2019 Q4 PARTNERSHIP LETTER

TOP MARK CAPITAL

February 3, 2020

[redacted]

[redacted]

2019 was another successful year for our fund! Your account saw an after fee appreciation of 62% - more than double that of the S&P 500 over the same period. Primarily, this was due to maintaining our positions in our core holdings and applying leverage as appropriate. Late in 2019 I deleveraged the portfolio and we now have a small cash balance. As a result we realized some losses that will be reflected on your K1. In the meantime, I've provided an estimate of those values below.

Sincerely,

Mike Nicoletti

Estimated K1: [redacted]

as of December 31, 2019

Dividend Income: [redacted]

Short Term Capital Gain (loss): [redacted]

Long Term Capital Gain (loss): [redacted]

Top Holdings[1]

as of February 3, 2020

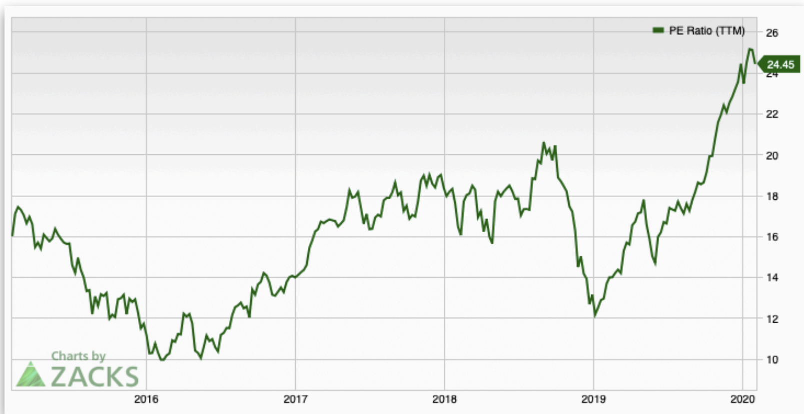
Position
Amazon (AMZN)
Nvidia (NVDA)
Apple (AAPL)
Microsoft (MSFT)
Safe Bulk (SB-PRC)
Alphabet (GOOG)

AMZN. Amazon just announced another blow out quarter. This is not much of a surprise given the holiday sales numbers and continued dominance of AWS. It remains a core holding of our portfolio, though I trimmed our exposure slightly when deleveraging the portfolio.

NVDA. During 2018, Nvidia went through a massive run up followed by a crash that coincided with the Crypto-currency bubble. I had a large exposure to this stock during this period and maintained the majority of it through 2019. Holding on to this position proved to be prudent as the fundamentals of the stock are very strong as machine learning applications and gaming growth continues to outpace the market.

[1] Actual positions may be a combination of stock and options.

AAPL. Apple has been a core holding since 2019 when it became one of our largest holdings. It has served us well as we saw the share price climb north of $300. While we have reduced our exposure to the stock it remains one of our top holdings. Much of that appreciation is due to expansion in the PE multiple, as you can see by the chart below. I believe this is fairly valued given the significant barriers to entry to the Apple ecosystem, however I am actively looking for alternative placements that would provide more upside.



MSFT. Satya Nadella took over as CEO from Steve Balmer in 2014, and since then he has managed to transform the company from a withering dinosaur supported by it's Microsoft Office monopoly to a competitive tech giant enabling growth in tech and internet industries across the globe. Our position was established in 2019 after carefully tracking usage of Microsoft tools among elite developers and recognizing the potential for rapid cloud adoption among fortune 500 and government customers.

Other Positions. I maintain small positions in Safe Bulk Preferred C (SB-PRC) shares as well as a small position in Alphabet (GOOG).