



Baron Point Financial Group

DAFI™ —

Evidence of a Theorem for Unusual Consistency

Institutional Markets Report
December 2025

Victor H. Sperandeo
Chief Executive Officer
EAM Partners L.P.

James Philip Coppola III
Managing Partner
Baron Point Capital Management Ltd.

Research & Analysis Division
Baron Point Financial LLC

10 East End Avenue
New York, New York 10075
United States of America

Tel +1 212 248 2733 x702
Fax +1 212 504 3101
research@baronpoint.com
www.baronpoint.com



Foreward

*Nothing is new on Wall Street, simply a repackaging of prior works of art laid down by **intelligence** that evolves with the **feelings** and **emotions** of **people**. It has been this way, since the Buttonwood Agreement was signed in 1792, by 24 stockbrokers under a buttonwood tree in New York City.*

- James Philip Coppola III

Baron Point is today a leading firm in the institutional investment business in Indochina. The Baron Point Research & Analysis Division provides regular and comprehensive analysis on topics for investment managers, institutional investors, stakeholders, and friends of the firm.

Alternative Investments Group (ALTS) provides regular and comprehensive analysis on topics and strategies used at the firm with its alternative investment programs.

For this ALTS installment, we discuss the consistency of **The Diversified Algorithmic Fixed Income Alternative (DAFI™) Strategy Family**, a systematic absolute return strategies that are the culmination of **Victor Sperandeo's (Trader Vic)** 55 years of legendary success in money management, garnered through every market cycle thought of, and others modeled by major Wall Street global investment banks. It is **100% rules-based, using only highly liquid futures index contracts listed and traded on U.S. regulated exchanges employing rules-based systematic operating procedures.**

The DAFI™ Strategy is a portfolio comprised of multiple highly diversified major market components and invests both long and short in some of the world's most liquid markets. The DAFI™ Strategy components are assorted using a proprietary methodology that presents the potential to **exploit and more accurately capture the net effects of trends in global Gross Domestic Product (GDP)**. Scalable to well over US\$ 25 billion, this absolute return strategy is an innovation that history may very well consider another remarkable achievement by Trader Vic.



Table of Contents

01	The Diversified Algorithmic Fixed Income Alternative Strategy Family™ (DAFI™)	1
	About the Strategy Designer & the Chief Investment Officer of DAFI™	1
02	DAFI™ — Evidence of a Theorem for Unusual Consistency.....	3
	Essence of the Theorem	7
03	Disclosure Appendix	9
	Disclosure Appendix	9
	Disclosures.....	9



01 The Diversified Algorithmic Fixed Income Alternative Strategy Family™ (DAFI™)

About the Strategy Designer & the Chief Investment Officer of DAFI™

Mr. James Philip Coppola III (J.C.) is a successful financier and publicly *ranked* fund manager with over 35 years of asset management experience. Mr. Coppola III is the Managing Partner and Chief Investment Officer at the Investment Manager, Baron Point Capital Management Ltd., and its New York-based research and structuring affiliate Baron Capital Management Ltd.. Mr. Coppola III has worked extensively on assignment for over two decades solving problems and developing solutions for institutional portfolios with **Mr. Victor Sperandeo (Trader Vic)**. Trader Vic, profiled in the best-selling book *New Market Wizards*, is a legendary asset manager, author, and excellent financial commentator as well as he successfully managed the full exposure of **George Soros' fabled Quantum Fund**. Trader Vic also managed money for American billionaire investor and hedge Fund manager **Leon Cooperman**. Mr. Cooperman spent 25 years with Goldman Sachs, where he was a **Partner and served as Chairman and CEO of Goldman Sachs Asset Management**. Trader Vic also ran money for American business magnate and financier **T. Boone Pickens** and institutionally for firms such as **Bankers Trust Alex Brown**. Trader Vic has created products with over US\$ 6.4 billion linked to his strategies as well as other derivatives currently implemented at global investment banks such as Goldman Sachs, Morgan Stanley, Bank of America, Merrill Lynch, UBS, HSBC, BNP Paribas, RBS, Nomura, Barclay's, Macquarie Bank, Carnegie, Schroders, Investec, Wisdom Tree, Guggenheim Partners, and Rydex to name a partial list.

