As of 31 May 2025

KRISTAL

Kristal.AI VCC - Peregrine Fund - Class A

Monthly Performance Update (As of 31 May 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 [redacted] 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**

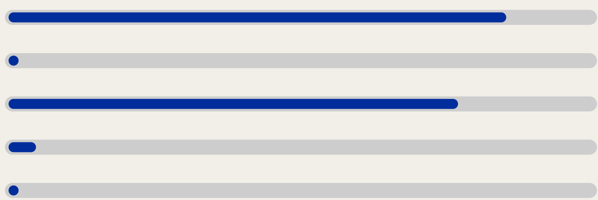
Volatility Risk

Credit Risk

Leverage Risk

Illiquidity Risk

Operational Risk



Risk & Return Statistics

Return Profile	Portfolio Returns	Bechmark (S&P500)
Since Inception (since 2019)	735.1%	134.7%
Annualised Return (since 2019)	39.6%	14.31%
Annualised Return for 2023	27.4%	24.2%
Annualised Return for 2024	17.5%	23.3%
Annualised Return for 2025	-7.2%	-2.8%

Other Metrics SI	Portfolio	Bechmark (S&P500)
Max Drawdown	-21.5%	-20.0%
Sharpe Ratio	2.3	0.6
Sortino Ratio	2.2	0.7
Correlation with S&P 500	0.08	1
No. of Negative Months	17	27
Percentage of Positive Months	77.9%	64.9%
Percentage of Positive Rolling Quarters	88.0%	72.0%
No. of Rolling Quarters with Returns < -3%	5/75	17/75
3M Average Net Return / Rolling Quarter	8.9%	3.3%

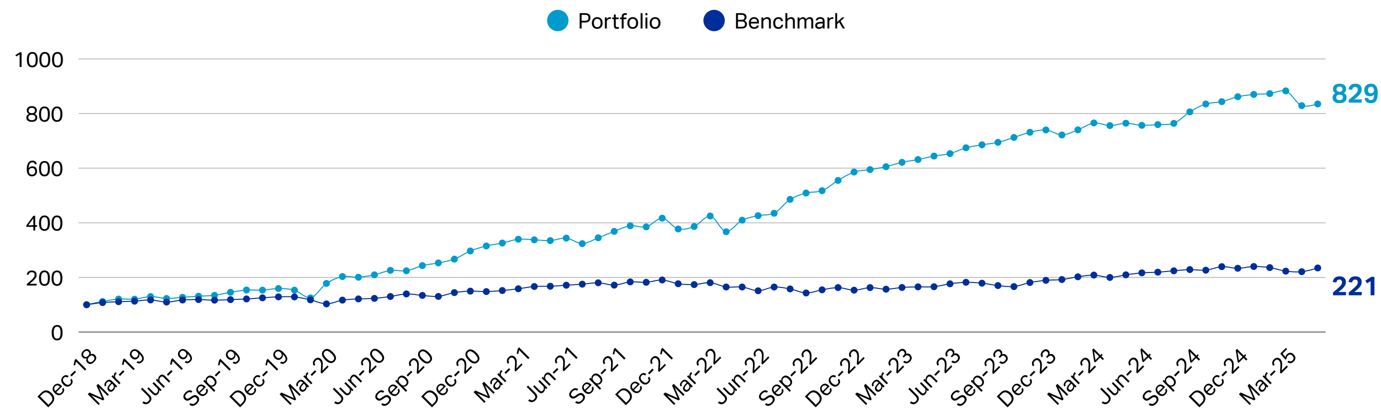
*All figures based on Net Returns after Fees (2% Fixed & 20% Performance)
*Sharpe & Sortino Ratio based on Gross Returns & Daily Volatility on annualised basis

*Portfolio Returns (Net)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annualised Yearly Return	Max DD	Annualised (Inception to EOP)	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%	0.4%	1.1%	-6.17%	0.75%								-7.2%	-6.2%	**39.6%**	**-0.8**

