

Item 1: Cover Page



**Crescat Portfolio Management LLC
Investment Adviser Brochure
(SEC Form ADV Part II)**

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23 March 2013

Crescat Portfolio Management LLC (CPM) is an investment adviser registered with the United States Securities and Exchange Commission (SEC). This brochure provides information about the qualifications and business practices of CPM, its parent company, Crescat Capital LLC, and its affiliated entities and principals.

If you have any questions about the contents of this brochure, please contact us at 303-271-9997 or info@crescat.net.

The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration does not imply a certain level of skill or training.

Information on Crescat hedge funds is disclosed in this brochure because it is required by the SEC. However, the information in this brochure does not constitute an offer to sell or the solicitation of an offer to buy interests in the firm's hedge funds. Such an offering is made solely by means of the fund private placement memorandum as presented by a fund principal. Only qualified investors will be admitted as limited partners to a Crescat hedge fund.

Additional information about CPM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Material changes from CPM's last annual update on January 21, 2012 include the following:

Item 4A: Kevin C. Smith, CFA, CPM's chief investment officer, increased his ownership in Crescat Capital LLC from 50% to 100% on 20 August 2012. Crescat Capital increased its ownership of affiliate Crescat Hedge Partners LLC from 75% to 100% on 14 May 2012 by acquiring a non-managing partner's interest.

Item 5A: We changed the frequency that performance-based fees are paid in CPM's affiliated hedge funds from quarterly to annually starting 1 January 2013.

Item 7: The new minimum account size is \$250,000 for all Crescat investment strategies.

CPM also has updated Part 2B attached to this brochure to remove a supplemental form for Daniel H. Hoskins Jr., a former managing partner in the firm. Mr. Hoskins was not a portfolio manager of any of the firm's primary and ongoing investment strategies.

This brochure contains no other material changes since CPM's last annual update.

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Item 4: Advisory Business

- A. **Description of Firm:** Kevin C. Smith, CFA started CPM's first investment strategy, Crescat Large Cap, in January 1999. He started the firm's second strategy, Crescat Long/Short Equity, in May 2000. He formed CPM in September 2005 and started the firm's third strategy, Crescat Global Macro, in January 2006. Mr. Smith has been the portfolio manager of each of Crescat's three investment strategies since inception.

Crescat Capital LLC is 100% owner of CPM. Mr. Smith is 100% owner of Crescat Capital LLC. Mr. Smith purchased ownership interest in Crescat Capital from former partner Daniel H. Hoskins Jr. in August 2012 to increase his ownership from 50% to 100%. Crescat Capital is 100% owner of Crescat Partners LLC, the general partner to the Crescat Global Macro Fund LP, a hedge fund. Crescat Capital is also 100% owner of Crescat Hedge Partners LLC, the general partner to the Crescat Long/Short Fund LP, a hedge fund.

- B. **Description of Advisory Services Offered:** CPM is a money management firm that manages three investment strategies:

- Global Macro (Hedge fund strategy with broad investment mandate across asset classes)
- Long/Short Equity (Hedge fund strategy focused on large and mid-cap equities)
- Large Cap Equity (Long-only, large cap managed account strategy)

The firm's investment process applies to each of the three strategies above and has three key elements:

- Top-down global macroeconomic themes
- Bottom-up data-driven fundamental analysis
- Proactive investment execution

- C. **Flexibility of Services:** CPM primarily serves clients whose primary objective is growth of capital above the rate of inflation, whose investment time horizon is long term, and whose risk tolerance is generally in line with that of U.S. and global equity and commodity market benchmarks. Our strategies may not be suitable for all investors and our clients generally allocate only a portion of their overall investable assets to one or more of Crescat's global strategies. We will tailor our recommended allocation of client assets to and among the Crescat investment strategies based upon the unique objectives and risk tolerance of each client. We can work with clients who impose investment

restrictions if they are invested in a separate account. CPM does not allow client imposed restrictions inside its hedge funds.

D. **Description of Wrap Fee Programs:** Not applicable.

E. **Mix of Client Assets:** As of 31 December 2012, CPM managed \$75.9 million of client assets. All assets are managed on a discretionary basis.

Item 5: Fees and Compensation

A. **Basis of Compensation:** CPM and its affiliates charge clients management fees and performance allocations. The payment terms and conditions of the fees and allocations available to Crescat are detailed in the relevant private placement memoranda and investor documents. Each affiliate of CPM that serves as a general partner of a Crescat hedge fund is entitled to receive a performance allocation on the net new appreciation in each account at the end of the year. Performance allocations are subject to high water marks and paid only after losses, if any, have been recovered. Crescat believes its fees are competitive with fees charged by investment advisers for comparable services although it is possible that you could find comparable services at a lower price elsewhere.

Below are the details of our fees and compensation:

Crescat Large Cap Equity Strategy: CPM charges a management fee quarterly in advance based on the assets in that account on the last day of the preceding quarter. Fees may be negotiated for institutional accounts and other unique circumstances. The schedule is as follows:

	<u>Portfolio Value</u>	<u>Quarterly Rate</u>	<u>Annualized Rate</u>
First	\$250,000	0.5000%	2.00%
Next	\$250,000	0.3750%	1.50%
Next	\$500,000	0.3125%	1.25%
Next	\$4 million	0.2500%	1.00%
Next	\$5 million	0.2250%	0.90%
Next	\$15 million	0.2125%	0.85%
Above	\$25 million	0.2000%	0.80%

Crescat Global Macro Fund LP: CPM is paid a 2% annual management fee at the end of each calendar month for acting as investment adviser to this fund. For the purpose of calculating the management fee, the net asset value of a limited partner's book capital account is determined before reduction for accrued management fees and incentive allocations, if any. CPM's affiliate, Crescat Partners LLC, the general partner to the partnership, is also paid an annual

incentive allocation after the end of each calendar year equal to 20% of the net new appreciation, defined above, of each limited partner's book capital account at the end of the year.

