

Dahab Associates, Inc.  
Request for Proposal – 2016

**Large Cap Growth**

**Franklin Regional Retirement System**

Company Name	Crescat Portfolio Management LLC
Investment Style	Large Cap Growth
Product Name	Crescat Large Cap
Principal Address	1560 Broadway, #2270 Denver, CO 80202
Telephone Number	303-350-4116
Email Address	bmckelvey@crescat.net
Individual Completing this RFP	Brian McKelvey
Position	Director of Marketing and Business Development
Mailing Address (if different from above)	same
Telephone Number (if different from above)	same
Fax Number	303-271-9998
Date Completed	October 28, 2016

Firm Name	Crescat Portfolio Management LLC
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## Summary

### General Information:

Firm Name	Crescat Portfolio Management LLC
Product Name	Crescat Large Cap
<b>City, State</b> of firm's headquarters	Denver, CO
Name of Parent Company, or "Independent"	Independent
Tax-Exempt Assets Under Management	\$15mm
Total Assets Under Management	\$88mm
Year Founded	2006
Year Registered	2006
Contact Name	Brian McKelvey
Contact Number	303-350-4116
Contact Email	bmckelvey@crescat.net

Which of the following types of products are available for this search? You may offer multiple product types if you choose. Indicate with an "X." There will be room to elaborate on the product offerings elsewhere in this document.

This selection should indicate that any minimum account sizes for the product are either met or waived for this search.

Separate Account	X
Commingled Funds	
Mutual Fund	

**Equity Product Information:**

Please provide the following figures for a representative account, with the data as of **the end of 3rd Quarter 2016** only.

**Do not submit the following data for any other quarter, even if footnoted as such.**

It is acceptable to submit preliminary data, if necessary.

Only provide statistics for indicated time-periods.

**Do not put** “since inception” statistics in lieu of the requested time-period.

If statistics for a given time period are not available, leave the response area blank.

All statistics must be **based on quarterly** numbers, never monthly, even when the question isn’t explicit in that regard.

All statistics should be made with regard to the following benchmark:

**Russell 1000 Growth**

Do not submit statistical data compared to any other benchmark, even if your product is traditionally benchmarked against a different index, **even** if you choose to indicate it as such.

Product Name	Crescat Large Cap
Style (Core, Growth, Value) Please answer as to your firm’s specific classification of this product.	Growth
Typical Number of Securities Held	30-40
Portfolio Turnover, 12-month rolling (%)	172%
P/E of typical portfolio- Estimate	19x
P/E of typical portfolio- Trailing	33x
5-year information ratio	-0.11
5-Year Tracking Error	7.07
5-year Upside Capture Ratio	80.8%
5-year Downside Capture Ratio	64.2%
5-year R-squared statistic	0.65
Strategy Inception	January 1, 1999
Benchmark Used for Above and below statistics (Must be the required benchmark as indicated)	Russell 1000 Growth
Benchmark for product	Russell 1000
Total Assets In This Strategy	\$16mm
Soft/Hard Close Amount for the Strategy	\$5B

	<b>3-Year</b>	<b>5-Year</b>
Alpha	1.79%	4.82%
Batting Average (% of quarters beating benchmark)	46%	48%
Standard Deviation	9.17%	12.10%
Beta	0.61	0.82

**Firm Affiliation**

1. Is the firm independent? | Yes
2. Is the firm registered under the Investment Advisors Act of 1940? | Yes
3. Is the firm minority owned? If so, what percent? | No
4. Is the firm women owned? If so, what percent? | No
5. Is the firm a subsidiary of, or related in any way to:

A brokerage firm	No
Insurance company	No
A bank	No
Other	No

6. What is the name of the parent company? | Crescat Capital LLC

7. Please provide details of the ownership structure of the firm.

100% Employee Owned

8. If the firm is related in any fashion (financially or otherwise) to any other entity, explain.

Crescat Capital has three wholly owned subsidiaries. Crescat Partners LLC is the general partner of Crescat Global Macro Hedge Fund LP. Crescat Hedge Partners LLC is general partner of Crescat Long/Short Fund LP. Crescat Portfolio Management LLC is the SEC-registered investment advisor which manages the investments of all three strategies.

