

“Don't Short”

Advice from a Leading Long Short Investor



ERIC STURDZA
INVESTMENTS

Equity Long / Short Investing... But without the Shorts!

“We’re a fundamental long / short equity investor, yet I want to talk to you today about why investors shouldn’t short.”

and here’s why...

Traditional shorting is fraught with too many pitfalls – our solution, single name put options.

Experience, creativity, and an open mind led us to single-name put options

- This alternative approach marries two disparate disciplines – options trading and fundamental investing.
- Incorporating intrinsic value into Black Scholes.
- Excellent preparation for management of a UCITS compliant product.

Added benefit of bandwidth and efficiency

- Asymmetric risks of shorting can lead to team paralysis.
- Options facilitate calm and opportunistic moves.

Alternative & Focused Approach to Shorting

Two Highly-Focused Short-Options Strategies

We stick with strategies that have been successful for us!

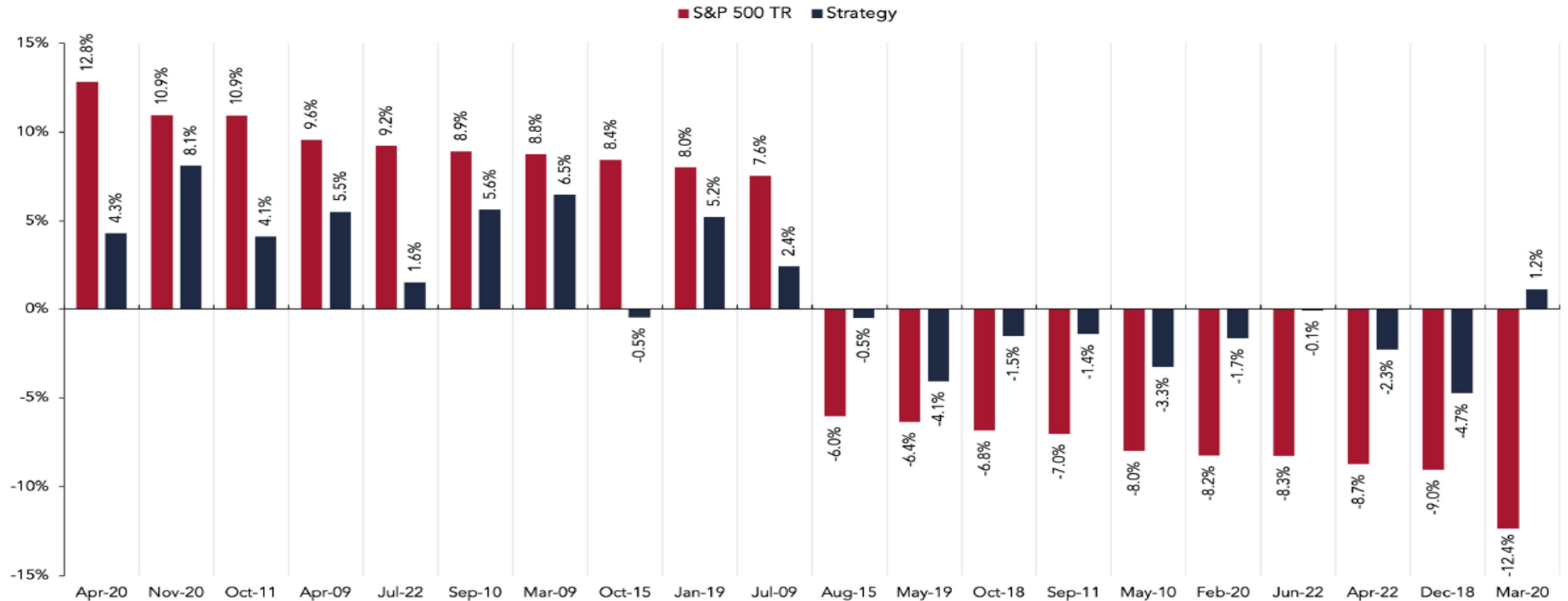
- **Young companies;** typically IPOs from the past 5 years with flawed or unproven business models.
- **Restructuring candidates;** typically mature companies that are facing, or at elevated risk of facing, balance-sheet distress.

