NewGen Primary Commodity Fund LP

September 2026 Newsletter

PRIMARY COMMODITY FUND

NEWGEN ASSET MANAGEMENT

Fund Overview

The NewGen Primary Commodity Fund LP is a Canadian feeder fund that invests directly into Primary Commodity Fund Ltd. (PCF), an externally managed, Bermuda-based hedge fund. The Fund is designed to generate attractive risk-adjusted returns with low correlation to traditional asset classes by actively trading physical and financial commodity markets, with a particular focus on strategic and critical metals.

PCF Overview

The PCF master fund employs a supply-chain-driven commodity trading strategy that is fundamentally distinct from directional macro or long-only commodity approaches. Through a strategic partnership with the Traxys Group, a leading global metals merchant and physical commodities trader with over 100 years of operating history, the Fund benefits from privileged access to real-time market intelligence across storage, logistics, trade flows, and global customer-supplier networks. This relationship provides a durable informational and execution advantage that is rarely available outside major proprietary trading desks and enables the Fund to identify pricing dislocations, arbitrage opportunities, and emerging supply-demand imbalances in markets that are largely opaque and off-exchange. PCF also utilizes an internally developed LLM that integrates proprietary data with global regulatory developments, macroeconomic signals, and end-to-end supply-chain intelligence to accelerate market timing and support disciplined data-driven decision-making.

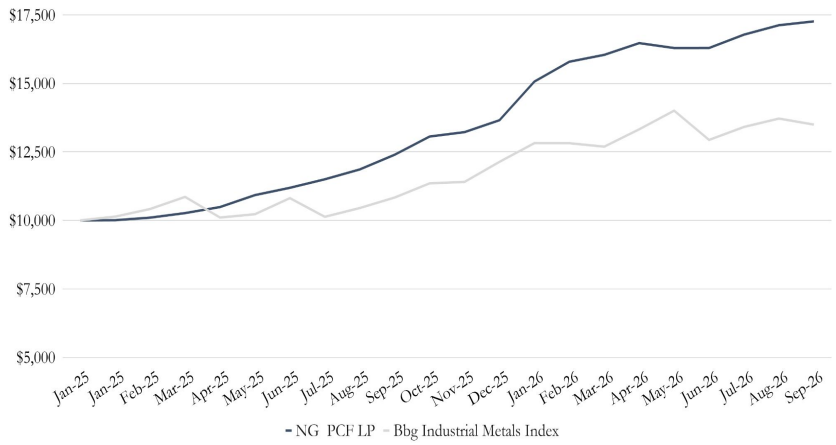
Strategy

- **Physical & Futures Trading**: Positions in both physical markets (through Traxys' logistics and customer network of 2,000 suppliers / 1,900 buyers) and listed futures, enabling liquidity + direct market access.
- **Proprietary AI (SD-92)**: System processes 38M words in 6 hours, analyzing geopolitical shifts, supply chains, and market sentiment at superhuman scale to anticipate inflection points.
- **Focus Areas**: Strategic metals (tungsten, gallium, germanium, NdPr, rhodium, palladium, etc.) with strong price inelasticity and rising geopolitical importance.
- **Macro Tailwinds**: Decarbonization, AI's energy intensity, defense build-up, supply chain fragmentation, and underinvestment in mining all support long-term upside.

Monthly Portfolio Returns

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	**NG PCF LP**	**0.07%**	**0.93%**	**1.65%**	**2.15%**	**4.16%**	**2.44%**	**2.78%**	**3.13%**	**4.53%**	**5.36%**	**1.23%**	**3.29%**	**36.57%**
	Benchmark*	1.38%	2.75%	4.23%	-6.94%	1.21%	5.74%	-6.30%	3.16%	3.66%	4.78%	0.47%	6.42%	21.37%
2026	**NG PCF LP**	**10.34%**	**4.80%**	**1.60%**	**2.66%**	**-1.09%**	**0.01%**	**2.99%**	**2.05%**	**0.82%**				**26.43%**
	Benchmark*	5.63%	-0.02%	-0.98%	4.99%	5.11%	-7.63%	3.66%	2.29%	-1.61%				11.20%

Growth of $10,000 Invested Since Inception



Data Since Inception

	Fund	Benchmark*
Annualized Performance	36.6%	18.7%
Year-To-Date	26.4%	11.2%
One-Year	39.3%	24.6%
Standard Deviation	8.2%	14.2%
Downside Standard Deviation	0.8%	8.4%
Sharpe Ratio (RFR=2.5%)	4.2	1.1
Sortino Ratio (RFR=2.5%)	42.6	1.9
Correlation vs Benchmark	31.4%	100.0%
Beta Coefficient to Benchmark	0.2	1.0
Jensen's Alpha (RFR=2.5%)	31.2%	-
Positive Months	95.2%	71.4%
Avg. Monthly Gain	2.9%	3.7%
Avg. Monthly Loss	-1.1%	-3.9%
Avg. Upside Capture vs Bench	78.9%	100.0%
Avg. Downside Capture vs Bench	-51.7%	100.0%

*Benchmark is the Bbg Industrial Metals Index.

