LE MANS TRADING LLC

Adaptive Volatility Edge

MARCH 2024

VIX INDEX AND HOW IT'S CALCULATED

- The VIX Index is derived from S&P 500 Index options and is widely regarded as a key indicator of the overall U.S. stock market. It has gained recognition as the foremost benchmark for assessing volatility in the U.S. equity market.

- As an index, the VIX serves as a valuable measurement tool. It is calculated to provide a consistent assessment of the anticipated volatility in the U.S. stock market over a 30-day period. By capturing expected market fluctuations, the VIX Index provides valuable insights into market sentiment and risk levels.

- The estimation of expected volatility is conducted by the VIX Index through the aggregation of weighted prices from a broad spectrum of strike prices for S&P 500 Index puts and calls. In particular, the VIX Index values are calculated using the midpoints of real-time bid/ask price quotations for SPX options.

- The settlement process of the VIX Index and of VIX Futures on their final settlement day follows a similar pattern to the settlement process utilized for A.M. settled S&P 500 Index options. This process ensures consistency and aligns with established practices in the financial industry.

PORTFOLIO ADVANTAGES

Portfolio Hedging

The VIX Index has had a historically strong inverse relationship with the S&P 500 Index. Long exposure to volatility may offset an adverse impact of falling stock prices. Adding a VIX trading strategy to your portfolio can have the potential to provide tail risk hedging benefits.

Long/Short Volatility

Including VIX futures in your portfolio provides a direct exposure to the anticipated level of volatility. This exposure can be considered an asset, enhancing the diversification and risk management capabilities of your overall investment portfolio.

Term Structure Trading

This diverse selection provides our investors with ample opportunities our systems can capitalize from, allowing for strategic positioning based on anticipated levels of implied volatility. The availability of multiple contract expirations enhances flexibility in managing positions and capitalizing on potential market opportunities.

Risk Premium Yield

By utilizing VIX futures, our investors gain diversification within various volatility trading and arbitrage strategies. These strategies enable our investors to exploit volatility-related opportunities and optimize their portfolio diversification.

TRADING METHODOLOGY

In typical market conditions, equity markets tend to exhibit a gradual upward trend with intermittent minor corrections.

During these periods, the term structure of VIX Futures tends to assume a Contango shape, where nearer expiries are considered more "predictable" while uncertainties escalate in the distant future.

In such a term structure, profitable opportunities arise by shorting VIX futures as they progressively decline along the curve, unless there is a significant surge in volatility.

Conversely, when equity markets undergo turmoil, such as a market crash or pronounced movements, the implied volatility of options experiences a substantial increase. This situation leads to a reversal in the term structure, known as backwardation, wherein nearer expiries reflect heightened volatility compared to the distant future.

ADAPTIVE VOLATILITY EDGE STRATEGY

Overview

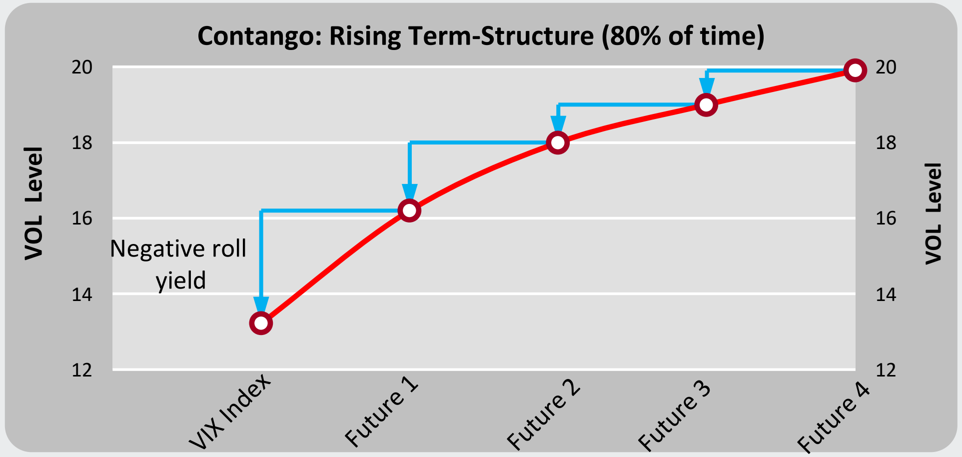
(Adaptive Volatility Edge)

- The Adaptive Volatility Edge strategy stands out with its innovative approach to trading the Volatility Index (VIX), employing a combination of multiple momentum models and mean reversion-based systems. These systems incorporate key elements such as price, time, level of volatility, and term structure within their dynamic models, enabling a comprehensive and adaptive trading approach.
- Our strategy is designed to generate profits by analyzing term structures and strategically positioning ourselves accordingly. Additionally, we make use of the inherent mean-reversion characteristics observed in volatility markets to enhance our trading approach. By capitalizing on these dynamics, we aim to exploit potential opportunities to maximize returns while achieving diversification for risk reduction.