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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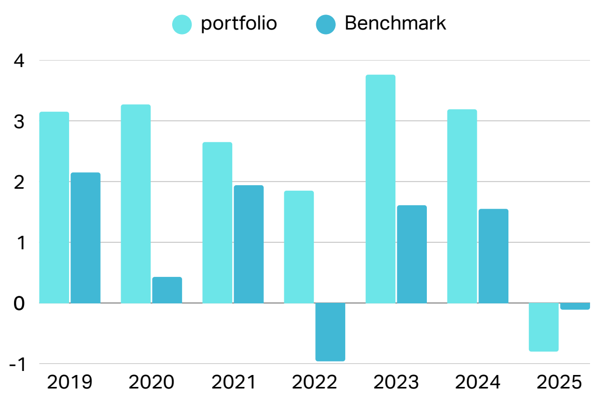
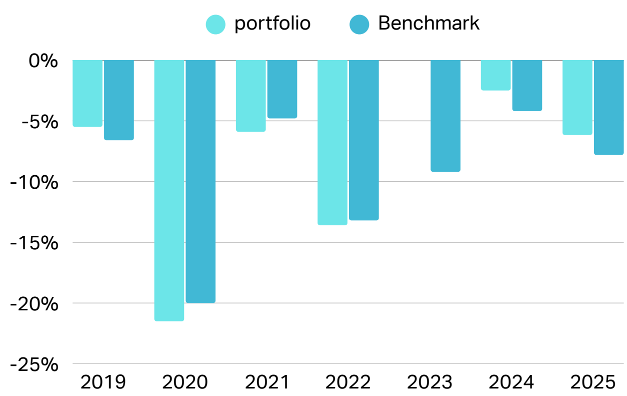
Sharpe Ratio & Max Drawdown

Sharpe Ratio



Max Drawdown



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Monthly Performance Update (As of 31 May 2025)

Commentary for the Month

We began the month of May on a strong note, delivering a positive performance with negative returns recorded on only 5 out of 23 trading days. The nett return after fees for the month was (+)0.75%.

At the end of April, the S&P 500 stood at 5,670, with the VIX around 24. However, by 19th May, the index had surged to 5,963—an impressive ~6.5% gain in just 13 trading days. Since the lows of 7th April, the index had appreciated by nearly 19%, marking a sharp and continuous rally. During the same period, the VIX fell significantly to around 18, indicating even a substantial drop in short-term volatility with terms less than a week.

Given our portfolio's exposure to short-term volatility buckets, this swift market rally posed challenges. Given the swift move in the underlying , in options trading terminology, this reflects heightened gamma risk—exposure to accelerated underlying movements. When markets move too quickly in any of the directions, it puts pressure on dynamic strategies like ours which requires continuous shifting of positions at a heightened frequency to manage the risks.

Despite these headwinds, the portfolio gained approximately 1.5%, month-to-date, by 9th May. This was particularly encouraging considering the prevalent high intraday volatility. The modest decline in implied vol (VIX level from from 24 to 22) during this period also aided performance.

Heading into the weekend of 9th May, market sentiment was cautious due to the scheduled U.S.–China tariff talks in Geneva. Surprisingly, the outcome of the talks was more favourable than anticipated. With the positive outcome on 12th May, the S&P 500 posted a sharp 3.5% gain—a move close to a 3-sigma event. Unfortunately, this large, unexpected upside move caused a 1% loss for our portfolio that day due to existing open positions.

With this anticipated tariff event behind us, we repositioned the portfolio in line with the new market dynamics. This adjustment proved effective, and performance improved significantly. By 23rd May, the portfolio was up ~3.2% month-to-date, and we were on track to close the month with gains of around 5%.
However, on 23rd May (Friday), around 7:30 AM EST, a tweet from President Trump announced an increase in EU tariffs from 10% to 50%, effective 4th June. At the time, S&P 500 futures were up around (+)0.3%, but the market quickly reversed to a (-)1.6% intraday decline, swinging over 2% in reaction.

This abrupt movement, combined with a sharp spike in implied volatility (short terms vols jumped from ~18 to over 25 with this announcement), led to significant mark-to-market losses for the portfolio. While our portfolio was partially hedged for downside scenarios (at 5,750 and 5,650), the vol shock caused meaningful drawdown. Given the confluence of risks—an adverse macro headline, options expiry day (Friday), and a long weekend ahead—I chose to reduce exposure and crystallize some losses at around 8 AM EST.

In hindsight, the market's reaction throughout the day was more muted than anticipated, not similar to a comparable event in April. In April the move of the S&P was much more severe of around 6.5% on Friday (04th April). While avoiding adjustments might have preserved performance, the decision to act was not based solely on the news but on the timing and potential for heightened volatility due to structural factors like equity options expiry date (Friday) and the extended weekend, which adds more anxiety in the market behavior with a major event already having been announced entering into the weekend.
Investor concerns about strategy performance are understandable. However, it's worth highlighting that since 10th April, the portfolio performance has remained on an upward trajectory. The primary disruptions have stemmed from large, unanticipated market moves—often driven by political developments. Over the past two months, there have been 7 such days, when the political announcements have resulted in 3 sigma movement of the underlying. However, we have managed to contain losses on such days, and the portfolio losses have exceeded 2% only on four out of seven occasions. These events have weighed on performance, but we continue to adapt and manage risk proactively.

As noted in earlier commentary, the market's sensitivity to erratic policy announcements appears to be diminishing. We remain cautiously optimistic that future moves may be more contained, and that our strategy—designed to adjust dynamically—will continue to perform in a more stable environment.