Rare, and potential unique approach to shorting

- Unaware of peers who combine the two focused shorting strategies using single-name put option execution.
- Requires surprisingly tedious, detailed work to marry two disparate investing disciplines.
- Unpopular with prime brokers.

So Does the Unique Approach to Shorting Add Value?

Strategy Performance in Broad Market's 10 Best / Worst Months



Source: Crawford Fund Management & Morningstar. **Past performance may not be a reliable guide to future performance.** Returns could be reduced, or losses incurred, due to currency fluctuations. Performance data reflects the returns achieved by a similar strategy managed by the Investment Adviser and are not specific to the Fund.

Case Study: 2U (Short, 2016-2022)

Investment Thesis

Hot momentum online education story with enormous imbedded hypergrowth expectations

- Recurring losses and growing too quickly to maintain quality;
- Poor product-level economics and risks;
- Management proliferated programs;
- Leveraged up to fund deals/losses;
- Classic pivot from analysts cheering to challenging.

Upside Risk

2U becomes an acquisition target

- Turnaround project;
- 2U's technology or content could be repurposed.



This case study is provided for illustrative purposes only to provide an example of the firm's process and methodology. **Past performance is no guarantee of future results. The scenario and results portrayed in this case study are not representative of all of the firm's investments.** Different types of investments involve varying degrees of risk, and actual results may vary materially from those portrayed herein; therefore, it should not be assumed that the future results of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the firm) will be profitable or equal the results portrayed herein. A client's experience may vary based on its individual circumstances, and there can be no assurance that the firm will be able to achieve similar results in comparable situations. No portion of these case studies is to be interpreted as testimonial or endorsement of the firm's investment advisory services. The information contained herein should not be construed as personalized investment advice. Please contact us for additional information with respect to the strategies and/or investments described herein.

Finding Long Investments in “Unconventional Places”

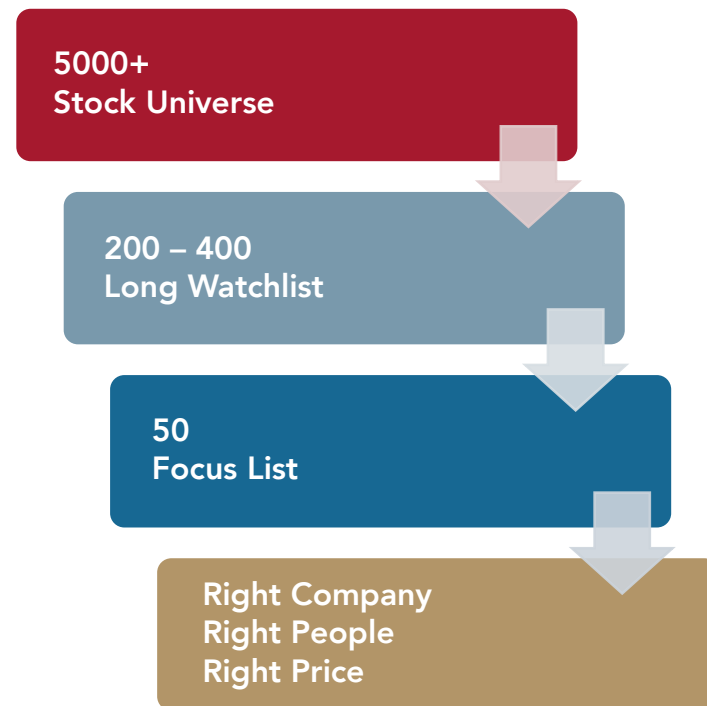
An equally uncommon approach to the long investing, differentiated culture, universe & processes

Rethink your research culture

- **Seek differentiated inputs** – it’s the only way to achieve differentiated output.
- Consider **unconventional processes, analyses, and metrics**.
- Cultivate a strong sense of **when to be aligned to the consensus and when not to be**.

