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July 22, 2026

The Price Target for Gold

We derive a price target for gold of $20,000 per troy ounce based on two independent macro models. The first looks at the trend of global M2 money supply compared to the above-ground gold stock as shown in the chart below. With the precious metal now under accumulation by global central banks, we think this chart is highly relevant. Extending the trendline points to a price target for gold of $20,000 in approximately four years, though we suspect global M2 could accelerate given the current fiscal imbalances and geopolitical climate to shorten this timeline.

Our second approach to the target price for gold uses a gold-to-S&P 500 ratio model and assumes a run-of-the-mill US stock market decline of 50% and an ensuing dollar devaluation. Starting from historic large cap equity valuations today *and* record fiscal imbalances, we believe such a path *could* once again lie ahead. Each of the prior peaks in this ratio was catalyzed by a stock market crash from historic large cap equity valuations and a substantial dollar devaluation. A 50% lower S&P 500, combined with a 5.25 gold-to-S&P 500 multiple, which is well below its 1980 peak of 7.58, though slightly above its 1933 peak of 4.76, also gets us to our $20,000 price target for gold.

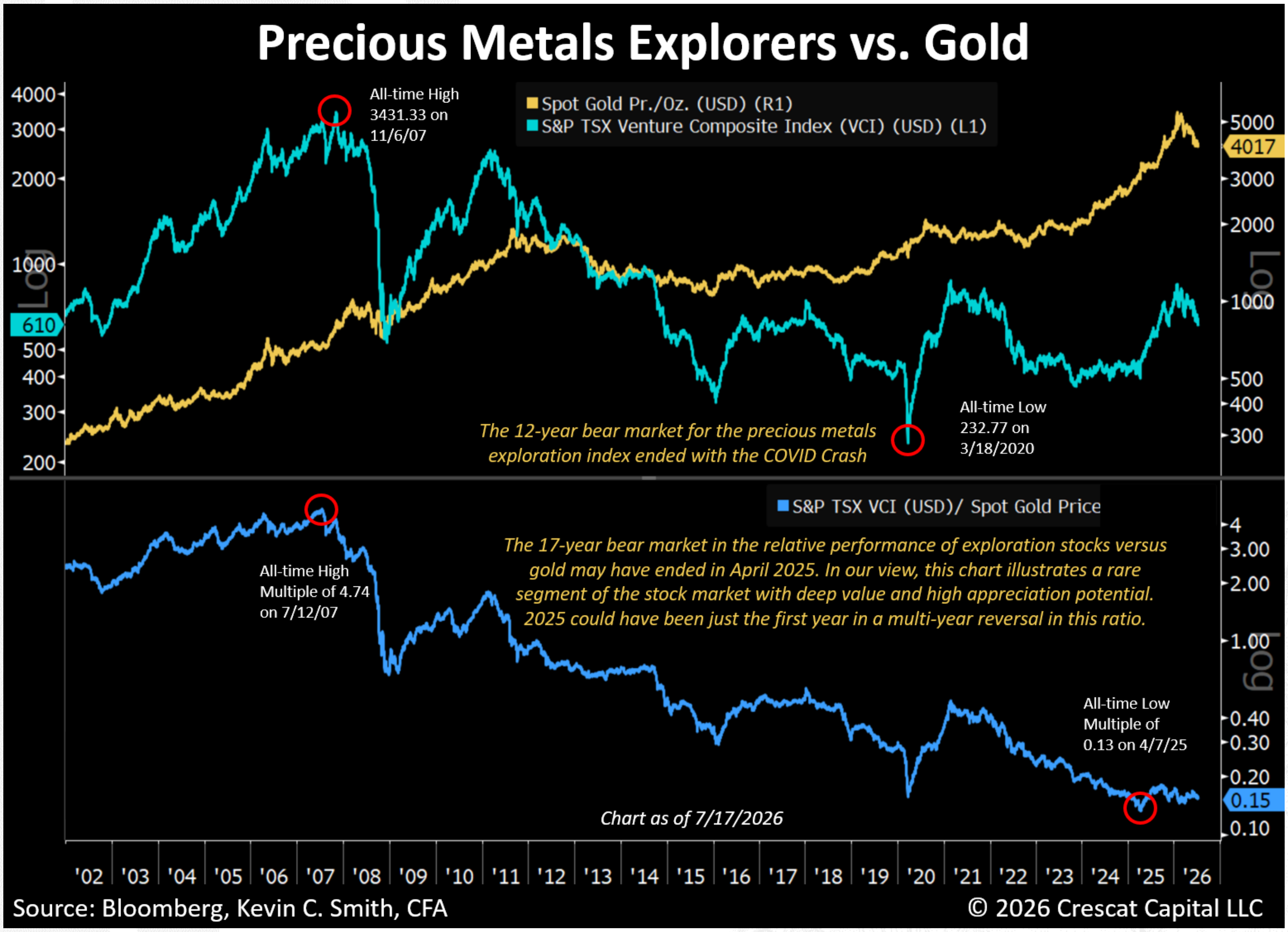
A market top may have already happened or could be forming very soon. The time window from the peak of the stock market to the ensuing peak in the gold price was only 4.3 years from September 1929 to January 1934. It took 7 years from January 1973 to January 1980.

What is the Timing Today?

Our first model showed a timeline of about 4 years to the target, which could be driven by fiscal and monetary pathways alone, **independent of any stock market catalyst**. In the current geopolitical climate, game theory leads us to the conclusion that our $20,000 target could be achieved in a step function at any moment, which drives our urgency to help get investors positioned now.

Our conviction in undervalued precious and critical metals miners and the multiple pathways to get to $20,000 gold between now and the next seven years gives us the confidence to stay focused on our activist metals exploration and development strategy as the most important means to deliver potential returns for our clients. , It remains the largest theme across Crescat's five private funds today. We have built and refined a carefully crafted portfolio of mining companies over the last six years with advice from two seasoned PhD economic geologists. By getting money to these companies for drilling, largely through PIPE deals with discounts and warrants, over this time, we have helped create many of the world's most exciting new gold, silver, and copper discoveries with tier-1 development potential.

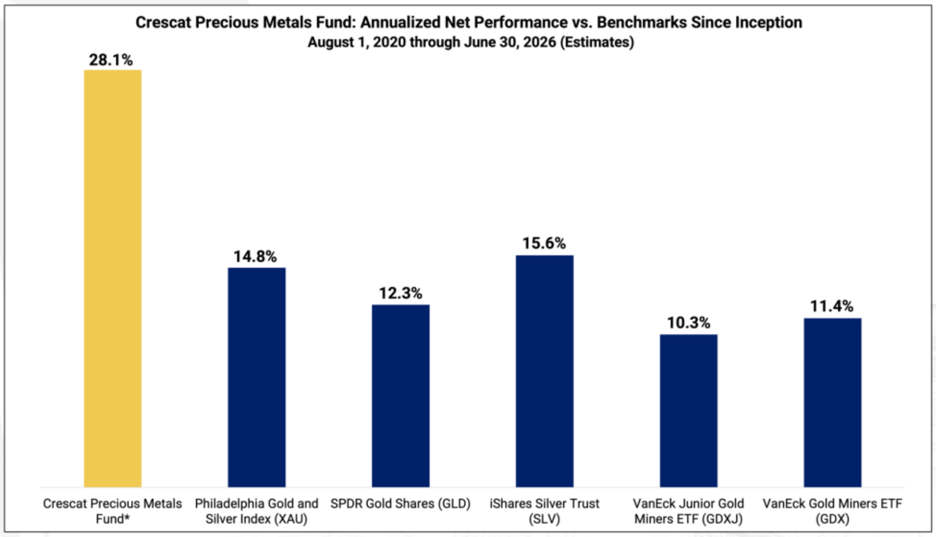
Imagine what a $20,000 gold price and a return to prior high multiples in the explorer-to-gold ratio could do for our activist metals portfolio in the years to come. Do the math on your own for the S&P TSX Venture Composite Index based on the chart below. It will blow you away. Keep in mind that all these projections are based on models and assumptions that are speculative. There can be no assurance that our gold price targets can be achieved at all.



Recent Pullback Provides Opportunity

Our Precious Metals strategy has been beating the pants off the benchmarks since inception. That theme across all five Crescat funds led us to having 5 of the top 16 performing hedge funds in the world last year (2025) according to the Preqin database. We will have pullbacks, such as we have seen this year, from time to time, but our valuation models and targets keep us grounded and focused on the prize. We think the pullbacks provide excellent opportunities for new investors to come in. The recent pullback in the precious metals markets and in our funds provides that opportunity now.

