

March 2020

LEICH ARBITRAGE FUND PERFORMANCE REPORT

As the coronavirus crisis led to a liquidity crunch across markets, gold's safe-haven status has different meanings. Investors convert their long-term accumulated value in gold into cash to make up for the loss of their stocks and other portfolios.

The shift in global sentiment may trigger another wave of silver selling.

Analysts say that silver's status as an industrial metal makes it particularly vulnerable to any economic slowdown, and the Covid-19 recession may be one of the worst in history. White metal is used for jewelry and silver tableware, and is also indispensable in the manufacture of mirrors. Dental, brazing and brazing alloys; and electrical contacts and batteries.

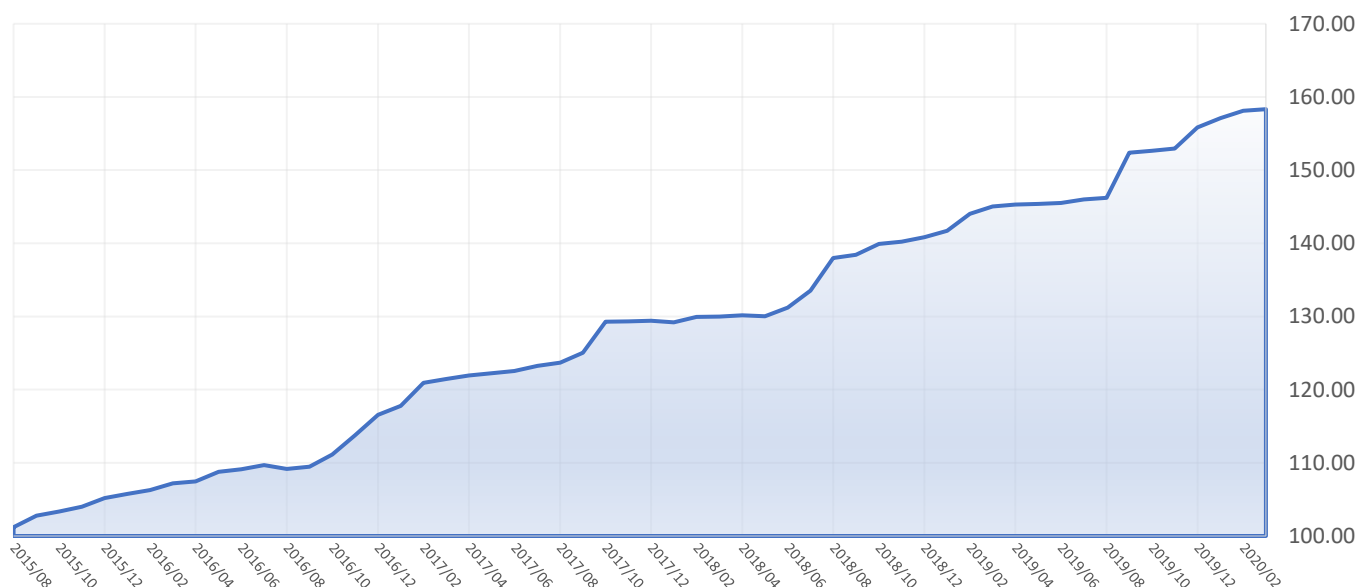
If the oil production cut agreement fails, it is likely to be based on OPEC + members' frustration that they cannot force other producers to take action.

Saudi Arabia precipitated the one-day 30% drop in oil prices in March after it reacted to Russia's anti-cut position by committing to more output and lower prices for some of its customers. That was a month ago. Now, the Saudi monarchy is concerned about its government revenue and how low oil prices over the long run will impact the price of Saudi Aramco (SE:2222) stock, which is currently publicly traded. Based on the government's commitment, 20% of Saudi citizens have purchased Aramco's initial public offering of shares, some with debt.

Russia hopes to increase oil prices like all other producer countries. Russia recently claimed that \$40 per barrel prices are good enough for its budget, but the prices right now are significantly below that. Before the tiff between Russia and Saudi Arabia in early March, Russian President Vladimir Putin made it clear that he was satisfied with Energy Minister Alexander Novak and refused any future reductions Oil proposal. Russia will not be part of any production agreement beyond its control.

The U.S. seems to be offering only one thing: predictions of organic, market-based declines in production. The EIA released a new forecast on Tuesday, which predicts that the average US oil production in 2020 will be 11.8 million barrels per day. Compared with the output in 2019, it will be reduced by 500,000 barrels per day. The EIA predicts that U.S. production will slowly decline from the March high of 12.72 million barrels / day to 10.96 million barrels / day in October in the next few months, and then start to rise again.

CUMULATIVE PERFORMANCE (net of fees)



NET ASSET VALUE **158.33**

2020 YEAR-TO-DATE **1.61% ↑**

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

SHARPE RATIO **0.87**

AVG MONTHLY RETURN **0.83%**

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%										1.61%

Leich Capital Management Ltd. • 14 Wall Street, 20th Floor, New York NY 10005 USA • +1-212-618-1905
info@leicharbitragefund.com • www.leicharbitragefund.com

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INVESTORS SHOULD CAREFULLY REVIEW THE TREND SPREAD TRADING PROGRAM DISCLOSURE DOCUMENT PRIOR TO INVESTING.

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