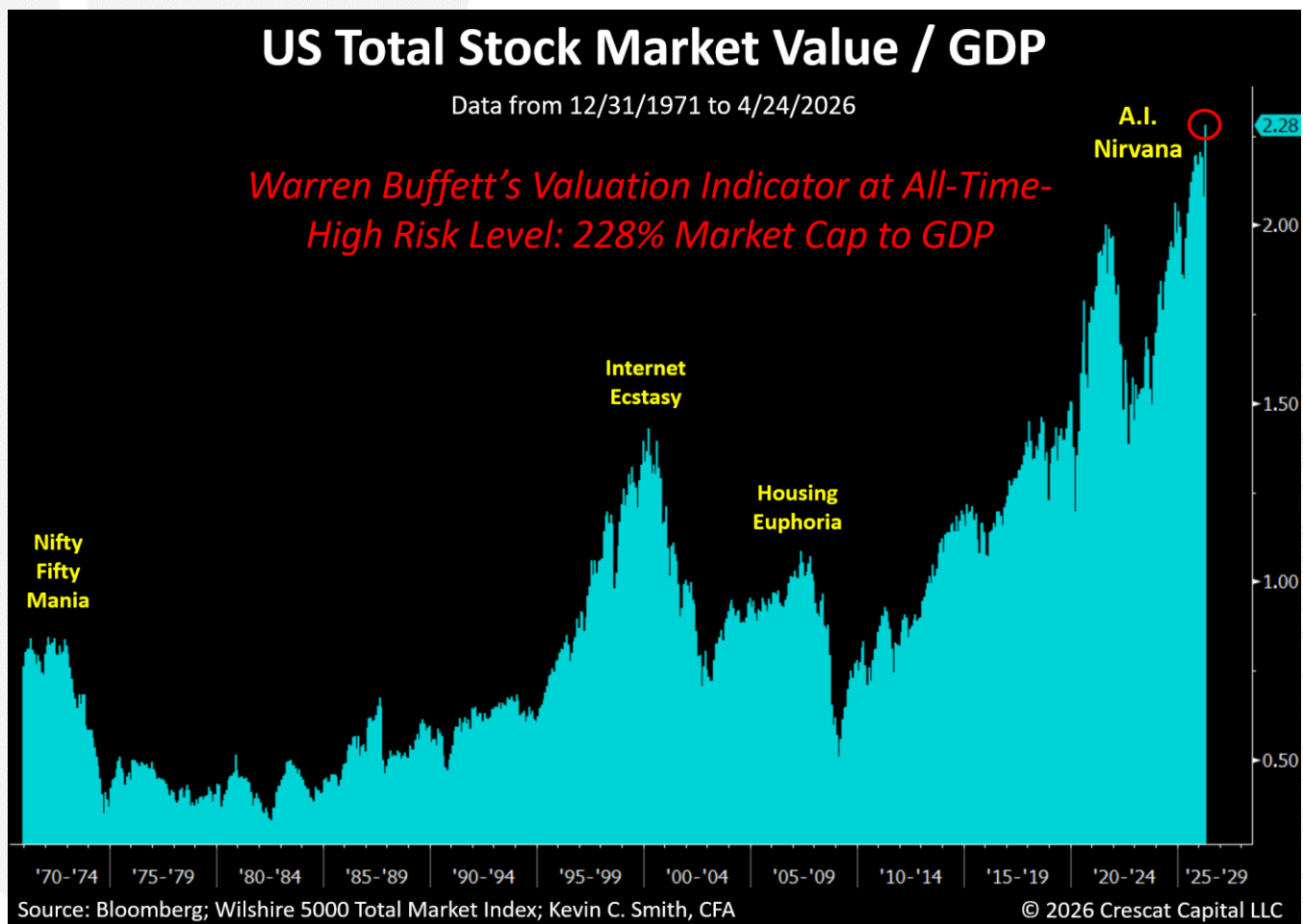


April 27, 2026

Nosebleed Territory

The US stock market is historically overvalued, posing a major potential risk to investors at large. The extent of the bubble is illustrated by Warren Buffett’s favorite valuation risk measure, total stock market value to GDP. It just reached a new high, 228%, 59% higher than it was at the peak of the Internet boom in 2000!

