

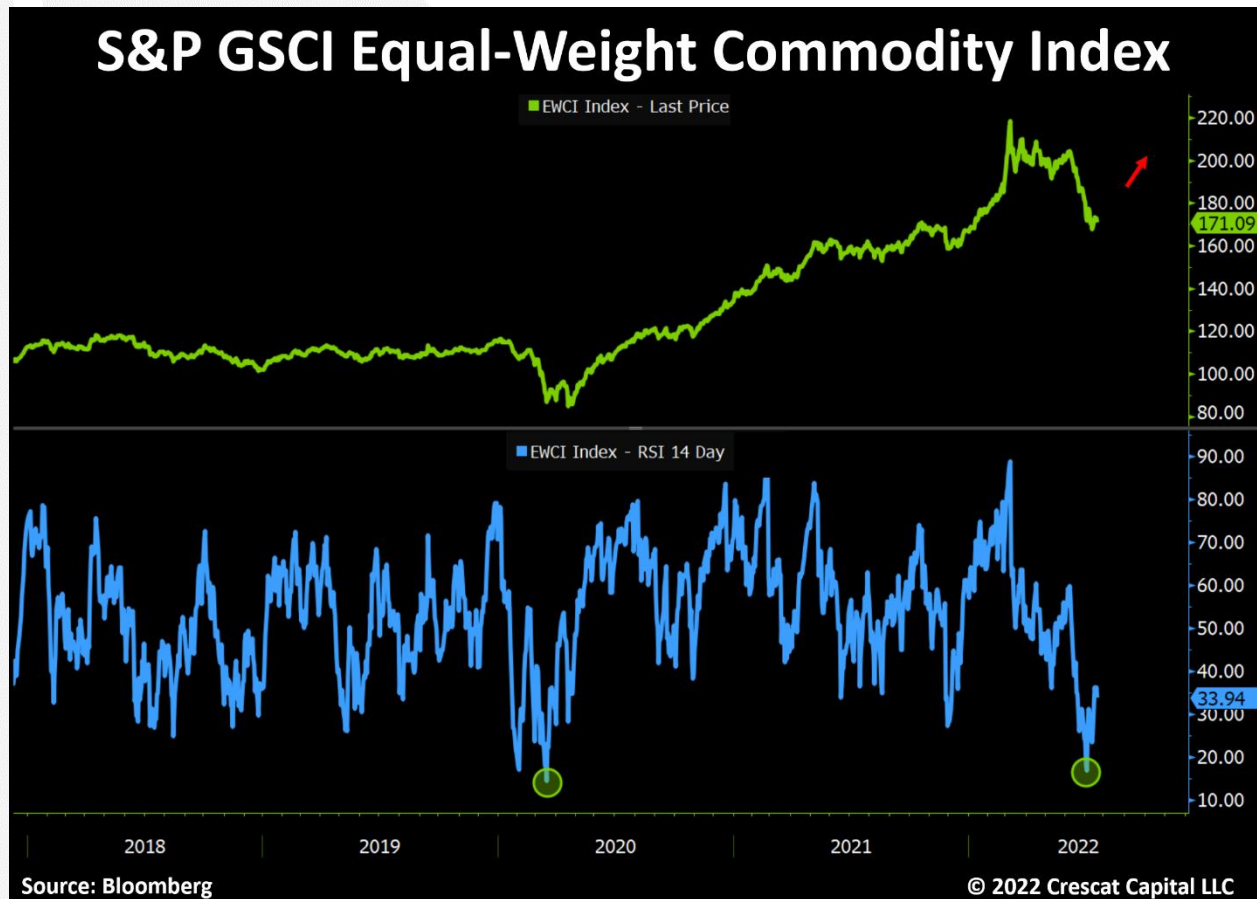


Jul 23, 2022

## Back Up the Truck

Dear Investors:

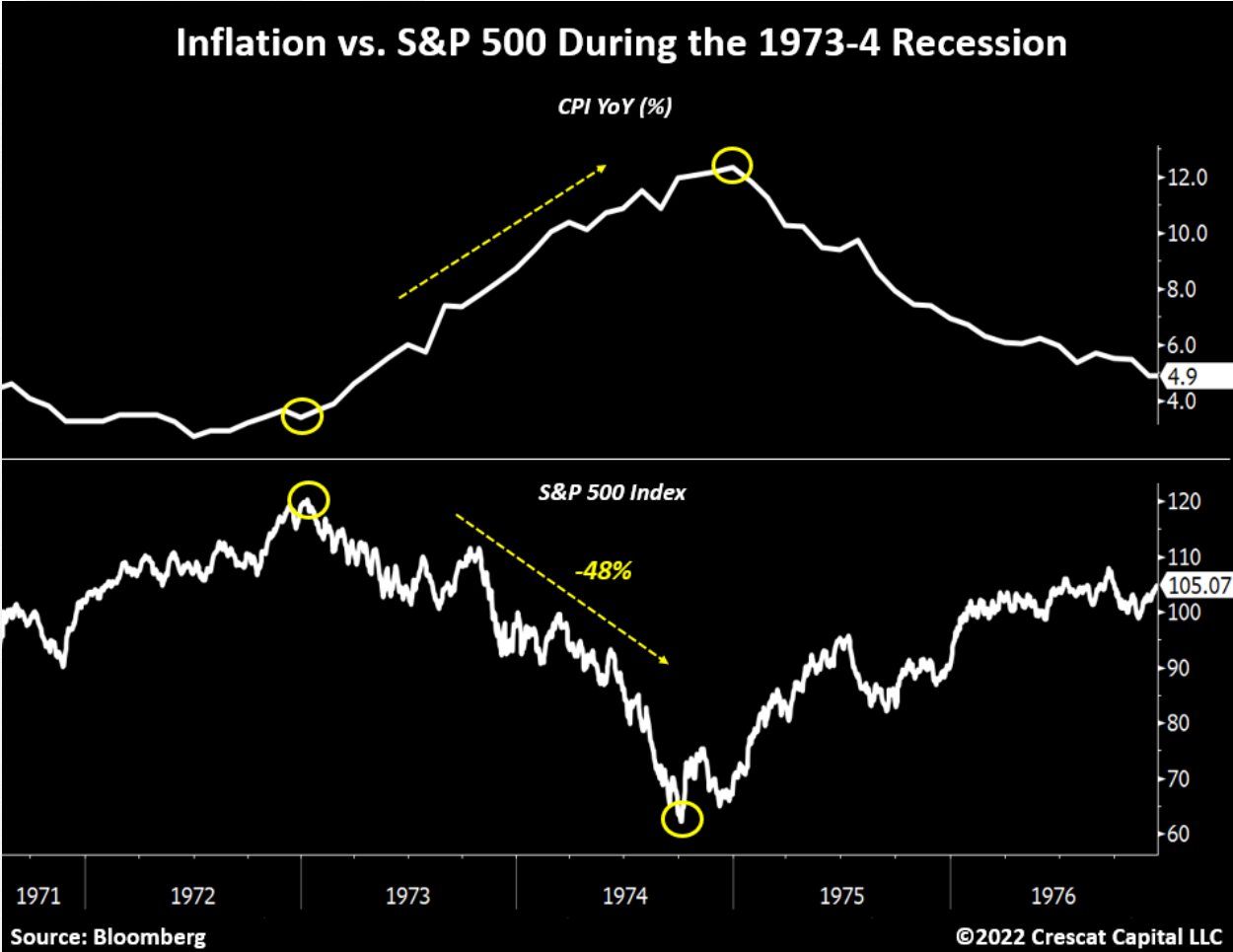
The recent pullback in commodities is a gift. It is allowing Crescat and our investors to secure even more of the world's future critical resources at ultra-cheap valuations ahead of a new secular bull market. That is exactly what we have been doing, and it is already bearing significant fruit performance-wise in July. While commodities have sold off sharply recently, they are already starting to turn back up from extremely oversold levels.



Just this month, our seven largest holdings across the firm released outstanding drill results: Eskay Mining, Snowline Gold, Western Alaska Minerals, Eloro Resources, Goliath Resources, Core Assets, and New Found Gold. These companies are each continuing to demonstrate the advancement of new world class gold, silver, and base metals discoveries. As a result, Crescat's three funds are all in the black now month to date and are substantially outperforming their benchmarks in an otherwise down commodity market. Based on the extreme bearish sentiment for gold and silver, we are confident that the market is still oblivious to the scale of these discoveries and grossly underestimating the value of our entire portfolio. There is so much more to play out.

The Fed's plan to halt inflation by raising interest rates and causing a recession is fundamentally bullish for commodities over the intermediate and long term. Demand for food, energy, and shelter is highly inelastic, so recessions do absolutely nothing to solve the fundamental supply problem. This is the same phenomenon that we saw play out in the 1970s.

The chart below is a reminder of how inflationary recessions tend to unfold. Back in 1973-4, it took a decline of 48% in stocks for inflation to start trending lower for the next couple of years. The only issue is that the growth in consumer prices came roaring back in 1977. This is a stagflationary regime, and the Fed is ultimately trapped.



