September 2020 - Fund Update - Capital Appreciation Fund LP

In September, the Capital Appreciation Fund declined by 5.5%, in line with the markets, and is now flat YTD. We note that at the time of sending, we have made up **all** of September's losses.

The month was full of mostly negative volatility as news headlines focused on COVID, the upcoming US election and the possibility of additional stimulus. Despite the decline, we remain confident in our allocation of 79% equities 19% and gold.

The Coronavirus will almost certainly loom large over the balance of the year and likely into 2021, until such point in times as a reliable, mass-produced vaccine is widely available. While we know that this virus will eventually pass, we continue to believe that the "stay at home" concept will represent a greater proportion of everyone's available time, and more importantly, their wallet. In our opinion, the products and services sold by technology companies that enable productivity from non-centralized locations, such as homes, will continue to gain wide-spread adoption.

On the election front, we will refrain from choosing a winner, but believe that in either scenario, the outlook for stocks looks rosy. With Trump, we expect four more year of a pro-business environment. With Biden, while some are worried that a Democratic win will spell disaster for the economy and the markets, we note that a study by famed Wharton Professor Jeremy Siegel shows that, since 1952, stock markets perform better under a Democratic President than a Republican President, with annualized returns more than double of those under Republican rule.

The additional stimulus, which we believe will arrive, is also beneficial for our portfolio. With the continued "printing" of money by the US government, it is our expectation that the US dollar will continue to decline, therefore benefitting our holdings of Gold. Even if this round of stimulus is held up, it is our belief that the wheels are already in motion for continued US dollar declines.

We remain upbeat on our holdings, our YTD performance and for the outlook for the balance of the year. As always, our active management style will look for opportunities to both add and diminish risk when opportunities arise with the goal of maximizing return and minimizing the downside. In that vein, during the month we took advantage of the high stock prices of Apple and Microsoft by selling November calls against our long positions, using the proceeds to purchase JP Morgan, Goldman Sachs and Blackrock. We believe that these financials are unloved and undervalued, thereby representing an opportunity that we could not resist.

Finally, we have decided to revert to our original name of Triumph Asset Management for our retail products, leaving OneSixtyTwo for our institutional clients. We invite you to visit our website and client login, which can now be found at **http://www.triumphasset.com**. We apologize for any inconvenience that this may cause and assure you this is the final time we change our name.

Sincerely,

Steven Tuchner, CEO

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