

Item 1: Cover Page



CRESCAT CAPITAL
VALUE - DRIVEN PERFORMANCE

Crescat Portfolio Management LLC
Investment Adviser Brochure
(SEC Form ADV Part II)

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24 March 2020

Crescat Portfolio Management LLC (CPM) is an investment adviser registered with the United States Securities and Exchange Commission (SEC). This brochure provides information about the qualifications and business practices of CPM, its parent company, Crescat Capital LLC, and its affiliated entities and principals.

If you have any questions about the contents of this brochure, please contact us at 303-228-7371 or lsmith@crescat.net.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration does not imply a certain level of skill or training. Additional information about CPM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The following are material changes since the last annual updating amendment on March 15, 2019:

1. The Crescat Global Macro Master Fund LTD, a Cayman Islands exempted company, was formed on April 17, 2019. All the assets invested by the Crescat Global Macro Fund LP were transferred on October 1 to the Master fund in consideration for participating shares in the fund. The Crescat Global Macro Fund LP was launched on January 1 2006 and started serving in March 2016 as master fund in a “mini-master feeder” fund structure to an offshore Cayman feeder fund, the Crescat Global Macro Fund LTD which was formed to accommodate non-US and tax-exempt U.S. investors. In 2019, the “mini-master feeder” fund structure was reorganized as a more classic “master-feeder” fund structure to enhance the tax and regulatory efficiency of the structure. Substantially all assets in the onshore and offshore feeder funds are invested in the Master fund and all trading activity of both feeder funds is conducted at the Master Fund level.
2. On June 1, 2019, Crescat launched a new precious metals strategy designed to capitalize on the upside potential by purchasing quality mining stocks offering a very attractive deep-value opportunity. Precious metals constitute a core macro asset class for a variety of economic conditions offering strong appreciation potential in inflationary periods and recessions. The investment objective is long term capital appreciation with low correlation to the S&P 500 Index. The strategy is being managed as a Separately Managed Account (SMA) strategy using Interactive Brokers as custodian.

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Item 4: Advisory Business

A. Description of Firm: Crescat Portfolio Management LLC (CPM) is a Colorado limited liability company that provides investment advisory services to the Crescat Global Macro Master Fund LTD, a Cayman Islands master fund with a Delaware feeder fund and a Cayman feeder fund; the Crescat Long/Short Fund LP, a Delaware limited partnership; and separate accounts owned by high net worth individuals and family offices. CPM is a wholly owned subsidiary of Crescat Capital LLC. Crescat is a global macro asset management firm. Our mission is to grow and protect wealth over the long term. We deploy tactical investment themes based on proprietary value-driven equity and macro models. Our goal is industry leading absolute and risk-adjusted returns over complete business cycles with low correlation to common benchmarks. We apply our investment process across a mix of asset classes and strategies to assist with each client's unique needs and objectives. CPM and our affiliates, Crescat Partners LLC, the general partner of Crescat Global Macro Fund LP, Crescat Hedge Partners LLC, the general partner of Crescat Long/Short Fund LP, and Crescat Capital LLC, the holding company for all Crescat entities, also provide some administrative and management services to our clients.

Kevin C. Smith, CFA has been the primary portfolio manager for each of Crescat's four investment strategies since inception. He started the Crescat Large Cap long-only separately managed account strategy, in January 1999 and the firm's second strategy, the Crescat Long/Short Fund LP, in May 2000. He formed CPM in September 2005 and started the firm's third strategy, Crescat Global Macro Fund LP, in January 2006. He launched the Precious Metals SMA strategy June 1, 2019. Otavio ("Tavi") Costa became a co-portfolio manager of the firm's four investment strategies on June 1, 2019.

Kevin C. Smith is the majority owner of Crescat Capital LLC, its subsidiaries and affiliates.

CPM is a fiduciary to its clients under the Investment Advisors Act of 1940 and, as such, possesses broad duties and undivided loyalty to its clients. We have a fundamental obligation to act in the best interests of our clients by not engaging in any activity in conflict with the interest of a client and by providing full and fair disclosure of material facts to our clients and prospective clients.

B. Description of Advisory Services Offered: CPM is an investment management firm that uses one firm-wide investment process combining:

- Top-down, global macro-economic themes;
- Bottom-up, data-driven fundamental analysis; and
- Pro-active risk management

CPM manages four portfolio products or strategies:

- **Global Macro** is a hedge fund strategy that capitalizes on big picture trends and imbalances while hedging risk. Our global themes are enhanced by expert fundamental analysis and stock picking. This is a multi-asset, multi-class strategy with holdings that may include global equities,

commodities, currencies, fixed income securities and derivatives. The strategy can hold both long and short positions and may employ leverage. The strategy is implemented within the Crescat Global Macro Fund and in separate accounts. Global Macro has a composite track record that began in January of 2006.

