

AVAREUM CAPITAL FUND®

Avareum

All Season Options Fund

Options-Based Strategies for Superior Risk-Adjusted Returns

avareum.finance

Executive Summary

The Avareum All Season Options Fund targets superior **risk-adjusted returns** compared to **traditional products** by integrating **options strategies** and incorporating robust risk management mechanisms to ensure **consistent annual returns of 15-20%**.

Backtesting demonstrates **competitive global performance** against the EurekaHedge Hedge Fund Index, Short Volatility Index, and BarclayHedge Option Strategies Index, while maintaining **lower correlation** to broader market trends.



Napat Vitthayanuwat

Fund Manager



Niran Pravithana

Advisor

Avareum All Season Options Fund Overview

Relative Performance: *AVSOF vs. S&P 500*

— Af of August 1, 2024



Monthly Return

— Af of August 1, 2024

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Compd.
2020	-0.19	-2.53	-0.03	2.40	3.32	-2.28	7.29	2.14	6.87	-1.81	3.66	1.51	21.68
2021	-8.82	4.50	7.90	1.91	1.81	5.29	-1.23	2.72	-3.04	6.13	-0.66	9.56	27.62
2022	5.44	4.89	-1.97	7.70	0.54	9.19	-3.14	1.93	6.46	1.90	-1.01	3.08	40.08
2023	0.77	5.99	-2.49	-0.17	1.27	3.46	1.99	1.57	4.18	7.26	-1.53	2.46	27.23
2024	-0.18	3.18	-0.22	2.90	0.53	-0.12	1.39	-3.19					4.23
Avg.	-0.60	3.21	0.64	2.95	1.49	3.11	1.26	1.04	3.62	3.37	0.11	4.15	

Statistics

— Af of August 1, 2024

	S&P 500	AVSOF
CAGR%	11.84	26.1
Sharpe	0.65	1.46
Sortino	0.91	1.96
Calmar	0.34	2.08
Max Drawdown %	-34.44%	-12.53%
Volatility (Ann.)%	20.49%	17.42%

Backtested Performance

Yearly (2020-2023)

2020	2021
21.71%	26.58%
2022	2023
35.57%	24.54%

2024 (Jan-Aug)

4.42%

Fund Objective

This strategy is designed to generate
Stable and Reasonable income,
supported by *Controlled Risk*
and *Built-in Protection.*



Fund Objective: *Why Options?*

Rethinking Traditional Investing: Options vs. Dividend Stocks

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Expected Annual Return

All Season Options Fund **15-20%**

Traditional *Instruments*

Expected Annual Return

5-8%

01 *Stable and Reasonable income*

02 *Controlled Risk*

03 *Built-in Protection*

Objectives can be
achieved through various
Options.

By Selecting

— High-Quality, Dividend-Paying Stocks

By Selecting

— Low-Volatility Stocks

By Managing through:

— Shorting Correlated Assets (e.g., Bank Stock Vs. Financial ETF)

— Pairs trading (e.g., Long Coca-Cola, Short PepsiCo)

— Diversifying Dividend Portfolios

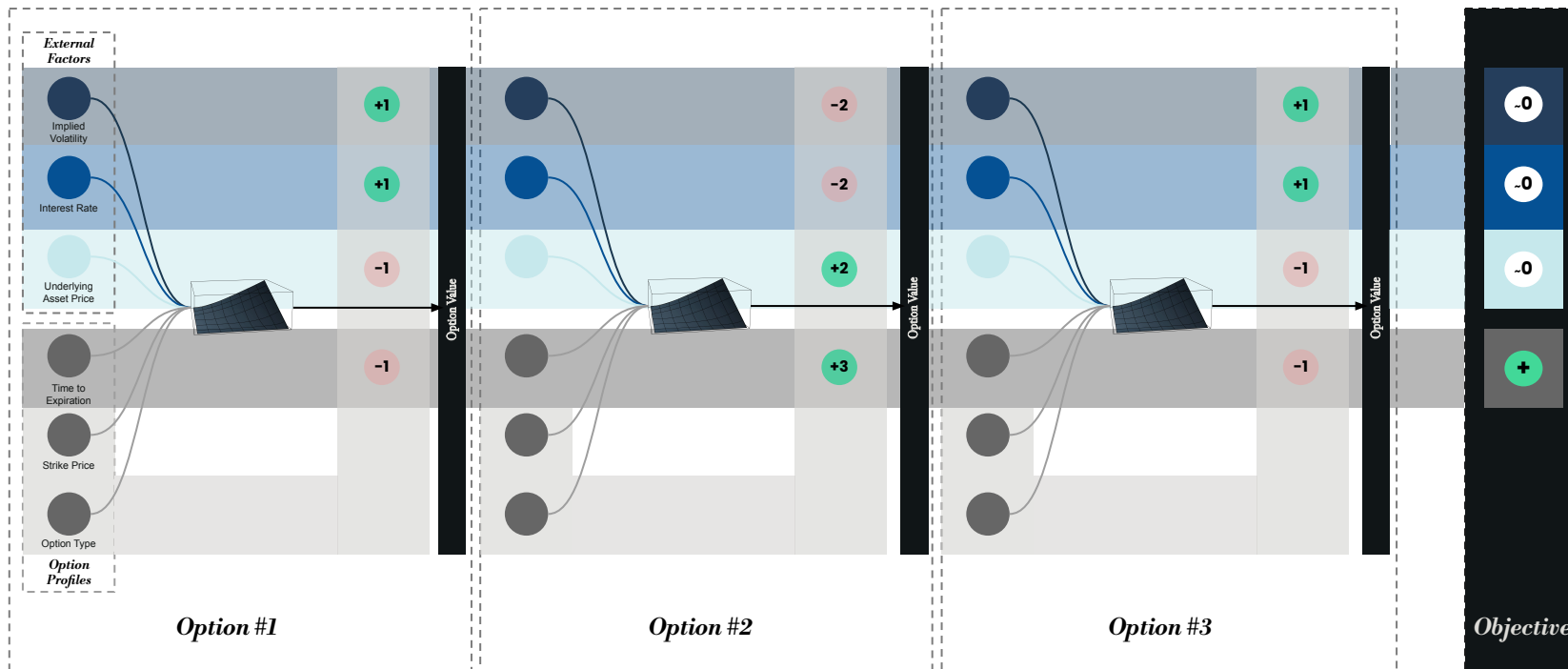
— Dynamic Allocation On Market Conditions

By Adding

— Futures or Put Options

Options Fundamentals: *The Building Blocks*

What Moves Options? The 6 Key Pricing Factors



Fund Objective: *Why Options?*

Rethinking Traditional Investing: Options vs. Dividend Stocks

01 *Stable and Reasonable income*

Avareum

Expected Annual Return

All Season Options Fund **15-20%**

By Selecting

- Options Combinations That Capitalize On Time Decay

02 *Controlled Risk*

By Selecting

- Options Combinations That Reduce External Impact

03 *Built-in Protection*

By Adding

- A Corresponding Hedge

Traditional *Instruments*

Expected Annual Return

5-8%

By Selecting

- High-Quality, Dividend-Paying Stocks

By Selecting

- Low-Volatility Stocks

By Managing through:

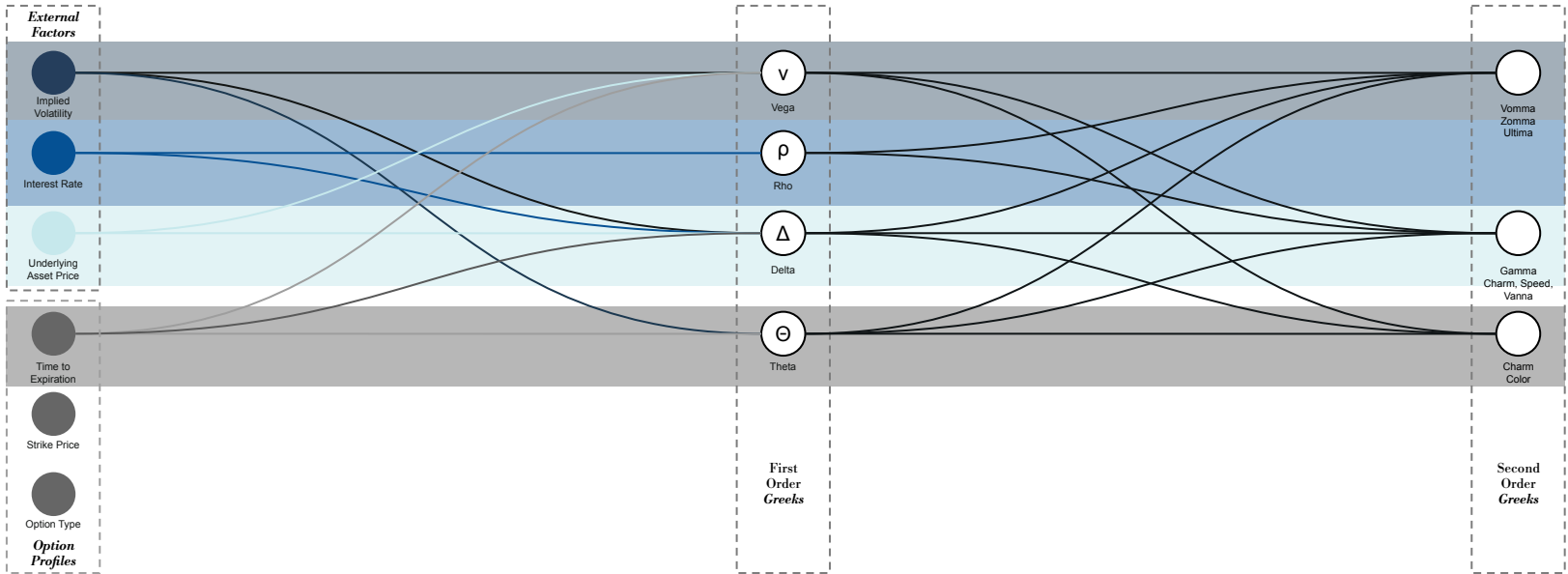
- Shorting Correlated Assets (e.g., Bank Stock Vs. Financial ETF)
- Pairs trading (e.g., Long Coca-Cola, Short PepsiCo)
- Diversifying Dividend Portfolios
- Dynamic Allocation On Market Conditions

By Adding

- Futures or Put Options

The Complexity of *Greeks*

Greek Interactions: Why Dynamic Management is Essential



Fund Objective: *Why Options?*

Rethinking Traditional Investing: Options vs. Dividend Stocks

01 Stable and Reasonable income

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Expected Annual Return

All Season Options Fund **15-20%**

By Selecting

— Options Combinations That Capitalize On Time Decay

By Selecting

— Options Combinations That Reduce External Impact

By Managing through:

- Dynamic Adjustments
- Entry And Exit Filtering Frameworks
- Diversification Across Time
- T+0 Management

By Adding

— A Corresponding Hedge

Traditional *Instruments*

Expected Annual Return

5-8%

By Selecting

— High-Quality, Dividend-Paying Stocks

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By Managing through:

- Shorting Correlated Assets (e.g., Bank Stock Vs. Financial ETF)
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- Diversifying Dividend Portfolios
- Dynamic Allocation On Market Conditions

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— Futures or Put Options

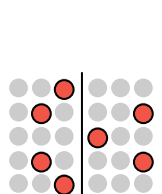
02 Controlled Risk

03 Built-in Protection

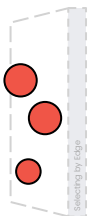
Investment Management *Process*

Active Management: How We Optimize Every Position

Entry

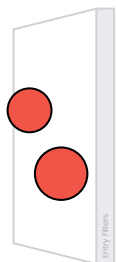


Options Chain

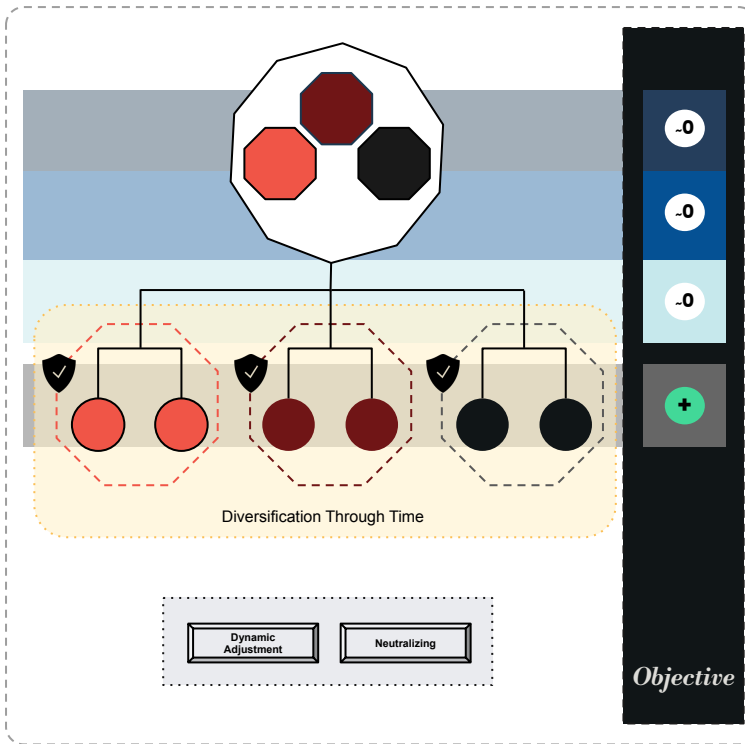


Edge

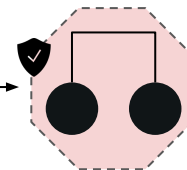
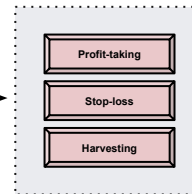
- + Exponential Time Decay
- + Volatility Risk Premium
- + Efficient Use Of Capital



Entry Filters



Exit





Objective Recap: *The Strategy in Action*

How We Manage & Combine Options for Target Returns

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Expected Annual Return

All Season Options Fund **15-20%**

By Selecting

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Traditional *Instruments*

Expected Annual Return

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01 *Stable and Reasonable income*

02 *Controlled Risk*

03 *Built-in Protection*

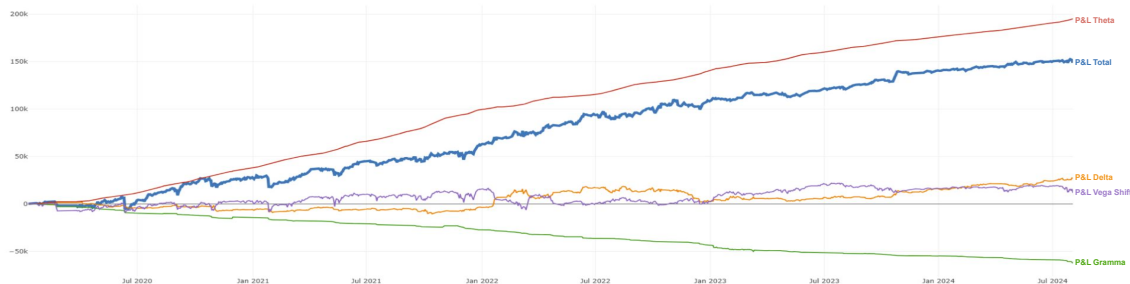
Fund *Performance* *and Comparison*

Fund *Characteristics*

Profit & Loss per Entry



Profit & Loss per Greeks



Trade Setups

Structure	Butterfly Spread Variation
Sharpe	5-25 delta OTM
Days to Expiration	150-180 days
Initiation	Delta Neutral
Hedge	Aligned with main structure
Max Parallel Setups	4

