HICKORY LANE

July 9, 2020

Dear Investor,

We launched! Thank you to our Day 1 investors for the confidence in our strategy, process, and team. Thank you to our advisors and service providers who worked tirelessly during these unprecedented times to ensure a smooth launch. We are proud to report that Hickory Lane launched with nearly $100 million of assets under management. The investor base includes our strategic investor, Investcorp-Tages, institutional investors, family offices, and hedge fund managers who personally invested.

At our core, we employ a long-term bottom-up approach towards investing in businesses. For the **long** portfolio, we seek companies that exhibit the following characteristics: (i) high-quality business, (ii) favorable sector dynamics, (iii) stellar management team, (iv) strong free cash flow generation and balance sheet, and (v) attractive valuation. The **short** portfolio is comprised of positions with structural or secular pressures that also serve to mitigate risks directly associated with the long portfolio. Individual shorts exhibit issues with their (i) business, (ii) financial performance, (iii) management team, or (iv) valuation.

We execute this strategy across three sectors, including TMT (tech/media/telecom), industrials, and consumer. Our investment team is organized by sector with each analyst responsible for coverage across a specific vertical.

In the pages that follow, we provide a preview of our portfolio by highlighting three longs and three shorts that demonstrate our strategy. For the long portfolio, we highlight: (i) Lithia Motors, an auto dealer with a time-tested acquisition and efficiency enhancement methodology; (ii) T-Mobile, a wireless operator in the early stages of capturing an $8 billion annual synergy opportunity through a transformational merger; and (iii) Papa John's, a reinvigorated restaurant franchise with a new CEO executing the same successful playbook he implemented at Arby's. These long positions are hedged by shorts that include: (i) an automotive supplier with buyer's remorse on a large acquisition; (ii) a wireless operator ceding market share, and (iii) a restaurant conglomerate experiencing franchisee bankruptcies.

Further, we will be speaking at two upcoming capital introduction conferences: the Barclays Emerging Managers Conference on July 15 and the Morgan Stanley Global Hedge Fund Manager Forum on September 21/22. Please sign up to see us present and we look forward to virtually meeting you.

530 Seventh Ave. 7th Floor, New York, NY 10018 | investors@hickorylane.com

Lithia Motors (LAD) Long

($ in millions, share price as of 6/30/2020)					
Share Price	Diluted Shares	Market Cap	Enterprise Value	Avg. Daily Volume	Leverage
$151.33	24	$3,556	$5,035	$45	3.2x

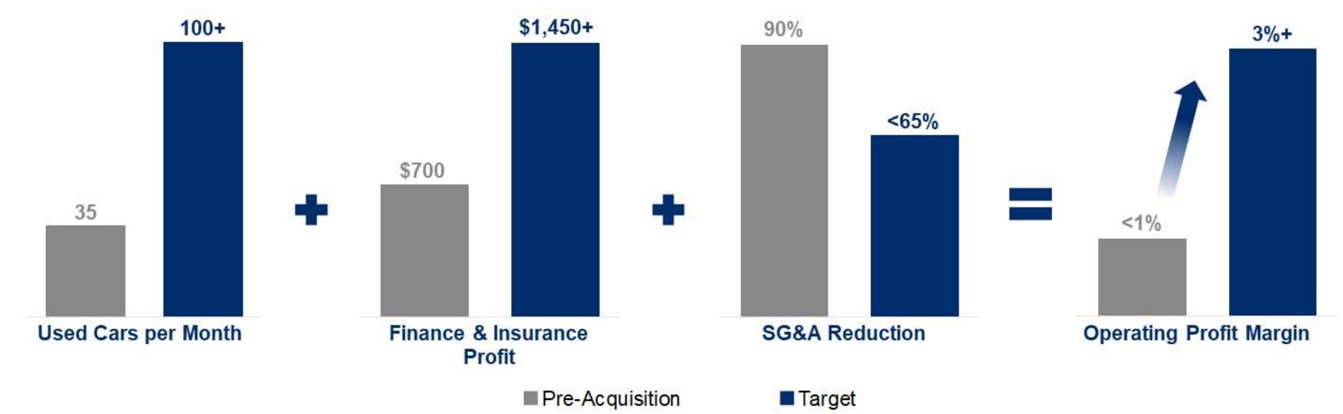
In our May pre-launch letter, we highlighted emerging trends in the automotive sector around miles driven and car ownership. One such company that stands to benefit from these tailwinds is auto dealer Lithia Motors. Lithia is a third-generation family business led by CEO Bryan DeBoer, who has transformed the company into one of the leading omnichannel auto dealers in the U.S. and delivered a 450% return for shareholders since 2012 vs. 65% for the auto dealer index.

