“It’s not whether you’re right or wrong that’s important, but how much money you make when you’re right and how much you lose when you’re wrong.”

- George Soros

1) Performance and Overview

A $1 million investment in Peterson Investment Fund I (PIFI) at inception on October 1, 2011 has grown to $5.65 million as of June 30, 2021. This amounts to a cumulative return of 465% in under 10 years.

PIFI returned 12.3% during Q2, while the S&P 500 rose 8.6%. The fund has gained 32.8% in 2021 with the S&P up 15.3%. The fund has delivered 19.4% annualized returns since inception.

$1 million in PIFI, the HFRI Index and the S&P 500, including dividends

<table>
<thead>
<tr>
<th>Period</th>
<th>PIFI Gross Return</th>
<th>S&amp;P 500 Gross Return with Dividends</th>
<th>HFRI (Hedge Fund Index)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20112</td>
<td>45.2%</td>
<td>11.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>2012</td>
<td>78.5%</td>
<td>16.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>2013</td>
<td>35.4%</td>
<td>32.4%</td>
<td>14.3%</td>
</tr>
<tr>
<td>2014</td>
<td>(4.4%)</td>
<td>13.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>2015</td>
<td>(24.2%)</td>
<td>1.4%</td>
<td>(1.0%)</td>
</tr>
<tr>
<td>2016</td>
<td>9.1%</td>
<td>12.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>2017</td>
<td>22.4%</td>
<td>21.8%</td>
<td>13.2%</td>
</tr>
<tr>
<td>2018</td>
<td>(24.9%)</td>
<td>(4.4%)</td>
<td>(7.1%)</td>
</tr>
<tr>
<td>2019</td>
<td>27.2%</td>
<td>31.5%</td>
<td>13.9%</td>
</tr>
<tr>
<td>2020</td>
<td>31.2%</td>
<td>18.4%</td>
<td>17.14%</td>
</tr>
<tr>
<td>YTD 2021</td>
<td>32.8%</td>
<td>15.3%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Cumulative</td>
<td>465%</td>
<td>363%</td>
<td>111%</td>
</tr>
<tr>
<td>Annualized</td>
<td>19.4%</td>
<td>17.0%</td>
<td>7.95%</td>
</tr>
</tbody>
</table>

1 Gross returns are represented before expenses and fees. LP net performance is provided on your Yulish statement and may differ for partners who joined at different times.
2 Fund inception date was October 1, 2011.

Contents:
1. Performance and Overview
2. Investment Philosophy
3. Fund News
4. Concluding Remarks
5. Manager Biography

Primary Objectives:
1. Capital preservation
2. Limitation of downside risk
3. Capital appreciation that outperforms the S&P 500

Service Providers:
- Auditors: Spicer Jeffries
- Administrators: Yulish & Associates
- Compliance: Gordian Compliance Solutions
- Legal: Brill Law
- Prime Broker: Interactive Brokers Group
- Bankers: Wells Fargo Bank
- Technology: Global Solutions India

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Peterson Investment Fund I is a concentrated, long-term, value-based fund. Our portfolio is composed of thriving businesses that are managed by high-quality professionals, trading at discounts to their growing intrinsic value.

We hold 15 positions across six sectors (communication services, financial, health care, industrials, real estate, and technology). Our companies are headquartered in six nations (United States, Canada, China, South Africa, Sweden, and Turkey), and they serve a global base of customers.

Each quarter, these letters are designed to provide updated performance numbers, important announcements and salient financial details for our partners. The Annual Report provides detailed qualitative commentary, the audit, and a postmortem analysis of exited positions. Our Annual Report is available online.

As our portfolio’s ascent continues, it is noteworthy that partners have earned over 100% net of all fees and expenses over the last 12-month period. Importantly, this has been achieved through our low risk, long only, deep value approach to capital allocation.

It is worth noting that nearly all partners held confidently through the 2020 panic, and many of you wisely added capital. Our portfolio is now reaping the rewards of a smart, steadfast, and sophisticated partner base.

Throughout this entire year, we were able to rationally deploy capital into extraordinary businesses, whereas other firms liquidated many of their quality holdings during the height of the global panic. Many investment firms have closed permanently, while virtually everything we own is revaluing higher each quarter. We are not fearful of volatile prices on our high-quality holdings and remain extremely bullish on our portfolio’s performance over the next several years.