- **Long/Short Equity** is a hedge-fund strategy with a focus on achieving strong risk-adjusted returns through long and short equities. The strategy may employ leverage. Holdings include predominantly large- and mid-cap equities, equity options, and cash. The manager considers gold and silver to be alternative forms of cash and may own gold and silver ETFs as proxies for cash. This strategy is employed in the Crescat Long/Short Fund and can be implemented in separate accounts or in mutual funds with 40 Act restrictions.
- **Large Cap Equity** is a long-only large cap separately managed account (SMA) strategy. Holdings include large cap stocks that draw from an investable universe of the 1,000 largest and most liquid global equities that trade on a US exchange. The strategy can own foreign stocks through American Depository Receipts (ADRs). The manager may also take positions in large-cap-oriented Exchange Trade Funds and cash. The manager considers gold and silver to be alternative forms of cash and may own gold and silver ETFs as proxies for cash. Our Large Cap equity investment strategy is the longest running of Crescat's investment strategies with a composite track record beginning in January 1999.
- **Precious Metals Equity** is a long-only equity portfolio consisting of 25 to 40 precious metals related securities. The manager follows a multi-disciplinary, value-based investment process to trading and investing in precious metals equity and exchange-traded fund securities. The portfolio can include equity securities of various market capitalizations from large to small. The strategy can also hold cash and precious metals ETFs and/or ETNs. The strategy investment objective is long-term capital appreciation with low correlation to the S&P 500 index.

C. Flexibility of Services: CPM serves clients whose objectives are some combination of growth, income, capital preservation, diversification, and liquidity. CPM also caters to clients whose investment time horizon is long term. Our strategies may not be suitable for all investors. We will tailor our recommended allocation of client assets to and among the Crescat investment strategies based upon the unique objectives and risk tolerance of each client. We can work with clients who impose investment restrictions only if they are invested in a separate account. CPM does not allow client-imposed restrictions inside its funds.

D. Description of Wrap Fee Programs: Crescat does not participate in wrap fee programs.

E. Mix of Client Assets: As of 31 December 2019, CPM managed \$197 million of client regulatory assets. All assets are managed on a discretionary basis.

Item 5: Fees and Compensation

A. Basis of Compensation: CPM and its affiliates receive monthly management fees based on assets under management and, if earned, annual performance allocations based on net new appreciation at the end of the year for managing the Crescat hedge funds. Crescat receives quarterly management fees paid in advance based

on assets under management for managing Large Cap separately managed accounts. The payment terms and conditions of the fees and allocations available to Crescat are detailed in the relevant private placement memoranda and investor documents. Performance allocations are subject to high water marks and paid only after losses, if any, have been recovered. Crescat believes its fees are competitive with fees charged by investment advisers for comparable services although it is possible that you could find comparable services at a lower price elsewhere.

Below are the details of our fees and compensation:

Crescat Large Cap and Precious Metals Separately Managed Account (SMA) strategies: CPM charges SMA investors a management fee quarterly in advance based on the assets in that account on the last day of the preceding quarter. Fees may be negotiated for institutional accounts and other unique circumstances.

The schedule is as follows:

	<u>Portfolio Value</u>	<u>Quarterly Rate</u>	<u>Annualized Rate</u>
First	\$250,000	0.5000%	2.00%
Next	\$250,000	0.3750%	1.50%
Next	\$500,000	0.3125%	1.25%
Next	\$4 million	0.2500%	1.00%
Next	\$5 million	0.2250%	0.90%
Next	\$15 million	0.2125%	0.85%
Above	\$25 million	0.2000%	0.80%

Crescat Global Macro Fund LP: CPM is paid a 2% annual management fee by Class B limited partners and a 1% annual management fee by Accelerator Class limited partners at the end of each calendar month for acting as investment adviser to this fund. For the purpose of calculating the management fee, the net asset value of a limited partner's book capital account is determined before reduction for accrued management fees and incentive allocations, if any. CPM's affiliate, Crescat Partners LLC, the general partner to the partnership, is paid an annual incentive allocation after the end of each calendar year equal to 20% of the net new appreciation of each Class B limited partner's and an incentive allocation equal to 10% of each Accelerator Class limited partner's share of net profits at the end of each calendar year subject to a high water mark. However, if a limited partner has any prior net losses from previous periods, the General Partner will not receive a performance allocation until such limited partner is allocated net profits to recoup the net losses. Accelerator Class limited partners must invest a minimum of \$10 million in the fund although that minimum may be waived under unique circumstances. The General Partner may, in its sole discretion, enter into arrangements with investors under which the management fee and/or the incentive allocation is reduced, waived, or calculated differently.

Crescat Global Macro Fund LTD: With respect to each relevant Class or Series of Participating Shares, the Fund will pay the Investment Manager a management fee at the end of each month equal

to 0.16667% (2% per annum) of the Net Asset Value of the Class B Shares of the Fund and a Management Fee equal to 0.83333% (1% per annum) of the Net Asset Value of the Accelerator Class Shares of the Fund as of the end of each month. The Management Fee will be paid at the Master Fund level and calculated as to each Shareholder at the Fund level. The Master Fund will pay the Investment Manager an annual performance-based fee equal to a percentage of the investment profits (to the extent such investment profits are positive) of each Class of its Participating Shares. The Incentive Allocation as to Class B Shares shall be an amount equal to twenty percent (20%) of the investment profits allocated to each Class B Shareholder during each year. The Incentive Allocation as to Accelerator Class Shares shall be an amount equal to ten percent (10%) of the investment profits allocated to each Accelerator Class Shareholder during each year. The Incentive Allocation will be calculated at the end of each calendar year and will be payable yearly in arrears. The Incentive Allocation will be paid and charged at the Master Fund level as to each Class as allocated at the Fund level as to each Shareholder. Incentive Allocations will be subject to a “high water mark” provision as described above. Investors subscribing for Participating Shares during any period in which the Net Asset Value of the Fund as a whole, or of any particular Series or Class, is below a former high, will be invested into a Series which is either at a new “high water mark,” or into a newly issued Series. Series of Participating Shares which are all at a new high-water mark level may be consolidated for accounting convenience upon the recommendation of the Administrator.

