Dear Investor,

The Spree Capital Advisers Composite Index advanced 22.16% net of fees in the first quarter of 2019 versus a total return of 13.65% for the S&P 500.

<table>
<thead>
<tr>
<th>Spree Capital Advisers</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14.6%</td>
<td>4.53%</td>
<td>1.96%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>22.16%</td>
</tr>
<tr>
<td>S&amp;P 500 Total Return</td>
<td>8.01%</td>
<td>3.21%</td>
<td>1.94%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13.65%</td>
</tr>
</tbody>
</table>

Q1 Review

In the beginning of 2019, it was apparent to us that the Federal Reserve had tried multiple times to walk back expectations of further near-term interest rate hikes. However, investors remained fearful of rising rates, a flattening yield curve, trade wars, and a potential recession. We took the opportunity to invest in great businesses supported by long term secular tailwinds that were selling at discounted valuations.

One of the driving forces behind the catalyst to launch Spree Capital Advisers was our observation of the reflexive price behavior resulting from the intersection of quantitative factor investing, momentum trend followers, and high frequency traders. When this combination of players conspire together, valuation dislocations create asymmetric opportunities for the long-term investor in great businesses. We capitalized on this dynamic in several instances early in the quarter.

Our Undiscovered Compounder strategy contributed 17.65% to our 22.16% net return in the quarter. This strategy consists of great businesses led by proven, properly incentivized management teams which have clearly defined strategies to maximize shareholder value. These businesses are supported by secular tailwinds which provide long runways for the business to grow, and management teams with an ability and willingness to reinvest cash flows at high incremental returns on invested capital. In Q1, our Undiscovered Compounder watchlist had 45 businesses in the funnel, not including the investments we made in the quarter.

Our Value with a Catalyst strategy contributed 4.51% to our 22.16% net return in the quarter. This strategy consists of good businesses with sustainable cash flows, a credible path to value creation, and an inherent misperception which depresses the valuation. We take a different approach than most in our Value with a Catalyst investing. Value with a Catalyst investing can achieve superior returns when used sparingly. We say sparingly for two reasons. First, there are simply not enough great Value with a Catalyst situations to build a portfolio around. A large percentage of the spin offs, split offs, mergers and such are simply bad businesses or garbage barge asset dumps at unattractive valuations. We believe that following all events is important, but knowing when to play is far more important. Due to our penchant for owning great businesses, we only tend to get involved in Value with a Catalyst situations selectively. Second, we look at value differently than most value investors. Often, when one invests in something primarily based upon its discounted valuation, their thesis is proven wrong either by the profit and loss statement or by wasted opportunity costs. We are business analysts first, and security analysts second. This means that there are some businesses we will not invest in at any price. We will not tie up capital in situations where it is impossible to have a circle of competence. Rather, our strategy is to generate outsized returns with the lowest possible risk. In Q1 our Value with a Catalyst watchlist had 10 businesses in the funnel, not including the investments we made in the quarter.
Undiscovered Compounders

Roku, Inc. (ticker: ROKU)
In Q1, we invested in ROKU at an average price of $32.35, which returned 99.41% in the quarter. In ROKU, we see a situation unfolding in line with the historical fact patterns we have observed in several other industries. Specifically, we believe that the purpose-built operating system developed by ROKU for the smart TV will achieve industry scale at the expense of homergrown operating systems, much like how Windows OS overtook mainframe operating systems in personal computers, and Android OS overtook Windows OS in cellular phones. As the aggregator in smart TV operating systems, ROKU’s first mover advantage and industry scale will enable them to grow the subscriber base over 400% from current levels, all while doubling ARPU.

ROKU is in the early stages of the streaming TV growth curve. A 27 million subscriber base provides a critical mass of early adopters as the business is set to cross the chasm towards widespread adoption in the 126 million US household total addressable market. As the movement from linear TV to OTT streaming accelerates, ROKU is the aggregator business that owns the funnel of end users. Having this direct relationship with users is important because every new streaming service will have to sign contracts with ROKU, as ROKU controls the demand side economics. As the depth and breadth of content offering on ROKU’s platform grows, the subscriber base and the number of hours streamed will continue to grow. As the subscriber base expands, the $70 billion TV advertising market will increasingly follow subscribers from linear TV to digital TV. As users, hours streamed, and content grow, more data will be collected on user behavior, purchase intent, and engagement, driving the model driven business to further leverage data and analytics to improve advertiser campaign results, and thus, cost per impression, and ARPU. In summary, ROKU has a long runway to grow subscribers, while growing ARPU, and at our entry price of $32.35, we expect that our investment will compound for years to come.

