



November 2020 - Fund Update - Capital Appreciation Fund LP

For the month of November, the Fund increased its NAV by 7.0%, and is now up 8.5% for the year, an all-time high. After last month's 4.6% outperformance of the Market, we are very pleased with these results.

As stated in last month's letter, our long position had been curtailed to 60% to diminish risk and preserve our positive returns for the year. While this may cause a mild degree of underperformance in the short term, it also could prevent the dreaded and unacceptable "I'm sorry" letter, explaining how we gave up your 2020 profits with one month to go.

Another factor that is causing a mild degree of "headwind" is currency. In fact, while the Canadian dollar is roughly flat YTD with the US\$, it has appreciated by nearly 15% since March. Fortunately, our hedging program has neutralized most of this affect. Despite the currency headwinds and reduced amount of capital deployed, our superior stock selection continues to drive our excellent performance.

We continue to work towards growing your wealth in a steady and controlled manner by generating profits and avoiding significant losses. In that vein, we remind everyone of two of Warren Buffett's most important rules of investing, namely,

- 1) Never lose money, and
- 2) Don't forget rule number 1.

We look forward to communicating next month and wish everyone a Happy Holidays!

Sincerely,

Steven Tuchner, CEO