



Management Commentary & Discussion

TRIDENT Hypothetical Performance January 2022 – July 2025

Update for May 2025 – July 2025 (15th)

TRIDENT experienced fewer trades in the period primarily due to stricter risk underwriting of signals. Only 26 trades were taken during this period with an aggregate gross pnl of 3.8K. Metals and Equities continue their largest risk contribution.

Date: July 2025

Update for January 2025 – April 2025

TRIDENT experienced significant drawdown during the period. However, it has demonstrated its resilience and has recovered some of the losses. The cumulative gains generated by the active version of the algorithm stood at 40% at the end of April after starting the year with a 75% gain from 2024. Trident's ability to predict volatility remains firmly intact and we will take the lessons learned from this unique price volatility and improve Trident's trade management.

There were 45 Trident trades from January 2025 till April 2025, with an aggregate gross loss of -33K. driven by heightened economic uncertainty. Metals and Equities produced the largest winners (Gold, 4%) and the biggest losers (Silver, 10.8%) during this period. New economic policies, threats of trade war were evidenced with highly volatile markets. During periods of high volatility, management introduced hedging initiatives to manage the positions, but their effectiveness was hindered by additional operational complexity. Notwithstanding operational and resource constraints, the recent losses have led to improvements in signal underwriting and reducing the complexity of hedging operations. Trident's ability to predict volatility was sustained throughout the period but trade management was exposed to some weaknesses and subjected to resource constraints.

The prevailing economic uncertainty has made speculative trading higher than institutional trading activity. Trident works best when there is continuous and stable institutional activity in the underlying markets. Our intent is to participate in risk, to harden (and improve) the trade management algorithm, while continuing work on new research initiatives.

Update for October 2024 – December 2024

At the end of 4th quarter, TRIDENT showed a cumulative gain of 23.7% highlighting recovery and resilience from long drawdown periods. As a reminder, the TRIDENT performance is cumulative since the inception of the company and includes the results of algorithms that are no longer active. The active version of algorithms powering TRIDENT have a track record since February 2024. The cumulative gains generated by the active version of the algorithm stood at 75% at the end of 4th quarter.

There were 23 Trident trades from October 2024 to December 2024, with an aggregate gross profit of 21K. Trident signals typically get weaker during holidays when institutional activity slows. Thanksgiving and Christmas are the major US holidays during this period where (institutional) trading volumes are considerably thinner. Management applied discretion and oversight during this period to avoid unnecessary trading signals. The US presidential elections in November contributed to an additional source of muted trading

signals. ES (3%) and Silver (5%) produced the largest winners while the largest losses were generated by NQ (1.74%) and Nat. Gas (11.56%). There were no upgrades to the algorithm during this period other than routine maintenance.

Date: May 2025

Prior Commentary for January 2022 – September 2024

The composite TRIDENT algorithm was launched in January 2022 and has been in continuous operation since. Prior to launch, extensive back testing on the algorithm over 10+ years and 20+ instruments provided the motivation to initiate a “walk forward” testing of the algorithm. Our intention is to study the “walk forward” results rigorously and harden the algorithm against exposed weaknesses.

Since the launch in January 2022, the algorithm has had several regular updates, with the most recent update in July 2024. Observing the peaks and troughs in account balance evidence the learning curve and the investor experience during the period. Management would like to highlight two key findings from this period. A) Throughout the full history of the reported signals and trades, the TRIDENT signal algorithm has remained unchanged. This assures us that the original back test R&D results held true on an “out of time/out of sample” basis. B) However, the TRIDENT trade and risk management algorithm has undergone several updates to incorporate lessons from the ‘walk forward’ testing. Although, we apply the label ‘hypothetical’ to these reported trades, we have maintained an audit trail of every reported trade either through email or broker communications. In cases where multiple brokers reported different fills on the same trade the most conservative or the median price was used to record the trade price. Performance has been further hardened with conservative “all-in” trade costs and monthly subscription fees. Management’s intent is to keep a historical record of signal performance as close to “live audited performance” as possible.

The trade management strategy has had such a significant evolution that it merits additional commentary. At launch of the algorithm, the trade management strategy directed the use of 2 contracts for each signal – a “workhorse” and a “racehorse”. The market experience of this strategy highlighted two key areas of weakness in our trade management algorithm A) Lack of definitive market direction i.e. unequivocal LONG or unequivocal SHORT B) Premature exits with conservative risk stops. With B), the experience of losing both the “workhorse” and “racehorse” on both sides of the trade – a 4x loss event, pummel the account balance into deep prolonged drawdown. Management would also like to draw attention to additional constraints such as adhering to broker operations & controls, retail account size, and retail risk appetite. These were all useful learnings for the algorithm which could not conceivably have been back tested otherwise.

After nearly 650+ trades, the trade management algorithm has stabilized and matured with improvements that mitigate the observed weaknesses¹. Trade size has been consolidated into 1 lot. The algorithm now generates a definitive trade direction, and a risk management algorithm is run overnight on every open position to generate a trade management instruction. The overnight results of the risk management algorithm are reviewed by management for any breaks or exceptions before final deployment. Management will continue to monitor performance and issue incremental improvements.

Date: October 2024.

¹ Refer to “Product Sample – Summary RGL, WIN/LOSS table” for a summary of performance since Feb. 2024