1 MAIN CAPITAL

April 2021

Dear Partners,

In the first quarter, 1 Main Capital Partners, L.P. (the "Fund") returned 18.3% net of fees and expenses[1]. During the period, the S&P 500 (SPX) and Russell 2000 (RTY) Indexes returned 6.2% and 12.7%, respectively.

Performance aside, Q1 was a busy period for the partnership. We initiated several new positions, including our first private investment. We also upgraded our prime broker. Lastly, we have welcomed 10 new limited partners into the Fund year-to date.

As mentioned in prior letters, the Fund's portfolio is constructed to generate strong long-term performance. Over three, five- and ten-year periods, I expect the intrinsic value of our holdings will converge with the value created by the underlying businesses. However, the ride will not always be smooth. The reality is that there will be periods where the actual or quoted intrinsic value of our holdings will accelerate and periods where they will go in reverse. While I definitely enjoy quarters like this, where our portfolio benefits from both intrinsic value growth and market value growth, I continue to prefer evaluating our results over multi-year periods as opposed to quarterly.

Despite the strong recent performance, I remain optimistic that our portfolio as it looks today could surprise us to the upside in the coming years. Hopefully, with the passage of time and solid execution by our holdings and their respective management teams, the value of our investments will grow in line with my optimism.

First Quarter Contributors[2]

RCI Hospitality (RICK) was the largest winner in the quarter, contributing more than 6% to performance. Additionally, Alphabet Inc (GOOG), the boating basket (MBUU, MCFT, BC), Evolution Gaming (EVO.SS), The Joint (JYNT), KKR & Co (KKR), LGI Homes (LGIH), and Enlabs AB (NLAB.SS) each contributed more than 1% and, in total, added 12% to performance.

Top 5 Positions

As of December 31st, the Fund's top 5 positions were Alphabet Inc (GOOG), KKR & Co (KKR), Limbach Holdings (LMB), Pershing Square Holdings (PSH) and RCI Hospitality (RICK). Together, these holdings accounted for approximately 54% of assets. None of the top 5 are new positions for the Fund. However, some are due for an update.

Alphabet Inc (GOOG), one of the largest and most talked about companies on earth, currently presents an incredibly attractive opportunity, especially relative to its risk. While some may be skeptical that an emerging fund such as ours could have any edge at all in owning GOOG, that is precisely our edge.

[1] Performance data is presented for the Fund's Class A Interests, and is net of any accrued incentive allocation, management fees and other applicable expenses (as disclosed in the Fund's Confidential Private Offering Memorandum), include the reinvestment of dividends, interest and capital gains, and assume an investment from inception. Returns for month-end and year to date 2021 are estimated, and un-audited. For investor specific returns, please refer to your capital statements. Due to the format of data available for the time periods indicated, net returns are difficult to calculate precisely. Please see the last page for important disclosure information.

[2] Attribution is presented gross of management fees, expenses, and incentive allocations.

In other words, our ability to own GOOG without having to manufacture a variant view is one of the many competitive advantages we have compared to some larger, more institutionalized peers who may find it difficult to tell LPs that a vanilla company like GOOG is one of their favorite investments.

We are proudly running a relatively unconstrained strategy, and appreciative of our LP base that gives us the flexibility to look for the best risk / reward wherever it may lie. We also feel comfortable admitting that sometimes the most obvious bargains do hide in plain sight. In fact, despite nearly doubling since we first wrote it up in our Q2'18 letter, GOOG is just as exciting at current levels as it was back then.

Since pretty much everyone knows what GOOG does in its core business, there is no need to re-hash it here. However, I find it wild that we can own the most dominant advertising business on earth for less than 23x next year's earnings (21x ex-cash)[3]. Typically, dominant, mature, global businesses that grow revenues in-line with GDP trade at higher multiples than this. Thus, given the relatively reasonable current multiple, I do not see much risk of long-term multiple compression here.

Yet, GOOG's core advertising business, which drives all its profitability, actually grows much faster than global GDP. This is a business that has powerful secular tailwinds at its back, as advertising budgets continue to shift towards digital formats away from traditional ones. I expect this trend will continue for a long time and that current shareholders stand to benefit from the attractive growth.

Even better, GOOG's earnings are not only growing faster than the average company, but they are also being weighed down significantly by its cloud business and various other bets. It is highly likely that these current drags on profitability will at some point generate significant earnings and be worth hundreds of billions of dollars.