Crescat Long/Short Fund LP: CPM is paid a monthly management fee equal to 1.0% annually payable at the end of each calendar month for acting as the investment adviser to this fund. For the purpose of calculating the management fee, the net asset value of a limited partner's book capital account is determined before reduction for accrued management fees and incentive allocations, if any. CPM's affiliate, Crescat Hedge Partners LLC, the general partner of the Crescat Long/Short Fund, is also paid an annual incentive allocation after the end of each calendar year equal to 20% of the net new appreciation of each limited partner's book capital account during the year.

The same incentive allocation structure may apply to separately managed accounts that follow a similar strategy to the hedge funds as long as the client meets the Qualified Client standards of SEC rule 205-3 of the Investment Advisors Act.

Fees and incentive allocations may be negotiated based on unique circumstances.

- B. Method of Fee Collection:** Clients authorize CPM to deduct advisory fees from their accounts under the terms of their investment advisory agreements. Separately managed large cap clients pay management fees quarterly in advance. The hedge fund clients pay management fees monthly in arrears. Crescat Partners and Crescat Hedge Partners, the general partners of the hedge funds, deduct incentive allocations from the funds after year end if earned. If a client withdraws funds from a hedge fund, an incentive allocation may be paid on net new appreciation at the time of withdrawal. For hedge strategy separate accounts, CPM could either deduct or bill management and performance fees based upon the advisory agreement in place between CPM and the account owner.
- C. Other Fees and Expenses:** CPM clients pay other fees and expenses in connection our advisory services, including brokerage commissions, transaction costs, mutual fund fees, and custodial fees. See item 12 of this brochure for a description of brokerage practices. The hedge funds managed by CPM pay certain operating expenses including periodic legal, accounting, filing, administrative, and other expenses to third-party service providers.
- D. Timing of Fees:** CPM charges management fees to its Crescat Large Cap clients at the beginning of each quarter. If account management with Crescat is terminated, it is our policy to pay clients a refund of their pre-paid management fees, pro-rated to the date of account termination. For other separate accounts, the timing of fee deduction will be

based on the investment advisory agreement between CPM and the client. We charge management fees to its hedge fund clients monthly in arrears.

E. CPM Commissions: Not applicable.

Item 6: Performance-Based Fees and Side-By-Side Management

CPM's affiliated general partners are entitled to a performance-based fee from its hedge funds based on net annual appreciation at year-end. See Item 5A for an explanation of net annual appreciation. CPM faces a conflict of interest to execute trades in ways that favor its clients who pay performance-based fees over those clients who do not pay performance-based fees. CPM addresses this conflict of interest through its trade allocation policy:

Trade Allocation Policy

The firm is dedicated to the principle of fair and equitable trade allocation and sequencing. Crescat pre-determines where trades will be allocated among clients prior to execution. The firm will determine if a client's investment objectives and suitability profile qualify the client for participation in a trade prior to its execution. Crescat will block trade and allocate trades to client accounts at the same average price based on the pre-determined order size for each client account whenever block trading is possible and practical considering our order management systems, trading platforms, brokerage, research, and custodial services. Crescat seeks to coordinate and/or integrate these various systems and services in a way that is efficient and in the best interests of our clients as whole with respect to our fiduciary duty to seek best execution. Where average pricing is not possible or practical, or where the full size of the pre-determined order cannot be completed, the firm employs a trade rotation and allocation methodology that sequences execution and allocation of trades among its clients alphabetically first by client's custodian and/or broker-dealer and then secondly, if necessary, by client name. The firm tracks where we left off in the alphabet on the prior trade that needed to be rotated, so that clients at the end of the alphabet or not disadvantaged on the next trade that needs to be rotated.

Item 7: Types of Clients

CPM serves institutional, individual, IRA, pension, trust, corporate, LP and mutual fund clients.

Clients who invest in the hedge funds must meet the Qualified Client standards of SEC rule 205-3.

The minimum new account size is \$250,000, although this minimum may be waived in unique circumstances.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies: Crescat manages three primary investment strategies as described below.

- **Large Cap Long-Only Equity** – Our Large Cap equity investment strategy is the longest running of our investment strategies with a composite track record beginning in January 1999. The goal of the strategy is to capitalize on our global macroeconomic themes with an active concentrated portfolio of 25 to 30 long-only large cap U.S. exchange-listed stocks. This is not a hedge fund strategy and does not employ leverage or shorting. This strategy is designed for both highly sophisticated, accredited investors as well as non-accredited investors. In all cases, investors in this strategy should be long-term oriented and capable of understanding the risks of investing in equities. See Exhibit A for further information, including the Large Cap composite performance since inception and disclosures in accordance with Global Investment Performance Standards.
- **Long/Short Equity** – Our Long/Short equity hedge fund has a long bias and is the second oldest of Crescat's investment strategies with a composite track record that began in May 2000. This strategy expands upon our long-only large cap strategy by broadening the investment mandate to include mid cap stocks, short equities, and leverage to further capitalize on our macro themes and hedge against long-only equity exposure. This strategy has historically been the least risky of the three Crescat investment strategies and has outperformed the market the best during bear markets. This strategy is designed for sophisticated, long-term, accredited investors who are capable of understanding the basic elements of the investment strategy and its risks. See Exhibit B for further information, including the Long/Short equity composite performance since inception and disclosures in accordance with Global Investment Performance Standards.
- **Global Macro** - The global macro hedge fund strategy is the most aggressive and riskiest of our three strategies. We start with the same portfolio as our long/short strategy and add additional investment exposures in the commodities, currencies, futures, options, and fixed income universes in order to best capitalize on our global macroeconomic themes. We also employ leverage, derivatives, and shorting as part of this strategy. CPM

manages risk by staying within established exposure limits in our themes, asset classes, and long/short dimensions. This strategy is designed for sophisticated, long-term, accredited investors who understand the basic elements of the strategy and its risks. This is the newest of the three Crescat strategies with a composite track record that began in January of 2006. See Exhibit C for further information, including the Global Macro equity composite performance since inception and disclosures in accordance with Global Investment Performance Standards.

