

**June 2019**

**9412 Bradner Dr**

**Austin, TX 78478**

**860-605-5982**



Dear Investors,

Thank you for trusting FrostGate Capital to manage your assets. Our focus this month, with all of the turmoil in the equity markets, has been preservation of capital.

We've made it half way through the year and the S&P 500 is up 18% since the beginning of the year. If we look at the last 18 months, the S&P 500 is only up 8%. The S&P 500 seems to be having a difficult time breaking the 3,000 mark as the last two times we got close we dropped 20% and 7% respectfully. View chart on page 5.

**Performance:** 3.02%

**Key Economic news:**

The global trade war is "over". We have seen a large jump and risk on sentiment the last few weeks as the Trump administration has seemingly come to an agreement with China. Now if we were to stop and think for 5 minutes, we'd remember we were in the exact same situation 9 months ago and that agreement didn't last long.

**US FED :**

The Fed has postponed raising rates and a move like that could be a signal of a weakening economy. The Trump administration is putting pressure on the Fed to artificially inflate the stock market, which is a clear campaign move by the Trump administration as the 2020 elections are fast approaching.

**IPO's**

Beyond Meat (BYND) has gone public. I'm glad to see their IPO going so well. They are 500% up and I'll even admit that their meatless products are tasty too. Their valuation is absurd though and there is no way we are interested at these prices with revenue of only \$33 million and a \$9+ billion-dollar market cap. For now, I think we'll sit this one out.

Chewy (CHWY) Puppy chow delivered straight to your door; what dog lover doesn't love that? We use it for both of our pets and have no problems. Delivery is always fast with reliable services and products. Ordering on the app is almost too easy and it allows us to get our dog all the toys he could ever desire in one click. We are looking at them closer and will keep you posted.

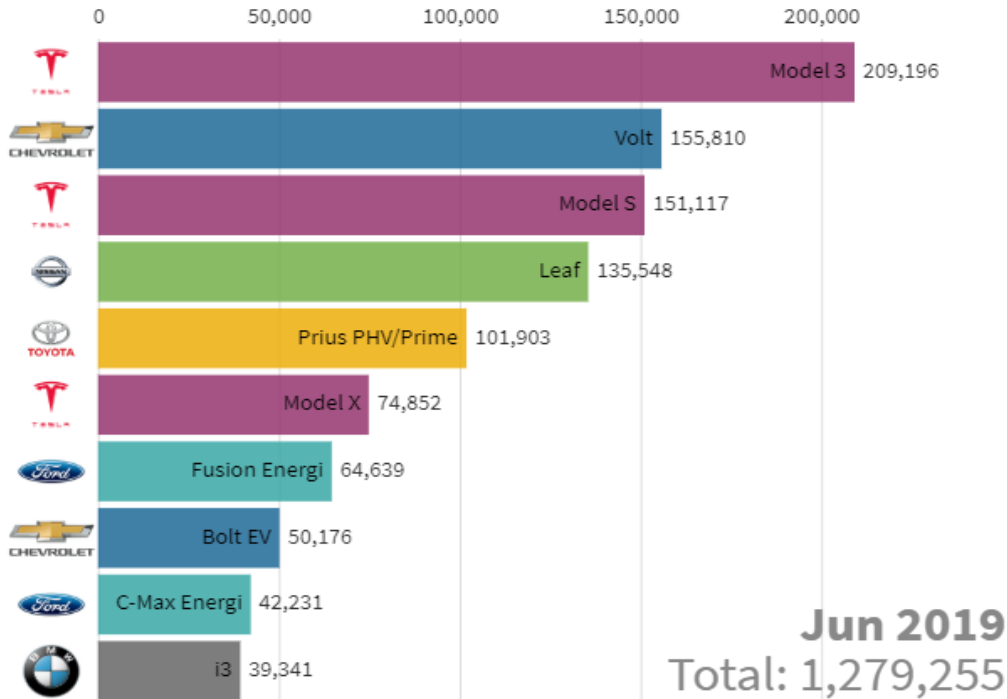
Slack (WORK) If you don't use Slack, you should. The possibilities are limitless with their messaging platform. We made a move into Slack stock after their IPO. Despite their large 8 billion-dollar valuation, we believe long term that Slack is a solid company with many directions they could go. The number of free users they have could lead to many more paid subscribers as businesses grow and the enterprise features increase. They recently raised billions of dollars to help innovate in some of those directions and build a stronger sales team for the future.

## Things to watch going forward.

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### EV Market

The EV market is getting exciting especially when Porsche sold out their new Taycan EV sports sedan all the way until 2021. Its direct competitor, the Tesla model S has been sold out a few times this year. We have several positions with exposure to this industry including Tesla. We are planning on increasing our EV exposure significantly in the next 6-8 months. A private company is looking to IPO in the next 6 months and they have contacted us to help funding beforehand. It is unlikely we will fund them privately, but we are interested in them when they do IPO.

See EV sales chart

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### Bio-Tech

The newest age of CRISPER technology is a simple yet powerful tool for editing genomes. It's scary how far the whole biotech industry has been able to go. We now have genetically modified children living among us, lab grown meats, and the ability to 3D print organs! What? Yes, the biotech world is an exciting space and competition in the genome editing world is heating up. There are a lot of new tech coming to market in the next 2 years. One problem with the biotech space, like any other government regulated industry, is that you must jump through hoops to get things moving. If you think about technology where the advancements of software and consumer technology such as cell phones, have moved quickly over the last few years. This is the exact opposite with biotech and the slow-moving approval system, the FDA. Their approval process is long and expensive, but just like the technology industry, we are going to see leaps and bounds of growth over the next few years as these smaller companies that have been developing will be coming to market and showing off their new bio-technology. VC's have raised over 200 million for CRISPER and other similar bio-tech companies in the second quarter of 2019 alone, so we can expect great things from this industry over the coming years.

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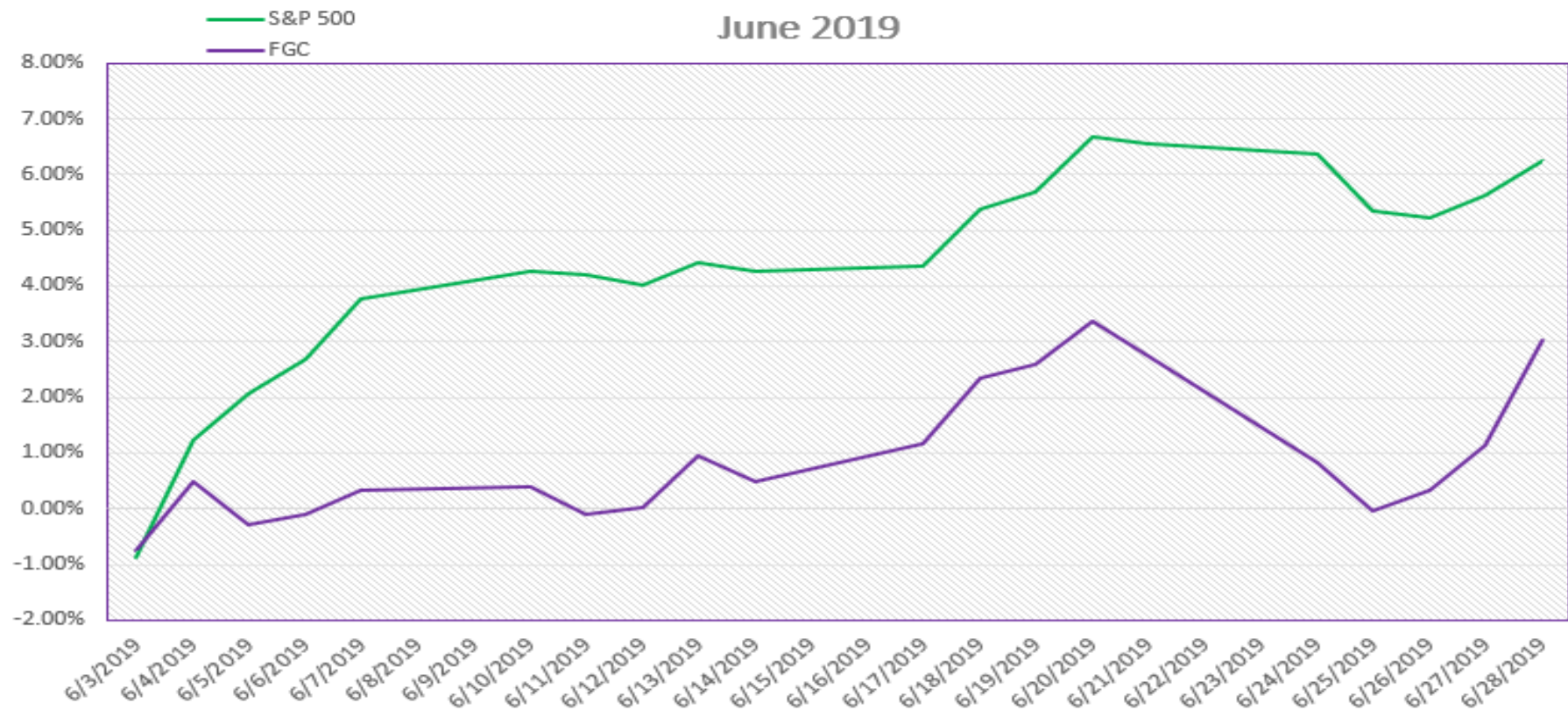


## Portfolio Performance

**FrostGate Capital:** 3.02% return in the month of June. The largest factor in this has been the lagging oil prices.

**The Hedge Fund Index:** 1.92% we significantly outperformed the Hedge fund index in the month of may.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2019	3.27%	-0.28%	0.12%	1.54%	-2.87%	3.02%							
2018	-7.65%	6.71%	-7.06%	9.09%	11.33%	4.30%	8.47%	-7.18%	5.14%	-1.92%	2.19%	-1.37%	14.30%
2017	1.60%	7.09%	0.25%	1.08%	-0.35%	2.58%	-0.49%	1.64%	7.22%	11.51%	8.70%	8.38%	53.38%



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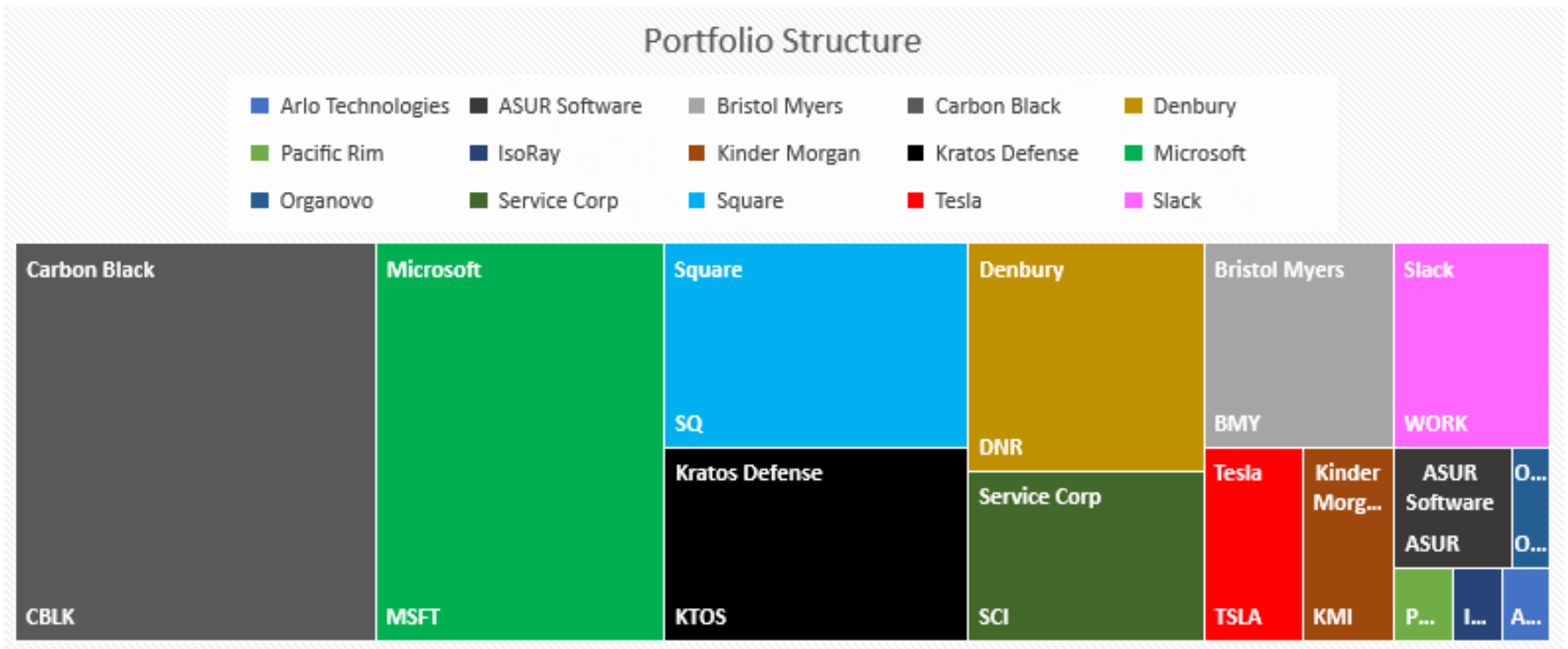
Portfolio News:

Slack (WORK) We made the addition of Slack to our portfolio giving us exposure to the new messaging services which we use religiously use at a price under their IPO.

Tesla (TSLA) reduction, we bought Telsa in the low 200's and decided to dump 2/3rds of our position near the end of the month because we reached our short term goal and we have our eye on a different EV company.

Kratos Defense (KTOS) Reduction, the recent sky rocket in share price has been great, however it's mostly based on speculation, we sold 40% of our position. We will continue to hold the remainder until the long term price target is reached, we still believe there are great things to come.

ASure Software (ASUR) We doubled our position at \$7 dollars early in the month, they rose .



# FGC Vs. S&P 500

## 18 month chart

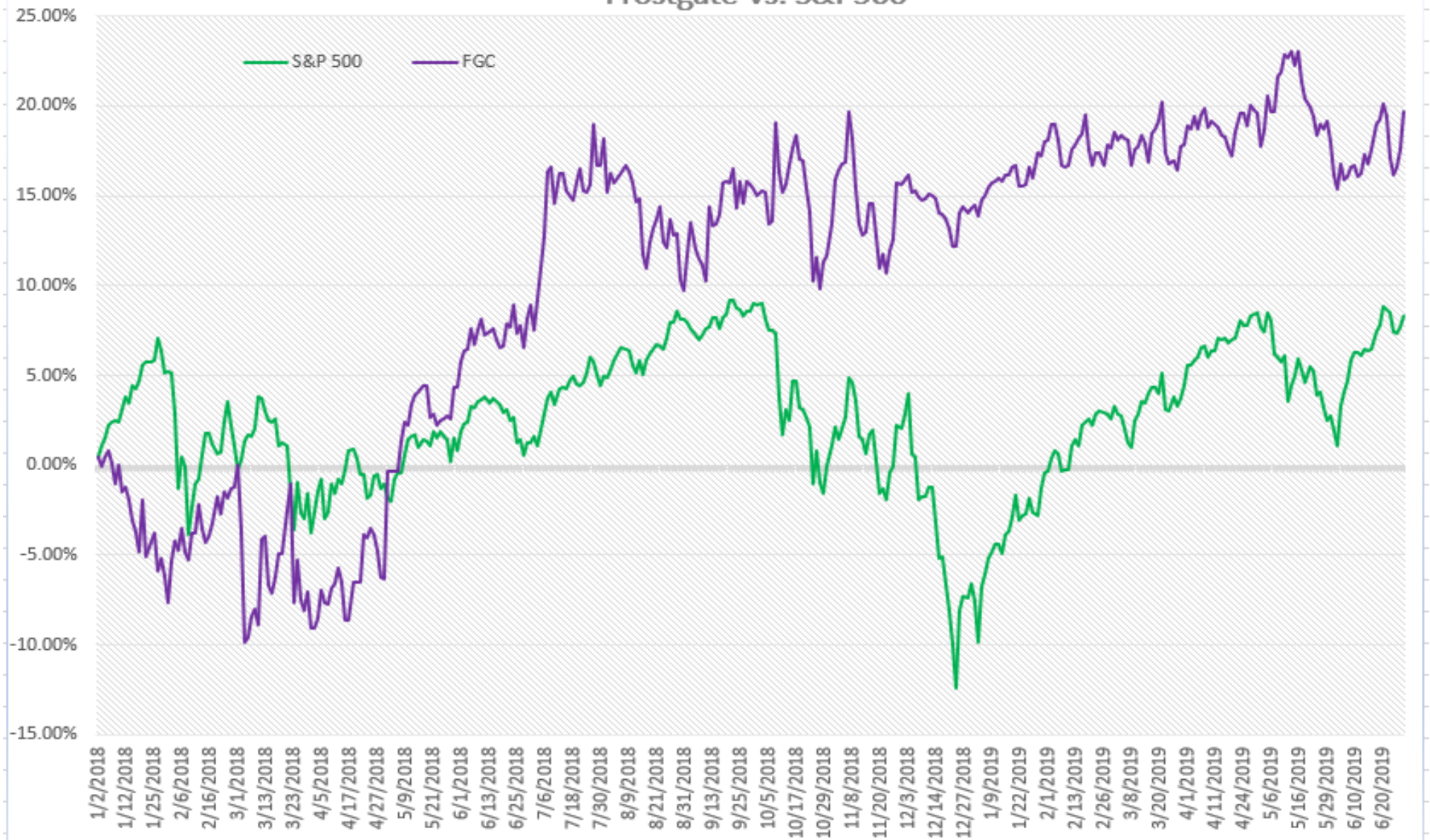
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### Frostgate Vs. S&P500



## Account Information

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