly do not recommend the sole usage of this report should a potential investor, with a full understanding and agreement of the legal disclaimer herein this report, choose to utilize the content contained herein this report in his, her or their investment decision.

Limestone Capital, its executive team, senior portfolio managers, portfolio managers, analysts, junior analysts and all other associated affiliates may or may not have personal investment positions in the primary security discussed herein this report, or any related securities or derivatives pertinent or related to the primary security discussed herein this report.

By viewing any portion of this report, the reader is assumed to have fully read, understood, acknowledged and agreed to all of the terms and conditions as stipulated within this legal disclaimer. The reader fully acknowledges the informational and educational purpose of this report and all content herein this report. The reader fully acknowledges that this report is not an offer to buy or sell or a solicitation to buy or sell any securities, investment products or other financial product or service, or an official confirmation of any transaction.

Table of Contents

Introduction

Year in Review.....	3
Messages from the Team.....	5
Advisory Board	7
About Limestone Capital.....	8
Limestone Capital Timeline.....	10
Our Team.....	11

Investing

Investment Philosophy & Overview.....	17
Portfolio Construction & Process.....	18
Investment Commentary.....	19
Fund Performance.....	20
Equity Allocations.....	22

Events

Overview.....	24
Firm Opportunities.....	25
Educational Events.....	26

Alumni

Alumni Relations.....	27
Mentorship Program.....	29
Advisory Board.....	30
Senior Alumni Testimonials.....	31
Recent Alumni Testimonials.....	33

Deliverables

Research Reports.....	35
Sector Pitches.....	36



1 | Overview

MARSH & MCLENNAN
COMPANIES

Our Year in Review – Event Highlights

1,250+
Attendees

20+
Events

30+
Schools

2 Limestone Information Sessions

4 Limestone Finance Recruiting Prep Sessions

2 Limestone US Banking Day Panels

2 Limestone Public Meetings

Limestone How to Pitch a Stock Tutorial

Limestone Financial Research Tutorial

Limestone x QPCG Social Impact Investing Panel

Limestone x OMERS Global Equities Public Markets Session

Limestone x Point72 National Stock Pitch Competition

Limestone x Moelis Virtual Networking Session

Limestone x Howard Marks Fireside Chat

Limestone & QPCG x Amity Search Partners Intro to Buyside Recruiting

Limestone & QPCG x Gold Coast Search Partners Intro to Buyside Recruiting



24

Stock Pitches

5

Research Reports

3/3

Funds Outperformed

17.3%

Total Alpha¹



1. Blended alpha of all three funds during 2022 – 2023 fiscal year

Our Year in Review – Positive Team Culture

On Limestone, we are dedicated to fostering an uplifting and engaging culture that brings members closer, ensures unforgettable memories, and wholeheartedly supports each other through our 'drop everything' mentality.



- Women's Socials** (*September 2022, March 2023*)
- First Year Representatives Brunch** (*October 2022*)
- SpinCo Social** (In partnership with QPCG, *November 2022*)
- Sector Team Lunches** (*October 2022, April 2023*)
- Limestone vs QUIC Charity Boxing Match** (*November 2022*)
- Limestone Team Dinner** (*November 2022*)
- Laser Tag** (In partnership with QUIC, *November 2022*)
- Team Bowling** (*March 2023*)
- Fourth Year Farewell Dinner** (*March 2023*)

Internal Team-Bonding Events



*SpinCo Social
(November 2022)*



*Team Social
(November 2022)*



*Frosh Welcome Social
(October 2022)*



*Brass Boxing Weigh-In
(November 2022)*



*Women's Social
(March 2023)*



*Fourth Year Farewell Dinner
(March 2023)*

Message from the Outgoing Executive Team

When first given the great privilege of being chosen to lead Limestone Capital for the 2022-2023 academic year, we were immediately aware of the great responsibility ahead of us. Not only were we excited at the thought of bringing our unique ideas, skills, and initiatives to the club, but we were incredibly humbled by the responsibility we bore to build upon years and years of excellence from the leaders before us. The 2022-2023 year was unique in that it was the first entirely in-person year since 2019/2020. This added an enormous amount of incremental work and pressure, as we wanted to ensure that all aspects of Limestone's pre-pandemic excellence were still present and reflected in their unique way in 2022-2023. The executive team was determined that we wanted this year to be the best year yet for its members and external stakeholders. We are confident and humbled to finish the year, hopefully having done so. We did this by sticking to what we knew best, upholding the three pillars of Limestone Capital.

Concerning education, we are proud to say that this year was our most successful in the quality and quantity of external facing educational events. We hosted inaugural events such as our four-part Finance Recruiting series, as well as a panel on Social Impact Investing hosted in partnership with the Queen's Private Capital Group. We grew the reach and sophistication of classic events such as our 'How to Pitch a Stock,' Financial Research Tutorial, Moelis & Company, and Amity Search Partners Events. Limestone leveraged its wealth of knowledge and ensured everyone benefited. For exposure, our goal was to provide our members and Queen's students access and exposure to the high-quality content and analysis produced by Limestone Capital. This is why we were proud to launch a bi-semester public meeting, to ensure that Limestone members got exposure to presenting in front of various audiences and that Queen's students could benefit from the analysis developed by Limestone members. These meetings were incredibly successful, and we look forward to seeing their popularity and impact grow in the coming years. Lastly, inclusiveness. Limestone had its best year, ensuring that students across Canada could benefit from its resources. From a nationwide stock pitch competition to hosting an event with one of the world's most successful value investors that attracted ~200 attendees, Limestone truly leveraged its wealth of knowledge and ensured hundreds of students were included in its initiatives.

Concurrently, we had the pleasure of succeeding in our ultimate goal of being a premier institution for investing. We had the pleasure of hosting numerous educational events which engaged the student body at Queen's University and the broader Canadian university community. All the while, Limestone members presented increasingly rigorous pitches, leading to stimulating debates, all three funds outperforming their respective benchmarks and a blended absolute return of 60.41% across all three funds.

Finally, we had the great privilege of passing the torch to the next generation of leaders. We did over the course of a 3-month transition period with the 2023/2024 executive team, which included overseeing the hiring of the next class of Limestone Capital members. We are so incredibly grateful for the opportunity to learn from the experience as members of the executive team and cannot wait to watch the next generation continue to build upon where we left off.



Sincerely,
Emma Andison, Devin Meng, Arman Turna



Message from the Career Advancement Center (CAC)

The Career Advancement Centre (CAC) has been delighted to collaborate with Limestone Capital on a number of different initiatives since their inception. We would particularly like to thank Limestone Capital for their support of this year's Investment Banking Preparatory Program, which included hosting a tutorial and presentation night for participating students. Creating an inclusive environment for Smith students is a top priority for the CAC and Limestone Capital embodies this with their open events. Limestone Capital's approach to peer mentoring, knowledge sharing, and alumni and corporate connections has greatly assisted in providing students with the tools they need to reach their career goals. Congratulations on a successful 2022-2023 year and we look forward to working with the Limestone Capital team on future initiatives.

– Brennan Jones, Alison Braga, and Blair Robertson



Career
Advancement
Centre

Message from the Incoming Executive Team

We are incredibly honored and excited to have the opportunity to lead Limestone Capital for the upcoming year. During our time at Queen's, Limestone has been among the most valuable and fulfilling experiences for each of us. Not only has it played a critical role in our professional development throughout, but it has also led to the creation of long-lasting relationships and memories. Through its structured mentorship program, focused recruitment strategies, and comprehensive training, Limestone consistently pushes the envelope of what a student-led club can accomplish. This upcoming year, we will have the chance to build off the outgoing executive teams' incredible achievements and continue to carry the legacy built over the last twelve years. Before each year begins, the succeeding Limestone executive team sets out to achieve specific goals during their tenure. Our leadership style will be no different, and our two main goals are simple yet important: We aim to strengthen the club's relationship with alumni, professional firms, and enhance our internal training efforts. The incoming executive team is highly appreciative of the mentorship and guidance we have received throughout our tenure on Limestone Capital and confident that with a strong alumni base and executive team behind us, we will be able to meet our goals – like our predecessors.

– Quinton Watt, Braden Regular, Michael Zhang



From left to right:
Michael Zhang, Quinton Watt and Braden Regular

Message from the Advisory Board

As alumni of the Limestone Capital team, it has been incredible to watch the tremendous progress that Limestone Capital has made in the past year. From inception, the organization has continued to make massive strides towards producing industry-quality deliverables, lead international events and continue to place at leading firms globally.

The dedication and passion displayed by the current members of Limestone Capital have been nothing short of inspiring. We, the alumni advisory board, are proud to have been a part of this incredible journey and we are excited to share some of the notable advancements and achievements that the club has made in recent times.

1. Investment Deliverables:

Limestone Capital has consistently showcased the ability to conduct thorough research and analysis, producing stock pitches that rival those of seasoned professionals. The diligence and professionalism in your approach to stock recommendations have not only impressed us, but it has also garnered attention from leading firms and financial publications. The success of your stock pitches is a testament to the dedication of the entire team.

2. Educational Events:

The club's commitment to educating students about the intricacies of investment and finance is commendable. The events organized by Limestone Capital have become widely recognized as platforms for learning and networking. The quality of the speakers and the topics covered have continued to evolve, offering invaluable insights to students looking to pursue careers in the financial sector.

3. Leading Placements:

Limestone Capital's primary goal has always been to prepare its members for successful careers in investment banking, private equity, consulting, and technology. We are thrilled to see that your efforts are bearing fruit. It's truly a source of pride for all of us to see Limestone Capital alumni making their mark in the professional world.

4. Alumni Engagement:

One of the hallmarks of a thriving organization is its ability to keep its alumni actively engaged. We are pleased to note that the club has fostered a strong sense of community among its alumni. The continuous involvement of former members in mentorship, guest speaker opportunities, and other aspects of club activities is a testament to the lasting impact of Limestone Capital.



Alex Banh
Limestone '14



Josh Jia
Limestone '14



Michael Karp
Limestone '15



Cam McWatt
Limestone '19



Simran Dass
Limestone '20



Kyle Johnston
Limestone '21



Michael Donovan
Limestone '22

About Limestone Capital



Limestone Capital Investment Team 2022-2023 pictured in October 2022

Overview

Limestone Capital is a student-run investment club founded in 2011 at Queen's University in Kingston, Ontario. Limestone currently has 36 members that manage three long-only equity portfolios focused on small to medium-cap U.S. and Canadian securities.

Our Mission

Limestone's mission is to execute on its three pillars of education, exposure, and inclusiveness. In doing so, Limestone aims to provide students across all faculties with education on real-life financial management, exposure to the finance industry, and inclusiveness of the broader community. For its efforts in executing on these pillars, Limestone was nominated for the Queen's Commerce Society's 'Committee of the Year' award for three consecutive years, from 2018 to 2020, and won the award in 2018 and 2020.

Structure

Limestone is led by an executive team consisting of a Chief Executive Officer (CEO), Chief Investment Officer (CIO) and Chief Strategy Officer (CSO). The investment team is divided across six sector teams: Consumers, Cash Yield, Industrials, Natural Resources, Special Situations, and TMT. Each sector team is comprised of Analysts, Portfolio Managers, and Senior Portfolio Managers. Additionally, every September, Limestone hires three Junior Analysts that rotate across all six sector groups. Limestone deploys a value focus investment philosophy that aims to invest in companies with sound fundamentals at a discounted price. As of September 2020, Limestone's newly launched Special Situations fund focuses purchasing companies that have experienced short-term mispricing's due to temporary dislocations. Limestone also recently founded its 'Limestone Capital Development Team' which includes dedicated Marketing and IT individuals.

About Limestone Capital

Our Work

Each sector is responsible for producing four stock pitches over the course of the year. Sector teams use fundamental analysis techniques widely deployed in the industry to identify undervalued securities. Pitches are presented at Limestone's weekly meetings, after which an investment decision is made by the Executive team in collaboration with the sector team. To augment these stock pitches, each sector team is also responsible for producing two in-depth industry reports, which contain coverage of a specific sub-industry within its coverage universe. These reports, which were added in 2018-2019, have to-date covered niche topics such as eSports, Vertical SaaS, and ESG investing.

External Relations

In addition to managing its portfolios, Limestone aims to engage with the broader student community through providing finance education and industry exposure. This past year, Limestone hosted a combination of flagship events such as its 'How to Pitch a Stock Tutorial', Moelis and Company Networking Session, Financial Research Tutorial, Public Markets with OMERS Global Equities and its 'US Banking' session, as well as running brand new events such as our Four-Part Finance Recruiting Series, a fireside chat with Howard Marks, and its first ever set of public meetings. Additionally, Limestone hosted events in partnerships with other clubs such as the Queen's Private Capital Group, with whom we co-hosted an inaugural Social Impact Investing Panel as well as events with esteemed buy-side recruiters; Amity Search Partners and Gold Coast Search Partners. These events had tremendous success, with a turnout of over 1,250 students cumulatively. Finally, a select number of Limestone Capital's stock pitches and reports are shared with the student community through its website, Instagram, Facebook, and LinkedIn. This move has vastly expanded Limestone's reach and offers complete transparency of club work. Limestone Capital's work from the past year can be accessed at www.limestonecapital.org.

Corporate Partnerships

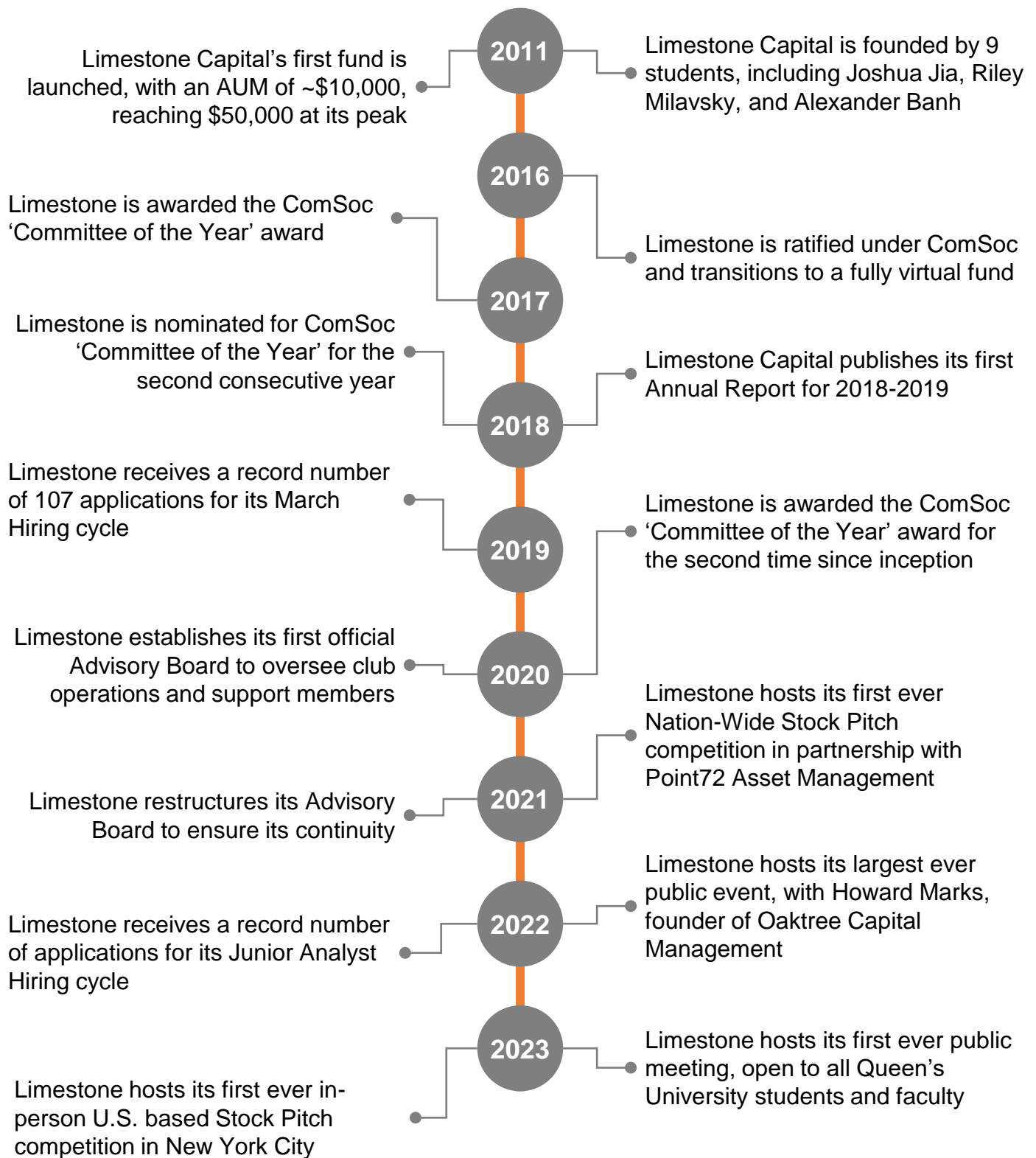
Recruiting Partnerships



Event Partnerships



Key Events in the History of Limestone Capital



Limestone Capital Investment Team 2022-2023

CIO



Devin Meng

CEO



Emma Andison

CSO



Arman Turna

Special Situations

Technology, Media & Telecom

Industrials

Natural Resources

Cash Yield

Consumers



Martin Borrero



Eleni Pantieras



Jadon Domingo



Lucas Gordon



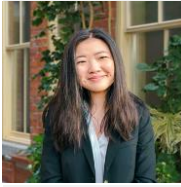
John Cicci



Kate Newell



Jacob Jackson



Melody Yu



Arian Eshraghi



Ryan Doray



Chloe Campeau



MacGregor Milne



Christopher Ma



Yash Lohchav



Chinni Kanu



Quinton Watt



Braden Regular



Hiran Meshksar



Michael Zhang



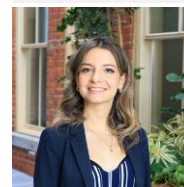
Neel Sharma



Dillon Aristotle



Connell Cusinato



Cora Usurelu



Emma Saganowich



Alex Dilwaria



Jackson Davis



Frederick Arnold



David Di Santo



Jaden Ferrario



Alejandro Chavez

Junior Analysts

Operations



Jack Elkind



Sam Su



Clare Sun



Madeleine Kaminski



Romari Smith



Ryan Vuscan

Class of 2023



Emma Andison

EVERCORE

Investment Banking
New York



Martin Borrero



Investment Banking
New York



Chloe Campeau

CPP **Investments**

Private Equity
Toronto



John Cicci

CPP **Investments**

Private Equity
Toronto



Jadon Domingo

Moelis

Investment Banking
San Francisco



Lucas Gordon

McKinsey
& Company

Mgmt. Consulting
Toronto



Jake Jackson



Private Equity
Toronto



Devin Meng

EVERCORE

Investment Banking
New York



Kate Newell



Asset Management
Vancouver



Eleni Pantieras



Private Equity
Toronto



Arman Turna



Private Equity
New York



Melody Yu



Finance Systems
Toronto



Class of 2024



Ryan Doray



Investment Banking
Toronto



Arian Eshraghi



Investment Banking
Toronto



Chinni Kanu



Investment Banking
New York



Yash Lohchav



Investment Banking
New York



Chris Ma



Growth Equity
San Francisco



Hiran Meshksar



Investment Banking
Toronto



MacGregor Milne



Investment Banking
New York



Braden Regular



Investment Banking
Toronto



Neel Sharma



Investment Banking
New York



Quinton Watt



Investment Banking
San Francisco



Michael Zhang



Private Equity
New York



Class of 2025



Dillon Aristotle



Investment Banking
Toronto



Frederick Arnold



Investment Banking
Toronto



Alejandro Chavez



Investment Banking
Toronto



Connell Cuisinato



Investment Banking
San Francisco



Jackson Davis



Investment Banking
Los Angeles



Alex Dilwaria



Investment Banking
Toronto



David Di Santo



Investment Banking
Toronto



Jaden Ferrario



Investment Banking
Toronto



Emma Saganowich



Investment Banking
New York



Cora Usurelu



Investment Banking
New York

Select Member Accomplishments

On Limestone, our members' hard work and dedication to their club-work has consistently translated to personal success and accomplishments in areas of business and finance outside of Limestone.