This historical value creation was driven by Lithia's track record of acquiring undermanaged dealership groups and tripling operating profit per dealership through a time-tested methodology. On average, this process has delivered a 200% increase in used vehicles sold, 100% increase in finance & insurance gross profit per unit, and 35% reduction in SG&A per dealership. This equates to a 25% post-tax IRR on those investments over a five-year period.

Lithia's core business continues to accelerate as used car volumes have returned to pre-COVID levels and a recovery in miles driven is a leading indicator for the company's high-margin Parts & Services business. Further, LAD's new digital sales initiatives and home services capabilities add another leg to the growth story.

Despite the company's 75-year existence, we believe the value creation opportunity is just getting started as Lithia still only has 1% market share of the highly fragmented U.S. auto dealer market. Recently, management outlined the opportunity to accelerate this strategy by identifying an M&A pipeline of over 2,500 dealer acquisition targets (vs. 187 company dealerships today) and broadcasting a goal of reaching 5% market share. If Lithia is able to capture only 10% of this initiative, FCF/S could more than double off our estimate of next year's $15 base.

Lithia Acquired Dealership Track Record
A Simple, Predictable, and Repeatable Strategy Refined Over Decades



Source: Company filings

T-Mobile (TMUS) Long

($ in millions, share price as of 6/30/2020)					
Share Price	Diluted Shares	Market Cap	Enterprise Value	Avg. Daily Volume	Leverage
$104.15	1,246	$129,750	$192,535	$825	2.6x

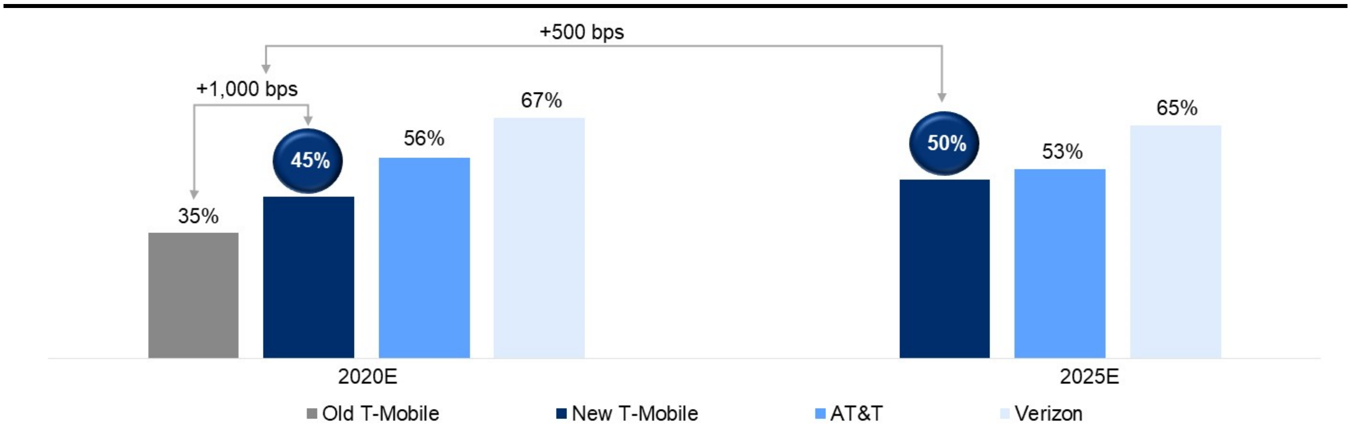
We are excited about the long-term prospects for wireless operator T-Mobile following the transformational Sprint acquisition. At the original deal announcement, the company laid out a path to expand EBITDA margins by over 1,000 bps on synergies alone; this target now looks conservative.

