VULPES INVESTMENT MANAGEMENT

Vulpes Tail Risk Strategy

A Framework for Mitigating Downside Risks and Addressing Investor Concerns

VULPES INVESTMENT MANAGEMENT

Why Relaunch Now?

The Right Time and Team

Proven Strategy & Pedigree

Founder generate > USD 3 billion in investor returns at predecessor firm Artradis

Voluntarily exited after major success; now returning

Core team with 75+ years of macro, derivatives and tail experience

Supported by a strong advisory group

Mission and Portfolio Enhancement

Provide a $0 or minimal cost put options on global risk market in market shocks

Strong 2025 portfolio test:

Why Now? Market Opportunity

Complacency is creeping back in: VIX and cost of protection are off the low, but still underpricing true tail risk

Equities near cycle highs

Credit spread historically tight

This is not about fear – it is about prudence and being prepared for it.

Is there a hedge budget for this year after Liberation Day?

Management Team

Robert Evans
CIO

Rob has > 20 years APAC equity +/- portfolio management, trading and research experience. Rob began his career in investment banking and research in HK, Singapore and Tokyo. His trading/portfolio management experience includes Citi, Deutsche Bank, SPARX Asset Management and large family offices in Singapore trading globally.
Rob holds a B.A. in Ag economics from the University of Sydney. Mr. Evans serves on the Allocation Committee & Risk Management Committee.

Bert Verdicchio
CRO

Bert has >30 years of risk management, prop & HF capital commitment, and financial engineering experience. He has > 20 years of hedge fund and fund-linked product pedigree including two prior roles as CRO, co-founding several single & multi-strategy hedge funds. Also, he directed engineering work-outs of D.E. Shaw during the LTCM crisis and Rabobank's Asian credit derivatives portfolio during the GFC.
Bert holds a B.A. cum laude from Yale University serves on the Allocation Committee & Risk Management Committee.

Wilson Er
TR Portfolio Manager

Wilson brings > 20 years of experience in high-conviction, asymmetric risk strategies, delivering stability and growth across market cycles. After ten year at JP Morgan as a Macro Vol Trader, he led convexity-driven tail risk trades with capped downside exposure at Fortress Convex Strategies, managed multi-asset portfolios at Nuvest Capital, and delivered adaptable strategies for Rockpool and Kamet Capital's HNW clients.. Wilson holds a B.A. in Computer Engineering with a minor in Law from National University of Singapore

Stephen Diggle
Vulpes' & Artradis Founder & Advisor Emeritus

Steve is the founder of Vulpes and prior to this he was the co-founder of the multi-award winning Artradis, once the largest and most successful Asian Hedge Fund (c. USD 4.9bn AUM) making its investors USD 2.7bn. Prior to this, Steve spent several years at Lehman Brothers and holds a Masters degree from Oxford University. Steve sits on a number of Vulpes portfolio company Boards and on the Allocation Committee.