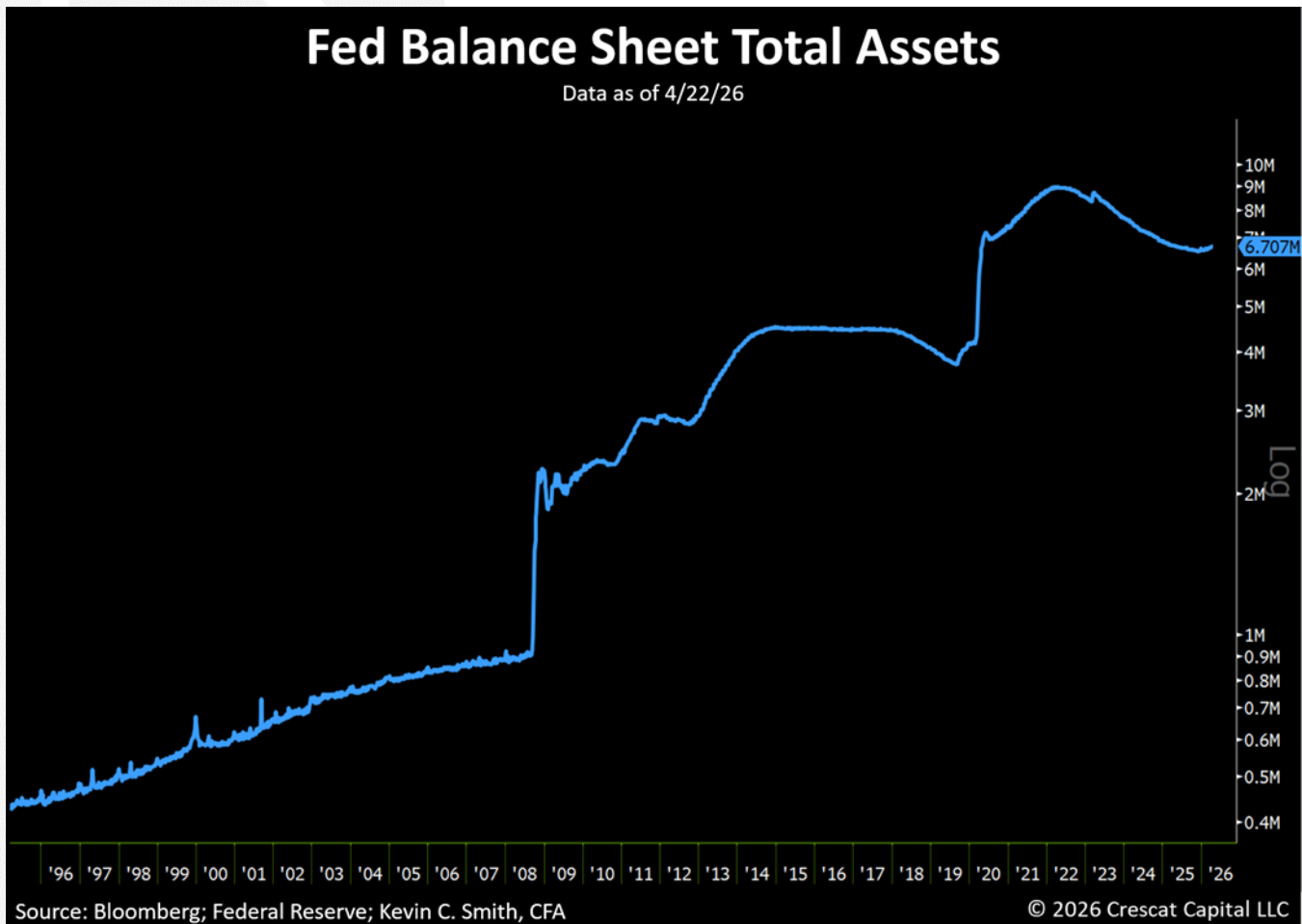


What Could Cause a Crash?

We see three catalysts at play simultaneously:

1. Inflation - An oil supply shock caused by the Iran war on top of a metals supply cliff due to years of underinvestment in mining exploration and development
2. A.I. Bust - Corporate cash flow and profit destruction from A.I. malinvestment

3. Monetary tightening - On the heels of Jay Powell’s Quantitative Tightening (“QT”), see the downturn from 2022 in the chart below, incoming Fed chair, Kevin Warsh, plans to reduce the central bank’s balance sheet even more. Never mind that Powell has already started Quantitative Easing (“QE”) again. See the 2026 turn-up in the chart. The Fed has been buying Treasury-Bills and calling this new QE “reserve management purchases” or RMPs, not QE. Don’t be fooled. It’s money printing and a clear indication that the current Fed believes the financial markets need this lubrication. Warsh does not agree.