Differentiate your universe and your research process

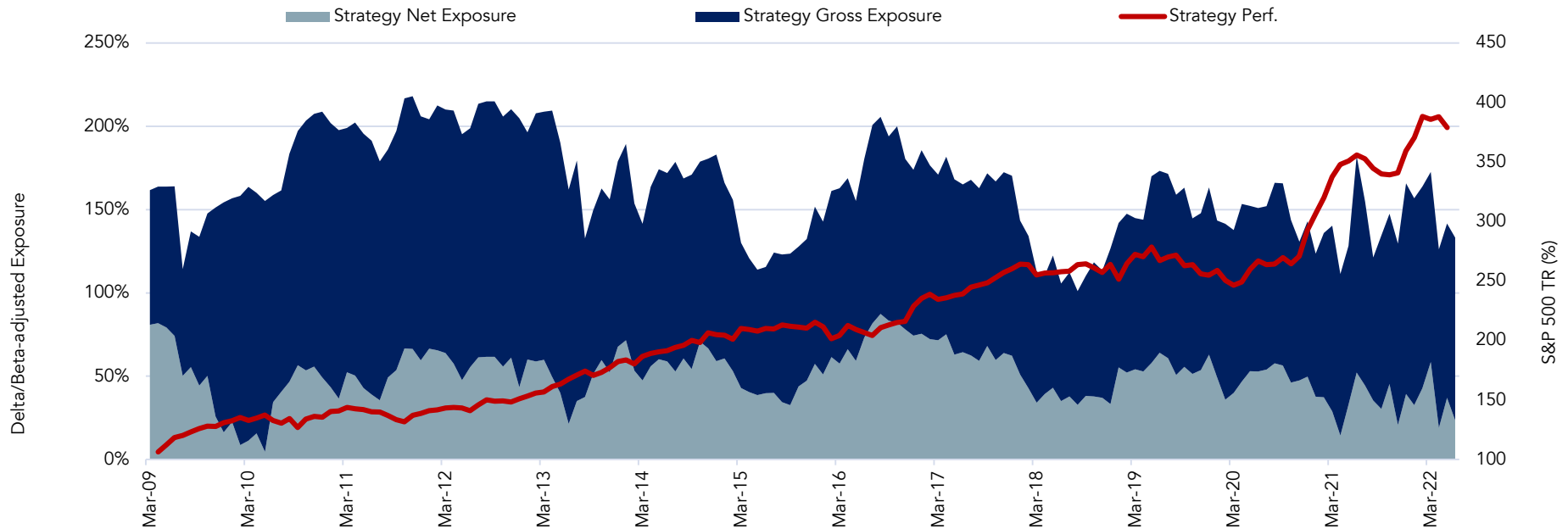
- **We’re hunters**, not farmers (both in the long and short books).
- Prioritize incentive-alignment.
- Pick – or develop – your metrics carefully and track them systematically.



True Active Management, Seeking to Deliver Alpha

A differentiated culture, research philosophy & stock picking leads to genuine active management

- **Benchmark agnostic** – no constraints
- Minimize bad turnover, maximize good turnover
 - **Exposure actively managed**



Source: Crawford Fund Management & Morningstar. **Past performance may not be a reliable guide to future performance.**

Returns could be reduced, or losses incurred, due to currency fluctuations. Performance data reflects the returns achieved by a similar strategy managed by the Investment Adviser and are not specific to the Fund.

Case study: U-HAUL (AMERCO) (2017-2021)

Investment Thesis

Attractive upside, fair value poised to grow; whilst discount gap could also narrow

- Attractive moat.
- Strong cross fertilization between storage and moving.
- Competent, experienced, incentivized management.
- Solid balance sheet.
- Millennial cohort an attractive tailwind.
- Recession-resistant business model.

Opportunity

#1 position in moving rentals, #3 in self storage

- Not widely followed and understood by the street.
- Superior owner-operator CEO.
- Stock out of favor.



This case study is provided for illustrative purposes only to provide an example of the firm's process and methodology. **Past performance is no guarantee of future results. The scenario and results portrayed in this case study are not representative of all of the firm's investments.** Different types of investments involve varying degrees of risk, and actual results may vary materially from those portrayed herein; therefore, it should not be assumed that the future results of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the firm) will be profitable or equal the results portrayed herein. A client's experience may vary based on its individual circumstances, and there can be no assurance that the firm will be able to achieve similar results in comparable situations. No portion of these case studies is to be interpreted as testimonial or endorsement of the firm's investment advisory services. The information contained herein should not be construed as personalized investment advice. Please contact us for additional information with respect to the strategies and/or investments described herein.