Crescat focuses on two key analytical methods:

- **Top-down global macroeconomic thematic analysis.** Global macroeconomic themes are big picture investment concepts that affect how we view investment opportunities in an overall country, asset class, or equity sector. These views can be based on factors such as central bank policy, fiscal policy, taxes, interest rates, gross domestic product, inflation, demographic trends, employment trends, economic cycles, and investment bubbles and busts. Examples of Crescat's recent macroeconomic themes include: Digital Evolution, U.S. Housing Recovery, China Infrastructure Bubble, Global Fiat Currency Debasement, Nanoscale, Aussie Housing Bubble, and Global Debt-to-GDP Resolution. Prospective investors and clients should request a copy of our firm presentation and our most recent macroeconomic research letters to learn more about Crescat's current themes. We provide a monthly performance attribution by macroeconomic theme as part of our monthly performance reports.
- **Bottom-up, data-driven, fundamental equity analysis.** Equities are a key component of all three Crescat investment strategies. We have a proprietary equity scoring model that analyzes the universe of the 2,000 most liquid equities (including foreign stocks) that trade on a U.S. exchange based on the dollar value of trading volume over the last six months. The universe is comprised of mostly large and mid capitalization stocks. Our model scores these stocks based on a broad array of fundamental data, including the following:
 - **Value:** Price to cash flow, trailing price to earnings (P/E), forward-looking P/E based on analysts' estimates, price to book, and P/E to growth (PEG ratios)
 - **Growth:** Historical and projected earnings growth, earnings growth acceleration/deceleration, sales growth

- **Dividend dynamics:** Dividend yield, dividend changes, earnings/dividend coverage
- **Sales and earnings dynamics:** Earnings surprise, sales surprise, analysts' earnings estimate revisions, analysts' sales estimate revisions
- **Quality:** Return on equity (ROE), gross and net profit margins, return on invested capital (ROIC)
- **Leadership:** Estimate revisions within industry, ROE within industry, margins within industry, ROIC within industry

Each of these factors is then combined to create an overall Crescat score for each stock. These stocks comprise the equity portion of the investable universe for Crescat's two hedge fund strategies. Within that equity universe, the top 1,000 market cap stocks comprise the investable universe for our large cap strategy.

The model provides an efficient framework for monitoring new and existing equity positions and for driving trading decisions. Data and formulas used in the model are frequently validated via additional research.

The equity scoring model was developed by CPM portfolio manager and chief investment officer Kevin C. Smith, CFA in 1997. It has been continuously applied and refined by Mr. Smith since then.

We do not rely exclusively on the equity model for stock analysis. We also engage in fundamental analysis including reading analyst reports, listening to conference calls, reading SEC filings, and working with collaborative networks as part of our investment research process.

Our methods of analysis and investment strategies are designed to generate investment performance and minimize downside risk, but we cannot guarantee that our methods and strategies will be successful. Many factors beyond our control can affect performance. Investing in equities and other securities involves the risk of loss, which clients should be prepared to bear.

B. Risks of Methods of Analysis: We might miss important considerations in identifying macroeconomic investment themes and in conducting data-driven equity analysis. While we can analyze many factors, we cannot know every material fact about the securities we invest in. We may develop a strong conviction based on our macro themes and data-driven analysis, and accordingly take a position in the portfolio at a time when the markets do not agree with that position, and the position may lose value. There are many factors that drive security prices that are outside of our understanding and not captured by our investment process. Our pro-active trading style can negatively impact

performance through increased brokerage commissions, other transaction costs, and taxes.

- C. Risks of Investment Securities:** CPM invests in a wide range of securities including long equities, short equities, mutual funds, exchange traded funds, commodities, commodity futures contracts, currency futures contracts, fixed income futures contracts, and options on equities, bonds and futures contracts. The investment portfolios advised or sub-advised by CPM are not guaranteed by any agency or program of the U.S. government or by any other person or entity. The types of securities that we buy and sell for clients could lose money over any time frame. CPM's investment strategies are intended primarily for long-term investors who hold their investments for substantial periods of time, typically more than five years. You should consider your investment goals, time horizon, and risk tolerance before investing in CPM's strategies and should not rely on CPM's strategies as a complete investment program for 100% of your investable assets.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

- A. Broker-Dealer Registration:** Not applicable.
- B. Commodity/Futures Registration:** Not applicable.
- C. Relationships with Related Persons:** CPM does not have any related persons that are broker-dealers, municipal securities dealers, government securities dealers, investment companies, other investment advisers or financial planners, futures commission merchants, commodity pool operators, commodity trading advisers, banking or thrift institutions, accounting firms, lawyers, or law firms, insurance companies or agencies, pension consultants, real estate brokers or dealers, or sponsors or syndicators of limited partnerships. CPM has a related person who is an accountant. Linda C. Smith, CPM's CFO and CCO, is a Certified Public Accountant. Ms. Smith does not serve as auditor or administrator for any of the firm's hedge funds. Auditing and administration for the firm's hedge funds, including preparation of partner statements, are performed by independent third party accounting firms that are not related persons. Ms. Smith from time to time may provide accounting or tax advice to a client that is incidental to the firm's investment advisory business. The firm believes this does not create any material conflict of interest with its investment advisory business.

- D. Conflicts of Interests with Other Advisors:** CPM does not recommend or select other investment advisers or receive any compensation from other advisers in any way that creates a material conflict of interest. CPM has sub-adviser agreements with other investment advisers where it receives compensation from other investment advisers and/or their clients. The firm believes that these sub-adviser agreements do not present a material conflict of interest with its clients.

