

Split Rock Capital Management

**Partner Presentation
November 2018**

jim@splitrockcap.com | 646.543.6819 | www.splitrockcap.com

•

•

Table of Contents

Summary.....	3
Fee Structure	4
Account Types and Account Minimums	5
Portfolio Manager	6
Expectations	7
Disclaimer	8

Summary

- Split Rock Capital Management, LLC is a New York-based Registered Investment Advisor. We are looking for investors who share our long-term, value-based approach to investing.
- Split Rock invests primarily in U.S. equities and we typically hold our investments for a year or longer. Split Rock occasionally considers the global macro environment, particularly when markets are extremely *overvalued* or extremely *undervalued*. At all other times, we are primarily invested 100% long in U.S. equities.
- Split Rock is a money management firm which seeks to manage a portion of your entire portfolio. We are glad to work with your existing financial advisor to create a comprehensive and personalized financial plan.
- Split Rock maintains a low fee structure which includes discounts for higher amounts of assets under management.

Fee Structure

- Approximately \$200 is charged every year for each account to cover account maintenance costs, trading fees, etc. This fixed amount is charged directly by our broker, Interactive Brokers.
- In addition, we charge an asset-based fee for portfolio management. These fees are listed in the table below:

Total Assets Under Management	Annual Fee
\$0 - \$250,000	1.00%
\$250,001 - \$1,000,000	0.80%
\$1,000,001 - \$5,000,000	0.65%
\$5,000,001 – And Up	0.50%

Account Types and Account Minimums

- Split Rock manages money via Separately Managed Accounts (“SMA”). These accounts are not pooled, and are owned directly by the client. Split Rock is given trading permissions for the client’s account, but Split Rock will *not* have custody of these funds. Statements, performance figures, etc. are independently provided by our broker, Interactive Brokers.
- Split Rock is able to manage money from a variety of account types including: IRAs (Traditional, Roth, SEP, SIMPLE, etc.), 401(k) plans, 401(k) rollovers, 529 Savings Plans, Educational Savings Accounts (ESAs), as well as many other types of accounts.
- The minimum amount required to open an account at Split Rock Capital Management is \$10,000.

Portfolio Manager

- Split Rock Capital Management was founded in December 2015 by James H. Bowerman. Mr. Bowerman is the sole owner and employee and is responsible for all investment decisions at Split Rock Capital Management.
- Mr. Bowerman graduated from the University of Washington with a degree in Industrial Engineering. He was formerly employed as an engineer at The Boeing Company in Seattle, WA. He currently resides in New York City.
- Mr. Bowerman has had an interest in investing, finance and economics since 2005. He has been successfully investing in his private account for over 10 years. Since the founding of Split Rock Capital Management in 2015, most of Mr. Bowerman's personal net worth has been invested with the firm.

Expectations

- We expect to be judged by our performance relative to the S&P 500 over time. We aim to outperform the S&P 500 over a full market cycle. A full market cycle usually lasts 5 to 7 years, but as we've seen since 2009, these cycles can occasionally extend beyond the 5 to 7 year timeframe.
- We primarily invest in U.S. equities. We usually own 10 to 30 equities at one time. In addition, we will occasionally invest in other types of securities, as valuations dictate. While we are unlikely to publically discuss any of our current investments, we publish an annual letter every year in which we outline our general views on the markets, etc. Past editions of these letters can be viewed on our website at www.splitrockcap.com/letters
- We consider the global macro picture as well. Many value investors shy away from considering macro factors. We agree with this strategy 90% of the time, but also believe, by incorporating macro considerations in times of market extremes, that we can potentially reduce volatility and improve performance.

Disclaimer

FOR INSTITUTIONAL OR REGISTERED REPRESENTATIVE USE ONLY. NOT FOR PUBLIC USE OR VIEWING.

Nothing contained in this presentation constitutes tax, legal, insurance or investment advice, or the recommendation of or an offer to sell, or the solicitation of an offer to buy or invest in, any investment product, vehicle, service or instrument. Such an offer or solicitation may only be made by delivery to a prospective investor of formal offering materials, including subscription or account documents or forms, which include detailed discussions of the terms of the respective product, vehicle, service or instrument, including the principal risk factors that might impact such a purchase or investment, and which should be reviewed carefully by any such investor before making the decision to invest. Articles, reports, fact sheets and media content either linked to or found in this presentation are provided for informational purposes only and in no way should be considered a recommendation of any particular investment product, vehicle, service or instrument or the rendering of investment advice, which must always be evaluated by a prospective investor in consultation with his or her own financial adviser and in light of his or her own circumstances, including the investor's investment horizon, appetite for risk, and ability to withstand a potential loss of some or all of an investment's value. Investing is an inherently risky activity, and investors must always be prepared to potentially lose some or all of an investment's value. Past performance is, of course, no guarantee of future results. Views represented are subject to change at the sole discretion of Split Rock Capital Management, LLC ("Split Rock", "SRCML"). Split Rock Capital Management, LLC does not undertake to advise you of any changes in the views expressed herein.

Statements in this presentation that reflect projections or expectations of future financial or economic performance of the markets in general are forward-looking statements. Actual results or events may differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include general economic conditions such as inflation, recession and interest rates. Split Rock Capital Management, LLC is not responsible for any liabilities resulting from errors contained in this communication. Split Rock will *not* notify you of any errors that it identifies at a later date. An investment in any product managed or offered by Split Rock Capital Management, LLC may be deemed speculative and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Fund. Products managed or offered by Split Rock Capital Management, LLC are designed for investors who do not require regular current income and who can accept a certain degree of risk in their investments.