## General Background Information

1. Please indicate the types of accounts that your firm currently manages:

Domestic Equity	Yes	Socially Conscious	No
Fixed Income	No	Hedge Fund of any type	Yes
Balanced	No	Institutional Mutual Funds	No
International	No	Retail Mutual Funds	No
Global	No		

2. Please provide the location and function of each of the firm's offices.

Denver, CO is the sole location

3. Please give a brief history of the firm.

Crescat Portfolio Management was founded in 2006 and has the legacy of three GIPS compliant track records belonging to its Founder and CEO, Kevin Smith. Those track records are built upon a single investment process packaged into three portfolio products; Crescat Large Cap (est. 1999), Crescat Long/Short (est. 2000) and Crescat Global Macro (est. 2006).

4. When was the firm founded?

2006

5. When was it registered as an investment advisor?

2006

6. When did the firm begin to manage tax exempt accounts?

2006

7. Describe the level of error and omission insurance coverage the firm carries.

\$1mm

8. Are you now the subject of a SEC or other regulatory body sanction? If so, explain.

No

9. Has the firm ever been subject to a SEC or other regulatory body sanction? If so, explain.

No

10. Discuss, in detail, any litigation brought against the firm in the last five years.

None

11. Please provide details on the financial condition of the firm.

Consistently profitable with little to no debt.

12. Provide a breakdown of assets by type of Investment Strategy. (for example, Mid Cap Growth, Core Fixed Income, Emerging Markets, etc.) You may add additional rows to this table as needed.

Investment Strategy	# of Accounts	\$ Value
Crescat Large Cap	60	\$15mm
Crescat Global Macro	81	\$68mm
Crescat Long/Short	17	\$5mm

0

13. Please provide a breakdown of the **FIRMS** accounts & assets in the following table:

	# of Accounts	\$ Value
<b>Tax Exempt Assets:</b>		
ERISA	0	0
Public	0	0
Taft-Hartley	0	0
Endowment	0	0
Foundation	0	0
Religious Order	0	0
Other	37	\$8mm
<b>Total Tax-Exempt</b>	<b>37</b>	<b>\$8mm</b>
<b>Taxable Assets:</b>	<b>18</b>	<b>\$19.5mm</b>
Personal Trusts	7	\$2.5mm
Commingled	2	\$42mm
<b>Total Taxable</b>	<b>108</b>	<b>\$64mm</b>
<b>Mutual Funds:</b>	<b>1</b>	<b>\$16mm</b>
Equity	0	0
Fixed Income	0	0
Money Market	0	0
<b>Total Mutual Funds</b>	<b>1</b>	<b>\$16mm</b>
<b>Overall Total</b>	<b>146</b>	<b>\$88mm</b>

14. Provide a breakdown of the **PRODUCTS** accounts & assets in the following table:

	# of Accounts	\$ Value
<b>Tax Exempt Assets:</b>		
ERISA	0	0
Public	0	0
Taft-Hartley	0	0
Endowment	0	0
Foundation	0	0
Religious Order	0	0
Other	37	\$8.5mm
<b>Total Tax-Exempt</b>	<b>37</b>	<b>\$8.5mm</b>
<b>Taxable Assets:</b>		
Personal Trusts	7	\$2.5mm

Commingled	0	0
<b>Total Taxable</b>	<b>7</b>	<b>\$2.5mm</b>
<b>Mutual Funds:</b>		
Equity	0	0
Fixed Income	0	0
Money Market	0	0
<b>Total Mutual Funds</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>44</b>	<b>\$11mm</b>

15. What are your firm's plans for growth of these assets?

We are planning for consistent quality growth with long-term client relationships. We are not interested in "hot" money. We are currently well staffed to serve our existing client base and develop a presence in the institutional tax-exempt market. Our AUM growth objective is to grow investment management and client service resources in a manner that maintains high quality and the culture of an investment boutique. We do not seek to be all things to all people.

16. Are there plans for limiting growth in any of the above areas?

All three Crescat products use a single research process which is highly scalable. Our growth is not limited by AUM, but is limited by our ability to maintain our boutique culture and our ability to provide the highest quality service and interface with our clients. We feel comfortable with a total AUM in the \$5-10 Billion range across all products.

17. How does your firm plan to staff the growth of the firm described above?

Presently we are very well staffed. We will add investment and client service staff consistent with AUM growth and the numbers and types of clients added.