Crescat Precious Metals Fund vs. Benchmarks



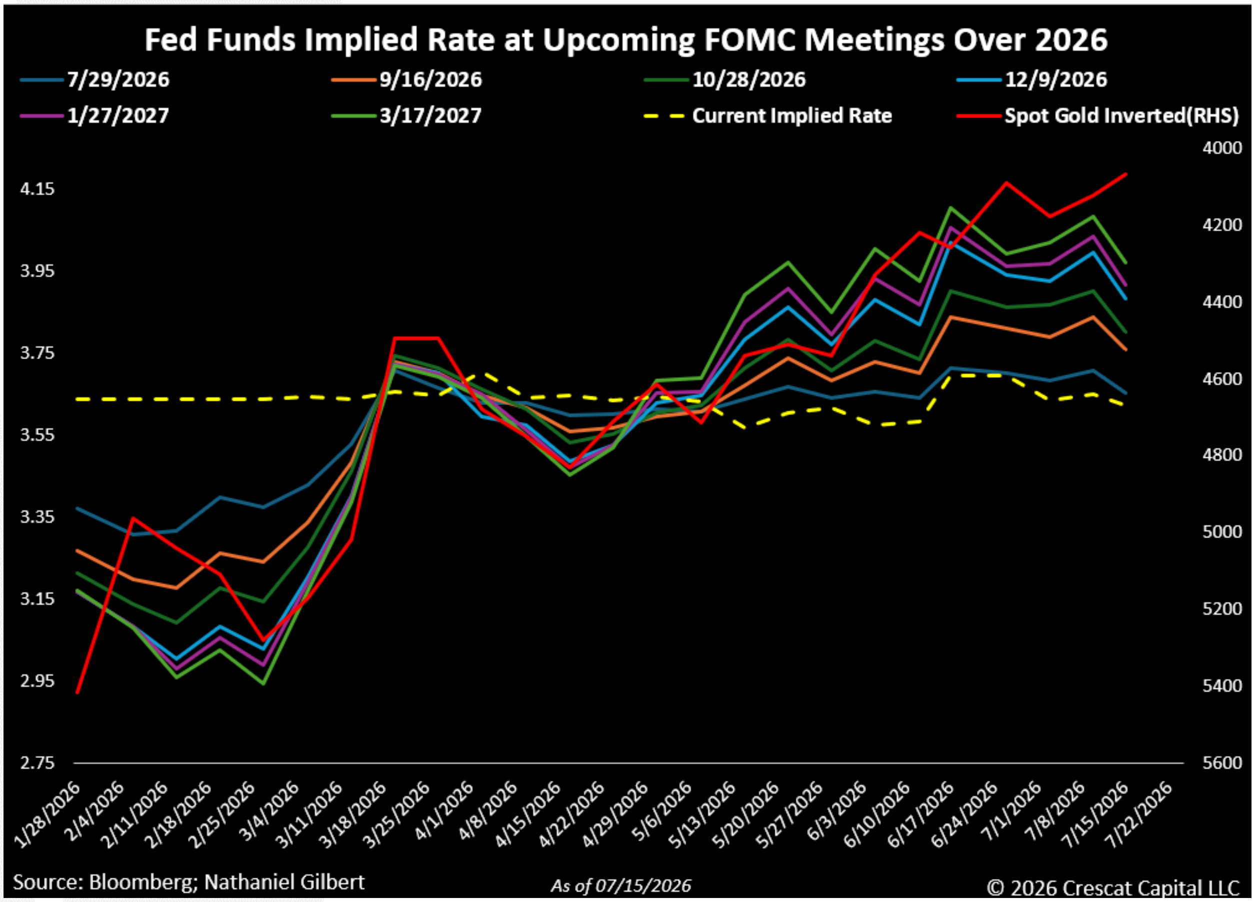
Crescat Precious Metals Fund has limited capacity for new US investors. *Performance figures presented represent the fund's net returns calculated without the impact of the San Cristobal Mining, Inc. (SCM) Side Pocket that was designated on July 1st, 2024. The SCM Side Pocket includes a private equity asset that is not available to new investors in the funds on or after July 1, 2024. This asset was included in the fund performance prior to that date. Excluding the SCM Side Pocket after that date provides a clearer view of the performance to investors coming into the funds after July 1, 2024. 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. Fund performance, including the SCM Side Pocket, can be found on the firm's website here: https://www.crescat.net/performance/. Returns for the most recent month are based on internal estimates which have the potential to change once finalized. Additional disclosures regarding risks and performance presented are found here: https://www.crescat.net/due-diligence/disclosures/
Sources: Crescat Capital LLC, State Street Global Advisors/S&P Dow Jones Indices LLC, and BlackRock/iShares

Expectations of Fed Rate Cuts Shifted to Expectations of Hikes

Why the pullback in gold, silver, and mining stocks? At the beginning of the year, gold encountered two significant headwinds that have stalled its strong run in 2025 through January of this year. The first was the nomination of Kevin Warsh for Federal Reserve Chairman on January 30th. Warsh has been widely perceived as an interest rate hawk, which has led to rising interest expectations, a headwind for precious metals, The second was the war with Iran that began on February 28, further fueling higher interest rate expectations, which fully shifted from expectations of Fed rate cuts to Fed hikes, as we show in the chart below.

We believe the market is misreading the situation, expecting the most hawkish possible outcome. Yes, with the appointment of Kevin Warsh, the Federal Reserve is perceived as more hawkish, but the Fed has not committed to a sustained tightening cycle.

Recall our last investor letter on fiscal imbalances. We believe we are now in a period of fiscal dominance where monetary policy can no longer credibly be viewed as an inflation-fighting tool. Rather, it has evolved into a debt management tool. In our view, the US government fixed income markets have already priced in interest rate hikes that are unlikely to materialize in any significant way.



Crescat Strategies Estimated Net Returns Through June 30, 2026

CRESCAT STRATEGIES VS. BENCHMARK (Inception Date)	JUNE	YTD	ANNUALIZED TRAILING 1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION	CUMULATIVE SINCE INCEPTION	YEARS SINCE INCEPTION
Global Macro Hedge Fund (Jan.1, 2006)	**-8.6%**	**-7.9%**	**26.9%**	**12.3%**	**4.1%**	**6.4%**	**11.0%**	**747.8%**	**20.5**
Excluding SCM SP[2] (Jan.1, 2006)	**-13.1%**	**-21.7%**	**-7.5%**	**1.8%**	**-1.8%**	**3.3%**	**9.4%**	**532.4%**	**20.5**
Benchmark: HFRX Global Hedge Fund Index	0.6%	4.8%	9.7%	6.6%	3.1%	3.7%	1.8%	42.7%	
Institutional Macro Hedge Fund (July 1, 2023)	**-9.3%**	**-8.8%**	**23.4%**	**10.9%**	**-**	**-**	**10.9%**	**36.4%**	**3.0**
Excluding SCM SP[2] (July 1, 2023)	**-13.7%**	**-21.2%**	**-8.5%**	**0.8%**	**-**	**-**	**0.8%**	**2.5%**	**3.0**
Benchmark: HFRX Global Hedge Fund Index	0.6%	4.8%	9.7%	6.6%			6.6%	21.1%	
Long/Short Hedge Fund (May 1, 2000)	**-8.7%**	**-9.0%**	**28.9%**	**14.1%**	**2.2%**	**5.7%**	**7.4%**	**550.9%**	**26.2**
Excluding SCM SP[2] (May 1, 2000)	**-14.4%**	**-26.4%**	**-9.5%**	**1.9%**	**-4.5%**	**2.2%**	**6.0%**	**363.6%**	**26.2**
Benchmark: HFRX Equity Hedge Index	1.7%	8.7%	14.7%	10.2%	6.8%	6.1%	3.4%	142.2%	
Precious Metals Hedge Fund (August 1, 2020)	**-10.1%**	**-2.0%**	**52.0%**	**28.0%**	**8.4%**	**-**	**31.6%**	**408.5%**	**5.9**
Excluding SCM SP[2] (August 1, 2020)	**-14.6%**	**-9.7%**	**27.7%**	**21.3%**	**5.0%**	**-**	**28.1%**	**333.0%**	**5.9**
Benchmark: Philadelphia Gold and Silver Index	-14.7%	-6.6%	56.3%	40.3%	19.5%		14.7%	125.7%	
Institutional Precious Metals Hedge Fund (July 1, 2023)	**-12.4%**	**-4.4%**	**47.9%**	**25.4%**	**-**	**-**	**25.4%**	**97.3%**	**3.0**
Excluding SCM SP[2] (July 1, 2023)	**-15.9%**	**-9.9%**	**26.2%**	**20.0%**	**-**	**-**	**20.0%**	**72.8%**	**3.0**
Benchmark: Philadelphia Gold and Silver Index	-14.7%	-6.6%	56.3%	40.3%			40.3%	176.5%	

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.

Sincerely,

Kevin C. Smith, CFA
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Nathaniel Gilbert
Analyst

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Appendix and Disclosures:

Central Bank Gold Buying

Central banks have accumulated an average of 1,000 tonnes of gold per year over the past four years, up significantly from the 500 tonnes average over the preceding decade. This marked acceleration in the pace of accumulation has occurred against a backdrop of geopolitical and economic uncertainty.