Re-engineering the team

Passionate investors require minimal bureaucracy to excel

Crawford's recipe for constructing and managing the team:

Do:

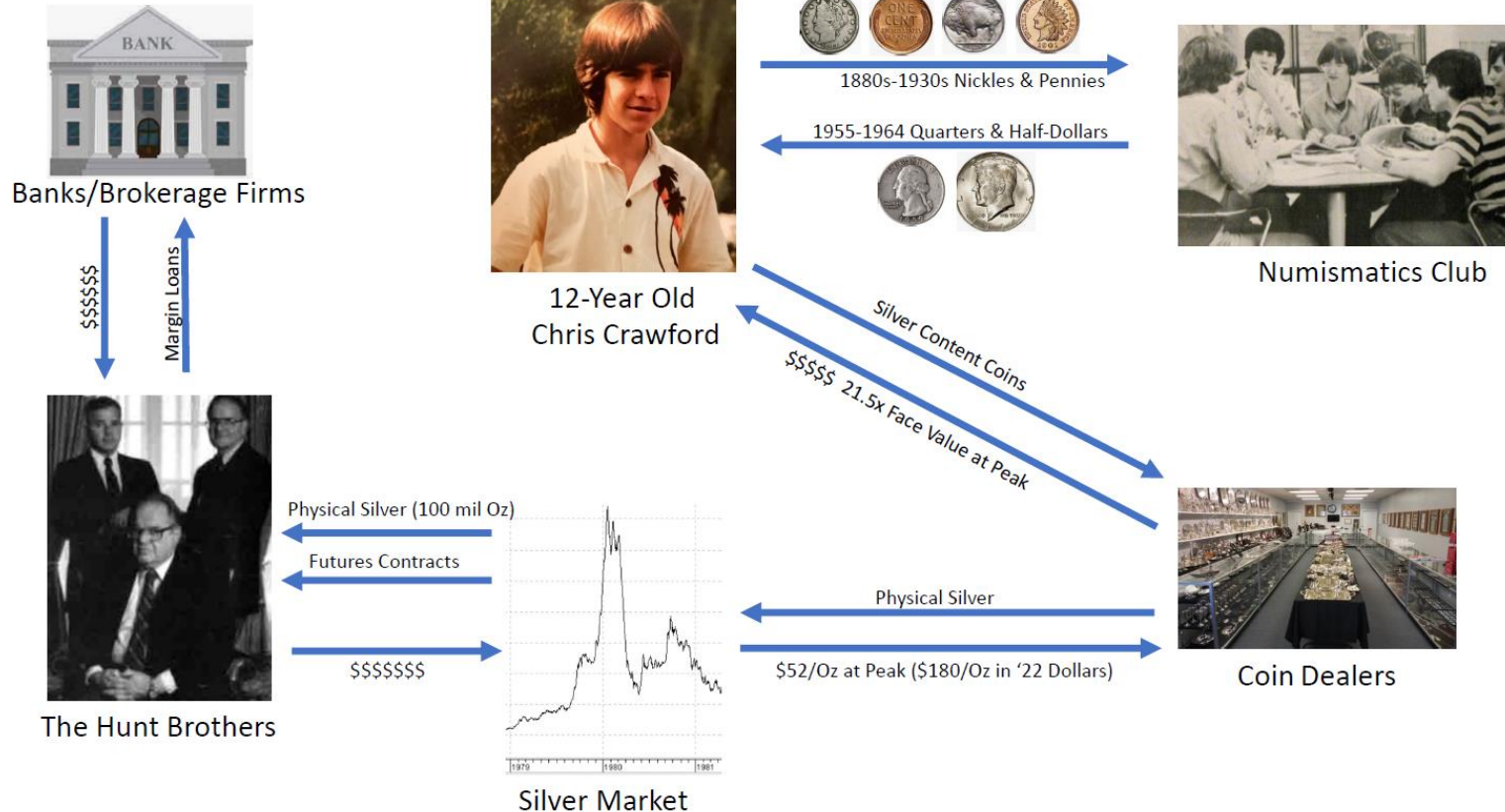
- Find people with a true passion for investing, those that arbitrated coins on the playground in 7th grade or bought their first stock at 11...
- Work with people you respect.
- Know who makes the final investment decision.