Emma Andison Limestone '23 and **Arman Turna** Limestone '23 placed 1st at the National Investment Banking Competition (March 2023)



Cora Usurelu Limestone '25 placed top 8 at the Point72 National Stock Pitch Competition (February 2023)



Emma Andison Limestone '23 **Yash Lohchav** Limestone '24 both placed 2nd for the CFA Society Undergraduate Finance and Economics Scholarship (February 2023)



Emma Saganowich Limestone '25 placed 2nd at the QCAP x QWFM Stock Pitch Competition (February 2023)



Frederick Arnold Limestone '25 and **Cora Usurelu** Limestone '25 placed 3rd at the National Bank x Apex Stock Pitch Competition (January 2023)



Alex Dilwaria Limestone '25 placed top 4 at the Greenhill M&A competition (November 2022)



Sam Su Limestone '26 was a finalist at the UWFA x HEDGE Stock Pitch Competition (November 2022)



Melody Yu Limestone '23, **Michael Zhang** Limestone '24, and **Martin Borrero** Limestone '23 Placing 2nd, 1st, and 1st, respectively at Queen's Case Competition Union international competitions (2022-2023)

Equity, Diversity, and Inclusion Initiatives

Levelling the Playing Field During Hiring

1 First-Year Hiring Resource Pack

First-Year hiring takes place very early into Queen's University students' undergraduate careers, as a result, we recognize that many students may not have been exposed to finance or business in high school. This year, we released our First-Year Hiring Resource Pack for the second year in a row to level the playing field among first-year applicants. The resource pack covers the Limestone Capital investment philosophy, interview prep and frameworks for assessing companies.

2 First-Year Hiring Coffee Chat Program

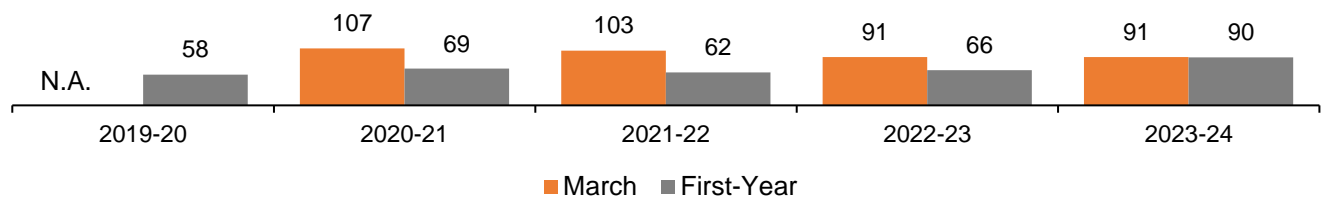
At our First-Year hiring information session in September, we launched an in-person coffee chat program. This program allowed interested first-year applicants to sign up for non-evaluative informational chats with current Limestone Capital members to learn about the club and meet members in person. In total, 60 first-year students benefited from coffee chats organized through this program.

3 Financial Research Tutorial

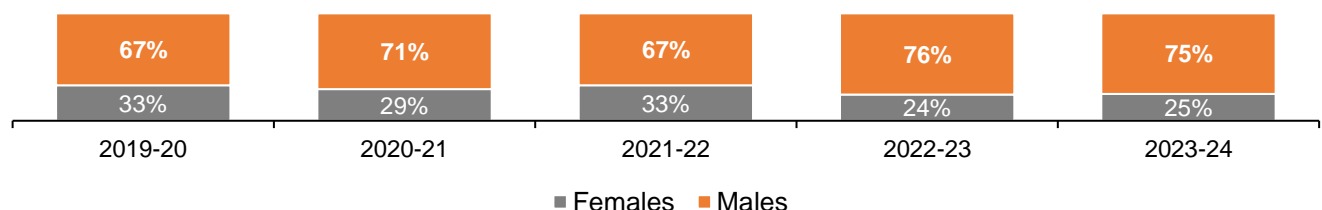
Last academic year, the Smith School of Business provided all Commerce students with access to S&P Capital IQ accounts. To ensure students can leverage these resources through the 2023-2024 March Hiring cycle, we hosted our inaugural [Financial Research Tutorial](#) for the second year in a row to teach students how to utilize S&P Capital IQ, Bloomberg Terminal, Mergent, and IBIS World. This event was led by David DiSanto (Limestone '25), Jaden Ferrario (Limestone '25) and Emma Saganowich (Limestone '25).

Key Equity, Diversity and Inclusion Statistics

Number of Applicants Per Hiring Round



Limestone Capital's Gender Composition



Limestone aims to hire based on quality of candidate and seeks to hire its class proportional to the number of applicants it receives; Limestone continues to engage in meaningful conversations and host initiatives to encourage a higher number of female candidates to level the playing field and ensure we uphold our central pillar of inclusiveness



LIME STONE
CAPITAL

2 | Investing

Limestone's Investment Philosophy

Deep Value Investing

As Limestone Capital is a student-run organization with limited time and resources, we have always believed that our best chance at generating consistent outperformance is through investing in a concentrated portfolio of our very best investment ideas. As such, Limestone's core investment philosophy is that of deep value investing, in which we focus on a limited number of high-conviction ideas. The key tenets of this approach include:

- 1. Concentration:** We only invest in our best ideas – as evidence, only ~25% of Limestone Capital's pitch ideas were ultimately executed upon during the 2022 – 2023 fiscal year
- 2. Due diligence:** Before making an investment decision, we perform extensive due diligence to ensure that we fully understand the company and its industry
- 3. High return confidence:** We only invest in stocks that have significant potential upside along with adequate downside protection

Investing in Great Companies

Using this strategy of deep value investing, we aim to invest in excellent companies that we would be comfortable holding in the portfolio over a long-term horizon. We believe that an exceptional company exhibits many, or all, of the following investment criteria:

1. Strong management track record and credibility
2. Alignment of management incentives through compensation and/or insider ownership
3. Consistent and above-average return on invested capital
4. Unique business model or economic moat: product niches, brand loyalty, monopolies, network effects, cost advantages, intellectual property, switching costs, or economies of scale
5. Low incremental capex or reinvestment requirements resulting in high free cash flow conversion
6. Stable, recurring, and predictable revenue and cash flows
7. Low cyclicity, low commodity risk, or high defensibility
8. Opportunities for growth which exceeds investors' expectations
9. Attractive valuation and resulting margin of safety which provides asymmetric upside; downside protection with opportunities for significant outperformance
10. Clear, compelling, and actionable corporate strategy

Key Questions for Investment

1. Why is this company going to perform better than its peers?
2. If this company is undervalued, why have professional money managers not realized it?
3. Are there any macro-economic or industry-specific risks that could threaten this company?
4. Even if this company is trading at a discount, is the discount long-term and justified?
5. Are we comfortable holding this company for the foreseeable future?

Limestone Portfolio Construction and Investment Process

Portfolio Overview

Construction: Conviction-based¹ allocation across the USD and CAD portfolios

Time horizon: Eight to twenty-four month holding period

Target number of holdings: 8-14 companies in each portfolio

Company size: Small and medium capitalization companies (\$500mm – \$10bn market cap)

USD portfolio benchmark: Russell 2000 Index

CAD portfolio benchmark: S&P/TSX Composite Index

Fiscal year end: April 21, 2023

Our Investment Process

Each sector team pitches three companies per year, resulting in 18 total pitches over the course of the year. Following each pitch, the team faces extensive Q&A from the team and the CIO discusses follow up items with the respective sector team, in order to better understand the merits of each idea. The CIO considers this input along with Limestone's investment criteria to make an initial investment decision.

Portfolio Oversight

Regardless of the initial investment decision, all companies are added to a watchlist where they are closely monitored for price changes that may change our position. After a company is added to one of Limestone's three portfolios, the CIO works alongside the respective sector team to ensure that any major price movements or significant events continually align with our initial investment theses. We frequently adjust our valuation models and analyze quarterly earnings to revise the target prices for our holdings. We aim to be disciplined in exiting our positions when the target price is reached, and we often add to our positions in the event of an unjustified sell-off. This approach of continual oversight also allows us to make informed decisions related to rebalancing the portfolios.

Small to Medium Capitalization Focus

We focus on small and medium-sized companies with market capitalizations between \$500 million and \$10 billion. Because these companies are far less-covered by equity research analysts, we believe that this space presents greater opportunity to identify market mispricing and generate outsized returns. Additionally, we believe that focusing on smaller companies allows our members to better develop unique and contrarian investment theses based on primary research.

Investing in What We Understand

We understand that as students, we do not have the time or resources necessary to fully research and understand complicated or specialized business models or industries. Investing in these areas could place us at an informational disadvantage to professional investors with greater resources at their disposal. As such, we focus on investing in businesses and industries that our sector teams intimately understand, and view this as a prerequisite for generating intelligent investment theses.



1. Conviction-based portfolio construction is where a portfolio is made up of and weighted based on the level of conviction in the company as opposed to other factors

CIO Commentary – Fiscal Investment Performance Review

At the beginning of Limestone’s 2022 – 2023 fiscal year in September 2022, the global economic landscape was highly unstable, with rising interest rates, hints of a looming recession and rampant inflation with no end in sight. Given Limestone’s belief that there is little value to be gained in attempting to read the market and predict the future, we decided to introduce a new emphasis for the fiscal year in an effort to identify the best-positioned companies to weather the current environment. As such, Limestone introduced a focus on identifying companies with outstanding pricing power. As long-term, value-oriented investors, pricing power to us allows companies to combat rising costs and navigate turbulent market environments through fundamental barriers they have established in their respective industries. The rationale for implementing an emphasis on pricing power is three-fold. First, pricing power is a strong indication of a company’s quality. To obtain pricing power, the business would have needed to position itself as a market leader with sustainable competitive advantages that can fend off competitive pressures. Additional indications include but are not limited to, a business with loyal end markets with non-cyclical demand, a robust supply chain and insulated competitive positioning - all characteristics that Limestone aims to identify in an investment target. Additionally, pricing power acts as an inflation hedge. With inflation at record highs, input costs for companies across the world are increasing significantly. As such, it is crucial to identify and invest in companies that are not facing margin pressure from inflation. Meaning companies that can pass down the increased input costs to their customers without losing business. Finally, as inflation is tamed with monetary policy, companies with pricing power can experience margin expansion and increases in valuation. This is important given Limestone’s longer-term investment horizon. The emphasis on pricing power was conveyed to the entire team at the beginning of the year so that each sector team could understand the rationale for the need for pricing power and screen and pitch companies that can excel in this aspect. This emphasis was also a key decision-making criterion when evaluating whether or not to invest.

Limestone Portfolio Fiscal Year Performance – At a Glance

FUND	FUND RETURN ¹	BENCHMARK	BENCHMARK RETURN ¹	RELATIVE PERFORMANCE
CAD Portfolio	7.90%	S&P / TSX Composite Index	7.49%	0.49% Outperformance

FUND	FUND RETURN ¹	BENCHMARK	BENCHMARK RETURN ¹	RELATIVE PERFORMANCE
USD Portfolio	14.10%	Russell 2000 Index	(5.77%)	19.87% Outperformance

FUND	FUND RETURN ¹	BENCHMARK	BENCHMARK RETURN ¹	RELATIVE PERFORMANCE
SSG Portfolio	28.67%	Russell 2000 Index	(5.77%)	34.44% Outperformance



1. Fiscal year return as of fiscal year end on April 21, 2023

CAD Portfolio – Since Inception September 26, 2017

FUND	ABSOLUTE RETURN	ANNUALIZED FUND RETURN	BENCHMARK	ANNUALIZED BENCHMARK RETURN	RELATIVE PERFORMANCE ¹
CAD Portfolio	56.37%	9.58%	S&P / TSX Composite Index	6.65%	2.93% Outperformance

Limestone Capital's CAD Portfolio was incepted on September 26, 2017. The fund comprises small to mid-cap equities that trade on a Canadian exchange, primarily the Toronto Stock Exchange (TSX). The strategy employed by the CAD Portfolio is the core, deep value philosophy that Limestone prides itself on. Given the Canadian business market, the portfolio has historically been overweight on Natural Resources and Cash Yield. Aside from Special Situations, all sector teams can pitch companies that can be invested in and added to the CAD Portfolio.

USD Portfolio – Since Inception September 26, 2017

FUND	ABSOLUTE RETURN	ANNUALIZED FUND RETURN	BENCHMARK	ANNUALIZED BENCHMARK RETURN	RELATIVE PERFORMANCE ¹
USD Portfolio	78.48%	12.10%	Russell 2000 Index	4.19%	7.91% Outperformance

Limestone Capital's USD Portfolio was incepted on September 26, 2017. The fund is similar to the CAD Portfolio in that it comprises small to mid-cap equities and employs Limestone's core, deep value philosophy. However, as the name suggests, the USD Portfolio can only invest in US-listed companies, primarily the New York Stock Exchange (NYSE) or NASDAQ. When compared to the CAD fund, the USD fund, as of recently, has been overweight on Technology, Media and Telecommunications stock. Despite the weighting, Limestone's deep value strategy is never forgotten. Aside from Special Situations, all sector teams can pitch companies that can be invested in and added to the USD Portfolio.

Special Situations Portfolio – Since Inception November 9, 2020

FUND	ABSOLUTE RETURN	ANNUALIZED FUND RETURN	BENCHMARK	ANNUALIZED BENCHMARK RETURN	RELATIVE PERFORMANCE ¹
SSG Portfolio	46.39%	16.95%	Russell 2000 Index	3.77%	13.18% Outperformance

Limestone Capital's Special Situations Portfolio was incepted on November 9, 2020. The fund is exclusive to investing in pitches from the Special Situations coverage team and follows a three-pronged investment mandate. 1) thematic investing, where the coverage team finds transformative events / trends and develops conviction in theme and a company; 2) buying stocks that offer a highly attractive expected return vs. associated risks, often meaning heavily mispriced companies; and 3) screening for businesses that are experiencing depressed valuations due to short-mid-term catalysts / investor sentiment in which Limestone can develop a catalysts-backed variant view on the stock.



1. Relative performance is calculated on an annualized basis through comparing the annualized return of the fund and the annualized return of the benchmark index

CAD Portfolio Holdings

HOLDINGS	AVERAGE COST	PORTFOLIO WEIGHTING	PERFORMANCE SINCE INVESTMENT ¹
Dream Industrial REIT (TSX: DIR.UN)	\$11.51	17%	28.28%
GDI Integrated Facility Services (TSX: GDI)	\$41.80	7%	(4.19%)
Largo (TSX: LGO)	\$7.10	12%	1.13%
Sleep Country (TSX: ZZZ)	\$24.04	5%	(1.96%)
S&P / TSX Index ETF (TSX: ZCN)	\$151.63	34%	33.64%

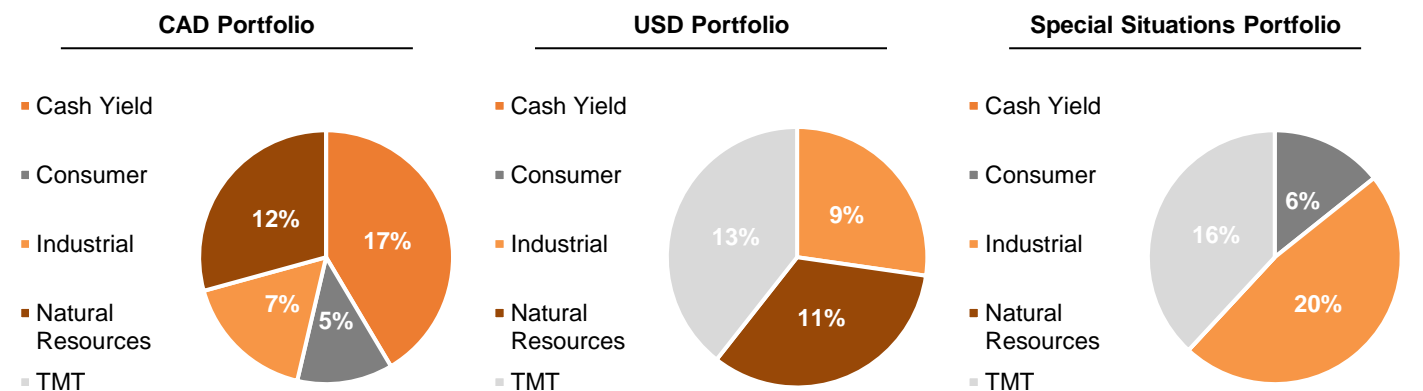
USD Portfolio Holdings

HOLDINGS	AVERAGE COST	PORTFOLIO WEIGHTING	PERFORMANCE SINCE INVESTMENT ¹
AvePoint (NASDAQ: AVPT)	\$3.90	6%	8.21%
Cal-Maine Foods (NYSE: CALM)	\$54.27	4%	4.20%
Clean Harbor (NYSE: CLH)	\$98.07	9%	44.21%
Intrepid Potash (NYSE: IPI)	\$30.70	4%	(13.06%)
NextEra Energy Partners (NYSE: NEE)	\$74.79	3%	(16.74%)
Perion Network (NASDAQ: PERI)	\$30.49	7%	27.03%
Russell 2000 ETF (NYSE: IWN)	\$151.63	19%	26.29%

Special Situations Portfolio Holdings

HOLDINGS	AVERAGE COST	PORTFOLIO WEIGHTING	PERFORMANCE SINCE INVESTMENT ¹
Camtek (NASDAQ: CAMT)	\$21.16	13%	18.71%
Chegg (NYSE: CHGG)	\$28.89	3%	(38.98%)
Graphic Packaging (NYSE: GPK)	\$14.63	11%	70.81%
United Airlines (NASDAQ: UAL)	\$41.44	9%	11.66%
Vista Outdoor (NYSE: VSTO)	\$26.42	6%	(0.68%)

Portfolio Equity Allocation



Commentary

Limestone's approach for portfolio construction during the 2023 fiscal year was a conviction-driven approach paired with our rigorous investment process. This means our approach to position sizing and industry weighting solely depends on our conviction of the company's ability to deliver attractive risk-adjusted returns. Investing in the companies we have the most confidence in will drive outperformance for Limestone's portfolios. In short, we only invest in the best ideas. While this does increase portfolio risk, it prompts meticulous analysis, questioning and decision-making from the team. On Limestone, we welcome skepticism, rigorous cross-examination and attempts at second-level thinking. This attitude has resulted in high-quality pitches and discussions, leading to successful investments. As such, Limestone was not worried about having a balanced portfolio, only a portfolio of the highest quality companies.