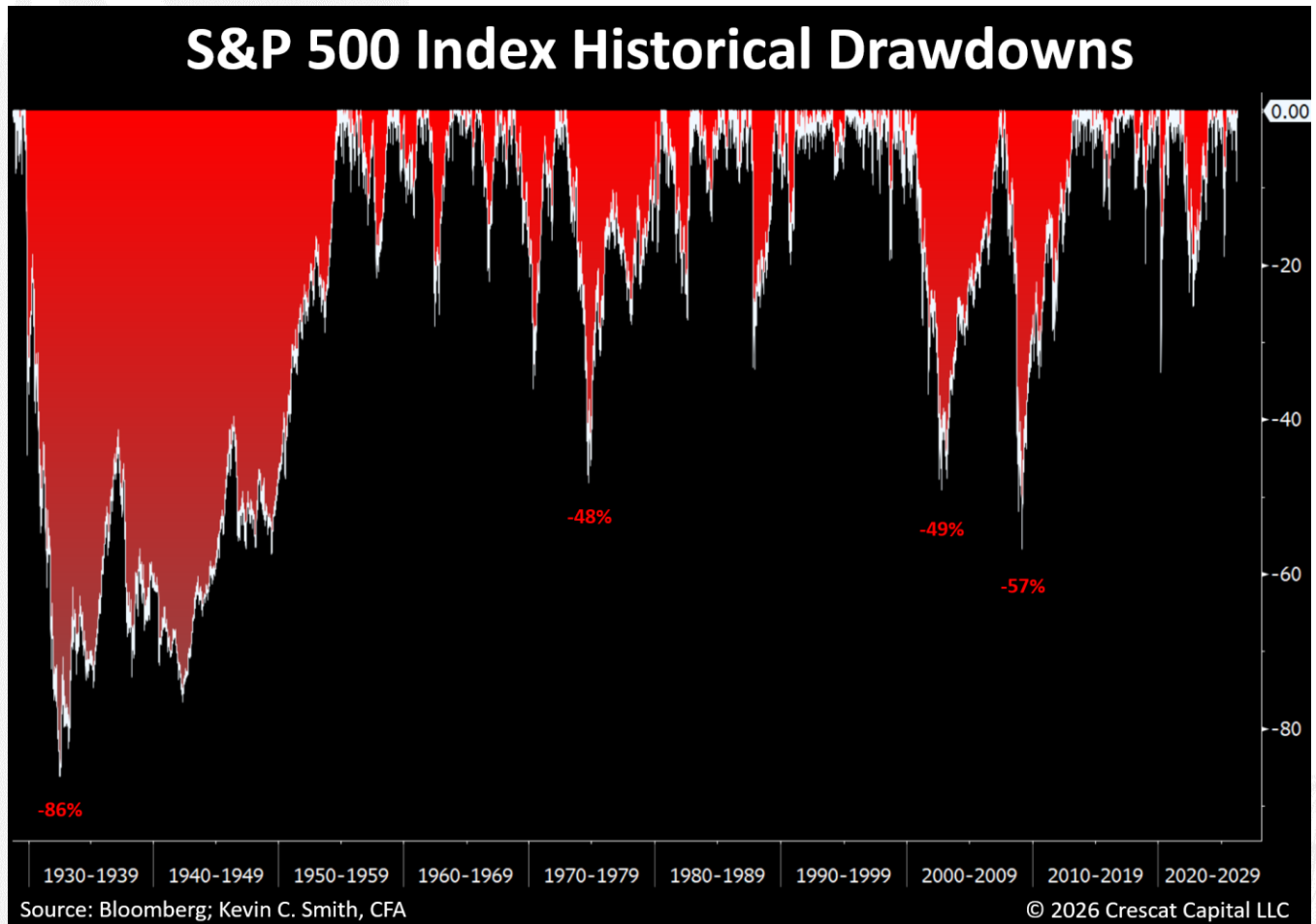
Each of these drivers has historic parallels including:

1. The oil supply shocks preceded the 1973-74 and 2008 busts
2. The Internet capex spending frenzy that drove the 2001 tech bust
3. The Fed tightening that led to and exacerbated the Great Depression

But Crescat, Stocks Always Go Up!

This chart is a reminder that the S&P 500 goes down too, sometimes a lot. The numbers show the max drawdowns of the four biggest bear markets in the index’s history. It’s been almost 97 years since the start of the biggest one to date. The red shaded areas show that amount of time the market spends recovering from a drawdown, just to get back to its prior high.

From all-time highs in price, combined with historic high fundamental valuations, and macro triggers abounding, the risk of a stock market meltdown on the near-term horizon is as high as we have ever seen it.



Manic Swing

On March 31, 2026, US financial markets began to reverse course. This was the start of the rally built on hope that the Iran war may be coming to an end. The S&P 500s 14-day Relative Strength Index (RSI), a momentum oscillator used to identify changes in momentum and price direction, bottomed the prior day at just below 30, by mid-month RSI was back above 70. This marked the second fastest weakness to strength rally in the S&P 500 dating back to 1950.

S&P 500 Fast Paced Weakness to Strength Rallies

April screens second fastest since 1950

Dates	SPX	14d RSI	Days inbetween	Market	Prev. Market	OS to OB
Aug. 23, 1982	116.11	73.3	6	OB	OS	11.8%
April 16, 2026	7,041.28	70.0	11	OB	OS	9.9%
May 26, 1972	110.66	70.5	12	OB	OS	5.3%
Nov. 25, 2016	2,213.35	70.7	13	OB	OS	5.8%
Dec. 16, 1971	99.74	74.0	14	OB	OS	9.4%
Aug. 14, 1963	71.07	71.2	15	OB	OS	4.4%
May 5, 1997	830.24	72.7	15	OB	OS	11.2%
Nov. 20, 2023	4,547.38	71.6	15	OB	OS	9.5%
Nov. 18, 1952	25.16	71.5	16	OB	OS	5.4%
July 2, 1959	59.28	71.7	16	OB	OS	4.9%
Aug. 23, 1960	57.75	72.2	18	OB	OS	6.2%
July 1, 1964	82.27	72.4	18	OB	OS	4.4%
Nov. 23, 1962	61.54	73.0	20	OB	OS	13.1%
April 3, 1968	93.47	70.1	20	OB	OS	6.2%
Sept. 9, 1968	101.23	70.1	20	OB	OS	4.5%
July 3, 2019	2,995.82	71.0	21	OB	OS	8.4%
Nov. 10, 1966	81.89	71.1	22	OB	OS	10.6%
Nov. 18, 2014	2,051.8	71.3	22	OB	OS	9.2%
March 31, 1952	24.37	70.3	23	OB	OS	5.0%
Sept. 26, 1973	108.83	72.0	23	OB	OS	7.6%

Note: Data based on daily close and only considers direct rallies where RSI was below 30 points and climbed straight to above 70 points.