Don't:

- Hire industry specialists.
- Create hierarchy.
- Schedule meetings.
- Waste time on performance reviews.

Chris' First Trade – 1980 Arbitrage on Silver Coins

Passionate about Investing since 7th Grade



A Proven & Cohesive Team

Broad & Deep Experience Across the Investment Industry



Christopher L. Crawford

Managing Partner / Chief Investment Officer



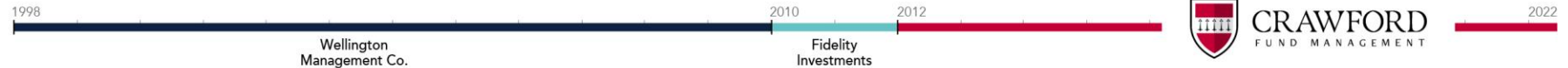
Jonathan R. Saunders

Partner / Senior Analyst



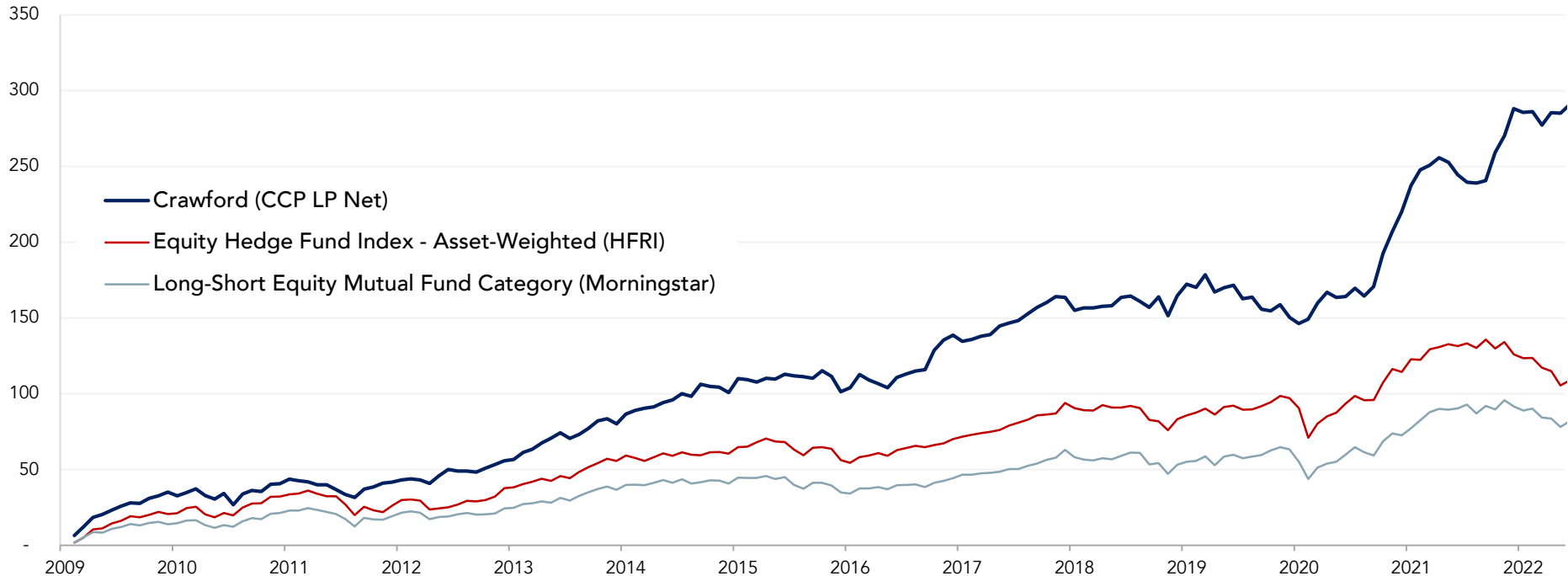
Scott L. Utzinger

Partner / Chief Operating Officer



Delivering Value & Generating Alpha for Over 13 years!