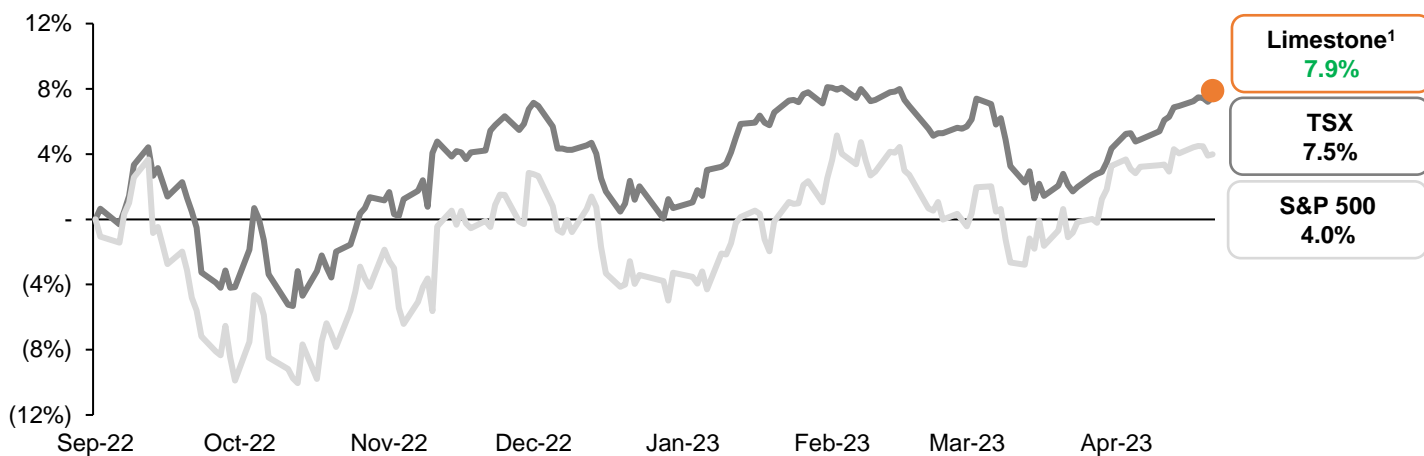
Executed Sell Trades

COMPANY	PORTFOLIO	SECTOR	DATE	OUTCOME
Renewable Energy Group (NASDAQ: REGI)	USD	Natural Resources	06/21/2022	6.33%
Canada Goose (TSX: GOOS)	CAD	Consumer	10/27/2022	(44.29%)
AerCap (NYSE: AER)	USD	Cash Yield	11/04/2022	16.91%
Victoria's Secret (NYSE: VSCO)	USD	Consumer	12/08/2022	5.00%
Mercury Systems (NASDAQ: MRCY)	USD	Industrial	12/15/2022	(20.51%)
Avid Technology (NASDAQ AVID)	USD	TMT	01/12/2023	(9.01%)
Dynatrace (NYSE: DT)	USD	TMT	02/02/2023	54.23%

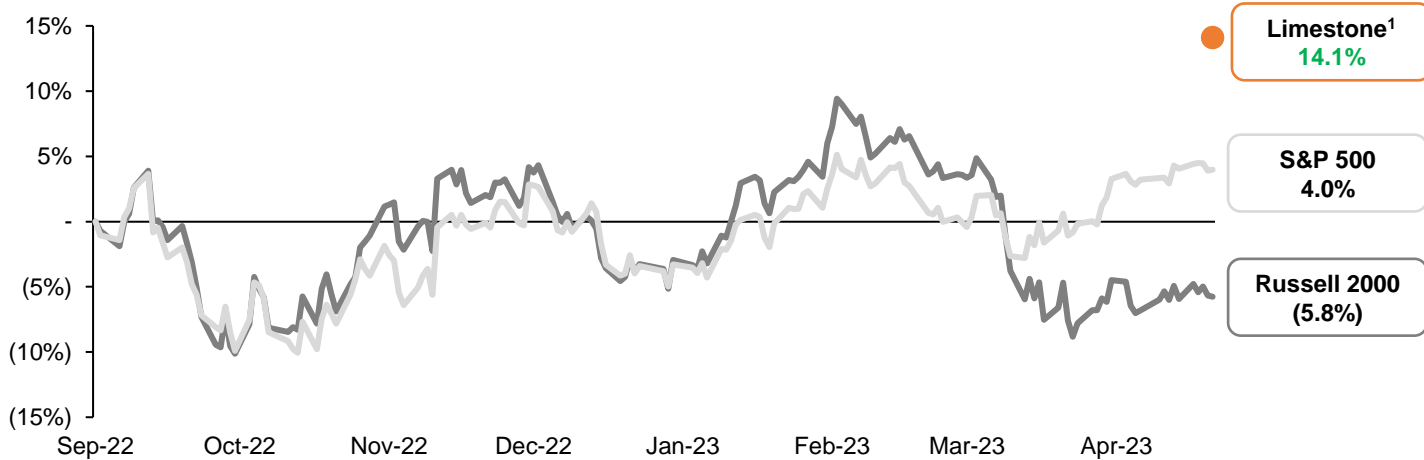
Commentary

All decisions to sell or increase positions are made in collaboration between the sector coverage team and the CIO. Each sector team presents a quarterly update on its holdings, providing insight into how the company is performing, the realization process of our theses and whether or not we should revisit the investment. If a company is on track to realizing our theses and catalyst, but the position is trading down, and we still have confidence in the mispricing, we would likely increase our position and lower our average cost. This was frequent during the beginning of FY'23 as the broader market faced a sell-off. To warrant a sell decision, one of two things must be true. We will sell the position and realize the gains if we have experienced near, or more than our upside and the sector team believes our theses and catalysts have been realized. This was the case for Dynatrace and AerCap. On the flip side, if the company is trading down and the team believes the company is on a sub-optimal trajectory where our theses are far from being realized, we will exit the position in a timely manner to minimize losses. We took this approach when evaluating the exits of Canada Goose and Mercury Systems, both trading lower in August 2023 than when we exited.

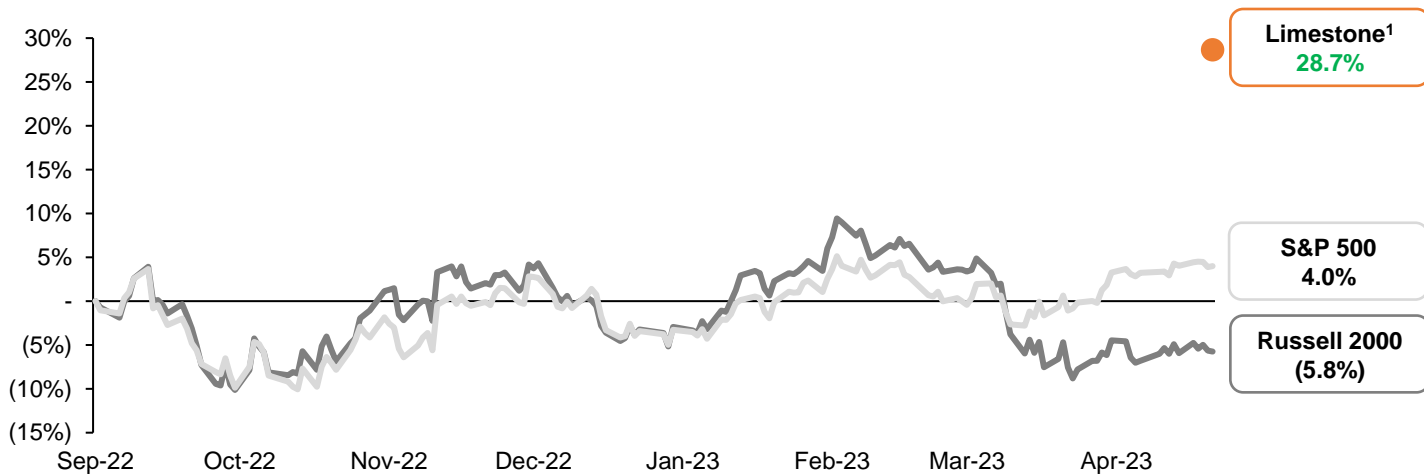
CAD Portfolio – Fiscal Year Ended April 21, 2023



USD Portfolio – Fiscal Year Ended April 21, 2023



Special Situations Portfolio – Fiscal Year Ended April 21, 2023



1. Fiscal year return of respective fund as of fiscal year end on April 21, 2023



3 | Events

External Events

Overview

In line with one of our core pillars, education, Limestone hosted 19 events this year that covered an array of topics. Overall, our events generated a combined attendance of more than 1,250 students. Moreover, we partnered with other student-run clubs and professional firms to diversify the themes of our events. Photos and brief descriptions can be found below and on the following pages.

Junior Analyst Hiring Info Session



September 19th, 2022

Every year, ahead of our Junior Analyst process, Limestone Capital hosts an info session to prospective candidates. This year we had alumni, Manoj Anandan Limestone '21, present and answer questions.

How to Pitch a Stock Tutorial



November 9th, 2022

One of our most popular annual events - Chris Ma, Braden Regular and Michael Zhang (Limestone '24s) hosted a tutorial on the stock pitching process. The session outlined the process from ideation to execution, in addition to communicating a pitch in an interview setting.

Finance Recruiting Prep Series



November 7th-December 5th, 2022

Limestone Capital hosted 4 in-person sessions covering the main topics of traditional finance interviews. The sessions were led by the Executive and featured senior and junior members of the investment team.

Public Markets with OMERS



November 24th, 2022

Limestone was proud to host OMERS Global Equities for the second year in a row for a panel discussion on equity markets as part of our 'Public Investing Series'. This event featured two principals; Matthew Hind and Milan Stojev.

External Events

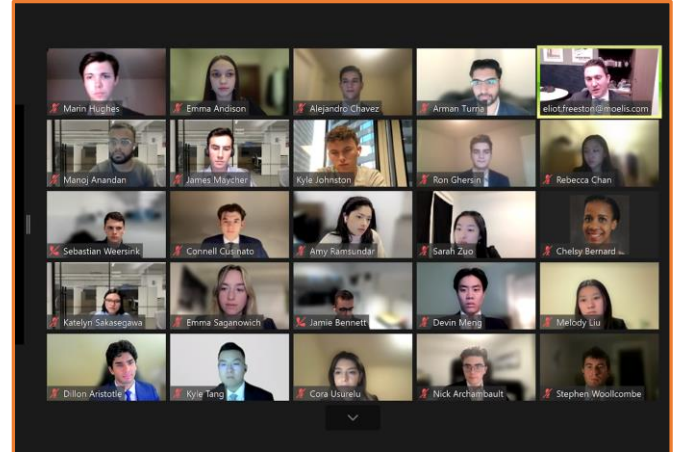
Point72 Stock Pitch Competition



January 13th, 2023

Limestone Capital re-launched its national stock pitch competition in partnership with Point72 Asset Management. This was open to all Canadian university students and received 57 submissions; top 8 finalists had the opportunity to present in-person to Point72 in their New York City office.

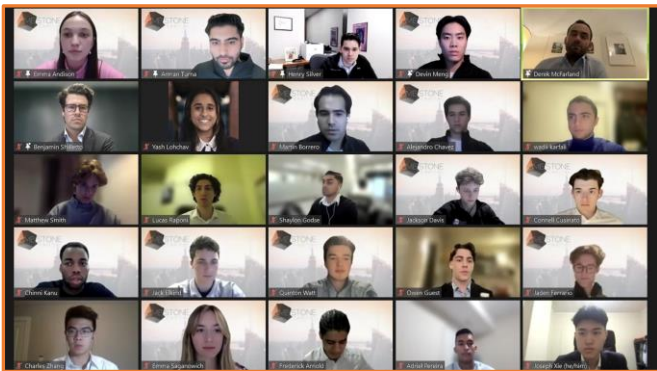
Moelis & Company Networking Session



February 13th, 2023

Limestone Capital hosted its networking session with Moelis and Company for the third year in a row, featuring multiple Queen's University and Limestone Capital alumni. The event was attended by a select number of second year students and we received record interest for this event.

US Banking Day



February 8th, 2023

Limestone hosted a U.S. Banking Day, featuring two panels. The Junior panel featured Limestone members Martin Borrero, Yash Lohchav, and Devin Meng. The senior panel featured esteemed bankers; Henry Silver (Centerview), Derek McFarland (Goldman Sachs), and Ben Shilleto (Moelis).

Public Meetings



February 9th & March 19th

Limestone was excited to host its first ever public meetings since ratification as a official Commerce Society club. Limestone believes that public meetings serve as an opportunity for the broader student body to benefit from the learning opportunities that Limestone pitches have to offer.

External Events

Howard Marks Virtual Fireside Chat



February 16th, 2023

Limestone Capital proudly hosted Howard Marks for a virtual fireside chat. Howard is the co-founder and co-chairman of Oaktree Capital Management as well as an esteemed author. This was Limestone's highest attended event in history.

Social Impact Investing with QPCG



March 6th, 2023

Limestone Capital and the Queen's Private Capital Group partnered to host the first ever 'Social Impact Investing' panel, featuring speakers from various industries, including Sofia Zhong Limestone '17, co-founder of L Catterton's inaugural impact fund.

Financial Research Tutorial



March 15th, 2023

Limestone Capital hosted this event for the second year in a row, featuring three Limestone analysts, David Di Santo, Emma Saganowich, and Jaden Ferrario. The tutorial served as an opportunity to learn the fundamental skills for navigating platforms crucial for stock pitches and careers in finance.

Buyside Recruiting



March 27th & April 19th

Limestone was honored to partner with the Queen's Private Capital group to welcome back Amity Search Partners and Gold Coast Search Partners for separate events covering the de-mystification of post-grad buyside recruiting.



4 | Alumni

Alumni Relations and Mentorship

Limestone's continued success would not be possible without the ongoing support the alumni network provides. Since the first graduating class in 2011, the alumni base has grown to over 120 individuals who have come back to support our members through training and mentorship programs. Limestone is truly privileged to boast a robust and continually expanding community of accomplished, engaged, and dedicated alumni. Our alumni network encompasses a diverse range of professional industries, encompassing investment banking, private equity, asset management, management consulting, technology, and entrepreneurship. Moreover, Limestone's alumni community extends across the globe, with a strong presence in major cities including Toronto, New York, San Francisco, London, and Hong Kong.

Alumni Placements

Private Equity & Investing



Investment Banking

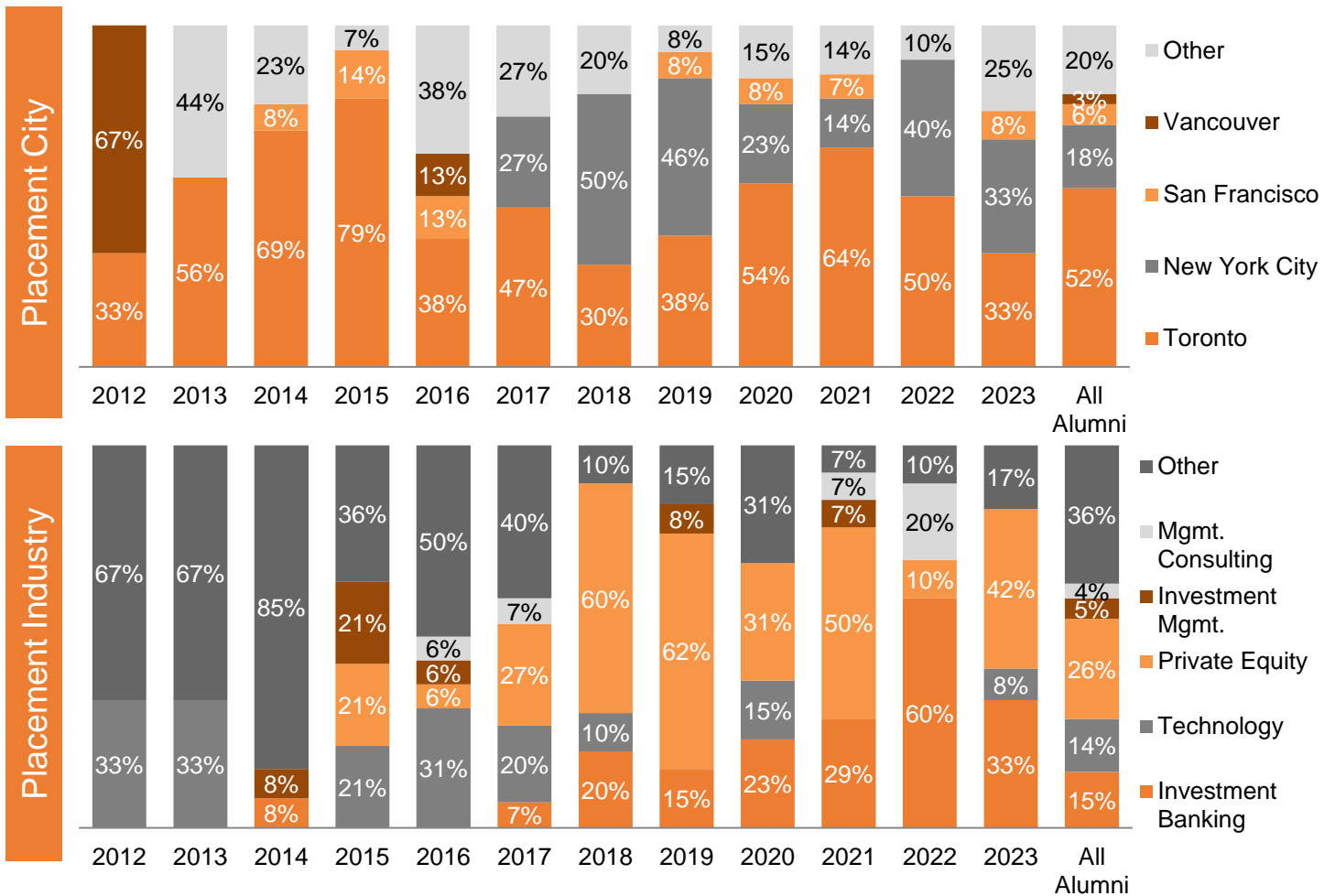


Alumni Placements (cont'd)

Consulting, Technology & Other



Alumni Statistics



Our Mentorship Program

One of the strongest support systems provided to Limestone students is the access to personal mentors through our alumni mentorship program. Each student was connected to one to three alumni based on their interests, recruiting goals and areas for development. Through our mentorship program, students have access to an experienced opinion in an informal setting as well as continuous career advice, assistance with technical concepts, opportunities for mock interviews as well as access to further industry professionals. With our mentorship program, we substantially increase the access to information and guidance for our members and continuously leverage our robust alumni network to improve the experience for our organization. As our organization continues to grow, both the numbers and experience of our mentorship pool also improves, to the benefit of the future years of Limestone Capital's class.

"The dedication of Limestone's members to fostering your achievement is apparent not only among upper-year students but also within the alumni network. Through the mentorship program, I gained invaluable access to guidance and direction from Vice Presidents of leading financial institutions and financial analysts situated in a global financial center, which was critical in helping me navigate recruitment and pursue my interests. This exposure not only played a decisive role but was integral to my success."

Frederick Arnold
Limestone Class of 2025

Thank you to the alumni who participated this year

Albert Dorfman , Class of 2017	Jacob Neufang , Class of 2020	Nicholas Power , Class of 2014
Alice Qi , Class of 2022	James Maycher , Class of 2022	Rahim Kara , Class of 2014
Cameron McWatt , Class of 2019	Jessica Galli , Class of 2019	Riley Webb , Class of 2015
Christy Ma , Class of 2019	Josh Jia , Class of 2014	Saajan Hopton , Class of 2021
Connor Roth , Class of 2020	Kyle Johnston , Class of 2021	Sasha Twardowski , Class of 2021
Daniel Wienshenker , Class of 2012	Malavika Patel , Class of 2022	Shu Lei Wu , Class of 2022
Dean Ponce , Class of 2022	Matthew Reeves , Class of 2015	Simran Dass , Class of 2020
Dylan Rupnow , Class of 2021	Michael Donovan , Class of 2022	Taylor Durand , Class of 2020
Edward Huang , Class of 2021	Michael Karp , Class of 2015	Vincent Jiang , Class of 2014
Elliot Rosenbaum , Class of 2018	Michael Milazzo , Class of 2016	

Advisory Board

In 2020, Limestone implemented a landmark structural change to its governance structure: an Advisory Board. This structural update signified Limestone's 10th year of existence, as it was necessary to manage increasingly complex operations as well as to strengthen the connection between our extensive alumni base and current members.

In 2022, Limestone restructured the Advisory Board to ensure its longevity and enable it to more prominently positively impact the Limestone community.

Mission Statement: To provide strategic guidance, oversee club operations, supervise portfolio management, and serve as a bridge to the broader Limestone Capital alumni community in partnership with the Limestone Executive.

Structure:

- 'Committee of the whole' – i.e., no subcommittees
- No Chairperson; meetings are led by the CEO
- Three meetings per year (spring, fall, winter)
- Meeting minutes are uploaded to the club-wide database to ensure transparency
- One new member joins every year to represent each graduating class
- Each member has a minimum two-year term, maximum of four years

Advisory Board (2022-2023)



Alex Banh
Limestone '14



Josh Jia
Limestone '14



Michael Karp
Limestone '15



Cam McWatt
Limestone '19



Simran Dass
Limestone '20



Kyle Johnston
Limestone '21



Michael Donovan
Limestone '22



Arman Turna¹
Limestone '23

Senior Alumni Testimonials



“We founded Limestone on the pillars of inclusivity, education, and exposing students to careers in finance. In the last nine years, this group has exceeded my wildest expectations while living by our core values. You won’t find a tighter-knit group of students on campus who support and celebrate each others’ success.”

Alexander Banh
Limestone Class of 2015

FULCRUM
TECHNOLOGY HOLDINGS



“Coming from someone who started university not knowing where he wanted to take his career, Limestone played an instrumental role in helping me determine finance was what I wanted to do. The club’s learning platform, access to mentors and friendly environment have been invaluable to my progression as a young professional.”

Michael Karp
Limestone Class of 2015

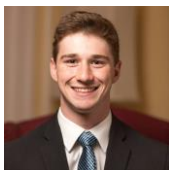
STORMONT PARTNERS



“Limestone is a great opportunity for students interested in finance to prepare for a career outside of the classroom. Limestone provides students with the opportunity to: i) learn from knowledgeable peers in an inclusive team environment, ii) expand their network, and iii) apply class learnings in a tangible manner.”

Riley Webb
Limestone Class of 2015

CLAIRVEST



“Limestone is the organization at Queen’s that was most critical to my professional development. The people at Limestone are what truly set this organization apart from the others. There is a meticulous devotion towards education and mentorship that allows its members to succeed in their chosen careers. The people you meet on Limestone become friends and mentors that stay with you beyond graduation.”

