BWC Founders Fund — March 2026 Investor Update

Systematic Discipline | Enduring Alpha

To our valued investors and friends,

Fund Performance

March tested the resolve of equity markets—and validated the discipline of systematic risk management. The S&P 500 posted a return of **(-5.0%)** for the month, its steepest monthly decline in over two years, driven by an unprecedented convergence of geopolitical disruption, energy market dislocation, and accelerating uncertainty around monetary policy. Against this backdrop, the BWC Founders Fund delivered **+0.3% net of fees**—preserving capital and generating **+5.3 percentage points of outperformance** versus the benchmark.

	BWC Founders Fund	S&P500 Total Return (SPXTR)	Δ Vs. (SPXTR)
March 2026	**+0.3%**	(-5.0%)	**+5.3%**
YTD 2026	**+12.9%**	(-4.3%)	**+17.2%**
Cumulative Net Return (Since Inception)	**+45.7%**	+13.1%	**+32.5%**

Year-to-date, the Fund has delivered **+12.9% net of fees** compared to the benchmark's (-4.3%), representing **17.2 percentage points of outperformance** through the first quarter. Since inception in March 2025, the Fund's cumulative net return of **+45.7%** now exceeds the S&P 500's +13.1% by 32.5 percentage points—generating more than 3.4x the benchmark's return over the same period.

This sustained alpha generation has been achieved alongside superior risk management and reduced drawdown during the month. In March, the Fund's realized Beta of **0.51**—roughly half the market's movement—reflects a deliberate, systematic reduction in exposure as risk signals intensified. A Downside Capture Rate of just **27.5%** for the month demonstrates that on the average down day, the Fund captured only a fraction of the benchmark's loss. This asymmetric return profile—participating meaningfully in upside while systematically limiting downside—is the hallmark of disciplined, rules-based portfolio construction.

For detailed performance statistics, risk metrics, and monthly returns, please refer to the enclosed Summary Factsheet.

The Five Forces — March Through a Systematic Lens

At Blackworks Capital, every investment decision is filtered through our **Five Forces Framework**—a systematic taxonomy of the primary drivers of market prices. Rather than reacting to headlines or forecasting outcomes, we translate these forces into measurable, objective signals that govern portfolio positioning. March provided a compelling case study in how multiple forces converged simultaneously—and how systematic discipline navigated the resulting complexity.

Force 1: The Macroeconomic Imperative

The macroeconomic landscape shifted materially in March. The ongoing US/Israel military campaign against Iran continued to disrupt energy supply chains through the Strait of Hormuz—a chokepoint for nearly 20% of global oil production. While the initial price spike of 35% in early March was followed by reversal and period of upwards consolidation, oil prices remained volatile throughout the month with prices remaining above $100/bbl as of the date of this letter. Jet fuel pricing in Asian markets, which saw increases exceeding 150% in the first week of the conflict, continued to weigh on regional transport, manufacturing, and economic activity across China and broader Asia.

For our systematic framework, this represents a potential regime shift. Elevated energy costs flow directly into consumer prices and manufacturing inputs, increasing the probability of a **stagflationary environment**—slowing growth coupled with persistent inflation. This creates intensifying tension within the Federal Reserve's dual mandate: the need to support employment while containing prices. Should oil prices remain elevated, the risk of recessionary conditions increases while inflationary pressures simultaneously prevent aggressive monetary easing.

Systematic Translation: Force 1 signals dictated increased caution in March. Our models detected deteriorating macro conditions through inter-market ratio analysis—specifically, commodities momentum vs equities momentum, increasing interest rates, increasing relative value of the Dollar against global currencies—and responded by reducing net exposure and increasing systematic hedging. This is the Macroeconomic Imperative in action: not forecasting the war's trajectory, but reading the market's real-time consensus on its economic implications and positioning accordingly.

Force 5: Human Psychology and Behavioral Extremes

March was a month where behavioral forces amplified the impact of fundamental events. The intersection of geopolitical fear, AI-driven disruption anxiety, and eroding economic confidence created a feedback loop of sentiment-driven selling—precisely the environment where systematic discipline provides its greatest edge.

The AI-driven transformation of the technology sector accelerated meaningfully. Block (NYSE: XYZ) announced a **40% reduction in headcount** attributed directly to AI—one of the most significant signals yet that AI disruption is moving from theoretical to tangible. The iShares Software Sector ETF (CBOE: IGV) extended its decline to approximately **-24.9% YTD**, dramatically underperforming both semiconductors and the broader market. This extreme sector dispersion—investors simultaneously pricing transformative value for AI enablers while aggressively discounting vulnerable companies—reflects the behavioral whiplash between euphoria and fear that defines Force 5.