18. Give five (5) references for your services.

Available on request.

19. State the average size of the firm's 5 largest tax-exempt funds.

700k

20. Indicate the number & assets of tax-exempt accounts the **FIRM** gained & lost in each category:

Gained	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public	0	0	0	0	0	0	0	0	0	0
ERISA	0	0	0	0	0	0	0	0	0	0
Taft-Hartley	0	0	0	0	0	0	0	0	0	0
Endowment	0	0	0	0	0	0	0	0	0	0
Foundation	0	0	0	0	0	0	0	0	0	0
Religious Order	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	240k	1	50k	1	50k	1	40k
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>240k</b>	<b>1</b>	<b>50k</b>	<b>1</b>	<b>50k</b>	<b>1</b>	<b>40k</b>



Lost	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public	0	0	0	0	0	0	0	0	0	0
ERISA	0	0	0	0	0	0	0	0	0	0
Taft-Hartley	0	0	0	0	0	0	0	0	0	0
Endowment	0	0	0	0	0	0	0	0	0	0
Foundation	0	0	0	0	0	0	0	0	0	0
Religious Order	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	1	100k
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>100k</b>

21. Please discuss any unusually large number of accounts or assets lost.

None.

22. Indicate the number & assets of tax-exempt accounts the PRODUCT gained & lost:

Gained	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public	0	0	0	0	0	0	0	0	0	0
ERISA	0	0	0	0	0	0	0	0	0	0
Taft-Hartley	0	0	0	0	0	0	0	0	0	0
Endowment	0	0	0	0	0	0	0	0	0	0
Foundation	0	0	0	0	0	0	0	0	0	0
Religious Order	0	0	0	0	0	0	0	0	0	0
Other	0	0	1	50k	1	50k	1	50k	1	40k
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>50k</b>	<b>1</b>	<b>50k</b>	<b>1</b>	<b>50k</b>	<b>1</b>	<b>40k</b>

Lost	2011		2012		2013		2014		2015	
	#	\$	#	\$	#	\$	#	\$	#	\$
Public	0	0	0	0	0	0	0	0	0	0
ERISA	0	0	0	0	0	0	0	0	0	0
Taft-Hartley	0	0	0	0	0	0	0	0	0	0
Endowment	0	0	0	0	0	0	0	0	0	0
Foundation	0	0	0	0	0	0	0	0	0	0
Religious Order	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	1	100k
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>100k</b>

23. For the PRODUCT, please discuss any unusually large # of accounts or assets lost.

None.

In the following table, list the 5 clients (or all clients, if fewer than 5 in the strategy) with the most invested in the product (including clients that aren't included in the composite), and the requested details.

If the client is public (or you may disclose its name) please do. Otherwise state the type of client (e.g. Taft-Hartley, Foundation, Sub-Advisory, Mutual Fund, etc.).

For Vehicle, potential choices would include (but aren't limited to) Separate Account, Commingled Fund, CIT, Mutual Fund, etc.