Crawford Cumulative Net Returns (%) vs. Surviving Hedged Equity Fund Peers

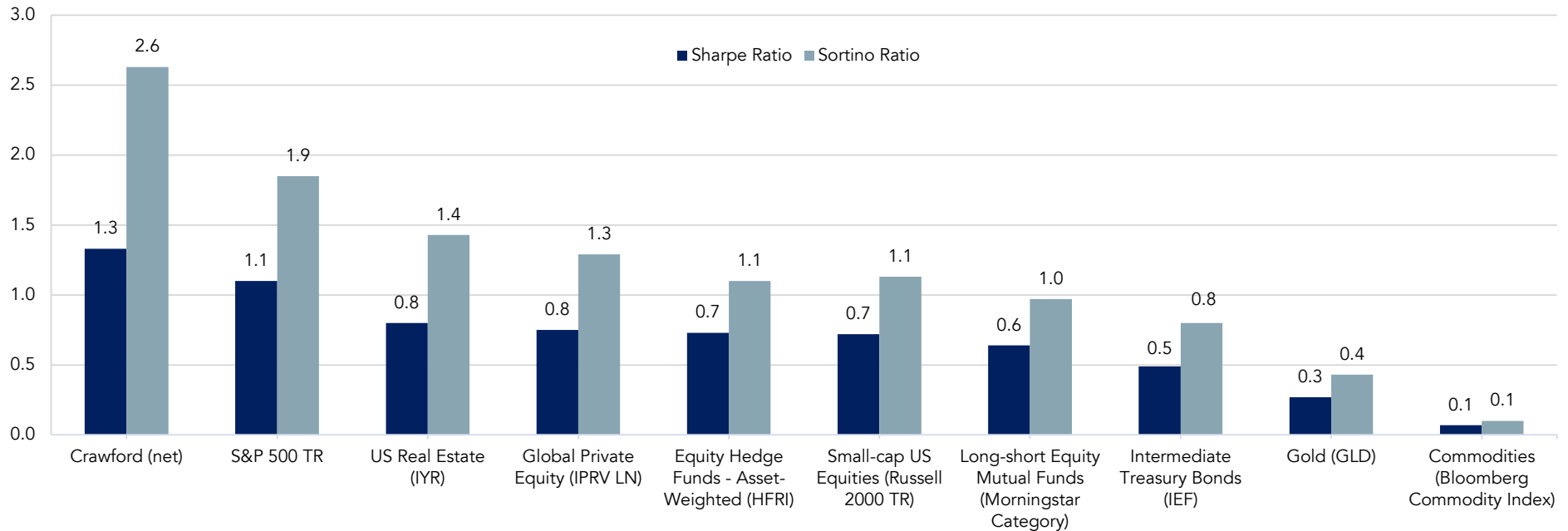


Source; Crawford Fund Management LP. **Past performance is not necessarily predictive of future performance.** Beginning in March 2021, Crawford switched from showing the Equal-Weighted version of the HFRI Equity Hedge (Total) Index to the newer Asset-Weighted version of the same index, which had lower historic returns at the time of the switch. Please see additional performance notes and disclaimers at the end of this document for important information about data sources and calculations.

Risk-adjusted Returns Evidence

Evidencing the Value of an Unconventional Approach to Long Short Investing

Crawford's Cumulative Risk-Adjusted Performance vs. Other Popular and Broadly Investible Asset Classes



Source; Crawford Fund Management LP. **Past performance is not necessarily predictive of future performance.** Beginning in March 2021, Crawford switched from showing the Equal-Weighted version of the HFRI Equity Hedge (Total) Index to the newer Asset-Weighted version of the same index, which had lower historic returns at the time of the switch. Please see additional performance notes and disclaimers at the end of this document for important information about data sources and calculations.

Performance Notes & Disclaimer

Crawford Capital Partners, LP (Crawford) ITD data begins March 2009. Results are audited through 2021; 2022 results are not yet audited and may rely on estimates. March-June 2009 are not audited fund returns; they are derived from a Schedule of Account Performance prepared by Patke & Associates, Ltd for an initial period when the General Partner was the sole investor in a predecessor account. Patke & Associates also served as the fund's initial auditor. All Crawford performance assumes the reinvestment of all income and dividends, and net performance is presented net of all management fees, incentive allocations, transaction costs and other fund expenses. More information about such fees and expenses applicable to an investment can be found in the Offering Memoranda. Crawford net returns referenced herein reflect investors paying the fund's highest fees, i.e., 1% management fees & 20% incentive allocations.

