KRISTAL

Kristal.AI VCC - Peregrine Fund - Class A

Monthly Performance Update (As of 31 January 2025)

Fund Summary

Minimum Subscription
50K USD / 50K SGD

Minimum Additional Subscription
25K USD / 25K SGD

Management Fee
2% p.a. accrued monthly

Performance fee
20% p.a on absolute return

Subscription / Redemption Frequency
Monthly

Subscription / Redemption Days
First business day of each month

Lock-In Period
None

Redemption Fee
None

Service Providers

Fund Manager
Kristal Advisors (SG) Pte. Ltd.

Portfolio Manager
Pranay Pankaj

Auditor
JBS Practice PAC

Administrator
NAV Fund Services (Singapore) Private Limited

Prime Broker
Interactive Brokers LLC

Share Classes
Share Class A - USD
Share Class B - SGD

Kristal.AI Trading Desk

tpm@kristal.ai
www.kristal.ai

Objective of the Fund

The fund employs a disciplined, rules-based derivatives strategy with discretionary overlay to deliver consistent and high risk-adjusted returns across market cycles. It aims to generate positive returns regardless of market direction and has a no correlation with traditional market indices.

Offering Aims to Deliver

High risk adjusted returns irrespective of market conditions

Trading strategy designed to minimize the time to recover from drawdown

High liquidity

Investment Strategy

Market Neutral
Market neutral strategy maintaining delta neutrality at discreet interval of time on portfolio level

Directional Bias
Discrete hedging of delta enables the portfolio tilt to gain slightly from directional bias

Volatility Bias
Time decay adds to the alpha generated from volatility risk premium

Option Strategies
Various strategies namely strangles/ straddles/ iron condors with dynamic adjustments

Risk Profile

Risk Band	Moderate to High Risk Profile
Volatility Risk	
Credit Risk	
Leverage Risk	
Illiquidity Risk	
Operational Risk	

Risk & Return Statistics

Return Profile	Portfolio Returns	Bechmark (S&P500)
Since Inception (since 2019)	769.6%	134.6%
Annualised Return (since 2019)	43.1%	15.3%
Annualised Return for 2023	27.4%	24.2%
Annualised Return for 2024	17.5%	23.3%
Annualised Return for 2025	11.6%	36.9%

Other Metrics SI	Portfolio	Bechmark (S&P500)
Max Drawdown	-21.5%	-20.0%
Sharpe Ratio	2.5	0.7
Sortino Ratio	2.3	0.8
Correlation with S&P 500	0.09	1
No. of Negative Months	16	24
Percentage of Positive Months	78.1%	66.7%
Percentage of Positive Rolling Quarters	90.0%	76.0%
No. of Rolling Quarters with Returns < -3%	3/71	14/71
3M Average Net Return / Rolling Quarter	9.5%	3.7%

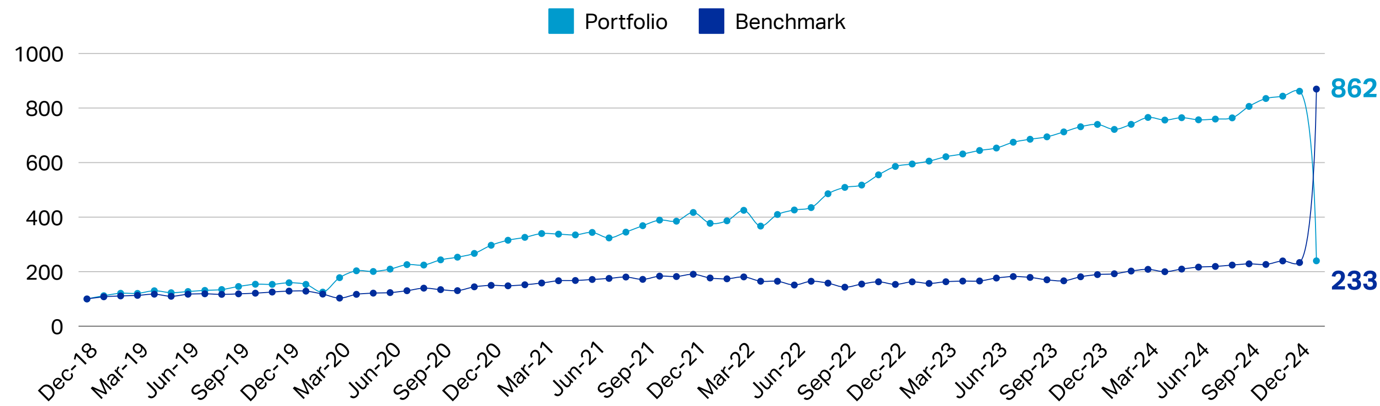
*All figures based on Net Returns after Fees (2% Fixed & 20% Performance)
*Sharpe & Sortino Ratio based on Gross Returns & Daily Volatility on annualised basis

*Portfolio Returns (Net)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annualised Yearly Return	Max DD	Annualised (Inception to EOY)	Sharpe Ratio**
2019	11.9%	8.0%	-0.4%	8.0%	-5.5%	3.5%	3.2%	2.4%	8.3%	5.7%	-0.3%	3.8%	59.4%	-5.5%	**59.3%**	**3.2**
2020	-3.7%	-18.5%	42.2%	14.2%	-1.2%	4.3%	7.8%	-0.7%	8.5%	4.0%	5.5%	11.2%	86.3%	-21.5%	**72.3%**	**3.3**
2021	6.2%	3.4%	4.3%	-0.6%	-0.8%	2.7%	-5.9%	6.6%	6.8%	5.6%	-1.0%	8.3%	40.5%	-5.9%	**61.0%**	**2.7**
2022	-9.5%	2.4%	10.0%	-13.6%	11.6%	4.0%	2.1%	11.7%	4.8%	1.7%	7.3%	5.5%	40.5%	-13.6%	**55.6%**	**1.9**
2023	1.5%	1.8%	2.7%	1.6%	2.0%	1.4%	3.3%	1.6%	1.3%	2.6%	2.7%	1.2%	27.4%	0.0%	**49.5%**	**3.8**
2024	-2.5%	2.6%	3.4%	-1.3%	1.1%	-1.0%	0.4%	0.6%	5.5%	3.6%	1.0%	2.1%	17.5%	-2.5%	**43.6%**	**3.2**
2025	0.9%												11.6%	0.0%	**43.1%**	**2.2**