Additionally, the company's balance sheet is pristine. GOOG is sitting on over $100 billion of net cash. Many investors may argue that this is not a new dynamic. After all, the company has been building cash for a long time. However, the combination of GOOG's new CEO (who effectively took the reins to start 2020) and well-regarded CFO (since 2015) are slowly instilling more focus and financial discipline on the company. Costs are being watched carefully, especially within other bets, and the pace of capital return has increased significantly of late. In fact, the pace of buybacks has more than tripled to greater than $30 billion in 2020, up from less than $10 billion in 2018. I expect this upward trend of buybacks to continue.

Looking out to 2025, it is not difficult to imagine a core Google Services segment that generates close to $100 billion of annual net income, after corporate costs. If we add to that cloud, other bets and interim cash generation we could be looking at a company worth $3 trillion by the end of 2024, which would make GOOG more than a double from current levels. Not bad for a boring, well known mega-cap.

KKR & Co (KKR) is a top three global alternative asset manager. Asset management is an exceptionally good business for those that can gather assets. Basically, clients put up most of the capital and the managers get to keep a nice chunk of the profits.

[3] As of March 31, 2021 and based off Bloomberg consensus estimates.

KKR plays in the secularly growing alternative space, focusing on private equity, real estate, infrastructure, and private credit, among other areas. As a leader in its field, KKR benefits from two durable trends:

1. More and more assets are being directed to alternatives, due to their superior return profile and lower reported volatility when compared to traditional public credit and equities.
2. Leaders in alternative asset management, like KKR, are taking market share and getting a disproportionate amount of the inflows into the space.

Given the above dynamics, KKR should be able to grow its revenue and earnings at an attractive rate for as far as the eye can see. I have shared my most recent financial KKR model here, which highlights the path to 4x growth in distributable earnings per share and a $135+ stock by 2025.

Limbach Holdings (LMB) was the only one of our top holdings that was down in the first quarter. During the period, the company sought to raise equity to capitalize on the strong share price appreciation from the COVID lows and to solidify its balance sheet in preparation for an acceleration in M&A activity.

However, the way in which the raise was conducted is concerning. The first concern was that LMB decided $11.28 was a good price at which to raise equity. The company had a near net-cash balance sheet, yet still agreed to an offering at a ~25% discount to levels it was selling for pre-raise. At this price, the company was valued at less than 4x depressed 2020 EBITDA and a much lower level on normalized EBITDA.

Second, the size of the raise was quite large. LMB company sold 2.1m shares into the raise, representing ~25% of the then outstanding shares of the company at the discounted valuation noted above.

Third, given the size of the raise relative to the size of the company, LMB's banker, Lake Street, suggested pre-marketing the deal by wall-crossing certain investors. However, Lake Street largely excluded the company's existing shareholders from meetings, effectively preventing many of those who knew the business best from participating in the raise. Unfortunately, existing holders were materially diluted at a large discount while in my view LMB most certainly did not get anywhere near best execution from its banker.

Fourth, during the pre-marketing meetings, LMB narrowed full year revenue guidance downward but left full year EBITDA guidance unchanged. This type of revision is typically viewed by investors as a signal that full year EBITDA would be at the bottom of the range (given the revenue weakness), which implied disappointing Q4 profitability. Investors had to wait a full six weeks to learn that Q4 EBITDA was in fact solid. It is difficult for me to understand why EBITDA guidance was not narrowed with the raise.

Despite the above concerns, I *do* understand the desire to raise capital. LMB has had a volatile 5-year period since coming public. There were points at which margins and liquidity collapsed at the same time. A raise had the potential to ensure the company could play offense in the coming years. I get that. But the way this particular raise was executed upon and communicated to investors was suboptimal, and if you asked me to describe what a well-executed opportunistic raise looks like, this certainly would not be it.

Now, I am not usually one to play Monday morning quarterback with my investments. I have a background in private equity and understand very well that running a business is much more difficult than writing about it. I also strongly believe that CEO Charlie Bacon and his executive team are doing a great job managing the company on a day-to-day basis and have everyone's best interest at heart. I have no doubt that this is the right team to lead the company to long-term success.

However, LMB shareholders have been given reason to question the board's oversight and engagement as it relates to certain major strategic decisions that the company has undertaken since coming pubic in 2016.

The most glaring of these strategic mishaps was the pursuit of organic growth above all else, which led to LMB taking on projects requiring more labor than it had capacity to deliver. Of course, many of these projects went on to cause significant losses for the company. A push for growth above all else is irresponsible for this type of business and falls squarely within the board's oversight, as does the raise.

