

CM LEGACY FUND

October, 2024

Dear

“Any great power that spends more on debt service than on defense will not stay great for long.”

-Niall Ferguson

The 3rd quarter of 2024 was another positive result for the Fund. Your investment in CM Legacy Partners LLC advanced +1.9% during the three months 7/1- 9/30. Year-to-date the Fund is +20.3% and for the trailing one year we are +35.3%.

Our best performing investments during the quarter were: Blackstone +23.7%, Agnico-Eagle +23.2%, Wheaton Precious Metals +16.5%, BWX Technologies +14.4% and CEF (gold/silver bullion) +11.1%.

Besides owning a collection of premier businesses, we have invested in two themes that have been very profitable this year. The first is uranium. We are witnessing a sea change in attitude toward nuclear in this country. A tipping point was a recent agreement between Microsoft and Constellation Energy to restart the Three Mile Island nuclear plant. The electricity demands from AI (artificial intelligence), EV's (electric vehicles) and data centers will require exponentially more energy than we currently produce from oil, gas, hydro, wind and solar. Even the environmentalists are warming to the idea of nuclear as a clean and highly efficient energy source. The Fund currently has positions in Cameco (Canadian uranium mining company) and BWX Technologies (designs and manufactures nuclear energy applications).

The second theme is our exposure to both gold and bitcoin as a hedge against a \$35.7 trillion national debt. There seems to be no political or national will to address this issue. No Presidential candidate in either political party was even asked in a debate about a potential debt crisis in our country. We are now paying over \$1 trillion in annual interest expense and borrowing money to service our debt. Historically there has been a vast foreign appetite for U.S. Treasuries but after the U.S. government froze around \$300 billion of Russian central bank reserves, many countries including China are scaling back their interest in owning U.S. Treasuries because of the political risk. Who is going to buy our Treasury bonds? The only viable solution is to restrain government spending, allow our economy to grow faster than the accumulation of debt and to slowly debase the U.S. Dollar currency.

Because of this economic scenario, the CM Legacy Fund is 10% invested in gold as well as gold mining stocks and about 5% invested in bitcoin. Both of these assets reside outside the global fiat currency system and should offer protection in a currency or debt crisis. Bitcoin represents freedom from central government control and has scarcity value. Another characteristic is extreme volatility. Somewhat surprisingly, during the last six months, gold bullion has outperformed bitcoin +18% vs. -17%. However, during the last five years an investment in GBTC (bitcoin ETF) has appreciated +390%.

If you have any questions, please do not hesitate to contact me at 917-225-6002 or cam@kcorba.com. You can also review our website at www.cmlegacy.com.

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