Trade Metrics

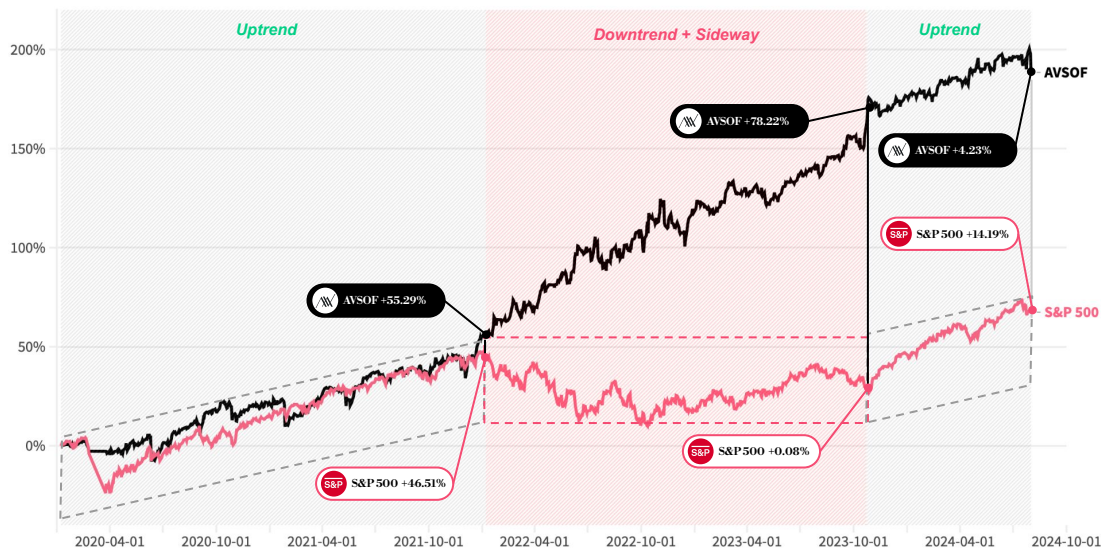
Count Setups	117
Total Profit & Loss	188,201.95
Profit & Loss Per Setup	1,608.56
Profit Factor	6.65
Win Loss Ratio	3.88
Winners : Losers %	79.49 : 20.51
DIT Avg	46.08
Profit & Loss Per DIT	34.91
Vega at Trade Initiation Avg.	-341.08



Performance *Highlights*

Yearly	2020	2021	2022	2023	2024 (Jan-Aug)
	21.71%	26.58%	35.57%	24.54%	4.42%

% Return

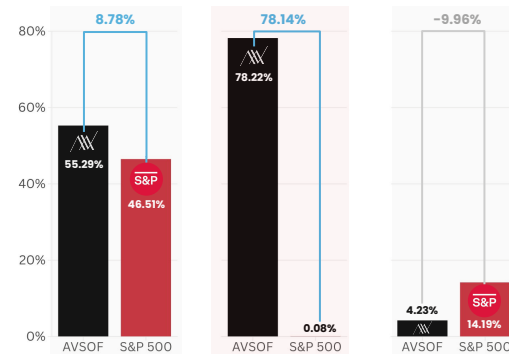


Statistics

— Af of August 1, 2024

	S&P 500	AVSOF
CAGR%	11.84	26.1
Sharpe	0.65	1.46
Sortino	0.91	1.96
Calmar	0.34	2.08
Max Drawdown %	-34.44%	-12.53%

Regime Returns



Performance *Highlights*

Yearly				
2020	2021	2022	2023	2024 (Jan-Aug)
21.71%	26.58%	35.57%	24.54%	4.42%

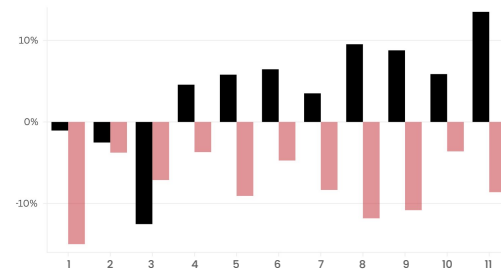


Statistics

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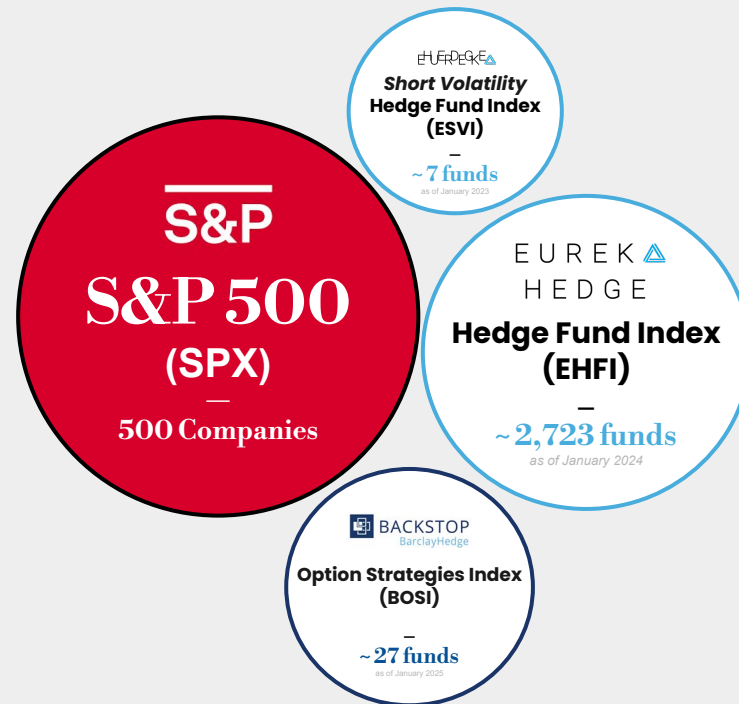
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Volatility Downturns



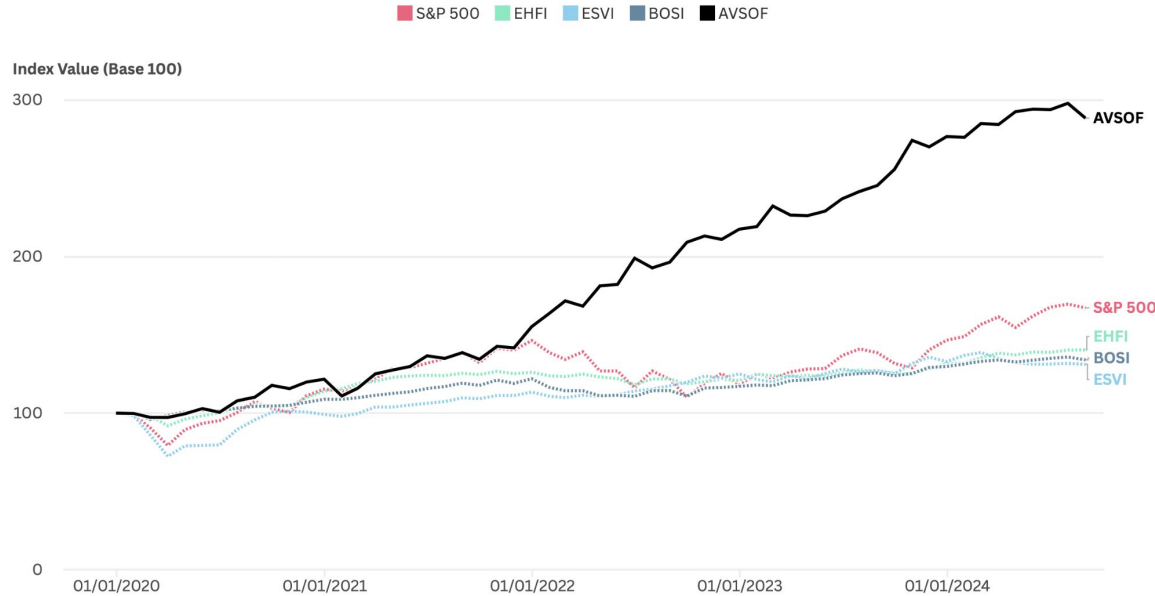
Introduction to *Benchmarks*


Avareum
All Season
Options Fund
(AVSOF)