Source: Bloomberg

Bloomberg

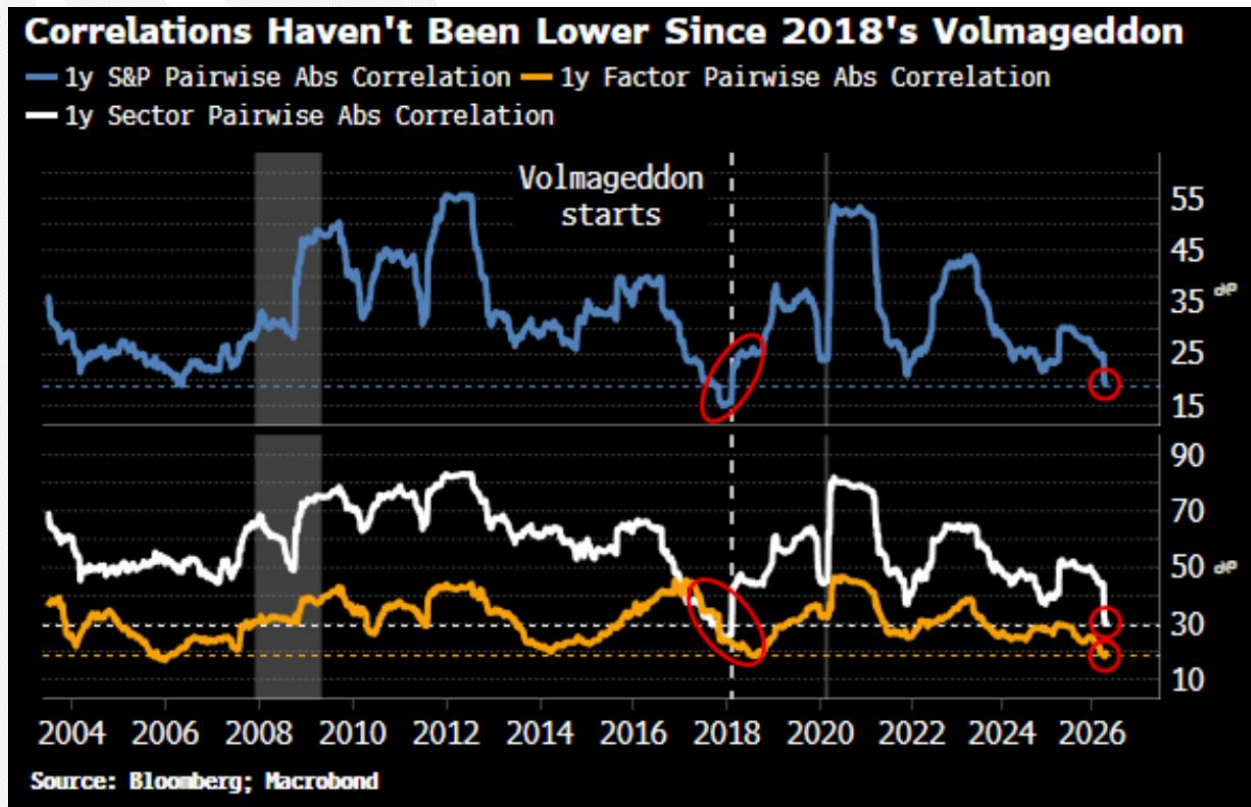
Irrational Exuberance

The recent rally comes with notable risks. The conflict with Iran remains unresolved. The Strait of Hormuz has opened and closed, then opened and closed, then opened and closed again. Peace talks have stalled multiple times. Meanwhile, WTI & Brent Crude are still up over 40% compared to before the conflict began.

In our assessment, the market appears to be ignoring these ongoing risks and is pricing in a resolution that has yet to materialize. Meanwhile, the conflict persists, and its longer-term economic and geopolitical implications are uncertain.

The chart below shows 1-year pairwise absolute correlations of members within the S&P 500 are historically low. In fact, they are the lowest since right before Volmageddon in 2018. This is an indication of

complacency with respect to macro risks. Low pairwise correlations mean that over the last year, it has been a stock-picker's market as opposed to a market where stocks move together based on broad economic events. Low pairwise correlations in low volatility environments suggest investors are ignoring potentially systemic risks.

