

LEICH ARBITRAGE FUND MONTHLY PERFORMANCE REPORT

According to the first-stage trade agreement signed between USA and China in January, China promised to purchase USD 36.5 billion in agricultural products from USA. Although China's procurement has increased the sales of corn and other agricultural products, reaching 27 billion U.S. dollars, it is still far from the promised goal. According to EIA, the average production of ethanol is 914,000 barrels per day, an increase of 14,000 barrels from last week, but the supply of stocks for only eleven weeks is still very tight.

The global economic activities were subdued by the outbreak of COVID-19, which will not be restored until the health crisis is completely lifted. The Fed and the USDT may stick to ultra-loose monetary and fiscal policies, but because the number of coronavirus cases and deaths continues to rise,

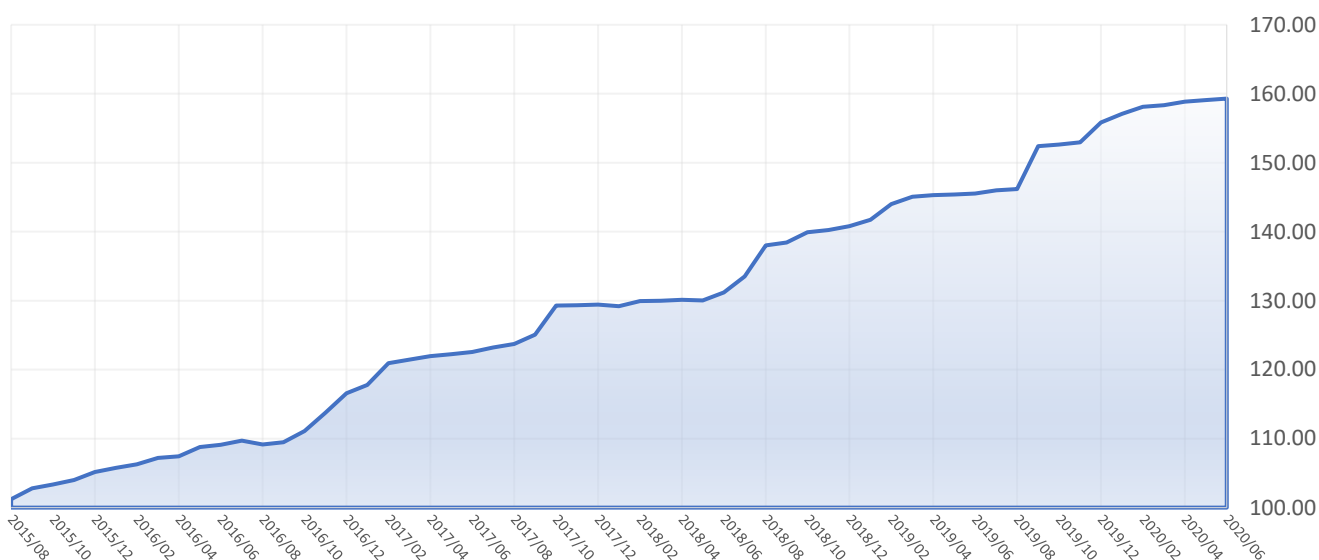


consumers have become more cautious, which has hampered consumer spending and GDP growth. Some US government stimulus plans will expire at the end of July, so if not let economic growth slow down, there will be a new round of fiscal and monetary stimulus plans. In view of the upcoming presidential election, coupled with concerns about fiscal deficits, federal debt and inflation levels, investors will continue to support the rise of gold.

The expected inflation rate of the market (expected inflation rate using 10-year government bonds) is rising moderately, and it is now about 1.4%. Once more than 2%, the Fed will raise interest rates to curb inflation. Once interest rates increase, stocks are adversely affected, causing stock prices to fall. Since the beginning of 2020, the Fed is still considering whether to introduce the Bank of Japan's policy of keeping long-term interest rates unchanged (yield curve control), but if it is adopted in the future, the interest rate increases will be suppressed.

Due to the recovery in demand for crude oil in Asia, OPEC+'s strategy of raising prices by cutting production has worked. Saudi Arabia and Russia have finally reached a joint output reduction agreement, making the market now in short supply and prices recovering in the short term. In the near future, we need to pay close attention to the OPEC+ joint ministerial meeting on July 15th. At that time, we will evaluate the production cuts and the next steps.

CUMULATIVE PERFORMANCE (net of fees)



NET ASSET VALUE **159.29**

2020 YEAR-TO-DATE **2.23% ↑**

LARGEST DRAWDOWN **-0.49(Aug-16)**

SHARPE RATIO **0.87**

AVG MONTHLY RETURN **0.80%**

MONTHLY PERFORMANCE(NAV)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015								1.20%	1.56%	0.57%	0.64%	1.10%	5.16%
2016	0.56%	0.51%	0.85%	0.24%	1.25%	0.30%	0.53%	-0.49%	0.31%	1.49%	2.36%	2.48%	10.84%
2017	1.04%	2.69%	0.44%	0.40%	0.23%	0.26%	0.55%	0.39%	1.09%	3.38%	0.05%	0.06%	11.04%
2018	-0.19%	0.60%	0.04%	0.11%	-0.07%	0.89%	1.77%	3.35%	0.32%	1.08%	0.21%	0.42%	8.80%
2019	0.64%	1.62%	0.71%	0.18%	0.06%	0.09%	0.33%	0.13%	4.22%	0.17%	0.20%	1.89%	10.66%
2020	0.82%	0.65%	0.13%	0.33%	0.15%	0.13%							2.23%

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