Michael Milazzo
Limestone Class of 2016

**McKinsey
& Company**



“Limestone was hands-down the most formative part of my Queen’s experience, both on a professional and personal basis. I met lifelong mentors and friends, who were crucial to my development. These people, along with the current roster of incredibly talented kids on the club, continue to inspire me everyday.”

Sarah Fadel
Limestone Class of 2017

Juno



“My time with Limestone Capital was a formative experience that was instrumental in setting me up for the first few years of my career. The network of upper-years and alumni helped prepare me for the grueling investment banking recruiting process as well as opened doors to opportunities beyond the school’s job board (and continues to do so).”

Karan Khanna
Limestone Class of 2017

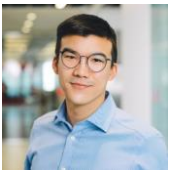
Dropbox

Senior Alumni Testimonials



“Limestone has been an absolutely invaluable experience during my time at Queen’s. The educational resources, the team atmosphere, and most importantly its very talented people have contributed immensely to both my personal and professional development. It’s very exciting to stay involved even now as an alumni, and to see the club grow so quickly.”

Ben Liu
Limestone Class of 2017



“Limestone Capital was one of my most important experiences at Queen’s. The club gave purpose beyond predictable class lectures and prepared me at a professional level for management consulting - both in technical analysis and delivering a convincing pitch. Most importantly, the focus on mentorship and collaboration formed friendships that have continued well beyond graduation.”

Iain McKenzie
Limestone Class of 2017



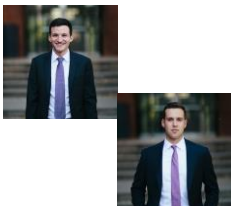
“The network that I was able to build through Limestone is truly unparalleled from both a personal and professional perspective. Limestone provided me the opportunity to learn from countless brilliant individuals, several of whom I consider to be my closest friends. By leveraging this network, I was well-equipped to achieve my goal of beginning my career in Investment Banking.”

Joanna Moroz
Limestone Class of 2017



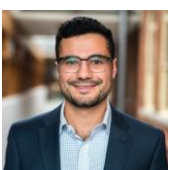
“Joining Limestone was one of the best decisions I made while at Queen’s. Throughout my time on the club, I had the privilege of learning from incredibly sharp students who took a very serious interest in my personal and professional development. That attitude has been at the core of the club’s culture and is the reason why I have found Limestone members to be amazing teachers and mentors.”

Kanak Nagee
Limestone Class of 2018



“We were both on Limestone for a majority of our undergrad at Queen’s. Looking back, it’s clear to us that Limestone is the only club at Smith that will holistically prepare you for life after University. Through the ‘drop everything’ culture and focus on education, Limestone taught us the hard skills to prepare for investment banking, and the soft skills to understand the value of collaboration and teaching.”

Elliot Rosenbaum & Alexander Sigel
Limestone Class of 2018



“Limestone was without a doubt the most transformative experience for me during my time at Queen’s. The strong training program coupled with an environment full of supportive and ambitious individuals helped push my personal development far past typical university learning. In addition, I made friendships with Limestone members that will long survive graduation.”

Ethan Vera
Limestone Class of 2018

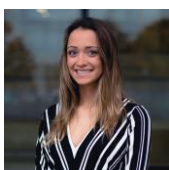


Recent Alumni Testimonials



“While being part of the Limestone Capital team seems unrelated to a career playing professional golf, the teamwork and analytical skills I developed through the club have proven invaluable. My experiences on Limestone have been uniquely influential on my approach to working with my coaches, evaluating past performances, and improving my attention to detail in training and competition.”

Trevor Corner
Limestone Class of 2019



“My experience on Limestone was instrumental in enabling me to pursue a career in finance. The mentorship and support I received from the entire team was unparalleled. The club allows members to develop critical financial acumen positioning them well for interviews and job opportunities. The knowledge I acquired on the club allowed me to secure various internships and my full-time job at JPM.”

Jessica Galli
Limestone Class of 2019



“Limestone provided me with an unparalleled opportunity to pursue an interest and career in finance. The club and its members created a collaborative and enriching atmosphere to progress both personal and professional development while at Queen’s and continues to influence my life today through active alumni engagement and long-lasting friendships.”

Jack Holmes
Limestone Class of 2019



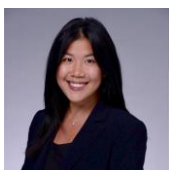
“Being a part of Limestone Capital was one of the highlights of my time at Queen’s. The learning experiences helped me start my career on the right foot and the friends I made have been great.”

Mikhial Hudda
Limestone Class of 2019



“My experience on Limestone was an invaluable part of my time at Queen’s. The club provides unparalleled mentorship and training which propels members into top careers. Limestone offers a unique opportunity to develop and discuss investment ideas with a talented group of individuals. Many alumni remain closely involved with the club, and I am excited to see the Limestone network grow over time!”

Shawn Kang
Limestone Class of 2019

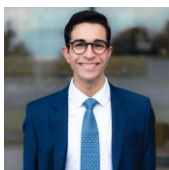


“The guidance and mentorship from the Limestone network is invaluable. You can network and learn from upper years and alumni across top-tier firms, which is something I found to be extremely helpful during recruiting. Limestone also provided me with countless learning opportunities that contributed to both my personal and professional development. I’m incredibly grateful to have been a part of Limestone.”

Christy Ma
Limestone Class of 2019



Recent Alumni Testimonials



“I consider myself very lucky to be a part of Limestone. During my time at Queen’s and also as an alumni, I have benefited immensely from an incredibly talented and motivated group of individuals, who remain some of my closest friends today. It has been exciting and rewarding to witness the development of Limestone and its members, and I can’t wait to see where the club goes in the coming years.”

Cameron McWatt
Limestone Class of 2019



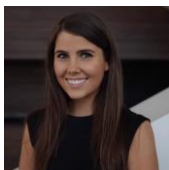
“Being a member of Limestone was one of the best parts of my experience at Queen’s. The training and mentorship opportunities that the club provides played an instrumental role in building my investment knowledge and helped me develop key skills. I’m fortunate for Limestone’s exceptional alumni network that supported me through recruiting, and continues to keep close contact, long after graduation.”

Ben Sisokin
Limestone Class of 2019



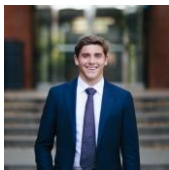
“Limestone Capital is a great way for students who are interested in investing and financial markets to get involved at Queen’s. The tangible skills you learn in technical training and critical thinking will allow members to succeed in their chosen careers. Limestone has been an important part of my professional development as various colleagues and alumni have provided invaluable advice and mentorship.”

Rayan Soni
Limestone Class of 2019



“My time on Limestone was a highlight of my experience at Queen’s. The training and mentorship I received better prepared me for recruiting and my current job more than any other class or club. On top of this, I formed some of my best friendships with fellow Limestone members who I look forward to remaining in touch with.”

Claire Strickland
Limestone Class of 2019



“Limestone provides students exposure to the intricacies of finance that are often overlooked in the classroom. Through tight-knit teams and a professional environment, the club facilitates learning and personal development to prepare members for their professional roles. My experience with Limestone has been, and will continue to be, a differentiating factor in my professional career.”

Matthew Vandepol
Limestone Class of 2019



“Being a part of Limestone was one of the best parts of my Queen’s experience. Limestone provided me with the opportunity to build valuable knowledge, experience and professional relationships alongside personal friendships. The comprehensive training program prepared me well for a career in finance. I look forward to witnessing the incredible new accomplishments of the club and its members each year.”

Nathan Witteveen
Limestone Class of 2019



A dark, atmospheric photograph of the Golden Gate Bridge in San Francisco, taken at dusk or dawn. The bridge's towers and suspension cables are silhouetted against a dim, hazy sky. The water of the bay is visible in the lower portion of the frame, with a few small boats. The overall mood is quiet and iconic.

5 | Pitches

Sector Reports

CASH YIELD

North American REIT Deep Dive

In this report, the Cash Yield team explores the world of REITs by providing sub-sector backgrounds, historical performance, the major player landscape, emerging trends, and a future outlook on Industrial, Retail, Residential, Office, Healthcare, Gaming and Agricultural REITs.

CONSUMERS

GenZ to GenX: Generations of Consumer Behaviour

The world is constantly changing, maybe now more than ever, and staying up to date with ever-evolving consumer behaviors, preferences, and trends is challenging. This report delves into the history of consumer preferences, how they have changed, and the Consumers team's take on understanding how and when to capitalize on specific industry trends.

INDUSTRIALS

Industrials 2023: An Oracle's Sphere

The Industrials team explores recent developments in ESG and AI focused regulations and trends in manufacturing and shipping. Additionally, the report shed a light on the Eastern hemisphere by analyzing how manufacturing and distribution patterns may differ in the foreseeable future.

SPECIAL SITUATIONS

Vertical SaaS: Attractive Businesses at a Discount

This report takes a deep dive into the Vertical SaaS sub-sector by providing a general overview, highlighting industry outlook and dynamics, explaining the business model and its economic moats and merits, analyzing its historical performance and investable opportunities in the space.

TECHNOLOGY, MEDIA, & TELECOMMUNICATIONS (TMT)

Game On: The Developing Esports Landscape

Esports is a booming global industry that has proved itself to be more than a fad. As the gaming market continues to grow and challenge the status quo, the TMT team deep dive into the world of Esports. The report provides an overview of the industry, explained business models key segments, provided two in-depth case studies and highlighted investment implications.



CASH YIELD

TransUnion (NYSE: TRU) – Oct 20th, 2022



Price at Pitch: \$55.95 **Target Price:** \$70.53 (+26%) **Current Price:** \$64.80 (+18%)¹

Business Description: TransUnion is the smallest of the “Big Three” international consumer credit reporting agencies. TransUnion collects and analyzes financial information on over 1 billion people in 30 countries to offer various solutions, primarily credit score checks.

Diverse Operations with Monetization Expansion: TransUnion operates under three main segments: US Markets, International Markets, and Consumer Interactive. Aside from stable margins from its credit bureau core, TransUnion is also growing revenues and improving margins by breaking into big data, a market unique to TransUnion’s ability to leverage financial information collection at almost no marginal cost.

Inorganic Growth Pushes Business Beyond Oligopoly: TransUnion has a successful history of acquisitions, namely Neustar, with growth accelerating to lower double digits in FY23, and Sontiq, with mid-teen revenue growth and ~40% Adj. EBITDA margins. TransUnion is also heavily focused on international expansion – the company created the biggest credit bureau in India a decade before any other credit bureau even entered this rapidly growing economy.

Underperformance Has Led to Mispricing: TRU’s underperformance primarily represents poor solvency metrics and large near-term maturity walls. Higher-risk investors could accept this entry point if backed by a high conviction in debt management. Strong history of leverage management, and UFCF provides confidence in improving solvency or re-financing before maturity.

Executive Decision: Watch

The credit rating industry is an oligopoly with three players, which benefits TRU as its market position remains secure, and the company can take more risks. This has led TRU to expand geographically to underserved markets and stretch its product offering traditionally. However, the company received a watch decision as the company has an industry-trailing leverage level and limited differentiation from larger competitors. Equifax and Experian have leverage ratios of 3.3x and 2.2x, respectively, while TRU has a leverage ratio of 5.6x. This is unideal given the majority of TRU’s debt has floating rates, a high-yield debt rating and an M&A-fueled growth strategy. TRU’s larger competitors hold the majority of market share, allowing them to benefit from greater pricing power and network effect while offering the same service, leading to TRU losing market share YoY.

Fig. 1: Revenue Growth (US\$, mm)

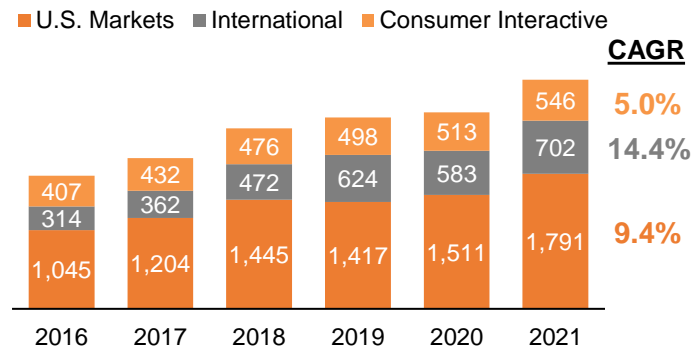


Fig. 2: LTM Relative Performance

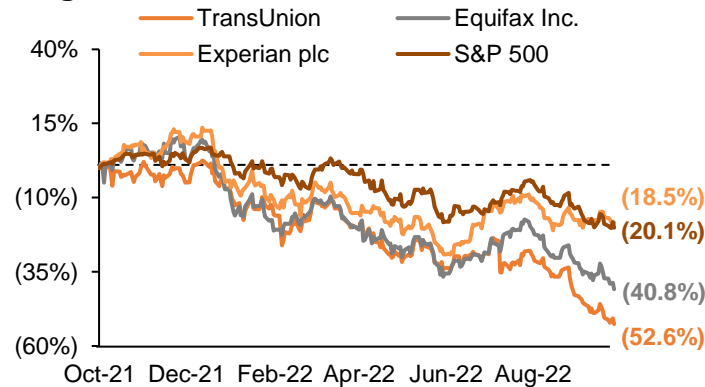
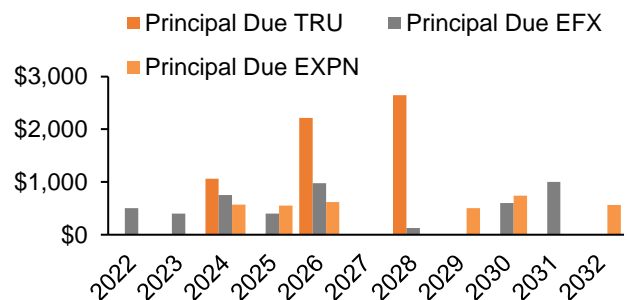


Fig. 3: Peer Maturity Walls (US\$, mm)



CASH YIELD

Dream Industrial REIT (TSX: DIR.UN) – Dec 1st, 2022



Price at Pitch: \$9.07 **Target Price:** \$14.74 (+24%) **Current Price:** \$11.15 (+23%)¹

Business Description: Dream Industrial REIT (TSX: DIR.UN) owns and operates a C\$6bn, 43 million sq ft. diversified industrial properties portfolio across North America and Europe. Dream Industrial REIT's core assets fall into the distribution, urban logistics, and light industrial categories, with distribution representing 55% of IP value.

Strong Asset Diversification Throughout E-commerce Chain: Dream's Canadian strategy focuses on expanding its urban logistic assets. The Cash Yield team is supportive of this strategic move as, in our view, last-mile delivery assets represent the most attractive characteristics of industrial REITs. Dream's assets are well positioned throughout crucial distribution points in the e-commerce supply chain. Light industrial assets vary by industry but occupy high switching costs due to tenant investments. The platform has also allowed Dream to capture the private and public market cap rate disparities found across North America and Europe.

Strong History of Accretive Acquisitions: Dream's M&A expansion strategy has proven successful over the past few years, focusing on the strong markets of ON and QC. In November 2022, Dream announced a partnership with GIC, a Singaporean sovereign wealth fund, to acquire a 10% stake in Summit Industrial Income REIT, representing C\$470mm of the C\$5.9bn deal and Summit, DIR.UN has recycled \$275 million of non-core assets since 2018.

Executive Decision: Buy

Dream Industrial REIT is overall the best-positioned REIT to benefit from the e-commerce tailwind. Not only is DIR.UN's portfolio is diversified between Canada and Western Europe. Its strategy focuses on expanding its urban last-mile distribution assets with inflation indexation, 5.7-year WALE and 99% committed occupancy rates. Dream employs an effective hedging strategy which has limited its EU exposure and reduced the cost of debt, allowing it to capture rates ~200bps lower than North American peers. The Cash Yield team also compellingly argued that DIR.UN has been irrationally mispricing. As the market, UN is discounting the company based on industrial REIT peers operating within different industrial verticals. With historical ROIC outperformance and industry-leading leverage levels, DIR.UN is positioned to continue making accretive acquisitions.

Fig. 1: Historical ROIC Outperformance

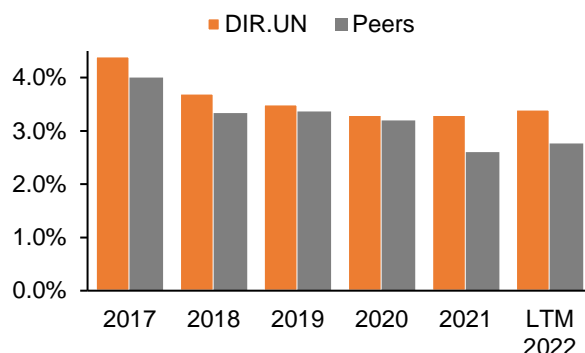


Fig. 2: Best Industry Net Debt/EBITDA

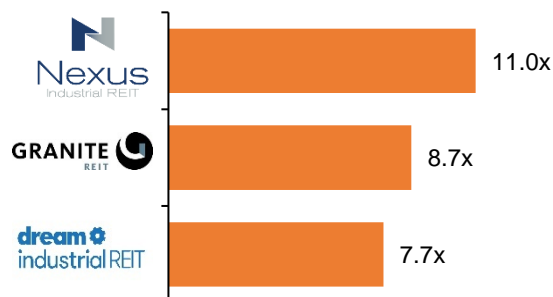
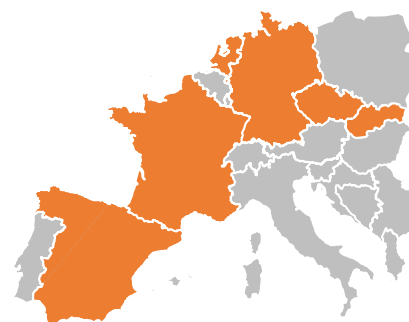


Fig. 3: Hedged European Presence



Price at Pitch: \$41.69 **Target Price:** \$49.91 (+20%) **Current Price:** \$38.94 (-7%)¹

Business Description: National Storage Affiliates operates 1,100 storage properties, spanning a total of 71.5mm rentable square feet throughout the USA. The company acquired 50 new properties in FY2022, adding 4mm rentable square feet.

A Superior Product Portfolio and Corporate Structure: NSA's product portfolio has 2.5x more facilities in states with positive net migration. The product portfolio also has best-in-class growth at 9.2% average over 5 years. The participating regional operator (PRO) model enables NSA to capitalize on fragmentation and grow rentable square feet more efficiently than competitors. NSA is poised to capture the most organic growth within key geographies through this model.

Robust Growth from Multi-Faceted Acquisition Strategy: NSA targets acquisitions in regions that have excess storage demand. NSA has pursued an aggressive M&A strategy with 81.5% growth in wholly-owned Sq Ft. over the past 3 years. Despite taking a high level of leverage, NSA's effective interest rate is 3.7%, and no major maturity wall will occur until 2027.

Unjust Discounted Relative Valuation: The market discount has driven insider share purchases of \$6.1mm in Q4 of 2022. NSA traded at a P/AFFO multiple of 18.6x, compared to the comparable average of 21.7x. This mispricing makes them the most attractive opportunity to enter an industry with favourable tail-wins.

Executive Decision: Watch

NSA is an attractively positioned storage REIT that has strategically capitalized on migration trends in the US. The company has a significant presence in states such as Texas, Florida and Georgia which have experienced significant migration in the last few years. Increased movers to those states have allowed NSA to capture the increased demand for storage units. However, the sustainability of the migration trends and the continued demand for storage space is highly speculative. During a move, storage is typically only needed for a short period, especially since the aforementioned states tend to have larger living spaces than metropolitan areas, which can hold more items at home, leaving the long-term use of a storage space obsolete. Additionally, the company is facing significant maturity walls over the next 4 years, increasing NSA's risk profile.

