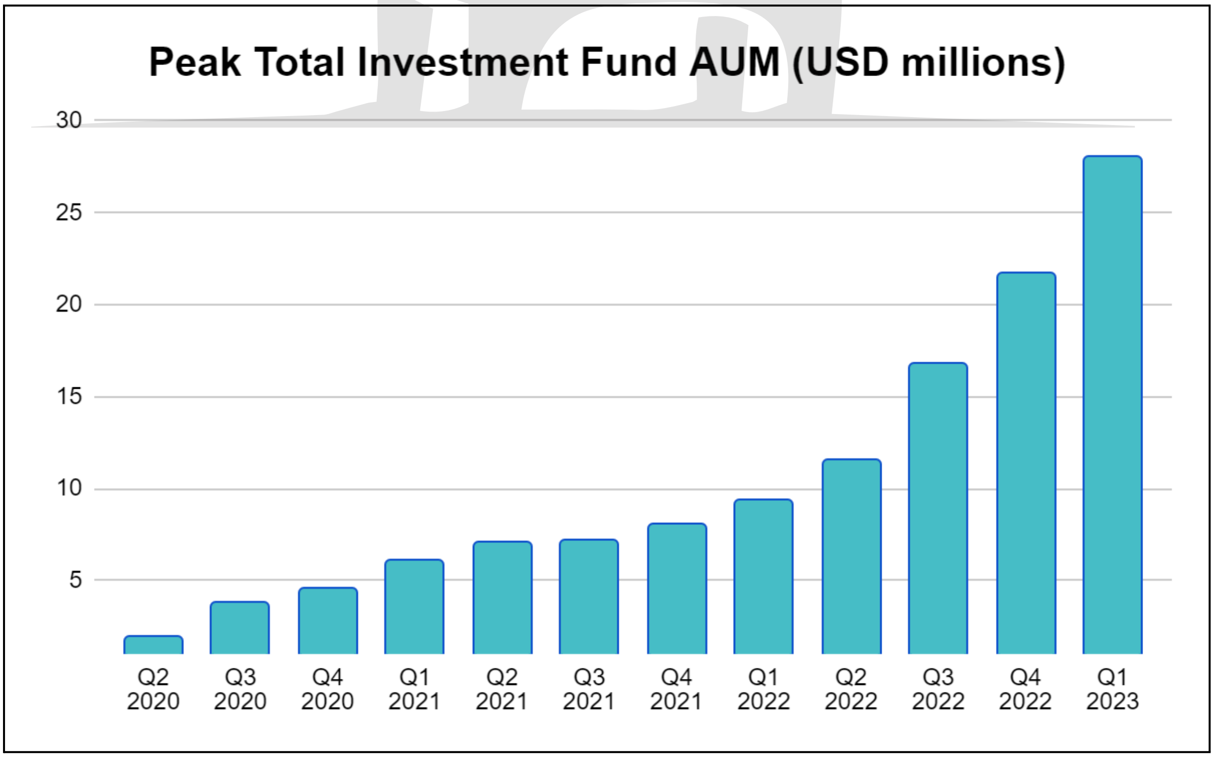
PEAK INVESTMENTS

Dear Investor,

We had a busy first quarter at Peak! We've spent the first few months of 2023 working to develop exciting changes across our product set and trading systems. We're looking forward to sharing these insights with you in our letter, and we want to assure you that your Q2 2023 letter will arrive in your inbox prior to halfway through the subsequent quarter!

AUM and Returns

The Peak Total Investment Fund in respect of the Peak Total Segregated Portfolio experienced a modest, positive quarter. From an AUM perspective, the fund grew from approximately US$26mm as of 12/31/22 to US$27.49mm as of 3/31/23. We've included a new AUM chart to reflect the fund's quarterly growth since inception in April 2020 for your reference (note this AUM reflects only the Peak Total Investment Fund SPC in respect of the Peak Total Segregated Portfolio, and does not include the Peak Tail Segregated Portfolio or US portfolio. AUM also does not reflect April's investments):



Source: NAV Consulting

From a performance perspective, the fund returned 1.89% gross over the first quarter of 2023. We're pleased to report that this continues Peak's Total Investment Fund's performance history of never having produced a negative quarter.

The monthly gross returns breakdown for the quarter are as follows:

Date	Peak Total Investment Fund SPC in respect of the Peak Total SP MTD Gross
1/31/23	-0.40%
2/28/23	4.86%
3/31/23	-2.47%

Source: Nav Consulting

The fund did, however, underperform the S&P 500 this quarter, but we believe this ultimately speaks to the premise that lies at the core of our investment philosophy: reduction of variance. Sometimes we'll slightly underperform the market; other times we'll outperform it greatly. The overarching goal is to generate a series of returns that reduce variance, leading to greater compounded growth. By way of an example, and using round numbers, let's look at the previous 5 quarters:

At the conclusion of 2022, the S&P 500 was down 20%. A $1,000,000 investment made at the beginning of 2022 would be worth $800,000 at the end of the year. After the S&P 500's 7% gain in the first quarter of 2023, the original investment would now be worth $856,000. It's very difficult to compound growth after large losses because the multiplicative returns going forward are based upon lower base numbers.