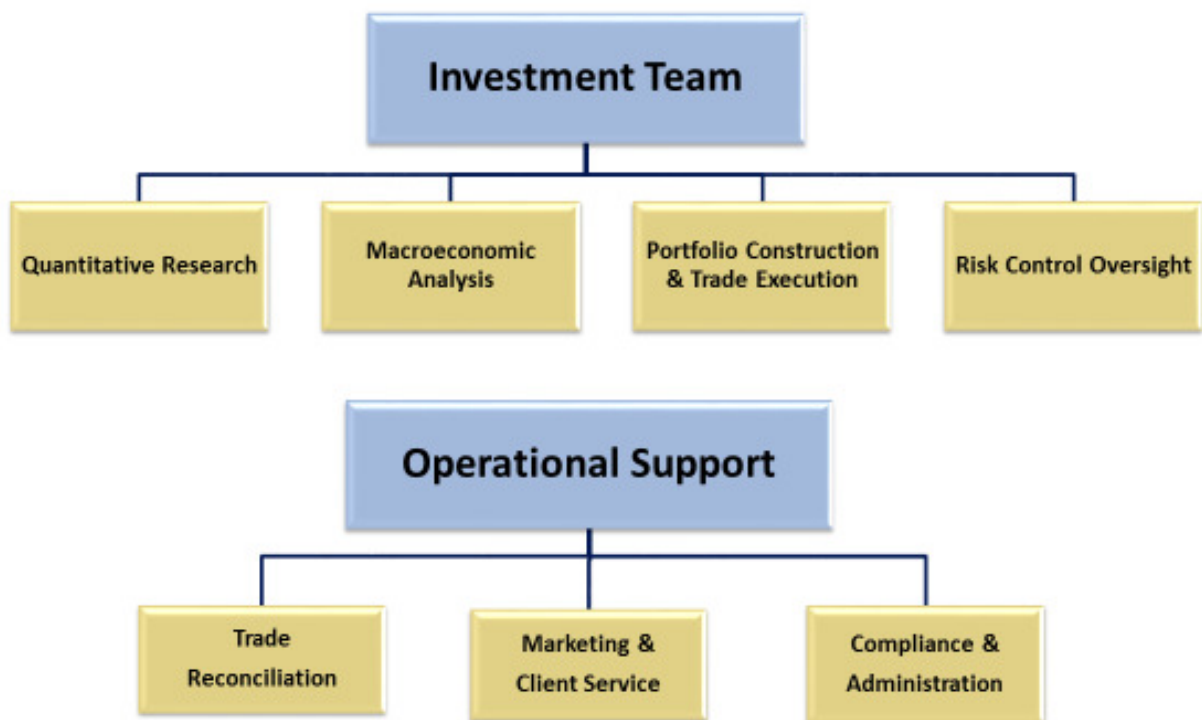
	<b>Client Name or Type</b>	<b>\$ Invested</b>	<b>State (or Nation)</b>	<b>Investment Year</b>	<b>Vehicle</b>	<b>Included In Composite?</b>
1	Taxable Individual	900k	USA	2016	Separate Acct	Yes
2	Tax-exempt	800k	USA	1999	Separate Acct	Yes
3	Taxable Individual	700k	USA	2000	Separate Acct	Yes
4	Tax-exempt	700k	USA	2003	Separate Acct	Yes
5	Tax-exempt	600k	USA	2003	Separate Acct	Yes

## Investment Philosophy Implementation

- Describe the structure of the product's investment team, including how many members the team has and the responsibilities of each member. Include an organizational chart which details the flow of information used in the decision-making process.

Kevin Smith, Founder/CIO, and Lead Portfolio Manager  
 Ben Nachtrieb, Chief Technology and Chief Risk Officer  
 Otavio "Tavi" Costa, Research Analyst  
 Nils Jenson, Research Analyst  
 Kevin Ludolph, Portfolio Analyst

### Crescat Capital Structure



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- How long have the key members of the team worked with this product? Have there been additions or departures in the last 3 years for the team managing the proposed product? Please explain.

Kevin Smith, 17 years working on product  
 Ben Nachtrieb, 10 years working on product  
 Otavio "Tavi" Costa, 4 years working on product  
 Nils Jenson, 3 years working on product  
 Kevin Ludolph, 3 years working on product  
 There have been no additions or deletions in the last 3 years.

- What is the # of accounts and account volume (in \$) that is handled by this team?

- 64 accounts comprising \$88M.
4. Do the same groups manage equity, fixed income, & balanced portfolios at the firm?  
The same group manages all the firm's AUM comprised of a single research process packaged into three portfolio products.
5. Does the firm employ a central trading desk?  
We use a centralized internal trading desk.
6. If yes, describe the trading operation & the traders' qualifications.  
The entire investment team sits on the trading desk and all are involved in trading activity replete with the ability to back one another up. It's a team effort.
7. Does the firm have an investment committee?  
Yes.
8. If yes, describe how it operates & the background/experience of the members.  
The Investment Committee meets continuously from a practical perspective because they sit on the trading desk before, during and after trading hours daily. On a formal basis, there is a weekly meeting on Monday mornings to discuss global macroeconomic and market events and issues. The Investment Committee is comprised of the following individuals:  
Kevin Smith, Founder/CIO, and Lead Portfolio Manager  
Ben Nachtrieb, Chief Technology and Chief Risk Officer  
Otavio "Tavi" Costa, Research Analyst  
Nils Jensen, Research Analyst  
The Committee meets formally every Monday morning with the entire firm and on an ad hoc basis as needed. The Committee minus Ben Nachtrieb, sit on the trading desk together during the trading day and interact continuously on the markets, the portfolio, and investment research ideas.
9. If applicable, how often does the investment committee meet?  
Formally every Monday morning and on an ad hoc basis as needed.