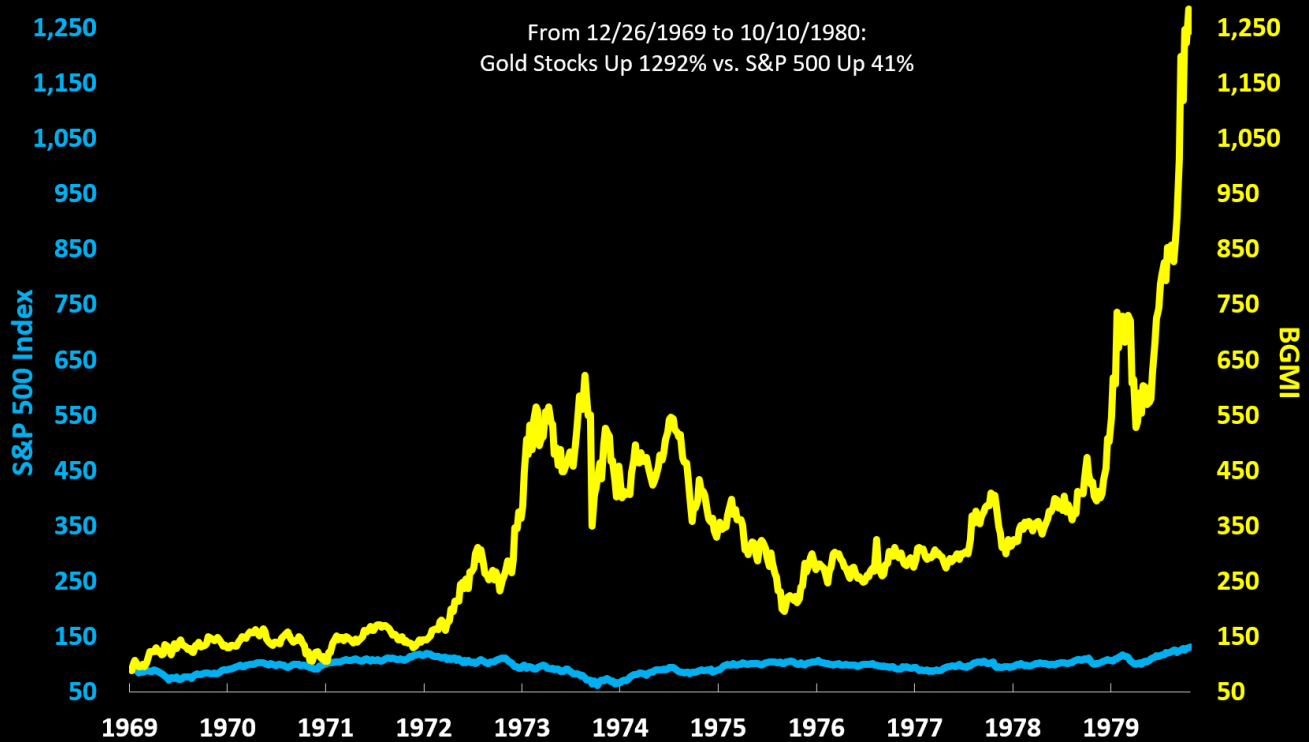


Buy Gold Mining Stocks and Sell the S&P 500

We think cheap gold and silver mining stocks are still the best countercyclical hedge for the long side of investor portfolios in the current and what we see as likely upcoming macro environment that should be dominated by supply-constrained inflationary pressures. The activist metals portfolio remains the largest long exposure across all our funds. We are tilted toward the smaller cap miners with exploration and development projects that, in our analysis, provide extraordinary value and high growth potential compared to owning the metals themselves. We are short the S&P 500 and Nasdaq 100 through put options in our macro and long/short funds. Of all the macro environments historically, we think the decade of the 1970s most closely represents the outlook for the decade ahead.

Entire 1970 to 1980 Bull Market for Gold Miners vs. S&P 500

Barron's Gold Mining Index (BGMI) vs. S&P 500 Index



Crescat may or may not have positions in the securities referenced herein. Investing involves risk of loss.