Item 11: Code of Ethics, Participation in Client Transactions, and Personal Trading

- A. Code of Ethics:** CPM's Code of Ethics, based on the model of Rule 204A-1 under the Investment Advisers Act of 1940, is important in setting and maintaining a strong compliance culture at CPM. The purpose of the Code is to deter wrongdoing and to promote honest and ethical conduct, to require prompt internal reporting of violations of the Code; and accountability for adherence to the Code. It emphasizes that CPM has a fiduciary duty to act in the best interests of clients. The Code also defines Crescat's policies forbidding any trading on material non-public information, managing conflicts of interest associated with personal securities transactions of CPM personnel, and maintaining privacy of client confidential information. CPM will provide its Code of Ethics to any client or prospective client upon request.
- B. Client Transactions in Personal Holdings:** CPM's affiliates act as general partner to hedge funds in which CPM is the investment adviser. CPM's affiliates and related persons own positions in these hedge funds. The firm does view ownership in our own hedge funds as a conflict of interest with clients, rather as an alignment of interests with the clients.
- C. Personal Investments:** CPM has a personal securities trading policy that requires principals and access personnel to obtain prior approval from the chief compliance officer before making an investment in any non-exempt security. Exempt securities include the following:
- U.S. government securities;
 - money market instruments;
 - shares of money market funds;
 - shares of unaffiliated mutual funds
 - shares of unit investment trusts including exchange traded funds and unaffiliated mutual funds.
- D. Timing of Personal Trades:** CPM encourages investments by its employees and principals in its own investment strategies, which the firm views as an alignment rather

than a conflict of interest with its clients. If a principal or employee is invested in one of the firm's strategies, his or her account is traded alongside the firm's other clients in accordance with the firm's trade allocation policy. See Item 6 above for details on the firm's trade allocation policy. In addition, CPM has strict policies in place to prevent violation of any SEC Regulations such as front running or scalping by employees and principals in their personal accounts.

Item 12: Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker Dealers

1. **Research and Client Commission Benefits:** CPM receives research and brokerage services in addition to execution services from its broker-dealers and from third parties in connection with client securities transactions:
 - a. When CPM uses client brokerage commissions to obtain research and brokerage services, we receive a benefit because we do not have to produce or pay for that research or those brokerage services ourselves.
 - b. We have an incentive to select or recommend a broker-dealer based upon research and brokerage services rather than selecting a broker-dealer solely on the basis of lowest transaction cost.
 - c. We may cause you to pay commissions that are higher than those charged by other broker-dealers in return for research and brokerage services that we deem valuable to you and to us with respect to the management of your account.
 - d. We make an effort to allocate the benefits of the research and brokerage services described above proportionately to the clients who paid for them.
 - e. The types of research and brokerage services we acquire through client commissions include Bloomberg Professional Service, electronic feeds of trade data, trading platforms, real-time quotes, order management systems, analyst research reports, macroeconomic research newsletters, financial publications, and other research and brokerage services.
 - f. In the last fiscal year, CPM sought best execution for its clients by directing transactions to broker-dealers where it received best combination of valuable research and brokerage services, lowest

transaction costs, and least trading slippage. We consider all of the above factors important in our duty to seek best execution for our clients.

2. **Brokerage for Client Referrals:** In selecting or recommending broker-dealers, CPM does not consider whether it receives client referrals from a broker-dealer.
3. **Directed Brokerage:** We do not recommend, request, or require that clients engage in directed brokerage arrangements. However, clients may request in writing that we use a broker-dealer selected by the client because the designated broker provides certain benefits directly to the client. If CPM agrees, we will make our best effort to comply with the request. We will attempt to minimize any adverse effects from such an arrangement but clients should know that trades for accounts seeking directed brokerage will not be aggregated with other trades and may be executed before or after other accounts. Directed brokerage arrangements may cost the client more money than allowing CPM to select brokers.

B. Aggregation of the Purchase or Sale of Securities: Crescat will block trade and allocate trades to client accounts at the same average price based on the pre-determined order size for each client account whenever block trading is possible and practical considering our order management systems, trading platforms, brokerage, research, and custodial services. See Item 6 above for full details of our trade allocation policy.

Item 13: Review of Accounts

- A. Periodic Client Account Reviews:** We invite each client to participate in an account review at least annually. During the account review, we validate client investment objectives, review prior year performance, and discuss our investment outlook and macroeconomic investment themes. We also invite clients to validate or modify investment objectives annually.
- B. Non-Periodic Client Account Reviews:** We review client accounts for suitability if we learn of some fact or situation which might change either the investment objectives of a client or the suitability of one of our strategies for that client. We review client accounts and adjust positions, if warranted, when there is a material change in the market environment, our macro-economic themes, and/or our data-driven analytical models which happens on a non-periodic basis as a normal part of our ongoing investment process.

- C. Content and Frequency of Reports:** CPM provides monthly written reports with the composite performance for the prior month for each strategy. The reports include an attribution analysis highlighting the major causes of both positive and negative performance. Written monthly individual account statements are available through our broker/custodians for Large Cap strategy clients. We also send written individual quarterly performance reports to each of our Large Cap clients. Written monthly statements are available through third-party accountants for our hedge fund clients. Those individual account statements include balances at beginning and end of the month, net investment gains and losses, and account contributions or withdrawals.

Item 14: Client Referrals and Other Compensation

- A. Economic Benefits from Non-Clients:** Not applicable.
- B. Compensation for Client Referrals:** CPM engages marketers to refer prospective clients to CPM. Per our agreement with the marketers, they share CPM's brochure with prospective clients and disclose in writing their compensation arrangement with us. We also have an agreement with a registered broker-dealer to market our strategies whereby we pay a percentage of our management and performance fee to the broker-dealer for any client it refers.

