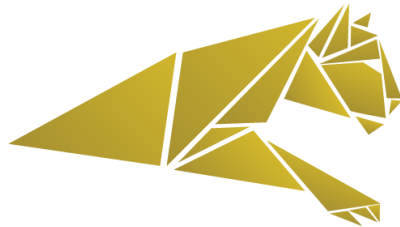


The Value of Global Macro Investing



CRESCAT CAPITAL[®]
V A L U E - D R I V E N P E R F O R M A N C E

Crescat's Current Global Macro Themes



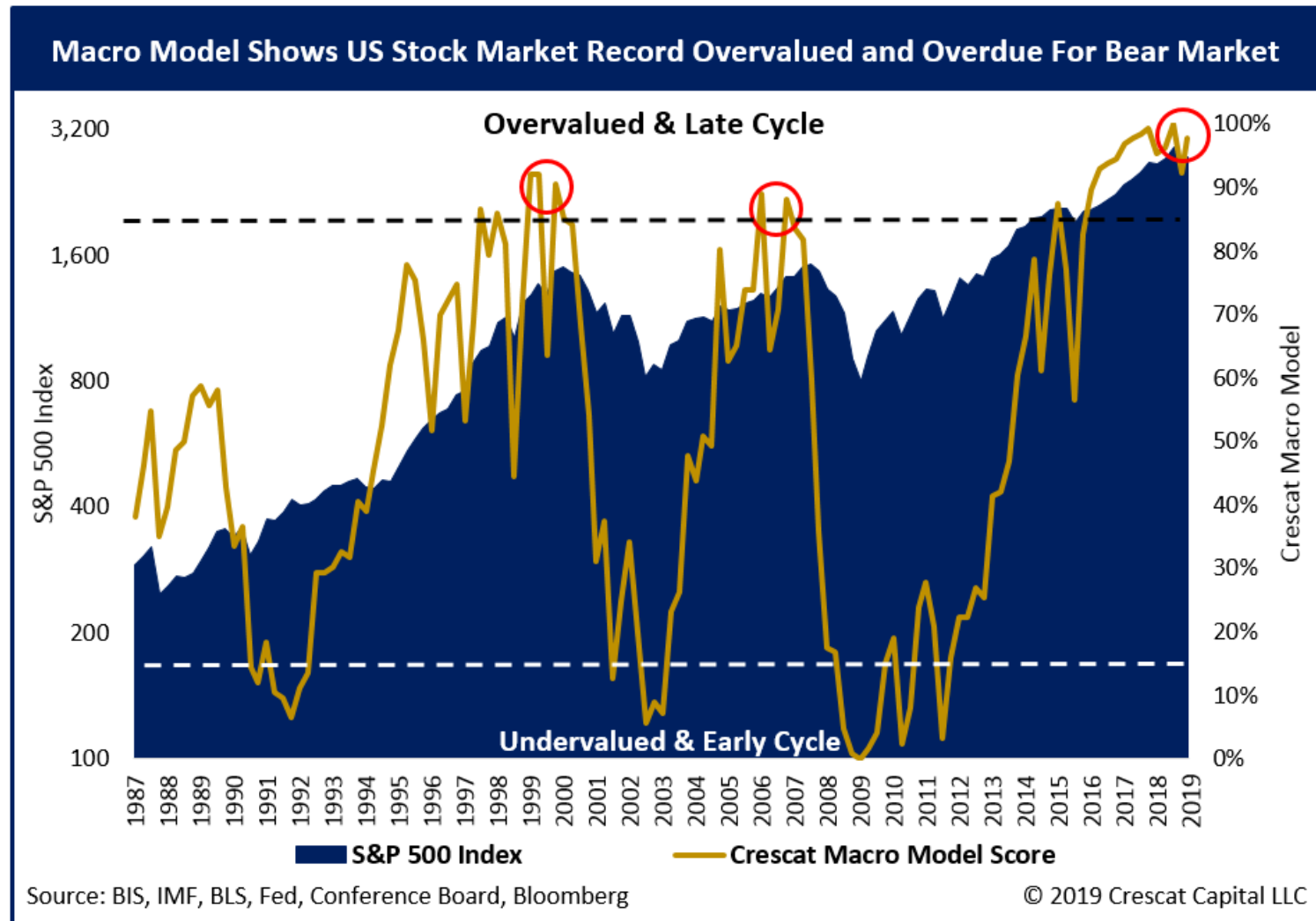
Our Three Highest-Conviction Macro Ideas Today

US Equities: The market is damaged and finally breaking down from truly record valuations while US profit growth has peaked. Crescat's hedge funds remain tactically net short US stocks identified by our model.

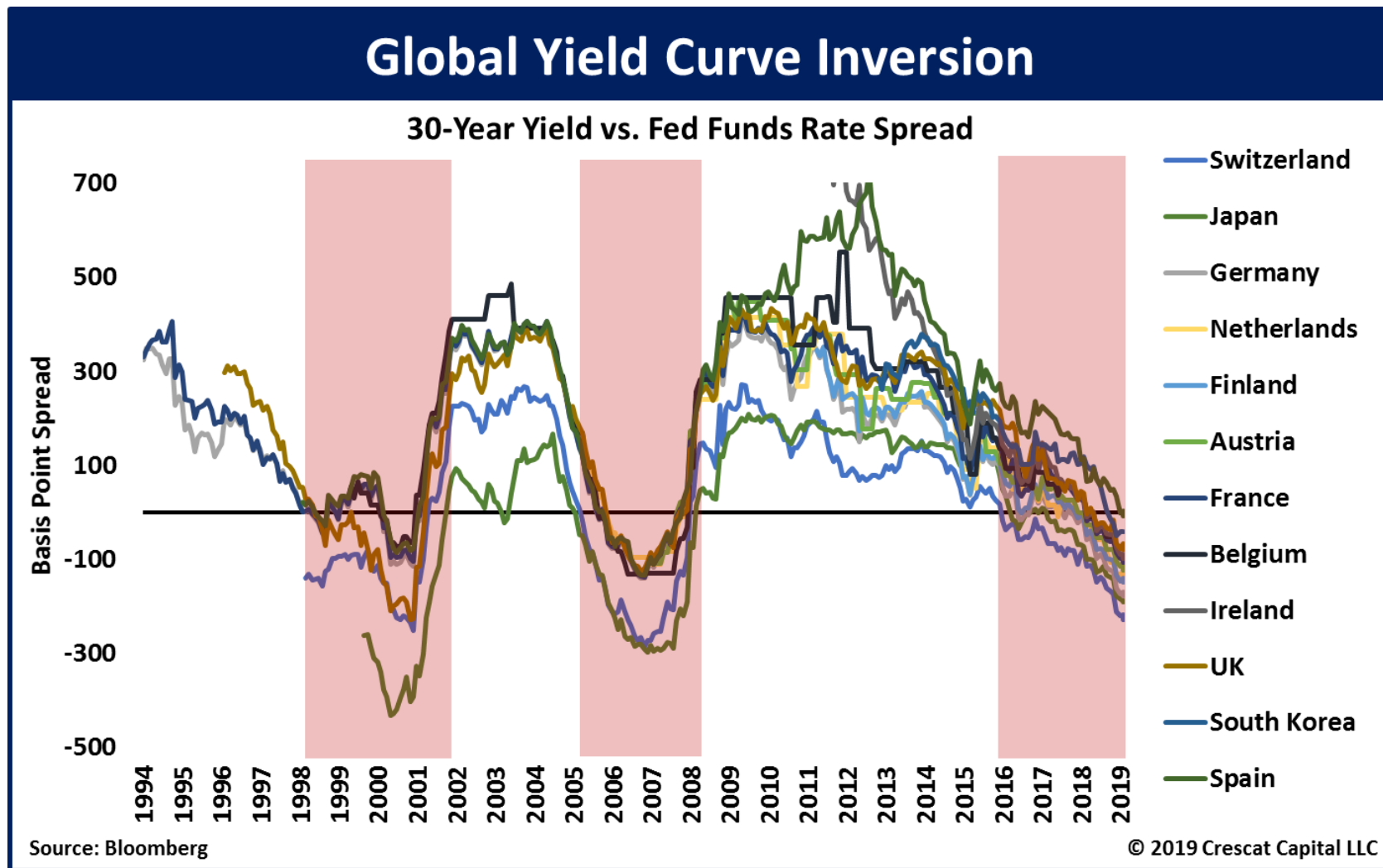
China: China is in a historic credit bubble that is now bursting. We believe it will be globally contagious. We expect China's currency to soon enter a full-blown crisis. Crescat Global Macro Fund is positioned to capitalize on a yuan devaluation.