(This page left blank intentionally)

02 DAFI™ — Evidence of a Theorem for Unusual Consistency

The statistical portrayal of the robust outcomes of the DAFI™ Portfolio, going back 65 years, cannot be random. As the portfolio is 100% rules-based, it does not rely upon human judgment that stems from market knowledge, much less intuition forecasting, bias investing, and emotional influence; it is statistically impossible that the results are not fundamental to its nature. In statistics, an 85% annual win ratio over an extended period of time is considered “Highly Significant” and probable to reoccur. The DAFI™ Portfolio has a 95%-win ratio from 1961.

The DAFI™ Portfolio is composed 100% of U.S.-listed futures contracts, and all the markets used by the DAFI™ are governed by the quasi-free market system prevailing in the U.S. The DAFI™ Portfolio is adapted to the rules governing our economic system, hence the consistent results over time. Portfolio movements are based on human action, and the rules of the international framework which are conveyed from the political system. The aim of the system is to protect the economy, in order to provide the basis for politicians to get reelected. This is done indirectly through the Federal Reserve System.

An example of how an industry protects itself using a statistical “mathematical edge” is provided by the Gaming industry. The owner or operator of a casino uses odds, or probabilities, which are in their favor. This is based on the number of bets by many players and the various games that are offered, allowing “the house” to grind out a consistent profit. The players' wins are based on some skill in games, e.g., Blackjack, but are mostly random and contingent on a great deal of luck. The casino owner uses a system that is strictly rules-driven and built to mathematically (fundamentally) favor the operator. The DAFI™ uses non-intuitive, trend-following and 100% rules-based signals, coupled with an asset allocation that is volatility (i.e., standard deviation) balanced, which creates consistency by controlling risk.

Why? Assets have demonstrated that they tend to move up in greater percentages, and with greater frequency, than they decline in percentage terms, and frequency. This stems from a quasi-free market system and regulations that favor this outcome.

The DAFI™ does little self-generated forecasting but manufactures moderate trend-following signals in multiple assets. In addition, it considers how the political system regulates and safeguards the money management business by creating looser or tighter credit conditions, using the Fed balance sheet to expand credit levels, and manipulating short term interest rates. Government spending is an abetting factor. This in turn is used to promote the political values that are indirectly conveyed to society in encouraging investment speculation and trading, which in turn creates tax revenues from appreciating assets. The political class has designed the system for economic growth and inflation, using regulation and rules applied to the markets in order to enhance the probability of being reelected.

This is evidenced by the promotion of the “Prudent Man Rule”, “Diversification”, and the Fiduciary rules necessary to protect the institutional beneficiaries from substantial risk and catastrophic losses, such as limiting market declines (e.g., circuit breakers) with no corresponding upside limits. The DAFI™ is constructed to benefit from these rules. In short, the economy is set up with a rules-edge to succeed.

Setbacks occur due to government mistakes, miscalculations, and the ignorance mixed with political stupidity of lawmakers, but eventually get corrected.

A fallacy for most investors and traders is seeking a story, or narrative, for taking a position in the markets. The problem is that it is impossible to trade a diversified portfolio and know why things are always occurring. This is the mind's attempt to impose order and logic on market movement dynamics that are unknowable most of the time. This would assume insider knowledge, that all facts are public information, and thereby knowable. They are not! The “markets” are set up to appreciate due to politics and the manipulation of monetary policy. One need only look back at history



to see that markets will appreciate due to the fiat money printing, dollars that are loaned into existence.

Quantitative managers who consistently produce superior returns are cognizant of these fundamentals, and critical to their investment approach is the observance of the correlations between risk assets as well as their persistence, which can change over time. Novice traders and investors trade based on headline news, which is mostly “noise”, and temporary in impact.

