

BWC Founders Fund — April 2026 Investor Update

Systematic Discipline | Enduring Alpha



To our valued investors and friends,

Fund Performance

April marked a sharp reversal in equity markets, with the S&P 500 rebounding **+10.5%** as investors aggressively bought on positive Q1 earnings and faded the geopolitical and stagflation fears that defined March. Against that backdrop, the BWC Founders Fund delivered **+5.3% net of fees**—a strong absolute month, but one that captured roughly half of the index's upside. The same systematic posture that preserved capital in March's drawdown participated more selectively in April's rebound. That symmetry is by design.

	BWC Founders Fund	S&P 500 Total Return (SPXTR)	Δ Vs. (SPXTR)
April 2026	+5.3%	+10.5%	(-5.2%)
YTD 2026	+18.8%	+5.7%	+13.1%
Cumulative Net Return (Since Inception)	+53.4%	+25.0%	+28.4%

Through the first four months of 2026, the Fund has compounded to **+18.8% net of fees** against the S&P 500's **+5.7%**—**+13.1 percentage points** of YTD outperformance. Since inception in March 2025, the Fund's cumulative net return of **+53.4%** exceeds the benchmark's **+25.0%** by **+28.4 percentage points**, a multiple of more than 2.1x over the same period.

Case Study: The Iran Conflict Period (2/28/26 – 4/30/26)

A systematic risk framework is best evaluated through a defined stress window. The two months from the outbreak of the Iran conflict on February 28 through April 30 provide exactly that—a sharp single-month drawdown, an unprecedented oil-price spike, a sustained energy supply shock, and a sharp reversal rally driven by a ceasefire and Q1 earnings and AI-capex revalidation. Across the full cycle, the Fund strategies returned **+6.7% gross** (prior to fees and expenses) against the S&P 500's **+5.0%**—**+1.7 percentage points** of cumulative outperformance, achieved with materially less risk on every measurable dimension.

The Fund's realized risk over the window was materially lower than the benchmark's: annualized volatility of **12.3%** vs. the S&P's **16.2%**, and a peak-to-trough drawdown of **-3.5%** vs. **-7.7%**. The mechanism behind that capital preservation is structural—realized Beta of **0.39**, Upside Capture of **36.6%**, and Downside Capture of just **3.9%**, meaning that on the average down day for the S&P 500 across this window, the Fund effectively did not participate. Integrated across return and risk, the result is a Sharpe Ratio of **3.11** vs. **1.82**, Sortino of **7.00** vs. **3.00**, Calmar of **13.26** vs. **4.28**, and Annualized Alpha of **30.7%**—roughly two to three times the benchmark's return per unit of total risk, downside risk, and drawdown.

This is the trade-off in practice: in months like March, we avoided some of the market's pain; in months like April, we participate in the rebound at a more cautious pace. The same pattern held through the prior major stress episode of the Fund's history—the tariff-driven correction in March and April 2025, the largest S&P 500 drawdown of our inception-to-date period—where the Fund similarly outperformed by absorbing less of the downside while participating meaningfully in the recovery. Across complete cycles, that exchange has compounded into absolute outperformance with a fraction of the benchmark's downside participation. *For detailed performance statistics, risk metrics, and monthly returns, please refer to the enclosed Summary Factsheet.*

The Five Forces — April 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: macroeconomic conditions, technical price action, derivatives positioning, fundamental valuation, and human psychology. Rather than reacting to headlines or forecasting outcomes, we translate these forces into measurable, objective signals that govern portfolio positioning. In April, two forces dominated: a still-tense macro backdrop that kept our defensive strategies engaged, and a fundamentally constructive earnings season that allowed momentum strategies to re-engage risk.

Force 1: The Macroeconomic Imperative

The macroeconomic environment improved in tone but not in substance. The US/Israel military campaign against Iran continued, the Strait of Hormuz disruption remained unresolved, and oil prices stayed structurally elevated above pre-conflict ranges while bond yields rose alongside them as markets repriced the inflation impulse from sustained energy costs. The equity rebound was not built on the resolution of March's risks; it was built on the market's growing comfort that those risks could be absorbed. The distinction matters. The probability of a stagflationary regime—slowing growth coupled with persistent inflation—has not meaningfully receded, and the Federal Reserve's dual-mandate tension remains acute. Should oil remain elevated and yields continue to grind higher, the risk of a delayed monetary response becomes the dominant macro variable for the back half of 2026.

Systematic Translation: Force 1 kept multiple sleeves of the portfolio defensive in April. Our macro strategies anchored on oil-price momentum maintained reduced equity exposure, and our bond-versus-equity momentum strategies held a hedged posture as yields rose with energy prices. These signals did exactly what they were designed to do—they did not extrapolate the equity rebound into a broad risk-on conclusion. Our models followed the data rather than the tape.