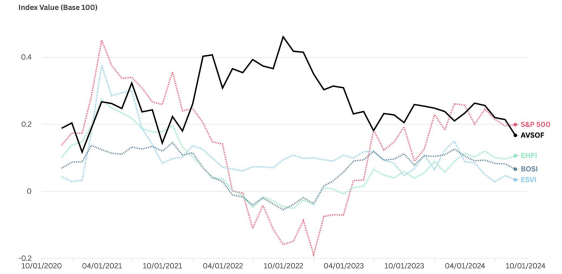
Return Comparisons

Performance Comparison

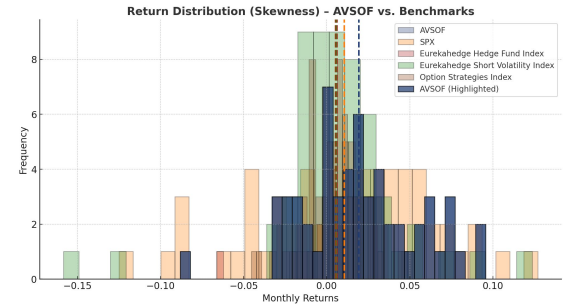


Source: Avareum Capital Fund

Rolling Return



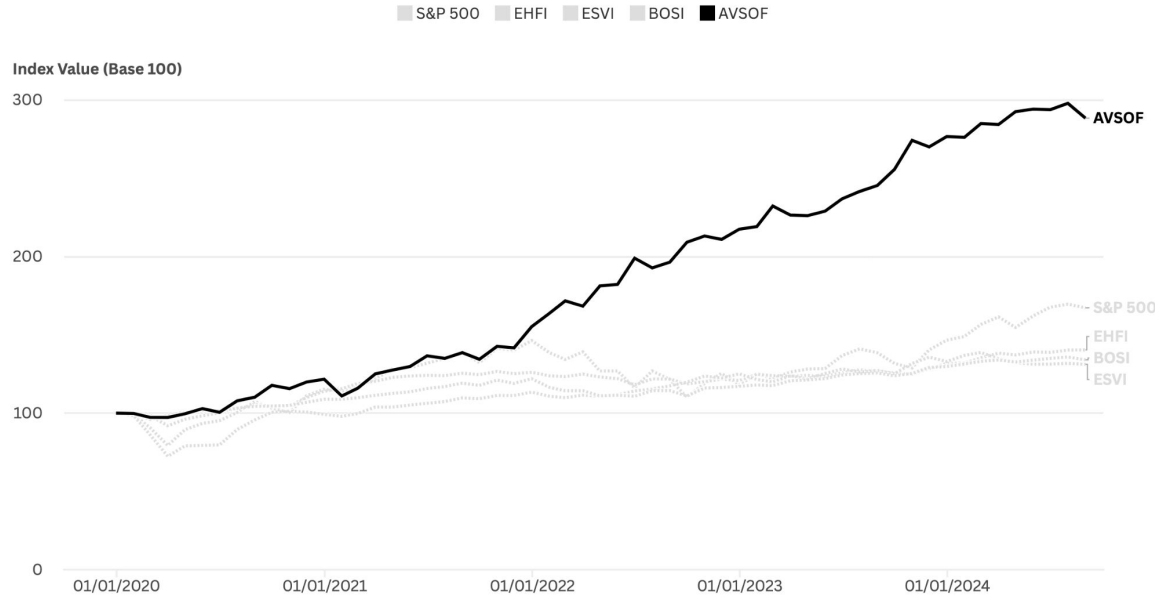
Return Distribution





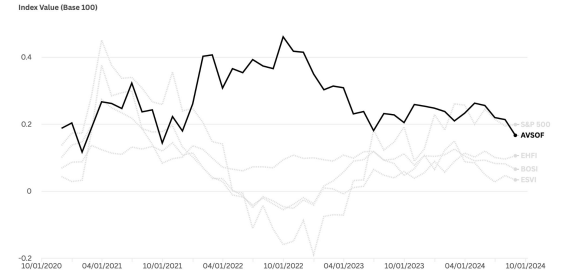
Return Comparisons

Performance Comparison

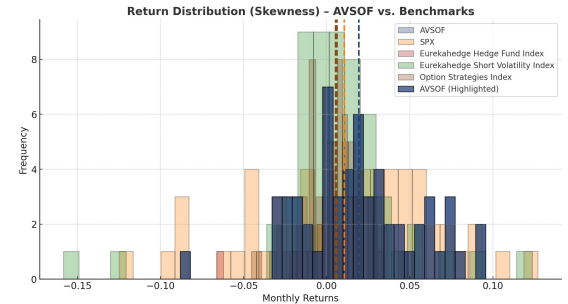


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Rolling Return



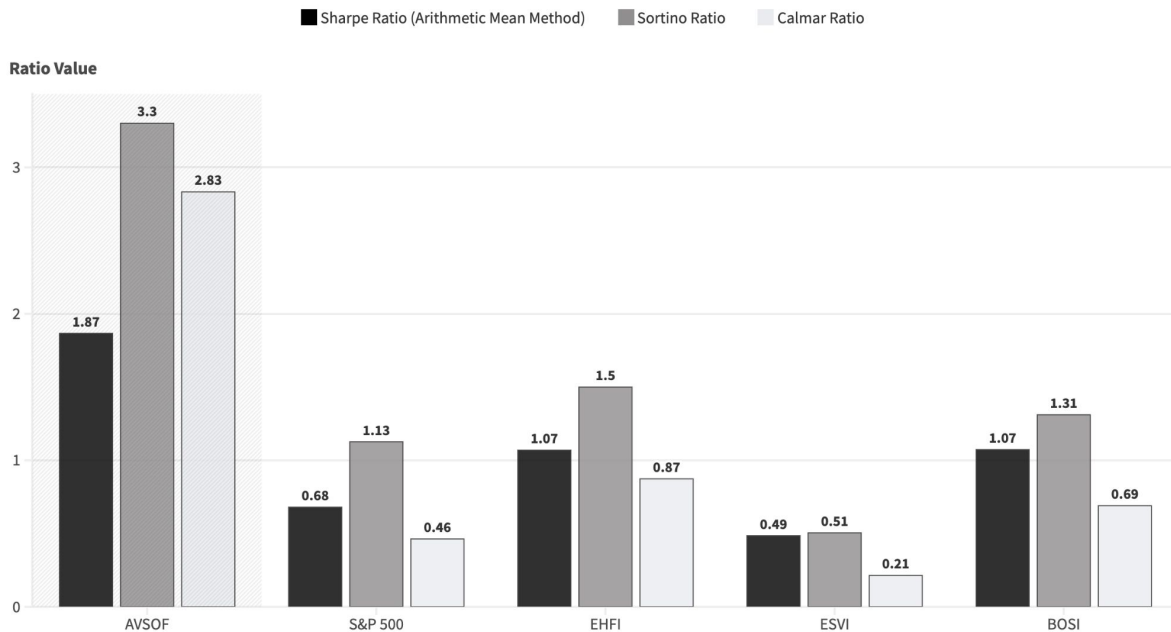
Return Distribution



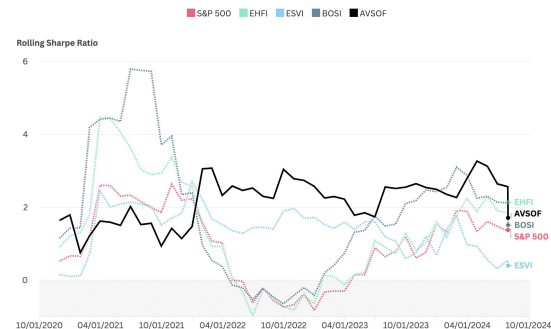