Precious Metals: Gold is an extremely undervalued haven currency today. Precious metals mining stocks offer deep value. All Crescat strategies are positioned to benefit from the early stages of a new secular bull market in precious metals.

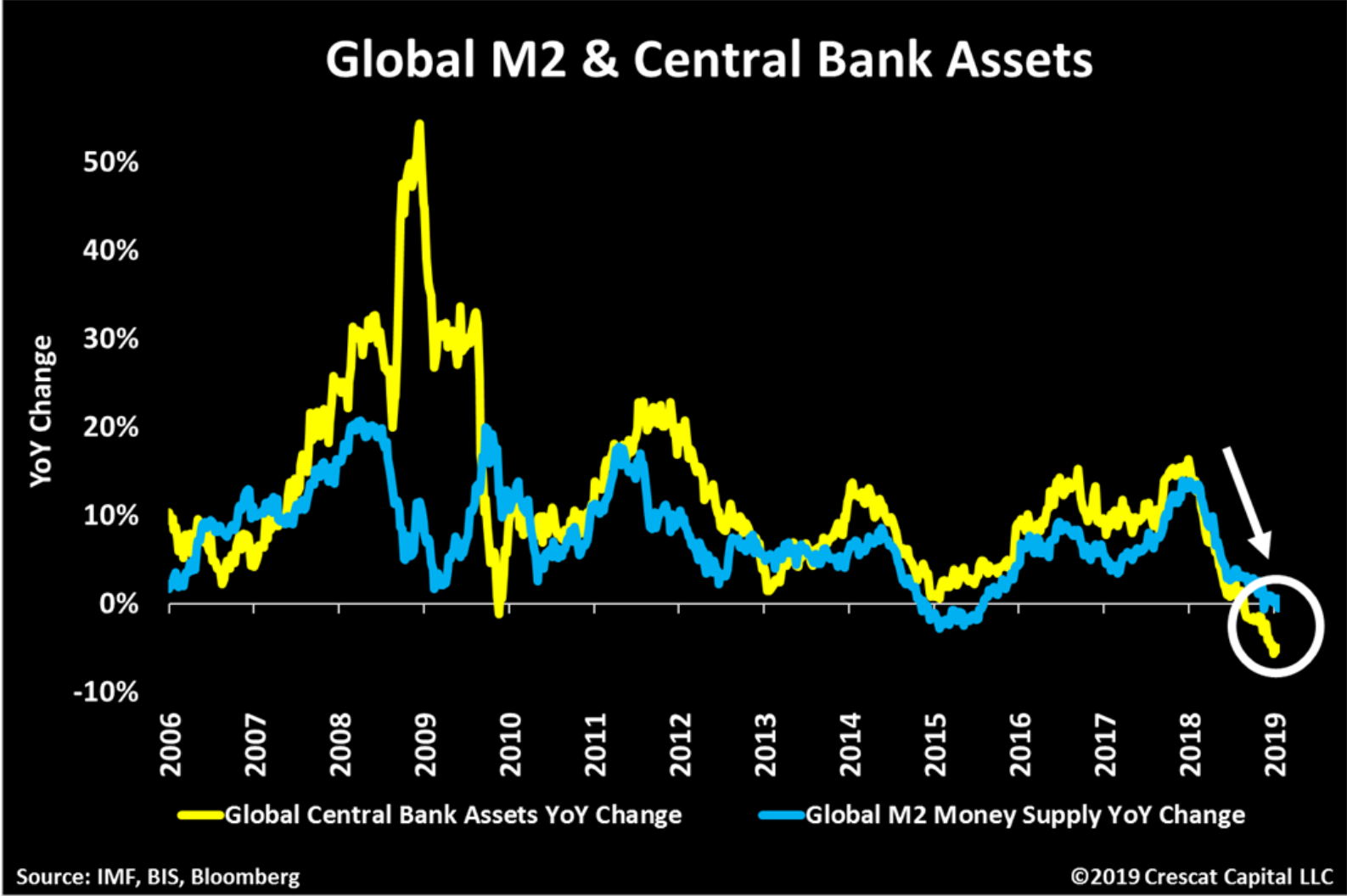
Crescat macro model only 2 percentage points from record overvalued levels.
The US business cycle has likely peaked and we are long ways from a market bottom.



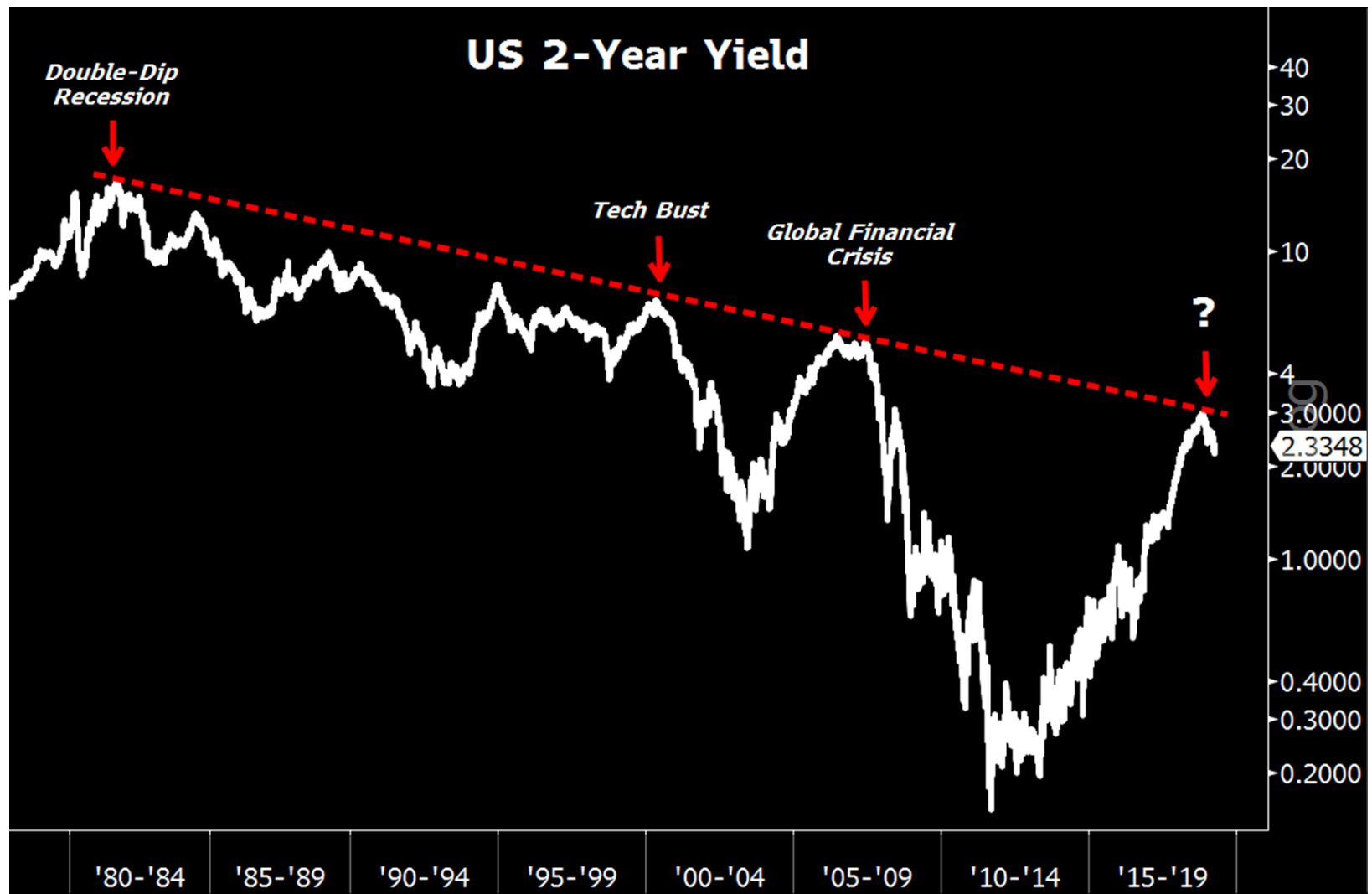
The number of economies with negative 30-year spreads relative to Fed Funds is unprecedented.