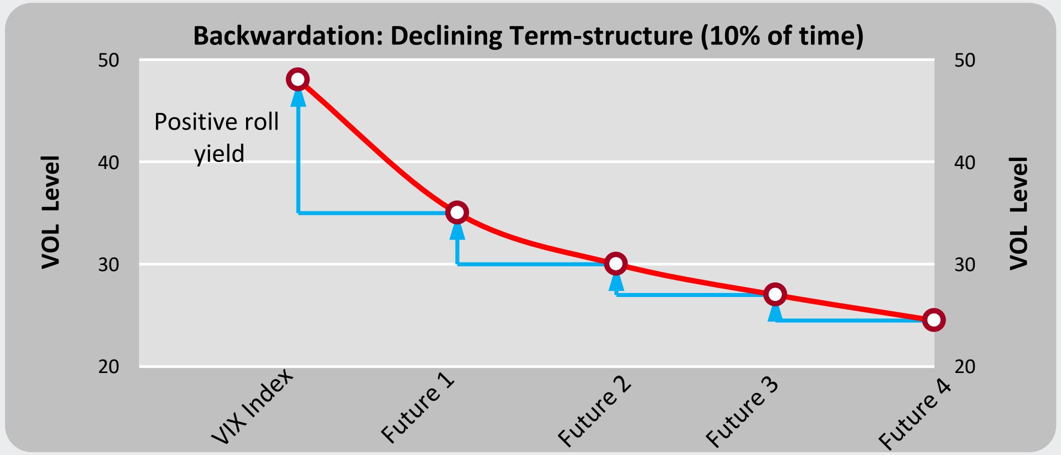
ADAPTIVE VOLATILITY EDGE STRATEGY

Within our strategy framework, three fundamental models are employed to formulate precise entry and exit points:

1. When Contango appears to be persisting, the strategy involves selling VIX Futures and S&P Futures. Conversely, if Backwardation seems to be enduring, the approach suggests buying VIX Futures and S&P Futures.



2. Leveraging mean reversion within the term structure is a key aspect of our approach. In situations where Contango is significantly pronounced, the strategy involves selling the back month in contrast to the front month. When the Term Structure transitions into Backwardation, the process is reversed. In the event of the market entering a "crisis mode," a neutral stance is adopted. Additionally, our strategy consistently engages in trading two expiries: one on the short end and another on the long end.



3. We harness the power of mean reversions within volatility markets. When Vix Spreads indicate overselling, the strategy involves purchasing the spread and subsequently reversing. Conversely, if Vix spreads are signaling overbuying, the approach suggests selling the spread and then reversing the position.

ADAPTIVE VOLATILITY EDGE STRATEGY

Long Volatility

(Expanding Volatility)

- When volatility begins to expand, our strategy initiates trades that align with the ongoing expansion of volatility.
- Typically, volatility expansion unfolds in a single direction as the market transitions from a period of low volatility to high volatility. Consequently, our trades are executed in the direction of this volatility expansion.
- However, once volatility reaches an extended level across the board, our approach shifts. At this point, we reduce momentum trades in the direction of continued volatility expansion. This adjustment is driven by the higher likelihood of price reverting to the mean, indicating that these momentum trades may still yield average profitability but are considered lower quality trades. By adapting our strategy based on the evolving dynamics of volatility, we aim to optimize our trading decisions and enhance reward to risk.

