



Fund Objective and Strategy

The fund employs a multi-strategy quantitative CTA model, mainly investing in global future markets in fixed income, equity, commodity, and currencies.

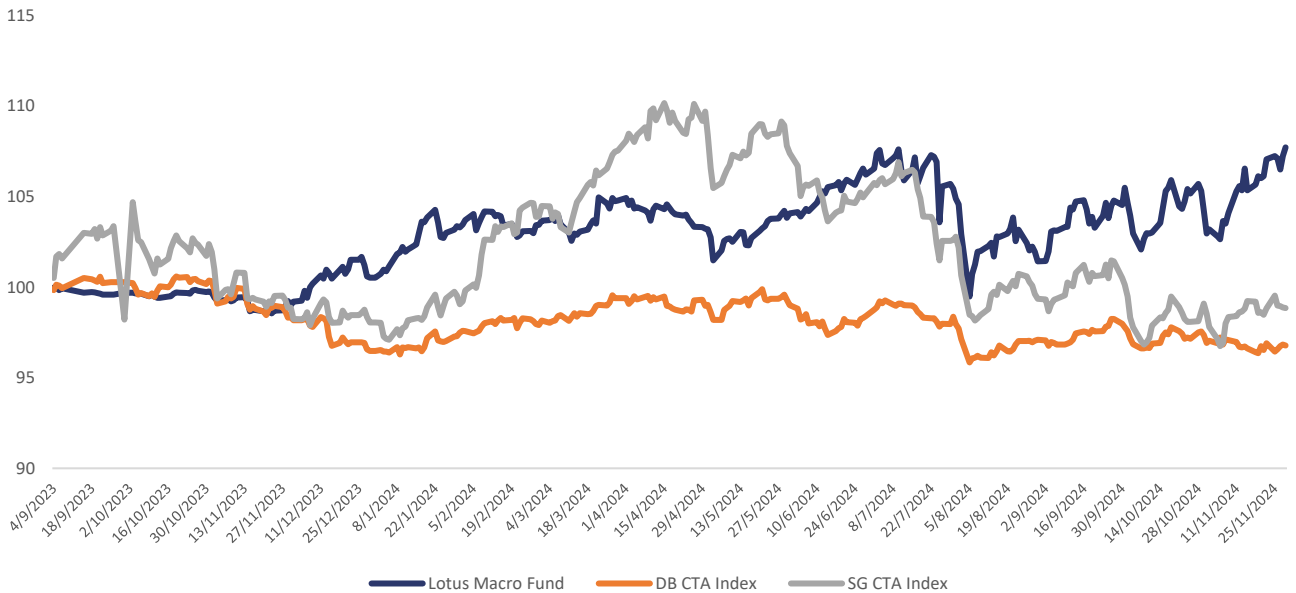
Multiple strategies, using both fundamental and sentimental factors, are developed across asset classes, modeling approaches, and trading horizons. The risk capital allocation across multiple strategies is dynamically adjusted over time based on proprietary risk estimation methodology with an embedded risk management system.

The fund trades in medium to low frequency with position holding period ranging from one day to a few weeks and aims to generate absolute returns over the medium to long term with low correlation to equity market and other alternative strategies.

Fund Performance – Class B | NAV per share 107.70

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD (Fund)	YTD (SG CTA Index)
2023									-0.32%	0.07%	-0.75%	1.53%	0.52%	-1.96%
2024	2.76%	0.12%	1.27%	-1.43%	0.76%	2.09%	-1.61%	-2.93%	3.03%	-1.48%	4.62%		7.14%	0.80%

The monthly returns are the net performance for the Class B of the fund after all the fees and costs.



Benchmark: DB CTA Index and SG CTA Index.

- Past Performance is not a reliable indicator or guarantee of current and future results.
- Source: Lotus Asset Management Limited and Bloomberg.

