KRISTAL

Kristal.AI VCC - Peregrine Fund - Class A

Monthly Performance Update (As of 28 February 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

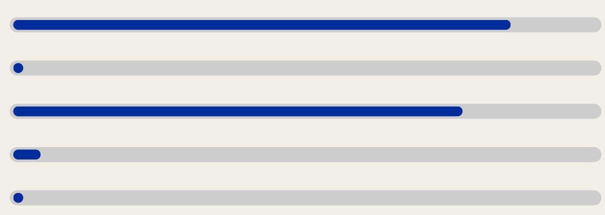
Directional Bias
Discrete hedging of delta enables the portfolio tilt to gain slightly from directional bias

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)	773.4%	137.5%
Annualised Return (since 2019)	42.5%	15.1%
Annualised Return for 2023	27.4%	24.2%
Annualised Return for 2024	17.5%	23.3%
Annualised Return for 2025	5.7%	7.9%

Other Metrics SI	Portfolio	Bechmark (S&P500)
Max Drawdown	-21.5%	-20.0%
Sharpe Ratio	2.5	0.6
Sortino Ratio	2.3	0.8
Correlation with S&P 500	0.09	1
No. of Negative Months	16	25
Percentage of Positive Months	78.4%	66.2%
Percentage of Positive Rolling Quarters	90.3%	75.0%
No. of Rolling Quarters with Returns < -3%	3/72	14/72
3M Average Net Return / Rolling Quarter	9.4%	3.7%

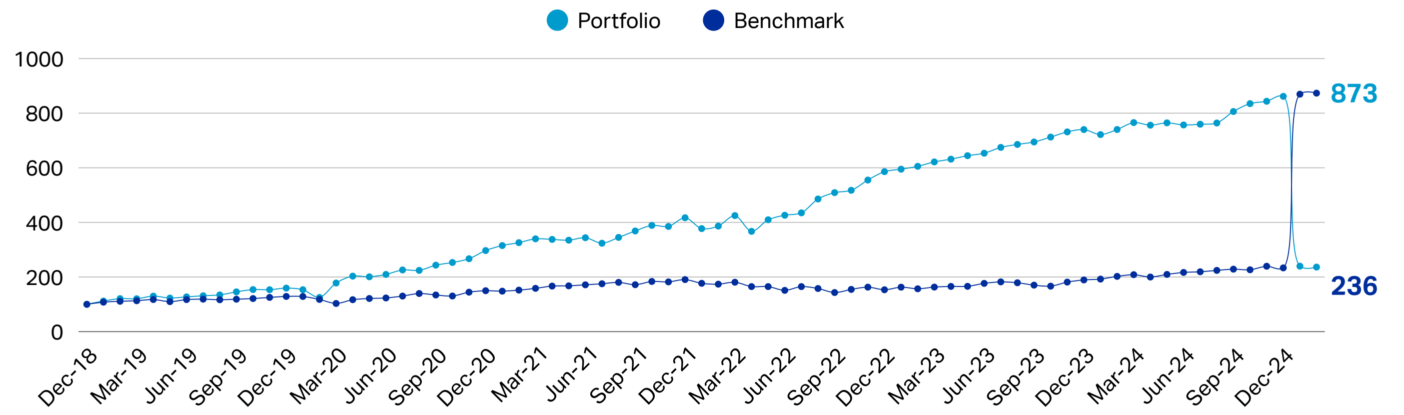
*All figures based on Net Returns after Fees (2% Fixed & 20% Performance)
*Sharpe & Sortino Ratio based on Gross Returns & Daily Volatility on annualised basis

*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%	0.4%											5.7%	0.0%	**42.5%**	**1.1**

