BWC Founders Fund – December 2025 Investor Update

To our valued investors and friends,

Market Overview and Fund Performance

December delivered another period of consolidation for US equities, with the S&P 500 posting a modest return of +0.1%. The BWC Founders Fund finished the month at +0.3% net of fees. While we slightly outperformed the benchmark on a relative basis for the month, the Fund continues to maintain significant outperformance since inception, generating a cumulative net return of 29.1% versus the S&P 500's 18.3%.

	BWC Founders Fund	S&P500 Total Return (SPXTR)	Δ Vs. (SPXTR)
December 2025	**0.3%**	0.1%	.2%
Cumulative Net Return (Since Inception)	**29.1%**	18.3%	10.8%

The Fund's cumulative outperformance of 10.8 percentage points since inception reflects the consistent value of our systematic approach. Importantly, this alpha generation has been achieved with superior risk management: the Fund's maximum drawdown of 10.2% compares favorably to the S&P 500's 14.7%, demonstrating that outperformance has been delivered alongside enhanced capital preservation. This combination validates the core value proposition of our systematic, risk-aware investment framework.

Strategy Insights

Following three consecutive years of strong gains, December was characterized by exceptionally low volatility across both the Fund and the benchmark, consistent with the reduced trading activity typical of the holiday period. Despite the quiet market conditions, the Fund maintained superior risk-adjusted returns across multiple dimensions.

Our systematic strategies maintained disciplined alignment with the established uptrend, distinguishing between short-term noise and a definitive trend reversal. The modest 0.3% return reflects the ability to remain correctly positioned within a dominant long-term bullish trend—a fundamental tenet of our systematic framework that has been a key contributor to the Fund's sustained outperformance throughout 2025.

Performance Metrics

Performance metrics are calculated on a Daily Gross Basis before fees and expenses for the purpose of illustrating the portfolio's strategy performance relative to the benchmark. Cumulative monthly and annual returns are reported on a Net Basis.

Monthly Performance Metrics for December 2025:

	BWC Founders Fund	S&P500 Total Return (SPXTR)
Volatility (Annualized)	**8.7%**	8.8%
Sharpe Ratio	**0.83**	0.12
Sortino Ratio	**1.18**	0.17
Daily Win Rate	**68.2%**	50.0%
Upside Capture Rate	**86.2%**	—
Downside Capture Rate	**74.8%**	—
Beta (SPXTR)	**0.89**	—
Correlation (SPXTR)	**0.91**	—

The Fund's Daily Win Rate of 68.2% for the month versus the benchmark's 50.0% demonstrates the consistent effectiveness of our systematic approach, even in low-volatility environments. The Sharpe and Sortino ratios significantly exceeded the benchmark, underscoring superior risk-adjusted performance throughout the month.

2025 Year in Review: Disciplined Execution, Exceptional Results

As we close 2025, we are proud to reflect on a year of exceptional performance driven by disciplined systematic execution and rigorous risk management. The BWC Founders Fund delivered a cumulative net return of **29.1%**, outperforming the S&P 500's 18.3% by a margin of **10.8%**—all while maintaining a lower maximum drawdown and generating positive Alpha.

Key Achievements:

- **Superior Risk-Adjusted Returns:** A Sharpe Ratio of 1.56 versus 1.13 for the benchmark, and a Sortino Ratio of 3.73 versus 1.70, demonstrate that outperformance was achieved with disciplined risk management, not excessive volatility.
- **Downside Protection:** The Fund's maximum drawdown of 10.2% compared favorably to the S&P 500's 14.7%, validating our systematic hedging and mean reversion strategies.
- **Consistent Alpha Generation:** The Fund generated 23% annualized Alpha with an Information Ratio of 1.33, confirming that returns were driven by systematic skill rather than merely tracking market beta.
- **Favorable Capture Ratios:** An Upside Capture Rate of 80.8% combined with a Downside Capture Rate of 53.5% reflects the asymmetric return profile that systematic strategies are

designed to deliver—participating meaningfully in rallies while mitigating losses during pullbacks.

These results validate the core tenets of our investment philosophy: systematic discipline, multi-factor diversification, and dynamic risk management. The Fund's ability to navigate diverse market conditions—from momentum-driven rallies to volatility spikes and periods of consolidation—underscores the robustness of our rules-based approach.

Market Outlook: Cautious Optimism and Dynamic Positioning

As we enter 2026, the market faces a complex backdrop. The AI-fueled rally enters its fourth year, with the S&P 500 delivering an 88% cumulative return over the past three years. Long-term trends remain intact, momentum signals remain positive, and consensus estimates for 2026 earnings growth hover near 10%. The demand for AI infrastructure and the semiconductors powering it appears insatiable.

Yet, after such a powerful multi-year advance, elevated valuations and potential regime shifts warrant measured caution. Economic uncertainty, evolving monetary policy, and the possibility of changing market leadership all present risks that cannot be dismissed.