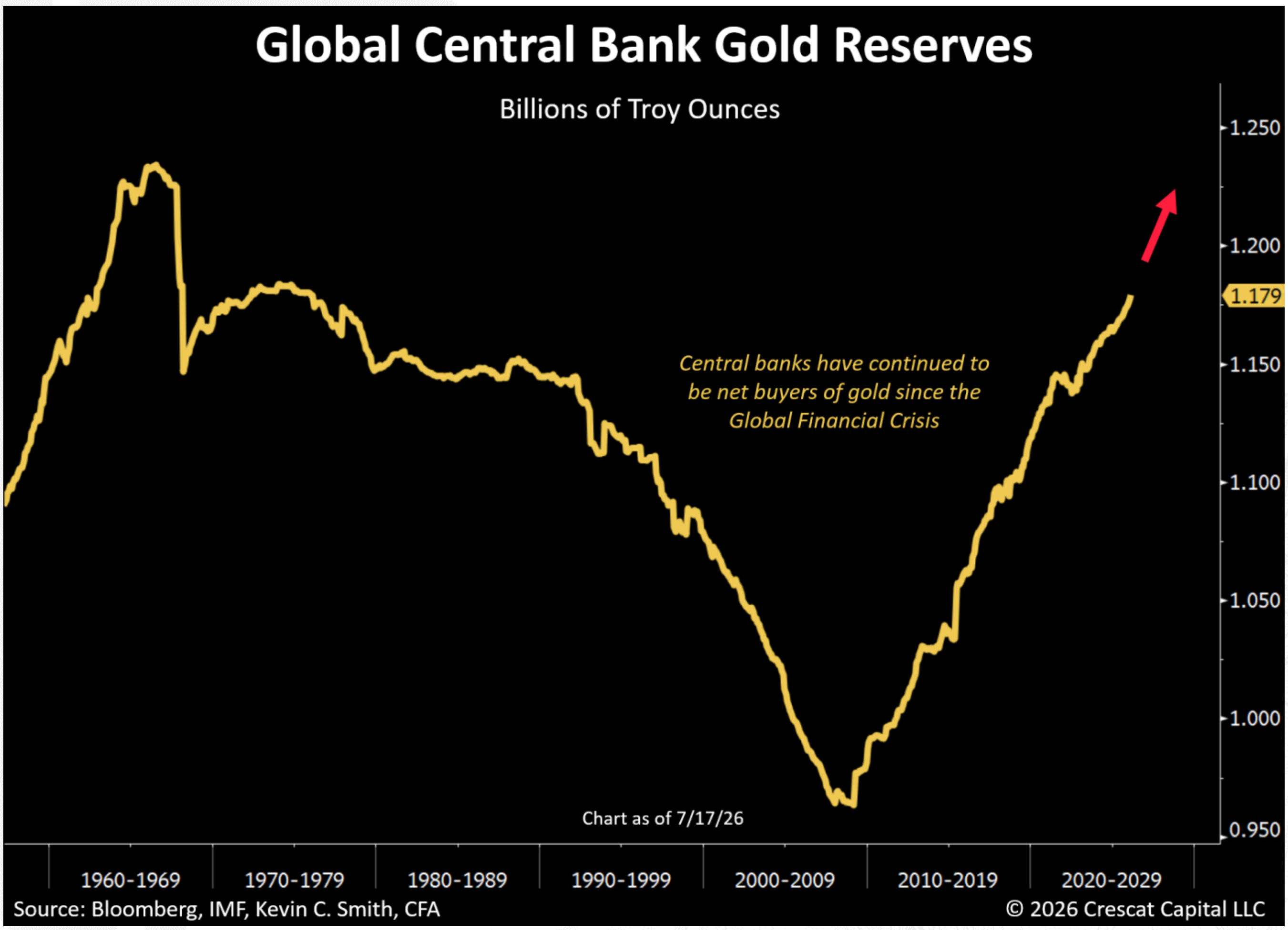
According to the WGC survey of central banks, the top reasons reserve managers own gold are gold's performance during times of crisis, portfolio diversification, inflation hedging, and geopolitical risk hedging. These are the same reasons any rational private investor would also want to own gold, especially at the same time as central banks are accumulating it. This is the same concept as "Don't fight the Fed" applied on a global level.

Based on data from the IMF, global central banks have been net buyers of gold since the Global Financial Crisis, with China being the largest buyer.

Based on the current rate of world central bank gold accumulation, we believe the precious metal is fast becoming the de facto global reserve currency.

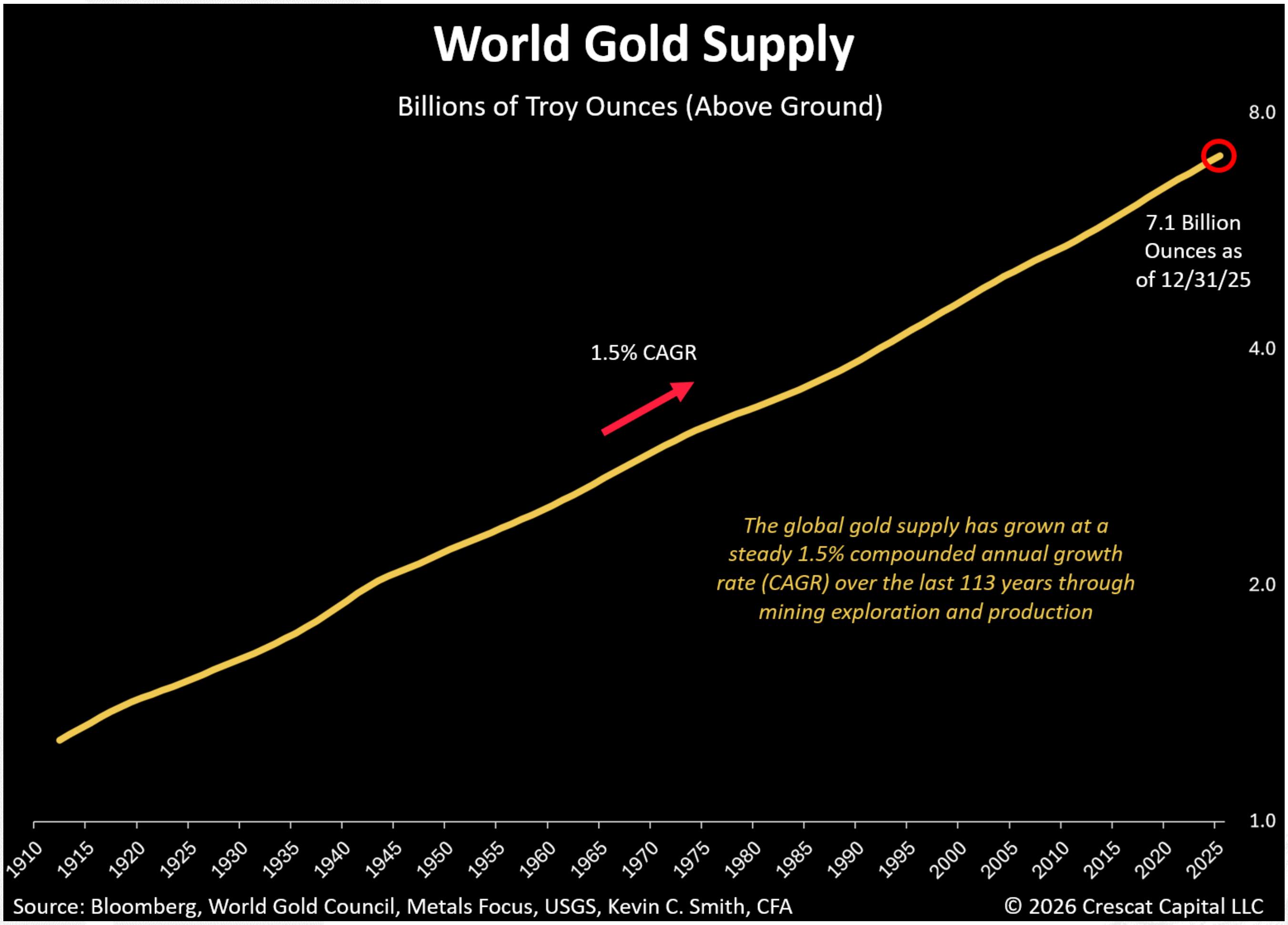
The World Gold Council estimates that roughly two-thirds of recent central bank gold buying has been “unreported” (i.e., inferred rather than disclosed), with unreported purchases consistently accounting for the majority of net official demand since about 2022.

Central banks own gold because it has served as the premier form of money for over 5,000 years as a medium of exchange, unit of account, store of value, and standard of deferred payment. It is divisible, fungible, portable, durable, uniform, stable, limited in supply, and accepted by nearly all parties, from sovereign governments and their central banks to merchants to consumers to private investors.



World Gold Supply

To value gold, first we need to consider its supply. Gold is scarce and costly to produce. It is found at only 4 parts per billion in the Earth’s crust. Based on its natural geological constraints, the world’s above-ground gold supply grows in a steady, contained manner, illustrated by its compound annual growth rate of just 1.5% for the last 113 years.

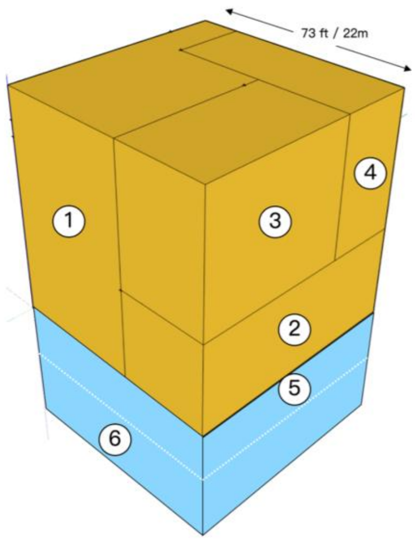


The Scarcity and Utility of Gold

All the gold ever mined is still held and used today. There are 219.9 thousand metric tonnes or 7.1 billion troy ounces of above-ground gold. The World Gold Council represents this volume in the form of a 22-meter cube, more than four Olympic-sized swimming pools. It consists of jewelry, private bullion (bars and coins), central bank reserves, and other forms, including gold that is used and recycled in electronics, including high-performance semiconductors.

Gold in the ground that has been identified by mining companies based on drill assays and engineering studies constitutes an additional 4.2 billion ounces of resources and 1.7 billion ounces of reserves. Crescat's activist metals portfolio is focused on the value opportunity in the precious and critical metals mining industry, as we explain further below.

Gold Above Ground (gold) vs. Gold in the Ground (blue)



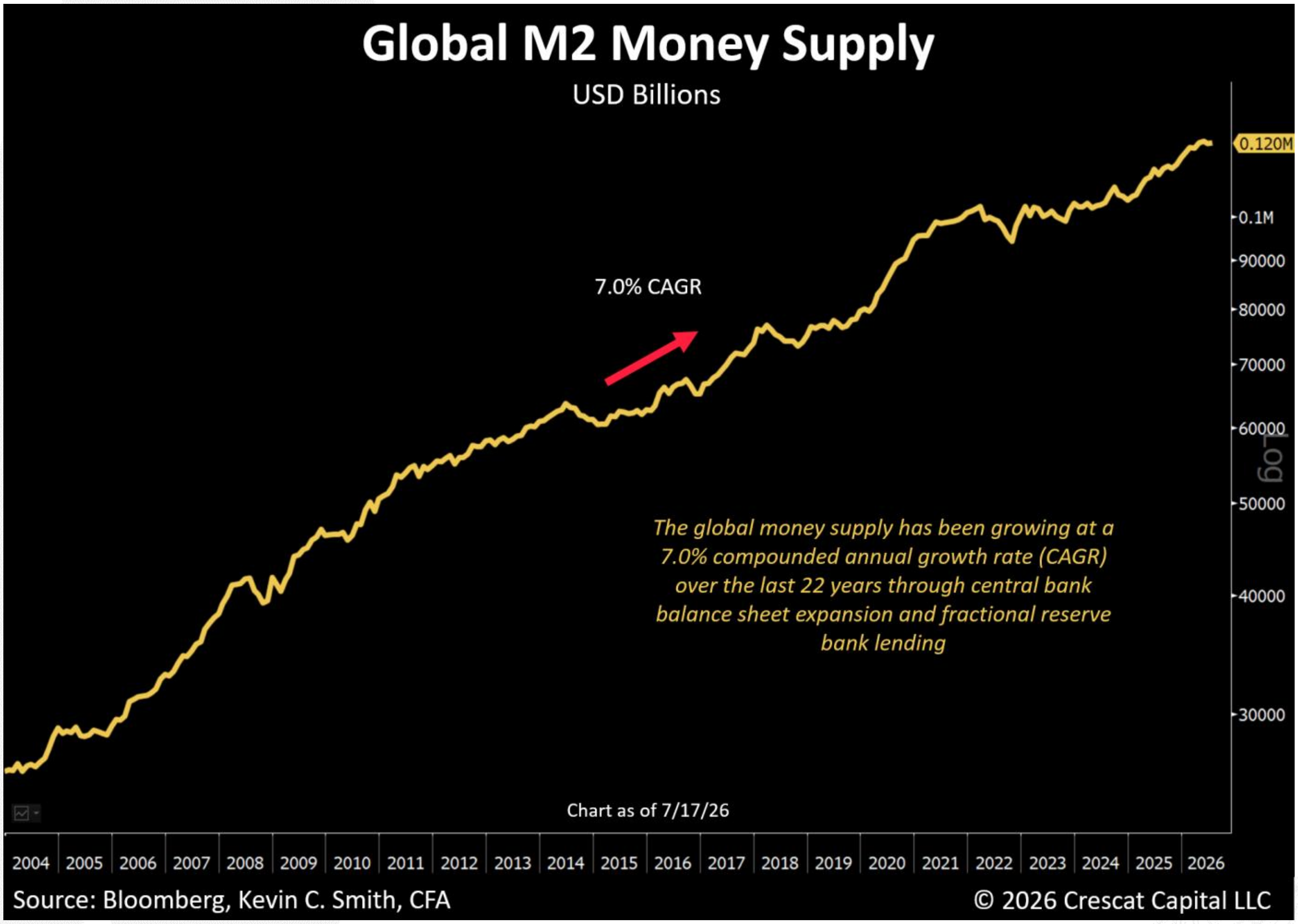
Source: World Gold Council Year-End 12/31/25 Estimates as of 2/11/26

Total above-ground stock (end-2025): 219,891 tonnes

1. **Jewellery** ~97,645t, 44%
2. **Bars and coins (including gold backed ETFs)** ~50,978t, 23%
3. **Central banks** ~38,666t, 18%
4. **Other** ~32,602t, 15%
5. **Reserves** ~54,770t*
6. **Resources** ~ 132,110t*

Global Fiat Money Supply

Government fiat money competes with gold. Fiat money is created at essentially zero marginal cost through central bank asset purchases and loan growth in the government-regulated fractional reserve banking system. The global M2 fiat money supply in US dollar exchange rate equivalent terms has been growing at a compounded annual growth rate of 7.0% per year over the last 22 years. We believe it will continue to grow at least at that rate in the foreseeable future and could potentially accelerate due to unsustainable fiscal imbalances, recent bank deregulation, and geopolitical game theory.



Gold Intervention By Executive Order

President Franklin D. Roosevelt issued Executive Order 6102 on April 5, 1933, which called for confiscation of gold from US private citizens by paying them the official rate of $20.67 per troy ounce. The US dollar was pegged to gold at that rate, but gold hoarding was breaking the peg, driving the spot price of gold to $26.33 by the end of January 1933. To both stop the hoarding and to move it into the hands of the US Treasury and Federal Reserve, paving the way for a dollar devaluation, FDR ordered its confiscation from private citizens. Congress later proceeded to devalue the dollar through the Gold Reserve Act of 1934 on January 30, 1934, revaluing gold to $35/oz. This 69.3% increase in the price of gold and a corresponding 53.2% decrease in the value of the dollar is what kicked off the climb out of the Great Depression.

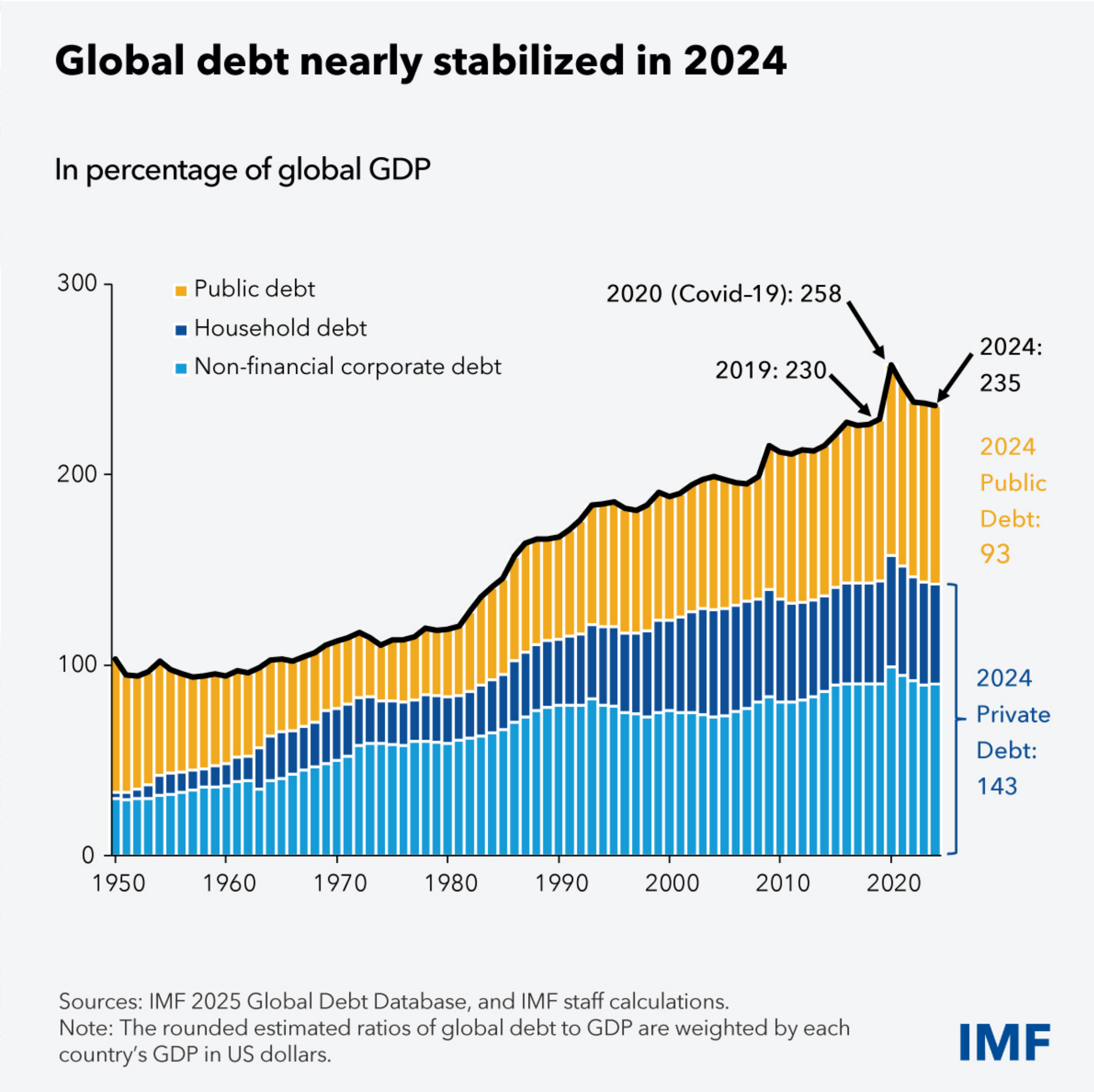
On August 15, 1971, President Richard Nixon ordered the Treasury Secretary John Connally to end dollar convertibility into gold for foreign official holders. This was known as the “Nixon Shock”, which closed the “gold window” and ended the post-WW2 Bretton Woods monetary regime where the US dollar served as the global reserve currency pegged to gold at $35/oz. By these executive measures, two US Presidents either acquired or retained gold for the US Treasury and Federal Reserve for economic and geopolitical reasons, while also devaluing the US dollar relative to gold in both cases. Could President Trump be looking to follow a similar course?

Imagine where the price of gold would go if and when the US Treasury and/or Federal Reserve were to become net buyers of gold again. Perhaps they are already doing it without disclosing it for national security reasons. The threat of confiscation, though less likely to happen again, is one of the reasons we prefer the mining companies to gold itself, even more so because the mining companies are much cheaper and we don't have to worry about storing it.

Of course, the US could acquire bullion in the open spot market, but it could also acquire it strategically, secretly in deals with other sovereigns. The idea of a coordinated, strategic approach, such as through a "Mar-a-Lago Accord" strategy through Treasury swaps with geopolitical allies, was floated in the macro financial community two years ago, before President Trump was elected. Many of the strategy's elements were attributed to the ideas of Scott Bessent, who is now the current Treasury Secretary.

Unsustainable Global Debt Imbalances

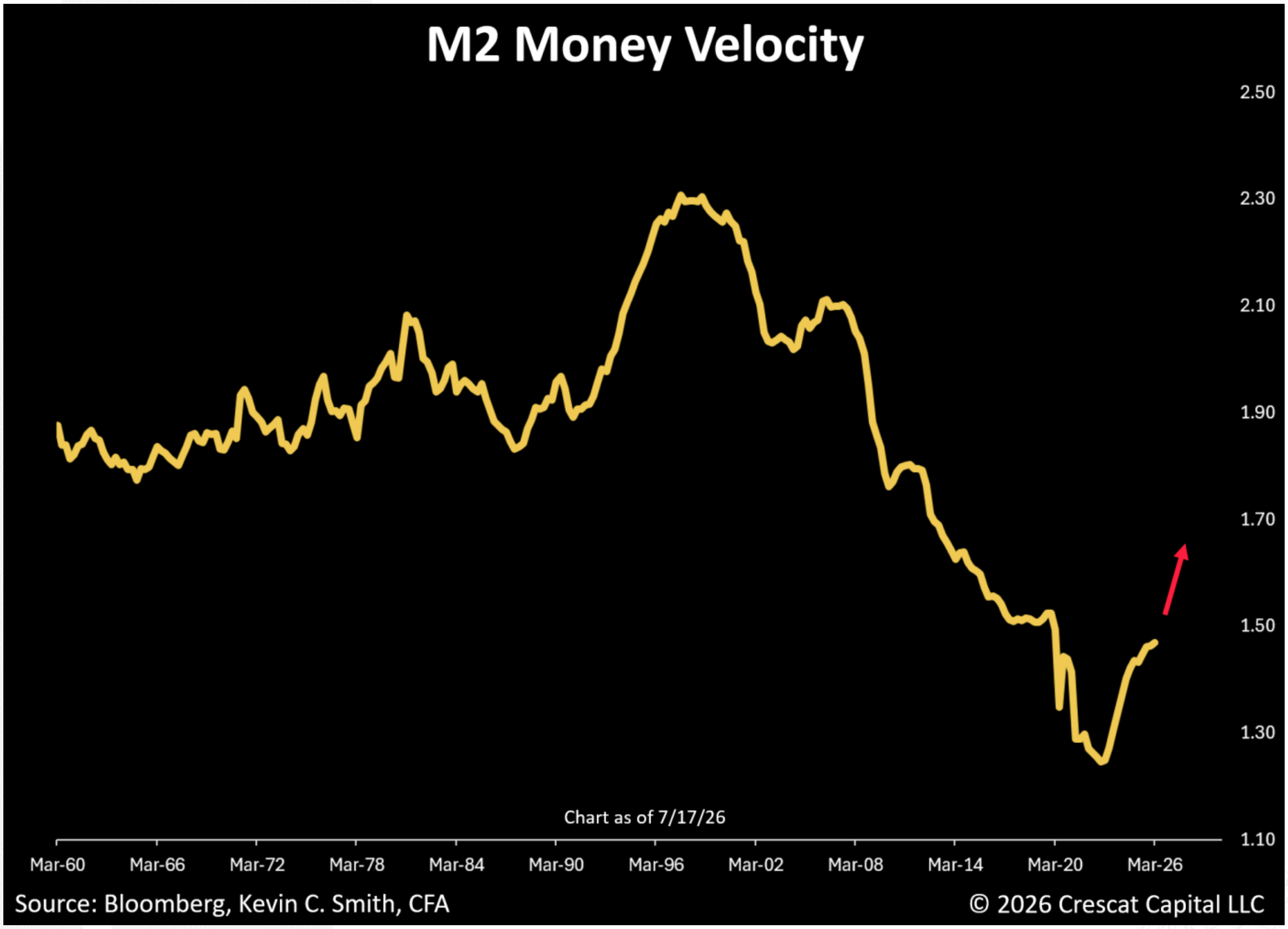
Mounting global government debt and deficits have forced global central banks to prioritize financing the government's budget over controlling inflation. Economists describe this condition as "fiscal dominance" because inflation becomes the path of least resistance through financial repression (aka, interest rate suppression) to deleverage the currently historic high global debt-to-GDP, especially public debt, because it reduces the real value of existing nominal debt by raising nominal GDP**,** without requiring explicit defaults or austerity. Global debt to GDP may have already peaked during the Covid-19 shock. Even as global debt has been growing, nominal GDP driven by inflation has been growing more.