The Investment Manger may, in its sole discretion, enter into arrangements with investors under which the management fee and/or the incentive allocation is reduced, waived, or calculated differently.

Crescat Long/Short Fund LP: CPM is paid a monthly management fee equal to 1.5% annually by Class B limited partners and 1% by Accelerator Class limited partners at the end of each calendar month for acting as the investment adviser to this fund. For the purpose of calculating the management fee, the net asset value of a limited partner's book capital account is determined before reduction for accrued management fees and incentive allocations, if any. CPM's affiliate, Crescat Hedge Partners LLC, the general partner of the Crescat Long/Short Fund, is also paid an annual incentive allocation equal to 20% by Class B limited partners and 10% by Accelerator Class limited partners of the net new appreciation of their book capital accounts during the year subject to a high-water mark. However, if a limited partner has any prior net losses from previous periods, the General Partner will not receive a performance allocation until such limited partner is allocated net profits to recoup the net losses. Accelerator Class limited partners must invest a minimum of \$10 million in the fund although that minimum may be waived under unique circumstances. The General Partner may, in its sole discretion, enter into arrangements with investors under which the management fee and/or the incentive allocation is reduced, waived, or calculated differently.

Sub-Advisory Services: CPM will receive a separately negotiated fee for each sub-advised mutual fund or strategy, computed daily and payable monthly in arrears. Fees for services provided as a sub-advisor are specified in the client sub-advisory agreement and are based on a percentage of assets under management. CPM will receive sub-advisory fees to cover investment management

administrative services provided to the fund. It is understood that such fees may differ from fees charged to other investors depending upon the extent of services provided and the cost of such services.

The same incentive allocation structure may apply to separately managed accounts that follow a similar strategy to the hedge funds if the client meets the Qualified Client standards of SEC rule 205-3 of the Investment Advisors Act.

Fees and incentive allocations may be negotiated based on unique circumstances.

- B. Method of Fee Collection:** Clients authorize CPM to deduct advisory fees from their accounts under the terms of their investment advisory agreements. Crescat Partners and Crescat Hedge Partners, general partners of the hedge funds, and Crescat Investment Management LLC, investment manager to Crescat Global Macro Master Fund LTD, deduct incentive allocations from the funds after year end if earned. If a client withdraws funds from a hedge fund, an incentive allocation may be paid on net new appreciation at the time of withdrawal. For hedge strategy separate accounts and other separate accounts, CPM could either deduct or bill management and performance fees based upon the advisory agreement in place between CPM and the account owner. Management fees and performance allocations may be waived or reduced for any investor, including for investments made by our employees and family members.
- C. Other Fees and Expenses:** CPM clients pay other fees and expenses in connection with our advisory services, including brokerage commissions, transaction costs, and custodial fees. See item 12 of this brochure for a description of brokerage practices. The hedge funds managed by CPM pay certain operating expenses including periodic legal, accounting, filing, administrative, and other expenses to third-party service providers.
- D. Timing of Fees:** CPM charges management fees to its Crescat Large Cap clients at the beginning of each quarter. For other separate accounts, the timing of fee deduction will be based on the investment advisory agreement between CPM and the client. We charge management fees to hedge fund clients monthly in arrears. Fees paid in advance may be partially refunded if the investment advisor agreement is terminated. The amount of the refund is determined by the number of days remaining in the billing period.
- E. CPM Commissions:** No supervised person at Crescat accepts commissions for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

CPM and its affiliated general partners are entitled to a performance-based fee from the hedge funds based on net annual appreciation at year-end. See Item 5A for an explanation of net annual appreciation. CPM faces a conflict of interest to execute trades in ways that favor its clients who pay performance-based fees over those clients who do not pay performance-based fees. CPM addresses this conflict of interest through its Code of Ethics and its trade allocation policy:

Trade Allocation Policy

The firm is dedicated to the principle of fair and equitable trade allocation and sequencing. Crescat pre-determines where trades will be allocated among clients prior to execution. First, the firm will determine if a client's investment objectives and suitability profile qualify the client for participation in a trade. After that, Crescat will block trade and allocate trades to client accounts at the same average price based on the pre-determined order size for each client account whenever block trading is possible and practical considering our order management systems, trading platforms, brokerage, research, and custodial services. Crescat seeks to coordinate and/or integrate these various systems and services in a way that is efficient and in the best interests of our clients as whole with respect to our fiduciary duty to seek best execution. Where average pricing is not possible or practical, or where the full size of the pre-determined order cannot be completed, the firm employs an alphabetical trade rotation and allocation methodology. The firm tracks where we left off in the alphabet on the prior trade that needed to be rotated so that clients at the end of the alphabet or not disadvantaged on the next trade that needs to be rotated. Employee and owner accounts that are invested in the large cap strategy, and that cannot be block traded alongside clients at the same average price, are always traded last, after client accounts.

Item 7: Types of Clients

CPM provides investment advisory services to high net worth individuals, family offices, and institutions including other investment advisors. We also provide investment advisory services to the Crescat hedge funds. We may in the future serve additional clients such as, but not limited to, foundations, endowments, investment companies, and other pooled investment vehicles.