Risk-Adjusted Return Comparisons

Risk-Adjusted Metrics



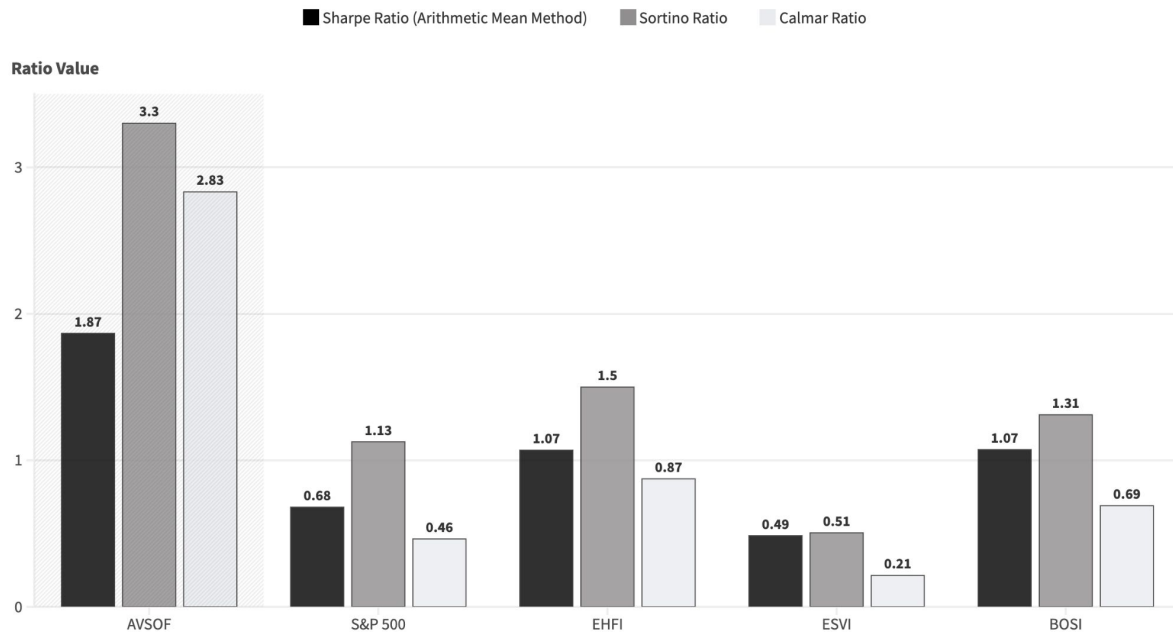
Rolling Sharpe Ratio



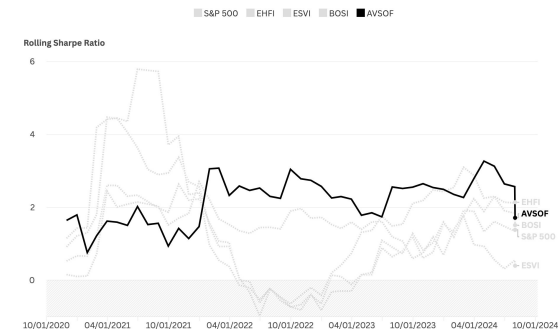


Risk-Adjusted Return Comparisons

Risk-Adjusted Metrics



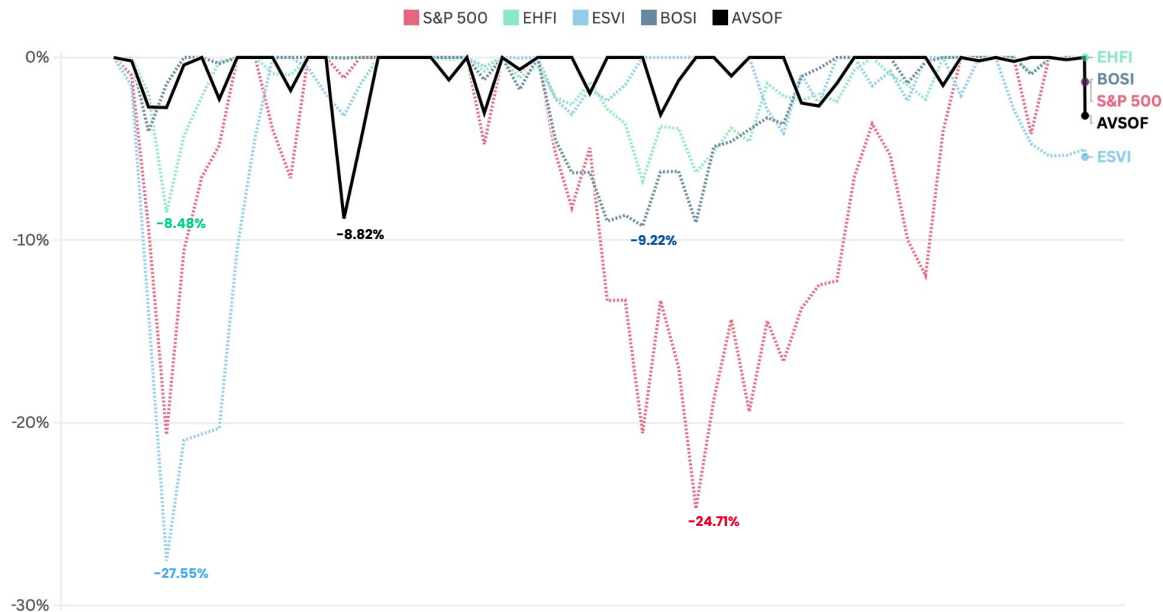
Rolling Sharpe Ratio





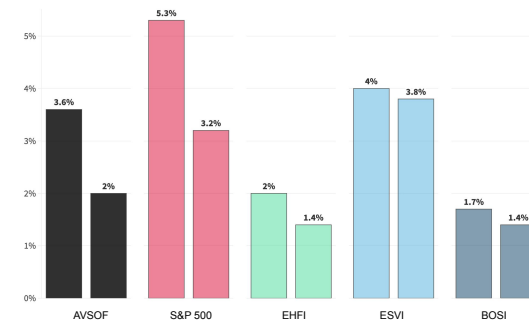
Risk & Drawdown Comparisons

Drawdown Over Time

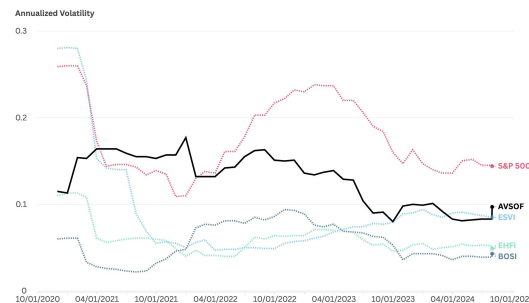


Source: Avareum Capital Fund

Standard Deviation vs. Downside Deviation

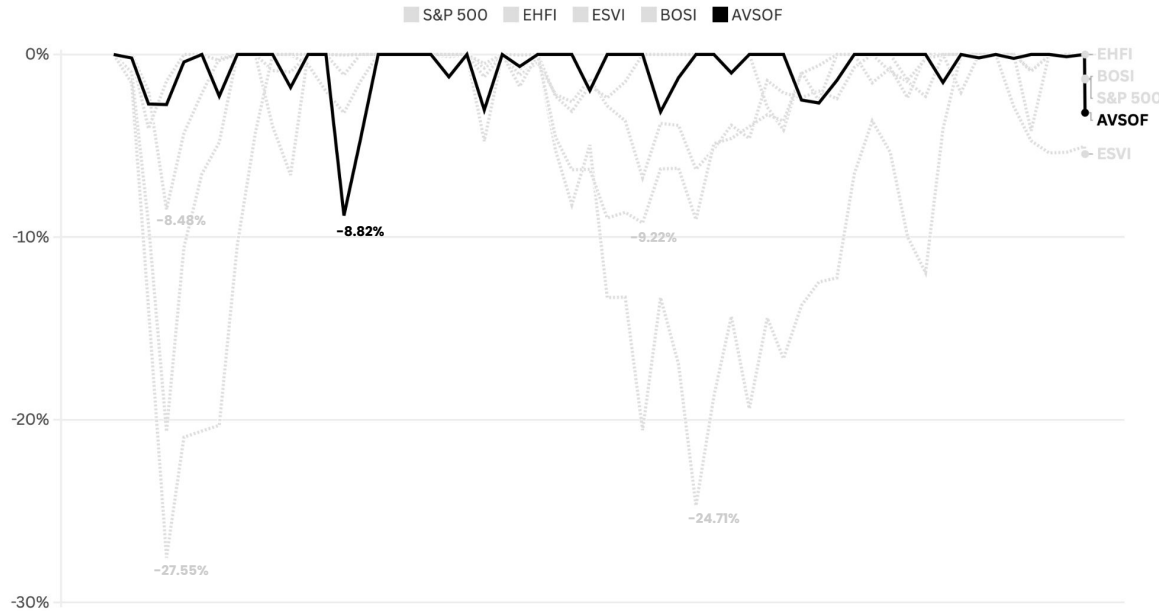


