

midwaypartnersllc.com

SEPARATELY MANAGEMENT ACCOUNTS



MIDWAY
PARTNERS

CAPITAL MANAGEMENT

INTEGRITY.PARTNERSHIP.INDEPENDENCE.INTRINSIC VALUE. Since 2021.

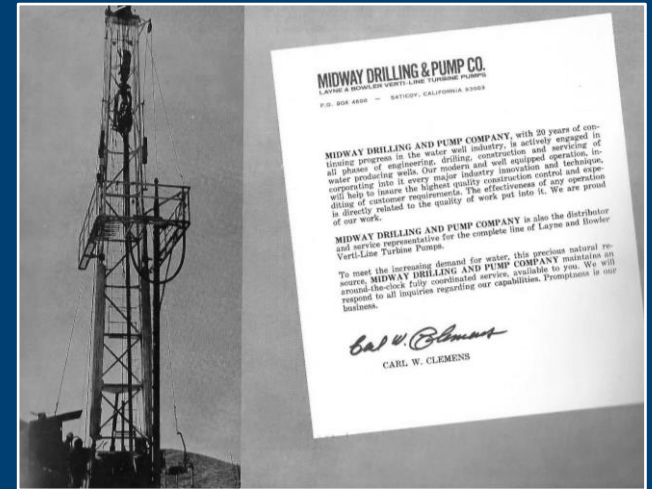
An investment management company utilizing a disciplined process of comparing price to estimated intrinsic value.

Origin of Our Name

Midway Partners Capital Management was named after a business that was founded by Jordan Lampos' grandfather and great grandfather, Midway Partners Drilling & Pump Co. It was founded in 1945 and operated for almost 75 years.

While not affiliated or in the same industry, the two companies share a common set of core values. Midway Drilling & Pump Co. built a reputation of integrity and trust with clients. Midway Partners Capital Management aims to do the same.

The picture shown is a page from the company's 1965 brochure.



Overview

Midway Partners Capital Management ("Midway Partners")

Midway Partners is an investment management company that provides investing programs to individuals, families, and institutions.

All investments are selected using a disciplined process of comparing price to estimated intrinsic value. The company was founded by Jordan Lampos in 2021 and is built on a foundation of core values – integrity, partnership, independence, and intrinsic value.

Registered Investment Advisor (RIA) in the state of Texas.

Fiduciary investment manager.

Currently managing ~\$5 million in total assets.

Why Midway Partners?

How we view the current state of investing and the investment services market.

Three market factors are influencing Midway Partners' value proposition.

- **Economic** – While the perception is that fees for financial services have come down, the reality is that they are better hidden. Extreme productization is designed to position you as far away from your investments as possible resulting in multiple layers of fees – investment advisor + fund manager + sub-fund manager. Even worse, many advisors sell high-commission insurance products (life insurance, annuities, etc.).
- **Social** – The NYSE reported that the average holding period for stocks is now less than a year; in 1950 it was almost seven years. Most stock purchases are not true investments.
- **Technology** – Passive, automated, and algorithmic trading is pervasive and estimated to now control over 80% of transaction volume per CNBC. Many think that software, robo-advisors, and AI will solve their investing challenges.

What We Do

Midway Partners is a discretionary, active manager that manages investment programs (growth and income) for clients.

For investors who believe that intrinsic value matters and who are dissatisfied with the complexity, lack of transparency, and layers of fees charged by traditional financial advisors, Midway Partners offers a compelling investment solution.

Unlike traditional financial advisors, Midway Partners selects its investments internally and independently. We do not outsource to third-party managers or mutual funds (whom you have never met and charge additional layers of fees).

Direct ownership of investments

- *Separately managed accounts.*
- *You directly own the investments in your account.*
- *You see what you own, not layers of mutual funds.*
- *We curate 10-20 stocks for each program along with fixed income securities. We keep turnover low and aim to hold investments for years not days or months.*

Independent, intrinsic-value based investment selection process

- *We make all specific investment decisions on a discretionary basis.*
- *We complete fundamental research on industries, companies, and management and make our own internal intrinsic-value estimates.*
- *Our investment decisions are based on estimated intrinsic value, not pricing multiples or near-term analyst estimates.*

Low fees

- *We charge one simple management fee based on a percentage of your total assets.*
- *You pay for trading commissions to the broker/dealer (we don't trade much) and any other de minimis custodian costs, that's it.*

What We Don't Do

- *Abdicate investment decisions to third-party managers.*
 - *Create multiple layers of fees from third-party investment mutual funds/vehicles.*
 - *Move client's further away from actual investments through third-party mutual funds/vehicles.*
 - *Divorce accountability from investing results by not making investment decisions.*
 - *Over diversify by investing in hundreds of companies with little regard for price compared to intrinsic value.*
- *Suggest that insurance products may serve as investment vehicles.*
- *Create elaborate asset allocations that end up being highly correlated when panics occur or markets experience downturns.*
- *Sell high-commission products.*
 - *Annuities and other financial products.*
 - *Various insurance products.*
- *Provide financial planning services (often with overly optimistic life-time projection scenarios).*
- *Believe that volatility equals risk.*
- *Use the latest investing lingo and/or trends.*

Philosophy

Midway Partners' investment philosophy is based on three fundamental principles. Our investments are evaluated, selected, and sized to reflect these beliefs.

Intrinsic Value is Superior.

Intrinsic value, based on the present value of conservatively estimated future cash flows discounted at reasonable rates of return, is a superior standard on which to base investment decisions.

