



### October 2020 - Fund Update - Capital Appreciation Fund LP

For the month of October, the Capital Appreciation Fund gained 2.1%, significantly outpacing the S&P, that was down 2.5%. For the year, the Fund is now up 1.5%, in line with the S&P and ahead of most Markets. We also note that matching the Market on the upside while declining ½ of the March/April trough (as we did) is no easy feat and worthy of mention.

Our positive results in October were a result of our active portfolio management. Our covered call writing on many of our largest technology holdings, rotation out of tech into financials and ownership of Bitcoin, turned what should have been a losing month, into a winning one.

Following the election, we are pleased to report that we are up over 7% in November. The post-election drama is the primary reason. While the Democrats look to have secured the Presidency, without the Senate, and with a weakened House. Markets now believe that the far-left movement, tax hikes, increased capital gains tax rates and Supreme Court packing are off the table.

As a result of November's dramatic price increases, we have lightened up our equity exposure from 78% to 60%. The remainder of the portfolio is in commodities (mostly gold) and cash. We continue to search for opportunities that make sense from an upside/downside perspective and look forward to reporting at the beginning of December.

Sincerely,

Steven Tuchner, CEO