Frontdoor, Inc. (ticker: FTDR)
In Q1, we invested in FTDR at an average price of $24.33, which returned 41.47% in the quarter. Frontdoor is a home service plan business. Home service plans protect homeowner subscribers from costly repairs on household systems (plumbing, electrical, HVAC) and appliances (refrigerators, dishwashers, ovens). Frontdoor is the dominant provider in the space at 40% market share, over 4x as large as their next largest competitor. This is important for a business that benefits from economies of scale provided by the more than 60,000 contractors and technicians that service Frontdoor’s 2 million subscribers. When Frontdoor lowered expectations due to higher than expected claim costs shortly after the spin-off from ServiceMaster, typical spin off dynamics were exacerbated, and we took advantage of investor myopia.

A key to any investment we make is having multiple ways to win. With Frontdoor, there are four. First, Frontdoor is, at its core, a platform business. The economies of scale that come from being the largest player in the space support volume and route density for the 15,000 contractors and 45,000 technicians whose business depends on the Frontdoor network. Second, with new, incentivized management led by CEO Rex Tibbons, formerly the COO of Lyft, Frontdoor now has the technological capabilities, resources, and focus to grow their industry leading market share. Third, Frontdoor’s non-core status within ServiceMaster left multiple opportunities for margin expansion. With their technological expertise, FrontDoor management will implement dynamic pricing to create price segmentation down to the zip code level. Previously, contract pricing was implemented on a state by state basis. Geographic price segmentation will lead to higher and more consistent margins. Fourth, dynamic pricing for geographic segmentation is a medium-term approach to ultimately expand the platform to on-demand services. Frontdoor’s dominant market share and extensive network of contractors and technicians create an advantageous launchpad for the further aggregation of customers and contractors on Frontdoor’s on-demand marketplace as they expand this new service.
Alarm.com Holdings, Inc. (ticker: ALRM)
In Q1, we invested in ALRM at an average price of $53.06, which returned 22.31% in the quarter. Alarm.com operates the leading SaaS based platform for home security companies, with 2/3 share of the 8 million home security subscriber market. By focusing on the technology side of security monitoring, home automation, wellness, and energy management, Alarm.com frees the 7,000 monitoring company clients to focus on their core competencies in selling, installation, and services.

There are four ways to win with Alarm.com. First, Alarm.com’s core business is gaining market share while growing margins. Alarm.com has 7,000 customers out of the total addressable market of 13,000 security monitoring companies. This industry leading scale puts Alarm in an advantageous position to enhance their already superior product platform, growing the moat around the business while creating new opportunities for cross selling and market share gains. As Alarm.com’s market share grows, opportunities to tap latent pricing power grow, causing cash flow margins to increase by nearly 50%. Second, Alarm.com is entering the small-medium business space. There are 4 million targeted small-medium business properties in the United States. In this market, the typical customer has a total ARPU of more than double the base residential security customer ARPU. Third, Alarm.com is underpenetrated internationally, with international mix consisting of only 5% of sales. Alarm.com is ramping up their presence in 36 countries, providing a potential 20% lift to sales. Fourth, the connected home is a long-term secular tailwind. Software is at the core of the connected home, and Alarm.com has the dominant software platform with a strong first mover advantage. As more inert objects such as garage doors and door locks become part of the connected, managed home, the volume of data coming in to Alarm.com will provide increasing optionality for further product innovation with applications in security, stay at home care, and energy management. In summary, with Alarm.com’s established position in the smart home technology market, there are multiple avenues for Alarm.com to grow their SaaS based revenues and operating cash flow margins.

Value with a Catalyst

Zayo Group Holdings, Inc. (ticker: ZAYO)
Zayo is a provider of internet and voice telecommunications services to wholesale and enterprise customers. We have long thought that Zayo’s position as the largest independent fiber network provider was extremely valuable. However, a business trading at less than replacement cost is often another word for value trap, and the lack of any realizable catalyst kept us away.

When Zayo reported poor results on November 7, 2018, and announced plans to separate into an Infrastructure Company and an Enterprise Company, and embark upon a REIT conversion in 2020, we became interested, as it reminded us of the historical fact pattern which unfolded at Lumos in 2016. In Zayo, we see valuable assets with a market valuation at a fraction of replacement costs. Importantly, this valuation discount is due to depressed earnings. A margin enhancement opportunity through cost discipline and proper integration of past acquisitions is supported by long term secular tailwinds from the ever growing demand for bandwidth fueled by cloud adoption and OTT video streaming.

