



Summer's Lease Hath All Too Short a Date

William Shakespeare was an English playwright, poet, and actor. He is widely regarded as the greatest writer in the English language and the world's pre-eminent dramatist. One of Shakespeare's plays "All's Well That Ends Well" was first published in the First Folio in 1634, where it is listed among the comedies.

With the summer ending, August provided little in the way of comedy, as most of the month was spent with both the S&P500 and the Nasdaq indices firmly in the red. After Federal Reserve Chairman Powell's speech at Jackson Hole and following relatively benign inflation readings toward the end of the month, **all ended well enough** with both indices storming back to close the month down a modest -1.6% and -2.0%, respectively.

During August's nadir, the S&P500 was down -5.5% while the Nasdaq declined -9.2%. Our Fund moved in the same direction, yet at its depths, was down only 3.5%. The reason for its muted decline continues to be stock selection, our preference to hold cash (20%) and hedges that cover off nearly 25% of the portfolio. Our choice of hedges continues to be a combination of buying puts and writing calls. The result of this strategy is that the Fund's ups will be modestly lower than the Market's, but the downs will be significantly muted. **For the month of August, the Fund declined -1.3% and is now up +26.5% YTD. Given the relative outperformance in the month (+35 bps), the Fund remains well ahead of the S&P 500, that is up +17.4% YTD.**

William Shakespeare wrote a total of 37 plays, including 18 comedies and 10 tragedies. Like Shakespeare's writing, our portfolio management style is influenced by our views and experience. Consistent with our two previous letters, we remain cautiously optimistic on the balance of the year. **As such, while we look forward to more jovial times, we remain well prepared should any tragedy occur.** We hope you had a great summer, look forward to next month's communication and thank you for your continued support.

Sincerely,

Steven Tuchner
Founder and CIO

