

High 5 System Recap – 3/26/25

We wanted to provide a brief but important update on the recent performance of our **High 5** strategy. As of 3/26/25, we're showing a YTD return of -23.11% (net of 2.5% fees), which understandably raises concerns when compared to the S&P 500, currently down -3.20%.

Market environments like the one we're in now are tough—but they're not new. The two charts below help provide some historical context for what we're seeing right now:

1. Daily Performance & Risk Statistics:

Performance and Risk Statistics As of 03/26/2025 (based on daily data)													
	3M	6M	12M	24M	36M	48M	60M	84M	120M	QTD	YTD	Incep	Incep (Ann'l)
Performance	-28.45%	-9.78%	-11.48%	41.26%	207.74%	268.45%	N/A	N/A	N/A	-23.11%	-23.11%	654.83%	49.95%
St Dev (Ann'l)	48.53%	42.22%	28.47%	29.34%	37.69%	39.01%	N/A	N/A	N/A	--	--	36.41%	--
Max Drawdown	-28.47%	-28.69%	-32.40%	-32.40%	-33.00%	-37.28%	N/A	N/A	N/A	-26.89%	-26.89%	-37.28%	--
Ulcer Index	15.53%	11.12%	14.50%	12.03%	12.12%	11.84%	N/A	N/A	N/A	--	--	10.87%	--

Chart sourced from Theta Research on 3/26/25 (net of 2.5% fee)

This chart shows daily performance statistics over specific periods. We're currently experiencing a -26.89% drawdown, which has made for a frustrating start to the year. That said, it's a good reminder of the kind of volatility that can come with this approach, especially during challenging market conditions like the one we're in now.

2. Rolling Returns Chart:

Rolling Period Statistics as of 2/28/2025						
	3 Mo	6 Mo	1 Yr	2 yr	3 Yr	4 Yr
# of Periods	57	54	48	36	24	12
% of Periods Profitable	75	85	96	100	100	100
Average Period Return	13.02%	26.89%	61.93%	167.67%	316.84%	471.77%
Average Period Gain	20.07%	32.77%	64.87%	167.67%	316.84%	471.77%
Average Period Loss	-8.62%	-6.94%	-5.73%	0.00%	0.00%	0.00%
Best Performance	74.94%	144.44%	241.53%	349.16%	466.53%	756.72%
Worst Performance	-19.28%	-13.85%	-9.51%	46.00%	225.71%	357.41%
Standard Deviation	18.82%	32.18%	56.78%	74.28%	56.89%	112.52%

Chart sourced from Theta Research on 3/26/25 (net of 2.5% fee)

The chart above shows the rolling return profile of the High 5 strategy across different timeframes. While we're currently in a negative three-month rolling return period, that's still

well within the range of what we've seen historically. The data shows that roughly 25% of all three-month rolling periods have been negative—so periods like this are not unusual, but rather a recurring part of how the strategy has behaved over time.

Looking at the broader data offers a more encouraging perspective. Historical analysis shows a steady increase in the probability of positive performance as the holding period extends. The percentage of profitable periods rises from around 75% at three months to 85% over six months—with further improvement over longer durations. This pattern reflects the mean-reverting nature of the strategy and highlights why a longer-term investment view is so important, especially during short-term pullbacks.

These charts help reinforce a key point: short-term drawdowns, while uncomfortable, have consistently been part of the landscape for strategies like High 5. We've worked through similar environments before, and our confidence in the process remains strong.

As always, we appreciate your continued confidence and partnership.

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