Rolling Volatility

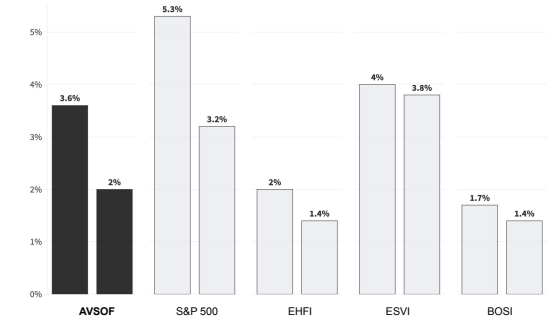


Risk & Drawdown Comparisons

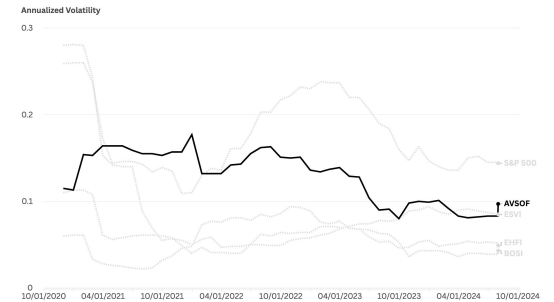
Drawdown Over Time with Highlighted Max Drawdown Values



Standard Deviation vs. Downside Deviation



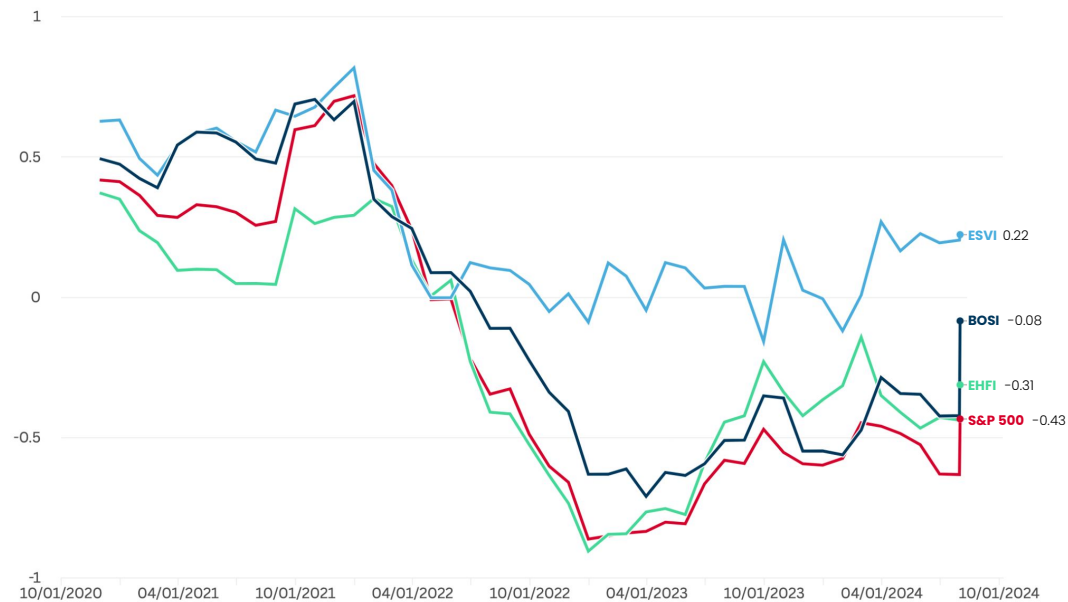
Rolling Volatility





Correlation Analysis

Rolling Correlation



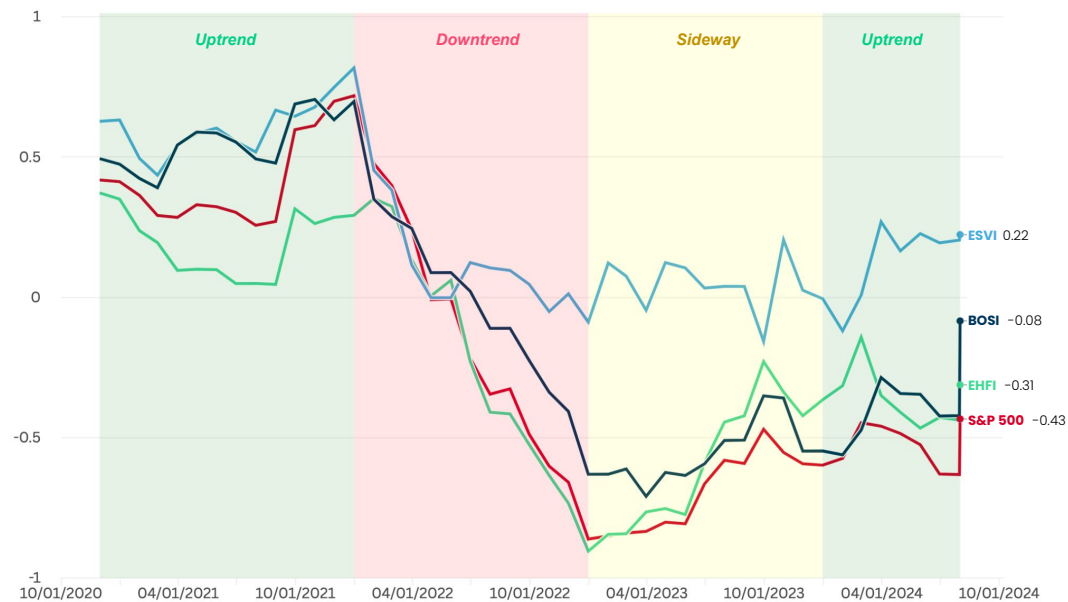
Correlation Heatmap

	AVSOF	S&P 500	EHFI	ESVI	BOSI
AVSOF	1.00				
S&P 500	-0.11	1.00			
EHFI	-0.10	0.88	1.00		
ESVI	0.32	0.47	0.44	1.00	
BOSI	-0.02	0.68	0.46	0.32	1.00