Item 15: Custody

CPM and its related entities, the general partners of the hedge funds, employ third party custodians for all accounts managed by CPM. However, the SEC deems that CPM and the general partners have "custody" of client funds in several respects:

- We authorize payment of management fees and performance fees from managed accounts, per the terms of the Investment Management Agreement for each account.
- The SEC deems that any general partner of a private investment fund has custody over the fund by nature of its role for the fund.
- The general partners of the funds authorize payment of management fees and incentive allocations to CPM and to the general partners, per the terms of the Limited Partnership Operating Agreement for each fund.
- The general partners of the funds authorize payment to third party service providers from the funds, per the terms of the Limited Partnership Operating Agreement for each fund.
- The general partners authorize distribution of capital from Limited Partner accounts to Limited Partners upon request of the Limited Partner or by authority

of the general partner, per the terms of the Limited Partnership Operating Agreement for each fund.

Large Cap clients receive monthly statements from the custodian and quarterly statements from CPM. Private partnership clients receive e-mail notifications that they can download their monthly statements from the fund administrator.

Item 16: Investment Discretion

CPM obtains unlimited discretionary authority to manage securities for most all of its client accounts. In all cases, the client grants that discretionary authority to us through written agreement between CPM, the client, and the broker-dealer/custodian. To meet regulatory requirements with respect to certain types of investment vehicles, we may be deemed to have more limited investment authority in certain contexts. For example, CPM routinely exercises substantial discretion as a sub-adviser to a mutual fund subject to broad oversight and constraints by the principal manager and fund board. We also exercise discretion as a manager of accounts containing ERISA plan or trust assets subject to oversight and shared discretion exercised by its fiduciaries.

Item 17: Voting Client Securities

- A. Voting Policies and Procedures:** CPM does not have the authority to vote client securities.
- B. Client Receipt of Proxy Materials:** CPM clients receive proxy materials and other solicitations directly from the custodian or transfer agent. Clients may contact us at info@crescat.net if they have any questions about a particular solicitation.

Item 18: Financial Information

- A.** Not applicable.
- B.** Not applicable.
- C.** Not applicable.

Investment Adviser Brochure Supplement

Item 1: Cover Page

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31 March 2013

This brochure supplement provides information about Kevin C. Smith, CFA that supplements the CPM brochure. You should have received a copy of that brochure. Please contact us if you did not receive the brochure or if you have any questions about the contents of this supplement. Additional information about Kevin C. Smith, CFA is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Kevin C. Smith, CFA, earned a Bachelor of Arts degree in economics from Stanford University in 1986 and a Master's degree in Business Administration from the University of Chicago's Graduate School of Business in 1992 where he also earned a specialization in finance and a concentration in statistics. He was born in 1964 and is 48 years old. Mr. Smith leads the investment team at CPM and has been the portfolio manager for the Crescat Large Cap Composite since its inception over 14 years ago, the Crescat Long/Short Composite since its inception almost 13 years ago, and the Crescat Global Macro Composite since its inception over 7 years ago. He holds the Chartered Financial Analyst (CFA) designation.

The CFA program is a three-level graduate self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in several exams. The designation typically requires 2-5 years and prior qualifying experience to complete.

Item 3: Disciplinary Information

Not applicable.

Item 4: Other Business Activities

A. Engagement in Any Investment Related Business Activity:

Not applicable.

B. Engagement in Any Other Business Activity for Compensation:

Not applicable.

Item 5: Additional Compensation

Not applicable.

Item 6: Supervision

CPM has extensive policies and procedures, software systems, and other controls that seek to ensure that we manage client accounts in accordance with client investment guidelines, contractual obligations, and applicable laws and regulations. Every employee certifies in writing to his or her understanding of relevant compliance procedures. The chief compliance officer monitors compliance with procedures and performs periodic review and testing of procedures.

Under our compliance and supervision policy and procedures, every employee has the responsibility to know and follow our procedures, and is subject to supervision by the chief compliance officer. Kevin C. Smith, CFA is responsible for formulating investment advice and managing client portfolios. If you have a question about the management of your account, you can call Mr. Smith at (303) 228-7374. You also may call Linda C. Smith, chief compliance officer, at (303) 228-7371.