By comparison, and speaking in gross, round numbers, Peak's return in 2022 was 59%. An investment of $1,000,000 would have been worth $1,590,000 at the conclusion of 2022. At the conclusion of Q1 2023, even though Peak 'underperformed the market' with a positive gross return of 1.89%, the balance of the original investment would have been $1,620,000 – almost double (we understand this does take performance fees into consideration). A smaller percentage return on a larger base number in a series of returns leads to exponential, compounded growth over time. In reducing variance, and mitigating the large losses, your capital is able to compound faster as it's multiplicative. Our investment horizon is long term.

Q1 2023 Outlook

As you can see in the above table, the monthly returns experienced some fluctuation from January to March. We attribute January's negative return to the sheer amount of volatility that came out of the market towards the end of 2022 and beginning of 2023. The fund performed well amid December's volatility spike, returning 9.70% gross MTD; when volatility dropped, there was not enough premium left in the market for the trades to extract, and the fund experienced a negative month.

In February, we carefully navigated one of the U.S. Federal Open Market Committee's smallest interest rate hikes since it began tightening against inflation in early 2022. Though the 0.25% (25bps) increase was relatively small and moved the federal funds rate to a target range of 4.5% - 4.75%, the Fed indicated inflation remained well above its targeted 2% rate. As a result, the S&P 500 gave back some of its January gains, posting a -2.61% return relative to Peak's 4.86% return.

March, on the other hand, was a tumultuous month for the banking sector. As shock waves from the collapse of Silicon Valley Bank (SVB) and subsequent liquidity crisis reverberated throughout the market, our volatility indicators spiked, strongly suggesting the need for increased hedging. Given the heavy emphasis we place on risk control and capital preservation as integral aspects of our trading philosophy, we took – and will continue to take – these indicators very seriously. However, the surprising reversal — driven in part by the decision to bail out SVB's uninsured depositors — led to a decrease in volatility. As a result, the protective hedges we put in place were not needed, ultimately rendering them an expense that pulled down the month's return.

If we transposed March into a meteorological metaphor, we would say the radar showed a hurricane beginning to strengthen and head in our direction. We decided to purchase hurricane insurance, just in case. But when the hurricane unexpectedly weakens before it reaches us, we're left with good news and bad news. The good news is no one was harmed; the bad news is that we spent money on a form of protection (insurance) we ultimately didn't need.

In short, the theme of March 2023 was "better safe than sorry." Though our goal is to deliver outsized returns as often as possible, we take the preservation of our investors' capital extremely seriously.

Peak Zero Update

We're humbled by the level of interest we've received since announcing the impending launch of our latest segregated portfolio, Peak Zero. The Peak Zero Segregated Portfolio will sit alongside the Peak Total and Peak Tail Segregated Portfolios, but unlike Total and Tail, Peak Zero will exclusively utilize a set of strategies that extract the disproportionately high premium inherent in options contracts set to expire on the same day.

In developing this trade, it's become apparent that there is the potential to weave a small amount of zero day trades strategically into both the Total and Tail funds. Zero day trades carry no overnight or black swan risk, but they have a positive expectancy for producing profit. This resulting income would be an excellent method to pay for Total's Black Swan Hedges and in Tail, a fund solely designed to produce in market calamity, a significant amount of the profits would go exclusively to financing the procurement of our long volatility positions. It would be taking the income from a source that carries no black swan risk and translating that into a portfolio that thrives in true market crashes. We continue to be meticulous and thoughtful about our historical backtesting and development process, and will, as planned, share more information with you closer to the launch date. As of now, we expect this launch date to be toward the end of Q3.

General Peak Operations and Updates
We're pleased to announce the addition of Peak's newest team member, Kristin Wiley, who has joined the firm as an associate director. Prior to PEAK, Kristin worked as an associate sales director at asset manager GQG Partners. A Division I tennis player, Kristin graduated from UCLA in 2018. She received her Master's degree in Business Administration from Durham University in the United Kingdom, and holds her Series 7 and Series 63 licences. Kristin and her older sister, Laura, have a proven track record of working extremely well together (both on and off the tennis court)!

As always, we want to express our gratitude and appreciation for your continued trust in Peak. We remain committed to you and your investment with us. Please do not hesitate to reach out at any time to Patrick, Chris, or Laura, all of whom are more than happy to assist in answering any questions you might have.

Sincerely,

Patrick and Chris