There are several other issues including the previously inefficient working capital dynamics of the business that management has already addressed but that the board should have been on top of sooner.

This past November, I reached out to two of LMB's board members to try to share my thoughts on several items. One ignored me completely. The other responded saying he would not take my call.

As a result, I (and some other large shareholders with whom I have spoken) have lost confidence that the entirety of the board is fully engaged and sufficiently qualified. Further, even if the board *is* having the right conversations, *simply* the uncertainty around its constitution is enough of a reason to add a fresh face or two. This is especially the case since the most recent addition to the board, who was appointed last year, was handpicked by the member he was replacing.

Last year, an investor that owned 20% of LMB aggressively sold his entire position at what appeared to be a discounted valuation. When I asked him why he was selling his stock at such a low valuation, his response was telling; he was selling because he felt his voice as a shareholder was not being heard by the company's board.

Over the last few weeks, I have spoken to a handful of the company's largest shareholders as well as former holders who have sold their shares. Many of them share similar concerns, which are clearly reflected in the company's valuation. Since coming public in 2016, LMB is effectively flat while peers FIX, EME, IESC are up 135-235% over the same period. LMB sells for 4x EBITDA. Peers sell for 8-12x.

Lastly, I have recently uncovered some additional concerns that I am attempting to address with the company in private. In the meantime, I have asked them for a single board seat, as I believe my presence would alleviate some questions that outside shareholders have and that my insights would be valuable to the company.

To date, LMB has taken much more of my time and attention than the average investment in our portfolio. However, I think the effort is worthwhile, as LMB with the right strategic direction has the most upside potential of our holdings with a below average level of business risk. If I am right, we could make many multiples of our investment here. Let's see how it plays out.

Pershing Square Holdings (PSH) is the closed-end publicly listed hedge fund managed by Pershing Square Capital Management, founded by well-known investor Bill Ackman. I first wrote about PSH in the Fund's Q2'19 letter.

Back then, the basic thesis for owning PSH was that we were buying a concentrated portfolio of vanilla, high-quality, reasonably valued, growing businesses at a 30% discount to NAV due to PSH's high-profile losses in its Valeant Pharmaceuticals long and Herbalife short positions, which were unlikely to repeat. Ackman had gone back to basics in terms of investment strategy and is unlikely to deviate going forward.

At the same time, PSH and its insiders were aggressively buying shares in the open market to capitalize on the NAV discount. Given these dynamics, I believed it was likely that the discount would narrow in the coming years driven by sustained improvement in the vehicle's performance.

Since then, PSH's performance has been strong. In 2019, PSH grew its NAV by 58% (vs 31% for the SPX). In 2020, its NAV grew by 70% (vs 18% for the SPX).

The primary driver of this strong performance has been the vehicle's underlying holdings, which have collectively done well. Additionally, Ackman successfully hedged the PSH portfolio against the COVID-19 related market volatility with timely purchases of index credit default swaps, which generated $2.6 billion of gains and added 37% to NAV in 2020. Most of these gains were reinvested into the vehicle's core holdings at depressed prices last March.

Despite the impressive growth in PSH's NAV, the discount remains at around 25%. However, I believe PSH is cheaper today at a ~25% discount to NAV than it was in 2019 at a ~30% discount due to what is likely to become a material contributor to performance in the coming years: its SPAC platform.

In Q3'20, Pershing Square launched its first SPAC, Pershing Square Tontine Holdings (PSTH). The PSTH is 100% owned by the various Pershing Square vehicles. As the largest of the Pershing Square vehicles, PSH owns approximately 90% of the PSTH sponsor.

Importantly, in return for forming the SPAC and finding a suitable target, PSTH's sponsor has been granted the right to cheaply acquire 10-year warrants representing 5.95% of the common shares of the post-SPAC entity – an incredibly valuable option. By way of its ~90% ownership interest in the PSTH sponsor, PSH will receive warrants representing 5.40% of the de-SPAC'd target.

In 2020, PSH wrote up the value of these warrants to $217 million, well above their cost of $59 million. However, the true economic value of the warrants will not be known or realized until after a business combination is announced and completed. The larger the target and the higher its expected volatility, the more the warrants will be worth.

For example, if PSTH merges with a high-growth $25 billion enterprise value company then the PSH sponsor warrants would likely be worth ~$1 billion, meaningful compared to $PSH's AUM of ~$10 billion.