Exhibit A

Crescat Large Cap Composite

Net Annual Performance

From 1 January 1999 to 31 December 2012

Performance and Assets by Year

	Total Firm Assets ¹		Composite		Returns					3-Year Annualized Downside Deviation			3-Year Annualized Standard Deviation		
Year End	Regulatory Assets (\$000s)	Net Assets (\$000s)	Assets (\$000s)	# of Accts	Composite (Gross) (Net)		Russell 1000 ²	S&P 500	Composite Dispersion ³	Composite (Net)	Russell 1000 ²	S&P 500	Composite (Net)	Russell 1000 ²	S&P 500
2012	\$73,555	\$37,881	\$9,407	41	11.4%	9.9%	16.4%	16.0%	0.7%	8.4%	9.4%	9.2%	15.3%	15.6%	15.3%
2011	-	\$57,717	\$9,912	40	1.7%	0.0%	1.5%	2.1%	1.8%	9.4%	11.6%	11.5%	19.2%	19.2%	19.0%
2010	-	\$64,232	\$9,210	37	26.5%	24.4%	16.1%	15.1%	0.8%	15.5%	17.1%	16.8%	22.4%	22.6%	22.2%
2009	-	\$44,393	\$8,098	35	20.1%	18.0%	28.4%	26.5%	0.3%	15.4%	16.1%	15.8%	22.2%	20.3%	19.9%
2008	-	\$52,797	\$6,671	35	-22.0%	-23.3%	-37.6%	-37.0%	1.0%	15.3%	14.3%	13.8%	20.1%	15.8%	15.3%
2007	-	\$10,861	\$6,534	31	20.4%	18.3%	5.8%	5.5%	0.6%	9.1%	4.5%	4.4%	15.9%	7.9%	7.8%
2006	-	\$1,554	\$5,504	30	17.3%	15.2%	15.5%	15.8%	0.9%	8.9%	3.8%	3.7%	15.6%	7.1%	6.9%
2005	-	-	\$5,386	33	25.6%	23.2%	6.3%	4.9%	1.0%	7.9%	3.8%	3.8%	14.9%	9.3%	9.2%
2004	-	-	\$3,455	30	13.1%	10.8%	11.4%	10.9%	0.5%	10.5%	10.4%	10.5%	15.8%	14.9%	15.1%
2003	-	-	\$3,965	31	31.4%	29.0%	29.9%	28.7%	2.4%	15.4%	13.6%	13.6%	22.5%	18.3%	18.3%
2002	-	-	\$3,878	30	-16.8%	-18.4%	-21.7%	-22.1%	1.0%	17.4%	15.1%	15.0%	24.8%	19.0%	18.8%
2001	-	-	\$9,252	81	-3.8%	-5.6%	-12.4%	-11.9%	2.6%	15.1%	11.9%	11.6%	26.9%	17.3%	16.9%
2000	-	-	\$5,926	50	6.5%	4.3%	-7.8%	-9.1%	8.6%	NA	NA	NA	NA	NA	NA
1999	-	-	\$2,703	20	70.8%	67.8%	20.9%	21.0%	NA ⁴	NA	NA	NA	NA	NA	NA

Management Fee Schedule

Portfolio Size	Annual Fee
First \$250K	2.00%
Next \$250K	1.50%
Next \$500K	1.25%
Next \$4M	1.00%
Next \$5M	0.90%
Next \$15M	0.85%
Next \$25M	0.80%

1 Prior to 2008, the Crescat Large Cap Composite was managed by predecessor firm Smith Portfolio Management LLC. Therefore, the composite assets are not included in Crescat Portfolio Management's "Total Firm Net Assets" until 2008. Beginning in 2012, CPM started reporting "Total Firm Regulatory Assets" as required by the SEC in addition to "Total Firm Net Assets" as required by GIPS.

2 As of 1 December 2007 Russell 1000 became the primary benchmark for performance reporting and the S&P 500 is shown as additional information.

3 Composite Dispersion applies to gross returns.

4 There was only 1 account in part of the first quarter 1999, therefore an annual composite dispersion is not applicable.

GIPS® Information:

Crescat Portfolio Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Crescat Portfolio Management LLC ("CPM") has been independently verified for the periods 1 January 2006 through 31 December 2011. Smith Portfolio Management LLC ("SPM") has also been independently verified for the periods 1 January 2003 through 31 March 2008, when SPM was merged into CPM. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Crescat Large Cap Composite has been examined for the periods 1 January 2003 through 31 December 2011. The verification and

performance examination reports are available upon request. Crescat Portfolio Management LLC is an SEC-registered investment adviser and the manager of the Crescat Large Cap Composite ("Composite"). Smith Portfolio Management LLC was the manager of the Composite prior to 1 April 2008.

Crescat Large Cap Composite was created on 1 January 2003. The Portfolio Manager for the Crescat Large Cap strategy has not changed since its inception on 1 January 1999. From inception until 31 December 2002, the Portfolio Manager was affiliated with a prior firm. On 1 January 2003, the Portfolio Manager left the prior firm and substantially all the assets transferred to SPM, where they remained until 31 March 2008, when SPM was merged into CPM. Crescat Large Cap Composite was formerly known as the Blue Chip Core Equity Composite until the merger of SPM into CPM. A performance examination was conducted on Crescat Large Cap Composite beginning 1 January 2003 through 31 December 2008. Copies of the verification reports are available upon request.

Crescat Large Cap Composite contains all discretionary accounts that are managed according to the firm's large-cap equity process. The manager may invest in Top 1000 U.S. listed stocks weighted by market capitalization. From inception through November 2007, the Composite was measured against the S&P 500 Index as the benchmark for performance comparison because it was deemed to parallel the risk and return characteristics of the Composite closely. Beginning 1 December 2007, the Composite converted to the Russell 1000 Index as the primary benchmark, because the Russell 1000 most closely parallels the risk and return characteristics of the Composite. The S&P 500 is shown as additional information. The minimum account size for this Composite is \$50,000. Prior to 1 January 2006, the minimum account size for inclusion in the Composite was \$20,000.

CPM aims to deliver significant alpha in the Composite relative to the benchmark through highly selective allocation to sectors and individual stocks. As such, CPM does not aim to track the performance of the benchmark but rather to outperform it with substantial upside deviation. Because standard deviation penalizes high upside deviation, it is therefore not an appropriate risk metric for the Composite. Downside deviation is a more appropriate risk metric for the Composite because it captures downside risk but does not penalize for upside deviation. Therefore, both downside deviation and standard deviation are shown as risk metrics. CPM calculates downside deviation relative to a 0% performance level, annualizing the trailing three years of monthly performance numbers.

CPM maintains a complete list and description of composites that is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Management fees are billed quarterly in advance and waived on employee accounts. Employee accounts have not been included in the Composite since 1999. As of 31 December 1999, 3% of Composite assets were non-fee-paying accounts. All composite assets have been fee-paying for all subsequent years.

All reported returns are purely historical, are no indication of future performance, and may be adjusted subsequently if necessary. The US Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the Composite for the full year.