Source: Barron's; Kevin C. Smith, CFA

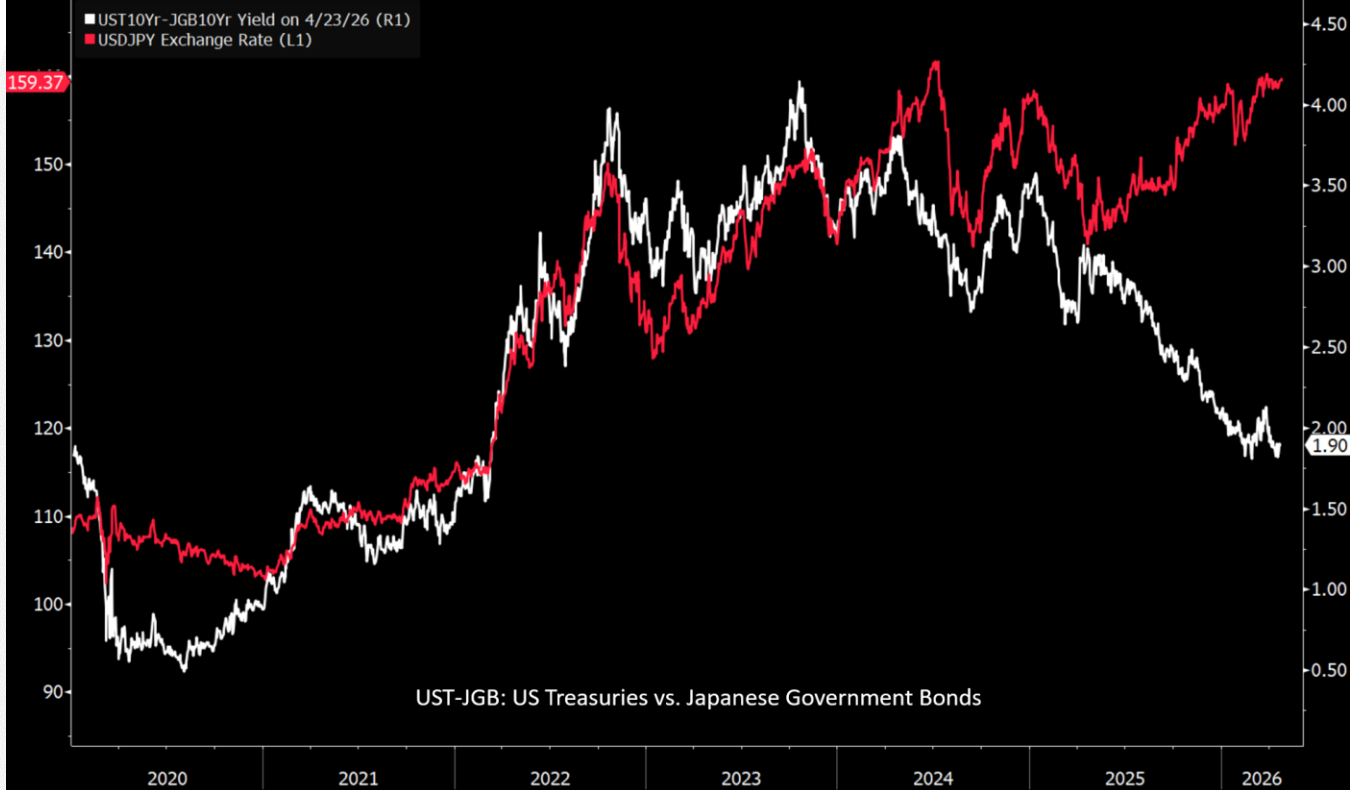
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Though, we think we will also see elements of the Great Depression and the early 2000's tech bust. These were both times when gold miners outperformed dramatically while the broad stock market crashed.

Dollar/Yen Poised for Decline

We are short the U.S. dollar and long Japanese yen in our macro funds. Long gold though cheap mining stocks remains our favorite way to short the dollar. However, the current setup in the yen is too good to pass up. The 10-year rate differential between U.S. Treasuries and Japanese Government Bonds historically has been a reliable directional indicator for dollar/yen. The Trump administration favors a weak dollar to reindustrialize the country. The yen is the only major currency that has yet to cooperate though the Bank of Japan seems onboard with the plan from an interest rate policy standpoint.

Dollar/Yen vs. UST-JGB 10yr Yield Spread



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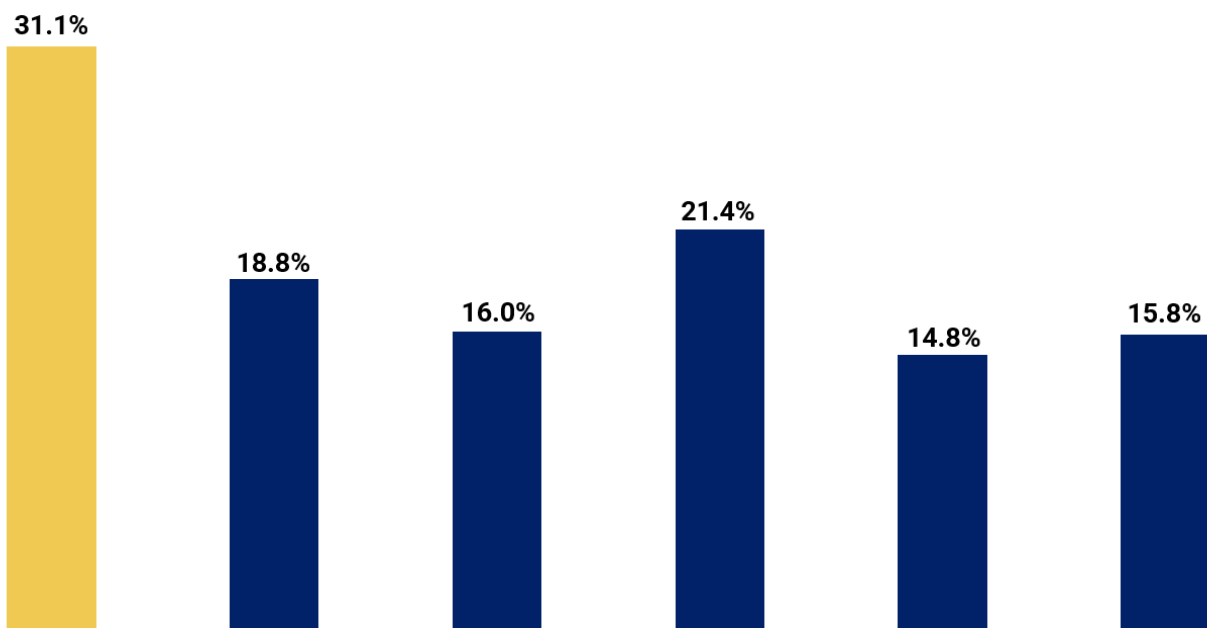
Source: Bloomberg; i3 Invest; Kevin C. Smith, CFA

