



Dear Investor,

	Q1 2020	Average Annual	Annualized Volatility
Waratah One	4.4%	5.5%	3.7%
Waratah One X	6.6%	7.8%	5.2%
Waratah Performance	4.1%	10.2%	7.3%
Waratah Equity Income*	-8.6%	6.5%	7.0%
Waratah Alternative ESG	6.4%	17.7%	4.7%

*Income Class F (No Class A available)

Introduction

Commentary by Blair Levinsky

Hoping this letter finds you and your families in good health.

Waratah is now ten years old and while we have grown in people and assets under management, we have not strayed from our core philosophy of protection of capital. During 2019 we became increasingly concerned with investor complacency around company valuations which is to be expected eleven years into a strong bull market. To address this risk and remain invested we grew our position in equity market put options to complement our short baskets and single stock shorts which combined were expected to protect capital if and when a market drawdown were to occur.

In late January we remained cautious on markets but grew increasingly concerned with reports out of China citing restriction of movements and forced confinement of 33 million people which eventually grew to include over 300 million. These were not casual guidelines but strict rules forbidding any movements other than scheduled trips for food and care. We had no idea that this local event would grow into the global pandemic which would change all of our lives, nonetheless these

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