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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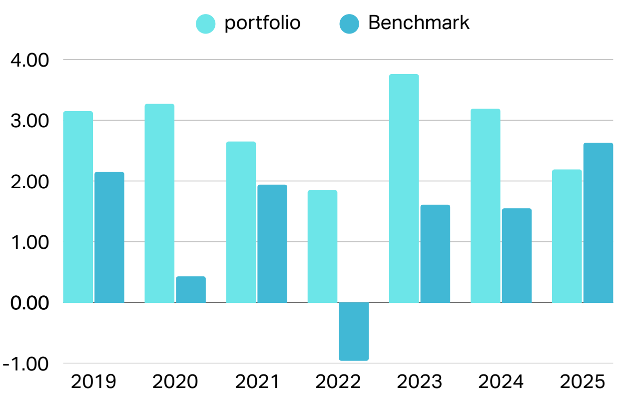
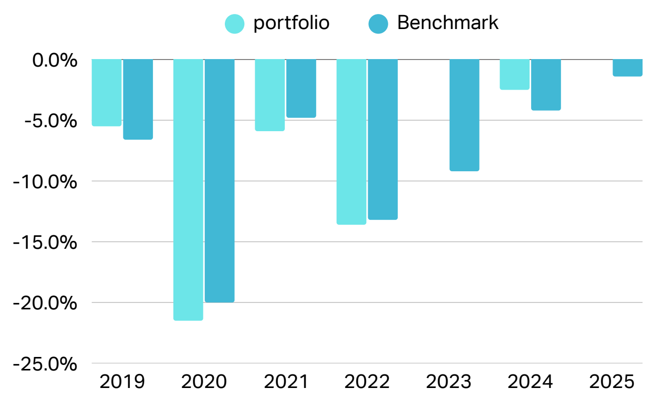
Sharpe Ratio & Max Drawdown

Sharpe Ratio



Max Drawdown



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Commentary for the Month

February marked a sharp shift in market sentiment, reminiscent of what we saw in February 2020. Back then, markets transitioned from ignoring COVID concerns to being gripped by pandemic-driven fear from 20th Feb onwards. Similarly, this time, the narrative shifted from the anticipated benefits of the Trump administration for corporate earnings to concerns that its policies may cause more chaos than stability on the same calendar date. If history is any indicator, a reversal in this trend may be expected in March.

The S&P 500 reached an all-time high of 6,144 on February 19 before sliding to 5,861 by February 27, a decline of approximately 5%. Correspondingly, the VIX spiked from 15 to 21, yet this rise in volatility seemed modest relative to the sharp decline in the index. Ideally, volatility levels should have surged further to properly reflect the risk being priced into the market.

The market downturn was largely triggered by weak economic data, including the PMI Services Index and the Conference Board's Consumer Confidence surveys. Additionally, several high-frequency indicators signalled a slowdown in economic activity. With valuations sitting in the top decile, any macroeconomic shocks were bound to trigger a correction.

Adding to investor anxiety, uncertainty surrounding tariffs and government downsizing initiatives raised concerns about whether high market valuations could be sustained.

The U.S. labor market remains strong, despite January nonfarm payrolls missing expectations at 143,000. However, upward revisions in the previous two months suggested resilience. These data were little old compared to the soft data, which are more recent, on which the markets reacted. Fed Chair Powell's recent statements reaffirmed that while the labor market remains stable. Some of the "Magnificent Seven" tech stocks faced sharp declines due result outcomes, which were priced to perfection, high capex spending, and not very encouraging guidance to justify the valuations. While U.S. corporate profit growth remains solid, 2025 earnings estimates have seen downward revisions. The U.S. dollar weakened against both developed and emerging market currencies affecting the returns for our SGD class of shares.

At a portfolio level, we were up 2.5% gross as of February 19. However, the sudden spike in volatility combined with a sharp market decline led to some losses. The strong market movement was not fully compensated by implied volatility levels in options pricing, creating additional challenges. By the end of the month, we gave up some of our gains, closing with around 0.45% gross return. While a 5% decline in the S&P 500 from high of Feb 19th , created a tough trading environment, we managed to limit our portfolio drawdown to 2%, reinforcing our risk management approach. The positions on the Russell 2000 options, which generally have limited exposure, went down as well. The index itself trended down by more than 5%, month on month, almost three times that of S&P500 on monthly basis.

The economic environment remains uncertain, with corporate capex plans largely on hold as companies adopt a "wait-and-watch" approach. Near-term profitability outlooks remain uncertain, but markets tend to find stability and optimism once they reach a certain threshold, even if economic conditions remain unchanged.