Exhibit B

Crescat Long/Short Composite

Net Annual Performance

From 1 May 2000 to 31 December 2012

Performance and Assets by Year													
	Total Firm Assets ¹		Composite		Returns			3-Year Annualized Downside Deviation			3-Year Annualized Standard Deviation		
Year End	Regulatory Assets (\$000s)	Net Assets (\$000s)	Assets (\$000s)	# of Accounts	Composite (Net)	Russell 3000 ³	S&P 500	Composite	Russell 3000 ³	S&P 500	Composite	Russell 3000 ³	S&P 500
2012	\$73,555	\$37,881	\$3,800	1	2.9%	16.4%	16.0%	8.2%	9.6%	9.2%	13.5%	16.0%	15.3%
2011	-	\$57,717	\$5,849	1	-4.4%	1.0%	2.1%	9.6%	11.9%	11.5%	19.0%	19.6%	19.0%
2010	-	\$64,232	\$6,806	1	24.5%	16.9%	15.1%	13.6%	17.3%	16.8%	22.7%	22.9%	22.2%
2009	-	\$44,393	\$5,778	1	18.7%	28.3%	26.5%	13.1%	16.4%	15.8%	22.3%	20.6%	19.9%
2008	-	\$52,797	\$5,195	1	-12.2%	-37.3%	-37.0%	12.6%	14.5%	13.8%	18.2%	16.0%	15.3%
2007	-	\$10,861	\$5,123	1	44.7%	5.1%	5.5%	6.5%	4.8%	4.4%	14.2%	8.3%	7.8%
2006	-	\$1,554	\$3,465	1	-5.8%	15.7%	15.8%	10.2%	4.1%	3.7%	16.5%	7.6%	6.9%
2005	-	-	\$3,449	1	36.2%	6.1%	4.9%	9.3%	4.0%	3.8%	17.2%	9.6%	9.2%
2004	-	-	\$1,911	1	-10.7%	11.9%	10.9%	10.3%	10.4%	10.5%	17.2%	15.0%	15.1%
2003	-	-	\$2,207	1	26.0%	31.1%	28.7%	12.0%	13.5%	13.6%	20.8%	18.4%	18.3%
2002	-	-	\$1,979	1	1.6%	-21.5%	-22.1%	NA	NA	NA	N/A	N/A	N/A
2001	-	-	\$2,599	1	0.7%	-11.5%	-11.9%	NA	NA	NA	N/A	N/A	N/A
2000 ²	-	-	\$2,370	1	-7.0%	-8.3%	-8.4%	NA	NA	NA	N/A	N/A	N/A

1 Prior to 2008, the Crescat Long/Short Composite was managed by predecessor firm Smith Portfolio Management LLC. Therefore, the Crescat Long/Short Composite assets are not included in Crescat Portfolio Management's "Total Firm Net Assets" until 2008. Beginning in 2012, CPM started reporting "Total Firm Regulatory Assets" as required by the SEC in addition to "Total Firm Net Assets" as required by GIPS.

2 Returns, Downside Deviation and Standard Deviation in the year 2000 represent a partial period starting 1 May 2000 (date of inception).

3 Russell 3000 serves as the primary benchmark for performance reporting.

GIPS® Information:

Crescat Portfolio Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Crescat Portfolio Management LLC ("CPM") has been independently verified the periods 1 January 2006 through 31 December 2011. Smith Portfolio Management LLC ("SPM") has also been independently verified for the periods 1 January 2003 through 31 March 2008, when SPM was merged into CPM. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Crescat Long/Short Composite's performance has been examined for the periods 1 January 2003 through 31 December 2011. The verification and performance examination reports are available upon request. Crescat Portfolio Management LLC is an SEC-registered investment adviser and the manager of the Crescat Long/Short Composite ("Composite"). Smith Portfolio Management LLC was the manager of the Composite prior to 1 April 2008.

The Composite was created on 1 January 2003. The Portfolio Manager for the Composite has not changed since inception on 1 May 2000. From inception until 31 December 2002, the Portfolio Manager was affiliated with a prior firm. On 1 January 2003, the Portfolio Manager left the prior firm and substantially all the assets transferred to SPM, where they remained until 31 March 2008, when SPM was merged into CPM.

The Composite contains all accounts that are managed according to CPM's long/short all-cap equity process. The manager invests in large and mid cap U.S. listed stocks. The manager sometimes employs leverage through purchase of equities on margin; consistently sells equities short; and infrequently acquires options. Beginning December 2007, the Russell 3000 is shown for comparison purposes, as it mirrors the all-cap universe and the equity only scope of the composite. The S&P 500 Index is also used as a benchmark for performance comparison.

CPM aims to deliver significant alpha in the Composite relative to the benchmark through highly selective allocation of long and short positions to sectors and individual stocks. As such, CPM does not aim to track the performance of the benchmark but rather to outperform it with substantial upside deviation. Because standard deviation penalizes high upside deviation, it is therefore not an appropriate risk metric for the Composite. Downside deviation is a more appropriate risk metric for the Composite because it captures downside risk but does not penalize for upside deviation. Therefore, both downside deviation and standard deviation are shown as risk metrics. CPM calculates downside deviation relative to a 0% performance level, annualizing the trailing three years of monthly performance numbers.

CPM reports performance results monthly. The US Dollar is the currency used to express performance. Returns are presented net of all applicable management fees and incentive allocations and include the reinvestment of all income. Management fees are 1% per year, payable monthly in arrears. The incentive allocation is calculated net of management fees and is 20% per year, payable annually in arrears and subject to a high water mark. CPM uses stated fees rather than actual fees when calculating net performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Other Disclosures

The Crescat Long/Short Fund LP ("CLSF") has been a part of the composite since its inception. CLSF was formerly known as the Blake Street BCM Fund LP from its inception on 1 May 2000 until the merger of SPM into CPM on 31 March 2008. The minimum investment size for the fund is \$250,000, though management reserves the right to accept lower initial investments. Fund subscriptions are accepted monthly. At the conclusion of a 1 year lock-up period, fund redemptions are processed at the end of each month and require 30 days notice. The fund management fees and incentive allocation are both waived on manager accounts.