Better yet, Pershing Square is likely to raise a second SPAC at some point, which for now we can call PSTH2. With each completed SPAC, the PSH entity could potentially receive an NAV boost of around 10%.

As PSH's core positions continue to perform well, and as these SPACs are completed, I believe that PSH's NAV will grow considerably in the coming years and that PSH will eventually trade at a premium to NAV rather than a discount.

We all love situations where we can benefit from high-quality, reasonable valuations and predictable growth while also having optionality for multiple expansion. PSH has all these above characteristics and more thanks to its emergent SPAC business.

RCI Hospitality (RICK) is a well-run owner and operator of gentlemen's clubs across the country. These are highly cash generative local monopolies. The company takes the cash flow generated by these clubs and reinvests it into club acquisitions and an emerging sports bar concept called Bombshells, both of which have rapid paybacks and phenomenal cash-on-cash returns.

Despite being up nearly 5x from where the Fund bought most of its shares, there is still a credible path to a more than doubling of the stock price in the coming years. I recently discussed my views on this investment at length with my friend Andrew Walker of Rangeley Capital on his YAVB Podcast. Please feel free to watch and reach out to me with any questions or comments.

New Housing Positions

In prior letters, I have outlined the reasons behind my optimism on the US housing market. More recently, I updated my views on twitter, which can be found here.

In summary, most of the excess housing inventory related to the 2008 financial crisis has finally been absorbed over the last twelve years. On top of that, demand for new housing is almost certain to inflect higher in the coming years, as those who have deferred starting families age from their 20s into their 30's, which is forcing them to choose between forming households now or never. Most will pick now.

The Fund has several positions that capitalize on this theme. Our two favorites are LGI Homes (LGIH) and Wayfair (W). The simplest way to explain these two holdings are that people will buy more houses in the next five years than they did in the prior five and these new houses will need to be furnished.

LGI Homes (LGIH) is an owner-operated entry-level home builder that has a highly differentiated strategy compared to many of its public peers. Since its 2013 IPO, LGIH has grown substantially by expanding its operations from 9 markets in 4 states to 34 markets in 18 states, while maintaining a clean balance sheet and industry leading ROEs (its trailing 5-year average ROE is 27%).

The company focuses on developing and building in affordable locations that are typically further away from urban centers than those pursued by competition. Additionally, LGIH has a highly focused sales strategy. It has a 100-day training program for its sales team member and keeps its sales centers well-staffed for 362 days per year.

As such, while typical homebuilders rely primarily on realtors to bring in buyers, LGIH sells mostly direct-to-consumer which leads to higher margins. On top of that, LGIH's units have nice finishes but very minimal customization, which allows the company to sell homes 30-90 days out, driving faster inventory turnover than peers.

In 2020, LGIH generated revenues of $2 billion, well below its largest public peers Lennar and D.R. Horton, which each reported revenue of more than $20 billion. Over time, LGIH hopes to become a top 5 builder, which would probably mean $10 billion + of annual revenues.

Given its high ROEs, LGIH can likely internally fund significant organic growth for the next 5+ years, while also opportunistically pursuing buybacks or M&A when market conditions warrant. The Fund acquired its position in LGIH at a single digit multiple of trailing GAAP net income, which is an attractive level for a high-quality business with a strong management team and attractive growth profile.

Wayfair Inc (W) is one of the largest global home goods and furniture e-commerce platforms. Despite growing revenues by more than 15x since 2013, the company's growth outlook remains bright.

To put some numbers around the opportunity, W believes that its $14 billion of 2020 revenues represented just 2% of an estimated $840 billion addressable market for the home category. More importantly, e-commerce penetration for the home category is currently only around 20%, well below some of the more mature categories which are greater than 50% penetrated.

In the coming decade, the home goods addressable market is expected to grow meaningfully, while e-commerce penetration within the category is likely to continue to expand as well. As a leader in its space, Wayfair has historically captured a disproportionate share of spend that has moved from physical retailers to online and should continue to do so.

Given these dynamics, W has suggested that it believes it can grow its revenues by 8x between now and 2030 to more than $100 billion, while generating EBITDA margins of more than 10% at maturity.

The most impressive part of Wayfair's growth to date is the capital efficiency with which it was able to operate. Despite investing heavily in building out domestic fulfillment capabilities and international expansion, the company has largely been able to internally fund revenue growth of 15x since 2013, as evidenced by just 2.5x growth in diluted shares and its net cash balance sheet for most of the period.