Correlation Analysis

Rolling Correlation



Correlation Heatmap

	AVSOF	S&P 500	EHFI	ESVI	BOSI
AVSOF	1.00				
S&P 500	-0.11	1.00			
EHFI	-0.10	0.88	1.00		
ESVI	0.32	0.47	0.44	1.00	
BOSI	-0.02	0.68	0.46	0.32	1.00

Key *Implications*



Core Portfolio Allocation

High Return: 24.98% CAGR and 188.46% cumulative return reinforce AVSOF long-term growth potential.

Low Volatility: 12.46% volatility, significantly lower than SPX 18.48%, ensuring stability.

Risk-Adjusted Outperformance: Sharpe 1.87 and Sortino 3.30 highlight strong returns with controlled risk



Diversification: Low correlation

Negative Correlation: -0.43 with SPX in downturns positions AVSOF as an effective equity hedge.

Performance Independence: Low correlation with benchmarks enhances diversification and non-correlated returns.



Tactical Volatility Protection

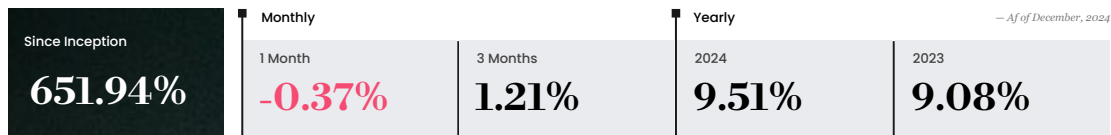
Downside Protection: Max drawdown of -8.82% vs. SPX -24.71% demonstrates resilience in volatile markets.

Negative Correlation in Down Markets: Negative correlation with SPX (2022-2024) reinforces AVSOF's role as a volatility hedge.



Appendix

Eurekahedge Hedge Fund Index



Index Returns

— Af of January 21, 2025



Source: Eurekahedge, As of January 21, 2025

Statistics

— Af of December, 2024

Annualised Return	8.40%	Annualised Standard Deviation	5.24%
2024 Return	9.51%	Downside Deviation	2.99%
2023 Return	9.08%	Upside Deviation	4.65%
Last 3 Months	1.21%	Maximum Drawdown	-12.74%
Return Since Inception	651.94%	Sharpe Ratio	1.22
Best Monthly Return	5.28%	Sortino Ratio	2.14
Worst Monthly Return	-6.62%	Percentage of Positive Months	69.33%

Historical Monthly Performance

— Af of December, 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0.13	2.56	2.20	-0.85	1.37	-0.16	1.08	0.05	1.59	-0.47	2.06	-0.37	9.51
2023	3.32	-0.69	-0.26	0.37	-0.42	1.76	1.54	-0.94	-0.56	-0.81	2.92	2.63	9.08
2022	-1.77	-0.41	1.28	-1.48	-0.84	-3.24	3.20	-0.12	-2.49	1.19	1.35	-0.75	-4.18
2021	1.39	2.85	1.25	2.04	0.75	0.32	-0.13	1.21	-0.75	1.68	-1.13	0.71	10.62
2020	0.45	-1.99	-6.62	4.55	2.29	1.94	2.98	2.19	-0.88	-0.08	5.28	3.67	14.04
2019	2.55	1.16	0.76	1.20	-0.90	2.01	0.47	-0.35	-0.03	0.54	0.77	1.47	10.05
2018	2.03	-1.36	-0.63	0.66	0.29	-0.40	0.46	0.46	-0.07	-2.32	-0.34	-1.68	-3.30
2017	1.10	1.12	0.56	0.62	0.45	0.15	1.06	0.79	0.68	1.25	0.37	1.10	9.65
2016	-1.84	0.09	1.72	0.91	0.47	0.26	1.77	0.44	0.60	-0.23	0.44	0.89	5.60
2015	0.90	1.75	0.75	0.92	-1.16	0.10	-1.16	-0.12	-0.95	-0.15	0.48	-0.76	2.56
2014	-0.28	1.85	-0.14	0.07	1.10	1.07	1.10	0.83	1.42	-2.88	0.53	-1.01	5.51
2013	2.20	0.25	0.86	0.77	0.55	-1.31	1.33	-0.29	1.42	1.67	0.86	0.03	9.69
2012	2.35	2.01	0.04	-0.21	-1.63	0.34	1.15	1.03	1.03	-0.13	0.57	0.14	7.90
2011	0.36	1.16	0.33	1.51	-0.80	-1.05	0.44	-2.18	-2.59	2.18	0.18	0.08	-1.49
2010	-0.49	0.81	2.38	1.19	-2.35	-0.38	1.57	0.40	3.19	2.19	0.28	2.76	12.02
2009	0.32	-0.92	1.77	3.70	6.05	0.48	2.55	1.54	2.68	2.19	1.80	1.19	21.94
2008	-1.84	-2.39	-1.71	1.48	1.76	-0.66	-1.64	-0.83	-4.50	-4.54	-1.22	1.23	-9.89
2007	1.31	0.68	0.68	0.98	1.12	0.48	0.48	-0.48	-1.15	-1.27	1.27	0.99	9.74
2006	3.37	0.51	2.06	2.21	-1.38	-0.23	1.08	1.08	1.08	1.85	2.25	1.85	14.43
2005	-0.20	1.83	-0.54	-1.24	1.62	1.19	1.62	1.79	2.20	2.24	2.24	2.05	11.34
2004	1.82	1.77	0.75	-1.45	-0.31	0.40	-0.48	0.18	1.79	1.15	3.05	1.45	10.50
2003	1.34	0.69	-0.37	2.55	3.79	1.19	2.01	1.33	2.68	1.33	2.68	1.21	11.21
2002	0.63	-0.11	1.75	0.48	1.11	-0.04	-0.05	-0.10	-0.27	0.41	1.72	1.72	7.26
2001	3.05	-0.24	0.55	1.15	1.60	-0.64	-0.60	0.64	-1.26	0.93	1.63	1.61	10.04
2000	1.43	5.25	1.63	-1.17	0.28	0.28	2.35	2.36	2.35	-0.12	3.64	1.97	17.95