The challenge is to study these asset movements over time and evaluate them over many market cycles. Consideration is also given to government policy changes, and “statements” that effect actual rule changes that have consequences to investment outcomes. For example, see President Trump's statements on tariffs on April 2, 2025, which caused a 20% decline in equities, and the subsequent sharp rally that followed their postponement/change on April 8, 2025. Other statements by Presidents and senior government officials over many years have caused crashes, but no fundamental impacts. For example, John F. Kennedy on April 11, 1962 (steel companies condemnation) and Secretary of the Treasury James Baker III (public threat to devalue the dollar) on October 1, 1987, all of which were unknowable! The DAFI™ Portfolio profited in both instances due to the risk control that is embedded in the portfolio construction.

The portfolio simulations are profitable based on the allocations created in 2015 and have been robust going back 65 years, without any curve fitting, data mining or optimization. Indeed, it would be impossible even for Einstein to carry out this task as there are 27 objects equally weighted to volatility, trading over 23,360 days (less holidays) for 64 years, plus the trading days in 2025. The positive results are not random, but rather fundamental due to the volatility balancing of the component assets. The year-to-date results in 2025 are indicative, with eleven months of consecutive positive results in a volatile (Trump turmoil) environment.

The goal of this methodology is the relentless, unemotional, systematic pursuit of Alpha that considers past market unknowable declines as primarily temporary noise. The guiding principle is that

when fundamental changes negatively impact one asset, it is usually to the benefit of another asset.

Some observers might call this “Artificial Intelligence (AI)”, but AI does not have the ability to reason or proclaim what is true, much less see all its consequences into the future. It merely searches the past for comments with super (Quantum) computers that have been previously published and repeats them. That has nothing to do with a 95% annual win ratio for a diversified portfolio over 65 years.

The DAFI™ was developed using reason, which integrates perceptions by means of forming conceptions, of why price movements of different assets occur. With this increased knowledge from the perceptual level to the conceptual level of the “why and how” individual market movements take place versus one another, one builds a portfolio that has a chance of success. Reason employs the process of logic, which is the goal of non-contradictory identification, or “A is A” according to Aristotle.

The DAFI™ “A is A” Principles:

- 1-** The society we live under is dominated by large capital flows into markets from institutions.
- 2-** Institutions do not wish to pay fees for “unearned” Alpha.
- 3-** If a money manager is in cash/T-Bills they are not paid a management fee.
- 4-** The reason mutual funds rarely outperform the S&P 500 is that the index is always 100% invested and fees are very low.
- 5-** Thereby, an investment strategy must always be fully invested and charge low “relative” fees.
- 6-** The DAFI™ is an “absolute return strategy” structured like a hedge fund, as it goes long and short in part, based on a rules-based trend-following methodology, but does not charge any performance fees within a Structured Note that is currently 100% “Principal Protected”.

Essence of the Theorem

The goal of the DAFI™ investment methodology is to own assets that produce consistent returns in the aggregate, while controlling unknown risks by the volatility balancing of negatively and non-correlated assets, while being in synchronization with government and Federal Reserve policy wishes, including being in harmony with the way institutions invest capital.

Knowing that when institutions sell equities the proceeds must be reinvested in another risk asset (or fees are not paid) assets that are not correlated to stocks can be incorporated into the portfolio construction to lower the risk of the whole. For example, if the S&P 500 declines 1%, it takes four times the value of 5-year U.S. Treasury notes to offset the decline. If assets decline and are not sold, the portfolio should be structured to appreciate even though one asset declines, because another non-correlated asset appreciates. That is the reason stocks go down and bonds/debt usually (but not always) go up in price. Moreover, this negative and non-correlation takes place in several different asset classes. There are, however, time lags between movements of different assets in some cases.

For example, when the Fed raises interest rates aggressively (see 2022) both stocks and bonds decline for a time. On the other hand, the dollar will generally rise, as will commodities as inflation is occurring (typically the reason the Fed is raising rates). Eventually, more tightening of credit will cause commodities to also decline. This scenario creates a small drawdown in the DAFI™ (this occurred in 1969 and 2022).