Clients who invest in the hedge funds must meet the Accredited Investor standards of SEC rule 501 of Regulation D.

The minimum account size is \$250,000 for the Crescat Global Macro Fund, \$100,00 for the Long/Short Fund, \$50,000 for the Large Cap SMA strategy and \$25,000 for the Precious Metals SMA strategy although these minimums may be waived at the sole discretion of the investment manager.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

- **Methods of Analysis and Investment Strategies:** Crescat manages three primary investment strategies based on one firm-wide investment process that combines global macro thematic investing with a fundamental equity model and disciplined risk controls.

Global Macro – The goal of the firm's global macro hedge fund strategy is to capitalize on our global macroeconomic themes with multi-asset class exposures that may include positions in equities, commodities, currencies, and fixed income securities. We may employ leverage, derivatives, and shorting as part of this strategy. This strategy is designed for sophisticated, long-term, accredited and qualified investors. CPM manages risk by staying within established downside-exposure limits in the context of a conditional value-at-risk model.

Long/Short Equity – Crescat Long/Short strategy is a long-short hedged equity strategy that invests predominantly in large- and mid-cap equities. We may employ leverage, derivatives, and shorting as part of this strategy. This strategy is designed for sophisticated, long-term, accredited and qualified investors who are capable of understanding the basic elements of the investment strategy and its risks. Our Long/Short equity hedge fund strategy has a composite track record that began in May 2000.

Large Cap Equity – An actively managed portfolio of global large cap equities. Crescat’s longest running strategy. It is a long-only, separately managed account (SMA) strategy. In extreme times, this strategy can hold up to 50% cash and precious metals to protect against expected macro downturns. The goal of Crescat Large Cap is to capitalize on our global macroeconomic themes and fundamental equity model in the global large cap equity market with an actively-managed portfolio of approximately 15 to 40 long-only large cap, predominantly US exchange-listed stocks. The strategy may own foreign stocks. The manager may also take positions in large-cap-oriented Exchange Trade Funds, cash, and precious metals. The manager considers gold and silver to be alternative forms of cash and may own gold and silver ETFs as proxies for cash though these securities will be more volatile in USD terms than USD cash and money market instruments. Over time, we believe it is the value of US dollar that is fluctuating in gold terms not the reverse. Therefore, the volatility of gold can be considered a measure of the volatility of the US dollar. Meanwhile, we believe value of gold is much more constant over time than the value of USD. Gold is the most widely held and enduring global central bank reserve currency. The value of US dollar has depreciated persistently over the long term relative to gold. We expect that long-term trend to continue. This strategy is designed for both highly sophisticated, accredited investors as well as non-accredited investors. In all cases, investors in this strategy should be long-term oriented and capable of understanding the risks of investing in equities.

Precious Metals Equity - The Crescat Precious Metals Strategy is a long-only equity and ETF strategy with underlying commodity risk exposure. The manager follows a multi-disciplinary, value-based investment process to trading and investing in precious metals equity and exchange-traded fund securities. The portfolio is comprised of approximately 25 to 40 securities. The portfolio can include equity securities are various market capitalizations from large to small. The strategy can also hold cash and precious metals’ ETFs and/or ETNs.

- **Sub-Advisory Services** – Crescat may act as a sub-advisor to other investment advisors and to open-end mutual funds and registered under the Investment Company Act of 1940. When we provide such services, we will have no direct relationship with the clients of the fund or advisor to whom we are providing services. If constructing an investment model for a fund, Crescat will adhere to the investment objectives, strategies, policies, and procedures of the trust adopted on behalf of the fund, which are stated in the applicable prospectuses and statements of

additional information. Interested investors should refer to the prospectus carefully prior to investing in a fund of which Crescat is a sub-advisor.

Crescat focuses on two key analytical methods:

- **Top-down global macroeconomic thematic analysis.** Global macroeconomic themes are big picture investment concepts that affect how we view investment opportunities in an overall country, asset class, or equity sector. These views can be based on factors such as central bank policy, fiscal policy, taxes, interest rates, gross domestic product, inflation, demographic trends, employment trends, economic cycles, and investment bubbles and busts. Prospective investors and clients should request a copy of our firm presentation and our most recent macroeconomic research letters to learn more about Crescat's current themes. They can also view our current investment themes on our website under the Investment Process tab. We provide a monthly performance attribution by macroeconomic theme as part of our monthly performance reports.
- **Bottom-up, data-driven, fundamental equity analysis.** Equities are a key component of all three Crescat investment strategies. We have a proprietary discounted-free-cash-flow (DFCF) valuation model that provides a daily valuation of every stock in our investable universe which consists of the 2,000 most liquid global equities including ADRs that trade on a US exchange. The model was originally developed by CPM's chief investment officer, Kevin C. Smith, CFA, in 1997. He and his investment team have continuously refined the model and applied it to managing discretionary money since 1999. The universe is comprised of predominantly large- and mid-capitalization stocks.

Crescat is a value-style money management firm because we are focused on fundamental *valuation*. Our discounted-free-cash flow valuation model incorporates a broad array of fundamental metrics that go into our overall investment strategy, such as:

- **Value-specific factors:** Enterprise value to free cash flow, trailing and forward-looking price to earnings, price to book, price to tangible book value.
- **Growth-specific factors:** Historical and projected sales, earnings, and free-cash flow per share growth, including growth acceleration and deceleration.
- **Capital Allocation:** All else equal, we prefer stocks that generate consistent positive free cash flow and return capital to shareholders via stock dividends and share repurchases.
- **Balance Sheet Strength:** All else equal, we prefer stocks with high total assets to total liabilities, high total assets to total debt, high current ratio, and high quick ratio.
- **Fundamental Dynamics:** Earnings surprise, sales surprise, analysts' earnings estimate revisions, analysts' sales estimate revisions, free-cash-flow estimate revisions are all factors that we use to measure improving versus deteriorating fundamental dynamics.
- **Quality:** Return on equity (ROE), return on invested capital (ROIC), gross and net profit margins, free cash flow margins, earnings reporting conservatism, success or failure in turning historical acquisitions in future free cash flow.

- **Within-Type Leadership:** We categorize stocks using our own fundamental regression model into four categories: Defensive, Growth, Emerging Growth, and Cyclical. We look for leaders and laggards in each of these categories based upon the above metrics. We apply a different weighting to all of the above metrics in modeling a stock's score based upon its unique "type". We will also deliberately overweight and underweight certain types of stocks in our portfolios based on our macro outlook.
- **Within-Industry Leadership:** All else equal, we prefer stocks with measures of above and other relevant metrics that ranked highest within their industry.
- **Custom Industry Scoring:** We score fundamental metrics that are unique to certain industries as part of our within-industry scoring. Currently this applies to banks, precious metals mining companies, and oil and gas exploration & production companies.

Each of these factors is then combined to create an overall Crescat score for each stock. These stocks comprise the individual equity portion of the investable universe for Crescat's two alternative strategies. Within that equity universe, the top 1,000 market cap stocks comprise the individual equity investable universe for our large cap strategy.

We look at investment risks and opportunities on a global level using both data-driven models and macroeconomic themes as a foundation for essential fundamental analysis and judgment. The model provides an efficient framework for monitoring existing equity positions and for supporting trading decisions. Moreover, in the context of our overall valuation process, the model is an important part of our practice of deeply understanding individual company business models and deriving custom growth projections.

A. Risks of Methods of Analysis: Crescat employs numerous robust methods of analysis in our investment strategies. Fundamental analysis aided by our proprietary model allows CPM to thoroughly research companies prior to investment and monitor positions as needed. Furthermore, our global macro trends are developed and altered to create gains, but also to minimize losses. Combining strategic choices of themes, well-researched companies, and pro-active portfolio management, CPM can effectively manage risk. Despite the robustness of our process, however, we might miss important considerations in identifying macroeconomic investment themes and in conducting data-driven equity analysis. While we can analyze many factors, we cannot know every material fact about the securities we invest in. We may develop a strong conviction based on our macro themes and data-driven analysis, and accordingly take a position in the portfolio at a time when the markets do not agree with that position, and the position may lose value. There are many factors that drive security prices that may be outside of our understanding and not captured by our investment process. Our pro-active trading style could negatively impact performance through increased brokerage commissions, other transaction costs, and taxes.

B. Risks of Investment Securities: CPM pays close attention to asset allocation by global macro theme and security type. Exposure is categorized by theme and exposure type and monitored to minimize risk. Diversity in holdings is an important aspect of risk management, and CPM works to maintain a variety of themes and equity types to capitalize on trends and abate risk. CPM invests in a wide range of securities depending on our

strategies as defined above including long equities, short equities, mutual funds, exchange traded funds, commodities, commodity futures contracts, currency futures contracts, fixed income futures contracts, and options on equities, bonds and futures contracts. The investment portfolios advised or sub-advised by CPM are not guaranteed by any agency or program of the US government or by any other person or entity. The types of securities that we buy and sell for clients could lose money over any time frame. CPM's investment strategies are intended primarily for long-term investors who hold their investments for substantial periods of time, typically more than five years. You should consider your investment goals, time horizon, and risk tolerance before investing in CPM's strategies and should not rely on CPM's strategies as a complete investment program for 100% of your investable assets.

Item 9: Disciplinary Information

Neither Crescat nor anyone in management at Crescat has been involved in a legal or disciplinary matter.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration: Crescat is not registered, nor has an application pending to register, as a broker-dealer or as a registered representative as a broker-dealer.

B. Commodity/Futures Registration:

a. **Commodity Pool Operator (CPO) Exemptions:** Crescat Global Macro Fund LP, Crescat Global Macro Fund LTD and Crescat Global Macro Master Fund LTD are exempt from registration with the Commodity Futures Trading Commission (CFTC) as a CPO under Rule 4.13(a)(3), which provides relief in cases where the pool trades only a minimal amount of futures. If CPM were to act as sub-advisor to a mutual fund registered under the Investment Company Act of 1940, it could be exempt from registration under CFTC Rule 4.5, which provides an exemption for mutual funds that trade a minimal amount of futures. No exemptions are required for any other Crescat strategies.

b. **Commodity Trading Advisor (CTA) Exemption:** Crescat Portfolio Management LLC is exempt from registering as a CTA under Section 4m(1) of the Commodity Exchange Act, which provides a self-executing exemption for a person which, during the past 12 months, has not furnished commodity trading advice to more than 15 persons and does hold itself out to the public as a CTA.

C. Relationships with Related Persons: CPM does not have any related persons that are broker-dealers, municipal securities dealers, government securities dealers, investment companies, other investment advisers or financial planners, futures commission merchants, commodity pool operators, commodity trading advisers, banking or thrift institutions, accounting firms, lawyers, or law firms, insurance companies or agencies, pension consultants, real estate brokers or dealers, or sponsors or syndicators of limited partnerships.

D. Conflicts of Interests with Other Advisors: CPM does not recommend or select other investment advisers or receive any compensation from other advisers in any way that creates a material conflict of interest. CPM may have sub-adviser agreements in which we receive compensation from other investment advisers and/or

their clients. The firm believes that such sub-adviser agreements do not present a conflict of interest with its clients.

Item 11: Code of Ethics, Participation in Client Transactions, and Personal Trading

- A. Code of Ethics:** CPM's Code of Ethics, based on the model of Rule 204A-1 under the Investment Advisers Act of 1940, is important in setting and maintaining a strong compliance culture at CPM. The purpose of the Code is to deter wrongdoing and to promote honest and ethical conduct, to require prompt internal reporting of violations of the Code; and accountability for adherence to the Code. It emphasizes that CPM has a fiduciary duty to act in the best interests of clients. The Code also defines Crescat's policies forbidding any trading on material non-public information, managing conflicts of interest associated with personal securities transactions of CPM personnel, and maintaining privacy of client confidential information. The Code also requires initial, quarterly, and annual securities holding reporting by firm personnel. CPM will provide its Code of Ethics to any client or prospective client upon request by contacting us at the following address:

Crescat Portfolio Management LLC
1560 Broadway, Suite 2270
Denver, CO 80202
Telephone: 303-271-9997
Facsimile: 303-271-9998
Email: info@crescat.net

- B. Client Transactions in Personal Holdings:** CPM affiliates act as general partners to hedge funds in which CPM is the investment adviser. CPM's affiliates and related persons own positions in these hedge funds. The firm does not view ownership in our own hedge funds as a conflict of interest with clients, rather as an alignment of interests with the clients. Accounts of employees that follow the Large Cap separately managed account strategy are always traded after client accounts to avoid the appearance of a conflict of interest.
- C. Personal Investments:** To prevent and detect abusive trading practices such as "scalping" and "front running", CPM has a personal securities trading policy that requires principals and access personnel to obtain prior approval from the chief compliance officer before making an investment in any non-exempt security in a personal account. In addition, all access persons must file initial holdings reports with the account name and number and broker, dealer or bank where the employee maintains an account within 10 days of becoming an access person. The holdings report must contain the title and type of each security with exchange ticker symbol or CUSIP, the number of shares owned and principal amount of each reportable security that the supervised person has a direct or indirect beneficial interest ownership. Exempt securities that are not reportable include the following:
- U.S. government securities;
 - money market instruments;
 - shares of money market funds;
 - shares of unaffiliated mutual funds;
 - shares of unit investment trusts including exchange traded funds and unaffiliated mutual funds.

Every access person must file an annual holdings report by January 31 of each year containing the same information required in the initial holdings report and a quarterly transaction report no later than 30 days before the end of each calendar quarter. However, if the access person has arranged for CPM to receive copies of brokerage statements for all covered accounts, then that person will not need to separately complete quarterly transaction reports.

D. Timing of Personal Trades: CPM encourages investments by our employees and principals in our investment strategies, which the firm views as an alignment, rather than a conflict of interest, with our clients. If a principal or employee is invested in the firm's large cap strategy, and the account cannot be traded alongside clients at the same average prices as part of the alphabetical custodial rotation policy, his or her account is always traded last in accordance with the firm's trade allocation policy. See Item 6 above for details on the firm's trade allocation and sequencing policy. In addition, CPM has strict policies in place to prevent violation of any SEC Regulations such as front running or scalping by employees in their personal accounts.

Item 12: Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker Dealers

Crescat uses several prime brokers, brokers, and custodians. The custodians hold on deposit the client and fund cash, securities, commodities and other investments in brokerage accounts. Purchases and sales of securities through brokers involve a commission to the broker. Purchases and sales of securities from dealers serving as market makers include the spread between the bid and the asked price. In placing securities transactions with brokers, we seek to obtain best execution, which requires us to take into account the circumstances of each specific transaction. In selecting a broker for each specific transaction, we will use our best judgment to choose the broker most capable of providing "best execution". Brokers are selected on the basis of our evaluation of the overall value and quality of the services provided by the broker. No one factor controls our decision. In seeking the best price and execution quality, we consider not only the commission rate, spread or other compensation paid, but also the price at which the transaction is executed, bearing in mind that it may be in our clients' best interest to pay a higher commission, spread or other compensation to receive better execution

1. **Research and Client Commission Benefits:** CPM receives research and brokerage services in addition to execution services from its broker-dealers and from third parties in connection with client securities transactions:
 - a. When CPM uses client brokerage commissions to obtain research and brokerage services, we receive a benefit because we do not have to produce or pay for that research or those brokerage services ourselves.
 - b. We have an incentive to select or recommend a broker-dealer based upon research and brokerage services rather than selecting a broker-dealer solely on the basis of lowest transaction cost.