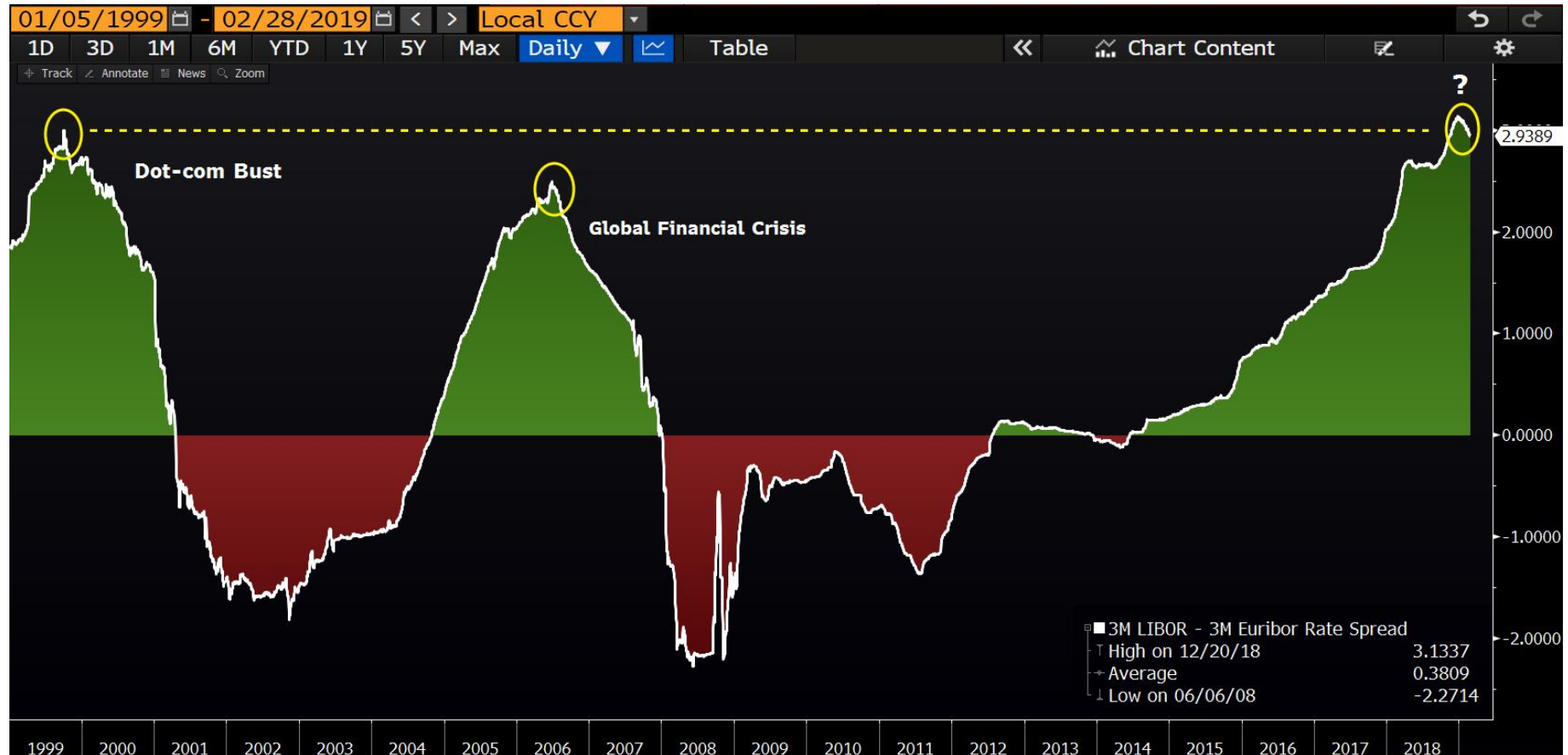
Global M2 and central bank assets are both contracting!
Liquidity is not the driver of this everything rally.



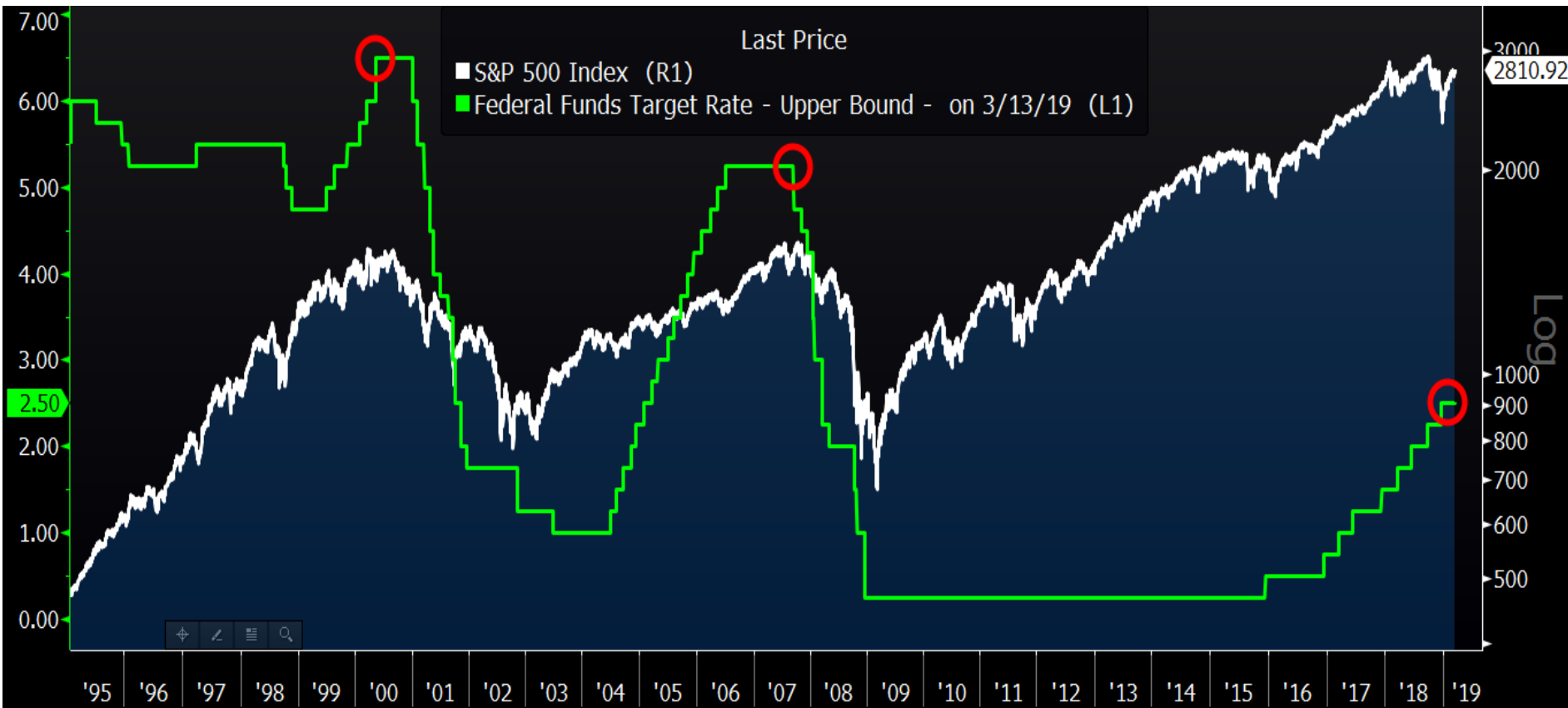
2-year yield falling after re-testing multi-decade resistance line!
Be wary when credit markets price in rate-cuts at the peak of the cycle.



Policy divergence between the Fed and the ECB is at its widest level in history and probably near its peak.