Net Return	Lotus Macro Fund	DB CTA Index	SG CTA Index
1M	4.62%	-0.15%	1.53%
3M	6.19%	-0.33%	-0.52%
YTD	7.14%	0.31%	0.80%
Since Inception	7.70%	-3.23%	-1.17%
Annualized Return	6.11%	-2.59%	-0.94%
Annualized Volatility	7.13%	3.48%	9.87%
Return-to-Risk Ratio	0.86	-0.74	-0.09
% Positive Return	60.00%	46.67%	46.67%
Worst Drawdown	-2.93%	-3.87%	-3.43%

Fund Structure

Investment Manager	Lotus Asset Management Limited	
Fund Inception	September 1, 2023	
Domicile	Cayman Islands	
Investment Strategy	Systematic CTA	
Share Class Currency	USD	
Class Type	Class A	Class B
ISIN	/	KYG5657A1058
Administrator	Apex Fund Services	
Auditor	KPMG	
Legal Counsel	Zhonglun / Appleby	
Clearing Broker	Interactive Brokers	

Investment Terms

	Class A	Class B
Minimum Investment	US\$100K	US\$5M
Management Fee	2.00%	1.50%
Performance Fee	20%	
High Water Mark	Yes	
Subscription Redemption	Monthly	
Notice Period	10 Business Days	
Lock-up	None	6 months

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Market Commentary

The cyclical and politically driven narrative supporting a bullish outlook for the dollar is not new and is arguably already priced in. However, as we consider the landscape for 2025, this narrative cannot be ignored. The U.S. economy was performing well even before the election, and the victory of president-elect Donald Trump, along with his associated policies, reinforces the bullish case for the dollar at this juncture. Nevertheless, several known unknowns remain—such as the timing of fiscal and tariff policy implementation, the responses from U.S. counterparts, and whether U.S. economic data will confirm the economy's outperformance—which could rekindle bearish sentiment toward the dollar later in 2025.

The dollar-bullish cyclical narrative has been revitalized by Trump's election, and opposing this view could be a misstep at this stage. However, assuming that 2025 will see a one-way upward trend for the dollar may also be misguided. Market movements will depend on the early performance of the U.S. economy in 2025, how fiscal policies in the Eurozone and China respond to potentially weakening external demand, and crucially, how these economies perform relative to 2024—particularly whether the Eurozone's lackluster performance or the U.S.'s strong cyclical narrative from 2024 will repeat in 2025.

Yen bulls still have a case going into 2025, although this perspective might best be expressed through a strategy that avoids the greenback. Given that the yield-driven bullish outlook for the dollar has resurfaced post-election, the exchange rate of 155-160 could become feasible again. The bearish outlook for euro-yen appears increasingly relevant amid deteriorating domestic political and economic conditions in the Eurozone, along with the likely divergent paths of the ECB and BOJ in the coming year. Additionally, verbal and FX intervention by the Japanese finance ministry remains a consideration that could bolster yen strength in what seems to be an overly stretched dollar-yen scenario. If such intervention occurs, it could further pressure the euro-yen exchange rate. In an uncertain economic and geopolitical climate, the yen may also serve as an appealing defensive currency.

Our fund employs a dynamic risk allocation mechanism across the four major asset classes: fixed income, equity, commodities, and currency. This approach is guided by our proprietary portfolio optimization and risk management models. We have set the annualized volatility target at 12% per annum, which corresponds to a one-day Value at Risk (VaR) of approximately -1.6%. The margin-to-equity ratio of the portfolio is around 11%. We are continually developing, testing, and fine-tuning new models, with a current focus on the cryptocurrency asset class.

Disclaimer

The Lotus Macro Fund (the "Fund") is an exempted company incorporated in the Cayman Islands. The Fund is registered as a regulated mutual fund with the Cayman Islands Monetary Authority under section 4(3) of the Mutual Funds Law (as amended) of the Cayman Islands. This document has not been reviewed by any Cayman Islands authority or the Securities and Futures Commission of Hong Kong. Different Classes of Shares of the Fund have different management fee and performance fee structure that would affect their respective net return. Potential investors should read carefully the offering document(s) for the information specific to each Class of Shares before deciding whether to subscribe for or purchase units in the Fund. Investment involves risks. Past performance is not indicative of future performance and is provided for information only.

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