

NORFIELD CAPITAL, LLC

“Private Equity in Public Markets”

Long-Term Fundamental
Style of Investing

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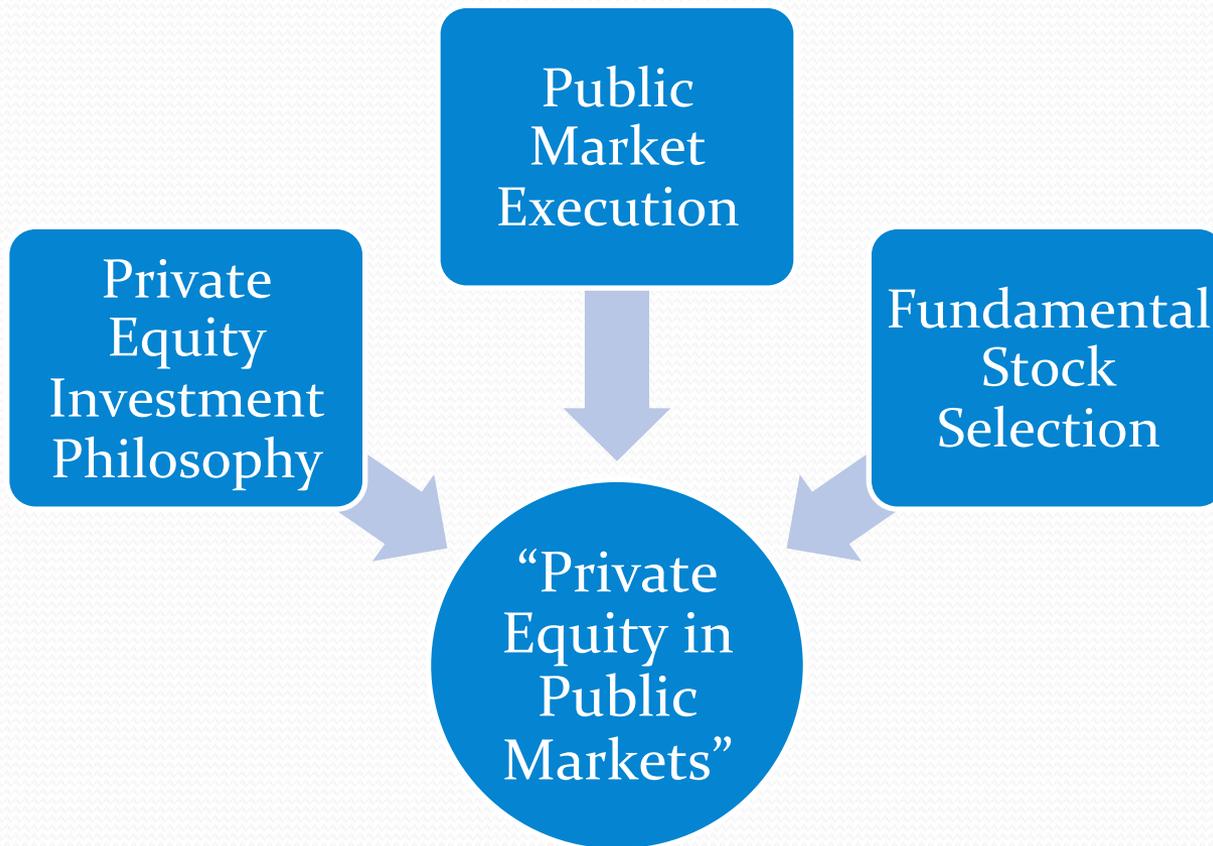


“Private Equity in Public Markets”
Long-Term Fundamental Style of Investing

Investment Objective:

Capital appreciation over time by adopting private equity investment philosophies and applying it in public markets. Historically, long-term fundamental style of investing practiced by the best private equity investors provides the highest returns on capital over the long term, albeit with very limited liquidity. The investment objective is to achieve similar long-term performance of private equity investments but instead with public investments, which provide liquidity.

“Private Equity in Public Markets”
Long-Term Fundamental Style of Investing



“Private Equity in Public Markets” *-Private Equity Investment Philosophy-*

Why private equity historically produces superior returns?

Control – qualified people are responsible for running the business. They have to produce or are replaced by controlling investors.

Limited number of owners/shareholders - enables timely and necessary changes to the operating business. It is very hard to replace non-producing management or board of directors in the public market because there are too many shareholders.