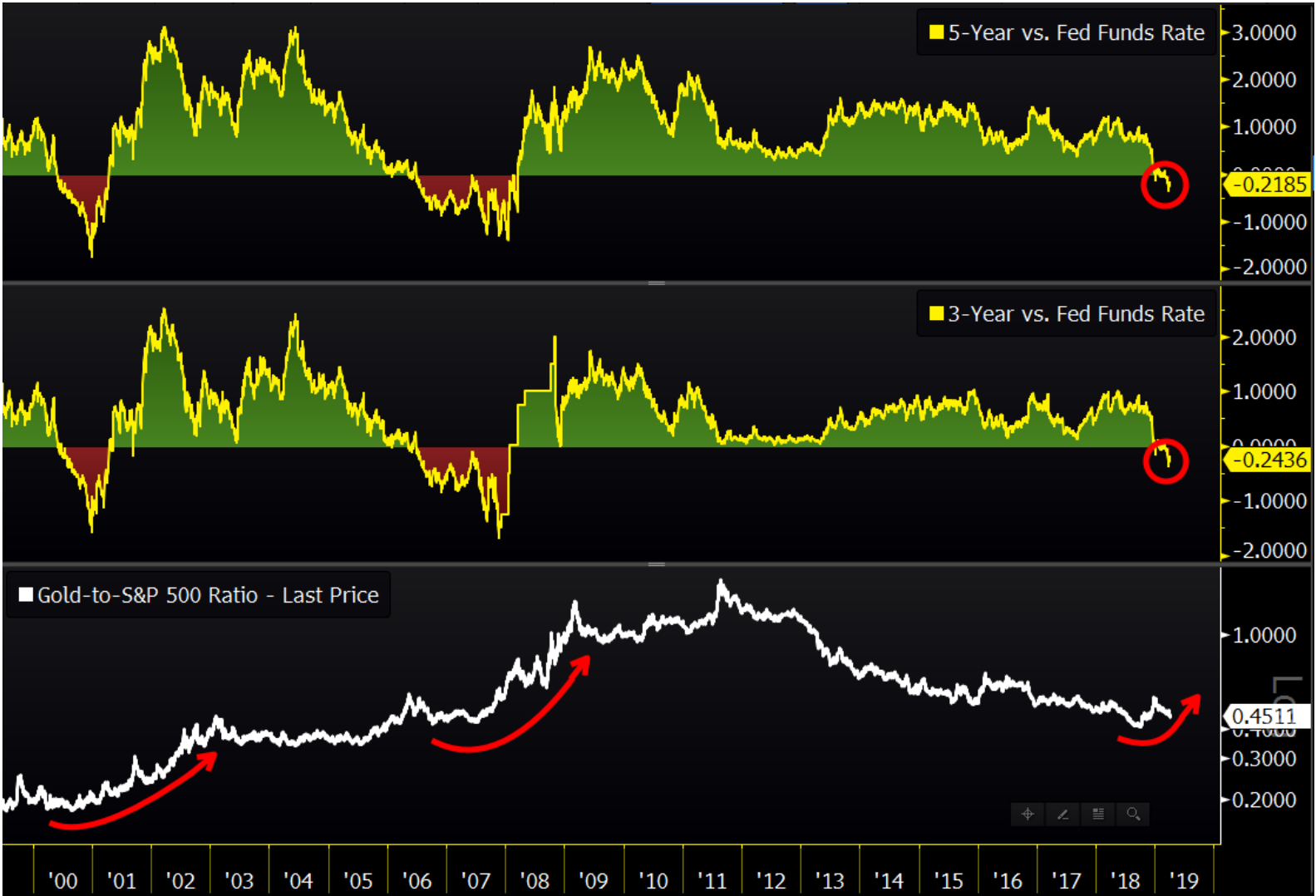
After Fed rate-hikes late in a business cycle, especially at full valuations, bear markets and recessions come next. Reversal of Fed policy only confirms the bear market and coming recession:



This is now the widest drop in Consumer Confidence Expectations vs. Present Situation since the Tech Bust. Every other cyclical decline in the past 50 years led to a recession.



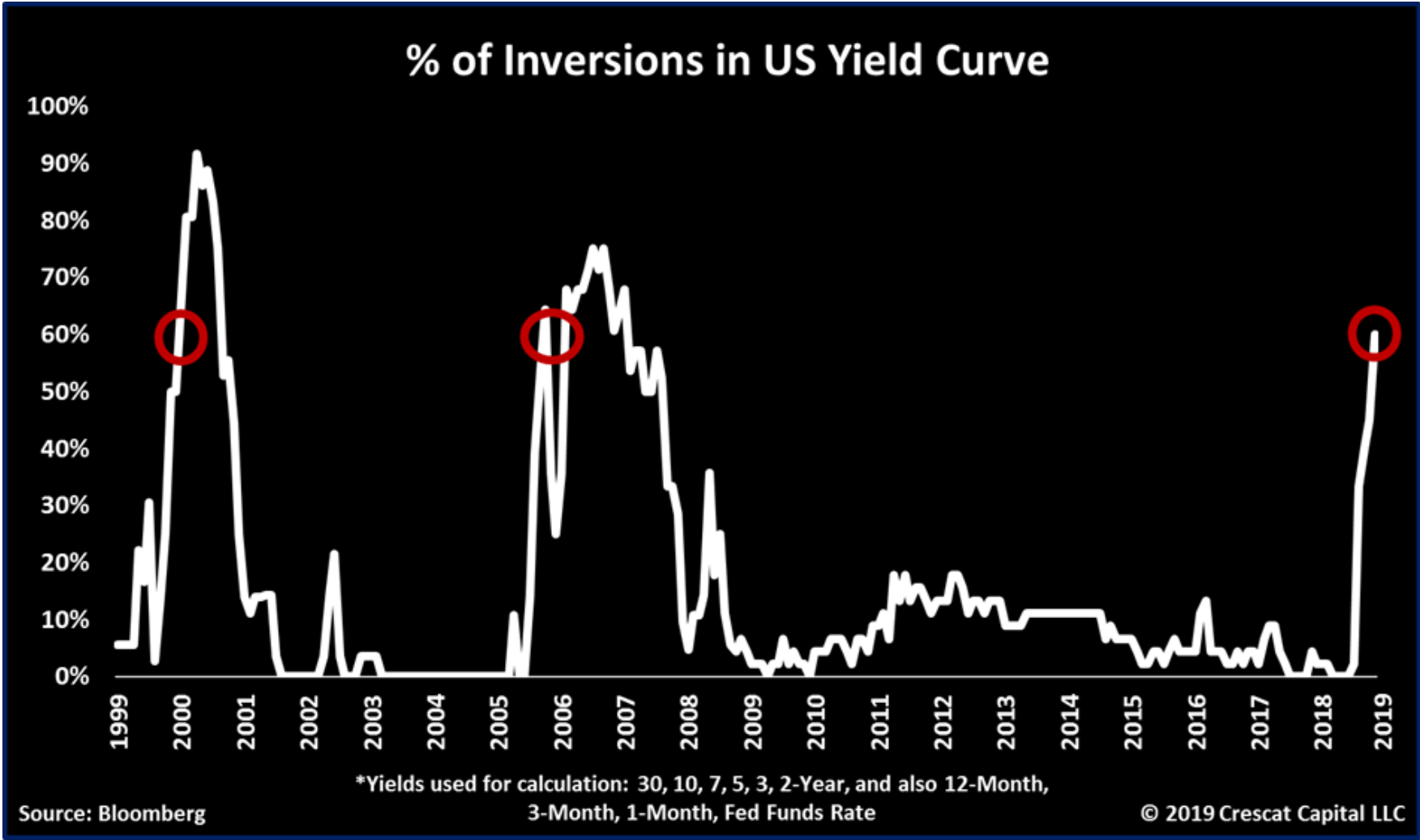
3 and 5-year yields just dipped below Fed funds rate for the first time since the Global Financial Crisis and the Tech Bust. As history has shown, this is bullish for Gold-to-S&P 500 ratio.



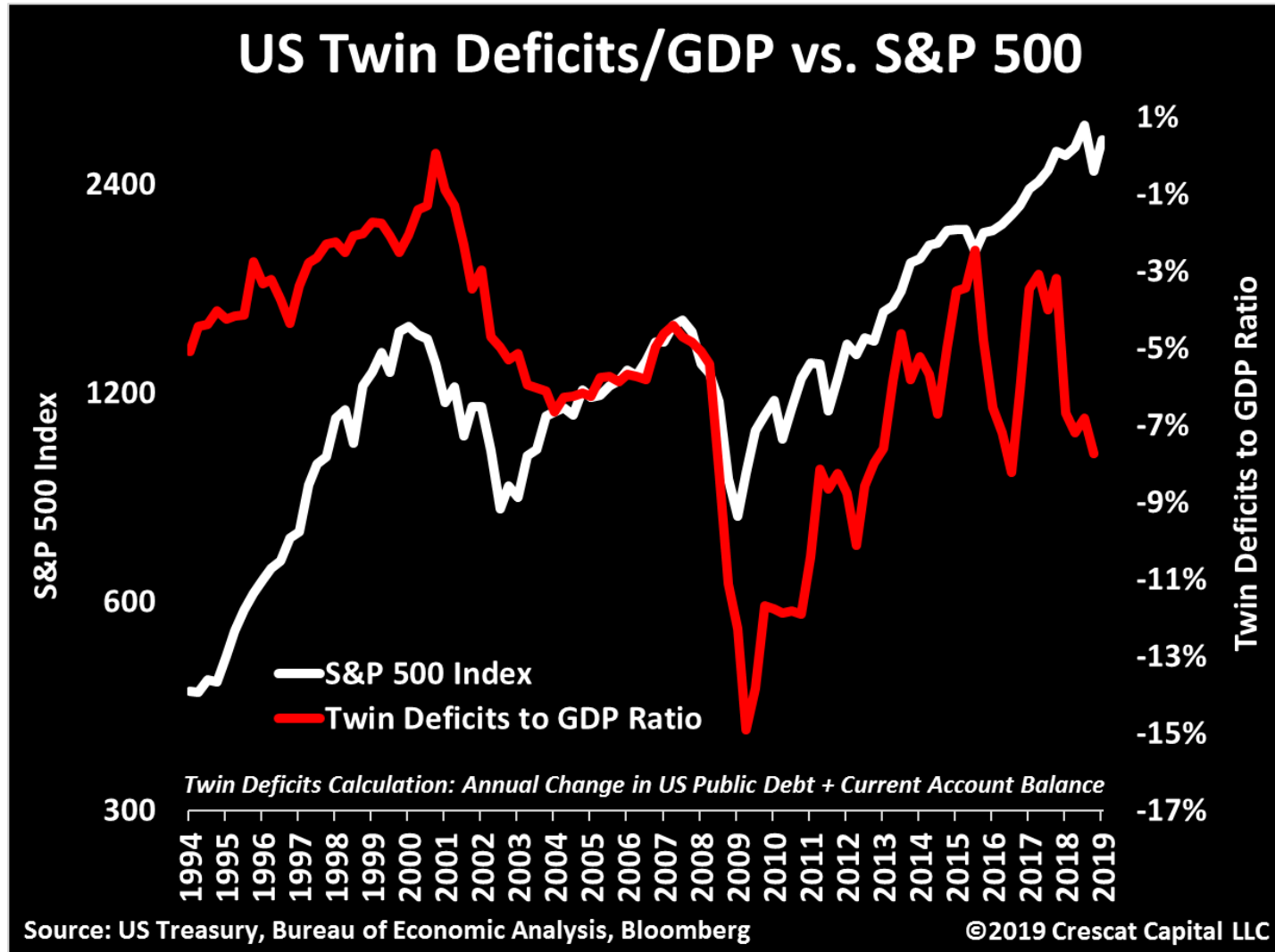
Gold-to-S&P 500 ratio re-testing a multi-year resistance line after forming a golden cross. Similar to 2007, we probably just entered a period of higher lows for the VIX.