Source: International Monetary Fund as of 9/17/25

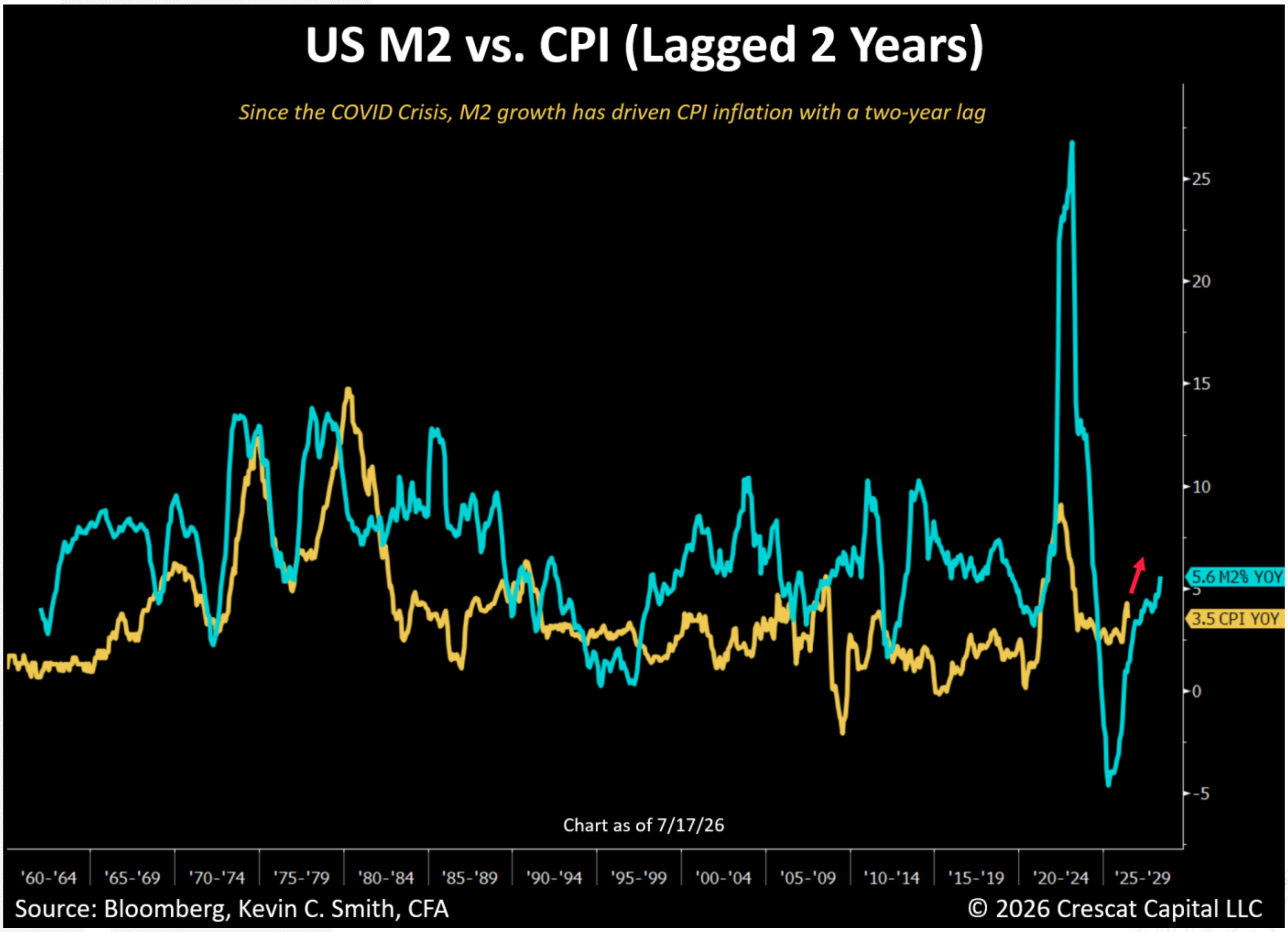
Money Velocity

Post Covid-19, money velocity has been rising, which is an inflationary tailwind likely to continue.

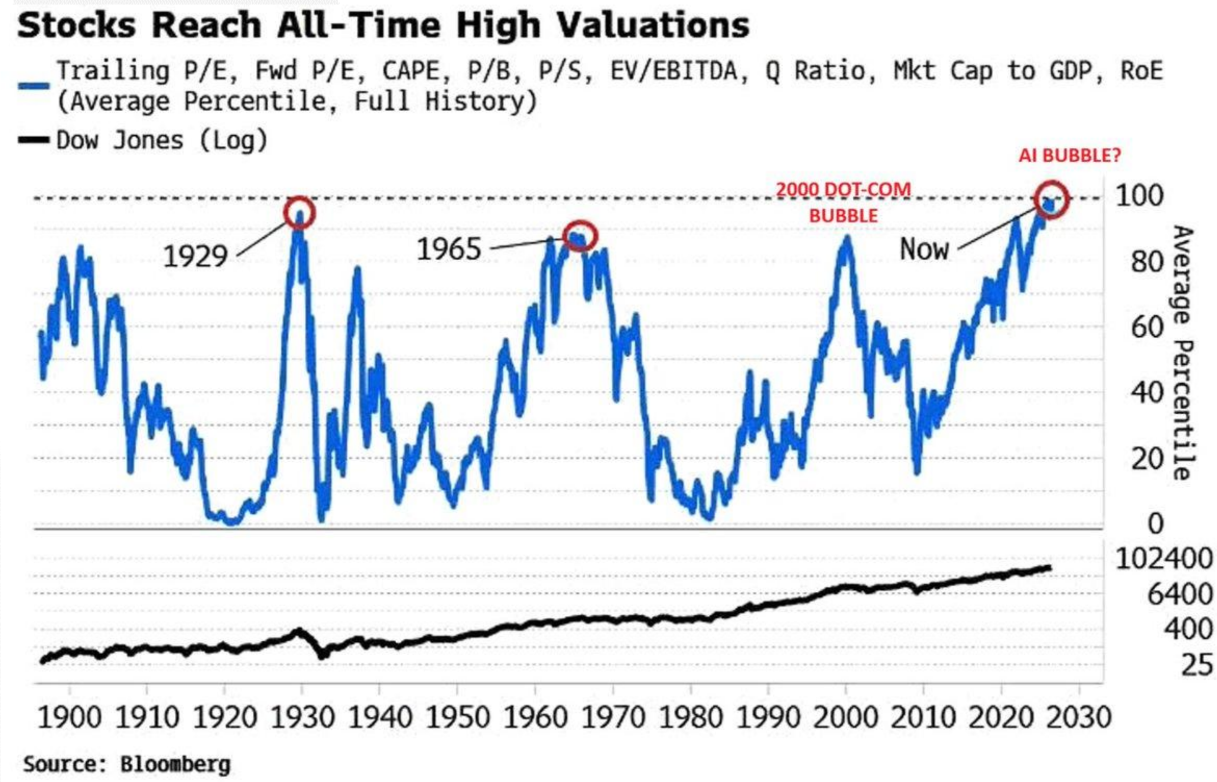


Inflation Lag

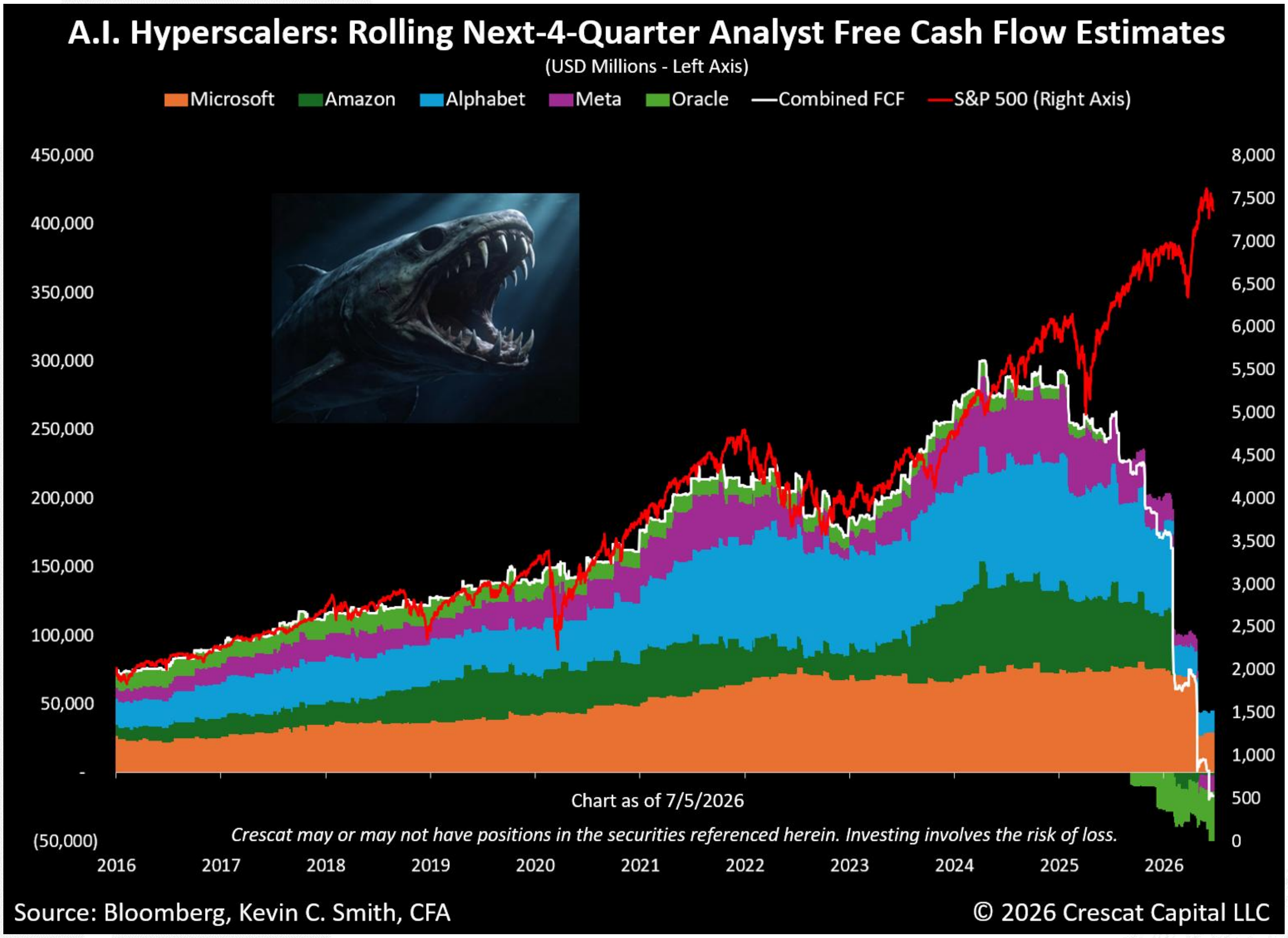
Rising M2 money growth is pointing to further rising inflation, now running with a 2-year lag.