Artradis History and Heritage

It all began with a concept of a costless put

Artradis Performance

ARTRADIS Barracuda

50% Funding Source
50% Tail Strategy

2007: returned >35%
2008: returned >26%

ARTRADIS AB2

33% Funding Source
67% Tail Strategy

2007: returned >56%
2008: returned >34%

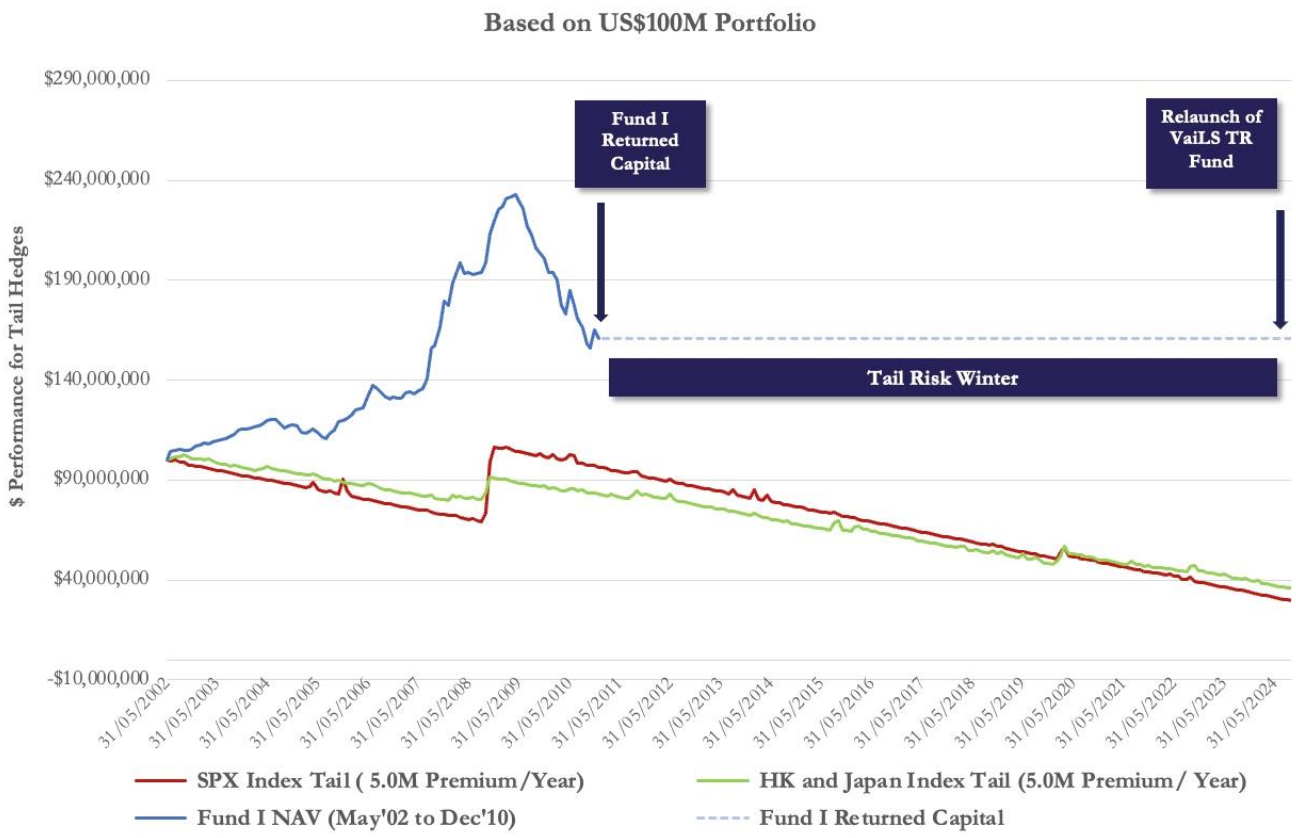
ARTRADIS SMA

150% Tail Strategy

2007: returned >70%
2008: returned >45%

We called the start of Tail Risk Winter

And the end, with the relaunch Tail Risk Fund from Dec 2024



Market Complacency vs Fragility

- Sticky Inflation
- Private Credit cracks and CRE concerns
- Volatility Spikes and geopolitical events
- Equities risking despite underlying risks

The Hedge Dilemma

- Carry cost diminishes returns
- Hard to time right entry/ exit
- Access limitation for smaller portfolios
- Operation burden for family office

Our Solution

- Multi Asset Tail Risk Fund to provide OTC access, pooled and diversified solution
- Portfolio Solution to provide overlay hedge, SMA style discipline & reporting
- CAT I II III structure to better budget cost and payoffs

Vulpes Tail Risk Strategies

Combination of Tails and Funding Source

Tail Risk Trades

Benchmark Tail Risk Allocation

Enhanced Risk Reward and Volatility Trades

Thematic Risk Allocation

Funding Yield Strategies

Cash Yield

FX Carry

Volatility Carry

Overview of Vulpes Tail Risk Strategies

Strategy Objective: Mitigate downside risks, capitalize on volatility events, and address investor-specific concerns