All reported returns are purely historical, are no indication of future performance, and may be adjusted subsequently if necessary. This information does not constitute an offer to sell (nor the solicitation of an offer to buy) interest in the fund. Such an offering is made solely by means of the fund's private placement memorandum as presented by a fund principal. This information, including any attachments, is being sent to prospective investors, limited partners, and others who have requested such information. The information is not being distributed publicly, is confidential, and is not to be redistributed to any other persons without the express prior permission of the general partner. Only qualified investors will be admitted as limited partners. The firm maintains a complete list and description of composites, which is available upon request.

Exhibit C

Crescat Global Macro Composite

Net Annual Performance

From 1 January 2006 to 31 December 2012

Performance and Assets by Year													
	Total Firm Assets ¹		Composite		Returns			3-Year Annualized Downside Deviation			3-Year Annualized Standard Deviation		
Year End	Regulatory Assets (\$000s)	Net Assets (\$000s)	Assets (\$000s)	# of Accounts	Composite (Net)	MSCI	DJUBS	Composite	MSCI	DJUBS	Composite	MSCI	DJUBS
2012	\$73,555	\$37,881	\$17,782	1	2.4%	15.8%	-1.1%	10.6%	10.9%	13.1%	17.7%	17.0%	17.9%
2011	-	\$57,717	\$40,863	2	-15.2%	-5.5%	-13.4%	11.4%	12.5%	12.2%	24.1%	20.4%	18.4%
2010	-	\$64,232	\$46,765	2	28.5%	11.8%	16.7%	17.9%	18.2%	18.8%	30.7%	24.1%	24.8%
2009	-	\$44,393	\$29,441	3	32.5%	30.0%	18.7%	17.3%	17.2%	18.1%	30.5%	21.7%	23.1%
2008	-	\$52,797	\$39,235	2	-18.1%	-40.7%	-36.6%	18.7%	15.4%	18.8%	30.5%	17.3%	22.6%
2007	-	\$10,861	\$10,861	1	78.6%	9.0%	11.1%	N/A	N/A	N/A	N/A	N/A	N/A
2006	-	\$1,554	\$1,554	1	33.9%	20.1%	-2.7%	N/A	N/A	N/A	N/A	N/A	N/A

1 Beginning in 2012, CPM started reporting "Total Firm Regulatory Assets" as required by the SEC in addition to "Total Firm Net Assets" as required by GIPS.

GIPS® Information:

Crescat Portfolio Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Crescat Portfolio Management LLC ("CPM") has been independently verified for the periods 1 January 2006 through 31 December 2011. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Crescat Global Macro Composite has been examined for the periods 1 January 2006 through 31 December 2011. The verification and performance examination reports are available upon request. Crescat Portfolio Management LLC is an SEC-registered investment adviser and the manager of the Crescat Global Macro Composite ("Composite").

The Composite was created on 1 January 2006. Composite accounts are managed according to the firm's global macro investment process. The manager may invest in a broad universe of securities including currencies, commodities, equities, fixed income, and derivatives (including options and futures) across global markets. The manager may employ leverage through the purchase of securities on margin and through purchase of derivatives. The manager may engage in short selling of securities.

The MSCI World Index Free - Net ("MSCI World") and the Dow Jones UBS Commodity Index TR ("DJ UBS Commodity") have been the benchmarks for the Composite since May 2011. MSCI World best represents the Composite's equity universe, and DJ UBS Commodity best represents the Composite's commodity universe. Prior to May 2011, the Composite used a blended index (60% MSCI World and 40% Dow Jones UBS Commodity) and the S&P 500 as its benchmarks. CPM switched to MSCI World and DJ UBS Commodity in May 2011 in order to more directly show the performance of the equity and commodity investment universes. (Note the name change of the Dow Jones AIG Index TR to the Dow Jones UBS Commodity Index TR as of June 2009.)

CPM aims to deliver significant alpha in the Composite relative to benchmarks through highly selective allocation of long and short positions to asset classes, sectors and individual securities. As such, CPM does not aim to track the performance of the benchmarks but rather to outperform them with substantial upside deviation. Because standard deviation penalizes high

upside deviation, it is therefore not an appropriate risk metric for the Composite. Downside deviation is a more appropriate risk metric for the Composite because it captures downside risk but does not penalize for upside deviation. Therefore, both downside deviation and standard deviation are shown as risk metrics. CPM calculates downside deviation relative to a 0% performance level, annualizing the trailing three years of monthly performance numbers.

CPM reports performance results monthly. The US Dollar is the currency used to express performance. Returns are presented net of all applicable management fees and incentive allocations and include the reinvestment of all income. CPM uses stated fees rather than actual fees when calculating net performance. Management fees are 2% per year, payable monthly in arrears. The incentive allocation is calculated net of management fees and is 20% per year, payable annually in arrears and subject to a high water mark. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Other Disclosures

Portfolios in the CGM Composite are rebalanced after significant capital contributions and before withdrawals to minimize dispersion. Rebalancing typically occurs monthly in our fund portfolio(s).

The minimum investment size for this fund is \$250,000, though management reserves the right to accept lower initial investments. Subscriptions are accepted monthly. At the conclusion of a 1-year lock-up period, fund redemptions are processed at the end of each month and require 30 days notice. The fund management fees and incentive allocation are both waived on manager accounts.

All reported returns are purely historical, are no indication of future performance, and may be adjusted subsequently if necessary. This information does not constitute an offer to sell (nor the solicitation of an offer to buy) interest in the fund. Such an offering is made solely by means of the fund's private placement memorandum as presented by a fund principal. This information, including any attachments, is being sent to prospective investors, limited partners, and others who have requested such information. The information is not being distributed publicly, is confidential, and is not to be redistributed to any other persons without the express prior permission of the general partner. Only qualified investors will be admitted as limited partners. The firm maintains a complete list and description of composites, which is available upon request.