Concurrently, the combination of an active military conflict, unprecedented energy volatility, and elevated valuations created conditions ripe for broader behavioral extremes. Markets moved not just on fundamentals, but on cascading fear—investors extrapolating worst-case scenarios and de-risking aggressively. Human psychology does not process risk linearly; it overweights recent negative events and drives selling pressure that often overshoots fundamental value.

Systematic Translation: Force 5 reinforced our models' defensive positioning. When behavioral extremes drive price action, the systematic advantage lies in emotional neutrality. Our algorithms do not panic, do not extrapolate fear, and do not abandon predefined risk parameters based on headlines. The models maintained disciplined exposure, allowed systematic hedges to absorb downside, and preserved the portfolio's ability to capitalize on mean reversion opportunities as these extremes eventually resolved. This is why the Fund preserved capital while the benchmark fell -5.0% in March.

Outlook & The Systematic Advantage

As we enter Q2 2026, these forces remain active and interconnected. Long-term trends are constructive but weakening, and consensus 2026 earnings growth estimates—hovering near 10%—face increasing headwinds from both the macro environment and shifting market leadership. These are precisely the conditions where systematic, multi-strategy frameworks provide their greatest edge.

Our conviction lies not in macro-forecasting, but in the disciplined execution of objective, rules-based logic. This systematic framework provides a critical advantage in the current environment:

- **Remain Positioned with Discipline:** Our models will not prematurely abandon a defined uptrend based on short-term noise or speculative predictions. As long as systematic signals remain constructive, we remain positioned to capture continued gains. When signals deteriorate, the system de-risks automatically—as it did in March.
- **Dynamic Risk Control:** Should market conditions continue to deteriorate and our models signal a sustained trend reversal, they are constructed to systematically increase hedging and reduce exposure. March's realized Beta of 0.51 demonstrates this capability in action.
- **Disciplined Opportunism:** Periods of elevated dispersion and intermittent volatility—precisely the conditions we face today—are environments where our momentum, mean reversion, and volatility focused strategies are designed to monetize price dislocations while controlling risk.

The first quarter has demonstrated the Five Forces framework at its most valuable. Through a market that sent the S&P 500 down -4.3%, the BWC Founders Fund generated +12.9% net of fees—not through prediction, but through systematic discipline.

This Fund was built to manage the Founder's own capital. Every dollar of investor capital sits alongside ours, facing the same risk, the same drawdowns, and the same rules. That is why risk management is never an afterthought here—it is the reason the Fund exists. When we protect capital in a month like March, we are protecting our own alongside yours.

We invite you to join us as we continue to navigate this complex market environment with the discipline, transparency, and alignment that define Blackworks Capital.

Thank you for your continued partnership.

BWC Founders Fund

Rogan McGillis
Founder & Fund Manager

March 2026

BWC Founders Fund, LLC

Summary Factsheet

BLACKWORKS CAPITAL

Key Highlights

- **Performance-Based Fee Structure:** Performance fees are only charged once the Fund exceeds a 10% soft hurdle rate in the performance period.
- **Founder-Led, Founder-Invested:** The founder's capital is invested alongside every client — the firm was built to manage its own capital first.
- **Exceptional Liquidity:** Monthly subscription and redemption periods available.
- **Regular Capital Return:** Quarterly profit distributions available to investors.
- **Systematic & Multi-Asset Diversification:** Data-driven, long/short trading across global equities, commodities, bonds, currencies, and select crypto ETFs
- **Clear Outperformance Target:** Strategically designed to outperform the S&P500 Index on a risk-adjusted basis
- **Active Downside Management:** Systematic risk controls designed to reduce drawdowns and preserve capital during market dislocations

Fund Manager

Rogan McGillis is the **Founder, CEO, and Fund Manager of Blackworks Capital**. He built and oversees the firm's proprietary Five Forces Framework and the systematic models that drive portfolio construction, signal generation, and risk management across the BWC Founders Fund. His capital is invested alongside every client — a direct reflection of his conviction in the system he designed.

Investment Strategy

The BWC Founders Fund is a founder-led, systematic, multi-asset long/short strategy designed to outperform the S&P 500 Total Return Index while actively managing downside risk. We trade primarily across U.S. and global equities, with tactical allocations to volatility products, commodities, bonds, currencies, and cryptocurrency ETFs. The founder's capital is invested alongside every client — full alignment, no exceptions.

