LOTUS MACRO FUND MONTHLY REPORT

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SEP 2025

Hao HONG

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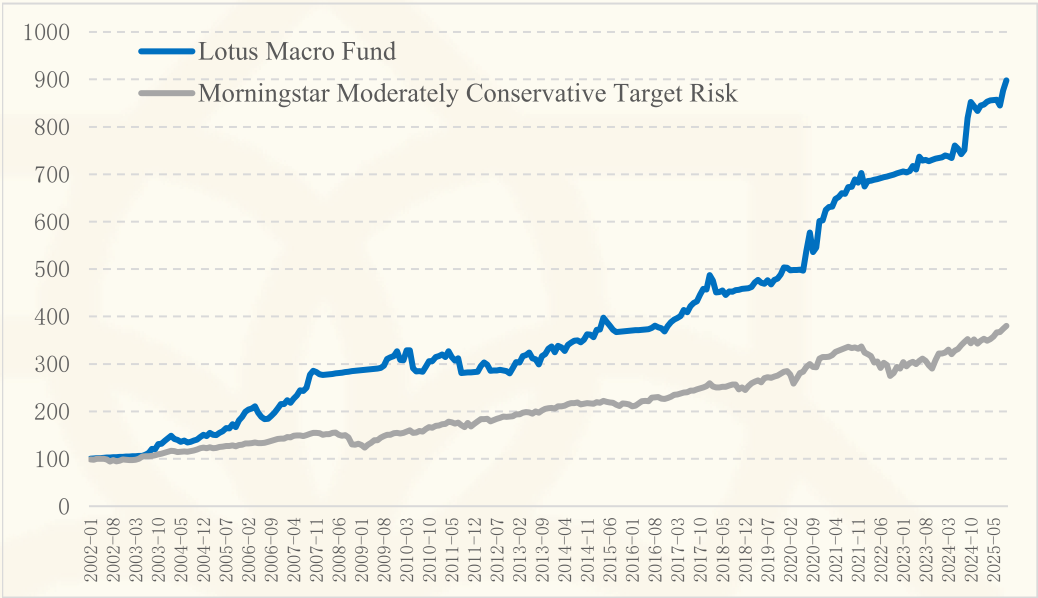
PERFORMANCE



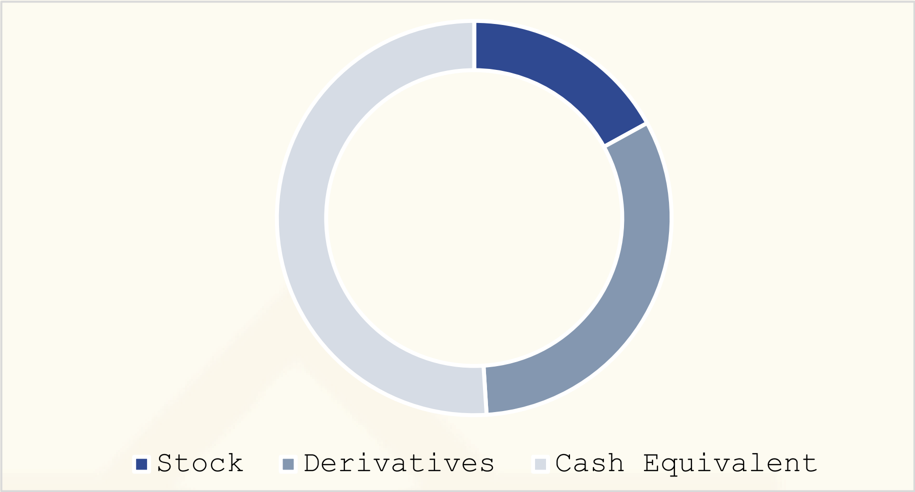
* The performance from August 2023 to March 2025 is live trading data from the AAA Lotus Fund. Data prior to this is based on backtest data from weekly data since Jan 4, 2002. Live performance data has deducted applicable fees and costs. There may be material differences between backtested results and actual investment outcomes, as the strategies used in real and simulated trading may differ. The reference index consists of non-managed assets that cannot be directly invested in. PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE RESULTS.

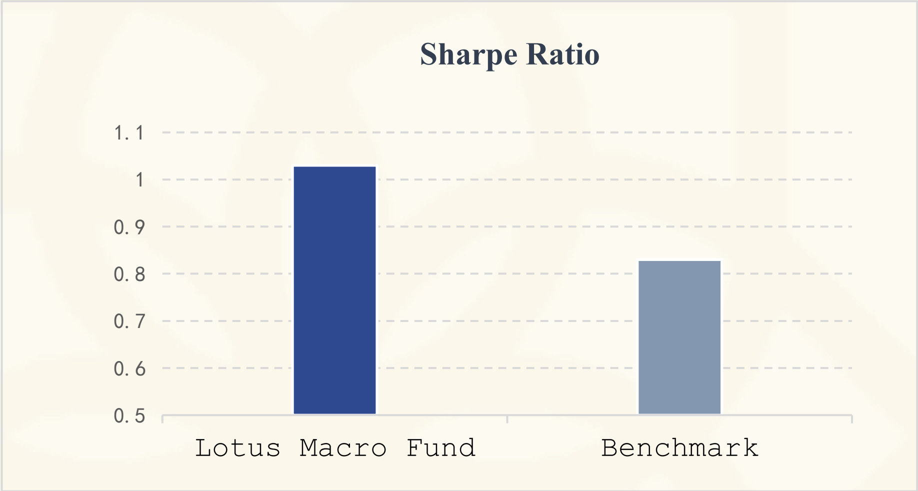
MONTHLY PERFORMANCE

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	Lotus Macro	0.28	-0.30	0.35	1.60	-1.05	3.80	-1.06	0.13	-0.32	0.35	0.38	0.15	0.70
	Bench-mark	4.58	-2.88	2.28	0.82	-1.40	2.18	1.61	-1.62	-2.99	-2.28	6.21	4.41	3.42
2024	Lotus Macro	0.19	0.53	-0.26	-0.48	3.63	-0.88	-1.53	1.18	8.98	4.09	-1.04	-1.17	13.55
	Bench-mark	-0.06	0.74	1.83	-2.86	2.35	0.93	2.49	1.98	1.73	-2.47	2.29	-2.49	6.40
2025	Lotus Macro	1.36	0.25	0.73	0.28	0.06	0.11	-1.41	3.77	2.39				7.72
	Bench-mark	1.94	1.15	-1.12	0.82	1.58	2.48	0.13	1.90	1.66				10.99