Following large market swings, our modest size of approximately $15 million AUM is particularly advantageous.

Our long-term vision is a defining characteristic for this fund with an infinite time horizon on many core holdings. However, when we find anomalies allowing us to capture profit out of the markets at opportunistic moments, we are nimble enough to take action, and do not hesitate to pick up special gains.

As will be discussed at the August Annual Meeting, this year, we are applying our structured value equity purchase method to some strategic opportunities where rare and large gains are available. The lucrative niche we have identified is small and allows us to pull cash out of the market with meaningful returns. We treat the basket of two dozen or so minor positions in this space as one portfolio holding.

Larger players with $100 million or more cannot participate on our playing field because the volume for large transactions is simply unavailable. In 1999, Warren Buffett explained that if he were only managing $1 million, he could guarantee 50% annual returns. This is because periphery opportunities arise in small volumes that present profitable anomalies. The gains available at this moment result from price swings during the 2020 panic and our niche opportunity set will likely fulfill the remarkable Buffett guarantee.

Each minor opportunity in the niche has a profitability range. However, situations of interest are projected to return over 100% annualized on average. As a basket, this holding will do quite well. Since January, our $2 million position has already grown to over $3 million, and the opportunity continues to be very profitable.

While we would not trim our core holdings with potentially infinite time horizons for this medium-term opportunity, some new capital will be applied to this niche

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3 One position includes a diversified basket of minor holdings.

LP Terms and Conditions:

- Minimum investment: $250,000
- Open for investment: Quarterly
- Liquidity: Quarterly following 36-month soft lockup; early redemption provision available
- Fees (annually):
  ∙ Management 0% for commitments above $2 million (0.9% below $2 million commitment)
  ∙ Annual hurdle rate 5%
  ∙ Performance 25% above hurdle
  ∙ High-water mark provision
- Partner communications:
  ∙ Quarterly letters
  ∙ Quarterly LP statements
  ∙ Annual letter
  ∙ Annual meeting
  ∙ Annual audit
- Tax:
  ∙ Annual K-1 tax document
for several more quarters, perhaps into 2023, while these rare high yielding opportunities exist.

Stay tuned, we will provide more detail at the Annual Meeting and in our 2021 Annual Report. Fortunately for us, capturing these gains requires considerable effort and skill, and the volume is too small to justify the participation of any large players. These conditions should protect the space from intruders for some time.

2) Investment Philosophy

PIFI follows a value investing philosophy. Our objectives include capital preservation, limitation of downside risk, and outperformance of the S&P 500, including dividends, over the long-term.

We use in-depth, fundamental analysis to selectively buy undervalued companies managed by exceptional people. We concentrate our portfolio on our best ideas. We keep our portfolio turnover low, holding most of our positions for many years. We focus on minimizing taxes and expenses. And we avoid excessive leverage.

Alignment of General Partner (GP) and Limited Partner (LP) interests is a top consideration in every operational decision. The fund’s unique fee structure, including a zero management fee share class for commitments over $2 million, places incentives on performance, and incorporates an annual hurdle rate and a high-water mark to further accomplish alignment objectives. Performance compensation is earned only after reaching new all-time highs (a high-water mark), and on returns above 5% each year.

My family is among the largest partners in the fund. Your capital is invested alongside our own, and the fund is the sole investment for nearly all of our family’s net worth.

Finally, we strive to expand our circle of competence, maintain an open and rational mindset, and continually improve.

3) Fund News

Annual Meeting

The Peterson Capital Management Annual Meeting will be held virtually on August 14, 2021, at 5pm eastern.

It was a pleasure to have so many partners in attendance in 2020 from all over the world. We look forward to seeing you all next month. Your invitations have been sent electronically.

Limited Partners

We are currently receiving capital from new and existing partners each quarter.

To participate before our next closing date on September 30, we simply require subscription documentation and funds prior to close. Email me for guidance on populating the subscription document.

For commitments over $2 million, the zero-fee share class represents incredible value for our partners. This class reduces the already small management fee of 0.9% to zero.