More Self-Explanatory Macro Charts



Source: Bloomberg as of 6/21/2026



A.I. Hyperscalers: Rolling Next-4-Quarter Analyst Free Cash Flow Estimates
(USD Millions - Left Axis)
Microsoft
Amazon
Alphabet
Meta
Oracle
Combined FCF
S&P 500 (Right Axis)
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
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(50,000)
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1,000
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0
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Chart as of 7/5/2026
Crescat may or may not have positions in the securities referenced herein. Investing involves the risk of loss.
Source: Bloomberg, Kevin C. Smith, CFA
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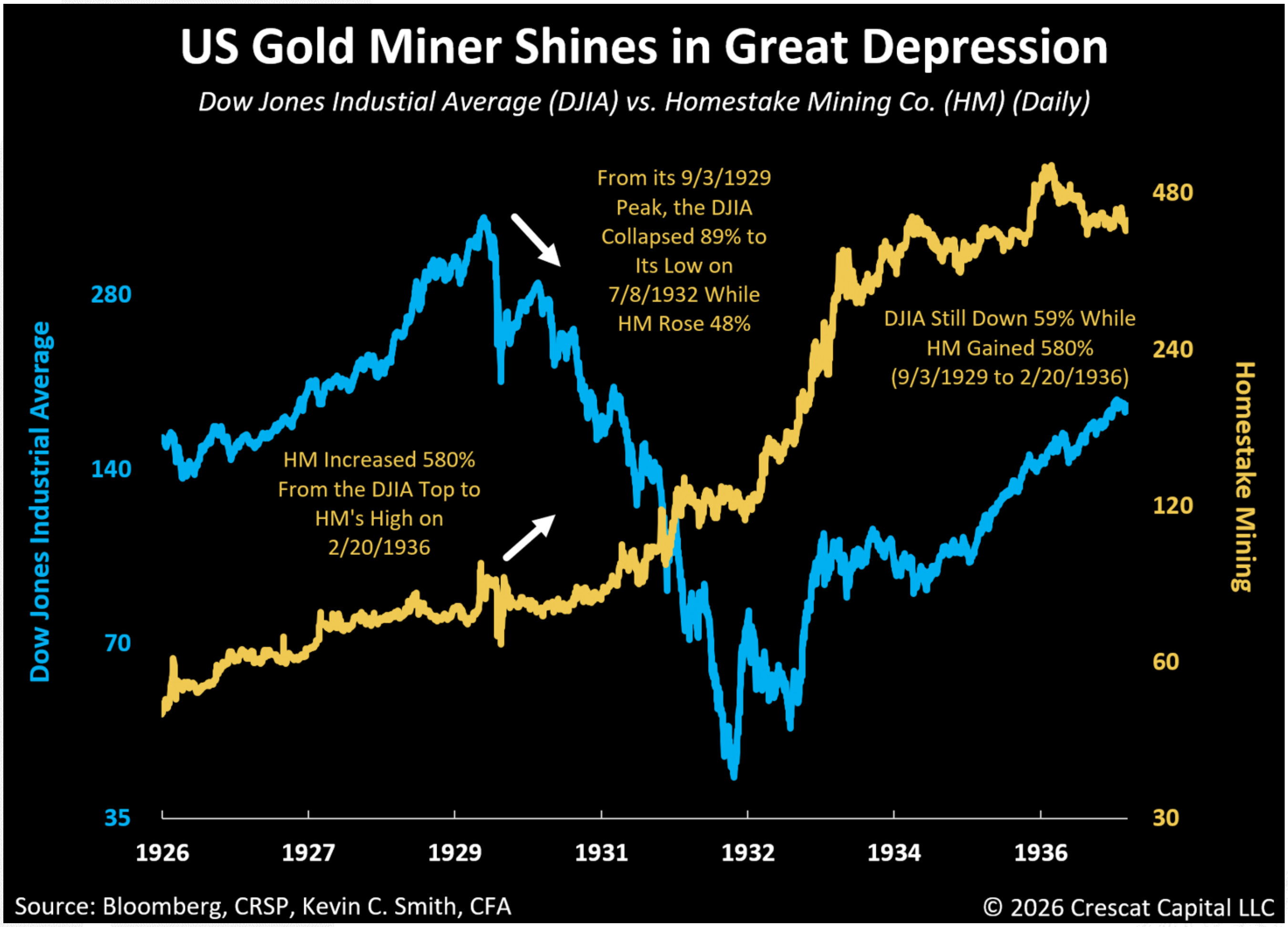
US Gold Miner Shines in Great Depression
Dow Jones Industial Average (DJIA) vs. Homestake Mining Co. (HM) (Daily)
From its 9/3/1929 Peak, the DJIA Collapsed 89% to Its Low on 7/8/1932 While HM Rose 48%
DJIA Still Down 59% While HM Gained 580% (9/3/1929 to 2/20/1936)
HM Increased 580% From the DJIA Top to HM's High on 2/20/1936
Dow Jones Industrial Average
Homestake Mining
280
140
70
35
480
240
120
60
30
1926
1927
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1931
1932
1934
1936
Source: Bloomberg, CRSP, Kevin C. Smith, CFA
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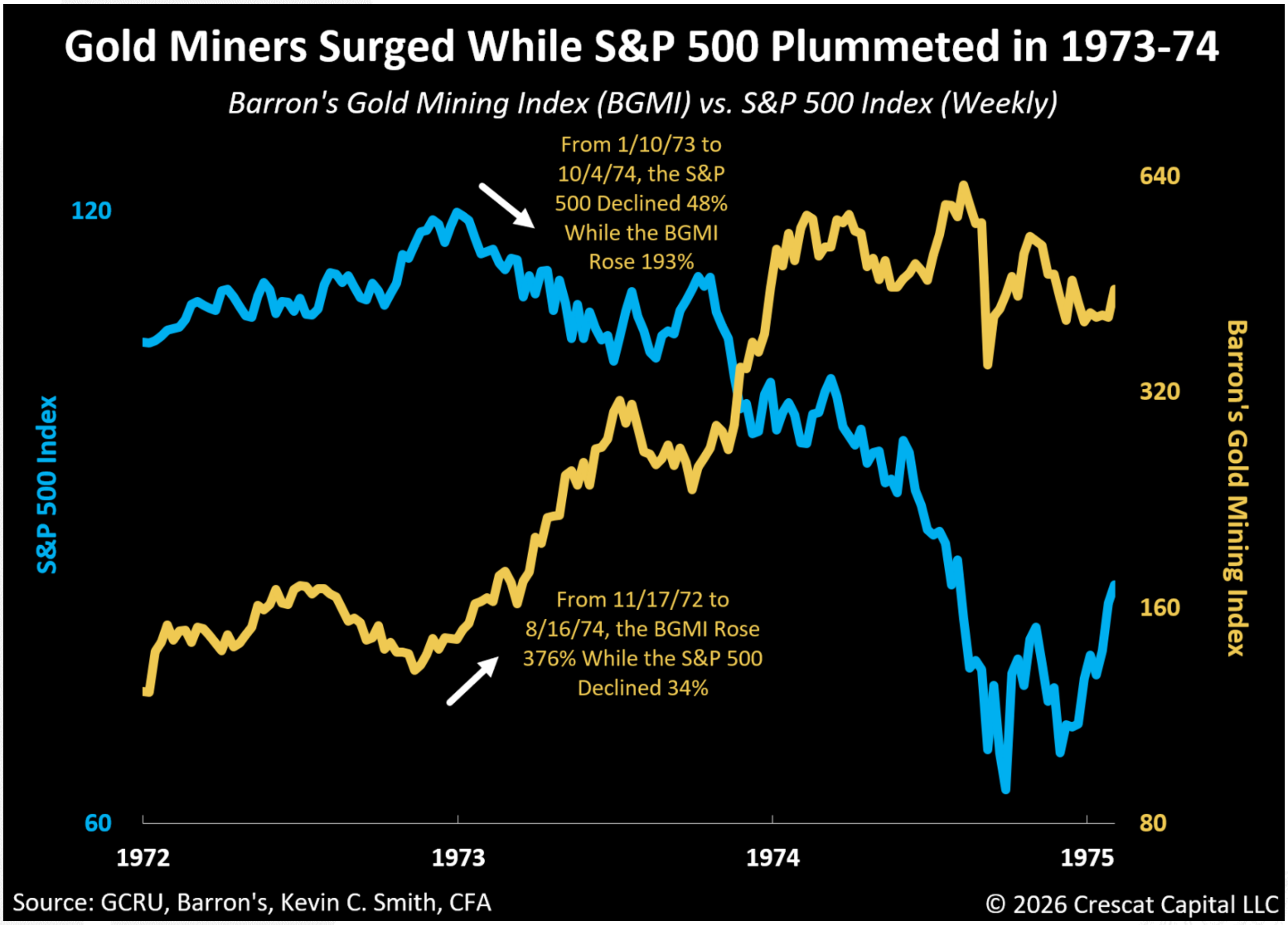
Gold Miners Surged While S&P 500 Plummeted in 1973-74
Barron's Gold Mining Index (BGMI) vs. S&P 500 Index (Weekly)
From 1/10/73 to 10/4/74, the S&P 500 Declined 48% While the BGMI Rose 193%
From 11/17/72 to 8/16/74, the BGMI Rose 376% While the S&P 500 Declined 34%
S&P 500 Index
Barron's Gold Mining Index
120
60
640
320
160
80
1972
1973
1974
1975
Source: GCRU, Barron's, Kevin C. Smith, CFA
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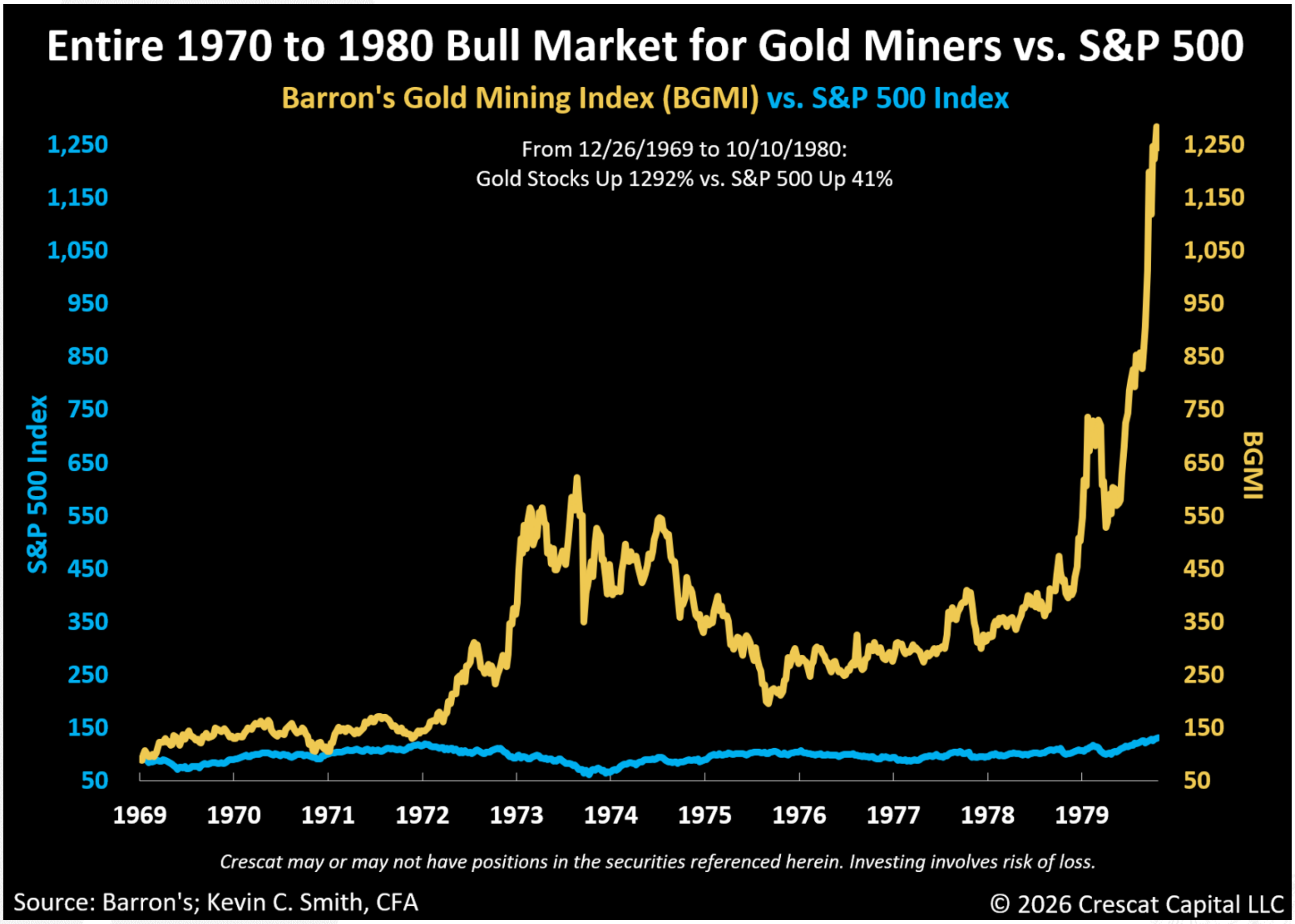
Entire 1970 to 1980 Bull Market for Gold Miners vs. S&P 500
Barron's Gold Mining Index (BGMI) vs. S&P 500 Index
From 12/26/1969 to 10/10/1980:
Gold Stocks Up 1292% vs. S&P 500 Up 41%
S&P 500 Index
BGMI
1,250
1,150
1,050
950
850
750