Fig. 1: ROIC Growth

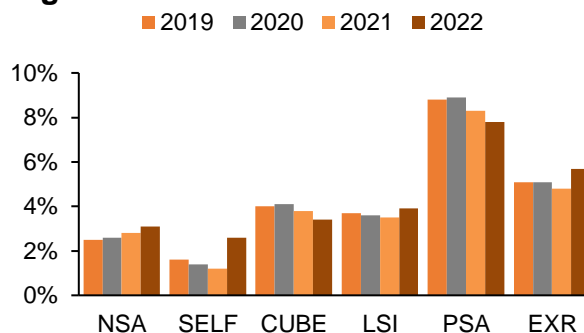


Fig. 2: 3-Year Growth in Wholly-Owned Sq ft. (2019-21)

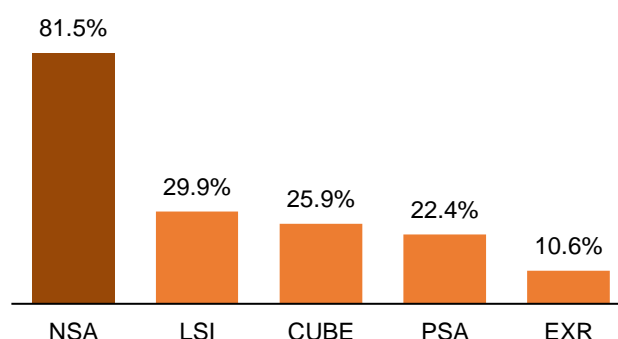
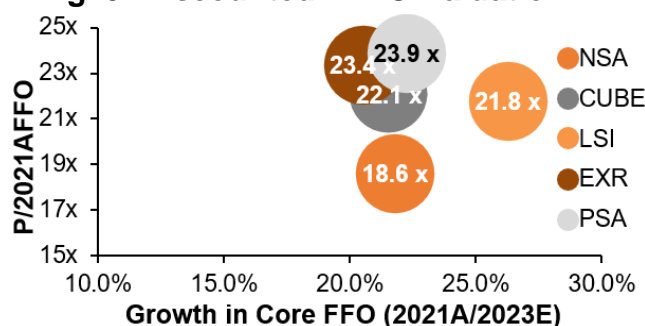


Fig. 3: Discounted AFFO Valuation



Price at Pitch: \$48.53 **Target Price:** \$50.02 (+3%) **Current Price:** \$51.85 (+7%)¹

Business Description: Formed in 2013 as a spin-off from Penn National Gaming. Gaming and Leisure Properties Inc. is a REIT with over \$19.8bn of casino-related assets and operates 59 triple net leased properties throughout 18 states. GLPI is the most diverse geographical owner of gaming assets, with 29.1mm square footage under management.

Strong Asset Portfolio Ensures Recession Resilience: GLPI’s major tenants are credit-worthy public companies with high-quality operational platforms, extensive experience, and established brands. Alongside GLPI’s strong balance sheet, liquidity, and durable leasing model, cash flows have remained consistent over the past few years. Rental income experienced record profitability during COVID-19. Despite mandatory COVID-19-related closures, 2% escalators on the master leases have been realized, resulting in an annualized rent increase of \$6mm. GLPI holds significant pricing power in this regard.

Robust Growth through Multi-Faceted Acquisition Strategy: GLPI’s M&A expansion strategy has proven successful over the past few years, focusing on unique and high-quality assets with strong capitalization; most recently, GLPI closed an accretive acquisition of Bally’s for \$1Bn. Casino operators are incentivized to sell to REITs to receive favourable dividends and tax advantages and retain significant asset control. Nonetheless, rising interest rates could increase asset acquisition costs and decrease gambling demand.

Executive Decision: Watch

GLPI operates with a portfolio of high-quality tenants that are well-known, credit-worth, operationally sound and experience within the gaming and leisure industry. The company has been able to develop a robust balance sheet by charging favourable, triple net leases, which support maintenance costs and an inflation hedge. GLPI has built on its strong operations by acquiring additional high-quality gaming assets across the US. While the company is attractive, the Cash Yield team pitched it as a watch. This is because the dividend discount model, net asset valuation model, and relative valuation analyses indicated that GLPI is trading very near fair value. As such, there was limited margin of safety to induce an investment at the company’s current valuation.

Fig. 1: FFO Scale with Deleveraging

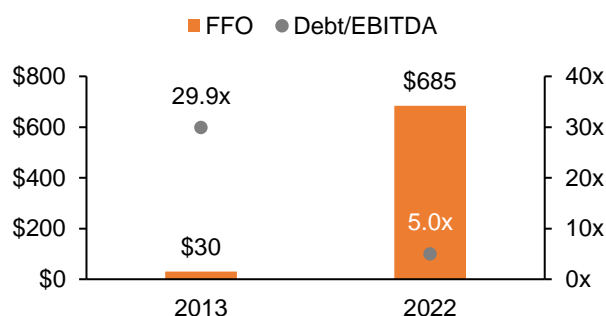


Fig. 2: Revenue Growth of Top 2 Gaming States

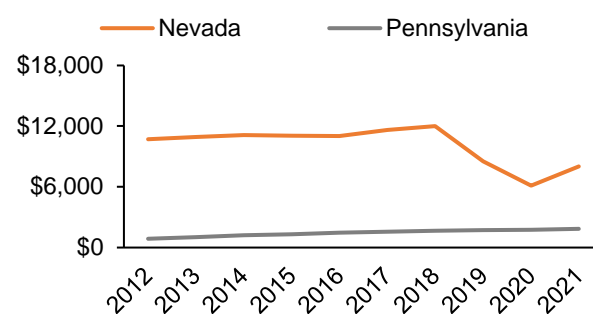
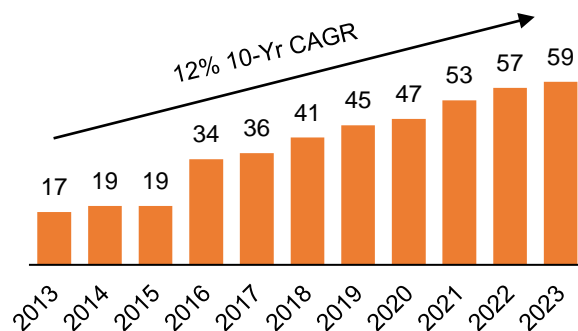


Fig. 3: Number of GLPI Properties



CONSUMERS

Restoration Hardware (NYSE: RH) – September 22nd, 2022 RESTORATION HARDWARE

Price at Pitch: \$248.14 **Target Price:** \$354.67 (+39%) **Current Price:** \$ 245.15 (-1%)¹

Business Description: Restoration Hardware (NYSE: RH) is a luxury home retailer offering a wide range of high-end furniture, décor, bath-ware, lighting and outdoor furnishing. RH delivers unique products and customer experiences via three main segments: RH Core, RH Interiors and RH Modern.

Dependable & Resilient Customer Base: RH targets high-income households seeking uniqueness, quality and a personalized experience. The membership program offers various benefits, and its successful expansion drove ~97% of revenue in 2021.

Seamlessly Integrated Ecosystem: RH is transforming into a luxury lifestyle brand using RH Media, RH Residences and RH Guesthouses. These create new revenue streams and elevate the brand by offering a seamless ecosystem for customers to dream, dine, design and travel with RH.

Multi-Pronged Real Estate Strategy Facilitates Expansionary Efforts: RH minimizes initial capital investments by entering JV agreements with landlords to develop new galleries. Proprietary real estate is pre-sold or sold in leaseback transactions to fund development. Recent light leasing deals have led developers to contribute over 65% of capital.

Business Model Pivot to Enhance Runway for Growth: RH is shifting from legacy galleries into design galleries (which generate 2x revenue) and integrated hospitality, increasing traffic and revenue.

Executive Decision: Watch

We have decided against adding Restoration Hardware to the portfolio. While it trades at a discount to its “Lifestyle-Hybrid “ peers, it trades at a premium to its “Home Furnishing/Décor” peers. The slight premium can be attributed to; greater growth opportunities specifically in Europe, superior resiliency during economic downturns attributed to their high-income target market and their real estate strategy which shares volatility with landlords/developers. RH is at an inflection point in the company's growth cycle, deploying significant capex to expand into Europe and therefore assuming risk. As value investors the potential volatility of this expansion is concerning. Additionally, given the limited size of the upper-middle class target market, the ability to further penetrate the market is questionable given the infrequency of furniture purchases.

Fig. 1: Segmented Revenue

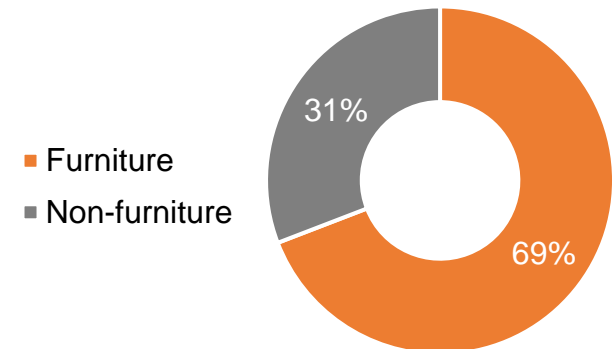


Fig. 2: Historical Adj. EBITDA

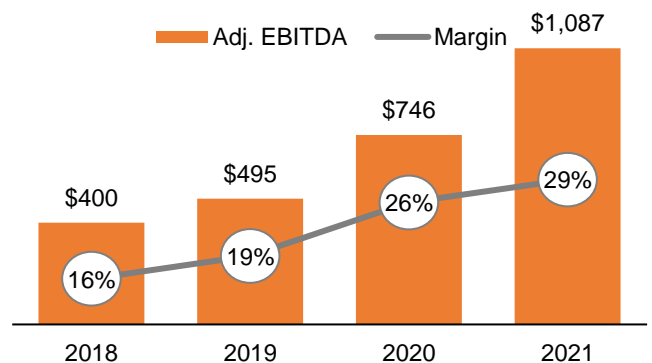


Fig. 3: Target Price Analysis

Valuation Summary		
Analysis	Price	Weight
Comparables	\$191.88	15%
Discounted CF	\$404.39	60%
Street Consensus	\$333.00	25%
Average	\$354.67	100%

Price at Pitch: \$94.37 **Target Price:** \$126.65 (+38%) **Current Price:** \$ 104.83 (+11%)¹

Business Description: Ingredion Inc. (NYSE: INGR) is an ingredient solutions provider turning grains, fruits, and vegetables into value-added ingredients. INGR sells its products to the food, beverage, animal nutrition, brewing, and industrial markets.

A Play on Raw Materials: The introduction to technologically advanced solutions is an emerging trend in the food ingredients market. Major food ingredients firms are concentrating on developing innovative solutions for food ingredients to provide global food industries with next-generation alternative proteins and other ingredients.

Significant ESG Presence in an ESG-Led Industry: ESG in the Agriculture and Food space has increasingly become a key concern for consumer decision-making, and not only for the final result. Consumers are paying more attention to ESG trends throughout the entire supply chain, which INGR is poised to benefit from.

Growing Specialties Portfolio Creates Runway for Growth: Unlike core products, specialty products have unique value propositions, are competitively differentiated, and have greater pricing power. INGR has industry-leading product diversity and top-tier R&D capabilities through their 32 labs worldwide, positioning them to best meet a wide variety of niche demands. A strong pipeline to developing acquired businesses allows for greater growth potential.

Fig. 1: Headroom for Growth in the Specialty Starch Industry

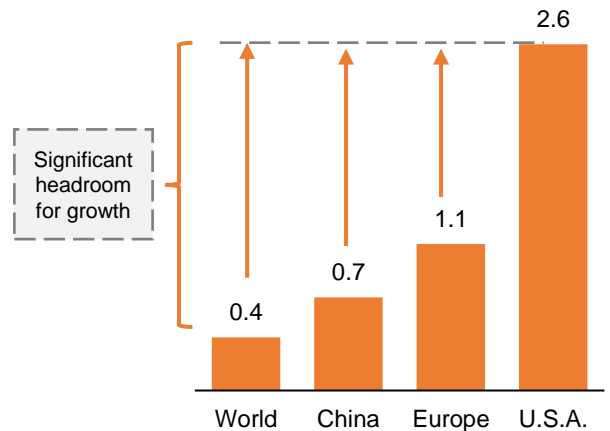
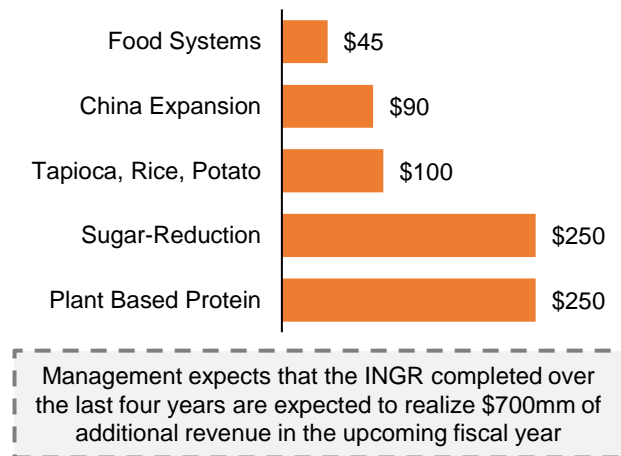


Fig. 2: Specialties Revenue Growth Expectations (\$USmm)



Executive Decision: Watch

While INGR is an exciting company paving the way for alternative food sources and being a champion for ESG, the pitch resulted in a Watch decision. The company’s uncertainty primarily drove the investment decision. The pitch primarily focuses on the company’s positioning and ability to capture the growing alternative food source market. However, as value investors, the market’s growth potential is highly uncertain. Revenue growth figures were heavily reliant on significant shifts in consumer preferences. However, alternative food sources have struggled to compete with traditional food providers in recent years. Additionally, if the assumptions were to be true, it is unlikely that the INGR would be able to reach its full potential within Limestone’s targeted holding period. As such, a decision to watch the stock rather than immediately invest.

Five Below, Inc. (NASDAQ: FIVE) – January 12th, 2023

Price at Pitch: \$191.21 **Target Price:** \$215.36 (+13%) **Current Price:** \$ 200.59 (+5%)¹

Business Description: Five Below (NASDAQ: FIVE) is an American specialty value retailer offering an assortment of discounted merchandise, with most priced at \$5 and below. The company operates 1,292 stores in 42 states across the US and has a robust e-commerce website with on-demand same-day delivery capabilities.

Amazon-Proof Business Model: Due to logistical characteristics of Amazon, such as shipping costs and various fees, Amazon fails to deliver similar products in the same price range as FIVE. Partnerships with delivery companies like Instacart allow FIVE to be equally convenient but cheaper than Amazon to the price-sensitive consumer. FIVE becomes a need-based retailer during economic downturns, confirming it is a recession-resilient business.

Aggressive Expansion Plan: Aggressive and disciplined expansion plans are seen by management as the main drivers of top and bottom-line growth. Their new shipping center allows FIVE to reach 90% of stores within two days. FIVE has targeted a ~15% annual CAGR in store count to 2030. FIVE has already converted ~250 stores to the Five Beyond format. This new format allows FIVE to capitalize on closeout opportunities and one-time special buys to deliver more value across additional product categories. Management projects that 80% of the chain will be in this format by 2025.

Fig. 1: Strong Track Record of Store Growth Will Continue

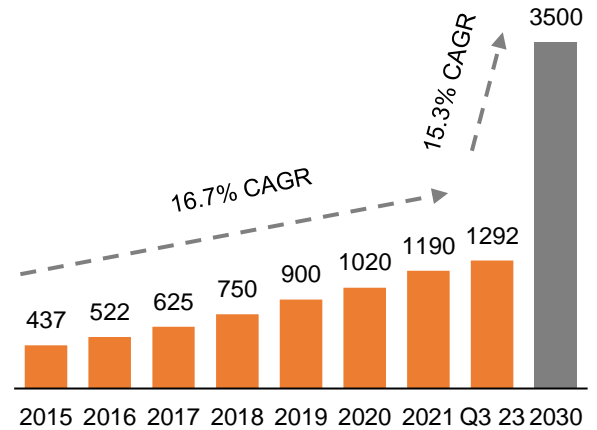
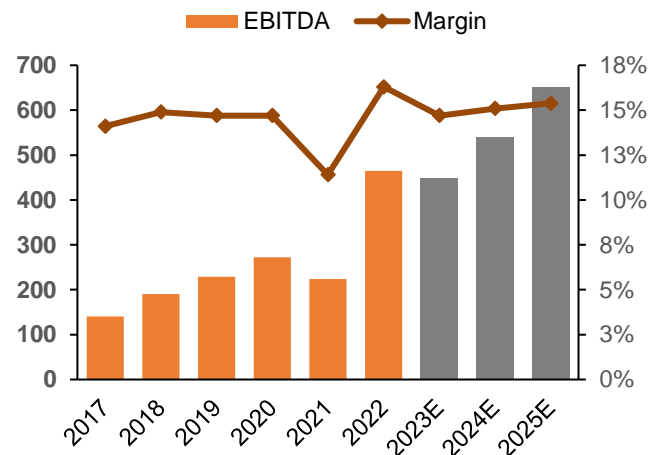


Fig. 2: Strong EBITDA Growth Margins



Executive Decision: Watch

While FIVE is resiliently positioned to maintain operations under any macroeconomic environment due to its low-cost nature and minimal competitive pressure from Amazon, the company possesses unfavourable characteristics for value investors. Firstly, the company is trading at a premium valuation when compared to competitors. Projected multiples for 2023E show FIVE trading at nearly double the multiples on an EV/EBITDA, P/E and EV/Revenue basis when compared to peers. Also, FIVE lacks in the ROIC department, which is crucial for FIVE as the business is capital intensive through its brick-and-mortar focus expansion strategy. The company aims to have nearly 80% of its products in the Five Beyond segment by 2025. That significantly changes its low-cost business model and reduces its differentiation.

CONSUMERS

Farfetch Limited. (NYSE: FTCH) – March 5th, 2023

FARFETCH

Price at Pitch: \$5.41 **Target Price:** \$14.87 (+175%) **Current Price:** \$ 4.20 (-11%)¹

Business Description: Farfetch is the world’s largest online luxury fashion platform, providing unique services to both consumers and sellers. The company operates a variety of businesses, including the Farfetch Marketplace, Farfetch Platform Solutions, Farfetch Future Retail, Browns Fashion, New Guards Group, and Stadium Goods.

Strong Relationships With Leading Luxury Brands: As of 2023, Farfetch has partnerships with 7 of the 8 most valuable luxury brands, giving them access to \$321bn of value. By 2025, it will be partnered with all the top 8 most valuable luxury brands. Expanding its partnership with Richemont to bring in brands such as Cartier, Van Cleef & Arpels, and IWC will broaden its customer base.

Strategic Acquisitions Developed Industry Advantage: The JBUX acquisition advances its vertical integration strategy. *Uptimeam* increases exposure to international markets in fast-growing areas. *Allure Systems* allows Farfetch to scale quality imagery. *Violet Grey* allows for cross-selling opportunities with access to a skincare consumer base.

Proprietary Technology Differentiates Farfetch: Farfetch Platform Solutions builds and operates e-commerce solutions for luxury brands to manage their online stores, optimize their brand awareness, and gain insights into consumer purchasing behaviours. FFR is focused on integrating technology seamlessly into the customer purchasing experience.

Executive Decision: Watch

Farfetch is an exciting company pioneering how consumers shop for luxury goods. The executive team agreed with the Consumers team that the market is significantly under-valuing the company’s Platform Solutions software as a viable high-margin revenue stream. The company has also leveraged acquisitions and a strategic focus on China’s luxury market to propel its growth. However, the company lacks characteristics for a value investment. While the company’s valuation has dropped significantly since 2021, partially due to investors losing confidence in the company’s demand post-Covid, the company is still very much in the growth stage. FTCH has recently undergone significant management re-organization; the company still lacks the ability to generate consistently free cash flow and has invested in moonshot projects. As such, FTCH is a Watch.

Fig. 1: Segmented Revenue

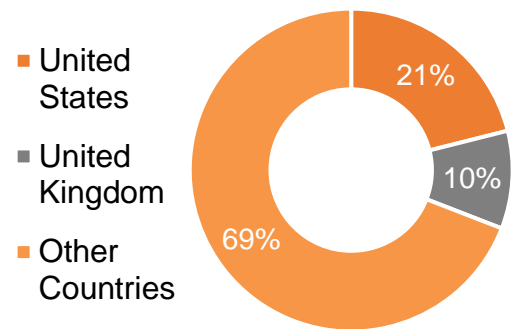
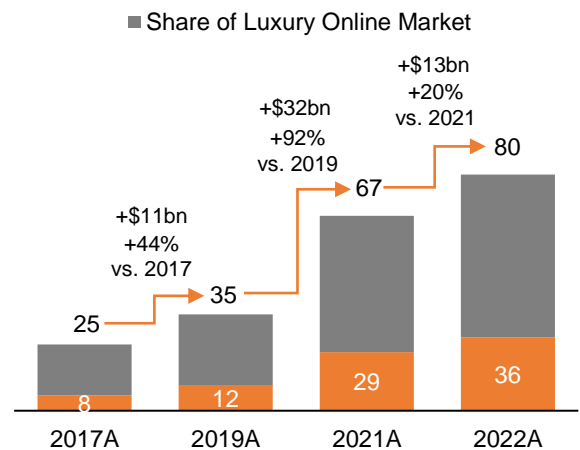


Fig. 2: Global Online Personal Luxury Goods Market



Price at Pitch: \$55.16 **Target Price:** \$72.85 (+32%) **Current Price:** \$66.26 (+21%)¹

Business Description: Founded in 1911, SPXC is an HVAC & Infrastructure supplier. SPXC reports in two segments, HVAC and Detection and Measurement ("D&M"), of which they are an industry leader.