Results are based on the success of the underlying business – not the overall direction of the stock market. Private equity investments are always valued based on the underlying business and not artificial stock price of the public market.

Significant emphasis on revenue and earnings growth – creates wealth over long term.

Profits – breakeven is not good enough. Significant incentive for shareholders/owners. The more you make, the more you keep.

Concentration of investments – significant time dedication to each investment naturally creates concentration. Concentration creates company specific risk and minimizes overall market risk.

Long-term horizon - it takes time to build a business and grow revenues.

The disadvantages of investing in private equity is limited opportunities and lack of liquidity.

“Private Equity in Public Markets”

Private Equity

Investment Philosophy

Control

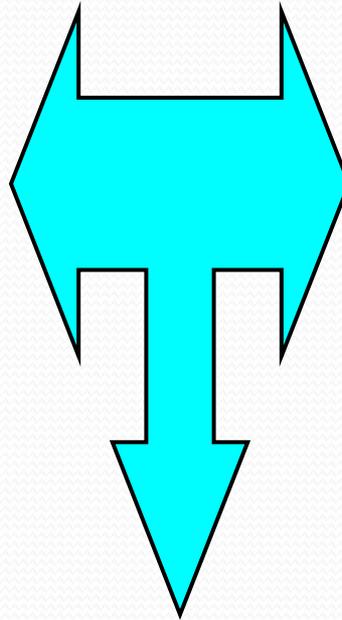
Qualified Management and BOD

Emphasis on Growth – revenue and earnings

Profitability

Concentrated Portfolio

Long-term horizon



Public Markets Execution

Liquidity

Discount opportunities

Available public data

Many investment opportunities

“Concentrated portfolio of publicly traded companies selected based on private equity investment philosophies. Operated and controlled by exceptional management and board of directors to produce significant growth for shareholders over the long term.”

“Private Equity in Public Markets”

-Fundamental Stock Selection (Current Investments)-

-Investment Characteristics (Safety Net and Downside Protection)-

- Speculation that Revenue and Earnings Growth will continue
- Profitable
- Proper Capitalization
- **Bottom line:** In theory it is our belief that if an investment is producing revenue and earnings growth, is profitable (generating free cash flow), and it is properly capitalized (no debt), then there is no reason for the stock price to experience a sustainable decline in any market environment.

“Private Equity in Public Markets”
-Fundamental Stock Selection (Current Investments)-
-Attributes to Drive Revenue and Earnings Growth-
(Future Growth = Sustainable Stock Price Appreciation)

- A successful investment either in private equity or public markets will be based on consistent revenue and earnings growth over extended period of time. The key attributes for consistent and sustainable growth over time are the following:

Superior Product

Competitive Advantage

High Gross Margins

Quality of Management

Quality of Board of Directors

Investment Objective Summary

- Long-term capital growth – create wealth over time based on the success of each specific underlying investment instead of the general stock market.
- Revenue and Earnings Growth = Sustainable Stock Price Appreciation
- Liquidity
- Buy and Hold - Tax Efficiency

Investment Manager Background

<u>Name</u>	<u>Prior Experience</u>	<u>Education</u>
Paul Borowiec	Source Capital Group (Vice President Investments) Portfolio Manager – Public Securities StoneWater Capital LLC (Investment Analyst) Domestic Fund of Funds – Hedge Funds Neuberger Berman (Research Analyst) Advisory Services – Mutual Funds American Skandia (Portfolio Analyst) Investment Management – Mutual Funds	Fairfield University (B.S.)

Paul Borowiec currently serves as the Chief Investment Officer at Norfield Capital, LLC. Most recently Mr. Borowiec was a Vice President of Investments at Source Capital Group, a position he held from June 2009 to January 2015. Mr. Borowiec was also the Managing Partner of Source Opportunity Fund LLC at Source Capital Group. Prior to Source Capital Group, Mr. Borowiec was an investment analyst for StoneWater Capital LLC, a position he held from May 2005 to June 2008, where he shared responsibilities in managing their domestic business. Prior to StoneWater Capital, Mr. Borowiec was a research analyst for Neuberger Berman. Prior to Neuberger Berman, Mr. Borowiec worked for American Skandia as a portfolio analyst in the investment management group. Mr. Borowiec holds a B.S. in International Business from Fairfield University.