



## Crescat Long Short Fund LP FACT SHEET

The Crescat Long Short Fund is a long/short hedge fund focused on capitalizing on global macroeconomic themes across liquid large- and mid-cap equities.

Management Fee	1.5% Annual 1% Accelerator Class
Incentive Allocation	20% Annual 10% Accelerator Class
High Water Mark	Yes
Liquidity	Monthly
Notice	30 days
Payout Period	60 days
Minimum Investment	\$100,000 \$10 million Accelerator Class
Administrator	Alps Alternative Investments
Prime Brokers	JP Morgan
Custodian	JP Morgan
Auditor	Deloitte
GIPS Verifier	ACA Performance Services

### CRESCAT CONTACT INFORMATION

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### Portfolio Management

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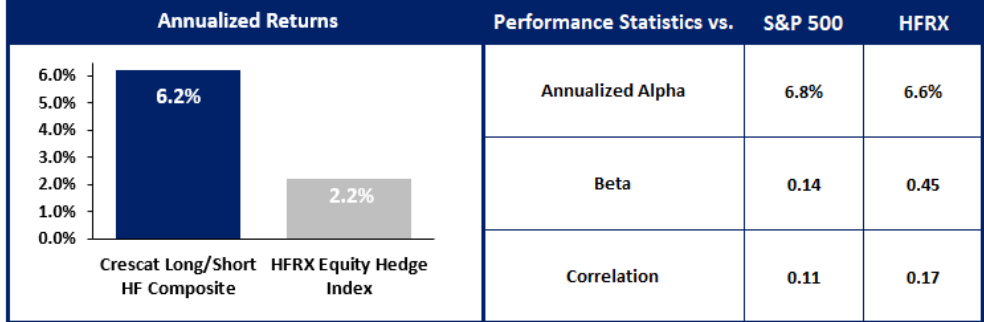
### Operations/Investor Relations

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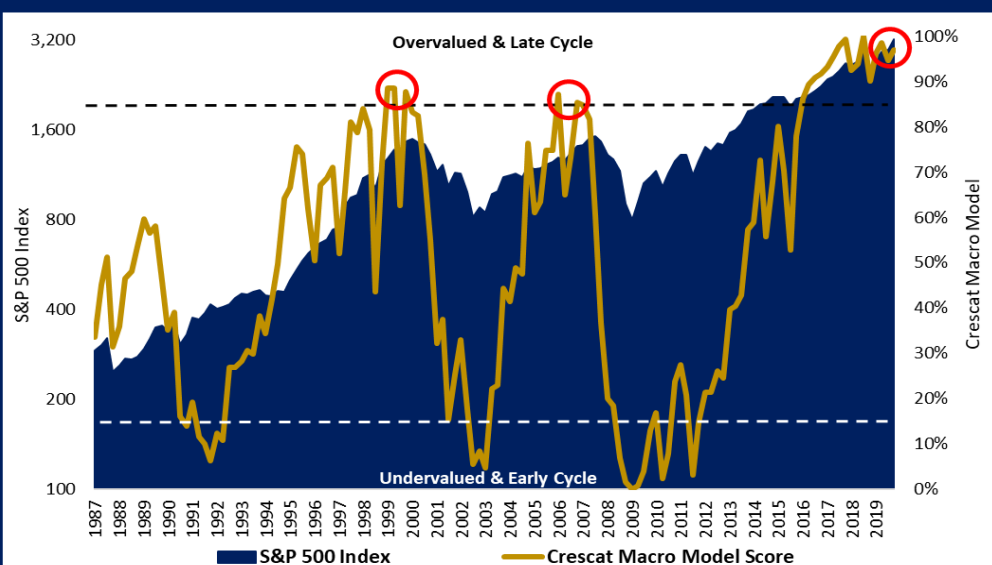
\*See disclosures on reverse

### Crescat Long Short Fund Net Returns and Performance Statistics Versus Benchmarks from Inception May 2000 through December 31, 2019

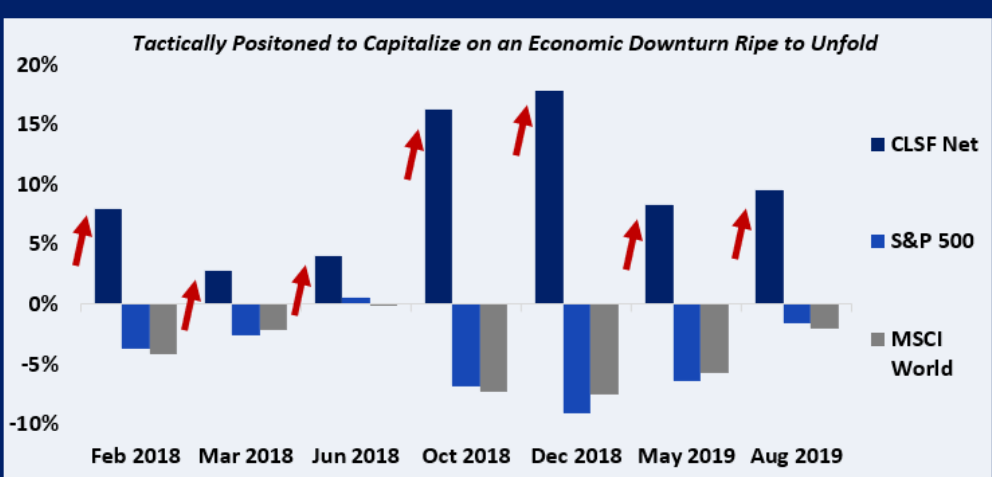


At Crescat, we are tactical bears based on our macro and fundamental models. We believe there is an opportunity to capitalize on a material downturn in the business cycle based on the composite of timing and imbalance indicators in Crescat's 16-factor macro model. The downturn could be particularly brutal for US stocks because we are record late in a fading economic expansion and at historical high valuations relative to underlying fundamentals across a broad composite of eight measures that we follow.

### Macro Model Shows US Stock Market Record Overvalued and Overdue For Bear Market



### Performance in Every Global Equity Down Market Since 2018





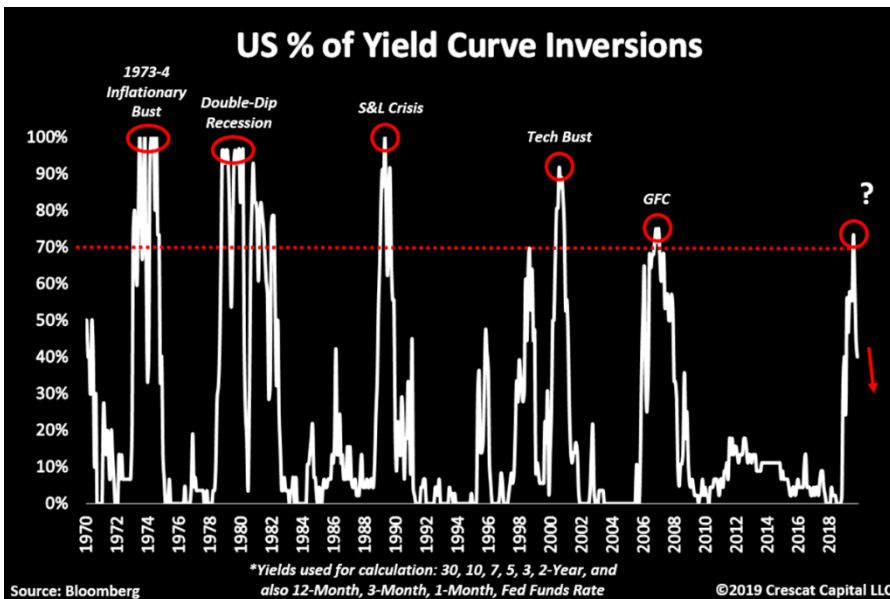
## S&P 500 Valuations

Factors	Most Recent Value	Historical Percentile
Median EV to Sales (Ex-Financials)	3.1	100%
US Total Market Cap to GDP	156%	100%
EV to Free Cash Flow Margin-Adjusted (Ex-Financials)	45.0	100%
Median Price to Sales	2.6	100%
Median Price to Book	3.6	100%
Margin-Adjusted P/E (MAPE)	47.0	99%
Median EV to EBITDA (Ex-Financials)	13.2	97%
Cyclically Adjusted P/E (CAPE)	33.2	96%

Source: Bloomberg, Yale/Robert Shiller, John Hussman      \*Numbers as of January of 2020      ©2020 Crescat Capital LLC

Crescat’s models show that record or near-record valuations were hit on September 2018 across at least eight valuation measures. Many investors are not even aware of the extreme valuations in the financial markets today at this likely critical macro inflection point in the global economy. For those who are, many are not willing to do very much about it in their portfolios for fear of going against the crowd.

The recent distortions in the US Treasury yield curve are among the most relevant macro indicators supporting Crescat’s bearish thesis and positioning today. Our comprehensive calculation shows that across all 44 spreads of the yield curve, the percentage of them that are inverted spiked to 73% just three months ago in August. This is a critical timing signal as we show in the chart below, because in the five prior business cycle expansions that we studied, we found that when 70% or more of the yield curve first inverts, a recession soon follows. In all but one case, those recessions were accompanied bear market declines in stocks. Three of them were close to 50% collapses in the S&P 500 Index.



From a portfolio management perspective, we have determined that buying gold and selling stocks is one of the most compelling macro investment ideas after inversions reach excessive levels. Since 1970, our analysis shows that when the yield curve first exceeds 70% inversions in a business cycle expansion, the gold-to-S&P 500 ratio performed exceptionally well on average in the following two years returning close to 90% while stocks lost almost 1/3 of their value on average. The only time buying this ratio didn’t work was during the S&L crisis. Yet, back then, equity valuations were quite the opposite from today. We think the 70%+ inversions that immediately preceded the 1973-4 inflationary recession and tech bust have the most comparable setups to today. Both of those times, the numerator and denominator of this ratio worked extremely well for the ensuing 2-year period resulting in an average gain in the gold-to-S&P 500 ratio of 147% excluding dividends! The intriguing fact here is that the commodities-to-equity ratio was near historic lows at the peak of those two stock bubbles (Nifty Fifty and Tech).

Today’s macro set up looks remarkably similar, perhaps even more extreme. Gold is near record undervalued relative to the size of global monetary base and money supply. At the same time, equity valuations relative to their underlying fundamentals are arguably at their highest ever.

## Firm Mission and Investment Philosophy

Crescat Capital is a global macro asset management firm. Our mission is to grow and protect wealth by capitalizing on the most compelling macro themes of our time. We aim for high absolute and risk-adjusted returns over the long term with low correlation to benchmarks. Crescat’s edge is our ability to develop and profit from the themes that arise from our proprietary, value-driven equity and macro models. By discerning the richer macro narratives behind the securities recommended by our models, we believe we have an advantage over other quantitative managers. At the same time, by deploying both systematic models and global macro themes, we believe we have a leg up on traditional value managers.

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 includes the reinvestment of dividends and other earnings. 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 Linda Smith at (303) 271-9997 or by sending a request via email to info@crescat.net. See the private offering memorandum for each Crescat fund for complete information and risk factors.