## Equity Investment Philosophy

1. Please indicate which categories most correctly identify the equity investment style of the product:

Large Cap	X	Core	X
Mid Cap		Bottom-Up	X
Small Cap		Top-Down	X
Micro Cap		Momentum	
All Cap		Sector Rotator	
Value	X	Market Neutral	
Relative Value		Low P/E	X
Deep Value		Quantitative	X
Growth	X	Fundamental	X
GARP		Index Funds	

2. In one or two brief sentences, please state the product's investment philosophy.

We have a macroeconomic thematic approach to investing. But we wait for valuations to be favorable before taking or changing positions, and we always construct portfolios with strict Conditional Value at Risk (CVaR) disciplines.

3. Describe the equity investment philosophy including how buy and sell decisions are made.

Through the lens of long term macroeconomic themes, we consider the 1,000 most liquid and widely followed stocks as candidates. Those 1,000 stocks are scored daily using our proprietary valuation model, and the top 20% are buy candidates. Portfolios are constructed from the top 20% using strict position size limits, proper diversification and maximum CVaR constraints applied at both the macroeconomic theme level and the overall portfolio level. Sells occur when individual positions migrate out of the top 20%, better candidates become available or as needed by risk control and portfolio diversification requirements.

4. When was the investment philosophy established?

The investment philosophy was conceived and developed in 1997, and first implemented in client portfolios in 1999. It has a continuous, GIPS compliant track record that has been continuously refined and overseen by its creator, Kevin Smith.

5. Has this philosophy been implemented for the last five years? If not, are the creators of the previous philosophy still with the firm?

Yes, this philosophy has been implemented since the inception of Crescat Portfolio Management in 2006.

6. What is considered to be the competitive advantage of the philosophy?

The advantage is superior stock identification through a proprietary valuation model, used as a tool box to exploit long-term macroeconomic themes, as determined by an insightful investment team.

7. What changes have been made to the investment process in the past 5 years?

In January 2014, after significant research, the investment team converted risk modeling from a Value at Risk (VaR) model as the metric for portfolio risk control to a Conditional Value at Risk (CVaR) model. We believe CVaR is a more conservative and refined risk measure, and that it provides a better understanding of true tail risk.

8. In what market environments is the strategy expected to outperform/underperform?

We expect the strategy to outperform in all markets over time. Our analysis of up and down market

performance demonstrates that this portfolio outperforms in down markets by more than 9% on an annualized basis and outperforms by more than 4.5% annualized in up markets.

9. Please explain any significant quarterly underperformance over the past five years.

Performance has been consistently good on an absolute basis and on a risk-adjusted basis.

10. Indicate the % of equity market capitalization as of the most recent quarter-end, as well as a range over the last three years.

	<u>Current</u>	<u>3 year range</u>
Micro Cap (<\$100mm)	0%	0%
Small Cap (\$100mm - \$2b)	4%	0-10%
Mid Cap (\$2b - \$15b)	48%	40-60%
Large Cap (>\$15b)	48%	40-60%

11. Indicate the median and average market capitalizations for the most recent quarter-end.

	<u>(Product)</u>	<u>(Benchmark)</u>
Median Market Cap	\$4B	\$8B
Average Market Cap	\$16B	\$132B

12. Please share some of the risk constraints that are used by the firm (e.g., maximum sector weightings, maximum % for an individual holding, tracking error, etc.)

Maximum limits for an individual stock or ADR is 7.5% and for a diversified ETF the limit is 10%. In addition to those constraints, the portfolio is limited by CVaR maximums. Those maximums are 150 bps for any economic theme and 200 bps for the portfolio in its entirety at a 95% confidence level.

13. Are your managers given an approved stock list?

Yes.

14. If so, how many securities are typically on that list?

400 Buy candidates.

15. Are there provisions so that securities that are not on the approved list may be purchased?

Yes.

16. Does the product invest in ADRs? If so, what are the current and maximum exposures?

Yes. 7.5% is the maximum exposure in any one ADR.