Our investment process begins with the **Five Forces Framework** — a proprietary lens for evaluating macroeconomic conditions, technical price action, derivatives positioning, fundamental valuation, and behavioral extremes. Within this framework, three core quantitative factors — **Momentum, Asset Correlation, and Mean Reversion** — generate the trading signals that drive portfolio construction. Each factor contributes independently, and the portfolio adjusts dynamically based on their aggregate output. The result is a non-discretionary, rules-based process that captures alpha by replacing emotional judgment with statistical rigor.

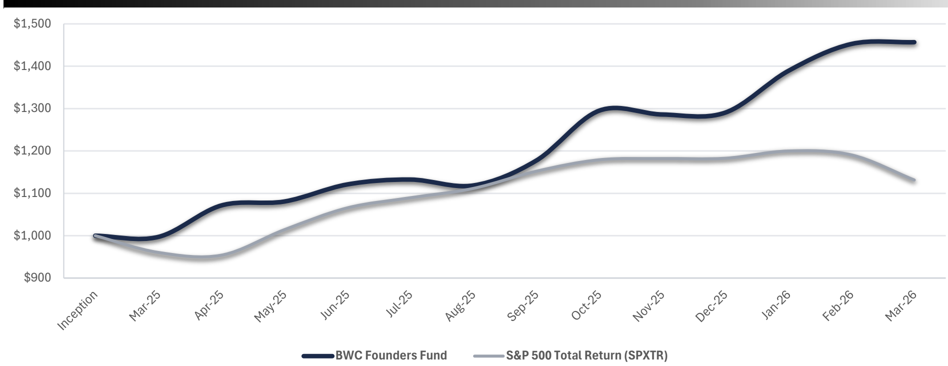
Fund Performance

Net Returns

	BWC	S&P500	Δ
1 Month	**0.3%**	-5.0%	5.3%
3 Month	**12.9%**	-4.3%	17.2%
12 Month	**46.1%**	17.8%	28.3%
YTD	**12.9%**	-4.3%	17.2%
Cumulative	**45.7%**	13.1%	32.5%
Inception to Date - CAGR	**41.5%**	12.1%	29.4%

Monthly Performance

Cumulative Net Returns of $1,000 Investment



General Information

Company	BWC Founders Fund, LLC
Auditor	Cherry Bekaert, LLP
Administrator	RePool, LLC
Minimum Investment	100,000 USD
Liquidity	Monthly (subject to lockup period)
Management Fee	2.00%
Performance Fee	15.00%
Highwater Mark	Yes
Performance Hurdle	10% (Soft Hurdle)

Monthly Returns Table

Net Returns

BWC Founders Fund

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Cumulative
2025			-0.3%	7.4%	0.9%	3.7%	1.0%	-1.2%	5.3%	10.0%	-0.7%	0.3%	**29.1%**	**29.1%**
2026	7.6%	4.6%	0.3%										**12.9%**	**45.7%**

S&P 500 Total Return (SPXTR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Cumulative
2025			-4.0%	-0.7%	6.3%	5.1%	2.2%	2.0%	3.6%	2.3%	0.2%	0.1%	**18.3%**	**18.3%**
2026	1.5%	-0.8%	-5.0%										**-4.3%**	**13.1%**

Performance Metrics

Calculated on Daily Gross Returns

	BWC	S&P 500
Sharpe Ratio	1.91	0.71
Sortino Ratio	4.51	1.06
Calmar Ratio	5.15	0.83
Gain-to-Pain Ratio	1.69	1.15
Information Ratio	2.39	
Alpha (Annualized)	41.4%	
Volatility (6M Rolling)	14.1%	11.4%
Volatility (Inception)	23.5%	18.5%
Max Drawdown (6M Rolling)	-6.1%	-8.9%
Max Drawdown	-10.2%	-14.7%
Median Drawdown	-0.4%	-0.9%
Avg Recovery Time (days)	5.1	7.9
% Months Positive	76.9%	69.2%
Beta	0.89	
Upside Capture Rate	75.2%	
Downside Capture Rate	34.1%	