Relative pricing metrics are ambiguous. Multiples, ratios, etc. are subject to economic/market conditions and obscure long-term company performance expectations and rates of return.

Market Price \neq Intrinsic Value.

The market price of a security and its intrinsic value are not the same, and occasionally large differences can and do develop.

Midway Partners' goal is to exploit these mispricings.

Long-Term Horizon.

We believe that owning pieces of quality companies for long periods of time (3-5 years) purchased at reasonable prices relative to estimated intrinsic value can lead to superior investment outcomes.

Midway Partners' Advantage

	Traditional Advisors	MIDWAY PARTNERS
PHILOSOPHY	Over productized asset allocation	Directly own pieces of profitable companies through separately managed accounts
SELECTION	Typically outsourced to third-party managers	All investing handled internally
DECISION MAKING	Trend following; pricing strategies; closet indexing	Intrinsic-value based decision-making helps avoid investing trends and fads
HOLDING PERIOD	Frequent trading with short holding periods (less than one year)	Long-term to maximize compounding (minimize turnover and taxes)
DIVERSIFICATION	Over diversified, 100+ stocks owned through multiple funds and strategies	Active management to create portfolios with 10-20 stocks
FEES	High commissions and multi-layer fees (advisor + mutual fund + sub manager)	One simple management fee (plus, de minimis trading and custodian expenses)

1. *Review financial goals and suitability*

Short-term cash needs

Long-term objectives

Income versus growth

Risk and volatility tolerance

2. *Select investment programs*

Program 1: Capital Growth

Program 2: Current Income

Both

3. *Review and update*

Annual program review

Investing Programs

Midway Partners uses a simple process to develop an investment portfolio for each client.

Capital Growth

The program’s goal is to generate compounded investment returns through primarily public equity securities.

The program uses Midway Partners’ internal estimates of intrinsic value to select equity securities. It emphasizes securities priced below estimated intrinsic value.

The program augments the equity investments with short/medium duration, investment grade fixed income securities. These securities provide low risk cash flow that can be reinvested into the equity portfolio. The program is continuously managed and not formally rebalanced. The allocation between equity, fixed income, and cash will vary at Midway Partners’ discretion.

Any gains/dividends/interest payments are reinvested back into the program. Distributions can be made annually for tax purposes. The program minimizes portfolio turnover to allow for compounding and to minimize taxes. It is designed for investors with at least a 3-5 year investment horizon.

PROGRAM HIGHLIGHTS	
GOAL	Capital growth
SECURITY OWNERSHIP	Direct, separate accounts
CUSTODIAN	Interactive Brokers
DISTRIBUTIONS	As needed for taxes
GAINS/RETURNS	Reinvested for growth
TAXES	Custodian 1099
MANAGEMENT FEES AND EXPENSES	Negotiable/Max 1.25% (de minimis trading and custodial fees)
PORTFOLIO OVERVIEW	
SECURITY SELECTION	Intrinsic value
INVESTMENT HORIZON	Long-term, 3-5 years
TURNOVER	Low
SECURITY TYPE	Equity, fixed income, cash
EQUITY POSITIONS	10-20
FIXED INCOME POSITIONS	Investment grade; short/medium duration
DERIVATIVES	N/A
INDUSTRIES/SIZE	All considered
ALLOCATION RANGE	50.0%-80.0% equity
MAX POSITION SIZE AT COST	10.0%

Current Income

The program’s goal is to produce consistent and durable current cash flow and to preserve/modestly grow principal over time.

The program uses Midway Partners’ internal estimates of intrinsic value to select a portfolio of high dividend paying equity securities. It emphasizes dividend yield and coverage, in addition to estimated intrinsic value.

The program augments equity dividends with short/medium duration, fixed income securities, and may generate premiums from writing covered call and covered put options. Together the program provides current cash flow that is distributed to investors on a predetermined monthly basis. The program is continuously managed and not formally rebalanced. The allocation between equity, fixed income, derivatives, and cash will vary at Midway Partners’ discretion.

The program targets monthly equivalent distributions of 4.0-6.0% annualized, net of fees and taxes. The program may generate taxable ordinary income from dividends, interest, and option premiums. It is designed for investors with at least a 3-5 year investment horizon.

PROGRAM HIGHLIGHTS	
GOAL	Current income
SECURITY OWNERSHIP	Direct, separate accounts
CUSTODIAN	Interactive Brokers
DISTRIBUTIONS	Monthly distributions
GAINS/RETURNS	Distributed
TAXES	Custodian 1099
MANAGEMENT FEES AND EXPENSES	Negotiable/Max 1.25% (de minimis trading and custodial fees)
PORTFOLIO OVERVIEW	
SECURITY SELECTION	Intrinsic value
INVESTMENT HORIZON	Long-term, 3-5 years
TURNOVER	Low
SECURITY TYPE	Equity, fixed income, options, cash
EQUITY POSITIONS	High dividend (10-20 positions)
FIXED INCOME POSITIONS	Investment grade; short/medium duration
DERIVATIVES	Covered calls and covered puts
INDUSTRIES	All considered
ALLOCATION RANGE	50.0%-80.0% equity
MAX POSITION SIZE AT COST	10.0%

Manager Background



Jordan Carl Lampos
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- Bachelor's Degree from the University of Idaho – played Division 1 college football
- Coached football for 2 years at a small college in St. Louis, MO – received MBA
- Almost a decade of investment banking experience at Duff & Phelps Securities (now Kroll) – successfully worked on and closed more than \$1 billion dollars of M&A/capital markets transactions
- Founded Midway Partners in 2021

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