The long/short strategies in commodities and currencies, which are cyclical, act as a built-in, but imperfect hedge against both inflation and deflation. The risk within the portfolio is largely controlled, based on the allocations to the various assets that are determined by the volatility (standard deviation) balancing within the non-correlated assets. This is the way the strategy controls risk and manages small losses, evidenced by the relatively small drawdowns and very few annual losses in 65 years, in all market environments. Market environments that have yet to occur, i.e., hyperinflation, should also see the DAFI™ fair well, due to the



different asset classes weighted to commodities, gold, some currencies (e.g., the Swiss Franc), and stocks versus debt, which would become worthless.

The DAFI™ rebalances monthly, which also serves to lower volatility within the portfolio. Each asset is rebalanced based on its original weighting, maintaining in general the same volatility, and reducing risk. This method lowers the return as it liquidates winners and adds to losers, the opposite of the doctrine Wall Street preaches. However, the benefit of this tactic is to promote consistency and keep drawdowns small.

Another vital consideration is the exclusive use of futures in the DAFI™ Portfolio; the stability and consistency combined with the low standard deviation allows for extremely low T-Bill collateral deposits (without any interest costs), providing an opportunity for superior returns (as a standalone investment or an overlay to a traditional portfolio). Putting less capital into an investment methodology, if it is very consistent, adds to percentage returns and provides superior performance. This can be tactically designed as well.

In conclusion, the negative and non-correlation between the seven assets used, and the long/short commodity and currency allocations, designed to keep volatility low and minimize drawdowns, creates consistent positive performance over different market cycles.



03 Disclosure Appendix

Disclosure Appendix

Regulation Analyst Certification

I, James Philip Coppola III, hereby certify that all views expressed in this report accurately reflect our personal views, which have not been influenced by considerations of the firm's business or client relationships.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in the Baron Point Capital Management Ltd. (BPCM), Baron Capital Management Ltd. (BPF), Baron Point Financial Group SPC (BPGSPC), and Baron Point Research & Analysis Division (BPRAD) and work on assignment or are employed by, collectively known as "Baron Point".

Disclosures

1. Basket disclosure

The ability to trade the basket(s) in this report will depend upon market conditions, including liquidity and borrow constraints at the time of trade.

2. Regulatory disclosures

Disclosures Required by U.S. Laws & Regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Baron Point trades or may trade as a principal in debt or equity private or public securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: Ownership and material conflicts of interest: Baron Point encourages their analysts,



professionals reporting to analysts and members of their households to participate and own securities in any company in the analyst's area of coverage.

Analyst compensation: Analysts are paid in part based on the profitability of Baron Point, or the securities issued, which include investment banking revenues. **Analyst as officer or director:** Baron Point policy generally allows their analysts, persons reporting to analysts or members of their households to serve as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Baron Point Capital Management Ltd., Baron Capital Management Ltd., Baron Point Financial Group SPC, Baron Point Research & Analysis Division (collectively "Baron Point) and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with subject company, public appearances and trading securities held by the analysts.

The DAFI™ family of strategies employed by the Investment Manager utilize trademarks and proprietary intellectual property owned by Victor Sperandeo's EAM Partners L.P. ("EAM"). EAM has no responsibilities, obligations or duties to investors in the Notes, nor is EAM the issuer or structuring any of the Notes. Neither the Investment Manager or any other investment product or vehicle discussed herein are sponsored, endorsed, sold, or promoted by EAM. EAM's only legal relationship to the Investment Manager is the licensing of certain trademarks, tradenames, and intellectual property of EAM and of the Diversified Algorithmic Income Methodology MV™ ("DAFI™ MV™"), Diversified Algorithmic Income Methodology MV™ ("DAFI™ MV™"), Diversified Algorithmic Income Methodology MVL™ ("DAFI™ MVL™"), Diversified Algorithmic Income Methodology RT2™ ("DAFI™ RT2™"), Diversified Algorithmic Income Methodology RT3™ ("DAFI™ RT3™"), or collectively ("DAFI™") trading methodologies created, compiled, maintained and owned by EAM without regard to the Investment Manager or any investment product or vehicle utilizing DAFI™. All intellectual property and other items provided by EAM or its affiliate or agent in regard to the DAFI™ are furnished on an "as is" basis without warranties, guarantees or other terms concerning merchantability, absence of defects, fitness or use for a particular