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Crescat's Performance

Precious metals mining stocks corrected in March from short-term overbought conditions in February after leading the entire market in 2025 and the first two months of 2026. While our funds were down for the month as a result, we are encouraged to report that all Crescat funds significantly outperformed multiple of the precious metals benchmarks in this pullback. For reference, the VanEck Junior Gold Miners ETF (GDJ) down 23.1%, VanEck Gold Miners ETF (GDX) down 20.8%, and the Philadelphia Gold and Silver Index (XAU) down 20.2%. The Crescat Precious Metals Fund has substantially outperformed these benchmarks since inception over five years ago as we show in the chart below. Through March 31, 2026, as it was at year-end 2025, this fund remains the best performing resource-based hedge fund in the eVestment database since its inception, August 1, 2020. We remain highly convicted in our hard asset and precious metals positioning across the firm.

**Crescat Precious Metals Fund: Annualized Net Performance vs. Benchmarks Since Inception
August 1, 2020 through March 31, 2026 (Estimates)**



Crescat Precious Metals Fund* Philadelphia Gold and Silver Index (XAU) SPDR Gold Shares (GLD) iShares Silver Trust (SLV) VanEck Junior Gold Miners ETF (GDJX) VanEck Gold Miners ETF (GDX)
Source: Crescat; Bloomberg

Crescat Strategies Estimated Net Returns Through March 31, 2026

CRESCAT STRATEGIES VS. BENCHMARK (Inception Date)	MARCH	YTD	ANNUALIZED TRAILING				SINCE INCEPTION	CUMULATIVE SINCE INCEPTION	YEARS SINCE INCEPTION
			1-YEAR	3-YEAR	5-YEAR	10-YEAR			
Global Macro Hedge Fund (Jan.1, 2006)	-13.2%	-0.4%	57.8%	16.3%	9.6%	7.2%	11.6%	816.2%	20.3
Excluding SCM SP ² (Jan.1, 2006)	-18.3%	-6.7%	34.4%	8.9%	5.4%	5.2%	10.5%	653.1%	20.3
Benchmark: HFRX Global Hedge Fund Index	-3.0%	-0.6%	6.0%	5.0%	2.5%	3.2%	1.5%	35.4%	
Institutional Macro Hedge Fund (July 1, 2023)	-13.1%	-0.5%	50.2%	-	-	-	15.6%	48.9%	2.8
Excluding SCM SP ² (July 1, 2023)	-16.5%	-4.6%	29.7%	-	-	-	8.2%	24.1%	2.8
Benchmark: HFRX Global Hedge Fund Index	-3.0%	-0.6%	6.0%	5.0%	2.5%	3.2%	5.2%	14.9%	
Long/Short Hedge Fund (May 1, 2000)	-12.9%	0.1%	59.7%	17.4%	8.3%	6.6%	7.9%	616.0%	25.9
Excluding SCM SP ² (May 1, 2000)	-17.2%	-5.2%	37.6%	10.5%	4.4%	4.7%	6.4%	394.3%	25.9
Benchmark: HFRX Equity Hedge Index	-4.4%	-1.5%	8.2%	7.4%	5.7%	4.9%	3.1%	119.5%	
Precious Metals Hedge Fund (August 1, 2020)	-12.1%	1.9%	82.3%	33.2%	14.5%	-	34.2%	428.8%	5.7
Excluding SCM SP ² (August 1, 2020)	-16.2%	-3.3%	74.5%	27.5%	11.5%	-	31.1%	363.4%	5.7
Benchmark: Philadelphia Gold and Silver Index	-20.3%	9.7%	113.8%	43.8%	24.7%	-	18.8%	165.0%	
Institutional Commodity Hedge Fund (July 1, 2023)	-12.1%	2.3%	81.8%	-	-	-	31.2%	111.1%	2.8
Excluding SCM SP ² (July 1, 2023)	-14.6%	0.3%	73.9%	-	-	-	26.9%	92.5%	2.8
Benchmark: Philadelphia Gold and Silver Index	-20.3%	9.7%	113.8%	-	-	-	53.4%	224.6%	

Sources: HFR, Inc., NASDAQ, and Crescat Capital LLC. Past performance does not guarantee future results; Investing involves risk, including risk of loss. See additional important disclosures below.

