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May Update

NEWSLETTER

CIO comment

It is by no means a cliche to say the only certainty in markets at the moment is uncertainty.

While we anticipated that the Trump tariffs would have flushed through global markets by now - with markets, banks, and traders all settling into some kind of new normal - that hasn't quite materialised.

Instead, yo-yo-ing Trump tariffs are stirring up global chaos and driving plenty of the negative macroeconomic themes coursing through stock and bond markets.

This kind of global anxiety seems to be crushing the global economic and financial immune system, sending everyone into absolute paralysis.

In the trading world, market players are on tenterhooks and trading on expectations and speculations because no one's really sure what's going to happen.

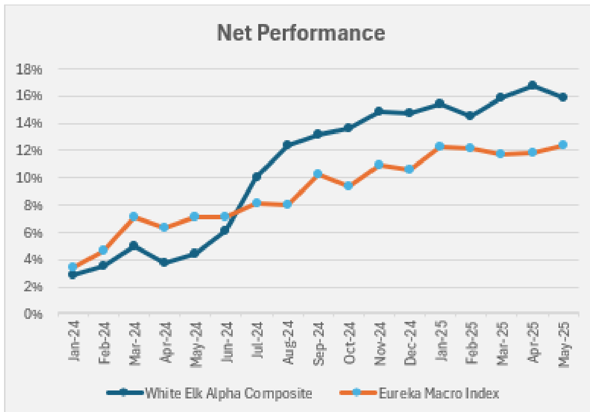
Traders trying to learn through the autopsy of their month of May trades will find there is really no discernible pattern.

Stock markets rallied, then they sold off and anyone who tried to make up losses in April through better positioning in May were whipsawed. No one won, not even the house.

People who have put on trades which were defensive on global growth lost money. Those who barracked for global growth also lost money.

These guesstimations have cost the markets, and it's been the hardest month since White Elk started. We reckon the way to get through this sticky problem is to stay the course.

Carl Radford, Co-founder and Chief Investment Officer



Period	White Elk Composite (%)	Eureka Macro Index (%)
1 Month	-0.89%	0.60%
3 Months	1.31%	0.17%
1 Yr	11.43%	5.22%
YTD	1.15%	1.82%
Since Incep	15.66%	12.17%

The macro bottom line

The Trump tariff conundrum has not only upended the trading world, economies like Australia and New Zealand are about to be hit by the unexpected - cheap imports.

These will ultimately create an outcome of lowering prices of consumer goods, reversing the stubborn inflation that monetary authorities have spent the last 5 years battling.

We foresee Australia, and New Zealand to a certain degree, as potential dumping grounds for Chinese inventories like electronics - the very ones that importers in the US have already rejected, cancelled or even abandoned at ports due to a refusal to pay those higher tariffs.

And we don't think this is a blip. Stalled American orders and inventory "dumping" could prevail as an economic risk over the next 90 to 120 days, even the next six months whether tariffs pause or not.

Businesses will certainly double down on the deep freeze, particularly after this recent round of US tariffs on foreign steel and aluminium imports.

For Australia, there is a double whammy. As cheap imports flood Australia, China will pull back on manufacturing, ultimately muting Australia's key mineral exports too. These only reaffirm our predictions of a recession for Australia towards the end of the year.

So market traders were the first to be hit by the paralysis, now businesses have joined the bandwagon. Next comes the banks.

Given these conditions, the RBA and the RBNZ should really abandon all hesitation in dropping cash rates, but they will miss the mark.

Fresh from licking their wounds after the recent inflation fight, they will be concerned that any rate cut will be one rate cut too many, and could undo the work they have done with reining in inflation.

Ironically, their caution will be ill-timed with deflation likely on its way.

Japan not spared

Meanwhile, cracks are appearing in the Japanese bond market. Earlier last week, the Bank of Japan set aside the maximum provision for losses on bond transactions and it feels like that market is prone to even more Value at Risk (VaR) shocks.

We see the risks of more VAR shocks and losses far exceed the upside of potential gains for Japan. Given this - and in the same vein as all the economic and financial nervousness going round - the Bank of Japan will also flounder in keeping up the momentum of its rate hikes.

Against the backdrop of the tariffs mayhem, Japan will be conservative about hiking rates, while the RBA and the RBNZ two will be conservative about cutting.

That is the paralysis gripping the world summed up.

FACTSHEET – MAY 2025

3 Month	Year to Date	Since Inception	Daily Volatility	Sharpe Ratio
1.31%	1.15%	15.66%	0.21%	2.17

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

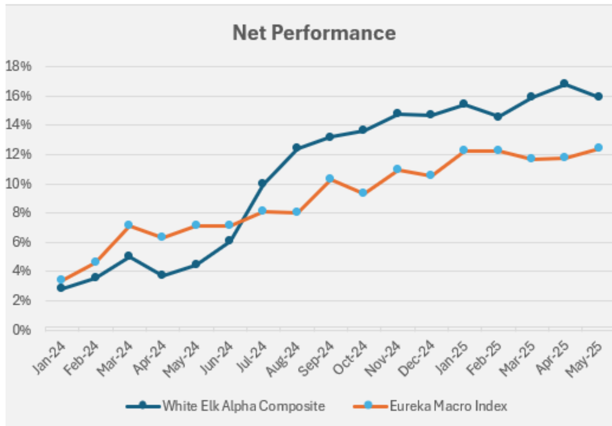
Anthony Bathurst	Chief Executive Officer
Mark Croft	Head of Fund Services

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

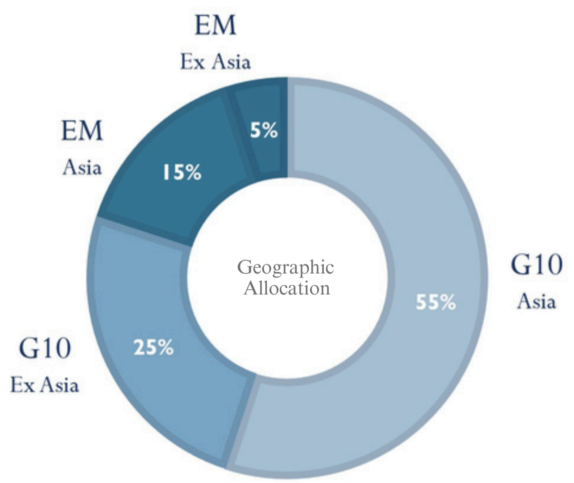


Performance Summary*

Period	Return (%)	Eureka Macro Index
3 Month	1.31%	0.17%
Year-to-Date	1.15%	1.82%
Since Inception	15.66%	12.17%

Risk and Portfolio Summary

Figure	Portfolio
Positive Months	16
Negative Months	5
Max Drawdown	-1.31 %
Longest Drawdown (Months)	1



* Method of calculation and applicable factors per proceeding newsletter

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