When it was later announced that a private equity consortium had bid for the company, we were not surprised, but felt that the offer was too low. Zayo’s board rejected the take under bid, cancelled plans to spin the Enterprise Company, and delayed the REIT conversion plan. In early March, the company postponed their March 14th analyst day, and announced they were exploring strategic alternatives. Ultimately, we believe that we own a portfolio of irreplaceable assets that are underearning their potential. We will either exit this investment in the near term through a sale to a financial or strategic buyer, or more preferably, own a piece of a business set to grow earnings over the long term.
eBay Inc (ticker: EBAY)
In Q1, we invested in eBay at an average price of $30.97, which returned 22.31% in the quarter. eBay is a great business at a deeply discounted valuation, with several self help initiatives which are set to grow sales and increase margins in the coming years.

There are three ways to win with eBay. First, eBay is moving payment processing from PayPal after the termination of their contract in 2020. This shift positions eBay to earn the processing spread that was previously earned by PayPal. With Gross Merchandising Volume (GMV) of $100 billion, eBay stands to earn a nearly 1% spread, all while lowering the take rate, a move which provides better economics for the sellers in eBay’s ecosystem. Second, eBay is in the early stages of allowing advertising on their ecommerce marketplace. Advertising represents an opportunity of up to 2% of the $100 billion GMV, potentially adding 20% to current revenues. Third, eBay has substantial hidden asset value in StubHub and International Classifieds. StubHub is the leading ticket marketplace, and International Classifieds owns a portfolio of leading local classifieds businesses in Canada, Australia, and throughout Europe. These businesses are operated autonomously, and are consistent, high margin, double digit growers. When StubHub and International Classifieds are marked to market, we are effectively buying the core eBay marketplace business at less than 3x EBITDA.

Shortly after we made our investment in eBay, an activist investor took a stake and began pushing for eBay to sell StubHub and International Classifieds in order to refocus on the core marketplace business. While we believe that these actions would realize value quicker than the initiatives already underway, we do not believe they are essential for our investment to reward our investors beyond the returns already achieved.

Conclusion
When we launched Spree Capital Advisers, there was a lot to worry about. The threat of the Federal Reserve raising rates, a flattening yield curve, trade wars, and equity market sell offs all had terrified investors. We believe investors always have a lot to worry about. Our approach in Q1 was the same approach we have followed and refined over the years: find and monitor great businesses, and then wait for opportunities for the market to make mistakes.

We believe that great business models supported by long term secular growth tailwinds, and led by superior management teams, will compound shareholder value over the long term. Our analytical advantage comes from knowing and monitoring key performance indicators of businesses, industries, and value chains, and our behavioral advantage comes from having the ability to wait until valuation dislocations create asymmetric investment opportunities. This approach necessitates a wide range of work that often leads to little action, but it ensures that we are always ready for the rare cases when opportunities present themselves. By adhering to our repeatable process, we stack the odds in our investors favor.

We cannot control the outcomes of our decisions in any given month, quarter, or year, but we will always remain true to our process, and trust that it will continue to result in a high batting average, a high slugging percentage, and a healthy outperformance.

We thank you for your confidence in us as the stewards of your capital.

Sincerely,

Thatcher Martin, CFA
The information contained herein reflects the opinions and projections of Spree Capital Advisers, LLC as of the date of publication, which are subject to change without notice at any time subsequent to the date of issue. Spree Capital Advisers, LLC does not represent that any opinion or projection will be realized. All information provided is for informational purposes only and should not be deemed as investment advice or a recommendation to purchase or sell any specific security. Spree Capital Advisers, LLC has an economic interest in the price movement of the securities discussed in this presentation, but Spree Capital Advisers, LLC’s economic interest is subject to change without notice. While the information presented herein is believed to be reliable, no representation or warranty is made concerning the accuracy of any data presented.

Spree Capital Advisers historical returns are calculated from its inception date as a registered investment advisor, January 1, 2019. Spree Capital Advisers Composite contains fully discretionary accounts and for comparison purposes is measured against the S&P 500 Index. Minimum account size for this composite is $250,000. These results are presented net of management fees and include the reinvestment of income. Net of fee performance was calculated using the current highest management fee of 100 basis points, applied monthly and further netting out this adjusted figure against our current highest incentive fee of 10%, applied monthly. The strategy invests in common stocks, and options on publicly traded securities. The composite is a portfolio of securities that Spree Capital Advisers deems to be either over or undervalued based on our fundamental assessment of the issuer’s current and future earnings prospects. Spree Capital Advisers, LLC is a registered investment advisor in the State of Connecticut. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance.

THIS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY INTERESTS IN ANY ACCOUNT MANAGED BY SPREE CAPITAL ADVISERS, LLC. AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY INTERESTS MAY ONLY BE MADE PURSUANT TO DEFINITIVE SUBSCRIPTION DOCUMENTS BETWEEN SPREE CAPITAL ADVISERS, LLC AND AN INVESTOR.