purpose, timeliness, accuracy, completeness, currentness, or quality. In addition, neither EAM nor its affiliates make any representations, warranties, or guarantees as to the results to be obtained in connection with the use of the DAFI™ or as to the advisability of investing with the Investment Manager managed indices, such as DAFI™, or any other investment product or vehicle discussed herein. EAM has no obligation to take the needs of the Investment Manager or owners of the Investment Manager issued securities, or any other investment product or vehicle into consideration in determining or composing the DAFI™. EAM has no obligation or liability in connection with the administration, marketing, or trading of the Investment Manager products. EAM does not provide portfolio management services or any form of investment advice. In particular, EAM does not direct client accounts or provide commodity trading advice based on or tailored to the commodity interests or cash markets exposure or any other circumstances of a particular licensee.

Diversified Algorithmic Fixed Income Alternative Strategy Family™, DAFI™, and the DAFI™ names and trademarks are owned by the Investment Manager exclusively licensed for use globally by the Investment Manager to the issuer of the Notes. Investors neither acquire any interest in the DAFI™ Strategy nor enter into any relationship of any kind whatsoever with EAM or the Investment manager upon making an investment in the Notes. Neither EAM, the Investment Manager, nor the Issuance is responsible for the level of performance of the DAFI™ Strategy. There can be no assurance that the DAFI™ Strategy will attain the objective of the Issuance. EAM's role is limited to the calculation and publication of the DAFI™ Strategy only. The Notes are/is not sponsored, endorsed, sold or promoted by EAM and EAM makes no representation regarding the advisability of the Notes or use of the DAFI™ Strategy or any data included therein. EAM or the Investment Manager shall not be liable in any way to the Issuance, Noteholders or to other third parties in respect of the use or accuracy of the DAFI™ Strategy or any data included herein.

Additional Disclosures Required Under the Laws & Regulations of Jurisdictions Other Than the U.S.

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to U.S. laws and regulations.

Australia: Baron Point and its affiliates are not authorized deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for “wholesale clients” within the meaning of the Australian Corporations Act, unless otherwise agreed by Baron Point. In producing research reports, members of Baron Point Research & Analysis Division may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances, the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Baron Point considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contain any financial product advice, it is general advice only and has been prepared by Baron Point without taking into account a client’s objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client’s own objectives, financial situation and needs. “Wholesale clients” within the meaning of the Australian Corporations Act, unless otherwise agree by Baron Point.

Brazil: Disclosure information in relation to CVM Resolution n. 20 is available on request. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text.

Canada: This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Baron Point for purchasers of securities in Canada to trade in any Canadian security. Baron Point is not registered as a dealer in any

jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada.

Korea: This research, and any access to it, is intended only for “professional investors” within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Baron Point.

New Zealand: Baron Point and its affiliates are neither “registered banks” nor “deposit takers” (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for “wholesale clients” (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Baron Point.

Russia: Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Baron Point assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report.

Taiwan: This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor.

United Kingdom: Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Baron Point research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Baron Point.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available on request, which documentation states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Cambodia: Each of the initial purchasers of any securities offered by Baron Point has represented and agreed that it has not offered or sold, and will not offer or sell, an offering of securities to persons in Cambodia other than under circumstances which do not constitute an offer for sale of an offering of securities to the public for the purposes of the Prakas on debt securities offerings to qualified investors statement of exempt debt offerings from the office of the securities and exchange commission of Cambodia.