Zero-fee share class terms, as follows:
• Minimum Investment: $2 Million
• Open for Investment: Quarterly
• Liquidity: Annual
• Partner Communications: Quarterly Statements, Quarterly Performance Summary, Annual Report, Annual Meeting
• Fees (annually):
  ∙ Management: 0%
  ∙ Hurdle Rate: 5%
  ∙ Performance: 25% above 5%
  ∙ High Watermark Provision
• Tax: K-1 Tax Document Provided Each March

Our minimum commitment range for new LPs is $250,000 - $2 million and as little as $25,000 can be added to existing accounts. These accounts have a small 0.9% annual management fee and offer quarterly liquidity.

Please review our letters, public appearances, and legal documentation online.

**Limited Partner Statements**

Each quarter, LP statements are delivered to you electronically by our third-party administrator, Yulish & Associates.

**K-1 Tax Documentation**

Each March, K-1s and relevant LP tax documentation are provided by our auditor, Spicer Jefferies.

**Annual Audit**

The Spicer Jefferies audit was included with our Annual Report. The 2020 Annual Report and all past letters are available online.

**Quarterly and Annual Letters**

Our Quarterly Letters provide updated performance numbers, important announcements, and salient financial details, but contain minimal qualitative commentary.

Our Annual Reports available online provide qualitative commentary, including our post-mortem analysis of exited positions.

**Redemptions**

The zero management fee share class offers annual redemptions each December 31 with 60 days’ notice.

Capital accounts under $2 million have quarterly redemptions available with 60 days’ notice.

**Accepting Qualified Money (401k Rollovers, IRAs, Trusts, etc.)**

Some partners use a self-directed provider to participate in the fund, using tax qualified accounts such as trusts and IRAs. These assets and their returns maintain their tax-advantaged status.

4) **Concluding Remarks**

High quality firms have win-win relationships with each stakeholder, including customers, suppliers, employees, regulators, and community members. Those that succeed in this effort can become particularly strong and buttressed from instability.
Along these lines, a well designed portfolio is only one aspect of what makes our fund so successful. Seth Klarman once explained that “having clients with a long-term orientation is crucial. Nothing else is as important to the success of an investment firm.” He’s right.

This guiding virtue is why we focus on attracting and keeping only the highest quality partners. Next quarter will mark the end of our first decade and it is the reward of a lifetime to continue working with such incredible partners. Your long-term vision and inherent fortitude have helped plant the seeds for enormous wealth creation in the years to come.

Thank you for your continued interest, referrals and support. Feel free to contact me with any questions or comments.

Warmly,

Matthew Peterson, CFA
Managing Partner
Peterson Capital Management
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Building 3B #100
Austin, TX 78730
www.petersonfunds.com
5) Manager Biography

About Matthew Peterson, CFA

Matthew Peterson is the Managing Partner of Peterson Capital Management, LLC. Matthew has been working as a financial professional for two decades. His experience includes working with global financial services firms including Goldman Sachs, Morgan Stanley, Merrill Lynch, American Express, and Ameriprise Financial.

Prior to forming Peterson Capital Management, LLC and launching Peterson Investment Fund I, LP, Matthew split time between Wall Street and London as Capital Markets Manager at Diamond Management and Technology Consultants. Matthew worked as a member of both the US and UK offices, with expertise spanning risk management and derivative processing. During his tenure with Diamond, Matthew worked with top-tier investment banks, global payments firms, and international insurance companies to deliver high impact solutions to his clients’ most challenging business problems.

In 2010, Diamond was purchased by PWC and became Diamond Advisory Services.

Before Diamond, Matthew worked with Merrill Lynch and founded M. Peterson Financial Services, a financial planning firm that offered client planning services to American Express Financial Advisors.

Matthew holds a Chartered Financial Analyst (CFA) designation. He earned his Bachelor of Science in economics and minor in mathematics from the University of Puget Sound. Matthew has lived and worked in China, England, and the United States. Matthew and his wife, Gamze, have two children, Isabel and Adrian.

The performance data presented represents that of Peterson Investment Fund I, LP.

This document does not constitute an offer to sell, or a solicitation of an offer to buy membership interests in Peterson Investment Fund I, LP. We will not make such offer or solicitation prior to the delivery of a definitive offering memorandum and other materials relating to the matters herein. Before making an investment decision with respect to the fund, we advise potential investors to carefully read the offering memorandum, the operating agreement, the related subscription documents, and to consult with their tax, legal and financial advisors.

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