

BWC Founders Fund — May 2026 Investor Update

Systematic Discipline | Enduring Alpha



To our valued investors and friends,

Fund Performance

The S&P 500 advanced +5.0% in May as Q1 earnings strength and the AI capex narrative continued to dominate sentiment. The **BWC Founders Fund posted +1.0% net of fees**, a positive but cautious month. Our strategies held back broader participation as the Nasdaq pushed further into overextended territory and market breadth deteriorated beneath the headline tape.

	BWC Founders Fund	S&P 500 Total Return (SPXTR)	Δ Vs. (SPXTR)
May 2026	+1.0%	+5.0%	(-4.0%)
YTD 2026	+20.1%	+11.0%	+9.1%
Cumulative (Since Inception)	+55.0%	+31.3%	+23.7%

Year-to-date, the Fund is **+20.1% net of fees** against the S&P 500's **+11.0%**, a **+9.1 point** lead through five months. Since inception in March 2025, the Fund has compounded to **+55.0%** against the benchmark's **+31.3%**, roughly 1.75x its return over the same period.

Detailed performance statistics and monthly returns are in the enclosed Summary Factsheet.

The Five Forces — May Through a Systematic Lens

Our **Five Forces Framework** filters market activity through macro conditions, technical price action, derivatives positioning, fundamental valuation, and human psychology. In May, three forces shaped portfolio posture: a constructive fundamental tape that drove the leadership higher, an unfavorable macro backdrop that kept our defensive sleeves engaged, and technical conditions that capped how aggressively our momentum strategies could participate.

Force 4: Fundamental Valuation

Q1 earnings closed with blended EPS growth near 27.7% year-over-year, the strongest quarter since Q4 2021 and roughly double the consensus estimate entering the period. Hyperscaler capex guidance was reaffirmed and AI infrastructure demand re-validated, anchoring the bullish case for the leadership cohort. Software dispersion remains unresolved, but the AI-enabler complex continued to draw capital through the month.

Systematic Translation: The fundamental impulse from Q1 earnings shows up in our portfolio through momentum, which captures earnings-driven trends when the underlying indexes are not stretched. For most of May, however, the indexes sat at extended levels, capping how aggressively our exposure could scale. The Fund captured a portion of the earnings-led advance; it did not fully participate because the price structure carrying it was already extended.

Force 1: The Macroeconomic Imperative

The macro backdrop did not improve in May. The Iran conflict remains unresolved and the Strait of Hormuz disruption continues. Oil stayed structurally elevated above pre-conflict ranges, bond yields ground higher as markets repriced the inflation impulse, and consumer sentiment softened further under the weight of higher energy costs and higher rates. The probability of a stagflationary outcome has not receded.

Systematic Translation: Force 1 is the source of the Fund's defensive positioning this month. Our macro signals, specifically oil-price momentum and bond-versus-equity momentum, maintained reduced equity

exposure and hedged posture across the macro-sensitive sleeves. The cost of that discipline was visible in May's relative return; the benefit shows up if/when the macro tape resolves to the downside, as it did in March.

Force 2: Technical Price Action

May's advance was narrow at the sector level. Leadership concentrated in mega-cap technology and semiconductors, while sector breadth weakened; the equal-sector ETF (EQL) trailed the cap-weighted SPY by a meaningful margin, and the Nasdaq closed the month at extended levels versus its longer-term trend with short-term momentum oscillators flashing exhaustion. Narrow sector participation alongside index strength is historically associated with elevated reversal risk, not durable trend continuation.

Systematic Translation: Force 2 produced the most nuanced result of the month inside the portfolio. Our trend-following strategies captured meaningful value from the index level advances and were the principal driver of the Fund's positive return. At the same time, our mean reversion logic, activated by the overextended conditions in the leadership sector, moved against parts of that trend exposure and nullified some of the gains. The interaction is intentional: trend-following participates in the move, mean reversion fades the extremes, and the net result reflects both signals working as built.

Outlook & The Systematic Advantage

Entering June, the same forces remain active and pulling in opposite directions. Fundamentals and AI capex remain the dominant constructive driver. The macro backdrop continues to deteriorate at the margin, and the technical structure of the leadership cohort shows increasing strain. In this configuration, our strategies will continue to participate selectively while keeping defensive sleeves engaged against the macro-overhang.