The company carries only $50 million of inventory against its $14 billion of revenues. It gets paid by customers almost immediately, while waiting 40 days to pay its suppliers. It is one of the most (if not the most) important customer for its suppliers but has no material supplier concentration of its own.

Despite these dynamics, Wayfair currently sells for approximately 30x trailing free cash flow. Sure, FCF overstates economic earnings due to stock-based compensation and working capital dynamics. However, as the business scales, compensation will be leveraged and working capital will continue to be a source of funds.

In my view, the reason for the depressed valuation relative to a healthy long-term growth outlook for the business is the uncertainty regarding how much of the COVID benefit will reverse in the coming year or two. However, this year's revenues will be insignificant to the long-term value of the business.

If anything, COVID has proven that W's margins can scale with volume, something that skeptics previously questioned, and which is much more relevant to the long-term business value than whether near-term revenues will temporarily reverse or not.

Recently, the lead director of W purchased $13 million worth of stock in the open market. He has shown us with his wallet what he thinks of the current valuation. We agree with him.

Naked Wines (WINE.LN)

During the quarter, the Fund also initiated a position in Naked Wines. While we have heard the WINE pitch many times in the past, the first time it really clicked was when Elliot Turner of RGA Advisors (who is a great stock picker) pitched it as his best idea for 2021 at the Manual of Ideas Conference in January. Almost immediately after his compelling presentation, I peppered Elliot with my many questions and concerns, which he graciously talked me through before handing me off to the company for some additional follow-ups. Hopefully, I can someday return the favor.

In a nutshell, WINE is a direct-to-consumer subscription-based e-commerce platform. WINE uses its favorable working capital dynamics to help fund talented wine makers who want the freedom to perform their art without the headaches and constraints of the traditional wine making model (fundraising, marketing, distribution, etc).

Since WINE is also a vineyard, it can help wine makers bypass the traditional three-tiered distribution model in the US, allowing it to charge significantly less than competition for a given quality of wine. A true win-win for customers and suppliers.

Despite being listed in the UK (due to its recent separation from a UK based wine retailer), WINE's largest market is the US, where it is a market leader in online wine sales with a roughly 20% volume share and a single-digit value share. The low value share relative to volume share exemplifies the value proposition that the company provides to its customers.

In 2020, the online wine category saw a COVID-fueled acceleration, and the habits formed during the period are likely to be durable. Yet, even after the move, the category remains very underpenetrated relative to its long-term potential. Given the above dynamics, I believe that over the coming years WINE will continue to take share of online wine sales, which will continue to take share from traditional retailers. Share gains on share gains can be a pretty powerful combination.

Like our Wayfair investment, WINE's share price has been held back due to concerns over how 2021 will play out. After all, the business did see a big benefit from COVID, and some of the gains may possibly reverse. However, over the medium term, the business remains incredibly well positioned to capitalize on a large market opportunity while enjoying strong cash generation and compelling unit economics.

At the Fund's entry valuation of less than 1.5x calendar 2020 revenues, I believe we acquired WINE for approximately 15x normalized EBIT, which is a great value for a business of this quality and with this type of long-term growth potential. If I am right, it is only a matter of time before more investors wake up to the opportunity.

Outlook – Reflation or Inflation?

A few weeks ago, I was grabbing beers with a few buddies when they asked me for my thoughts on inflation. Given all the talk out there on the subject, I want to share my views and encourage a discussion.

According to the IMF, inflation is the rate of increase in prices over a given period. We should all care about inflation because when prices rise, all else being equal, our purchasing power erodes. While inflation is usually measured in averages across the economy, it actually occurs on a micro level.

Simplistically, inflation for a specific good, service or asset happens when demand is greater than supply. Not surprisingly, the things that see the most inflation are usually the ones where supply is limited. Think of a sold-out concert, beachfront real estate, or a Picasso painting.

Over the last few decades, global demand and supply have been balanced. The outcome: tepid inflation.

Demand growth has been very manageable due to a disproportionate share of global GDP growth flowing to the wealthy, who tend to save rather than consume their marginal income. As such, the marginal savings rate grew which tempered demand.

A high marginal savings rate has had the effect of pushing interest rates lower, since when lots of wealth is saved rather than consumed, it looks for a home and is forced to accept increasingly lower returns. A high savings rate also pressures wages. After all, companies get more efficient each year, so without a lot of demand growth they need less employees each year to produce their goods and services.

Wage declines leads to higher corporate profits. Lower interest rates push asset prices and market multiples higher. This is a self-reinforcing dynamic where the rich get richer while the working class runs in place.