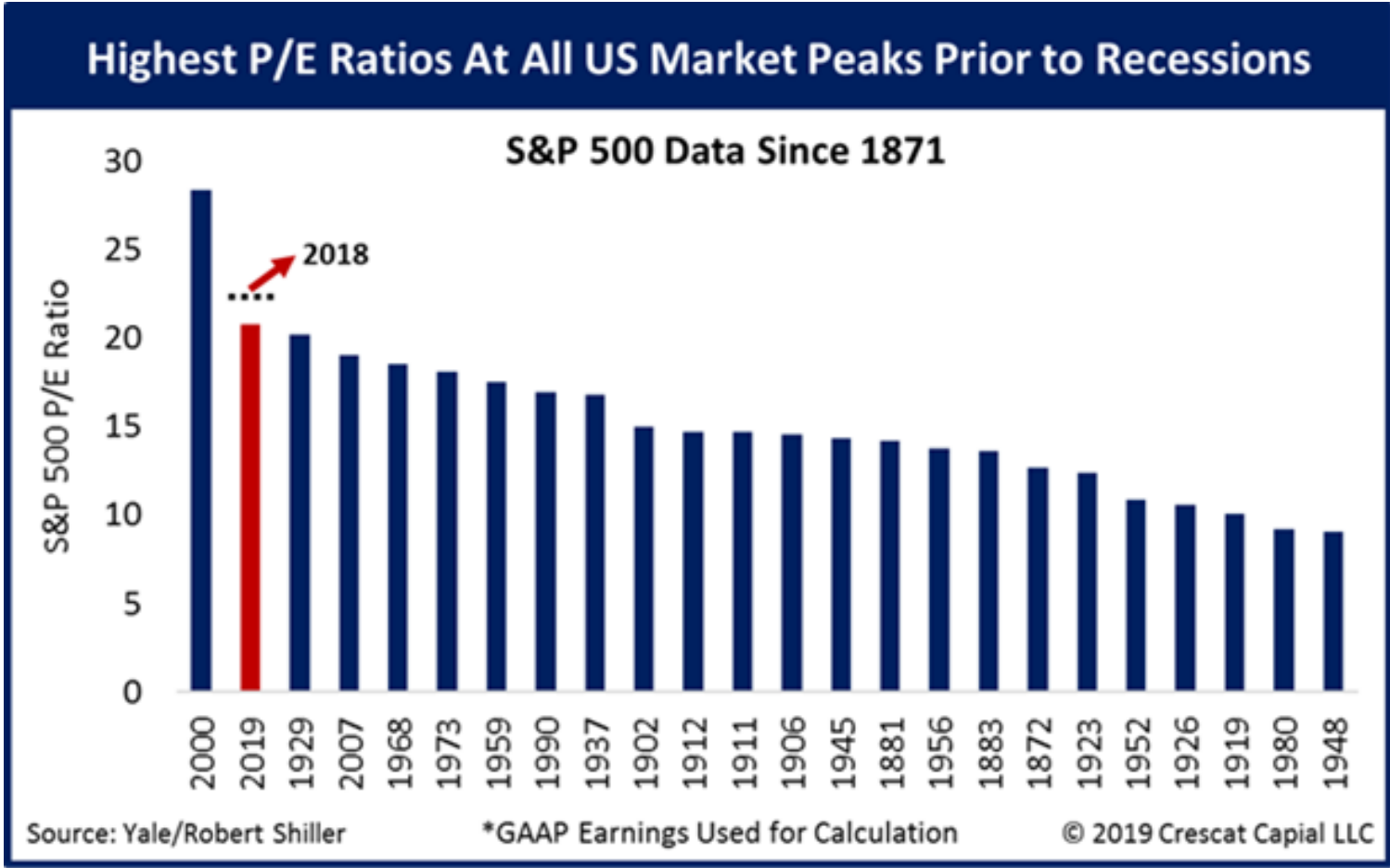
60% of the US yield curve is now inverted across 30-year to overnight rates!
It is just as high as it was at the start of the tech and housing busts.



The government budget and current account imbalance is now close to 8% of GDP.

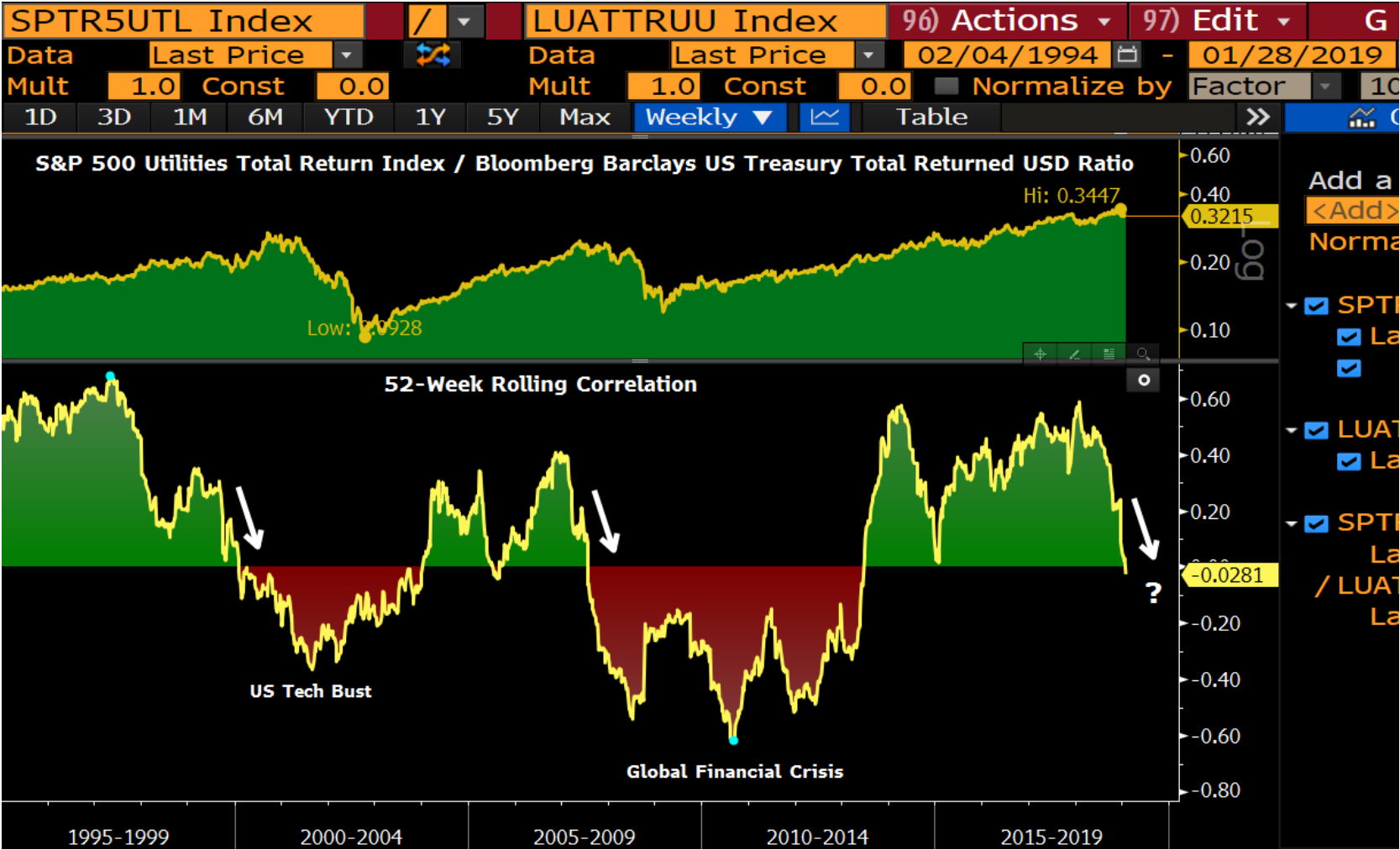


S&P 500 has now the second highest P/E ratio at a market peak prior to a recession going back to 1871!