Risk-adjusted Returns: The Sharpe Ratio measures returns relative to total volatility. The Sortino Ratio measures returns relative to downside volatility and is the metric that Crawford believes best assesses the firm's dual goals of protecting and growing capital. Relative to the 70 long-biased equity long/short funds tracked by Preqin through November 2019 with similar-length track records as Crawford, i.e., launch dates during the preceding 5-10 years (March 2009-December 2014), Crawford's ITD volatility was in the 10th percentile, while ITD Sortino (MAR 2%) and ITD maximum drawdown were both in the top quartile.

Indices of Hedged Equity Funds: HFRI Equity Hedge (Total) Index comprises hedged-equity strategies with monthly returns and either 1) AUM > \$50M or 2) AUM > \$10M and track records > 12 months. **Beginning in March 2021, Crawford switched from showing the Equal-Weighted version of HFRI to the newer Asset-Weighted version of HFRI. The Asset-Weighted version of HFRI had lower trailing returns over most periods shown at the time of the change.** Most major equity indices use asset-weighting, and this change is intended to make the comparison index more realistic by reducing index volatility brought on by the smallest—and thus often least investable—funds included in the HFRI universe as well as to reduce the survivorship-bias effect. Survivorship

bias results from discontinued reporting by underperforming or shuttered funds. Survivorship bias may artificially inflate index returns, and equal-weighted private fund indices are particularly susceptible. Morningstar Long-Short Equity Mutual Fund Category comprises approximately 200 mutual funds following a long-short equity investment approach. At least 75% of these funds' assets are in equity securities or derivatives, and funds in the Category will typically have beta values to relevant benchmarks of between 0.3 and 0.8 during a three-year period. The Morningstar Long-Short Mutual Fund Category is included to broaden the comparative universe of funds following an equity long-short strategy and to attempt to minimize survivorship bias inherent in indices of fund returns. Mutual funds often have more stringent ongoing reporting requirements than private funds; therefore, survivorship bias is expected to be lower than with private fund indices.

Indices of Public Equities, Debt, or Other Asset Classes: S&P 500® is a widely followed gauge of large-cap U.S. equities; it includes 500 leading companies and covers approximately 80% of available market capitalization. Russell 2000® Index seeks to comprehensively measure the performance of the small-cap segment of the US equity universe. iShares MSCI Emerging Markets ETF (EEM) seeks to track the investment results of an index composed of approximately 1200 large- and mid-capitalization emerging market equities. iShares 7-10 Year Treasury Bond ETF (IEF) seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between seven and ten years. SPDR® Gold Trust Shares (GLD) is the largest physically backed gold ETF in the world; it is designed to track the price of gold net of Trust expenses. Bloomberg Commodity Index (BCOM) provides broad-based exposure to commodities; no single commodity or commodity sector dominates the Index. iShares Listed Private Equity UCITS ETF (IPRV LN) seeks to track the performance of an index (SPLPEQNT) composed of approximately 60 publicly-listed companies active in the private equity space. iShares U.S. Real Estate ETF (IYR) seeks to track the investment results of an index composed of approximately 115 U.S. equities in the real estate sector.

Performance Notes & Disclaimer

This document includes forward looking statements, including projections of future economic conditions. Neither Crawford nor any fund makes any representation, warranty, guaranty, or other assurance whatsoever that any of such forward looking statements will prove to be accurate. There is a substantial likelihood that at least some, if not all, of the forward looking statements included in this presentation will prove to be inaccurate, possibly to a significant degree. Past performance is not necessarily predictive of future performance.

This confidential document is accurate as of its date, and no representation or warranty is made as to its accuracy after that date. This confidential document has been prepared from original sources and data believed to be reliable; however, no representations are made to the accuracy, timeliness, or completeness thereof. Estimates are unaudited and subject to modification by administrators/auditors.

ericsturdza.com



ERIC STURDZA
INVESTMENTS