As a reference point, the $6.5 billion synergy guidance for T-Mobile's prior acquisition of MetroPCS was exceeded by $3 billion, or over 40%. These synergies were also achieved one year ahead of schedule while the acquired business's original customer base doubled.

For T-Mobile/Sprint, the original synergy forecast of $6 billion has already been increased to over $8 billion, and there is a clear path for execution. Firstly, 2/3 of the cost synergies involve the mechanical process of shutting down the legacy Sprint network. Secondly, Sprint's tower leases are up to 5x the cost of T-Mobile's given legacy contract escalators. And finally, the combined spectrum position—nearly double that of AT&T, Verizon, and DISH combined—facilitates the ability to deliver the industry's highest quality service at a 20% discount to peers. Taken together, the synergies equate to a tax-effected NPV of $55 per share vs. a current share price of $104.

The merger builds upon T-Mobile's momentum having taken postpaid subscriber market share from 14% to 18% over the past five years, while AT&T and Verizon lost 400 bps and 200 bps, respectively. We believe the market continues to be skeptical about T-Mobile's integration plan and ability to continue capturing market share. As a result, TMUS is trading at under 7x fully-synergized FCF/S.

Wireless Margin Trajectory – T-Mobile vs. Competitors



Source: Company investor presentation and Hickory Lane projections

Papa John's (PZZA) Long

($ in millions, share price as of 6/30/2020)					
Share Price	Diluted Shares	Market Cap	Enterprise Value	Avg. Daily Volume	Leverage
$79.41	32	$2,567	$3,335	$70	3.4x

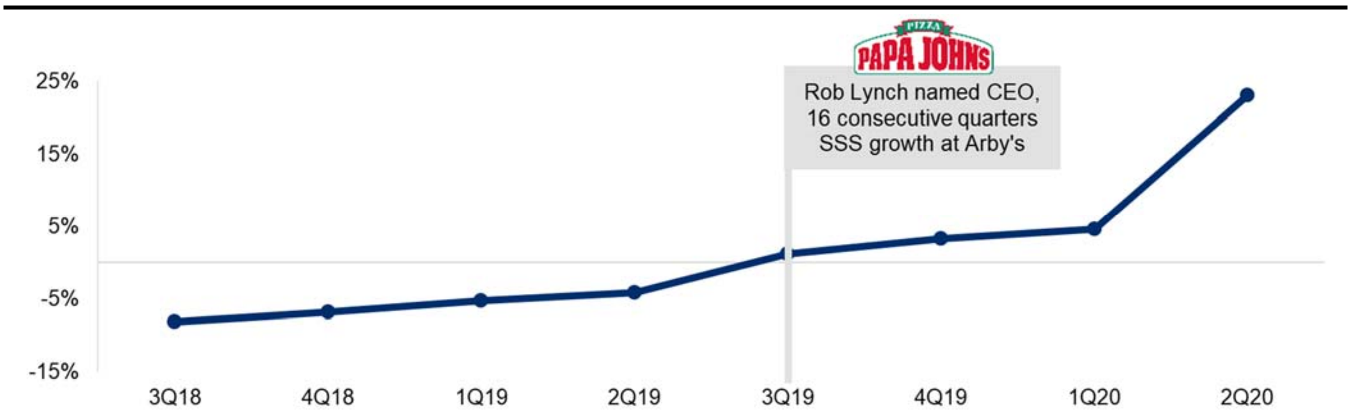
In August 2019, Papa John's appointed Rob Lynch as the new CEO. Lynch came from Arby's, where he served as President and architected the brand's turnaround. At Arby's, he launched a highly effective marketing campaign and brand-testing initiative that drove 16 consecutive quarters of same-store sales (SSS) growth.