Key Information

LP Feeder

Fund Inception	December 2025
Minimum Investment	USD$1,000,000
Management Fee	0.25% per year
Legal Advisor	Fasken Martineau DuMoulin LLP
Administrator	SGGG Fund Services Inc.
Auditor	Deloitte LLP
Fiscal Year End	December 31st in each year.

PCF Master

Fund AUM	USD$1.06 billion
Fund Inception	January 2025
Management Fee	1.75% per year
Performance Fee	20% per year
Legal Advisor	Conyers, McCarter & English, Ruddy Gregory
Prime Brokers	Goldman Sachs, Clear Street
Custodian	Northern Trust
Administrator	Apex Fund Services
Auditor	Deloitte LLP
Fiscal Year End	December 31st in each year.

Investment Highlights

- **Distinct Strategy**: The Fund employs a supply-chain-driven commodity trading strategy that is fundamentally distinct from directional macro or long-only commodity funds.
- **Traxys Partnership**: Through a partnership with the Traxys Group (a leading global metals merchant and physical commodities trader), the Fund benefits from privileged access to real-time market intelligence across storage, logistics, trade flows, and customer-supplier networks worldwide. This relationship provides a unique informational advantage rarely available outside major proprietary trading desks.
- **Proprietary LLM Platform**: In addition, the Fund is utilizing a proprietary LLM-powered trading platform in partnership with Arbor Ventures, a global venture capital firm with a depth of expertise in fintech. This system integrates Traxys' proprietary data with global regulatory, macro, and supply-chain inputs to identify price anomalies, dislocations, and geopolitical catalysts with speed and precision, thereby enhancing the team's data-driven decision-making process and trading edge.
- **Focus on Strategic Minerals**: The Fund is especially well positioned to capitalize on structural trends in strategic and critical minerals, which are central to energy transition, AI infrastructure, and defense supply chains. Around the world, governments are stockpiling, incentivizing domestic production, and imposing export controls on these commodities. With Traxys among the largest global traders of rare earths and strategic metals, the Fund can trade, store, and arbitrage these markets directly. This is an area of the market that is typically inaccessible to most institutional and retail investors.
- **Return Profile**: The result is a highly differentiated, non-correlated return stream that is structured to mitigate downside volatility, while offering direct exposure to one of the most compelling themes of this decade.

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(416) 941-9112
clientservice@newgenfunds.com
www.newgenfunds.com
Commerce Court North, Suite 2900
25 King Street West, P.O. Box 405
Toronto, Ontario, M5L 1G3

Footnotes & Disclaimers

NewGen launched the Feeder Fund on December 1st, 2025. The Master Fund has management fees of 1.75% and performance fees of 20%. Master and Feeder funds are both USD denominated. January to November 2025 returns are calculated as the Master Fund returns less an additional 0.25% per year (calculated as 0.25%/12 in each of the eleven theoretical months) to cover Feeder Fund fees. From the December 2025 onwards, they are the actual LP Feeder returns, with the most recent month being a best estimate which is updated to the actual value in subsequent months.. There is no guarantee or representation that an investment in the NG PC LP will achieve its investment objective and the value of its investments may go down as well as up. Any investments made in the NewGen Primary Commodity Fund LP is speculative and involves a high degree of risk, including the risk of loss of an investor's entire investment, and is not intended as a complete investment portfolio. The composition of the Funds' portfolio could differ significantly from these indices due to the investment strategy employed. Please see "Investment Strategies" in the Confidential Offering Memorandum for more details.

This newsletter is not an offer to sell nor a solicitation of an offer to purchase interests of the Funds. The Manager reserves the right to change any terms of the offering at any time. Offers and sales of interests in the Funds will be made only pursuant to an offering memorandum, complete documentation of the relevant Fund and in accordance with the applicable securities laws, and this presentation is qualified in its entirety by reference to such documentation, including the Risk Factors and Potential Conflicts of Interest disclosure set forth therein. Past performance does not guarantee future results. The securities of NG PC LP described herein are only available in Ontario, Alberta, British Columbia, Newfoundland, Quebec and Saskatchewan pursuant to a prospectus exemptions as set out in NG PC LP's offering memorandum.