17. Does the product invest in foreign ordinary shares?

No.

18. Describe, in detail, the use of cash in the equity process.

Cash is raised for defensive purposes only.

19. What range of cash is typical?

Cash has historically averaged just under 10%. Its absolute range has been between 0.1% and 48.2%.

20. For the most recent period available please indicate the Product's top ten holdings:

	<u>Name</u>	<u>Industry</u>	<u>%</u>
(1)	SPDR Spider Gold Shares	Precious Metals	6.9%
(2)	Apple	Computers	4.9%
(3)	Twitter	Internet Content - Entertainment	3.8%

(4)	NVIDIA	Electronic Components – Semi	2.8%
(5)	Newmont Mining	Gold Mining	2.7%
(6)	Cisco Systems	Networking Products	2.6%
(7)	NetApp	Computer – Memory Devices	2.6%
(8)	Nextstar Broadcasting	Broadcast Services	2.6%
(9)	FS Networks	Internet Infrastructure – Software	2.5%
(10)	iShares Silver Trust	Precious Metals	2.5%

% Total	33.9%
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## Research

1. What percentage of research is generated internally? 100%
2. What percentage of research is obtained from outside sources? 0%
3. Please describe how the research operation within your firm works.  
Long-term macroeconomic themes are developed over time through independent research and team consensus. Themes are typically implemented on a multi-year basis. Security valuations are refreshed daily using a proprietary quantitative model and used to implement the macroeconomic themes as favorable valuations become available in the market.
4. Please describe how your firm obtains and pays for outside research reports.  
We are an investment research boutique. Research is generated internally. Outside sources are generally used for data input to the research process.
5. Please name the three primary sources of data and/or analyses upon which your firm relies.
  - (1) Bloomberg
  - (2) Goldman Sachs
  - (3) Morgan Stanley
6. Who coordinates the firm's research effort & what are their qualifications for that position.

**Kevin C. Smith, CFA**

**Founder, Chief Executive Officer, and Chief Investment Officer**

Kevin Smith is the founder, CEO, and CIO of Crescat Capital. He has 24 years of investment industry experience, including the last 17 years as a discretionary portfolio manager. He has been the portfolio manager of Crescat's three investment strategies since their inception. Kevin is the architect of Crescat's systematic, fundamental equity valuation model. Prior to Crescat, he worked as a financial advisor with Kidder Peabody and PaineWebber. He holds an MBA from the University of Chicago, Booth School of Business with a specialization in finance and a concentration in statistics. He earned an undergraduate degree in economics from Stanford University. He holds the Chartered Financial Analyst designation.



## Personnel

1. In the table below, indicate the appropriate number of employees employed in each category.

	2012	2013	2014	2015
Equity portfolio managers	1	1	1	1
Bond portfolio managers	0	0	0	0
Balanced fund managers	0	0	0	0
Equity research analysts	1	2	3	3
Bond research analysts	0	0	0	0
Economists	0	0	0	0
Management and Administrative (Compliance, Operations)	2	2	2	2
Computer professionals	outsourced	outsourced	outsourced	outsourced
Clerical	0	0	0	0
Other (Marketing, Client Service, Trading)	0	0	1	1
<b>Total</b>	<b>4</b>	<b>5</b>	<b>7</b>	<b>7</b>

2. Please provide biographical information on all key members of the proposed product's asset mgmt team, including years of experience with this asset class & years with the firm.

### **Kevin C. Smith, CFA**

#### **Founder, Chief Executive Officer, and Chief Investment Officer**

Kevin Smith is the founder, CEO, and CIO of Crescat Capital. He has 24 years of investment industry experience, including the last 17 years as a discretionary portfolio manager. He has been the portfolio manager of Crescat's three investment strategies since their inception. Kevin is the architect of Crescat's systematic, fundamental equity valuation model. Prior to Crescat, he worked as a financial advisor with Kidder Peabody and PaineWebber. He holds an MBA from the University of Chicago, Booth School of Business with a specialization in finance and a concentration in statistics. He earned an undergraduate degree in economics from Stanford University. He holds the Chartered Financial Analyst designation.