Monthly Implementation: With an annual projected budget of 8.0%

Benchmark Portfolio
(Min 20%)

Core allocation of tail risk hedges

Quarter each:

Equities, FX, Credit Default Swap, Precious Metals

Enhanced Risk-Reward Trades
(Max 50%)

Opportunistic positions, that offers better risk reward then benchmark portfolio

Thematic Positioning
(Max 50%)

Specific positions that address evolving market concerns

Portfolio Components and Allocation Limits

Trade Type	Benchmark Portfolio	Enhanced Risk-Reward Trades	Thematic Positioning
Minimum Allocation (%)	20%	-	-
Maximum Allocation (%)	-	50%	50%

Tiered Portfolio Management Framework

We established clear budget and take profit; it is only through discipline and framework that we can achieve both the protection that we seek to provide and the

CAT I
(Gentle Declines)

Target 10 to 15% declines

Instruments: Lightly OTM puts or ATM put spreads, short dated FXOs

CAT II
(Medium Declines/ Volatility Spikes)

Target Medium scale equity declines (15-25%) or volatility spikes

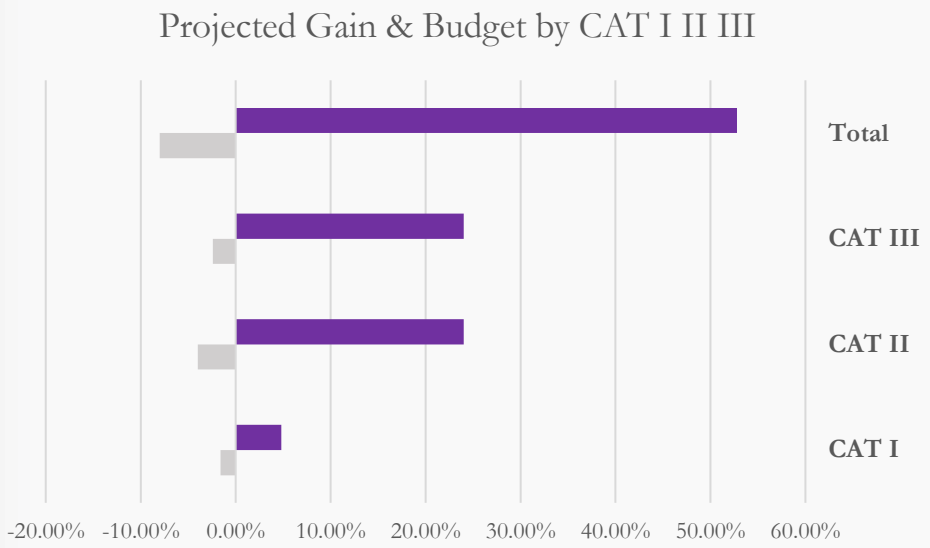
Instruments: Longer-dated puts, aggressive credit hedges

CAT III
(Market Bust, Correlation Spikes)

