

## Independent Accountant's Report

Investors  
Crescat Portfolio Management LLC  
1560 Broadway, Suite 2270  
Denver, CO 80202

### **Report on Firm-Wide Verification and Performance Examination**

We have examined Crescat Portfolio Management LLC's (the "Company") (1) compliance with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods January 1, 2006 through December 31, 2010, and (2) design of its policies and procedures to calculate and present performance results in compliance with the GIPS standards as of December 31, 2010. We have also examined the accompanying performance presentation and Composite Disclosure Presentation of the Company's **Crescat Large Cap Composite** for the periods January 1, 2003 through December 31, 2010. For the period January 1, 2003 through March 31, 2008 a performance examination was conducted on the composite while at the predecessor firm, Smith Portfolio Management LLC. Smith Portfolio Management LLC merged with Crescat Portfolio Management LLC on April 1, 2008. The periods January 1, 1999 through December 31, 2002 represents the portfolio track record established by the Portfolio Manager while affiliated with a prior firm. We have reviewed this track record for compliance with the portability requirements of the GIPS standards.

### **Management and Accountant's Responsibility**

The Company's management is responsible for compliance with the GIPS standards, the design of its policies and procedures and for the Quarterly Performance and Composite Disclosure Presentations. Our responsibility is to express an opinion based on our examination.

### **Opinion**

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the above-mentioned requirements; evaluating the design of the Company's policies and procedures referred to above; examining, on a test basis, evidence supporting the accompanying composite performance presentation; and performing the procedures for a verification and a performance examination set forth by the GIPS standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, Crescat Portfolio Management LLC has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods January 1, 2006 through December 31, 2010;
- Designed its policies and procedures to calculate and present performance results in compliance with the GIPS standards as of December 31, 2010, and
- Complied with the portability requirements of the GIPS standards for the aforementioned track record.

Also, in our opinion, the Composite Disclosure Presentation of the Company's **Crescat Large Cap Composite** for the periods January 1, 2003 through December 31, 2010, is presented, in all material respects, in conformity with the GIPS standards.

This report does not relate to any composite presentation of the Company other than the Company's **Crescat Large Cap Composite**.

*Ashland Partners + Company LLP*  
Ashland Partners & Company LLP  
September 13, 2011

**CRESCAT PORTFOLIO MANAGEMENT LLC**  
**CRESCAT LARGE CAP COMPOSITE**  
**QUARTERLY PERFORMANCE PRESENTATION**

*Asset-Weighted Returns Gross and Net of Management Fees*  
*Results have been calculated in U.S. Dollars*

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2010	Gross	1.3%	(0.1%)	10.3%	13.3%	26.5%
	Net	0.8%	(0.5%)	9.9%	12.9%	24.4%
2009	Gross	(1.9%)	8.5%	10.2%	2.5%	20.1%
	Net	(2.4%)	8.0%	9.7%	2.1%	18.1%
2008	Gross	(2.2%)	2.3%	(14.9%)	(8.3%)	(22.0%)
	Net	(2.7%)	1.9%	(15.3%)	(8.7%)	(23.3%)
2007	Gross	2.1%	9.5%	3.8%	3.8%	20.4%
	Net	1.7%	9.0%	3.3%	3.4%	18.3%
2006	Gross	6.9%	5.4%	(1.9%)	6.2%	17.3%
	Net	6.4%	4.9%	(2.4%)	5.7%	15.2%
2005	Gross	7.7%	(2.4%)	19.1%	0.2%	25.6%
	Net	7.2%	(2.9%)	18.6%	(0.2%)	23.2%
2004	Gross	2.7%	0.4%	0.6%	9.1%	13.1%
	Net	2.2%	(0.1%)	0.1%	8.5%	10.8%
2003	Gross	(6.0%)	19.4%	8.9%	7.5%	31.4%
	Net	(6.4%)	18.9%	8.3%	7.0%	29.0%
2002	Gross	2.4%	(2.3%)	(18.5%)	2.1%	(16.8%)
	Net	1.9%	(2.7%)	(18.9%)	1.4%	(18.4%)
2001	Gross	2.5%	1.4%	(18.1%)	13.1%	(3.8%)
	Net	2.0%	1.0%	(18.5%)	12.6%	(5.6%)
2000	Gross	3.2%	(5.8%)	19.8%	(8.5%)	6.5%
	Net	2.6%	(6.3%)	19.2%	(9.0%)	4.3%
1999	Gross	9.5%	24.3%	(6.7%)	34.5%	70.8%
	Net	9.1%	23.8%	(7.2%)	33.8%	67.8%

Past performance is not indicative of future results. Performance presented prior to January 1, 2003 occurred while the Portfolio Manager was affiliated with a prior firm. The Independent Accountant's Report and the Composite Disclosure Presentation are an integral part of this presentation.



# CRESCAT LARGE CAP COMPOSITE

FROM 1 JANUARY 1999 TO 31 AUGUST 2011

Crescat Capital LLC  
1560 Broadway, Suite 2270  
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Phone: (303) 271-9997

Performance and Assets by Year								
		Composite Assets		Returns				
Year End	Firm Assets <sup>1</sup> (000s)	(000s)	# of Accts	Composite (Gross) (Net)		Russell 1000 <sup>2</sup> (Net)	S&P 500 (Net)	Composite Dispersion <sup>3</sup>
2010	\$63,889	\$8,868	36	26.5%	24.4%	16.1%	15.1%	0.8%
2009	\$44,393	\$8,098	35	20.1%	18.0%	28.4%	26.5%	0.3%
2008	\$52,797	\$6,671	35	-22.0%	-23.3%	-37.6%	-37.0%	1.0%
2007	\$10,861	\$6,534	31	20.4%	18.3%	5.8%	5.5%	0.6%
2006	\$1,554	\$5,504	30	17.3%	15.2%	15.5%	15.8%	0.9%
2005	-	\$5,386	33	25.6%	23.2%	6.3%	4.9%	1.0%
2004	-	\$3,455	30	13.1%	10.8%	11.4%	10.9%	0.5%
2003	-	\$3,965	31	31.4%	29.0%	29.9%	28.7%	2.4%
2002	-	\$3,878	30	-16.8%	-18.4%	-21.7%	-22.1%	1.0%
2001	-	\$9,252	81	-3.8%	-5.6%	-12.4%	-11.9%	2.6%
2000	-	\$5,926	50	6.5%	4.3%	-7.8%	-9.1%	8.6%
1999	-	\$2,703	20	70.8%	67.8%	20.9%	21.0%	N/A <sup>4</sup>

  

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 "Firm Assets" until 2008.
- 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 has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Crescat Portfolio Management LLC ("CPM") is an SEC-registered investment adviser and the manager of the Crescat Large Cap Composite ("Composite"). Ashland Partners & Co. LLP has independently verified CPM's compliance with GIPS for the period 1 January 2006 through 31 March 2010 and has independently verified Smith Portfolio Management LLC's ("SPM") compliance with GIPS for the period of 1 January 2003 through 31 March 2008, when SPM was merged into CPM. SPM was the manager of the Composite prior to 1 April 2008. The Crescat Large Cap Composite's performance has also been examined for the period of 1 January 2003 through 31 March 2010. Copies of the verification reports are available upon request.

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. 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 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. Additional information regarding the policies for calculating and reporting returns is 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.