- c. We may cause you to pay commissions that are higher than those charged by other broker-dealers in return for research and brokerage services that we deem valuable to you and to us with respect to the management of your account.
 - d. We make an effort to allocate the benefits of the research and brokerage services described above proportionately to the clients who paid for them.
 - e. Research refers to services and/or products provided by a broker, the primary use of which must directly assist Crescat in its investment decision making process and not in the management of the investment firm. The types of research and brokerage services we acquire through client commissions include Bloomberg Professional Service, electronic feeds of trade data, trading platforms, real-time quotes, order management systems, analyst research reports, macroeconomic research newsletters, financial publications, and other research and brokerage services.
 - f. In the last fiscal year, CPM sought best execution for its clients by directing transactions to broker-dealers where it received best combination of valuable research and brokerage services, lowest transaction costs, and least trading slippage. We consider all of the above factors important in our duty to seek best execution for our clients.
2. **Brokerage for Client Referrals:** In selecting or recommending broker-dealers, CPM does not consider whether it receives client referrals from a broker-dealer.
 3. **Directed Brokerage:** We do not recommend, request, or require that clients engage in directed brokerage arrangements. However, clients may request in writing that we use a specific broker-dealer because the designated broker provides certain benefits directly to the client. If CPM agrees, we will make our best effort to comply with the request. We will attempt to minimize any adverse effects from such an arrangement but clients should know that trades for accounts seeking directed brokerage will not be aggregated with other trades and may be executed before or after other accounts. Directed brokerage arrangements may cost the client more money than allowing CPM to select brokers.
- B. Aggregation of the Purchase or Sale of Securities:** Crescat will block trade and allocate trades to client accounts at the same average price based on the pre-determined order size for each client account whenever block trading is possible and practical considering our order management systems, trading platforms, brokerage, research, and custodial services. See Item 6 above for full details of our trade allocation policy.

Item 13: Review of Accounts

- A. Periodic Client Account Reviews:** We invite each client to participate in an account review at least annually. During the account review, we validate client investment objectives, review prior year performance, and discuss our investment outlook and macroeconomic investment themes. We also invite clients to validate or modify investment objectives annually.

B. Non-Periodic Client Account Reviews: We review client accounts for suitability if we learn of some fact or situation which might change either the investment objectives of a client or the suitability of one of our strategies for that client. We review client accounts and adjust positions, if warranted, when there is a material change in the market environment, our macro-economic themes, and/or our data-driven analytical models which happens on a non-periodic basis as a normal part of our ongoing investment process.

C. Content and Frequency of Reports: CPM provides monthly written reports with the composite performance for the prior month for each strategy. CPM provides a quarterly investment letter that includes our investment outlook as well as selected attribution analysis highlighting the major causes of both positive and negative performance across our different strategies. Please see our website for past quarterly letters. CPM also provides clients with additional periodic investment commentary and performance estimates including preliminary month-end and mid-month performance estimates for each Crescat strategy. Written monthly individual account statements are available through our broker/custodians for Large Cap strategy clients. We also send written individual quarterly performance reports to each of our Large Cap clients. Written monthly statements are available through third-party accountants for our hedge fund clients. Those individual account statements include balances at beginning and end of the month, net investment gains and losses, and account contributions or withdrawals.

Crescat recognizes the critical importance of safeguarding clients' personal information as well as the confidential and proprietary information of the firm and its employees. The firm has adopted a Cybersecurity Policy in response to security laws and regulations that impose data security and requirements of client information on investment advisors. The policy address procedures to safeguard access controls, remote access of our firm's network, communications, security systems, data retention, employee training, periodic assessments and third-party service providers.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits from Non-Clients: No one provides investment advice or services for any compensation or economic benefit to our clients.

B. Compensation for Client Referrals: At this time, Crescat does not compensate any person for client referrals

Item 15: Custody

CPM and its related entities, the general partners of the hedge funds, employ third-party custodians for all accounts managed by CPM. However, the SEC deems that CPM and the general partners have "custody" of client funds in several respects:

- We authorize payment of management fees and performance fees from managed accounts, per the terms of the Investment Management Agreement for each account.

- The SEC deems that any general partner of a private investment fund has custody over the fund by nature of its role for the fund.
- The general partners of the funds authorize payment of management fees and incentive allocations to CPM and to the general partners, per the terms of the Limited Partnership Operating Agreements.
- The general partners of the funds authorize payment to third-party service providers from the funds, per the terms of the Limited Partnership Operating Agreement for each fund.
- The general partners authorize distribution of capital from Limited Partner accounts to Limited Partners upon request of the Limited Partner or by authority of the general partner, per the terms of the Limited Partnership Operating Agreement for each fund.

Large Cap and Precious Metals clients receive monthly or quarterly statements from the custodian and quarterly statements from CPM. Private partnership clients receive e-mail notifications that they can download their monthly statements from the fund administrator. They also receive annual audited financial statements with 120 days of the funds' fiscal year ends. Large cap clients should compare the account statements they receive from their custodians with those they receive from CPM. The hedge fund custodians do not send account statements directly to the fund investors.

Item 16: Investment Discretion

CPM obtains discretionary authority to manage securities for most of its client accounts. In all cases, the client grants that discretionary authority to us through written agreement between CPM, the client, and the broker-dealer/custodian. To meet regulatory requirements with respect to certain types of investment vehicles, we may be deemed to have more limited investment authority in certain contexts. For example, CPM could exercise substantial discretion as a sub-adviser to a mutual fund subject to broad oversight and constraints by the principal manager and fund board. We also may exercise discretion as a manager of accounts containing ERISA plan or trust assets subject to oversight and shared discretion exercised by its fiduciaries.