The Q2 earnings cycle, the trajectory of oil and yields, and the resolution of the Iran conflict will set the tone for the months ahead. Our momentum strategies are constructed to re-engage quickly if the macro complex resolves constructively and breadth broadens. Hedges and defensive sleeves are positioned to absorb downside if conditions deteriorate.

- **Selective Participation:** Trend-following captured value from the markets advance; mean reversion faded extremes inside the same complex. The two signals working in tension is the design, not a bug.
- **Dynamic Risk Control:** Macro signals on oil strength and treasury yields rising kept our defensive sleeves hedged. Those hedges are calibrated to absorb downside if the macro-overhang converts into broader risk-off price action.
- **Disciplined Opportunism:** Narrow sector leadership, overextended indexes, and earnings-driven dispersion are conditions our momentum, mean reversion, and volatility strategies are built to monetize over time.

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 alignment is why risk management is never an afterthought; it is the reason the Fund exists. When geo-political events create stress in the markets, our strategies respond to protect capital, when the market recovers our strategies respond to participate in the recovery. Over the course of the full cycle our strategies prove their worth by reducing risk, managing volatility, and achieving significantly stronger risk adjusted returns than our benchmark.

We invite qualified investors to join us as we continue to navigate this market with the discipline, transparency, and alignment that define Blackworks Capital. Thank you for your continued partnership.

BWC Founders Fund

Rogan McGillis

Founder & Fund Manager

BWC Founders Fund, LLC

Summary Factsheet



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

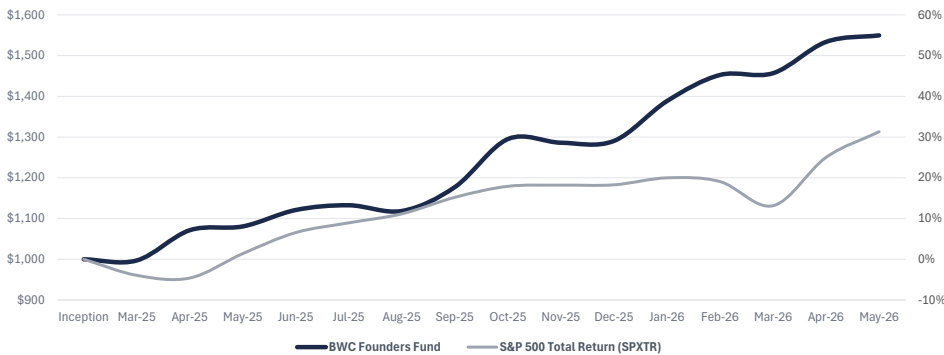
Investment Strategy

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.

Monthly Performance

Cumulative Net Returns of \$1,000 Investment



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%	5.3%	1.0%								20.1%	55.0%

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%	10.5%	5.0%								11.0%	31.3%

Fund Manager



Rogan McGillis is the Founder, CEO, and Fund Manager for 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.

Fund Performance

Net Returns

	BWC	S&P500	Δ
1 Month	1.0%	5.0%	-4.0%
3 Month	6.7%	10.3%	-3.6%
12 Month	43.4%	29.5%	13.9%
YTD	20.1%	11.0%	9.1%
Cumulative	55.0%	31.3%	23.7%
Inception to Date - CAGR	42.0%	24.3%	17.6%

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)

Performance Metrics

Calculated on Daily Gross Returns

	BWC	S&P 500
Sharpe Ratio	2.03	1.33
Sortino Ratio	4.70	2.01
Calmar Ratio	5.22	1.67
Gain-to-Pain Ratio	1.73	1.30
Information Ratio	1.72	
Alpha (Annualized)	32.1%	
Volatility (6M Rolling)	14.0%	11.7%
Volatility (Inception)	22.2%	17.8%
Max Drawdown (6M Rolling)	-3.5%	-8.9%
Max Drawdown	-10.2%	-14.7%
Median Drawdown	-0.4%	-0.9%
Avg Recovery Time (days)	5.1	7.9
% Months Positive	80.0%	73.3%
Beta	0.84	
Upside Capture Rate	67.9%	
Downside Capture Rate	30.6%	

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 applicable fund's 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.