Market Commentary

"First, you know, a new theory is attacked as absurd; then it is admitted to be true, but obvious and insignificant; finally it is seen to be so important that its adversaries claim that they themselves discovered it."
- William James, Pragmatism: A New Name for Some Old Ways of Thinking, Lecture VI (1907)

William James, the Harvard psychologist and philosopher whose work helped establish American psychology, published Pragmatism in 1907, drawing on lectures delivered in Boston and New York (Stanford Encyclopedia of Philosophy). In the passage above, he was defending the pragmatist conception of truth and anticipating its reception among philosophical opponents (Pragmatism, Lecture VI). His observation also offers a compelling lens through which to understand a recurring pattern in intellectual history: the ego-defense of an established elite confronted with a disruptive truth. It is an interpretive framework, not an iron law of psychology. In Phase 1, "attacked as absurd," the response is ridicule, categorical rejection and appeals to established authority; accepting the idea would threaten both the prevailing worldview and the reputations built upon it. In Phase 2, "true, but obvious and insignificant," outright denial gives way to minimization: the facts are conceded, their novelty dismissed and their consequences treated as manageable without fundamental change. In Phase 3, "its adversaries claim that they themselves discovered it," the idea becomes too important to remain outside the consensus; resistance turns into ownership, and institutions preserve authority by presenting themselves as leaders of the change. The progression is from "That cannot be true" to "Everyone knows that" to "That is what we have been saying."

The Primary Commodity Fund generated a positive net return of 0.86% in September and a year-to-date return of 26.92%. The Fund's AUM has grown to approximately US$1.06 billion as of October 1, 2026.

The Path to Pragmatism in Critical Metals

America's dependence on China for critical metals and rare earths can be read through this framework, although the phases overlapped and some institutions recognized the danger early: as early as 2010, the Government Accountability Office reported industry estimates that rebuilding a U.S. rare-earth supply chain could take up to 15 years (GAO). The Phase 1 tendency was not necessarily to deny Chinese dominance, but to dismiss the proposition that it created an enduring strategic vulnerability. Tim Worstall's 2010 response to the prospect of Beijing using supplies as geopolitical leverage was "so what?": other countries would expand production and break the monopoly, an argument later quoted approvingly by economist Alex Tabarrok (Marginal Revolution). Phase 2 is illustrated by the reassurance that followed: in 2014, Tabarrok wrote that "the crisis was exaggerated and what wasn't exaggerated the market alleviated," emphasizing substitution, new supply and the virtues of avoiding political overreaction (Marginal Revolution). Meanwhile, the United States, the European Union and Japan successfully challenged China's export restraints at the WTO, securing an important legal victory in 2014 (USTR). But restoring the right to purchase is not the same as establishing the independent capacity to produce. China's April 2025 rare-earth export controls and the subsequent manufacturing disruptions, including a temporary shutdown of Ford's Chicago assembly plant, exposed that distinction in practical terms (Reuters; The Conversation). The strategic question was no longer simply whether a material existed somewhere in the world, but whether American industry could obtain the required material when it needed it.

We believe we have now reached the institutional equivalent of James's final stage: the once-contested premise is becoming an organizing principle of policy, and the emphasis is shifting from debate to pragmatic execution. Project Vault, backed by EXIM's February 2026 approval of a direct loan of up to $10 billion to establish a U.S. strategic critical-minerals reserve (EXIM), is the clearest expression of that transition. On September 23, Glencore and Mercuria each announced separate $500 million critical-minerals commitments to the initiative (Glencore; Reuters). Under the arrangement, EXIM financing is intended to enable the traders to source, procure and deliver materials into the reserve, connecting public financing with the commercial capabilities required to assemble physical inventories (CSIS). These are procurement and financing commitments, not confirmation that the full amounts have already been disbursed or converted into delivered inventory (Glencore; CSIS). Nor is Vault a replacement for the defense-focused National Defense Stockpile: it is designed for the broader industrial base, whose continuity is itself a foundation of economic independence and military capability (CSIS). The James analogy concerns institutional adoption; it is not a claim that these particular participants previously opposed the idea. In our view, Vault can provide an interim bridge to assured access while domestic and allied production develops. Recognition of the problem is finally being translated into a mechanism for acquiring the materials needed to reduce the vulnerability.

We expect this transition to represent a key inflection point across critical-metal and rare-earth markets as strategic, comparatively price-insensitive buyers enter and expand their presence. By "price-insensitive," we do not mean indifferent to cost or unconstrained by budgets; we mean buyers for whom the cost of an unavailable input can outweigh the premium required to secure it. Our thesis is that procurement increasingly driven by continuity of production and national security will place a different value on accessible, qualified inventory than procurement driven principally by the lowest purchase price. As financing commitments translate into incremental physical purchases, reserve-building could compete with ordinary industrial demand and reprice the value of secure supply. The effect will not be uniform: it will depend on which materials are purchased, their specifications, available inventories and the pace of deployment. But the direction of the argument is clear. The relevant question is shifting from "How cheaply can we buy it?" to "What is the cost of not having it?"

Sincerely,

Michael Crandall
Co-founder & CIO, Primary Commodity Fund

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