



## Letter from the President

To Our Stakeholders:

As all of you know, the coronavirus has had a profound impact on our world in recent weeks. The stock market is down more than 20% from its high. The university has announced that we will have virtual classes for the rest of the semester. Here is what this means for the Quaker Finance Group.

Effective immediately, Ryan Telesca will succeed me as President and Managing Partner. Donn Boddie will become Chief Operating Officer, Richard Xie will become Chief Financial Officer, and Nick Castagna will become Executive Vice President. Shehryar Khursheed will stay on as Chief Investment Officer. Jake, Miguel, and myself will remain heavily involved for the remainder of the year, but we felt it best to transition to the new management team given present circumstances.

Our portfolio is mostly cash and treasuries right now, which has allowed us to outperform the market by about 14% YTD<sup>1</sup>. Our belief is that the coronavirus will very likely lead to a recession. It is hard to imagine that GDP will not contract during this quarter at the least given the halt of normal business activity and the collapse of oil prices. We do not anticipate this recession will be as severe or prolonged as the Great Recession, but nonetheless we expect continued volatility and a number of headline bankruptcies. Interest rates have already gone to zero, and there are few levers left for the Fed to pull.

Many of the names on our watch list are “on sale” as Buffet would say, and I expect many more opportunities will arise as the markets fall. We have already bought a basket of alternative asset management stocks that became attractively priced, including KKR, BX, and APO. These are franchise assets with great economics and long-term industry tailwinds. Regardless of the coronavirus, we expect these firms will continue to grow AUM and drive strong returns for the next decade.

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<sup>1</sup> Returns are time weighted as of 3/15/20 and may not accurately reflect individual account returns. Market index used is the S&P 500 TR Index (SPXTR). Past performance may not be indicative of future results. This document is not an offer to sell or the solicitation of an offer to purchase an interest in any fund or security.

Although we can no longer meet in person for Investment Committee, we will discuss pitches via conference call and Slack. We understand that people have a variety of personal situations and priorities at this time. That said, now is the most exciting moment to be in QFG from an investing perspective. We will be diligencing a number of names from our watch list over the next few weeks by doing brief two-pagers. If you have the time and desire to develop your investing skills and make a difference in the returns of our fund, please reach out to Shehryar.

We hope to get out K-1s in the next week or so. We still need to reconcile our tax forms with our brokerage account, which is a time consuming process. We will send out an update when they are available on Bivio. It also appears that the federal government will delay the tax filing date as part of the coronavirus relief package.

The withdrawal window will open as normal during end of April or early May. All graduating seniors will be cashed out automatically. Those withdrawing capital will receive a check in the mail. For those of you who are not yet graduating, I urge you to not withdraw out of fear the markets will go down. Our conservatism when prices were high helped us avoid significant losses, and now we want to be aggressive while prices are low. I strongly believe that our performance over the next 12 months will compare very favorably to that of the overall market.

Finally, I would like to thank all of you personally for the honor and privilege of leading QFG. I couldn't be more proud of what we accomplished together. I am confident Ryan and the rest of the leadership team will continue to take QFG in the right direction. I deeply regret that I was unable to say goodbye to many of you in person. I will be on campus for the rest of the semester and in New York after graduation. Please do not hesitate to reach out to get lunch, dinner, coffee, or a drink.

Cheers to investing the Quaker way.

Sincerely,

A handwritten signature in black ink that reads "C. F. Weeks". The letters are cursive and fluid, with a prominent "C" and "W".

Christopher Weeks  
President and Managing Partner Emeritus  
Quaker Finance Group

## Portfolio Review

### Quaker Finance Group, L.P. Portfolio Composition (as of 3/15/20)

Name	Shares Held	Price / Share	Market Value	% of Portfolio
VISA (V)	14	\$173.00	\$2,422.00	1.9%
Apollo (APO)	92	\$36.85	\$3,390.20	2.7%
Blackstone (BX)	33	\$46.51	\$1,534.83	1.2%
KKR & Co. (KKR)	64	\$25.36	\$1,623.04	1.3%
Berkshire Hathaway (BRK.B)	48	\$192.55	\$9,242.40	7.3%
Boulder Growth (BIF)	253	\$9.10	\$2,302.30	1.8%
iShares Core U.S. Aggregate Bond ETF (AGG)	122	\$112.11	\$13,677.05	10.8%
Invesco QQQ Trust Series 1 (QQQ)	11	\$190.49	\$2,095.39	1.7%
U.S. Treasury Bill 4/23/20 (US-T)	490	\$99.97	\$48,984.08	38.7%
Cash	41,418	\$1.00	\$41,417.84	32.7%
<b>Total</b>			<b>\$126,689.13</b>	<b>100.0%</b>

### Quaker Finance Group, L.P. Returns vs. Index

	Jan '20	Feb '20	MTD	YTD
<b>Quaker Finance Group, L.P.</b>	<b>0.34%</b>	<b>-0.96%</b>	<b>-0.70%</b>	<b>-1.32%</b>
<i>S&amp;P 500 Total Return Index (SPXTR)</i>	<i>-0.04%</i>	<i>-8.23%</i>	<i>-8.13%</i>	<i>-15.72%</i>