A|C|M

ASSERT CAPITAL MANAGEMENT

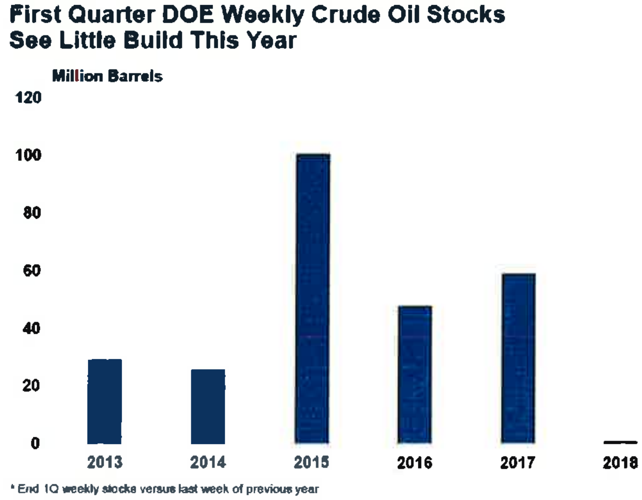
April 3, 2018

To the Partners of the
Assert Energy Commodity Fund, LP:

With the first quarter of the fund's life now complete, we are pleased with our early results. We believe there are two aspects of the fund process that ultimately matter to investors: investment decisions and risk controls. Combined, these two will produce returns and over time, each is enormously important for generating good results. Both aspects were tested in the first quarter and while, obviously, it is only one quarter, we believe both withstood the test well. We feel our directional investment approach to energy is somewhat unique in the market right now, albeit very similar to what was employed at BP Capital for 20 years. We also believe our common sense approach to risk management will prove to be an important overlay to the investment process and worked very well over the first several months of operations. We are confident in the process, and look forward to proving in today's commodity environment there are still many opportunities for outsized, risk managed returns.

With that said, oil prices in Q1 were volatile. After starting the year strongly, oil prices pulled back over 13% during the equity market correction, and then rallied to finish near their highs for the quarter. In the end, prices finished flattish to where they were trading on our day of launch - January 15, 2018. In the midst of this recent volatility, we would highlight that crude prices have maintained their uptrend which began in June of last year. We believe this uptrend will continue barring an unforeseen deterioration in the macro risk environment (trade wars, actual wars, etc.).

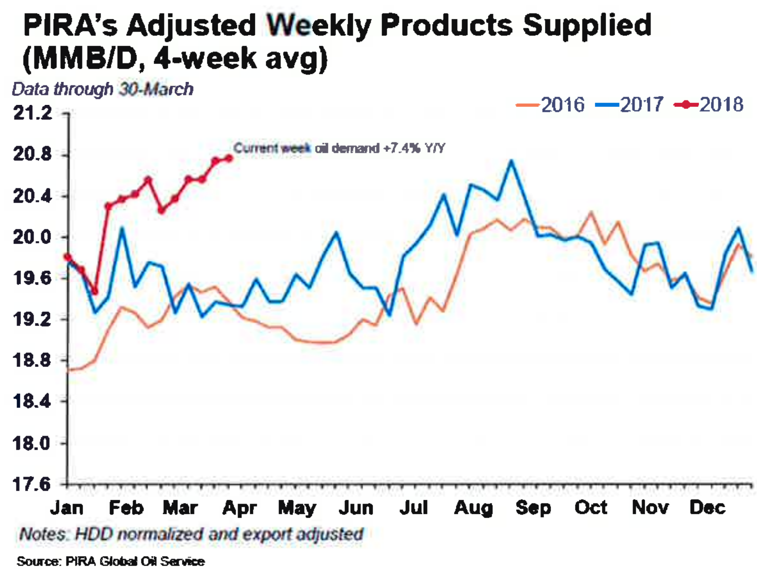
Lost in the noise of macro concerns in recent weeks is the growing evidence of materially tighter supply and demand balances. Prices are being supported by strong fundamentals including continued reduction of global oil inventories, exceptional oil demand growth and supply restraint. This supply restraint is coming from organized groups such as OPEC but also disorganized groups such as U.S. shale producers. Importantly, this tight fundamental backdrop is occurring at a seasonally weak moment in the calendar. As the year progresses and typical seasonality becomes more bullish, we believe strong tailwinds for oil prices should emerge. The seasonal nature of both crude and product demand sees crude inventories in the U.S. build an average of ~50mm barrels during Q1. This year we were FLAT, and early indications are total OECD inventories likely drew counter-seasonally.



Source: PIRA

This is important because most estimates expected an inventory build of 200 – 500kbd during the quarter. Because we only built a few million barrels, the numbers imply balances roughly 500kbd tighter than expected. Global refinery runs should increase by ~3.5mmbpd from April to July bringing large weekly inventory draws in the near future. We believe the global supply picture is generally constructive with disasters such as Venezuela helping to offset bright spots such as the US shale patch. Netted together we think the data signals large inventory draws as the year progresses.

Product markets appear largely supportive as well, with margins conducive to maximizing runs in major refining centers. In addition, inventories are quite low relative to historic norms in many major demand centers. If these trends continue, we believe they will continue to drive bullish sentiment as, to date, higher prices have not adversely affected end product demand. We have positioned occasionally in micro product themes and believe we will continue to see opportunities to generate alpha via petroleum product markets to the portfolio in the coming months.



Alternately, while U.S. Natural Gas markets are relatively cheap given quite low storage levels exiting winter, the variability of potential outcomes lead us to believe we are better served as spectators for the time being. We continue to watch for compelling opportunities in gas markets, but for now, they seem scarce.

Shortly after the 2016 presidential election, one of our more astute consultants stated, "Trump does not strike me as a 12 VIX President." While it took some time to become apparent, the evidence continues to mount we are entering a new volatility regime marked by larger moves (in both directions). Whether investigations, trade wars or the latest Twitter tirade are the driver, we believe these gyrations effecting larger macro themes create opportunity. At the end of the day, we believe crude fundamentals dictate prices higher than currently observed over the medium and longer-term, at least until something changes in the current global synchronized expansion. Thank you for your trust and please reach out with any questions.

Sincerely,

Disclaimer

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