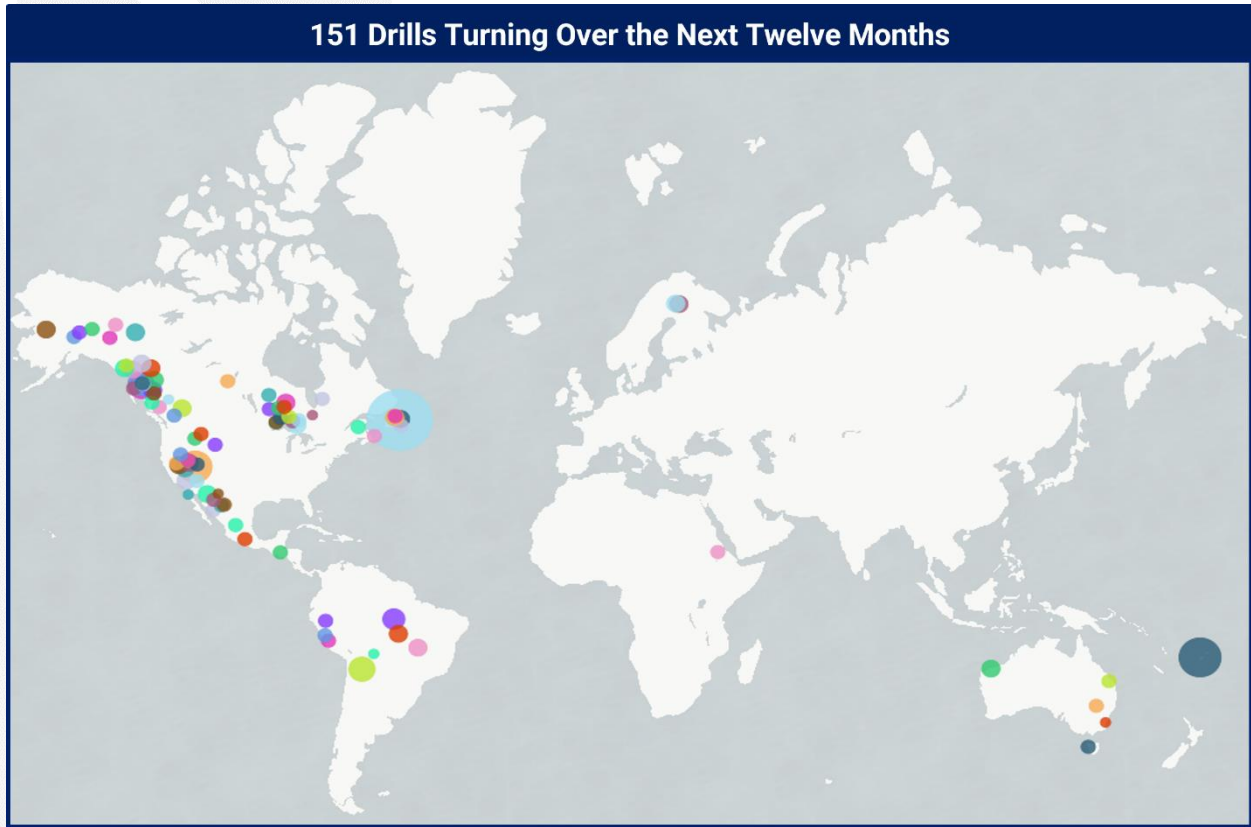
Just like the administration's selling of the US strategic petroleum reserves, short-sighted political measures to manipulate energy and materials prices only make natural resource shortages more entrenched. For instance, increasing the cost of capital by raising interest rates and smacking down commodity prices in the short run only further delays the necessary investment in these critical resources that take years to develop.

However, this is not delaying Crescat's investment in the sector. Our goal has always been to be ahead of the curve. Therefore, we have been aggressively acquiring substantial stakes in companies that own highly prospective mining properties in viable mining jurisdictions around the world at deeply discounted valuations. Our activist strategy furthermore has been to get the funds to these companies to perform the much-needed



and value-accretive exploration work. Crescat's activist precious metals longs are outperforming solely because our companies are delivering success at the drill bit.

Our activist portfolio has 151 drills operating around the world this year. We believe Crescat is focused on more highly prospective greenfield metals drilling than any other fund or mining and metals company in the world.



One of the most important measures that we can take to supply the world's basic needs, and at the same time allow it to make the clean energy transition, is an investment in future supplies of traditional energy and metals. These are essential resources at the core of the global supply chain for virtually all goods and services in the modern world.

But the secular downtrend of capital investment in oil and gas, as well as a variety of necessary metals, has already pre-destined a future of rising long-term inflation. Ongoing inflation will be the revenge of the old economy, due to the lack of understanding and appreciation for it by the population, investors, and government officials across the world. By investing in the highest caliber and most responsible companies in these industries, we believe we cannot only deliver inflation protection for our investors but outsized real returns while helping the new economy develop the important resources that it needs to make a successful clean energy transition over time.

We are in the early innings of what should be one of the biggest and longest commodity bull markets of all time. Unfortunately, it is also likely to be one of the biggest stagflations. Investors who want to capitalize on these trends rather than get steamrolled by them should be backing up the truck now to invest in critical commodities and strategies like Crescat's. The combination of strong fundamental tailwinds, deep value, and high appreciation potential, in our analysis, has never been more compelling.