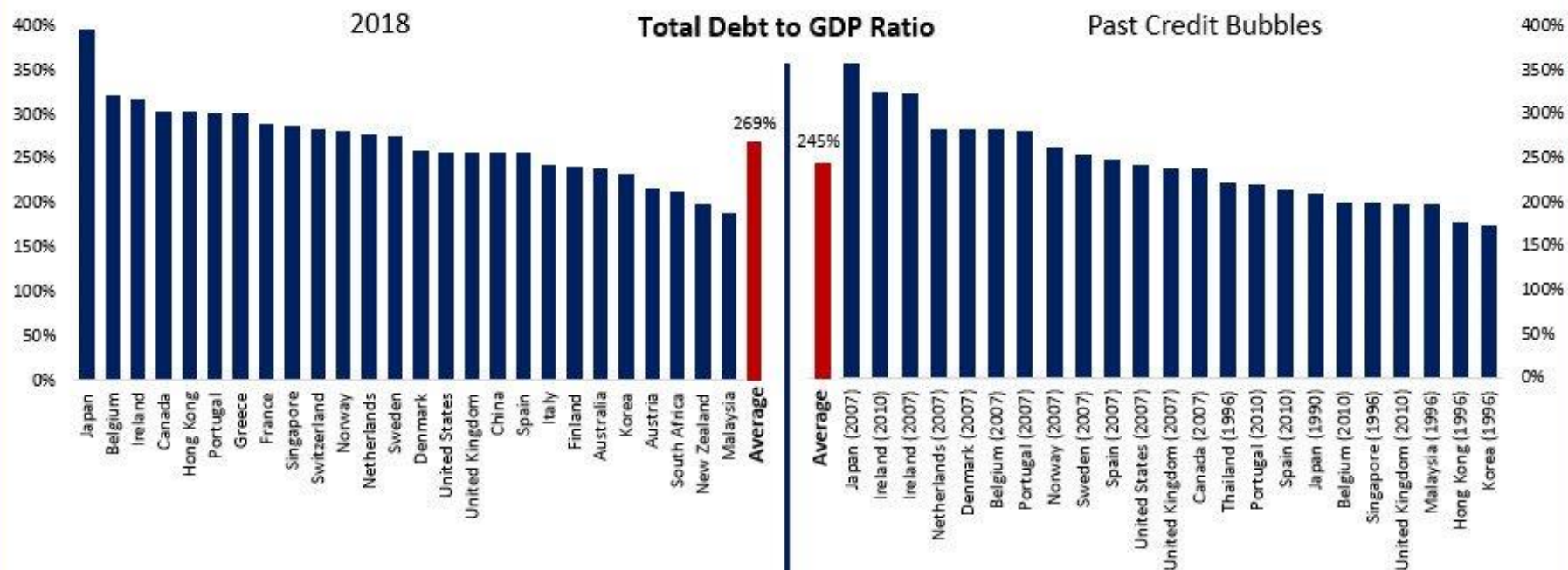


Utilities vs. US Treasuries:

It's a battle of safe-havens that sounds an alarm when the correlation turns from positive to negative.



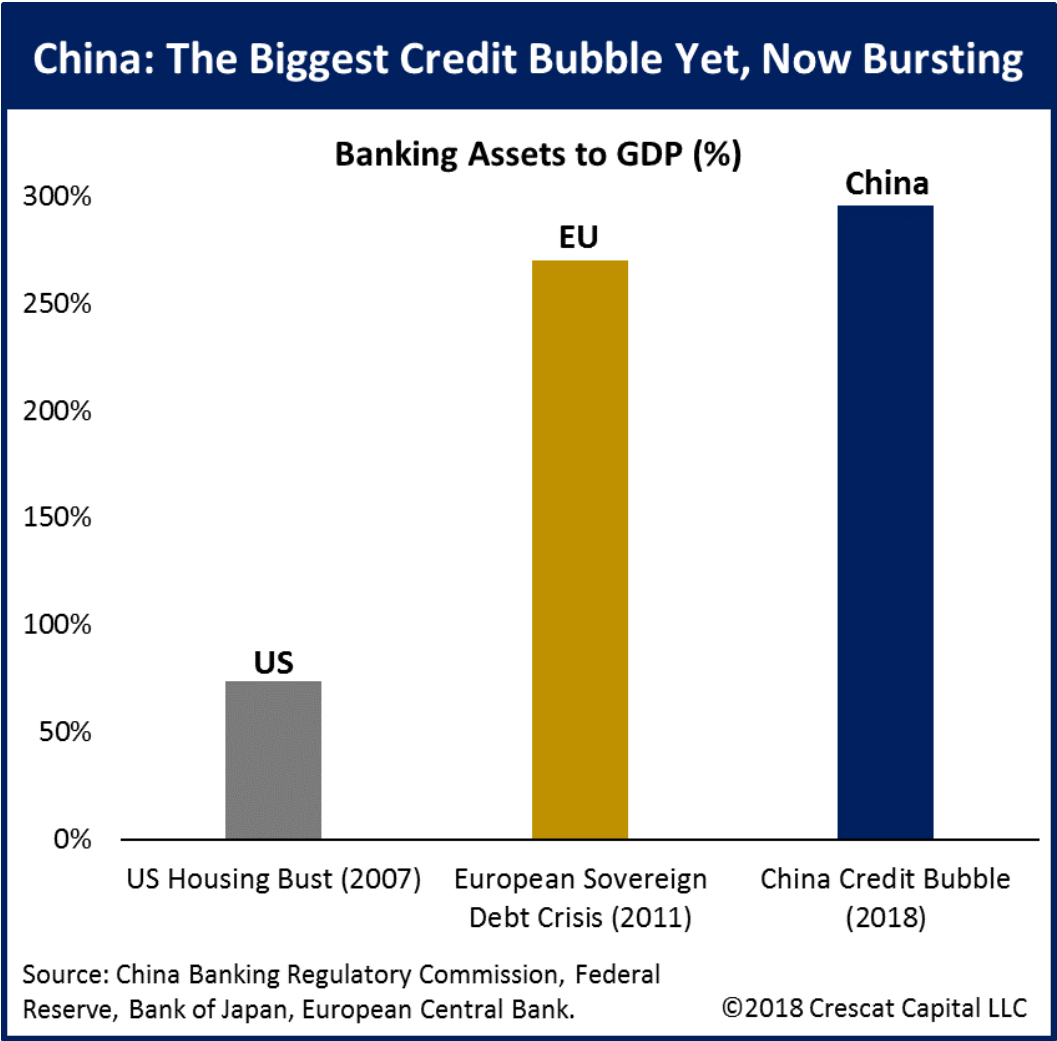
Global Debt Imbalance Now Worse Than the Average of All Major Bubbles in the Last 30 Years