### **Ben Nachtrieb, CTO/CRO**

Ben Nachtrieb is Crescat's Chief Technology Officer and Chief Risk Officer. Ben has been on Crescat's investment team since 2011, first as an analyst and currently as CTO/CRO. Prior to Crescat, he was manager of the analytics department at Clayton IPS, a mortgage-backed security pricing and analytics firm. Ben's skills include fundamental analysis, quantitative modeling, and computer programming in multiple languages. He earned a BA in management from Indiana University and a master's degree in Finance with a concentration in investments from the University of Denver. Ben has also passed Level I of the CFA exam.

### **Otavio "Tavi" Costa, Emerging Markets Analyst**

Otavio Costa focuses on global macro themes, foreign markets, and currencies. He has been with Crescat since late 2013. "Tavi" is a native of São Paulo, Brazil and is fluent in Portuguese, Spanish, and English. Before joining Crescat, Tavi worked with the underwriting of financial products and in

international business at Braservice, a large logistics company in Brazil. Tavi graduated cum laude from Lindenwood University in St. Louis with a BA in Business Administration with an emphasis in finance and a minor in Spanish. He played NCAA Division 1 tennis for Liberty University in 2009. Tavi has passed Level I of the CFA exam.

### **Nils Jenson, Energy and Materials Analyst**

Nils Jenson focuses on the energy and materials sectors. He has been with Crescat since early 2014. Nils' specialized economics background and quantitative skills help Crescat to identify and capitalize on important sector trends. Prior to joining Crescat, Nils worked in natural resource policy for Senator Mark Udall. He holds an MS in Mineral and Energy Economics from the Colorado School of Mines and an MA in Economics from the University of Colorado. He also earned a BA in Economics from the University of Denver.

### **Kevin Ludolph, Portfolio Analyst**

Kevin Ludolph joined the Crescat team in 2014. He graduated from the University of Colorado, Leeds School of Business earning a Bachelor of Science in Business Administration with an emphasis in Finance. He is responsible for certain firm operations and client service, including maintaining fund track records and preparing month and quarter-end reports and presentations. During his time at the University of Colorado, Kevin developed strong analytical and critical thinking skills as well as programming knowledge in multiple languages.

3. In the last 3 years, how many professional employees have left the firm for any reason?

1

4. What qualifications are typical of the PMs, include yrs w/ firm, \$ under mgmt & # of accounts.

MBA with CFA designation. With firm since inception and a total of 22 years of experience.

5. Please describe the method of compensation employed for portfolio managers.

Salary plus bonus.

6. Please describe the method of compensation employed for research analysts.

Salary plus bonus.

## Client Service

1. Who would be the individual providing service for this client? Please provide a brief bio and description of responsibilities for this individual.  
**Brian McKelvey, Director of Marketing & Business Development**  
 Brian McKelvey joined Crescat in 2015, bringing more than 10 years of experience in financial services. Formerly, Brian worked as wholesaler for Transamerica Capital, Inc., marketing variable annuities and mutual funds throughout many east coast banks, wire-houses, and independent broker/dealers. Prior to Transamerica, Brian was a Financial Services Representative with a division of Citigroup. He is currently completing his BA in Finance at Regis University in Denver.
2. What information about investments made in the submitted product is available to institutional clients in this strategy? How regular/up-to-date is this information, and how detailed?  
 At Crescat, we believe in full transparency. Portfolio positions, current investment thinking, performance attribution and updates are available on a continuous basis. We will proactively provide performance reports and market commentary on a quarterly basis or as directed by the client.
3. Does your firm offer an online portal for accessing information about this product?  
 Not at this time, but we plan to do so and we are ready and eager to create one that meets the specifications of our institutional clients.
4. How often does your firm create attribution reports for the portfolio (either on a perfunctory basis, or as solicited by clients).  
 Daily.
5. Would your firm have a representative accept invitations to present to the board on a regular basis (roughly once per year, though possibly more or less often?) Would your firm be willing to have a portfolio manager present to the board as part of those presentations?  
 Yes, and Yes.

**Performance**

1. Is your firm in compliance with GIPS?
2. If yes to the above, has your GIPS compliance been audited?
3. If yes to the above, who performed the audit?

