

## 100-Day Performance Report

It has now been more than 100 days since we first invested. Below is a report on our fund's performance to date. All figures are taken as of today, 11-16-20, at approximately noon EST.

### *Returns*

Our fund's current total return on invested capital is an upside of 16.87%, which amounts to a 67.77% annualized return. We maintain a cash position that is not included in this calculation.

Our portfolio currently has a beta of 0.82, based on a cost-weighted average of betas we have calculated for each of our positions. For US positions, we ran 5-year regressions of weekly returns against the S&P 500. For European positions, we used the same against the EURO STOXX 50. (European positions refer to positions on companies that trade on European exchanges and/or report financials denominated in Euros.) We have eighteen positions, of which twelve are active and eight have been exited. Of these, two active positions are on European companies.

It is worth noting that this portfolio beta represents an average of our currently active positions. For a significant portion of the past 100 days, our portfolio beta was significantly lower than the current beta, but our beta has increased due to our choice to exit certain short positions.

We used a risk-free rate of 1.30% for our US positions (US 10-year Treasury bond 1-year average yield for the year ending 7-28-20) and a risk free rate of 0.16% for our positions on European companies (German 10-year government bond 1-year average yield for the same period). This resulted in a Treynor ratio of 0.180 and a Sharpe ratio of 0.645. The S&P 500's Treynor ratio for the same period was 0.110, and the cost-weighted average market benchmark Treynor ratio between the S&P and the EURO STOXX for the same period was 0.099.

Using the S&P 500 as a benchmark, we have achieved a Jensen's alpha of 6.55%, or 21.73% annualized. Using an appropriate cost-weighted average of indices as a benchmark, we have achieved a Jensen's alpha of 6.68%, or 22.17% annualized.

We have coupled many of our positions with appropriate hedges to prevent over-exposure to certain industries.

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*Positions of Note*

This is a non-exhaustive list of certain noteworthy positions, in no particular order. In the event of positions entered or exited over several days, the earliest entry date and latest exit date were used for annualization of returns, in the interest of conservatism.

Researched by Christopher Rascoe:

1. Long position on Atlanticus Holdings Corp. (NASDAQ: ATLC) (Active)
  - a. 59.65% return over 67 days; annualized return of 1178.91%
  - b. Industry risk hedged with corresponding short positions on the SPDR S&P Regional Banking ETF (NYSE: KRE) and the Invesco KBW Regional Banking ETF (NASDAQ: KBWR)

Researched by Wasim Rahaman:

1. Short position on Churchill Downs, Inc (NASDAQ: CHDN) (Inactive)
  - a. 6.88% return over 72 days; annualized return of 40.14%
2. Long position on Deutsche Post AG (OTCMKTS: DPSGY) (Active)
  - a. 10.40% return over 103 days; annualized return of 41.99%
3. Long position on Rocket Companies, Inc. (NYSE: RKT) (Inactive)
  - a. 18.96% return over 7 days; annualized return of 855293.71%
4. Long position on Ventas, Inc. (NYSE: VTR) (Active)
  - a. 20.64% return over 95 days; annualized return of 105.65%
5. Long position on Movado Group, Inc. (NYSE: MOV) (Active)
  - a. 21.78% return over 67 days; annualized return of 192.52%
6. Long position on Global Ship Lease, Inc. (NYSE: GSL) (Active)
  - a. 46.61% return over 82 days; annualized return of 449.03%
7. Short position on FuelCell Energy, Inc. (NASDAQ: FCEL) (Inactive)
  - a. 9.70% return over 48 days; annualized return of 102.24%
  - b. To hedge the risk of betting against a company in a growing industry, we took a corresponding long position on the iShares Global Clean Energy ETF (NASDAQ: ICLN), which achieved return of 29.78% over the same period for an annualized return of 625.81%.
8. Long position on Palantir Technologies, Inc. (NYSE: PLTR) (Active)
  - a. 43.17% return over 45 days; annualized return of 1737.13%

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