Announcement Regarding Quinton Hennigh and Bill Pearson

We are both happy and sad to announce that Quinton Hennigh recently stepped away from his formal consulting role with Crescat to avoid potential conflicts of interest and to focus more fully on his role as Chairman and CEO of San Cristobal Mining. SCM has grown to Crescat's largest and most successful position across our funds to date. Crescat's funds collectively are its largest shareholder. Therefore, we view this overall as a positive and logical evolution for the firm and our clients. We are confident that SCM will benefit from Quinton's dedicated focus. We understand from him that the company is preparing to go public, which is something that we encourage.

In addition to his role at SCM, Quinton continues to serve as a director or advisor to many of our other portfolio companies. Crescat will continue to engage with him regarding those companies. Quinton remains an important part of Crescat's history, and we are thankful for his contribution.

In anticipation of Quinton's departure, Crescat underwent a thorough search process, and we are pleased to announce that we have hired Bill Pearson, PhD, P.Geo., as geologic and technical advisor to fully assume Quinton's previous analytical role within the firm. Bill now advises across 100% of Crescat's activist metals portfolio. With over 50 years of boots-on-the-ground global mining experience (see his bio below), his addition represents a meaningful expansion of our geologic and technical capabilities. This is not a tradeoff, but a net gain in overall depth of exploration and mining expertise being applied to Crescat's portfolio companies.

It is important to point out I (Kevin Smith speaking here) have always been the lead portfolio manager and final decision-maker across Crescat's five funds, including the activist metals portfolio. The firm's investment process continues without disruption. Having guidance from true industry experts like Quinton and Bill is what I am all about when it comes to Crescat's mining investments, and we are excited to welcome Bill to the Crescat team!

Bill Pearson is an economic geologist with more than 50 years of experience in the global mining industry. He earned a PhD and MSc in Economic Geology from Queen's University and a BSc (Hons) in Geology from the University of British Columbia. Bill has led exploration programs across Canada and in 17 other countries, with experience spanning all phases of mining from grassroots exploration through advanced exploration, mine development, and underground and open-pit production across a wide range of geological environments and commodities, including precious metals, base metals, and industrial minerals. He has held senior executive roles with junior and intermediate mining companies and has served as a director of multiple public companies listed on the Toronto Stock Exchange and TSX Venture Exchange. He is a founding President of the Association of Professional Geoscientists of Ontario and a past director of Geoscience Canada. He received the PDAC Distinguished Service Award in 2015. He has been involved in several notable projects, including Jacobina in Brazil (acquired by Yamana Gold), Central Sun in Nicaragua (acquired by B2Gold), and Hope Brook in Newfoundland (acquired by First Mining), and was a co-discoverer of the Iska Iska silver-tin polymetallic deposit in Bolivia, Eoro Resources' flagship project.

We truly appreciate your investment with us and are dedicated to delivering for you!

Sincerely,

Kevin C. Smith, CFA
Founder & CEO

Nathaniel Gilbert
Analyst

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1 – Net returns reflect the performance of an investor who invested from inception and is eligible to participate in new issues and side pocket investments. Net returns reflect the reinvestment of dividends and earnings and the deduction of all expenses and fees (including the highest management fee and incentive allocation charged, where applicable). An actual client's results may vary due to the timing of capital transactions, high watermarks, and performance.

2 – Performance figures presented Excluding SCM SP represent the fund's net returns calculated without the impact of the San Cristobal Mining, Inc. side pocket that was designated on July 1st, 2024. The side pocket includes a private equity asset that is not available to new investors in the funds on or after July 1, 2024. Excluding these assets provides a clearer view of the performance to investors coming into the funds after that date. New investors cannot participate in the SCM Side Pocket and will not share in its potential gains or losses. Investors should consider both the overall performance and the performance excluding the side pocket when evaluating the fund's returns.

Benchmarks

The **HFRX Global Hedge Fund Index** is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies, including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

The **HFRX Equity Hedge Index** measures the performance of the hedge fund market. Equity hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios.

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The **PHLX Gold/Silver Sector Index (XAU)** is a capitalization-weighted index composed of companies involved in the gold or silver mining industry.

The **S&P 500®** is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

VanEck Junior Gold Miners ETF (GDXJ®) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the **MVIS® Global Junior Gold Miners Index (MVGDXJTR)**, which is intended to track the overall performance of small-capitalization companies that are involved primarily in the mining for gold and/or silver.

VanEck Gold Miners ETF (GDX®) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the **MarketVector Global Gold Miners Index (MVGDXTR)**, which is intended to track the overall performance of companies involved in the gold mining industry.

SPDR® Gold Shares seeks to reflect the performance of the price of gold bullion, less the Trust's expenses.

iShares® Silver Trust (the 'Trust') seeks to reflect generally the performance of the price of silver.

Returns for any index include the reinvestment of income and do not include transaction fees, management fees or any other costs. The performance and volatility of the funds will be different than those of the indexes. One cannot invest directly in an index. Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown.

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