Differentiated Player in High-Margin Sector: The market has misidentified SPXC as a pure HVAC business rather than a niche infrastructure leader. Management has switched focus to repositioning SPXC in a growing end-market through M&A. Management's focus is increasingly on the niche-infrastructure segment, which reduces recessionary risk. The D&M business has higher margins (40%+ gross margin) compared to HVAC (~16%) and stronger growth (CAGR) compared to HVAC (~3%). They dominate their end markets with a 90% market share.

Upselling Sticky, Long-Term Contracts: Around 66% of SPXC's revenue comes from replacement sales. They operate in regulated markets where their products are required by law. Their strategic position in infrastructure niches makes them well-positioned to benefit from government funding. Revenue from long-term projects involving maintenance, software subscriptions, robotic development, etc., is recognized over time. The increasing proportion of revenue recognized over time indicates a positive trend in recurring revenue for SPXC. The company's focus on software implementation leads to longer-term arrangements and increased upselling potential when renewing contracts in regulated markets.

Executive Decision: Watch

Both industries that SPXC operates in offer very consistent and non-cyclical cash flow generation due to the sustainable and contract-based nature of the HVAC and D&M end markets. Additionally, SPXC has competitive advantages through the high technical barriers to entry in the D&M segment and substantial economies of scale by being a market leader in the HVAC vertical. However, SPXC presented red flags that resulted in the watch decision. Most notably, there was minimal margin of safety from our valuation, a debt-fueled M&A strategy and unattractive relative valuation. Stress testing our DCF showed that a 1% increase in the discount resulted in a downside scenario. Additionally, given the rising interest rate environment, SPXC being more levered than peers and having a debt-fueled M&A strategy indicated significant risk to the sustainability of its growth.

Fig. 1: D&M Revenue and Gross Margin

US\$ millions

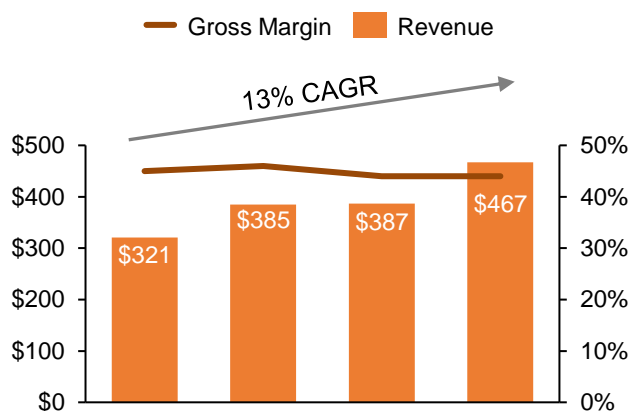
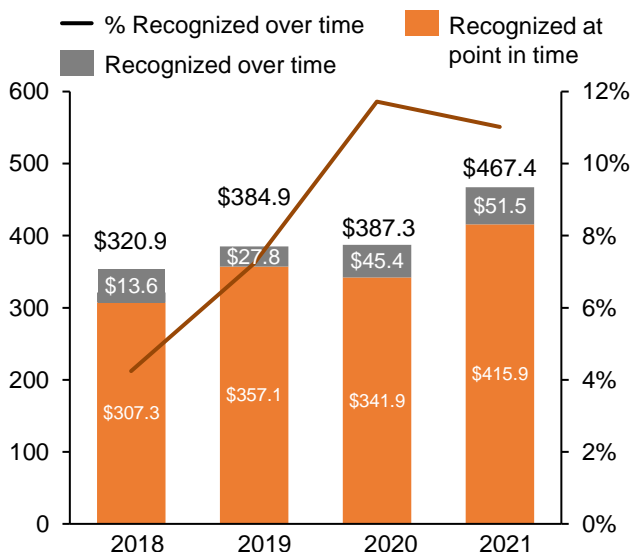


Fig. 2: Change in D&M Revenue

US\$ millions



INDUSTRIALS

GD I Integrated Facility Services Inc. (TSX: GDI) – November 6th, 2022

Price at Pitch: \$47.00 **Target Price:** \$58.76 (+25%) **Current Price:** \$43.80 (-7%)¹

Business Description: GDI provides integrated facility services to office buildings, hotels, industrial facilities, airports, and hospitals across Canada and the United States. The company operates through Janitorial Canada, Janitorial USA, and Technical services segments. Services include floor cleaning, window, washing, and carpet cleaning. GDI is twice as large as its closest competitor.

Defensible Business Model Fosters Stability: In scaling janitorial services across Canada and through numerous acquisitions, GDI has created unique customer relationships by offering a comprehensive suite of services from furniture polishing to air conditioning. With each additional service that GDI provides, switching costs increase dramatically for customers. As a result, GDI customer turnover rates are well below the industry average.

Robust and Unique M&A Strategy: GDI drives growth by capturing revenue synergies. Acquisitions create additional cross-selling opportunities for existing GDI businesses and increase the stickiness of their revenue. GDI grew sales at a ~20% CAGR between 2008 and 2019.

Market Opportunity in the United States: GDI is one of the top five largest players in the North American janitorial space, though most of its operations are based in Canada. The \$52bn total addressable market creates an opportunity for further consolidation in the United States.

Executive Decision: Buy

The Industrial team presented a compelling pitch on GDI, including interviews with the company's management team. GDI's business model is incredibly vertically and horizontally integrated, providing GDI with an incredibly defensible position and pricing power as it is a "one-stop-shop" for its clients, something not replicated by competitors. The contract-based revenue model, lasting 5-20 years in a non-cyclical end market, also provides predictable and consistent cash flow generation. Finally, given the fragmentation of the IFM market, GDI has the opportunity to take market share from competitors with less scale and service offerings. However, GDI lacks margin sensitivity margin of safety. A 2% drop in EBITDA margins and a 1% decrease in revenues will incur a downside scenario. Even so, GDI's aforementioned competitive advantages offset the risk.

Fig. 1: GDI Customer Turnover Rates vs. Industry Average

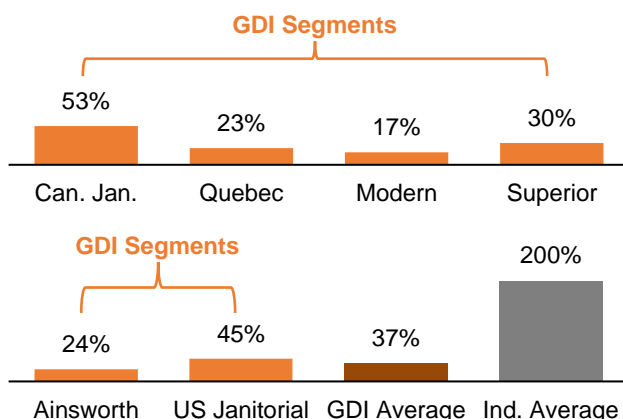


Fig. 2: Acquisitions Affect EBITDA Margins

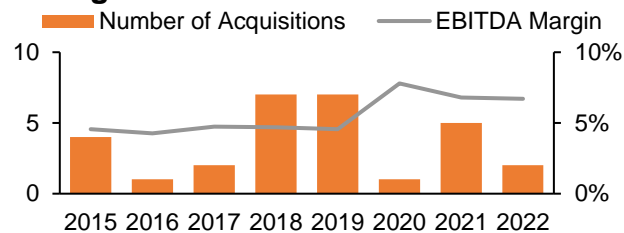


Fig. 3: Significant Opportunity for Expansion into the United States

GDI Offices Present	No GDI Presence
Chicago - \$9.6mm	New York - \$20.3mm
Philadelphia - \$6.1mm	Los Angeles - \$13.4mm
Boston - \$4.3mm	Dallas - \$7.4mm
Detroit - \$4.3mm	Houston - \$6.9mm
Seattle - \$3.9mm	Washington - \$6.2mm



Martinrea International Inc. (TSX: MRE) – April 2nd, 2023

Price at Pitch: \$13.21 **Target Price:** \$15.24 (+15%) **Current Price:** \$13.81 (+3%)¹

Description: Martinrea is an automotive parts developer and manufacturer of lightweight structures and propulsion systems, among other automotive solutions. Notable clients include Aston Martin, Bentley, Tesla, and Jaguar vehicle assemblers.

Market Missing Impact of Launch Costs: Initial expenses mainly comprise launch costs in the 2 to 3 years following a customer acquisition. In the past 4 years, MRE has won a record number of contracts (\$1bn announced in 2019 alone) and incurred close to \$1bn in CapEx. We expect launch costs to stabilize at lower levels as client relationships mature and cash flows grow.

Operational Improvement Masked by Inflation: Inflationary pressures, a heavy launch cost cycle, and supply chain disruptions drove the company’s operating margin from 8% in 2019 to 1.80% in 2021. During the same period, the company improved its product mix and enhanced its operating system, driving efficiencies. These improvements have been invisible in the bottom line, but margins should exceed 2019 levels as temporary headwinds fade.

Vigorous Capital Allocation Strategy: Executives view themselves as investment managers and are committed to returning value to shareholders. MRE pays \$16mm in dividends annually and repurchased \$83.4mm of shares between 2018 and 2020. Shareholder requirements for insiders further align management strategy with shareholder returns.

Executive Decision: Watch

The Industrial team projects that MRE’s CapEx spending in the coming years will decrease and free up free cash flow generation. This is because MRE won a record number of contracts in 2022A, resulting in record CapEx spend. However, as these contracts mature and the company works to fill the contracts, MRE will have less launch cost spend, leading to lower CapEx. That, paired with the operational improvements in product mix and manufacturing efficiency, will position the company well. However, the major contributing factor to the watch decision is MRE's lack of pricing power. Due to inflation, input costs are at a record high. With the minimal ability to pass down the rise in input prices to OEMs, MRE faces margin pressures. This is exacerbated by the fact that a mere 1% decrease in EBITDA margin and revenue indicates a significant downside.

Fig. 1: CapEx Investment Propels Long-term Cash Flow Generation

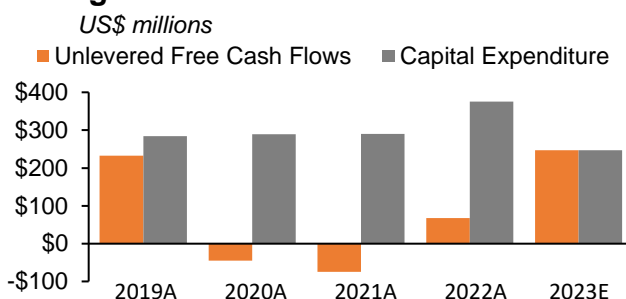


Fig. 2: Operating Margin to Exceed Historical Levels

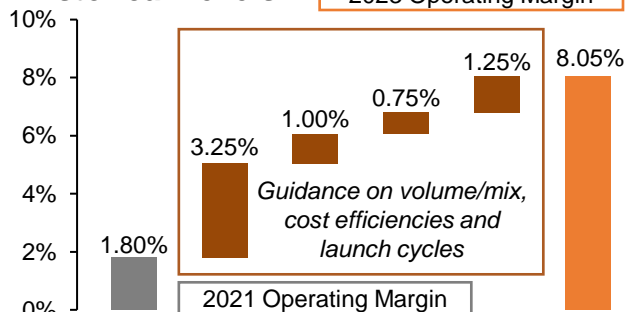
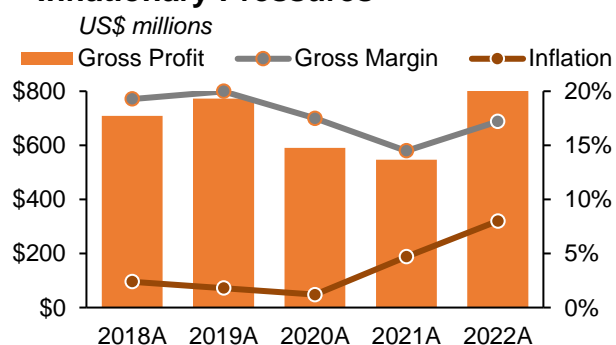


Fig. 3: Resilient Gross Profits Despite Inflationary Pressures



Price at Pitch: \$79.53 Target Price: \$50.00 (-37%) Current Price: \$79.53 (0%)¹

Business Description: Founded in 1983, Lattice Semiconductor Corp. is one of the world's leading field-programmable-gate-array (FPGA) developers with operations in Asia, Europe, and the Americas. Lattice operates in four key segments, communications and computing, industrial and automotive, consumer, and licensing and services. Recently, Lattice introduced its new product line, Avant, which has continued to increase ROE and ROA (see Fig. 1).

FPGAs and their Applications: Lattice's FPGAs are fast, reprogrammable, and power efficient (unique to Lattice's chips). Due to their ability to be reprogrammed, FPGAs are used in many end markets, including driver assistance systems and infotainment, 5G wireless and switches/router, industrial IoT and automation, servers and clients, and smart home/on-the-go. These end markets reveal the FPGA versatility.

Acquisition Target – Recent Industry Activity: Lattice's largest competitors Xilinx and Altera, were acquired in 2022 and 2015 by AMD and Intel, respectively, suggesting market interest in FPGA manufacturers. Should inflate valuations of companies in the semiconductor industry 'pop,' Lattice is well-positioned for strategic investors to realize synergies, increasing implied share price. Given the current market, we consider Lattice overpriced. However, with potential industry deflation, Lattice will be an excellent target due to strong business fundamentals.

Executive Decision: Watch

The Industrial team pitched LSCC to be a watch with an entry price target of \$50, which is 37% lower than the company's trading price at the time of the pitch. While the company operates in a market with significant barriers to entry, creates a product that applies to multiple tailwind-filled end markets and is a realistic strategic acquisition target, the company possesses many characteristics that do not fit Limestone's investment philosophy, especially the strategy implemented to navigate the rising rate and high uncertainty environment. While the industry has high barriers to entry, the market is congested with larger players with significantly larger scales than LSCC, which benefits from economies of scale. Additionally, the team's intrinsic and relative valuation analyses both indicate that the company is trading at a significant premium to fair value.

Fig. 1: Product Development

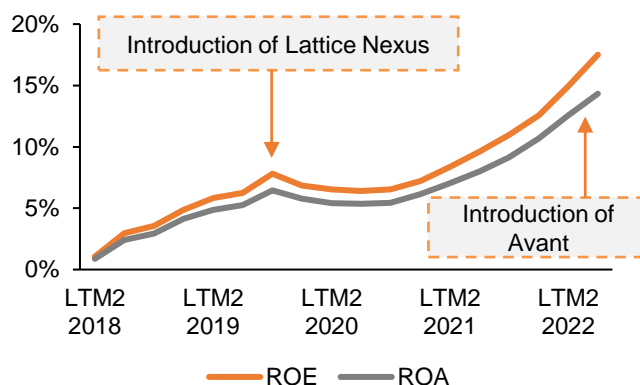


Table 1: Acquisition Opportunity

Acquisition Criteria	✓ / ✗	Commentary
Market Leader with Competitive Position	✓	Lattice is the market leader within low power FPGAs with multiple competitive advantages
Durable Position with Stable Cash Flows	✓	Lattice generates stable cash flows due to their target market
Long-Standing Relationships with Customer Base	✓	Lattice holds long-term relationships and is continually expanding their ecosystem of customers
Reputation for Product Quality and Performance	✓	Lattice has earned a reputation for being the best-in-class product quality and performance

Intrepid Potash (NYSE: IPI) – Oct 20th, 2022

Price at Pitch: \$42.73 **Target Price:** \$48.09 (+13%) **Current Price:** \$25.80 (-39%)¹

Business Description: Intrepid Potash (NYSE: IPI) is a US based producer of potash, a key input used in fertilizers for agricultural applications. Intrepid operates in select southwestern states and provides solutions in fertilizer as well as in energy extraction.

Geographic Positioning Unlocks Competitive Advantage: Intrepid Potash strategically operates its mines in areas without freezing temperatures with abundant potash reserves, allowing for cost-effective extraction. The company's use of more efficient mining methods ensures a greater yield and lesser production costs compared to the industry. Intrepid's geography also benefits from a well-established railway and trucking supply chain, enabling efficient transportation of its products for processing and shipping.

Stability through Diversified Product Offerings: Potash has a wide range of applications in agriculture, animal feed, and industrial uses. Intrepid Potash offers different types of products to cater to these diverse markets. Intrepid also holds patents for unique and sought-after applications. This diversification provides stability for the company, reducing its dependence on a single market segment. Additionally, Intrepid's smaller scale and agile operations allow it to be responsive to changing market conditions without being tied to long-term obligations.

Fig. 1: 4-Year Potash Spot Prices

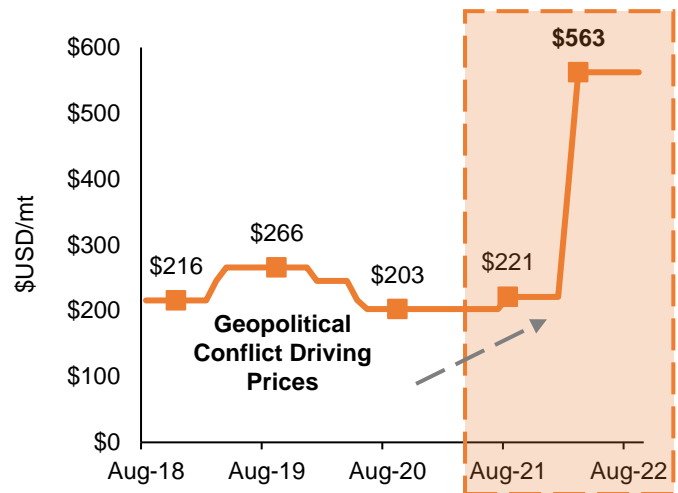
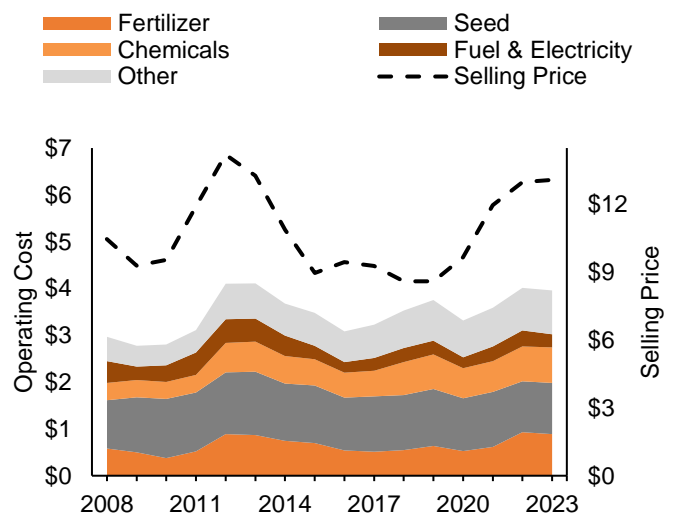


Fig. 2: US Soybean Costs and Price



Executive Decision: Buy

Since potash demand and commodity prices are quite volatile, it is advantageous that IPI produces less potash than larger competitors, allowing them to remain nimble and adjust to market demand. Additionally, IPI produces 3.8x more variations of potash than its closest competitor, allowing the company to capture the demand from niche end markets. Aside from Potash, IPI also produces a patent-protected fertilizer named Trio. Not only does the patent act as a significant barrier to entry from competitors, but IPI is also the only producer of langbeinite in the US, a key component of Trio. While the pitch resulted in Limestone investing in IPI, there is the risk of the resurgence of Belarus and Russia, two leading potash producers. Russia and its ally's plan to use the potash market for geopolitical leverage is uncertain.



Source(s): Capital IQ, Company Filings, Investor Presentation

1. As of fiscal year end April 21st, 2023, and return is not reflective of Limestone's return profile; based on the portfolio's average cost the IPI position has returned (13.06%)

Price at Pitch: \$7.07 **Target Price:** \$16.67 (+136%) **Current Price:** \$6.59 (-6.79%)¹

Business Description: LGO is the world’s largest primary miner of Vanadium, which it extracts from the *Maracás Menchen* mine in Brazil. It is also in the early stages of developing a clean energy business.

