

April Update

NEWSLETTER

CIO comment

Since the collapse of Lehman Brothers in 2008, April has become a dreaded annual event of volatility.

This April was no different, and we would say it was the most volatile month we have ever seen in our 25 years in the game. It was a bloodbath of sorts with hedge funds printing plenty of negative returns.

White Elk has fortunately managed to steer away from the storming mayhem producing just shy of one-percent positive return, keeping true to our investment thesis of not necessarily wildly outperforming but also not underperforming either.

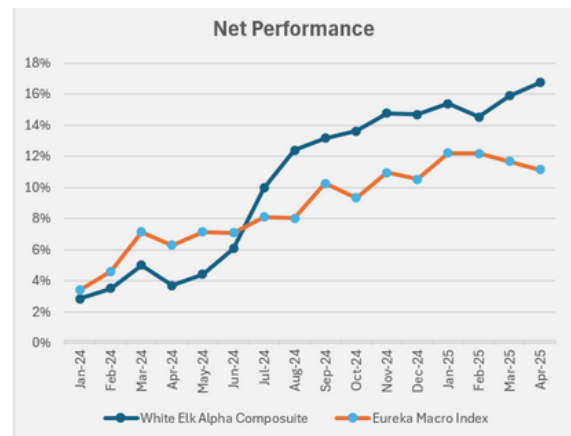
That speaks to our goal of maintaining consistent and steady returns. While we didn't necessarily start with a positive position at the beginning of the month, we finished well.

We made gains from our New Zealand trades and in the next round of play, we believe the Reserve Bank of New Zealand will slow the pace of its cash rate cuts from 50 basis points a pop down to 25 basis points.

The RBNZ - which still only has an interim governor - will continue on a trajectory towards a cash rate below 3% but getting there will take longer. We think the RBNZ will stretch out its rate cut exercise, mainly to avoid cutting the rate too low.

Across the other side of the Tasman, the Reserve Bank of Australia should run counter to New Zealand's playbook and go harder with a 50 basis points rate cut in its next monetary policy meeting on May 20. In fact, it should go hard for a while and if need be, slow down later rather than take the conservative route of cutting 25 basis points each round.

Cuts should be loaded up earlier on, particularly since inflation was well within the bank's desired target of between 2% and 3%. It shouldn't try and drag out its rate cuts waiting for more evidence of behavioural consistency from inflation.



Period	White Elk Composite (%)	Eureka Macro Index (%)
1 Month	0.85%	-0.53%
3 Months	1.36%	-1.07%
1 Yr	13.03%	4.84%
YTD	2.04%	0.60%
Since Incep	16.55%	10.95%

It could pay the price of a wait, especially given downturn headwinds heading its way, thanks to US President Donald Trump's tariff mania.

Moreover, the Labor government's convincing election win last week will also add inflationary pressures given it spent much of the campaign writing cheques for plenty of promised spending.

So we continue to think the RBA should go right ahead and kick off their rate-cut program with great haste.

On the issue of tariffs, we think overall, the ripples they created will probably die down in a couple of months, especially with an increasing number of countries negotiating with the US or planning to negotiate with the US, including China.

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We don't have a view that the tariffs will cripple the global economy, unlike what the doomsayers may say, although a downturn cannot be discounted. Instead, we think what the tariffs will achieve is a redistribution of trade in the US's favour.

We take a view that the US would come out on the right side of this entire saga within the next 12 to 18 months, while both Australia and New Zealand may have to buckle up amid a downturn by way of China's slowdown.

Suffering the most so far however is Japan, which weathered what has been its biggest volatility shock in the last 10 to 15 years. In fact, most macro hedge fund losses in the past few months occurred in Japan, particularly from wrong interest rate bets. Many were anticipating higher interest rates that never eventuated.

This could alter the hedge fund landscape in the land of the rising sun over the next six months, with many participants likely wiped out. The market will likely lose some of its depth too amid shallower bets.

While Japan copped the worst of it from the latest April chaos, we think there is plenty of upside ahead particularly in the Australian market.