Note
*Portfolio was invested through proprietary funds till Apr 17, 2023
*All figures are based on Net Returns (after deducting the fees) in USD
**Sharpe Ratio based on gross returns and daily volatility on annualised basis
Months in highlighted cells (April 2023 and Aug 2024) not traded for full month due to transition time.

Portfolio Returns vs Benchmark (S&P500)



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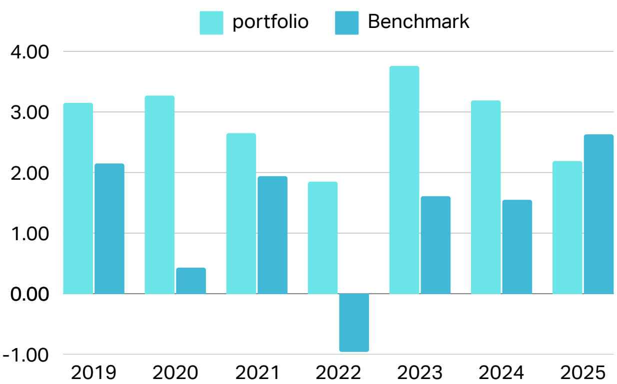
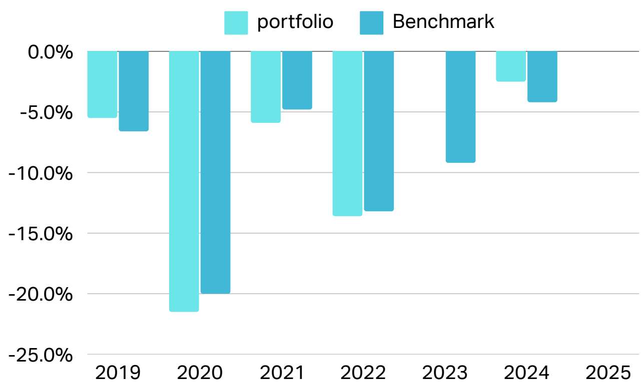
Sharpe Ratio & Max Drawdown

Sharpe Ratio



Max Drawdown



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Commentary for the Month

January 2025 was a pivotal month, marked by highly anticipated events, most notably the transition in U.S. political leadership. Investors had been bracing for this shift over the past few months, and despite some economically far reaching announcements from the new administration, the market remained largely unfazed. This reaffirmed a fundamental market principle—it's not the expected events but the unanticipated ones that drive significant market movements.

As 2024 closed just shy of the 5,900 mark on the S&P 500, January was nothing short of eventful, characterized by sharp market swings. The release of strong job numbers in early January sent bond yields soaring to 4.8%, triggering a pullback in equities. By January 10, the S&P 500 had dipped below 5,800, extending a decline that began on December 26, 2024. However, the trend quickly reversed with the release of inflation data. The first set of reports on PPI hinted at stability, and a subsequent marginal improvement in core CPI inflation reassured markets that the Federal Reserve might not adopt a more hawkish stance. This shift ignited an uptrend, pushing the S&P 500 to 6,118 by January 23, a gain of more than 5% in just 13 days.

Such moves have become characteristic of this market—strong upside rallies accompanied by a simultaneous crush in implied volatility. Despite the S&P 500 first declining 2% and then rallying 5% within the first 23 days of the month, we managed to capture a gross return of approximately 2%. Our positioning strategy was critical here—we had built significant put-side exposure to offset delta accumulation on the call side, allowing us to stay aligned with the prevailing trend.

The most significant unanticipated event of the month came on Monday, January 27, with the recognition of DeepSeek, a breakthrough AI chatbot requiring far less computational power than existing models. The S&P 500 futures opened the session down 0.5%, but that was just the beginning of a tumultuous day. As the morning unfolded, the futures market plunged more than 2.5%, causing significant volatility. This entire move was characterized intermittent strong down moves - what we call the Jump Diffusion movement -- wherein there are sudden drawdowns in short span of time.

The trades on the put side, which we had established earlier as mentioned in the penultimate para, were gradually unwound. However, the pace and intensity of the decline erased nearly all portfolio gains before the U.S. market officially opened at 9:30 AM EST. The market, however, staged an intraday recovery, allowing us to readjust our positions dynamically during the phase the market was recovering . Over the following days, we capitalized on swift rebounds, ultimately closing the month with a gross portfolio gain of around 1.38%.

Going forward, it appears that swift recoveries from intermittent drawdowns will be a recurring theme, supported by the continued strength of the U.S. economy. While unexpected events may still cause short-term turbulence, the technical trends indicate an overall upward trajectory for the market in the near term.

Another notable shift is in volatility levels, which are no longer as depressed as they were last year. This suggests that the market is now better positioned to price in potential surprises from the new administration, reducing the likelihood of prolonged dislocations.

For now, the path of least resistance seems to be to the upside despite the high valuations and increasing market breadth—but as always, we remain vigilant for any unforeseen shocks that could reshape market dynamics.