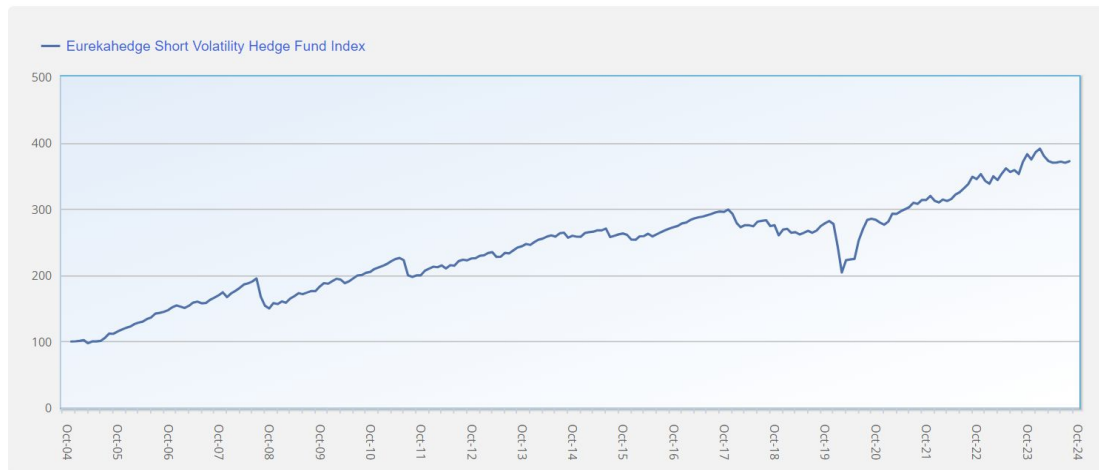
Note: Based on 93.40% of funds which have reported December 2024 returns as at 21 January 2025

Eurekahedge *Short Volatility* Hedge Fund Index

Since Inception	Monthly		Yearly		— Af of December, 2024
	1 Month	3 Months	2024	2023	
285.75%	0.62%	2.76%	15.08%	6.28%	

Index Returns

— Af of January 21, 2025



Source: Eurekahedge, As of January 21, 2025

Statistics

— Af of December, 2024

Annualised Return	6.89%	Annualised Standard Deviation	9.76%
2024 Return	2.95%	Downside Deviation	7.73%
2023 Return	6.89%	Upside Deviation	6.54%
Last 3 Months	2.76%	Maximum Drawdown	-31.75%
Return Since Inception	285.75%	Sharpe Ratio	0.51
Worst Monthly Return	-15.85%	Sortino Ratio	0.65
		Percentage of Positive Months	70.83%

Historical Monthly Performance

— Af of December, 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	2.95	1.38	-2.85	-1.93	-0.70	0.04	0.34	-0.44	1.54	0.53	1.59	0.62	2.95
2023	-2.88	-1.29	3.33	-1.62	2.79	2.31	1.06	-1.55	0.82	5.23	3.09	-2.08	6.28
2022	-2.29	-0.84	1.44	-0.67	0.90	2.20	1.06	1.82	1.93	3.29	-1.03	2.18	10.28
2021	-1.21	1.76	4.18	-0.06	1.32	1.04	1.03	2.20	0.50	1.91	-0.03	1.95	14.36
2020	-1.57	-12.53	-15.85	9.10	0.43	0.40	12.36	6.84	5.12	0.66	-0.55	-1.47	-0.80
2019	3.30	0.47	-2.19	0.30	-1.28	0.97	1.12	-1.12	1.29	2.54	1.54	1.20	8.32
2018	-2.21	-4.84	-2.11	1.12	-0.09	-0.53	2.56	0.41	0.36	-3.14	0.48	-5.55	-13.03
2017	1.41	0.51	1.30	0.92	0.58	0.40	0.64	0.67	0.88	0.41	-0.16	1.67	9.06
2016	-2.76	-0.10	2.05	0.12	1.38	-1.56	-1.20	1.26	0.09	0.98	0.80	0.65	5.09
2015	-0.02	2.24	0.42	0.26	0.62	0.70	-0.02	1.04	0.72	0.81	0.53	-0.76	1.09
2014	-0.54	1.83	1.35	0.64	1.20	0.67	-0.69	1.91	0.39	-2.88	1.12	-1.01	4.47
2013	1.63	0.40	1.39	0.61	-3.07	0.14	2.50	-0.28	1.95	1.81	0.76	1.41	9.53
2012	1.50	1.39	-0.37	1.23	-2.12	2.34	-0.27	3.17	0.95	-0.45	1.31	0.14	9.07
2011	1.12	1.15	1.31	1.90	0.45	0.73	-1.48	-10.25	-1.14	1.14	0.06	3.49	-1.20
2010	-0.44	2.17	1.75	-0.60	-2.85	2.23	3.26	2.24	0.33	1.65	0.72	2.10	11.35
2009	-0.86	2.54	-1.32	3.99	2.17	2.75	-0.87	1.41	1.32	0.31	2.81	2.84	19.10
2008	-4.21	3.51	2.05	2.52	1.86	1.35	2.42	-15.14	-8.10	-2.68	5.38	1.36	-9.41
2007	1.81	-1.24	-1.21	2.21	3.12	0.88	3.12	-1.57	3.02	1.94	2.16	2.74	14.97
2006	2.30	1.67	2.91	1.74	1.23	3.01	1.83	4.24	0.77	1.09	1.83	2.88	28.63
2005	0.28	0.69	1.04	-4.56	2.78	0.82	4.41	6.35	3.05	3.17	3.35	2.36	17.86

Note: Based on 100.00% of funds which have reported December 2024 returns as at 21 January 2025

BarclayHedge Option Strategies Index

Since Inception 34.07%	Return		Statistics
	December ROR*	YTD through DECEMBER*	Number of funds reporting*
	-0.41%	7.11%	19

— As of December, 2024

Historical Monthly Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	1.21	1.32	0.61	-0.92	0.86	0.86	0.63	-1.31	1.37	0.52	2.19	-0.41	7.11
2023	0.68	-0.36	2.71	0.44	0.67	1.90	0.70	0.32	-1.41	1.19	3.04	0.50	10.77
2022	-4.54	-1.86	0.03	-2.85	0.35	-0.64	3.26	0.04	-3.00	4.58	0.29	0.68	-3.96
2021	-0.03	0.94	1.40	1.09	0.92	1.83	1.09	1.86	-1.23	2.93	-1.75	2.49	12.07
2020	-0.08	-3.98	2.71	2.09	1.25	-0.33	1.68	1.09	0.19	0.39	1.91	1.78	8.87

Source: BarclayHedge, As of January 21, 2025

*Estimated performance for December 2024 calculated with reported data from 19 funds.



Annual Returns *Comparison* (2000-2024)

	AVAREUM CAPITAL FUND [®] <i>Avareum All Season Options Fund*</i>	EUREKA HEDGE <i>Hedge Fund Index</i>	EUREKA HEDGE <i>Short Volatility Hedge Fund Index</i>	Backstop <i>Option Strategies Index</i>	S&P 500® <i>S&P 500 Index</i>
2024	4.21%	9.51%	2.95%	7.11%	33.9%
2023	24.54%	9.08%	6.28%	10.77%	26.29%
2022	35.57%	-4.18%	10.28%	-3.96%	-18.11%
2021	26.58%	10.62%	14.36%	12.07%	28.71%
2020	21.71%	14.04%	-0.8%	8.87%	18.4%
2019		10.05%	8.32%		31.49%
2018		-3.3%	-13.03%		-4.38%
2017		9.65%	9.06%		21.83%
2016		5.6%	5.09%		11.96%
2015		2.56%	1.09%		1.38%
2014		5.51%	4.47%		13.69%
2013		9.69%	9.53%		32.39%
2012		7.9%	9.07%		16%
2011		-1.49%	-1.2%		2.11%
2010		12.02%	11.35%		15.06%
2009		21.94%	19.1%		26.46%
2008		-9.89%	-9.41%		-37%
2007		9.74%	14.97%		5.49%
2006		14.43%	28.63%		15.79%
2005		11.34%	17.86%		4.91%
2004		10.5%			10.88%
2003		11.21%			28.68%
2002		7.26%			-22.1%
2001		10.04%			-11.89%
2000		17.95%			-9.1%

*The performance data for Avareum All Season Options Fund is calculated up to August 2024. Subsequent months are not included in this analysis.
Source: Avareum Capital Fund[®]

AVAREUM **CAPITAL FUND**[®]

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