Target > 25% equity declines, cross asset correlation

Instruments: Deep OTM puts, multi-asset basket exotic options

CAT I II III Allocation and Projected Gains



Sample Implementation of Vulpes Tail Risk Strategies

What we think

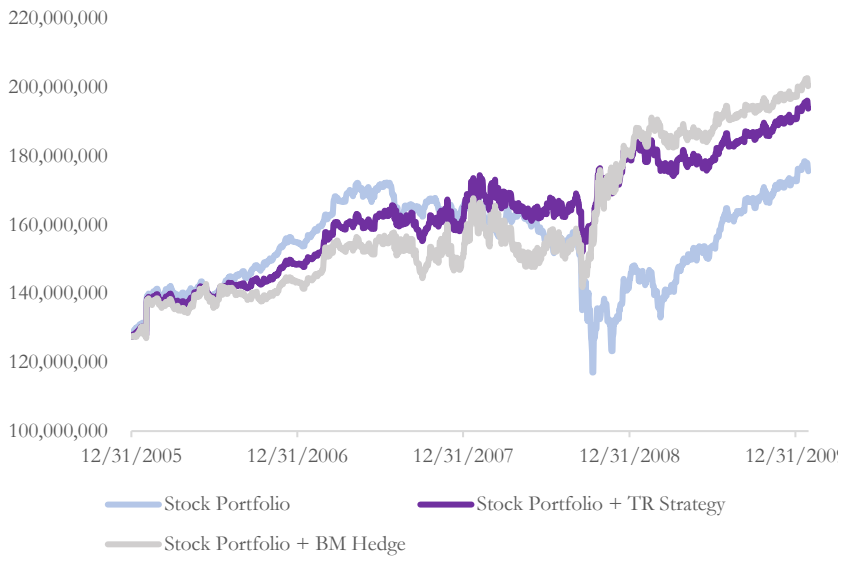
Equities in US JP HK peaking Inflation and rates a concern for risk CDS too low	USD seems to have run its course Japan Rates a concern Australian Thematic Hedge	USD seems to have run its course Bearish Credit in benchmark Continue to add to SPX Put Spread for CAT I and II	Same Benchmark Implementation *First two weeks saw CAT 1.5 **Took down all CAT I and some CATII which has reached profit target	Re-engage CAT I Trades Add to NIFTY Puts for CAT II MidMay Add back 60 bps of CAT I Add back CDX rebalanced in April	GOLD Vols reached highs, Take down profits for Gold Calls on Spot and Vol levels. Implement Dec Condor to the upside Asian Credit CDS Low vs US	

What we do

Gold Calls	Gold Calls	Gold Calls	Gold Calls	Gold Calls	Gold Call Condor	
SP500 Equities Put Spread US/JP/HK Equities Puts	SP500 Equities Put Spread JP/TW Equities Puts	SP500 Equities Put Spread US Equities Puts	SP500 Equities Put Spread (Took profit of CAT I) US Equities Puts	SP500 Equities Put Spread (add back CAT I) NIFTY Puts for CAT II	TW Equities Puts	
AUDJPY Puts	USDJPY Puts	USDJPY Puts	USDJPY Puts	*USDJPY Puts*	USDJPY Puts	
US Corporate CDS	AUS Financials CDS	US Corporate CDS	US Corporate CDS	US Corporate CDS	ASIAN IG Corporate CDS	
Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25

Tail Risk Tiered Portfolio Structure:

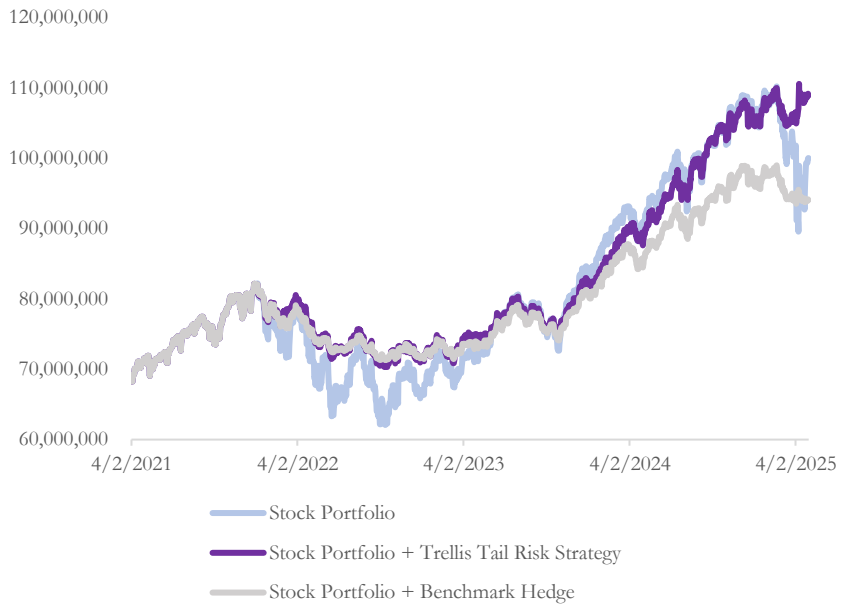
Hedge Drawdown and Navigate Volatility with less drag