We want to thank our new and existing investors who have been putting new money to work at Crescat. You are taking advantage of what we believe are some of the deepest value and highest appreciation investment opportunities that we have seen in the history of our firm.

We think the turn in commodity prices has already started and the month of July will mark an inflection point for precious metals stocks. After a tough in June for our funds, our natural resources' related positions are coming back strongly so far this month.

## July MTD Net Performance Estimates

### Crescat Strategies Net Return Estimates through July 22, 2022

CRESCAT STRATEGIES VS. BENCHMARK	July	YTD
Global Macro Hedge Fund	2.1%	26.3%
Benchmark: HFRX Global Hedge Fund Index	0.0%	-5.0%
Long/Short Hedge Fund	4.4%	7.6%
Benchmark: HFRX Equity Hedge Index	0.3%	-4.4%
Precious Metals Hedge Fund	12.3%	-18.0%
Benchmark: Philadelphia Gold and Silver Index	-7.2%	-21.5%
Large Cap SMA	-0.8%	-9.8%
Benchmark: S&P 500 Index	4.7%	-16.2%
Precious Metals SMA	12.7%	-19.2%
Benchmark: Philadelphia Gold and Silver Index	-7.2%	-21.5%

## Net Performance Through June

### Crescat Strategies Net Return through June 30, 2022

CRESCAT STRATEGIES VS. BENCHMARK (Inception Date)			Annualized Trailing				CUMULATIVE SINCE INCEPTION	YEARS SINCE INCEPTION
	June	YTD	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION		
Global Macro Hedge Fund (Jan. 1, 2006)	-11.4%	23.7%	-2.6%	22.8%	10.1%	12.3%	575.1%	16.5
Benchmark: HFRX Global Hedge Fund Index	-1.8%	-5.0%	-5.1%	3.1%	1.9%	0.9%	16.4%	
Long/Short Hedge Fund (May 1, 2000)	-9.8%	3.1%	-13.0%	18.3%	8.1%	7.6%	407.7%	22.2
Benchmark: HFRX Equity Hedge Index	-2.0%	-4.7%	-0.9%	5.3%	3.5%	2.5%	72.9%	
Precious Metals Hedge Fund (August 1, 2020)	-13.7%	-27.0%	-35.0%	-	-	51.2%	120.5%	1.9
Benchmark: Philadelphia Gold and Silver Index	-13.5%	-15.4%	-19.9%	-	-	-14.5%	-26.0%	
Large Cap SMA (Jan. 1, 1999)	-15.8%	-9.1%	-0.7%	4.9%	5.0%	9.5%	744.0%	23.5
Benchmark: S&P 500 Index	-8.3%	-20.0%	-10.6%	10.6%	11.1%	6.9%	377.9%	
Precious Metals SMA (June 1, 2019)	-11.4%	-28.3%	-44.6%	21.0%	-	26.1%	104.3%	3.1
Benchmark: Philadelphia Gold and Silver Index	-13.5%	-15.4%	-19.9%	11.1%	-	17.6%	64.8%	



Sincerely,

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**Separately Managed Account (SMA) disclosures:** The Crescat Large Cap Composite and Crescat Precious Metals Composite include all accounts that are managed according to those respective strategies over which the manager has full discretion. SMA composite performance results are time weighted net of all investment management fees and trading costs including commissions and non-recoverable withholding taxes. Investment management fees are described in Crescat's Form ADV 2A. The manager for the **Crescat Large Cap** strategy invests predominately in equities of the top 1,000 U.S. listed stocks weighted by market capitalization. The manager for the **Crescat Precious Metals** strategy invests predominantly in a global all-cap universe of precious metals mining stocks.

**Hedge Fund disclosures:** Only accredited investors and qualified clients will be admitted as limited partners to a Crescat hedge fund. For natural persons, investors must meet SEC requirements including minimum annual income or net worth thresholds. Crescat's hedge 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 Crescat's hedge 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 hedge fund with the SEC. Limited partner interests in the Crescat hedge 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 Crescat's hedge funds are not subject to the protections of the Investment Company Act of 1940. 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. The performance of Crescat's hedge funds may not be directly comparable to the performance of other private or registered funds. Hedge funds may involve complex tax strategies and there may be delays in distribution tax information to investors.

Investors may obtain the most current performance data, private offering memoranda for a Crescat's hedge funds, and information on Crescat's SMA strategies, including Form ADV Part II, by contacting Linda Smith at (303) 271-9997 or by sending a request via email to [lsmith@crescat.net](mailto:lsmith@crescat.net). See the private offering memorandum for each Crescat hedge fund for complete information and risk factors.