Prior to Lynch's arrival, Papa John's had been suffering from below-peer unit economics, a stale menu, and brand perception issues. After nearly a year on the job, Lynch has already reinvigorated the customer base, improved franchise relations, and upgraded the management team. Notably, Lynch added Amanda Clark as Chief Development Officer (previously, EVP of Restaurant Experience at Taco Bell) and Jim Norberg as COO of North America (previously, COO at McDonald's USA).

Menu innovations, including the Papadia, Jalapeño Popper Rolls, and the recently unveiled "Shaq-a-Roni" pizza, are driving meaningful SSS growth. These items are typically add-ons to the base order and provide a high incremental margin flow-through. As with many quick service restaurants, Papa John's recent trends have been assisted by "no contact delivery" during the pandemic. For PZZA, these tailwinds have created a more permanent effect, including fewer store closures, 20,000 new employees to support demand, and an expanded customer base. As a result, we believe Papa John's recent trends are poised to accelerate, compounded by mom & pop restaurant closures and the eventual return of live sports programming.

Additionally, with over 1,000 new locations already under negotiation on a base of under 5,500, we believe Papa John's has a long growth runway ahead. At under a $3.5 billion enterprise value, we also believe PZZA looks like a compelling acquisition candidate. The list of logical strategic buyers is clear, and one such buyer was speculated by the press to have previously held merger discussions.

Papa John's Same Store Sales Trajectory



Source: Company filings

Automotive Short – While we are positively inclined on certain pockets of the overall auto ecosystem, we are short an OEM supplier suffering from secular and self-inflicted issues. Prior to the onset of the pandemic, our auto short announced a defensive acquisition that we believe has limited strategic rationale. In essence, the company acquired a business with structurally slower growth and lower margins, and we are skeptical that revenue synergies will materialize. Further, only a few years ago the company suggested it did not want to “double-down” on the internal combustion engine.

Oddly, only three months prior to deal announcement, the target announced a large internal long-term restructuring initiative yet sold before the plan was put into effect. Now, the acquirer is on the hook to close the deal as global vehicle production has been impaired and OEMs are seeking supply chain price concessions. During my earlier career as a leveraged finance and restructuring banker, I advised on an auto supplier LBO, two supplier acquisitions, and two OEM bankruptcies. My experience suggests this may not end well. As an industry participant stated: “the question is not whether they would still do this deal, the question should be: if the target was free, should the acquirer take it.”

Telecom Short – As we believe the Sprint merger will accelerate T-Mobile’s market share gains, we are short a direct share donor struggling to earn its cost of capital. Given the company’s inferior spectrum position, capital spending will likely be elevated for years to come to remain competitive. Knowing this, over the past several years, the company embarked on a series of value-destructive acquisitions to bolster its long-term cash flow position.

Despite a management reshuffle and calls to de-conglomerate, we believe a turnaround is arduous. Beyond the company’s weakening wireless business, its traditional PayTV business continues to bleed video subscribers as cord-cutting accelerates, having lost nearly 5 million subs in the past 12 months alone. While the company does have several internet-based TV offerings, it is also hemorrhaging subs in that business as an increasingly crowded field offers superior products. Correspondingly, one of the company’s newest online video ventures has completely ceased accepting new subscribers.

Restaurant Short – During our work on the Papa John’s turnaround, we identified an overleveraged restaurant conglomerate that owns a Big 4 pizza chain experiencing cracks in its business model. This chain has worst-in-class restaurant economics at sub-4% operating margins, declining SSS, and costly dine-in locations. As a result of these challenges, which have persisted, franchisees are struggling. In fact, the company’s largest pizza franchisee group recently filed for bankruptcy.

Due to a sustained multi-year levered buyback strategy, the company currently sits at nearly 6x consolidated net leverage and has ceased share repurchases. While the company has sufficient cash on hand in the near-term and on a pre-COVID adjusted EBITDA metric the company is still below its total leverage covenant, there isn’t much cushion.

Again, the team and I are extremely excited to be up-and-running, and we welcome the opportunity to further engage with current and prospective investors.

Stay safe and healthy,

Joshua Pearl
Founder & Chief Investment Officer
Tel: (212) 763-4699
Email: jpearl@hickorylane.com

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