Industry Overview: When added to steel, Vanadium creates a tough, corrosion-resistant alloy. 92.6% of global consumption is driven by this application. Additionally, Vanadium Redox Flow batteries are an emerging battery technology capable of efficiently storing energy for extended periods of time.

Maracás Menchen Moat: LGO’s flagship mine is the only one of its kind brought online in the past 30 years. Thus, it is the lowest cost and highest quality Vanadium plant in the world. Utilizing its superior asset quality, Largo is best positioned to capture the structural Vanadium supply deficit.

Margin Growth Through Revenue Diversification: Largo is beginning to sell pigment: a by-product of the mining process that they have previously been discarding. Pigment sales produce margins 40% greater than that of actual Vanadium, creating a compelling growth opportunity. Furthermore, in the long term, LGO’s battery production department will become a true industry leader. Vanadium Redox Flow batteries will emerge as critical green energy infrastructure and Largo, leveraging its integrated access to high-quality Vanadium, will emerge as the chief producer.

Executive Decision: Buy

Largo operates within a niche, yet essential, subsection on mining through its production in Vanadium. Due to its diverse applications and end market tailwinds, the chemical is facing a critical global shortage, which LGO is best positioned to take advantage of. The *Maracás Menchen* mine is the only Vanadium mine taken online in the last 30 years. As such, LGO can offer the highest quality of Vanadium at the lost price. Aside from the shortage, demand for Vanadium will only continue to increase as it is crucial for steel and can be used to store clean energy for long periods. It is an opportune time to invest in Largo as poor weather conditions and setbacks in battery technology have dragged its share price down unjustly. However, it is recognized that the position is a longer-term play as the theses will require time to play out.

Fig. 1: Structural Supply Deficit

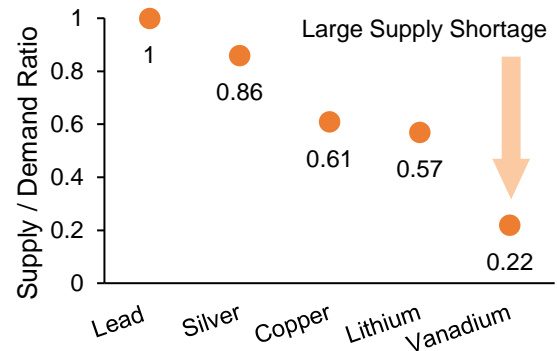


Fig. 2: Long-Term EBITDA Breakdown

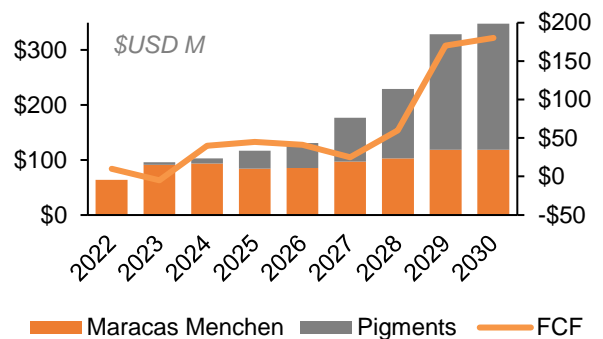
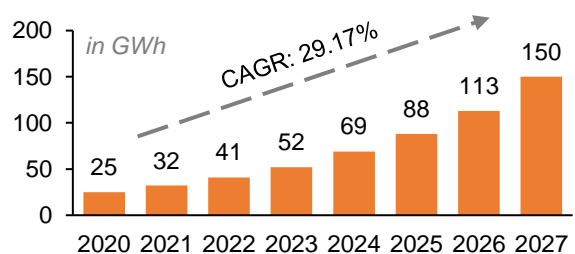


Fig. 3: Battery Deployment Forecast





Price at Pitch: \$47.57 **Target Price:** \$50.58 (+6%) **Current Price:** \$43.54 (-8.7%)¹

Business Description: Pembina provides midstream services for O&G and NGL products through its pipeline network in North America. Integrated service offerings capture diversified end markets.

Midstream is Looking Up: As broad economic conditions deteriorate; climate initiatives are put on the back burner. Energy typically outperforms during inflationary periods and in 2022 there was a massive spike in FCF generation for NA midstream companies. Those levels will stay elevated for the next few years.

High Barriers to Entry with Favourable Supply Chain Dynamics: Rising interest rates further fortify the capital-intensive industry. Supply decreases and steady demand during Limestone’s holding period will create favourable pricing momentum. With \$4.5bn in development projects underway, PPL is uniquely positioned to capture macro-based tailwinds.

Strong Capital Allocation by Management: PPL boasts industry-leading ROIC, making them the strongest investment opportunity in the industry. Only 5% of Pembina’s revenue is generated through variable usage, creating stable cash flows. These funds are returned to shareholders via a healthy, well-covered dividend, which promotes share price appreciation. Pembina is highly resilient and has even delivered in environments where commodity prices have contracted, vindicating opinions about the quality of its business.

Executive Decision: Watch

The Natural Resource team pitched PPL as a watch. The valuation analyses primarily drove this decision. The company shows great fundamentals that Limestone tends to look out for as a value investor, such as strong capital allocation, high barriers to entry with PPL having favourable supply chain dynamics and overall industry tailwind with the company well-positioned to take advantage. However, as value investors, price is just as important as the fundamentals. In this case, the company’s valuation did not justify a buy. Its relative value analysis indicated that the company is trading at a premium when compared to public peers, and the DCF indicated an 8% upside with generous assumptions. As such, the team believed that our theses and the company’s strong fundamentals have already been priced in the market.

Fig. 1: NA NR is the Place to Be

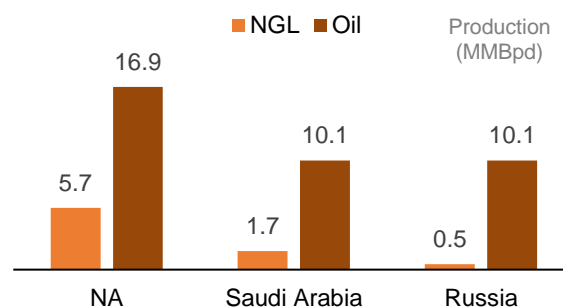


Fig. 2: ROIC / Share is Above the Rest

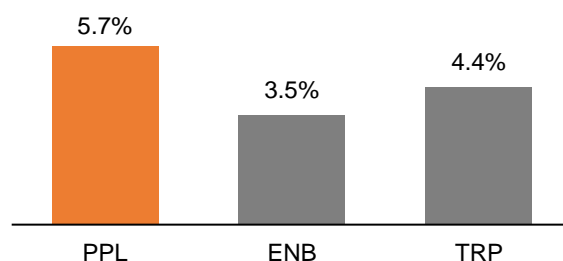
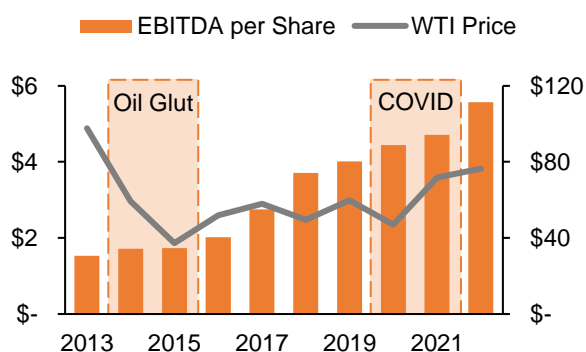


Fig. 3: Delivering Through Cycles



Price at Pitch: \$57.01 **Target Price:** \$63.02 (+11%) **Current Price:** \$48.12 (-16%)¹

Business Description: Cal-Maine Foods (NYSE: CALM) is the largest shell egg producer and distributor in the US, mainly operating in the Mid-Atlantic regions. They supply grocery chains, independent stores and other food companies.

Sustaining Margins at Scale: Cal-Maine strategically produces eggs products at lower quantities than demanded, as to not run a surplus. They purchase products from smaller suppliers to cover the deficit and hedge risks of changes to demand in the short-run. They remain sufficiently agile to adapt to market circumstances while creating value through their scale.

Proven Inorganic Growth Strategy: Cal-Maine Foods has had a history of creating value through strategic acquisitions, allowing it to expand its production and capitalize on synergies between companies. By acquiring complementary businesses, the company has strengthened its position in the market and created over \$850mm of additional revenue generated since 2010.

Efficient Transition to Cage-Free: Cal-Maine was an early adopter in cage-free farming practices, quickly adapting to shifting consumer demands and strong regulation. Cal-Maine’s size enabled them to efficiently develop cage-free production methods at-scale. This solidifies their position as the industry’s most dominant player as they are able to satisfy orders that their competitors cannot.

Executive Decision: Buy

Fig. 1: US Competitors by Annual Output

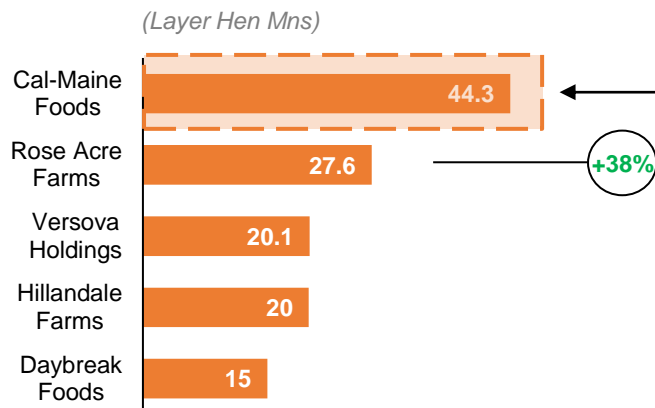
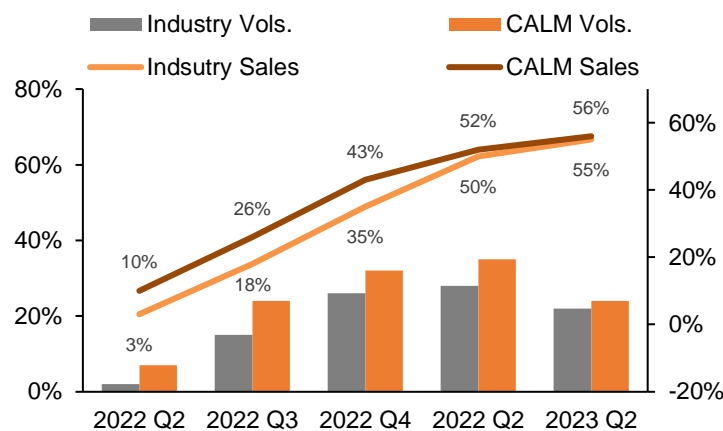


Fig. 2: Outpacing Industry Growth of Cage-Free Eggs²



While Cal-Maine operates in a commoditized market with limited growth potential, Limestone invested in CALM because we believe the market has mispriced the company. Firstly, regulators across major egg-producing states have been pushing toward cage-free egg farms. CALM was ahead of the curve and had already invested in cage-free farms. As such, in the years to come, CALM will have significantly lower CapEx and more efficient operations than competitors due to foreseeing the regulations. Additionally, the eggs produced by CALM are sold to large, blue-chip retailers, that its competitors do not have the scale to fill such orders, as CALM is 23% larger than its closest competitor globally. Finally, the market has priced in a drop in egg prices, but research shows the Avian-Influenza virus is still hammering egg supply, which will keep egg prices elevated.

Price at Pitch: \$17.48 Target Price: \$20.08 (+15%) Current Price: \$18.07 (+3%)¹

Business Description: Star Bulk Carriers is an ocean shipping company offering vessels to transport dry bulk goods globally. The company operates 128 vessels with a capacity of ~14.1mm deadweight tons.

Industry Experiencing Structural Changes

1. Regulations Causing Supply Disruptions:

Regulations are mandating engine/fuel standards for ships. Uncompliant vessels must travel at reduced speeds thereby reducing global shipping supply and raising shipping prices.

2. Shifting Demand Characteristics: Demand for major bulk goods is set to decline while minor bulk demand is set to grow. Constantly changing global demand characteristics can dramatically impact companies over reliant on certain vessel sizes.

Better Positioned to Benefit from Industry Shifts:

SBLK possesses newer ships that are compliant with regulations enabling them to travel at full speeds while capitalizing on higher prices. The large and diverse fleet also enables SBLK to capitalize on changes in pricing and demand across the industry.

Strong Business Fundamentals: SBLK possesses a strong management team that is keen to proactively pay down debt, invest in well-timed capex, and has historically paid a significant dividend. Management is well aligned with shareholders and is able to ensure all key metrics remain strong despite fluctuations in market conditions.

Executive Decision: Watch

The Special Situations team pitch SBLK as a watch with a target entry price of \$17. The company has attractive fundamentals, such as a historically strong management team and a fortress balance sheet. Additionally, the company fits under the Special Situation mandate of thematic investing as the bulk shipping industry is experiencing major changes to its regulatory, pricing, supply and demand dynamics. SBLK is well positioned to capitalize on the theme given its fleet of newer ships that are compliant with the new regulations enabling them to travel at full speeds while capitalizing on higher prices. However, the rationale for pitching as a watch is due to the lack of pricing power in the industry. Not only is this industry highly cyclical and offers short-term contracts, but competitors also primarily compete on price since service offerings are very commoditized.

Fig. 1: Vessel Count vs. Peers

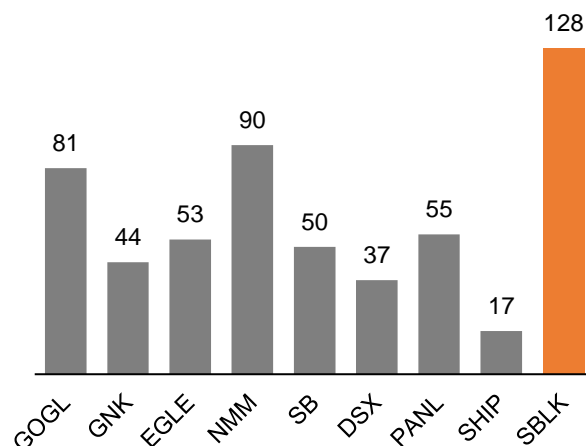
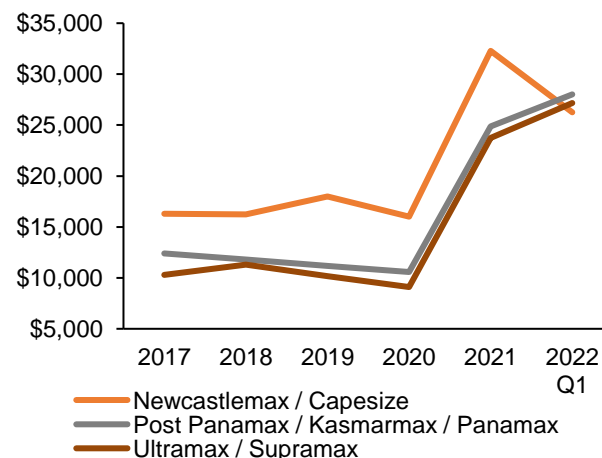


Fig. 2: Historical Shipping Rates





Price at Pitch: \$22.95 **Target Price:** \$30.63 (+29%) **Current Price:** \$26.01 (+13%)¹

Business Description: Camtek develops and sells inspection and metrology equipment to manufacturers in the semiconductor industry. The company sells its products primarily to Asia (~70% of revenue), as well as the United States and Europe.

Growth & Efficiency for Semiconductor Supply Chain: As demand for components increases, there is a growing need for inspection and metrology in novel applications. These new products are more complex, requiring more sensors, advanced packaging, and more computing power, all of which increase demand for Camtek’s services. The 28nm semiconductor manufacturing complexity is seen as a threshold, beyond which capital intensity is going to rise. This is a point that we are closely approaching, which is why it is an ideal time to capitalize on the current and upcoming growth in the semiconductor industry.

Selling the Best Pickaxes During the Gold Rush: Quality control is the pickaxe that is needed for mining the gold that is advanced packaging. There is higher than ever pressure to increase chip efficiency, which has led to the shift from planar packaging to advanced packaging. This technique bundles more die together but also increases the cost of mistakes. Camtek provides inspection equipment that can preemptively remove defective die, thus increasing total yield. Camtek sees more growth when the industry grows and less loss when the industry shrinks, highlighting its uniquely positioned mandate within a strong industry.

Executive Decision: Watch

The investment of Camtek falls under the Special Situations team’s thematic investing mandate. This is because the company is the leading provider of mission-critical hardware, capitalizing on the semiconductor boom, specifically moving from planar packaging to advanced packaging. As semiconductors become more complex and widely used, demand for CAMT’s inspection and metrology equipment will increase alongside it. This is because, given the complexity of advanced packaging, the monetary cost of errors is significantly higher; as such, CAMT’s inspection equipment can be used to detect and remove defects preemptively. Additionally, CAMT faces minimal competitive pressures given the high technical barriers to entry, significant goodwill built with semiconductor manufacturing giants and having captured efficient scale.

Fig. 1: Camtek Outperforming Market

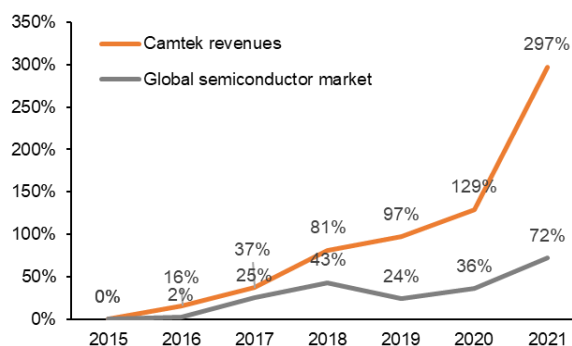


Fig. 2: Advanced Packaging in 5G Uses 2-3x More Components

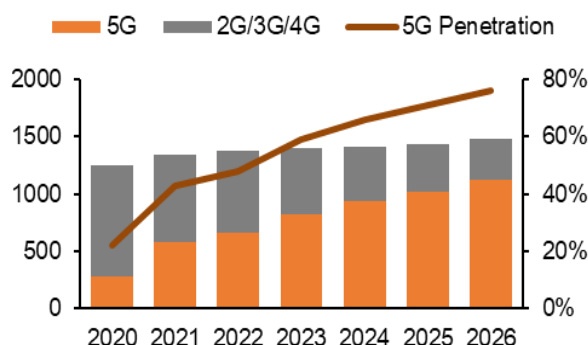


Fig. 3: Strong Upside With Relatively Low Downside

YoY Growth During Good Year	
Semicap Worldwide	25.50%
CAMT Gross Profit	33.90%
YoY Loss During Bad Year	
Semicap Worldwide	-17.0%
CAMT Gross Profit	-14.2%

SPECIAL SITUATIONS

Vista Outdoors (NYSE: VSTO) – January 19, 2023



Price at Pitch: \$26.94 **Target Price:** \$35.82 (+33%) **Current Price:** \$26.37 (-2%)¹

Business Description: Vista Outdoor designs, manufactures and markets consumer products in the outdoor sports and recreation markets in the U.S. and internationally. Sporting segment manufactures ammunition and related equipment excluding firearms. VSTO benefits from many large scale sporting and macro trend tailwinds.

Election Firearm Purchases Bolsters Recurring Ammo Rev: Election years like 2020 feature distinctly higher purchases of ammunitions and guns. Increased demand is likely. The demographics of purchase indicate that repeat purchase is common, and new customers are increasing. So as the absolute number of firearm owners in U.S. slated to increase in 2024, the TAM of ammunition customers increases as well, benefitting VSTO and their business segment with increasing recurring revenues.

Best In Class Brand Portfolio Positions Vista Outdoor for Attractive M&A: VSTO’s management has proven their acumen in inorganic growth, having made 7 acquisitions in the past 2 years. VSTO has a strong balance sheet that can support future acquisitions. VSTO’s vertically integrated business as a designer, manufacturer, and marketer of their products, coupled with their diversified product portfolio allows the company to adapt to various recessionary environments. Purchases of QuietKat and Remington at extremely attractive multiples opportunistically speak to M&A history success.

Executive Decision: Watch

The investment of VSTO falls under the Special Situations group’s thematic investing mandate. This is because one of the primary theses for the investment is the trend of election years experiencing increased gun sales. As a maker of ammunition, albeit, primarily for sport, VSTO’s addressable market increases as gun ownership increases. In 2020, VSTO outperformed the Russell 2000 by ~26%. On top of that, VSTO’s management has proven to be prudent and successful with their M&A growth strategy of acquiring complimentary brands at attractive multiple to bolster its brand portfolio. In addition to the thematic investing, the company also has another special situation in which it plans on splitting the outdoor sport segment from the recreation segment. The stock split will make the company more straightforward be a catalyst for the market to realize the mispricing.