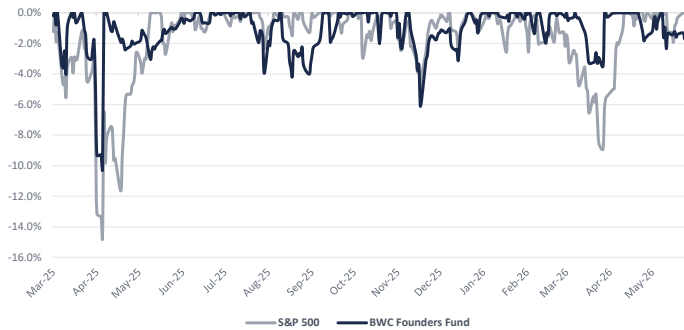
May 2026

BWC Founders Fund, LLC

Performance Analytics



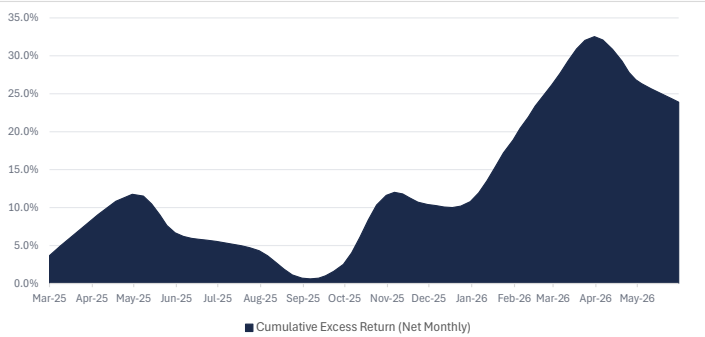
Underwater Chart



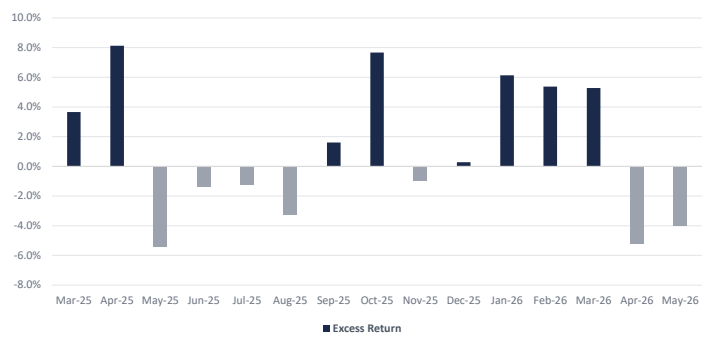
Rolling Sharpe Ratio - 3 Month (BWC vs S&P 500)



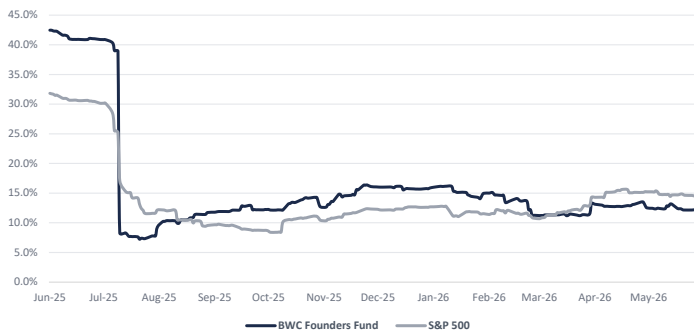
Cumulative Excess Net Returns vs S&P 500



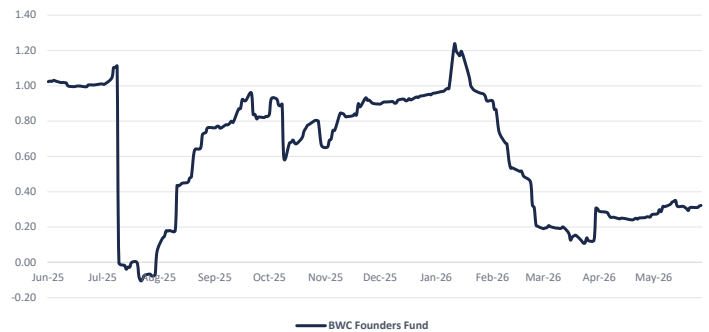
Monthly Excess Net Returns (BWC vs S&P 500)



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



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



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