Thailand: Each of the initial purchasers of any securities offered by Baron Point has represented and agreed that it has not offered or sold, and will not offer or sell, an offering of securities to persons in Thailand other than under circumstances which do not constitute an offer for sale of an offering of securities to the public for the purposes of the securities and exchange act of 1992 of Thailand/or require approval from the office of the securities and exchange commission of Thailand.

Singapore: This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with and offer or sale, or invitation for subscription or purchase, of any securities offered by Baron Point, nor may the securities be offered or sold, or be made the subject of any invitation for

subscription or purchase, whether directly or indirectly, to the public or any person in Singapore other than in circumstances where the registration of a prospectus is not required under the securities and futures act (Cap. 289) of Singapore (SFA) in connection therewith and then only (i) to an institutional investor specified in section 274 of the SFA; (ii) to an accredited investor or such other relevant person as defined in section 275 of the SFA and in accordance with the conditions specified therein; (iii) to a person who acquires the securities as principal if the offer is on terms that the securities may only be acquired at no less than the minimum consideration prescribed under and such offer is in accordance with the other conditions prescribed in section 275(1a) of the SFA; or (iv) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any subsequent sale of securities within 6 months from a purchase made under (i), (ii) or (iii) above must be confined to institutional investors, relevant persons as defined in section 275(2) of the SFA, or persons to whom an offer is made pursuant to section 275(1a) of the SFA.

United Arab Emirates: It is possible that some of the investment strategies discussed in this research could be described as “relatively high risk” or even “high risk”. Often the decrease in value of certain investments described herein will be balanced by the increase in value of other investments in a client’s portfolio. However, this will not always be the case. If there is an overall decrease in the value of the client’s portfolio of investments, this could substantially affect the value of the client’s overall portfolio value.

Global Product; Distributing Entities

Baron Point Research & Analysis Division produces and distributes research products for clients on a global basis. Analysts based in Baron Point offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy.



General Disclosures

This research is for our clients only. Other than disclosures relating to Baron Point, this research is based on current public information that we consider reliable, but we do not represent whether it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Baron Point conducts full-service, investment banking, asset management, alternative investment, and private placement businesses.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Baron Point policy.

The views attributed to third party presenters at Baron Point arranged conferences, or by Baron Point at third-party conferences, including individuals from other parts of Baron Point, do not necessarily reflect those of Baron Point Research & Analysis Division and are not an official view of Baron Point.

Any third party referenced herein, including any salespeople, traders, Fund managers, and other professionals or members of their household, may have positions in the products mentioned that

are inconsistent with the views expressed by analysts named in this report.

This research is focused on investment themes across markets, industries and sectors. It does not attempt to distinguish between the prospects or performance of, or provide analysis of, individual companies within any industry or sector we describe.

Any trading recommendation in this research relating to equity or credit security or securities within an industry or sector is reflective of the investment theme being discussed and is not a recommendation of any such security in isolation.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur.

Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.



Differing Levels of Service Provided by Baron Point Research & Analysis Division:

The level and types of services provided to you by Baron Point Research & Analysis Division may vary as compared to that provided to internal and other external clients of Baron Point, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., market wide, sector specific, long term, short term), the size and scope of your overall client relationship with Baron Point, and legal and regulatory constraints.

Investing in alternative investments and derivatives carries substantial risk. Investors could lose their entire investment. Past performance is not a guarantee of future performance. This informational brochure is not an offer to buy or sell securities. Offer of securities by Prospectus only. Please read all Offering Materials carefully before investing. Strategies may have track records in other vehicles implementing those strategies at Baron Point or otherwise.

©2007 - 2025 Baron Point Capital Management Ltd., Baron Capital Management Ltd., Baron Point Financial Group SPC, Baron Point Research & Analysis Division (collectively "Baron Point). All Rights Reserved.

DAFI™ — Evidence of a Theorem for Unusual Consistency, Institutional Markets Report is issued on December 1, 2025, no part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Baron Point.



Baron Point Financial LLC

10 East End Avenue
New York, New York 10075
United States of America

Tel +1 212 248 2733
Fax +1 212 504 3101
research@baronpoint.com
www.baronpoint.com