Fig. 1: Firearm Purchase Statistics

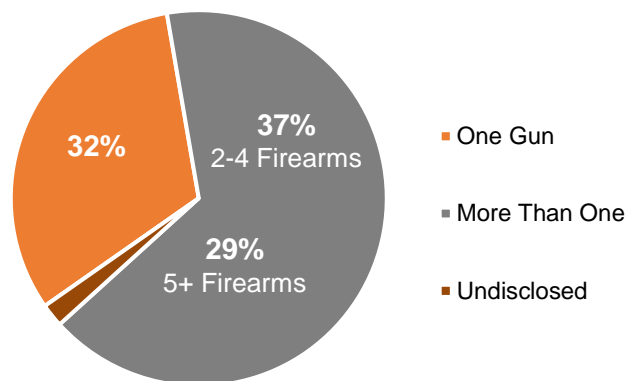
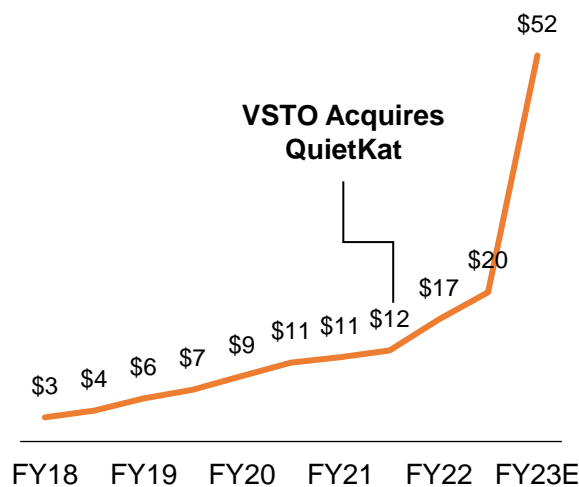


Fig. 2: QuietKat Net Sales After M&A



United Airlines Holdings Inc. (NASDAQ: UAL) – March 19, 2023

Price at Pitch: \$43.04 **Target Price:** \$62.15 (+44%) **Current Price:** \$47.41 (+10%)¹

Business Description: United Airlines is a major US-based airline with 872 aircrafts and an aggregate capacity of 200k+ passengers. Operating over 4,500 distinct routes, UAL is the 3rd largest airline in the world.

Poised to Take Advantage of Key Catalysts:

- 1. Global Long-Haul Capacity:** A 20% increase in Atlantic GDP over the past four years has amplified a supply-demand discrepancy for global long-haul flights. During that same time period, competing peers have reduced their widebody fleet while UAL has increased theirs. This places UAL in a great position to capture the high industry growth.
- 2. Diversified Investments:** Established aircraft orderbook for the next 10 years to meet consumer demand. UAL has also invested in infrastructure, technology, and people to gain an advantage compared to peers.

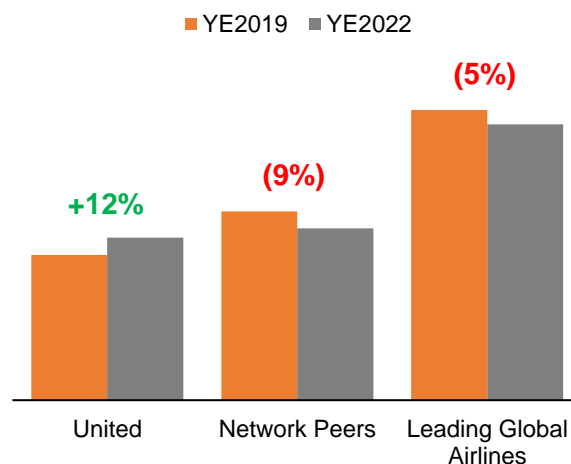
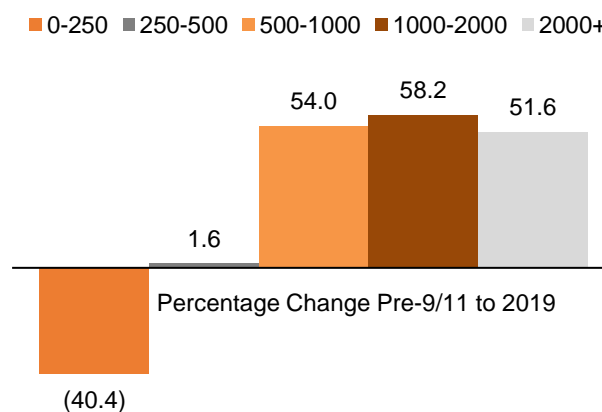
Changing Markets Through Demonstrated Metrics:

Market level data indicates that consumer demand is focused on longer distance flights. UAL is especially well-positioned to capitalize on this trend as evidenced by their increasing market share in key routes.

Gauge Driven Growth in Improving Fleet: UAL is shifting to a large premium fleet across routes through *United Next*, which is expected to retire 200+ regional jets by 2026. These jets will be substituted by large narrowbodies, which are more profitable.

Executive Decision: Buy

The investment in United Airlines fits within the Special Situations team's thematic investing mandate. The US commercial airline industry was undoubtedly hit hard by COVID-19. However, a swift recovery in air travel traffic has brought in new trends that UAL is best positioned to capitalize on. Firstly, UAL's widebody fleet count is best suited to accommodate the increase in demand for global, long-haul flights, while competitors have downsized their fleet of planes able to make these flights. While the industry is capital intensive, UAL is best positioned to weather the current macroeconomic environments as they were able to raise debt with favourable credit terms such as long-dated maturities and fixed or low floating interest rates. As such, the company faces no significant near-term maturity walls and has an industry-leading interest coverage ratio of 1.3x.

Fig. 1: Widebody Fleet Count**Fig. 2: % Market Change in Domestic Passenger by Distance**

Quebecor Inc. (TSX: QBR) – September 22, 2022

Price at Pitch: \$27.00 **Target Price:** \$39.19 (+47%) **Current Price:** \$33.74 (+25%)¹

Business Description: Quebecor Inc. (“Quebecor”) is a Canadian telecommunications and media conglomerate. Its media entities include major Québec news stations, service providers, media publications, and streaming services. Quebecor uses an integrated approach, offering internet, mobile, television, and cloud services under one provider.

Canadian Communications: Communications is comprised of two segments: telecommunications and broadcasting. The industry is an oligopoly dominated by Rogers, Bell, and TELUS. However, as shown in Fig. 2, the mobile segment sees increasing whitespace as consumers shift to niche carriers.

Consumer Sentiment Creates White Space: Major service outages by Rogers in 2021 and 2022 have shifted consumer sentiment against the industry’s oligopolistic nature. These events set the stage for QBR to capture market share outside of Quebec through a recent \$830mm investment in 5G Spectrum infrastructure and through their acquisition of Freedom Mobile Inc.

Quebec – an Ideal Telecom Market: With poor economies of scale and strict competition laws, the telecom industry is increasingly moving toward a model optimized for regional dominance. As such, QBR’s regional focus is a legitimate competitive advantage as they provide Quebec’s residents with better service at a better price while still having room to grow.

Executive Decision: Watch

The pitch resulted in a watch decision due to two primary reasons. The first is that the company’s growth and upside story is highly speculative. The pitch focused on the possibility of QBR acquiring Freedom Mobile due to the industry-shaking Shaw-Rogers merger. However, the deal for QBR to acquire Freedom was subject to the regulatory approval and closing of the Shaw-Rogers merger, one that would consolidate a heavily oligopolistic industry even more. As such, there was significant uncertainty surrounding the possibility of the deal going through and QBR acquiring Freedom. On top of that, the company’s growth potential as a standalone business without Freedom is mediocre, given its focus on just Quebec. Thus, the investment would’ve been contingent on a highly speculative and uncertain event, not adhering to Limestone’s philosophy.

Fig. 1: Key Metrics

Market Share	6%
Subscribers	~2.2mm
Relative Size	4 th Largest Carrier
Locations	805

Fig. 2: Canadian Mobile Revenue Share

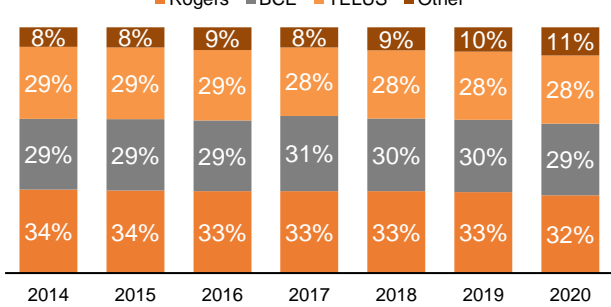
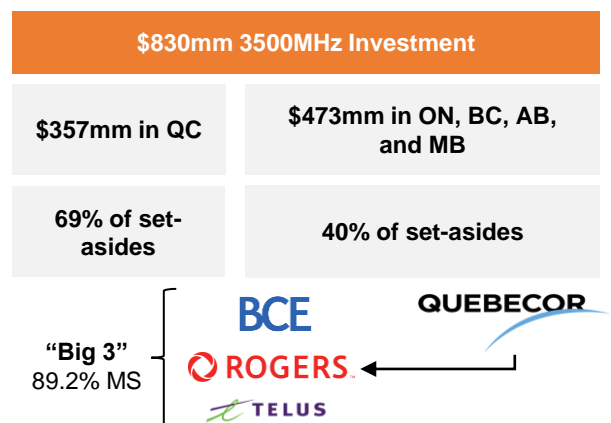


Fig. 3: QBR’s Canada-Wide 5G Plan



Price at Pitch: \$23.97 **Target Price:** \$19.76 (-18%) **Current Price:** \$26.48 (+12%)¹

Business Description: Instructure provides a suite of software that connects teachers, learners, parents, and administrators. The company’s primary product Canvas is a learning management system (LMS) that includes assessments, analytics, and learning content for K-12 and higher education institutions.

The LMS Market Winner Creates Growth in Greyspace: Canvas has had a meteoric rise to the top of the competitive landscape fueled by its superior UI/UX and a suite of services. With a superior product, the company has been successful in growing via churn from legacy competitors (70%-win rate amongst competitor contract renewals). These wins come despite high industry switching costs (LMS software generally has long contract lengths, and substantial administrative resources are required for platform shifts), indicating a key competitive advantage.

Expansion into White Space: Topline expansion is driven by ~\$190bn of government stimulus and teacher shortages, resulting in a lower barrier to entry and an increase in demand.

Cross/Upsell Ecosystem and M&A potential: Only 30% of Instructure’s current customers use more than one product, and the cross/upsell opportunity with Instructure’s current product portfolio is estimated to be \$750mm. This opportunity is expected to grow with M&A, which the company is well-positioned to complete, given its financial profile.

Fig. 1: Proven Ability to Sell to Existing Customers

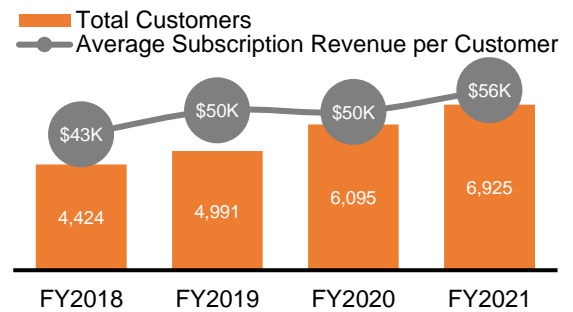


Fig. 2: Rapidly Declining Customer Acquisition Costs

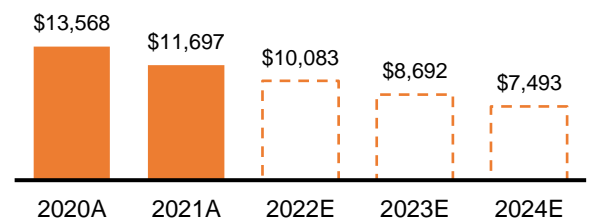
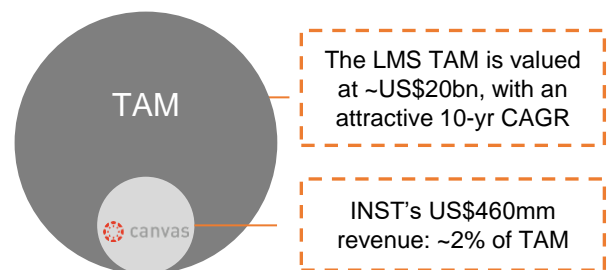


Fig. 3: TAM v. Current Capture: Significant Opportunity



Executive Decision: Watch

At first glance, Instructure had many attractive features for an investment; however, upon further due diligence, the TMT team pitched INST as a watch rather than a buy. This decision was primarily predicated on the company’s valuation. By comparing INST to peers, it is evident that the company is overvalued as it trades at a sizable premium to competitors when its expected growth and margin align with the peer universe. Additionally, Thoma Bravo bought Instructure at 7.7x LTM revenue in 2019, and the company currently trades in-line at 7.7x LTM revenue. Given that the company would have been purchased at a premium and had some of the initial expected growth realized, this further indicated that the stock is overvalued. As such, being value investors, an investment in INST could not be justified.

Price at Pitch: \$31.07 **Target Price:** \$44.80 (+34%) **Current Price:** \$38.00 (+22%)¹

Business Description: Perion is an AdTech firm that optimizes ad campaigns for brands and agencies, enabling publishers and developers to monetize their platforms. This dual focus allows Perion to unlock efficiencies within its advertising processes.

The AdTech Industry at a Glance: Despite Facebook, Google, and Amazon's dominance of ~65% of the AdTech industry, Perion has achieved high growth by offering increased transparency, data ownership, and tailored solutions while benefiting from the trend in programmatic advertising.

Untapped Cross-sell Opportunity: Perion's product suite has minimal utility overlap while providing businesses with a holistic advertising experience. An unsaturated customer base and growing product portfolio enable increased ARPU and lower SG&A.

Big Data Regulatory Tailwinds: Cookies are responsible for driving most AdTech revenue growth. With evolving data privacy legislation and companies phasing out cookies, Perion has developed a scalable regulatory-compliant cookie alternative that outperforms cookies in every vertical.

Growth Catalyst via Search Engine AI: Microsoft Bing has gained market share from Google recently. Due to Microsoft's AI advantage, there is a high potential for further acceleration of market share transfer. Perion is positioned to achieve substantial top-line growth as an ad supplier for Bing.

Fig. 1: Lift in Click-Through-Rate by Vertical (Cookies vs. Perion's SORT)

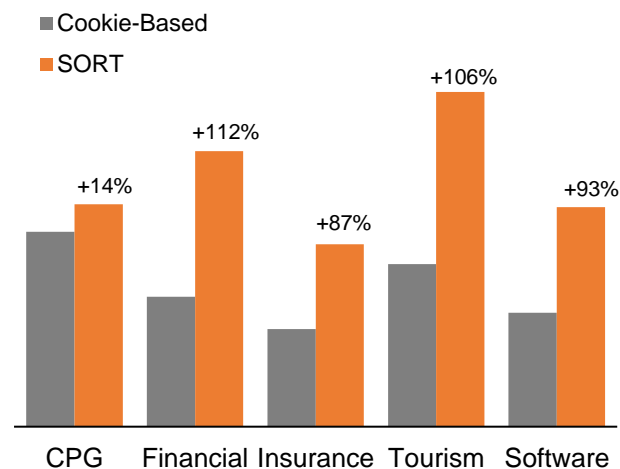


Fig. 2: Impact of Bing Growth on Perion's Top Line

MSFT Revenue from Search	11,591
PERI Revenue from MSFT	236
% Fee Received	2.0%
MSFT Additional Revenue / % MS	2,000
PERI Additional Revenue / % MS	41
PERI 2022A Revenue	640
PERI Revenue w/ Bing +5% MS	844
% Growth	32%

Executive Decision: Buy

Perion checked multiple boxes of what Limestone is looking for in an investment. The company has strong organic growth potential as the cross-sell opportunities and Microsoft-Bing tailwind bode well for margin expansion. Additionally, PERI's management proactively positions the company to benefit from the changing data privacy regulatory landscape. As value investors, PERI has an attractive intrinsic valuation, even under constraints of the bear case and elevated discount rates. It is paired with a relative value analysis demonstrating Perion trades well below peers and historical multiples, indicating market dislocation and an attractive, time-sensitive buying opportunity. While there is a risk of companies reducing advertising spending due to the macroeconomic environment, Limestone's long-term investment horizon will allow us to mitigate this short-term risk.

Price at Pitch: \$4.12 **Target Price:** \$7.12 (+73%) **Current Price:** \$ 4.38 (+8%)¹

Business Description: AVPT offers migration, operation governance, and data protection services for cloud-based tools within organizations. Their SaaS Confidence Platform works directly with Microsoft 365 and other cloud platforms and works closely with Microsoft to maintain product compatibility.

A Growing Market Propelled by Secular Tailwinds: Data growth, retention, fragmentation, value and security threats are making organizations rethink their data protection and security. The three primary markets AVPT competes in (DPaaS, DRP and GRC software) are growing at an 8.9% CAGR and will yield a \$38bn TAM by 2024.

How AVPT Beats Competitors: By offering a cohesive suite of migration, scalability and data protection solutions, AVPT enables customers to have a more holistic platform than competitors. Freemium, upselling and cross-selling within their current operations create a further runway by increasing their onboarding, organic ACV, and TAM penetration.

The Microsoft Market: MSFT’s Global “Public Cloud-as-a-Service” TAM is expected to grow to \$529bn by 2024. AVPT captures value by increasing its take-rate growth on Office 365 commercial revenues and by capitalizing on its Dynamics and Azure products in production. Historically MSFT has valued collaborations with value-add partners like AVPT and will likely continue to do so.

Fig. 1: Revenue by Operating Segment

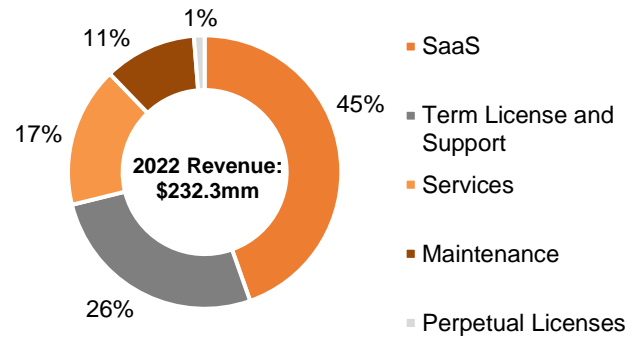


Fig. 2: AVPT’s Annual Contract Value

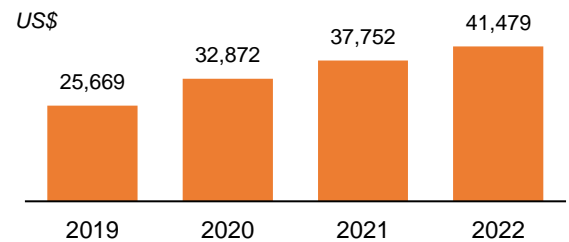
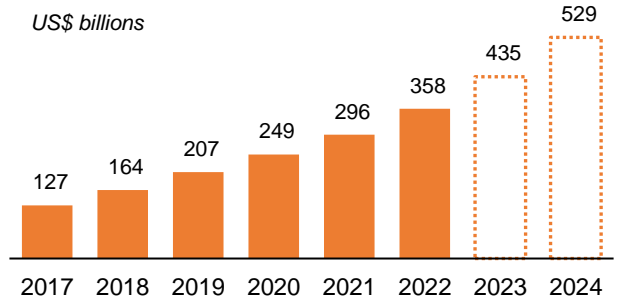


Fig. 3: MSFT’s Global “Public Cloud-as-a-Service TAM



Executive Decision: Buy

AvePoint was attractive at first glance, given the material decrease in valuation of ~80% over the last two years, which is attributed to both the broader SaaS market downturn and recent operational underperformance. Nonetheless, upon further diligence, it was apparent there was a significant value and price dislocation. The company has many attractive business characteristics, including, but not limited to, a strong growth profile, a robust customer base, major industry tailwinds, and substantial insider ownership of ~30% of total equity. It is the leading software provider of cloud migration, operational governance, and data protection services on top of the Microsoft 365 productivity suite. They work very closely with Microsoft as a Microsoft Gold Certified Partner; Microsoft is not liable for their customer’s data and will frequently refer them to AvePoint.