Force 4: Fundamental Valuation

Force 4 provided the most clearly constructive signal of the month. With ~89% of S&P 500 companies reported, ~84% have beaten EPS estimates and the blended year-over-year earnings growth rate stands at ~27.7%—the highest reported by the index since Q4 2021, and roughly double the ~13.1% consensus growth estimate at the start of the quarter. Hyperscaler capital expenditure guidance was reaffirmed and AI

infrastructure demand re-validated. AI capex continues to function as the largest fundamental demand signal in U.S. equities, providing a multi-year revenue anchor for the semiconductor and infrastructure complex, even as software dispersion—the disruption narrative that hurt the iShares Software Sector ETF (CBOE: IGV) into March—remains unresolved. The fundamental picture is bifurcated: clear winners in AI enablement, ongoing uncertainty in AI-vulnerable business models.

Systematic Translation: Force 4 enabled our momentum strategies to re-engage quickly once price action confirmed key levels had been reclaimed. This is the role momentum is designed to play—not to predict that earnings will validate a rebound, but to add exposure when price and breadth signals confirm participants are pricing in that validation. By mid-April, the portfolio had rebuilt directional risk in the sectors with the most durable fundamental support, while macro-sensitive sleeves remained intentionally hedged.

Outlook & The Systematic Advantage

Entering May, the market sits at the intersection of three competing forces: a sharp rebound whose internals do not yet confirm a clean regime change, an unresolved geopolitical and energy backdrop that continues to pressure the macro environment, and a Q1 earnings cycle providing a real fundamental tailwind.

The most important qualifier on April's rebound is the texture beneath it. The advance occurred on below-average volume with leadership heavily concentrated in mega-cap technology and semiconductors—from the late-March S&P 500 low through April 30, SOXX returned ~+48% and QQQ ~+19.5%. Beneath that leadership, however, the equal-weight S&P (RSP) gained only ~+8.0% and the equal-sector ETF (EQL) just ~+7.3% against the cap-weighted SPY's ~+13.6%—the average stock and the average sector captured roughly half of what the headline index suggests. Rebounds of this character—index strength masking sub-surface weakness—historically warrant caution rather than full re-engagement, and several of our strategies remain defensive precisely because their internal breadth and participation signals have not confirmed the rally.

Behind that rally, the macro backdrop has not eased. The US/Israel-Iran conflict has returned to dominate headlines with the ceasefire at a fragile state, oil remains structurally elevated, Asian transport and manufacturing continue to absorb higher energy costs, and the inflation impulse has yet to fully show up in CPI. The monetary-policy overhang remains, with a durable resolution or fresh escalation as the two meaningful catalysts in opposite directions. Against that backdrop, Q1 earnings strength and reaffirmed AI capex guidance are the principal tailwind carrying the market—fundamentals, for now, doing the work the macro environment is not.

Our conviction lies not in macro-forecasting, but in the disciplined execution of objective, rules-based logic:

- **Selective Re-Engagement:** Our momentum strategies added exposure in April as price and breadth signals confirmed key levels were reclaimed. The portfolio captured a meaningful share of the rebound where signals supported participation, and held defensive posture where they did not.
- **Dynamic Risk Control:** Our macro sleeves anchored on oil and bond-versus-equity momentum remain hedged. Should the energy and rate complex resolve constructively, those sleeves will re-engage. Should conditions deteriorate, the hedges will absorb downside as they did in March.

- **Disciplined Opportunism:** Periods of high index-level volatility, narrow breadth, and earnings-driven dispersion are exactly the environments where our momentum, mean reversion, and volatility-focused strategies are designed to monetize price dislocations while controlling risk.

The two-month stress window from February 28 through April 30 illustrates the Five Forces framework working as designed: protecting capital through the initial geopolitical and energy shock, then selectively re-engaging into a fundamentally supported rebound. The result was an overall outperformance with reduced volatility and less than half the peak drawdown of the benchmark through that window.

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 like the US/Iran war 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 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

April 2026

BWC Founders Fund, LLC

Summary Factsheet

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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

