

Cash	Investments	Total	Margin
\$431,579	\$5,910	\$437,449	\$323,517

Opening Balance: November 1, 2019 – \$500,000

Ending Balance: February 29, 2020 – \$437,449

Performance Since Inception: –12.51%

There was one position closed in February and four positions initiated:

- Long position in Carnival Cruise Lines closed
- Long position in Kraft Heinz (KHC) initiated
- Long position in US Steel (X) initiated
- Short position in Rosetta Stone (RST) initiated
- Long position in GAP Stores (GPS) initiated

On February 5th, we purchased 5,000 shares of US Steel at \$9.29. We believe that this is a deep value play and that as steel prices firm and given the expected fiscal stimulus in advance of the 2020 US election, we continue to believe that this is undervalued.

On February 6th, when Kraft Heinz was approximately \$29 per share, we bought 20 calls that will expire in January of 2022, and simultaneously sold calls with a higher strike price for a couple of months out. Since entering the order, KHC has sold off – it now stands around \$25 per share – but much of this is attributable (we believe) to the recent Corona Virus scare. We continue to believe in this position.

On February 11th, when CCL was approximately \$43 per share, we closed two positions. This was in the early stages of Corona Virus, and we are very happy that we closed this position because the stock has sold off markedly since then.

On February 20th, when RST was \$21 per share, we sold 20 17.5 calls that will expire in June. As long as RST closes at \$17.50 or below (and it is currently \$17.32) and we believe that if should the markets recover, this company will be left behind.

On February 27th, when GPS was \$14 per share, we sold 35 13 puts that will expire in June, receiving \$1.08 in premium on a per share basis. We do not believe that GPS will decline to \$13, but if it does, we are happy to own it, given its dividend yield and sales per share.

This commentary is being written in the midst of the coronavirus pandemic. There is a tremendous amount of uncertainty in the markets and we will be proceeding very, very cautiously in the foreseeable future. -Michael