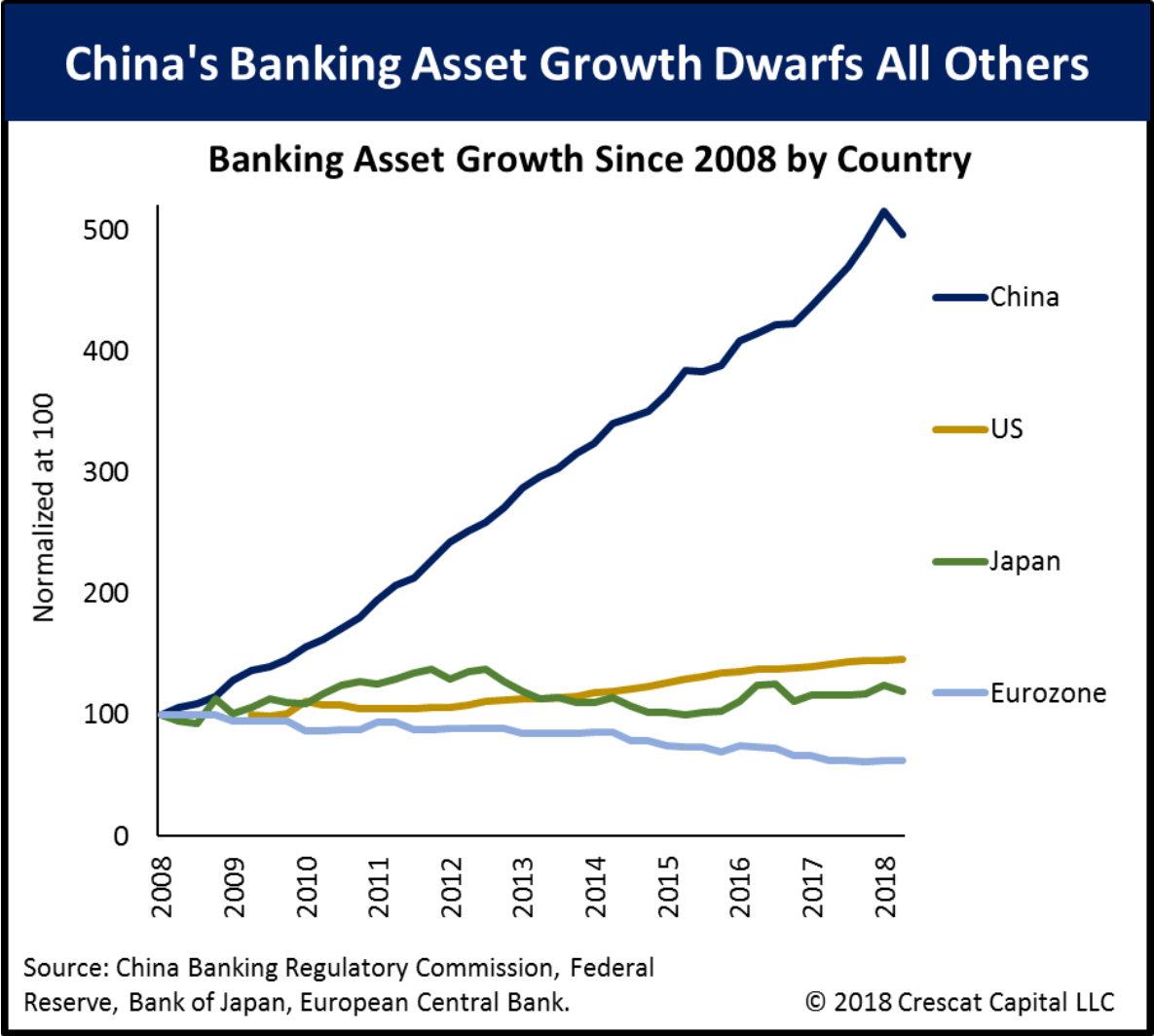
Source: BIS, IMF, Bloomberg

© 2018 Crescat Capital LLC

China's banking bubble is bigger than it was in the US and Europe ahead of the Global Financial and European Sovereign Debt Crises

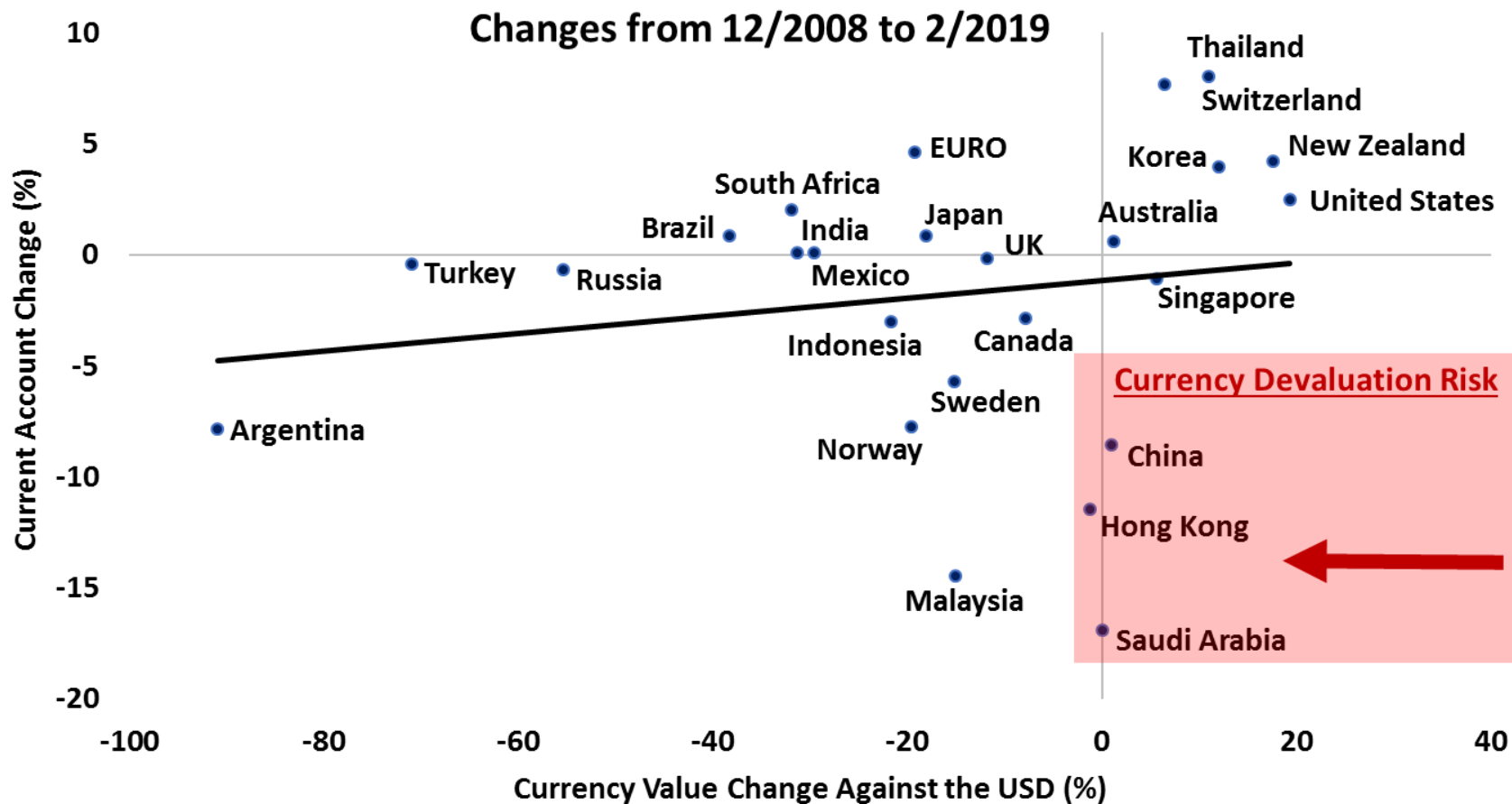


China is likely the largest credit bubble in history.



Currency pegs can be stubborn, but they ultimately fail.
Chinese Renminbi devaluation is likely to be the next development to unfold.