However, at some point this feedback loop becomes self-correcting (or self-destructive, depending on which side of the table one is on). Eventually, labor is likely to demand a regime change. While I believe COVID accelerated this dynamic, in my view it was bound to happen regardless.

In regime change, government is likely to facilitate a transfer of wealth from corporations and the wealthy towards labor and the middle class. They will do this via some combination of fiscal stimulus (handing out money to people), fiscal spending (infrastructure package should create jobs), higher minimum wages or higher taxes. So, while some may be looking for a temporary reflation followed by more of the same, I think sustained inflation is not out of the question and a risk every investor should be prepared for.

As wealth gets transferred to the middle class, they tend to consume more rather than save, which leads to higher demand, higher inflation, and higher rates. In a higher rate environment, investors gravitate towards owning businesses with current profits or a credible path to medium term profitability.

Now, 1 Main Capital is not a macro fund, but we are certainly macro aware. So, how are we incorporating this awareness into our portfolio holdings? Fortunately, we do not have to do much. We have always underwritten our investments with the underlying assumption that inflation and rates will normalize. In other words, you will never see us applying 30x earnings multiples (and certainly not 30x EBITDA) to any of our investments as we think about our out-year price targets.

So, while markets are at their highs, valuations remain largely reasonable, with the valuations of our holdings even more so. In short, we are ready for a one-time reflation or sustained inflation, whichever may come. We will also continue to seek to high-grade our portfolio over time, and certainly think that our best days are in front of us.

<u>Other Updates</u>

Year-to-date, we have welcomed 10 new LPs into the Fund. I am appreciative of those of you who have been sending your friends our way, and for everyone who is trusting our partnership as a steward of their hard-earned savings.

The Fund also made its first private investment in January, in the form of convertible preferred equity instrument that should be a bridge to the investee coming public later this year. The position currently represents a low single digit percentage of our assets, and I will provide additional color on it by year end.

Lastly, we have upgraded the Fund’s prime broker to Jefferies. My relationship with Jefferies goes back to my days at Altalis and Glenhill Capital. Rich has had a relationship with them that goes back for many years as well. While they have been encouraging me to come over since the Fund’s inception, the timing finally made sense. We look forward to working with the Jefferies team and expanding our relationship with them over time as the Fund grows.

As always, thank you for your continued support and confidence. Please reach out with any questions at yaron@1maincapital.com or 305-710-8509.

Sincerely,
Yaron Naymark

1 MAIN CAPITAL

Monthly Performance Summary[4]

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
1 Main Capital Partners - Gross	10.5%	10.0%	1.1%										22.9%
1 Main Capital Partners - Net	8.4%	8.1%	0.9%										18.3%
S&P 500 index - incl dividends	-1.0%	2.8%	4.4%										6.2%
Russell 2000 - incl dividends	5.0%	6.2%	1.0%										12.7%

	One Year	Three Year	Since Inception	Inception Annualized
1 Main Capital Partners - Gross	123.4%	34.9%	147.2%	33.1%
1 Main Capital Partners - Net	96.4%	27.3%	107.0%	25.8%
S&P 500 index - incl dividends	56.3%	16.8%	49.5%	13.5%
Russell 2000 - incl dividends	94.8%	14.7%	46.6%	12.8%

[4] Performance Data is presented for the Fund's Class A Interests, and are net of any accrued incentive allocation, management fees and other applicable expenses (as disclosed in the Fund's Confidential Private Offering Memorandum), include the reinvestment of dividends, interest and capital gains, and assume an investment from inception. Returns for month-end and year to date 2021 are estimated, and un-audited. For investor specific returns, please refer to your capital statements. Due to the format of data available for the time periods indicated, net returns are difficult to calculate precisely. Please see the last page for important disclosure information.

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Performance Information. Unless otherwise noted, any performance numbers used in the Report are for the Fund's Class A Interests, and are net of any accrued incentive allocation, management fees and other applicable expenses, include the reinvestment of dividends, interest and capital gains, and assume an investment from inception of such Class. As such, the performance numbers do not reflect the performance of any particular investor's interest and you should not rely on it as a statement of your actual return.

Past performance. In all cases where historical performance is presented, please note that past performance is not a reliable indicator of future results and should not be relied upon as the basis for making an investment decision.

Risk of loss. An investment in the Fund will be highly speculative, and there can be no assurance that the Fund's investment objective will be achieved. Investors must be prepared to bear the risk of a total loss of their invested capital.

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