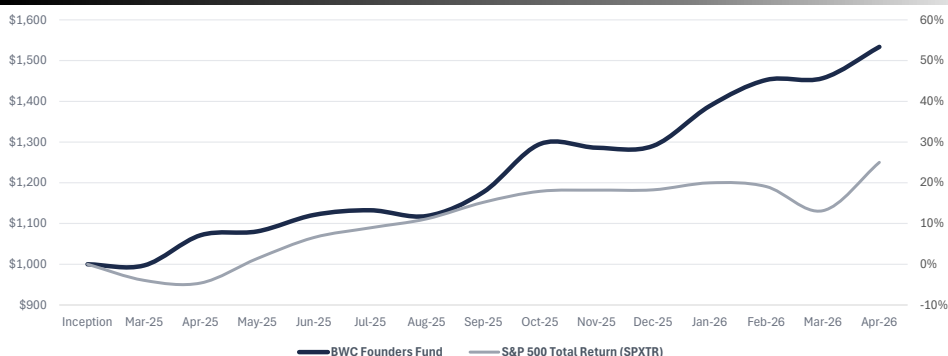
Investment Strategy

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%									18.8%	53.4%	

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%									5.7%	25.0%	

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	5.3%	10.5%	-5.2%
3 Month	10.5%	4.2%	6.3%
12 Month	43.2%	31.1%	12.1%
YTD	18.8%	5.7%	13.1%
Cumulative	53.4%	25.0%	28.4%
Inception to Date - CAGR	44.3%	21.1%	23.2%

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	2.06	1.15
Sortino Ratio	4.84	1.74
Calmar Ratio	5.47	1.45
Gain-to-Pain Ratio	1.76	1.26
Information Ratio	2.07	
Alpha (Annualized)	37.1%	
Volatility (6M Rolling)	14.1%	11.5%
Volatility (Inception)	22.8%	18.2%
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	78.6%	71.4%
Beta	0.86	
Upside Capture Rate	70.2%	
Downside Capture Rate	30.3%	

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.

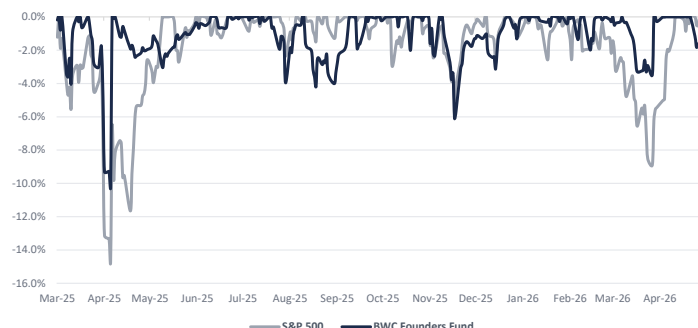
April 2026

BWC Founders Fund, LLC

Performance Analytics

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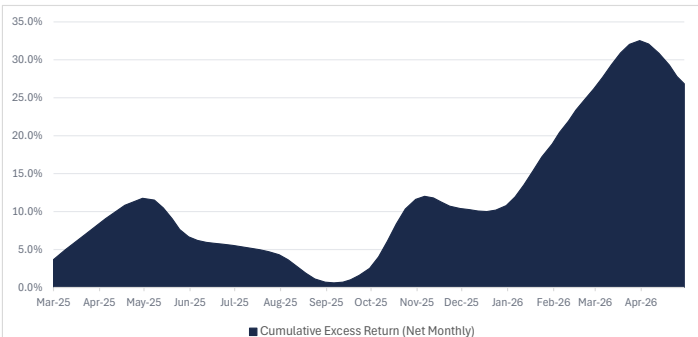
Underwater Chart



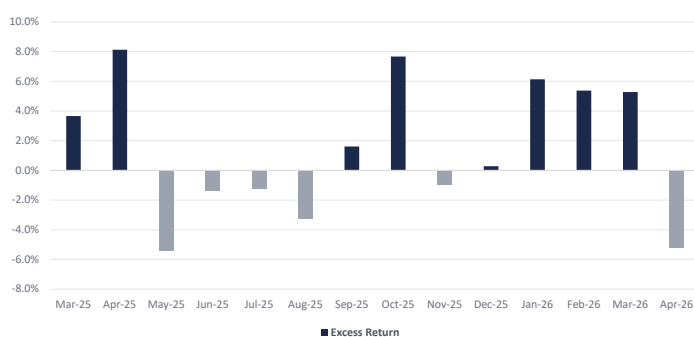
Rolling Sharpe Ratio - 3 Month (BWC vs S&P 500)



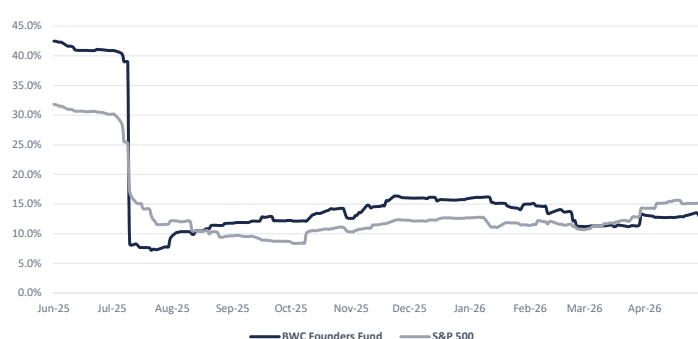
Cumulative Excess Net Returns vs S&P 500



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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