TOP MARK CAPITAL

July 3, 2020

[redacted]

[redacted]

As you well know, Q2 has been a very interesting quarter. COVID-19 and Fed actions have created interesting markets, to say the least. Your capital account is up 35% YTD (the S&P is down 4%) so I am pleased with our core positions and their resilience during the pandemic. Given the inherent risks, I do expect to have buying opportunities the coming 6 months and am looking for another core position to add to the portfolio.

We started the quarter slightly leveraged (opportunistic purchases of securities during the March selloff), but sold off most of those positions and scaled back exposure to our core positions in April. Since then we had both a win and a loss in option positions (both long puts) that netted positive for the fund.

[redacted] One sliver lining to the COVID-19 pandemic is that working from home I have been able to spend more time with Josie and my wife, Kellin during this special time for our family. Josie enjoyed her first sail May 24th and loves baths. Will she be a water sports enthusiast like her parents? Time will tell…

Sincerely,

Mike Nicoletti

Top Holdings

as of July 3, 2020

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

CASH. Cash as % of portfolio is ~22% as of this writing. The cash position increased due to realized gains from a short option that play that worked out nicely.

AMAZON. One of our long term holdings, has fared especially well during the crisis due to the surge in e-commerce sales.

NVDA. Nvidia has been a core holding since 2016. We remain confident in the long term prospects for machine learning to impact every sector of the business world.

MSFT. We continue to be bullish on Microsoft as the company will benefit from the remote-work movement spurred by the corona virus. Furthermore, their continued progress in winning over cutting edge developers and transitioning legacy business to the cloud will bode well for the company in the long term.

AAPL. The Apple ecosystem is still the strongest in the world and is only getting stronger with the introduction of the iPhone SE.

Other Positions. We continued to increase our position in Safe Bulk Preferred C (SB-PRC) over the quarter and it is now a half position. We maintain small positions in Alphabet (GOOG) and Taiwan Semiconductor (TSM).

[redacted] [redacted]