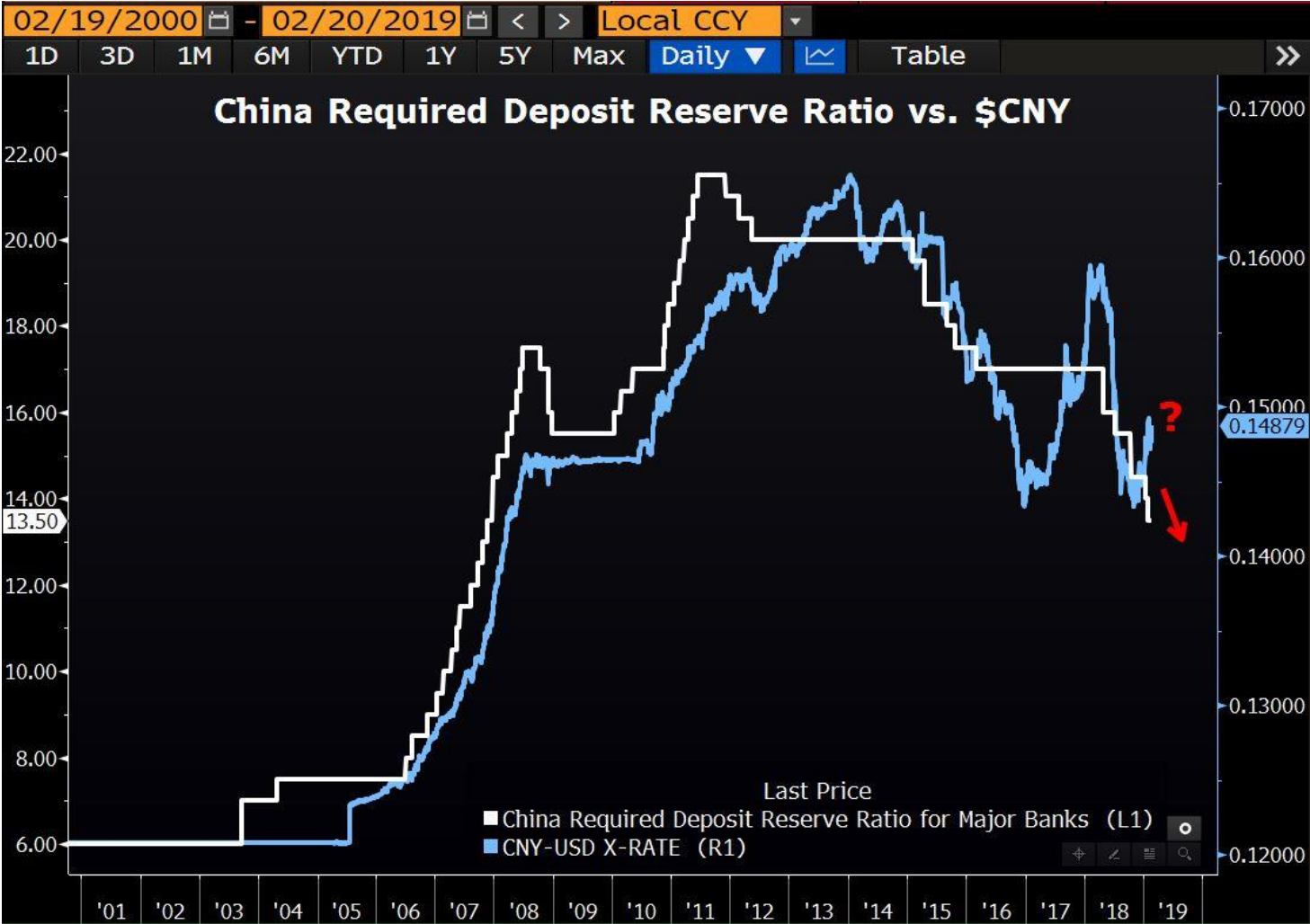
Current Account vs. Currency Exchange Rate



Source: IMF, Bloomberg

©2018 Crescat Capital LLC

Chinese major banks required reserved ratio has tracked \$CNY remarkably close.
As China's economy stumbles into contraction, further domestic stimulus should only hurt its currency.



The correlation between Chinese stocks and RMB is at its highest level in history!
New PBOC stimulus is unlikely to be positive for both stocks and currency.



Gold in CNY terms may be the macro trade of the year and it is setting up right now.



Macro trade of the century:



Important Disclosures

Website and Social Media Terms of Use

Crescat Capital LLC is pleased to offer you access to our website, social media networks, and other services that we may provide online. Social media networks include a range of online activity including participation in Twitter, LinkedIn, Facebook, YouTube, and other interactive blogs. By accessing our website and social media platforms, you acknowledge that we are not utilizing these sites to provide investment or other advice. Nothing that Crescat Capital posts on these sites should be construed as personalized investment advice or a recommendation that you buy, sell, or hold any security or other investment or that you pursue any investment style or strategy. Case studies may be included for informational purposes only and are provided as a general overview of our general investment process, and not as indicative of any investment experience. There is no guarantee that the case studies are completely representative of our strategies or of the entirety of our investments and we reserve the right to use or modify some or all the methodologies mentioned herein. All content posted to the website and our networks such as graphics, logos, articles and other materials, is the property of Crescat Capital or others and is protected by copyright and other laws. All trademarks and logos are the property of their respective owners, who may or may not be affiliated with Crescat Capital. Nothing contained in this website should be construed as granting, by implication, estoppel, or otherwise, any license or right to use any content or trademark displayed on any site without the written permission of Crescat Capital or such other third party that may own the content or trademark displayed on any site. We have compiled our research in good faith and while we use reasonable efforts to include accurate and up-to-date information, our website and social media posts are provided on an “as is” basis with no warranties of any kind. We do not warrant that the information on the website or social media posts is accurate, reliable, up to date or correct. In no event should Crescat Capital be responsible or liable for the correctness of any such research or for any damage or lost opportunities resulting from use of our data. You should assume that as of the publication date of any tweet, post or communication referencing any publicly traded security, Crescat may have a position in that security and therefore stands to realize significant gains in the event that the price of security moves. Following publication of any report or letter, we intend to continue transacting in the securities covered therein, and we may be long, short or neutral at any time thereafter regardless of our initial position or recommendation. Crescat may provide retweets, links, likes, shares, comments, and similar engagement with other social media content and websites as part of our social media activity to provide additional perspective for information purposes only. Crescat is not responsible for the content of these third-party websites and Crescat does not endorse the products, services, or investment recommendations described or offered in third-party social media posts and websites. You should be aware that the internet, being an open network, is not secure. If you choose to send any electronic communications to us, you do so at your own risk. Crescat Capital cannot guarantee that such communications will not be intercepted or changed or that they will reach us safely. We will endeavor to use reasonable measures to ensure that our website and electronic platforms are reasonably secure. However, we cannot guarantee that any information displayed has not been interfered with without our consent. We do not guarantee that the website and other electronic platforms, applications or other materials will be free from viruses (including, without limitation, spyware, malicious software, worms, trojan horses and harmful or contaminating code). The content on our website and other social media platforms contains forward-looking statements, which reflect our current views with respect to, among other things, the market. You can identify these forward-looking statements by the use of words such as “outlook,” “believe,” “expect,” “potential,” “may,” “should,” “seek,” “approximately,” “predict,” “intend,” “will,” “plan,” “estimate,” “anticipate” or the negative version of these words or other comparable words. Forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We undertake no obligation to publicly update or review any forward-looking statement, whether because of new information, future developments or otherwise.

Important Disclosures

Important Disclosures Regarding Performance and Private Offerings

Crescat Capital manages private hedge funds and separate accounts through its wholly owned subsidiary, Crescat Portfolio Management LLC, an investment adviser registered with the U.S. Securities and Exchange Commission. Registration as an investment adviser does not imply a certain level of skill or training. Crescat Portfolio Management claims compliance with Global Investment Performance Standards (GIPS®). Prospective clients can obtain a compliant presentation and the firm's list of composite descriptions by visiting our website at <https://www.crescat.net/resources/due-diligence>. We may disseminate information that is supplemental to the GIPS-compliant presentations included on our website. Prior to making any investment or hiring any investment manager you should strive to understand the strategy or private fund's investment objectives, risks, fees and expenses carefully before investing. Crescat's private 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 or under the securities laws of any state. The SEC has not passed upon the merits of or given its approval to any of Crescat's private funds, the terms of any offering, or the accuracy or completeness of any offering materials. A registration statement has not been filed for any of Crescat's private funds with the SEC. Interests in private funds are typically not listed on an exchange and are subject to legal restrictions on transfer and resale. Investors should not assume they will be able to sell their securities. Private funds are speculative investments, and are not suitable for all investors, nor do they constitute a complete investment program. Investing in securities involves risk. Investors should be able to bear the loss of their investments. See the private offering memorandum for each Crescat fund for complete information and risk factors. 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. Performance data represents past performance, and past performance does not guarantee future results. Performance data is subject to revision following each monthly reconciliation and/or 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 sending a request via email to info@crescat.net. Returns are presented net of management fees and performance fees. The currency used to express performance is U.S. dollars. Performance includes reinvestment of dividends and other earnings. When we provide S&P 500 Index performance information side by side with Crescat's performance, please note that the S&P 500 Index is one of the most widely followed stock market indices in the world. It is considered representative of the US stock market at large. It is a market-cap-weighted index of the 500 largest and most liquid companies listed on the NYSE and NASDAQ exchanges. While the companies in the S&P 500 are U.S. based, most of them have broad global operations. Therefore, the index is also representative of the broad global economy. It is a suitable benchmark for Crescat Large Cap, Crescat Long/Short, and Crescat Global Macro performance composites which have also traded extensively in large, highly-liquid global equities through U.S.-listed securities. For comparison of Crescat strategies to additional benchmarks, including hedge fund benchmarks with respect to Crescat's hedge funds, please refer to the Performance Reports page on our website.

Contact Information

Crescat Capital LLC
1560 Broadway, Suite 2270
Denver, C 80202
Linda Carleu Smith
Chief Operating Officer
(303) 228-7371
lsmith@crescat.net

