

## BWC Founders Fund - April 2025 Investor Update

To our valued investors and friends,

### Fund Performance

Month two is in the books and what month it was! In a truly unprecedented turn of events, the start of the month saw the markets hammered with volatility from higher-than-expected tariffs from the Trump administration followed by a series of tit-for-tat relations from China and the USA. By mid-month the market had seen a greater than 10% drop in a matter of days following the announcement. Then, in a dramatic recovery, the markets raced back higher after the administration paused some tariffs and the markets finished nearly flat for the month. It was stomach-turning levels of volatility but I'm very pleased with the performance of the algos during this period.

In April, the **BWC Founders Fund** delivered a **8.5%** return (net of management fees and expenses), outperforming the broader market with the **SPXTR** (S&P500 Total Return Index) declining by **-.7%** over the same period. This brings the cumulative-to-date returns of the fund to **8.4%** compared to the SPXTR returns of **-4.6%** over the same period.

### Market Overview

April 2025 was a volatile month for global equity markets, driven by higher-than-expected tariffs, geopolitical tensions, and economic uncertainty. The Federal Reserve remained on pause with the current cycle of rate reductions, leading to a perception of hawkishness in the face of increasing weakness in leading economic indicators putting pressure on risk assets. VIX spiked dramatically during the month peaking around 40 before falling just as quickly during the second half of the month as tariff related concerns eased.

### Strategy Insights

- **Mean Reversion & Volatility-Based Strategies:** The main source of profit for the month as these strategies were able to capitalize on short-term dislocations in equities values and increasing volatility.
- **Hedging Framework:** Our hedge components in the core strategies which helped reduce volatility and generate profit in March and early April led to underperformance of the fund in the second half of the month. Despite underperforming the market during the recovery period, I am very pleased with the reduced volatility the hedge program provided. Given the high levels of uncertainty that existed during the month, we could have just as easily moved lower if the tariffs stayed in place. With high levels of volatility and lack of clear trends, the best strategy is to stay hedged and the algos did that well.
- **Multi-Asset Exposure:** Diversification into commodities, bonds, and currencies contributed positively, reducing correlation to equities and reducing overall portfolio volatility.
- **Breakdown in Momentum Strategies:** The month saw continued underperformance from trend-following momentum based strategies as the volatility and rapid changes in direction made it difficult for any investible trends to develop.

### Performance Metrics

Given the incredible volatility during the month, it's difficult to glean much from the metrics this month, we expect the metrics to become increasingly clear and meaningful over the next few months as the markets settle back down.

The following performance metrics are tracked on a Gross Basis, prior to management fees and expenses which we believe provides the best information as to the daily performance of the funds strategies. We will continue to report cumulative monthly and annual returns on a Net Basis.

**Cumulative Performance Metrics as of April 30, 2025:**

	<b>BWC Founders Fund</b>	<b>SPXTR</b>
<b>Sharpe Ratio</b>	<b>1.23</b>	<b>(.58)</b>
<b>Sortino Ratio</b>	<b>3.60</b>	<b>(.87)</b>
<b>Information Ratio</b>	<b>3.19</b>	
<b>Alpha (SPXTR)</b>	<b>100%</b>	
<b>Beta (SPXTR)</b>	<b>1.16</b>	
<b>Correlation (SPXTR)</b>	<b>0.83</b>	

**Risk & Volatility**

The fund exhibited realized volatility higher than the markets over the course of the month, but when looked at daily, the volatility was significantly lower than the market. This was due to the fund gaining nearly 2x the market returns on 4/9, this one days volatility is driving the monthly metric but we are happy with overall volatility of the fund during this period. With annualized volatility of **52.6%** compared to **SPXTR** at **37.4%** we have higher volatility than expected but anticipate this metric coming down over the next few months to be in line or lower than the market. The goal of the fund remains to maintain an annualized volatility level in line with the broader market, while delivering higher total returns and lower overall drawdown. Maximum drawdown of the fund in April was **-7.4%**, in contrast to the S&P 500's **-11.2%** peak-to-trough decline during the month. The funds strategies recovered more quickly from this drawdown and outperformed the broader markets for the month, although they trailed the markets in the second half of the month due to their more risk off positioning after the market sell off.

**Outlook for the May and remainder of 2025**

Given persistent macroeconomic and political uncertainty, including upcoming budget negotiations, we anticipate continued volatility across asset classes for the foreseeable future until the full impact of these issues is better understood by the markets. Our systematic approach remains well-positioned to reduce volatility and generate Alpha during times such as these and we are optimistic about the remainder of the year despite the challenging current market conditions.

We thank you for your trust with your capital and look forward to another productive month.

**BWC Founders Fund, LLC**

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**Performance:** Performance data represents past performance and is no guarantee of future results. The returns presented reflect the performance of an investor who invested from inception. Gross Returns represent the performance of the funds applicable strategies including the reinvestment of dividends but prior to any fees or expenses. Net Returns reflect the reinvestment of dividends and earnings and the deduction of all expenses and fees (including the highest management fee and incentive allocation charged, where applicable). The Performance Statistics are based on the Gross Returns of the strategies on a daily basis and do not accrue for Management or Performance Fees and is solely intended to provide information related to the performance of the strategies of the fund and not the fund itself. An actual client's results will vary due to the timing of capital transactions, high watermarks, and performance. Performance should not be indicative of the skill of Blackworks Capital and clients may experience a loss. The BWC Founders Fund follows a systematic trading strategy with actively managed systems and strategies. The strategy employs the use of leveraged ETFs, inverse ETFs, and Volatility ETFs and can experience significant volatility and loss of capital.

**Private Securities Offering Legend:** Only Qualified Clients will be admitted to the Fund. For natural persons, investors must meet applicable Securities and Exchange Commission ("SEC") and Fund requirements including minimum net worth thresholds. Blackworks Capital funds are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act. The SEC has not passed upon the merits of or given its approval to Blackworks Capital funds, the terms of the offerings, or the accuracy or completeness of any offering materials. A registration statement has not been filed for any Blackworks Capital fund with the SEC. Membership interests in Blackworks Capital funds are subject to legal restrictions on transfer and resale. Investors should not assume they will be able to resell their securities. Investing in securities involves risk. Investors should be able to bear the loss of their investment. Investments in Blackworks Capital funds are not subject to the protections of the Investment Company Act of 1940, as amended. Performance data represents past performance, and past performance does not guarantee future results. Past performance is subject to revision following each monthly reconciliation and annual audit. Current performance may be lower or higher than the performance data presented. Blackworks Capital is not required by law to follow any standard methodology when calculating and representing performance data. The performance of Blackworks Capital funds may not be directly comparable to the performance of other private or registered funds.