Item 17: Voting Client Securities

- A. **Voting Policies and Procedures:** CPM will vote proxies only when granted written authority by our client. Under our investment philosophy, Crescat invests client funds in companies whose managements we believe seek to serve the best interests of their shareholders. We routinely vote proxies as recommended by management because we believe recommendations by these companies' managements generally are in the shareholders' best interests, and therefore, in the best economic interests of our clients.
- B. **Client Receipt of Proxy Materials:** CPM clients receive proxy materials and other solicitations directly from the custodian or transfer agent. Clients may contact us at info@crescat.net if they have any questions.

Item 18: Financial Information

- A. We do not require or solicit prepayment of fees six months or more in advance.

- B.** We do not know of any financial condition that could impair our ability to meet contractual commitments to clients.
- C.** Crescat has not been the subject of a bankruptcy petition at any time during the past 10 years.

Item 19: Requirements for State-Registered Advisors

CPM is not registered with any state as an investment advisor.

Part 2A: Wrap Fee Program Brochure

None of Crescat's investment advisory services or portfolios meet the U.S. SEC's definition of "wrap-fee programs."

Part 2B: Investment Adviser Brochure Supplement

Item 1: Cover Page

Kevin C. Smith, CFA
Crescat Portfolio Management LLC
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Denver, CO 80202
303-271-9997
info@crescat.net
www.crescat.net

24 March 2020

This brochure supplement provides information about Kevin C. Smith, CFA that supplements the CPM brochure. You should have received a copy of that brochure. Please contact us if you did not receive the brochure or if you have any questions about the contents of this supplement. Additional information about Kevin C. Smith, CFA is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Kevin C. Smith, CFA, earned a BA degree in economics from Stanford University in 1986 and an MBA from the University of Chicago Booth School of Business in 1992 where he also earned a specialization in finance and a concentration in statistics. Mr. Smith leads the investment team at CPM and has been the portfolio manager for the Crescat Large Cap Composite since its inception more than 21 years ago, the Crescat Long/Short Composite since its inception almost 20 years ago, and the Crescat Global Macro Composite since its inception more than 14 years ago. He holds the Chartered Financial Analyst (CFA) designation.

The CFA program is a three-level graduate self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in several exams. The designation typically requires 2-5 years and prior qualifying experience to complete.

Item 3: Disciplinary Information

- A. There have been no criminal or civil action in a domestic, foreign or military court.
- B. There have been no administrative proceedings before the SEC or any federal, state, or foreign regulatory agency or authority.
- C. There has been no proceeding before a self-regulatory organization.

Item 4: Other Business Activities

A. Engagement in Any Investment Related Business Activity:

Kevin C. Smith is not actively engaged in any other investment-related business aside from the management of Crescat.

B. Engagement in Any Other Business Activity for Compensation:

Kevin C. Smith is not actively engaged in any other business aside from the management of Crescat.

Item 5: Additional Compensation

Kevin C. Smith does not receive additional compensation outside of his role at Crescat.

Item 6: Supervision

CPM has extensive policies and procedures, software systems, and other controls that seek to ensure that we manage client accounts in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee certifies in writing to his or her understanding of relevant compliance procedures. The chief compliance officer monitors compliance with procedures and performs periodic review and testing of procedures.

Under our compliance and supervision policy and procedures, every employee has the responsibility to know and follow our procedures and is subject to supervision by the chief compliance officer. Kevin C. Smith, CFA

is responsible for formulating investment advice and managing client portfolios. If you have a question about the management of your account, you can call Mr. Smith at (303) 271-9997. You also may call the chief compliance officer at (303) 228-7371.

**Private Securities Offering Legend for Crescat Global Macro Fund LTD, Crescat Global Macro Fund LP,
and Crescat Long/Short Fund LP
(Hereafter “Crescat fund” or “Crescat funds”)**

- Only accredited investors and qualified clients will be admitted as limited partners to a Crescat fund. For natural persons, investors must meet SEC requirements including minimum annual income or net worth thresholds.
- Crescat funds are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933 and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act.
- The SEC has not passed upon the merits of or given its approval to the Crescat funds, the terms of the offering, or the accuracy or completeness of any offering materials.
- A registration statement has not been filed for any Crescat fund with the SEC.
- Limited partner interests in the Crescat funds are subject to legal restrictions on transfer and resale. Investors should not assume they will be able to resell their securities.
- Investing in securities involves risk. Investors should be able to bear the loss of their investment.
- Investments in the Crescat funds are not subject to the protections of the Investment Company Act of 1940.
- Performance data represents past performance, and past performance does not guarantee future results.
- Performance data is subject to revision following each monthly reconciliation and annual audit. Current performance may be lower or higher than the performance data presented.
- Crescat is not required by law to follow any standard methodology when calculating and representing performance data. The performance of Crescat funds may not be directly comparable to the performance of other private or registered funds.
- Investors may obtain the most current performance data and private offering memorandum for a Crescat fund by contacting Crescat at (303) 271-9997 or by sending an email request to info@crescat.net.

See the private offering memorandum for each Crescat fund for complete information and risk factors