The Systematic Advantage:

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

- **Remain Fully Invested:** 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.
- **Dynamic Risk Control:** Should market conditions deteriorate and our models signal a sustained trend reversal, we are prepared to systematically increase hedging and reduce exposure. This flexibility allows us to adapt to shifting regimes without relying on subjective judgment.
- **Disciplined Opportunism:** Periods of elevated dispersion and intermittent volatility—precisely the conditions we may face in 2026—are environments where systematic, multi-strategy frameworks excel. Our momentum, mean reversion, and volatility strategies are designed to monetize these dynamics while controlling risk.

This disciplined, adaptive approach has delivered exceptional results in 2025 and positions the Fund to navigate whatever market conditions 2026 may bring. We remain confident in the robustness of our systematic framework and excited about the opportunities ahead.

Thank you for your continued partnership.

BWC Founders Fund

December 2025

BWC Founders Fund, LLC

Summary Factsheet

BLACKWORKS CAPITAL

Key Highlights

- **Investor-Aligned Fee Structure:** Performance fees are only charged after the Fund exceeds a 10% soft hurdle rate in the performance period.
- **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 desiged to outperform the S&P500 Index on a risk-adjusted basis

Fund Manager

Rogan McGillis, Founder and CEO of Blackworks Capital, is the Fund Manager. As the Head of Systematic Investing, he is directly responsible for designing and deploying the quantitative models that drive the Fund's multi-factor strategies.

Investment Strategy

The BWC Founders Fund utilizes a **robust, multi-factor, systematic portfolio of strategies** designed to generate **superior risk-adjusted returns** across diverse market cycles. We deploy multi-asset, long/short trading primarily across U.S. and global equities, while maintaining tactical allocations to volatility products, commodities, bonds, currencies, and cryptocurrency ETFs. Our objective is clear: **to consistently outperform the S&P 500 Total Return Index** while diligently managing downside risk.

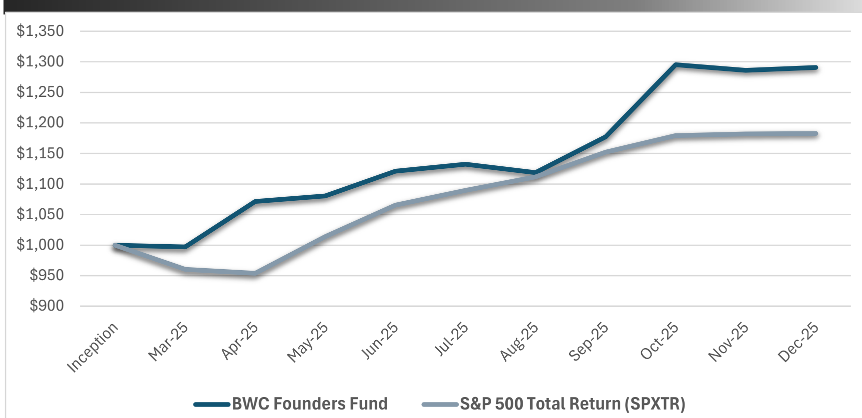
Our proprietary system is powered by three core quantitative factors: **Momentum**, **Asset Correlation**, and **Mean Reversion**. This data-driven, factor-based approach creates a dynamic and non-discretionary structure designed to capture alpha while mitigating behavioral risk.

Fund Performance

(Net Returns)

	BWC	S&P500	Δ
1 Month	**0.3%**	0.1%	0.3%
3 Month	**9.6%**	2.7%	7.0%
6 Month	**15.1%**	11.0%	4.1%
Cumulative	**29.1%**	18.3%	10.8%
Monthly Annualized	**35.8%**	22.3%	13.5%

Monthly Performance - Cumulative Net Returns of $1,000 Investment



General Information

Company	BWC Founders Fund, LLC
Auditor	Spicer Jeffries, 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	Year
2025			-0.3%	7.4%	0.9%	3.7%	1.0%	-1.2%	5.3%	10.0%	-0.7%	0.3%	**29.1%**

S&P 500 Total Return (SPXTR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025			-4.0%	-0.7%	6.3%	5.1%	2.2%	2.0%	3.6%	2.3%	0.2%	0.1%	**18.3%**

Performance Statistics

(Based on Daily Gross Returns)

	BWC	S&P 500
Volatlity (Annualized)	**25.7%**	**19.5%**
Max Drawdown	**-10.2%**	**-14.7%**
Daily Win Rate	**58.6%**	**58.1%**
Sharpe Ratio	**1.56**	**1.13**
Sortino Ratio	**3.73**	**1.70**
Calmar Ratio	**4.40**	**1.52**
Omega Ratio (15% MAR)	**1.34**	**1.09**
Information Ratio	**1.33**	
Alpha (Annualized)	**23%**	
Beta	**0.99**	
Correlation	**0.75**	
Upside Capture Rate	**80.8%**	
Downside Capture Rate	**53.5%**	

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.