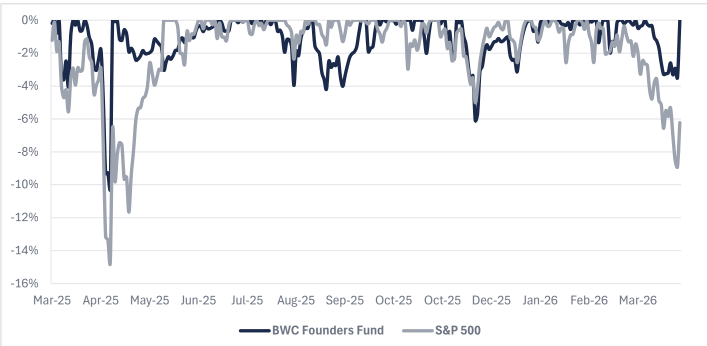
BWC Founders Fund, LLC

Performance Analytics

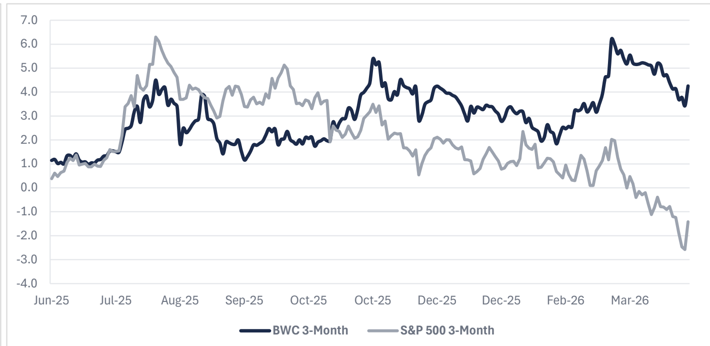
March 2026

BLACKWORKS CAPITAL

Underwater Chart (Drawdown)

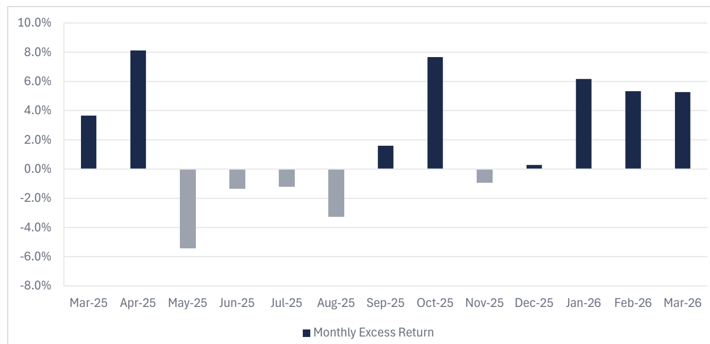


Rolling Sharpe Ratio - 3 Month (BWC vs S&P 500)

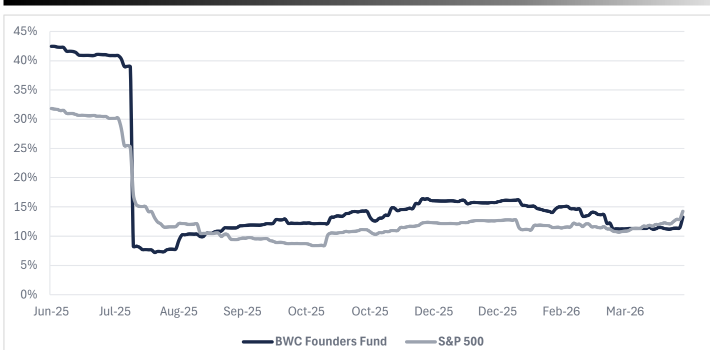


Cumulative Excess Return vs S&P 500

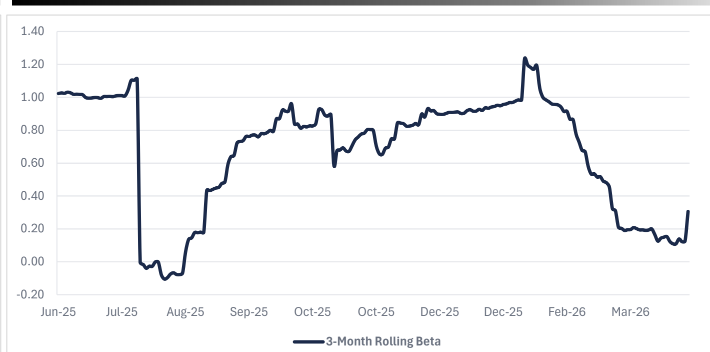
Monthly Excess Returns (BWC vs S&P 500)



Rolling Volatility - 3 Month (BWC vs S&P 500)



Rolling Beta - 3 Month (BWC vs S&P 500)



Important Disclosures: Blackworks Capital LLC manages hedge funds through its subsidiary, Blackworks Capital Management LLC, an Exempt Reporting Advisor registered in the State of Colorado.

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.