650
550
450
350
250
150
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1969
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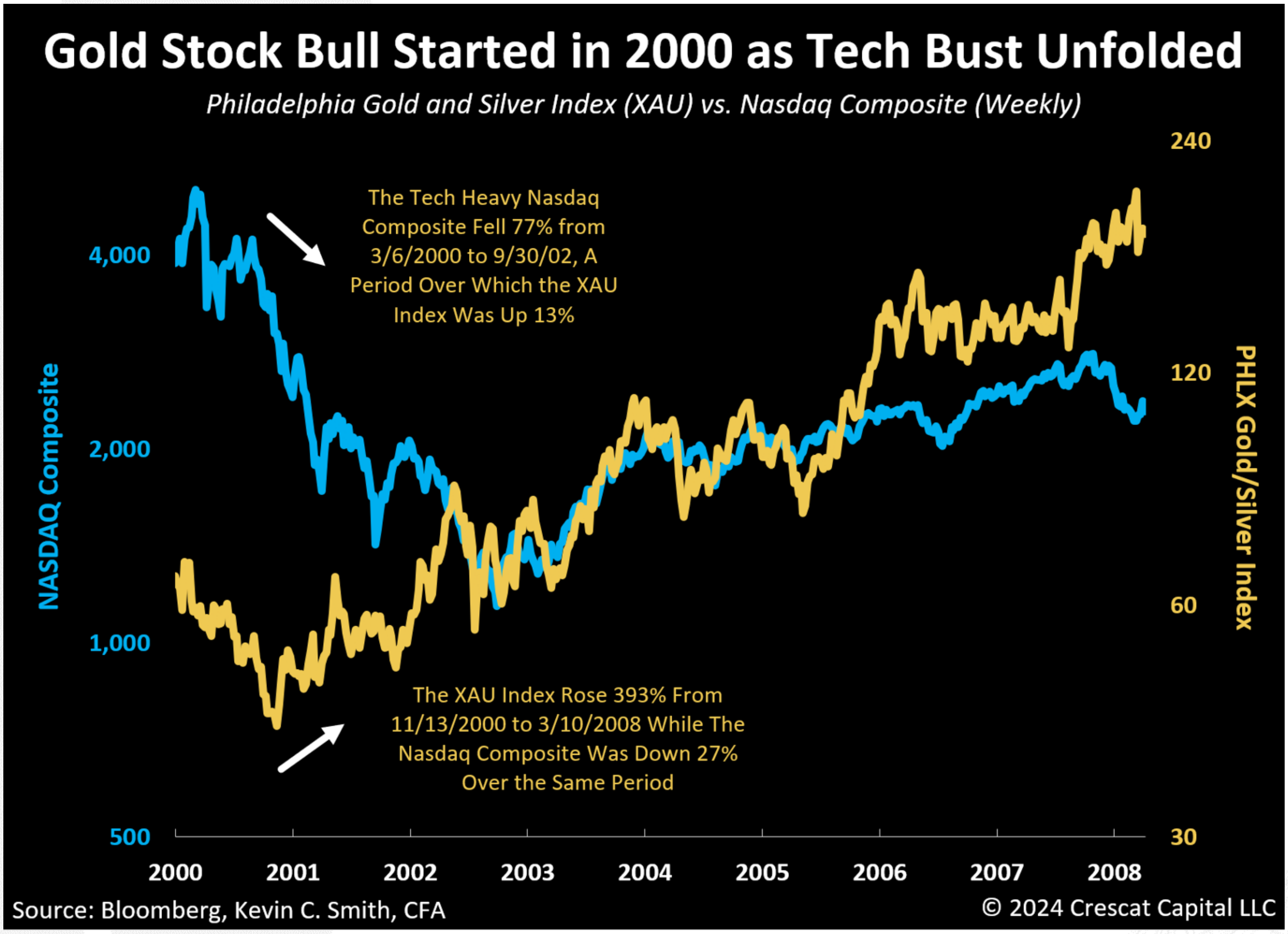

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Performance

Performance data represents past performance, and past performance does not guarantee future results. *Performance data, including Estimated Performance, is subject to revision following each monthly reconciliation and/or annual audit. Individual performance may be lower or higher than the performance data presented. The currency used to express performance is U.S. dollars. Before January 1, 2003, the results reflect accounts managed at a predecessor firm.* ***Crescat was not responsible for the management of the assets during the period reflected in those predecessor performance results. We have determined the management of these accounts was sufficiently similar and provides relevant performance information.***

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.*

The HFR Indices are being used under license from HFR Holdings, LLC, which does not approve of or endorse any of the products or the contents discussed in these materials.

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.

Hedge Fund disclosures*: Only accredited investors and qualified clients will be admitted as limited partners to a CPM hedge fund. For natural persons, investors must meet SEC requirements including minimum annual income or net worth thresholds. CPM'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 CPM'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 CPM hedge fund with the SEC. Limited partner interests in the CPM 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 CPM's hedge funds are not subject to the protections of the Investment Company Act of 1940.*

Those who are considering an investment in the Funds should carefully review the relevant Fund's offering memorandum and the information concerning CPM. ***For additional disclosures including important risk disclosures and Crescat's ADV please see our website: https://www.crescat.net/due-diligence/disclosures/***