Carl Radford, Co-founder and Chief Investment Officer

Important Information

- The performance presented has been calculated as a composite of multiple portfolios with an inception date of September 2023.
- The performance of the composite required adjustments to remove the impact of duplicated fixed transaction costs.
- Net performance is calculated based on the weighted sum of fees incurred by each portfolio in the composite.
- 1 Month numbers [Alpha and Benchmark] are soft-close snapshots and subject to change upon finalisation.
- Please note that past performance is not a reliable indicator of future performance.



3 Month
1.36%

Year to Date
2.04%

Since Inception
16.55%

Daily Volatility
0.20%

Sharpe Ratio
2.35

Company Overview

For over 2,000 years, the White Elk has symbolized the courage, strength, and resilience – the very qualities that drive White Elk Partners. Founded in 2023 by industry veterans Carl Radford and Michael Rothlin, we bring world-class investment expertise and a strong operational foundation. Backed by a team with blue-chip pedigree and decades of global experience, we seamlessly integrate strategy and executional efficiency to stand out in the competitive investment management arena.

Our Strategy

The Alpha Strategy is built on a foundation of precision and adaptability. We combine deep macroeconomic insights with relative value strategies to uncover opportunities in Asian liquid markets, while confidently navigating volatility.

Our market-agnostic approach allows us to capitalize on diverse scenarios, aiming to deliver consistent performance regardless of market direction. By integrating proprietary collateral management into the investment process, we enhance operational efficiency and unlock additional value for investors.

Key Investment and Business Personnel

Carl Radford	Chief Investment Officer
Michael Rothlin	Snr. Portfolio Manager
Robert Jewell	Portfolio Manager

Management

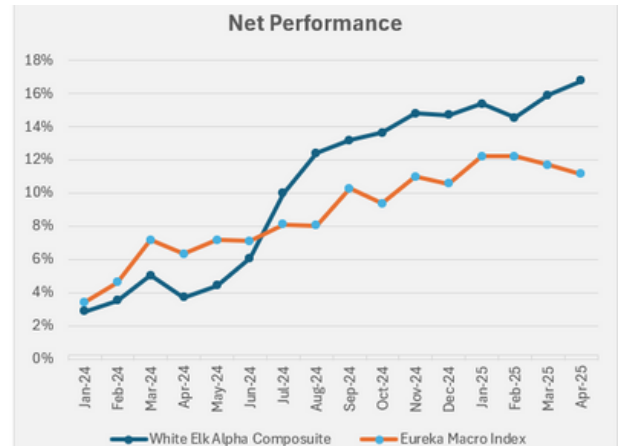
Anthony Bathurst	Chief Executive Officer
Mark Croft	Head of Fund Services

Prime Brokers and Custodians

Goldman Sachs	Prime Services
JP Morgan	Prime Services

Key Service Providers

Legal Counsel	Ogier/Mayer Brown
Tax Advisor	PWC
Auditor	PWC
Administrator	BNP Paribas
Middle Office	BNP Paribas
AML Officers	Ogier Global

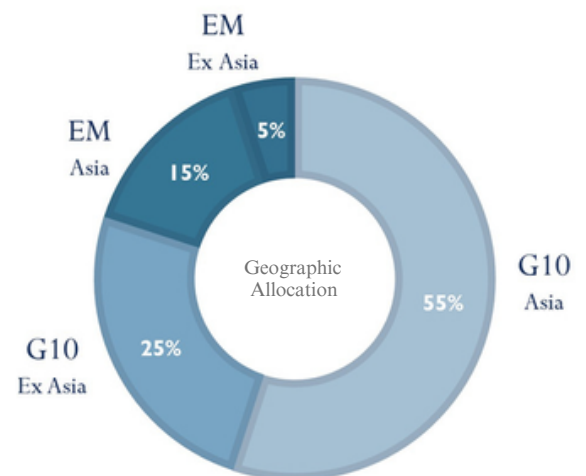


Performance Summary*

Period	Return (%)	Eureka Macro Index
3 Month	1.36%	-1.07%
Year-to-Date	2.04%	0.60%
Since Inception	16.55%	10.95%

Risk and Portfolio Summary

Figure	Portfolio
Positive Months	16
Negative Months	4
Max Drawdown	-1.31 %
Longest Drawdown (Months)	1



* Method of calculation and applicable factors per proceeding newsletter

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