Yes
Yes
Ashland Partners & Company LLP

**Performance – as of 3Q16**

Investment Style	Large Cap Growth
Product Name Used For Performance	Crescat Large Cap
Inception Date	January 1, 1999
Account Type	Separate Account
Benchmark Used	<b>Russell 1000 and Russell 1000 Growth</b>
Portfolio Manager/Team Leader	Kevin C. Smith
Years Managing this Product	17

Only include **RETURNS FOR COMPLETE YEARS'** performance in the table below.

Do NOT place returns for partial years in the table below, even if noted as incomplete.

Partial years and their performance may **only** go in the indicated box above.

Only complete years may be included in the returns below. List incomplete years, if any, this product has had in the box to the right.	
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Commingled Funds and Separate Accounts **must** provide Gross of Fees Returns  
Mutual Funds **should** submit Gross of Fees numbers if you have access to those numbers,  
and must provide Net of Fees numbers at a minimum.

Never delete any of the below columns for any reason, even if you are leaving it blank.  
These returns are **in addition** to the requirement to submit a complete quarterly returns since inception document, as described in the instructions section at the beginning of this RFP.

Are you providing Net of Fees instead of Gross of Fees returns below? Indicate with an "X" to the right <b>only</b> if yes. Otherwise, leave blank. (Only Mutual Fund submissions may do this)	
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Period	Return Gross of Fees	Return Net of Fees	Preferred Benchmark Return	# of Accounts for Product	Assets (\$) in Composite
2006	17.33		9.07	30	6mm
2007	20.16		11.81	31	7mm
2008	-21.97		-38.44	45	7mm
2009	20.08		37.21	41	8mm
2010	26.78		16.71	37	9mm
2011	1.67		2.64	46	10mm
2012	11.62		15.26	51	9mm
2013	23.52		33.48	56	13mm
2014	13.95		13.05	53	14mm
2015	3.8		5.67	52	11mm
1 <sup>st</sup> Quarter 2016	4.98		0.74	52	14mm
2 <sup>nd</sup> Quarter 2016	4.61		0.61	54	15mm
3 <sup>rd</sup> Quarter 2016	3.27		4.58	60	16mm
Annualized 3-year	12.66		11.83		
Annualized 5-year	15.65		16.60		

## Fee Structure

- **Please note that the fee section of this RFP must be separated.**
- Do not state your firm's fees outside of the gray boxes below, or refer to outside documents.
- Do not copy/paste your fee schedule from older RFPs into this document.
- Follow the convention laid out in the Fee Structure boxes below. You may add additional “\_\_ bps on next \$\_\_ mm” lines as needed.
- **For each product type being proposed for this search, fill out its corresponding table in its entirety.**
- For products that have no minimum size, be sure to state that. If a minimum fee is used instead of a minimum account size, fill out the appropriate row.
- For products where the minimum size is either waived or has been met, still indicate the products' standard minimums, so that we have it for our records.

### Separate Account (if applicable)

Fee structure	_110_ bps on first \$__10 mm _90_ bps on next \$_5_ mm _negotiable_ bps on balance  Include <u>ALL</u> fees for the product in this space.
Minimum account size	\$10mm
Minimum annual fee (if used instead of minimum size).	N/A
Is fee structure negotiable?	Yes
Is minimum size negotiable?	Yes
If minimum account size is more than this mandate, is it waived?	Yes
Is a most-favored nation clause available and/or is the proposed fee an MFN fee?	Yes
State any legal restrictions for clients (e.g. only open to Qualified Investors, ERISA, Pension plans, etc.)	N/A

### Commingled Funds (if applicable)

Name of Fund	N/A
Fee Structure	__ bps on first \$__ mm __ bps on next \$__ mm __ bps on balance
Minimum Size	

Minimum annual fee (if used instead of minimum size).	
Is fee structure negotiable?	
Is minimum size negotiable?	
If minimum account size is more than this mandate, is it waived?	
Describe the liquidity of this vehicle	
Is a most-favored nation clause available and/or is the proposed fee an MFN fee?	
State any legal restrictions for clients (e.g. only open to Qualified Investors, ERISA, Pension plans, etc.)	

**Institutional Mutual Fund (if applicable)**

Name of Fund	N/A
Ticker	
Net Expense Ratio	__ bps
Full Expense Description	
Minimum Size	
Is minimum size negotiable, and is it being waived (if applicable)?	
Assets in This Fund	
Inception of Fund	