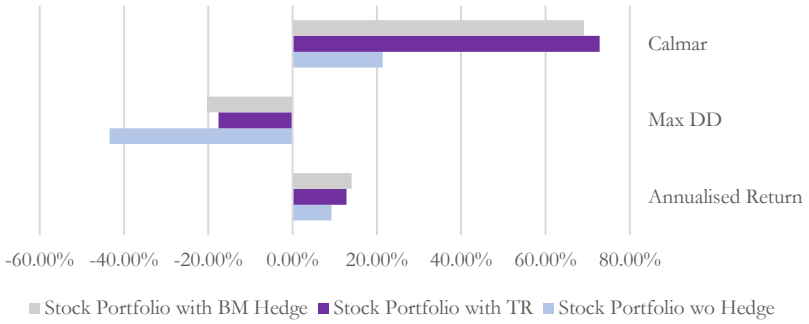
2006 to 2010

Our approach is significantly more efficient than a systematic put program

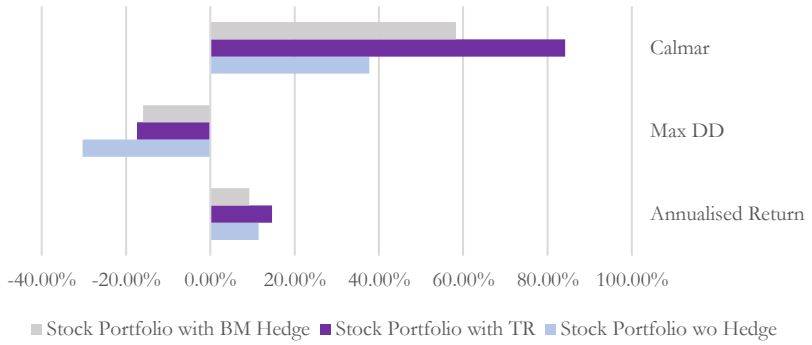
(LHS) Provide the hedge to the downside (e.g. 2006 to 2010)



2021 to 2025

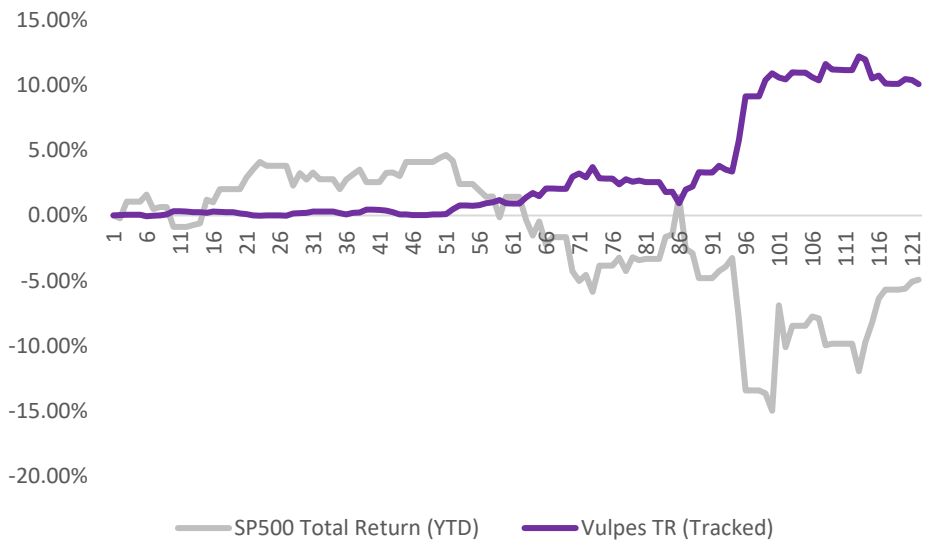


(RHS) Dampen drawdown during 22/23, and avoid negative burn periods 24/25



Tail Risk Back Test Performance:

How did we do in 2025



Our tiered portfolio structure allows us to capture large returns in market drawdowns and also navigate through sanguine market periods, ensuring our approach is significantly more efficient than a systematic put program

For year 2025, we managed to provide the hedge required for the pull back in April 2025.
Having a CAT I to III implementation allow us to manage our position diligently

Jan 2025 to Apr 2025 – We provide the protection and is mindful of long-term bleed via active monetizing with a plan

Longer Dated Backtest Results for Vulpes Tail Risk with cash yield via short term treasuries bills

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2025	0.3%	0.6%	2.9%	6.3%	0.0%								**10.1%**
2024*	-0.8%	-0.7%	0.8%	1.8%	-0.8%	-0.2%	0.9%	2.0%	1.2%	0.9%	-1.8%	0.6%	**3.9%**
2023*	-3.2%	0.2%	0.1%	-0.6%	-0.8%	-1.9%	-0.1%	0.0%	1.2%	2.0%	-3.7%	-0.5%	**-7.3%**
2022*	1.4%	1.5%	-1.6%	3.1%	-1.2%	4.6%	-5.1%	1.5%	5.2%	-4.1%	-2.6%	2.6%	**5.4%**

*Backtest (2022 to 2024) Tracked Portfolio - 2025 Jan to April Launched May 2025

VaiL/S TR Investment Terms

Fund Name/ Target AUM/ Separate Managed Accounts (SME)	Vulpes AI/ML APAC Equities Long Short & Tail Risk Fund USD 250 million aggregate in the 4 shares classes TBD minimum USD notional 25 million
Investment Advisor/Singapore	Vulpes Investment Management Pte Ltd, Singapore (also Cayman Island "CI" manager upon request)
Minimum Fund Investment	USD 250,000
Fund Redemption/ Fees	Monthly on 60-day notice; $0 fee Sub-series switches; 20 day notice period; .50% fee to cover positional & admin costs
Currencies	USD preferred; VCC sub-series in all G20 currencies, given a minimum investment of USD 10 million equivalent
Management Fee	1.50% per annum
Performance Fee	20% subject to high watermark

VaiL/S TR Fund Investment Terms

Share Class Offerings

Class A:
VaiL/S TR
All Weather
Continuity

50% VaiL/S

50% Tail Risk Fund

Class B:
V-TR
Full Hedge

100% Tail Risk Fund

Class C:
V-TR+
Full Hedge
Accelerated

150% Tail Risk Fund (Without CAT I Trades)

Series Creation for NAV Deviation

The Fund may create a new series of shares if NAV significantly deviates from 100, ensuring equitable treatment for both existing and new investors by preserving convexity and mitigating potential losses. This decision is at the Fund Manager's discretion, aiming to maintain risk management integrity and fairness.

Service Providers and Contact Information

Information on the Sub-Funds

Umbrella Fund/ SGP Variable Capital Company (VCC)	Noviscient Pte Ltd for VCC umbrella manager Bespoke sub-funds upon request and minimum USD or equivalent 20 million investment
Fund Manager	Vulpes Investment Management Pte Ltd
Designated Portfolio Manager	Robert Evans (revans@vulpesinvest.com), Wilson Er (wer@vulpesinvest.com) Bert Verdicchio as CRO
Fund Solicitor	BTP Law LLC
Prime Broker and Custodian (TBD)	CGS, GPP, Macquarie, Marex, Nomura, others in due course
Auditors	Baker Tilly TFW LLP
Administrator	Ascent Pte Ltd
Tax Advisor	Baker Tilly TFW LLP

For more information, please contact Bert Verdicchio at bverdicchio@vulpesinvest.com or Ana Gomes Manager IR agomes@vulpesinvest.com

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