* The performance after Aug 2023 is based on live trading data. Live performance data has deducted applicable fees and costs. The reference index consists of non-managed assets that cannot be directly invested in.

POSITION DISTRIBUTION





RETURN & RISK METRICS

	Lotus Macro Fund	Benchmark
This Month	**2.39%**	1.66%
Last 12 Month	**9.66%**	7.97%
Five Years (Annualized)	**10.87%**	5.31%
Cumulative Returns	**797.89%**	280.26%
% Positive Returns (Monthly)	**72.89%**	66.55%
Sharpe Ratio (Annualized)	**1.03**	0.83
Information Ratio (Annualized)	**0.40**	N.A.
NAV	**105.79**	N.A.

* The above data is as of Sep 30, 2025. All figures are not verified by the fund administrator and the actual data is subject to the fund Administrator. The NAV is the actual data of Lotus Macro Fund.

PORTFOLIO MANAGER COMMENTS

In September, global risk assets extend positive momentum further, driven by the deepening AI narrative and global monetary easing. US stocks keep hitting record highs fueled by AI optimism, with Nasdaq ~+5.6% and S&P 500 ~+3.5%. OPENAI's announcements of datacenter infrastructure plans and the launch of SORA video platform amplified computing power demands, sparking a rally in AI hardware sectors like chips, storage, liquid cooling, and energy. However, the shift from cash flow-driven to financing-driven Capex raises sustainability concerns. Meanwhile, the Fed cut 25bps as expected, driving Europe, Japan, and Asia markets to repeatedly hit new highs.

Nevertheless, the market saw a sudden reversal in October as multiple headwinds triggered a shift from optimism to caution. US government shutdown risks and Trump's permanent layoff measures heightened labor market concerns, overshadowing inflation worries. Expectations for Fed policy shifted from preemptive to reactive rate cuts, with fears of a soft-landing intensifying and yield curves steepening. Additionally, available data has signaled economic weakness, but internal Fed disagreements and a data vacuum further complicated decisions. Fed Chair Powell and potential successor Waller, both dovish, lean toward 25bp cuts in October and December, but remain open to pausing if inflation and employment data stay resilient.

Concurrently, US-CN trade tensions escalated again, with measures on shipping fees and rare earth export controls. Trump's threat of 100% tariffs on China briefly revived April's "Liberation Day" panic, causing the largest crypto market liquidation since April. However, TACO happened again, and US-CN negotiations made positive progress with possibly delayed tariff. Strategic assets remain the key to this tug-of-war, and our preemptive positioning has capitalized on this dynamic.

Moreover, frequent US credit market crises have revived memories of the Silicon Valley Bank collapse. Fraud scandals at two regional banks sparked concerns about deteriorating credit quality, pressuring the financial sector. Though the scale of losses were limited, over-optimism has left the system with minimal room for risk (credit spreads hit a 2007 low, with HY spreads at just 2.8%— far below the 20-year average of 4.5%). Coupled with the opacity of the private credit market and tightening liquidity, these factors have amplified worries and heightened market volatility.

Amid multiple headwinds, precious metals hit historic highs: gold surpassing $4,300 and silver broke through $54, driven by surging safe-haven demand and supply shortages. London's gold inventory is depleted, and silver's structural imbalances intensified, reflecting deeper transformations in the global monetary system. This validates our long-term bullish outlook; however, the short squeeze is unsustainable, and excessive speculation is usually followed by sharp corrections. Thus, we dynamically adjust positions to lock in gains.

STRATEGY & OUTLOOK:

Since September, we gradually increased risk exposure as planned: 1) We positioned in critical mineral resources in advance to capture gains from trade-war-driven price surges; 2) In precious metals, we adopted a diversified allocation strategy to balance return potential and risk, and gradually reduced exposure after short-term rallies to secure profits; 3) We also seized opportunities in Chinese internet and AI localization, achieving a 0.73% excess return in September and continuing into October. large-scale fund subscriptions in early October diluted some gains during the rally, the market's subsequent pullback provided a window for adding positions.

Unlike April's shock, the current situation differs: despite market corrections triggered by Trump's tariff policies, the core logic for Chinese markets—"leading global performance this year with still-low valuations"—remains intact. Thus, we maintain a positive view on risk assets. We identified signals in early October that growth stocks nearing historical highs relative to value stocks, so we made adjustments amid the style rotation: reducing tech and growth exposure while increasing allocations to value and defensive sectors, effectively mitigating the market drawdown.

Looking ahead, ongoing US-CN negotiations and US government shutdown risks will likely sustain elevated volatility. Precious and base metals may rise again post-correction, while defensive sectors are expected to outperform amid profit-taking pressure on growth stock. Given the significant weight of value sectors in indices, this style shift may drive index higher rather than signal a broader correction. We will closely monitor U.S.-China talks developments, and global capital flows to ensure our portfolio allocations aligns with market trends.

Disclaimer: