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Performance Since Inception: -45.13%

Cash	Investments	Total	Margin
\$404,816	-\$130,490	\$274,326	\$210,088

There was one trade in the month of March: We bought back the Signet Puts and now have the following open positions in the account:

- Long position in Alcoa (AA)
- Long position in Foot Locker (FL)
- Long position in The Gap (GPS)
- Long position in Kraft Heinz (KHC)
- Short position in Rosetta Stone (RST)
- Long position in US Steel (X)
- Long position in Ventas (VTR)

I would like to take this opportunity to explain our rationale in holding each of these positions: It is the unanimous opinion of yours truly and the rest of the Investment Committee that while there is significant downside possible, on a risk-reward basis we would be making a mistake to close any of these positions right now.

In the wake of coronavirus, there is going to be massive stimulus spending. What we just saw in the United States – the \$2 trillion package – should not be understood as a stimulus package: This was a “rescue” package. There will be calls on both sides of the aisle in the US to “get America back to work” and we believe that this bodes well for companies like Alcoa and US Steel. We are actively looking for other companies who could similarly benefit from what we think is coming down the pike in the near future.

We believe that the high-end luxury segment will take a long time to recover, but the basic, middle-class providers of needed products like running shoes and denim should outperform, hence our continued exposure to Foot Locker and The Gap. There is the chance of bankruptcy... no question about that... but if you’re a large property owner like the Simon Group, do you really want to see either Gap or Foot Locker go out of business? We believe that both of these entities will escape bankruptcy, and if they do, then they should return relatively soon to the profitability that they enjoyed pre-COVID 19.

Kraft Heinz is, to us, a turn-around story and we believe that of all the companies in this space, there is the greatest upside potential for it.

We also believe that post-coronavirus, risk premiums will return to the market in a significant way, and a company like Rosetta Stone, that has lost money year after year after year, will not see new capital flowing into it.

Ventas is a bit of a trickier proposition. This is the world’s largest provider of Senior Care facilities, and it and other companies in this space have been brutally punished because of the fact that the mortality rate associated with the virus is so high for the elderly and particularly elderly people with pre-existing health conditions. However, when we step back and look at the bigger picture, the cohort of

the elderly continues to grow in the developed world. Coming out of COVID-19, it's difficult to see a great deal of investment capital flowing into this industry. Ventas just paid out its regular quarterly dividend and while we're not sure that this dividend is safe, we see this as a highly liquid company whose share price right now doesn't even cover the value of its real estate holdings. We believe that it would be a mistake to close our position on Ventas right now as well.

Finally, I personally feel terrible about the performance of this Investment Club. What has occurred... that is an almost entire shut-down of the developed economies of the world... was simply beyond my imagination – and beyond the imagination of other Investment Committee members as well. However that being said: Our discipline going into this was based on finding those companies with solid balance sheets and then relying on discounted cash flow analysis to determine where we would employ our capital. This continues to be our discipline.

I hope that everyone is staying safe and doing their best to enjoy these days, as trying as they are in so many respects.

Michael