

## HYPOTHETICAL FEE VALUATION BASED ON ALLEGED MARKET ANOMALIES

### Hypothetical Basis for Fee Estimation

This analysis assumes the claims in the AI-generated Google Gemini letter are accurate, specifically regarding coordinated or anomalous trading in the equities: Boeing (BA), Intel (INTC), LPL Financial (LPLA), and Micron (MU). The letter suggests that these activities may have provided actionable foresight into the S&P 500's Spring 2025 trajectory.

#### Key Assumptions:

- **Equities Involved:** BA, INTC, LPLA, MU
- **Timeframe:** Summer 2024 (approximately one fiscal quarter)
- **Market Behavior:** Statistically anomalous movements suggesting potential insider advantage or predictive trading
- **Capital Deployed:** \$10M to \$500M, typical of institutional or hedge fund-level exposure
- **Expected Profit:** Conservative estimate of 3% return based on statistical arbitrage
- **Fee Structure:**
  - Performance Fee: 20% of profits
  - Management Fee: 2% annualized (0.5% per quarter)

### Fee Estimate Scenarios

#### Scenario A: Moderate Institutional Trading

- Total Capital Deployed: \$100,000,000
- Estimated Profit (3%): \$3,000,000
- Performance Fees (20%): \$600,000
- Management Fees (2% annual, quarterly): \$500,000
- **Total Fees Collected: \$1.1 million**

#### Scenario B: Larger Institutional Exposure

- Total Capital Deployed: \$500,000,000
- Estimated Profit (3%): \$15,000,000
- Performance Fees (20%): \$3,000,000
- Management Fees (2% annual, quarterly): \$2,500,000
- **Total Fees Collected: \$5.5 million**

## Conclusion

If the statistical relationship described in the Gemini letter facilitated actionable trading, the corresponding fee income to fund managers or intermediaries could conservatively range from \$1 million to over \$10 million, depending on total capital, precision of prediction, and scope of participation.