The chart above is daily performance of the VIX from 1/14/2020 – 4/28/2020

ADAPTIVE VOLATILITY EDGE STRATEGY

Short Volatility

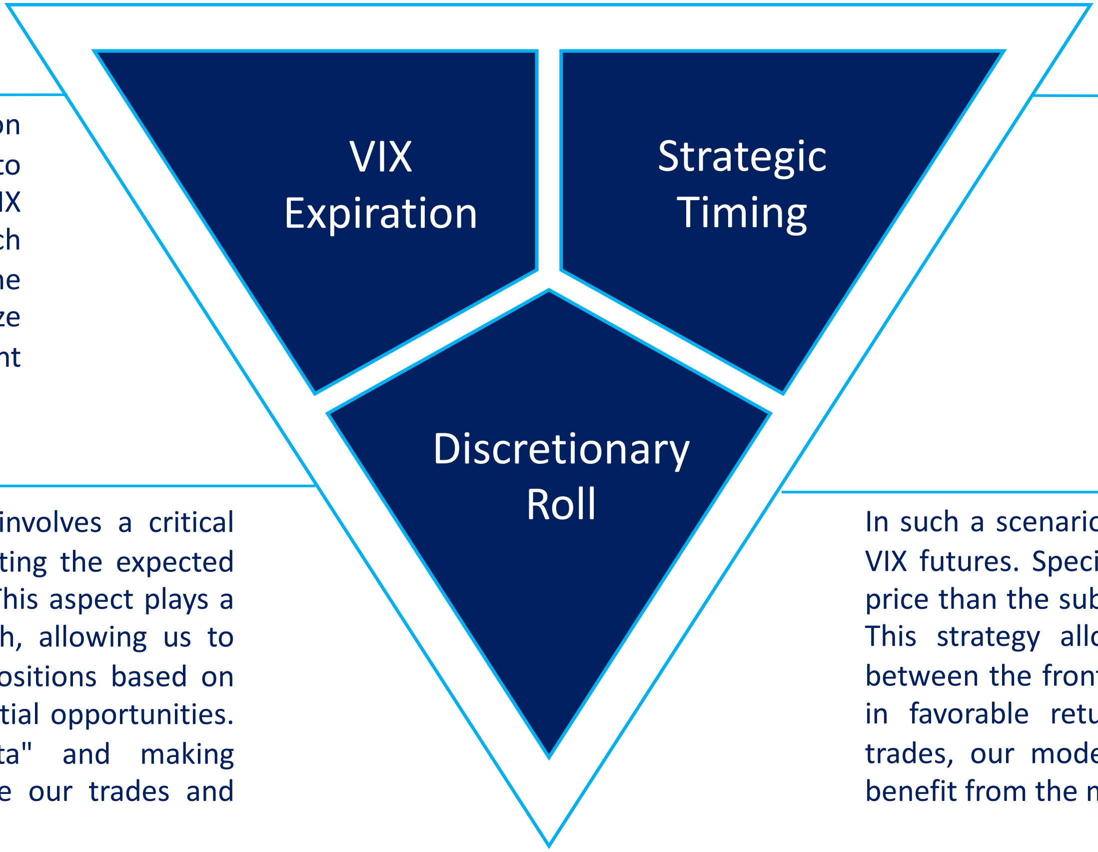
(Contracting Volatility)

- During periods of contracting volatility, our strategy focuses on trading markets in alignment with the ongoing contraction of volatility. Typically, volatility contraction progresses in a specific direction as the market transitions from a state of high volatility to low volatility. Therefore, our trades are executed in the direction of this volatility contraction.
- However, once volatility reaches very contracted levels, our approach undergoes a shift. At this stage, risk levels of the short volatility positions are reduced.
- This adjustment is driven by the increased probability of price becoming momentum-driven, leading to a higher likelihood of profitable trades being based on momentum rather than mean reversion. While these mean reversion trades may still yield average profitability, they are considered lower quality trades. By adapting based on the changing dynamics of volatility, we aim to optimize trade decisions and enhance overall trade quality.

The chart above is daily performance of the VIX from 3/21/2020 – 6/28/2020

STRUCTURED VIX POSITIONING

Our strategy involves purchasing VIX spreads when they are near the bottom of their ranges and selling them when they reach the top of their range. These trades are typically executed on an intraday basis or held for a period of 2-3 days. By strategically entering and exiting positions within these ranges, we aim to capture potential opportunities for profit while managing risk effectively.



Based on our proprietary models and position sizing considerations, we have the flexibility to enter positions in the 2nd or 3rd expiry of the VIX future or the 2nd or 3rd spread. This approach allows us to strategically align our trades with the most favorable market conditions and optimize our position sizing for optimal risk management and potential returns.

We understand high volatility levels are typically not sustained over extended periods. Consequently, the prices of expiries further in the future tend to be significantly lower than those of the front month. This pricing dynamic reflects the expectation that volatility will naturally subside over time.

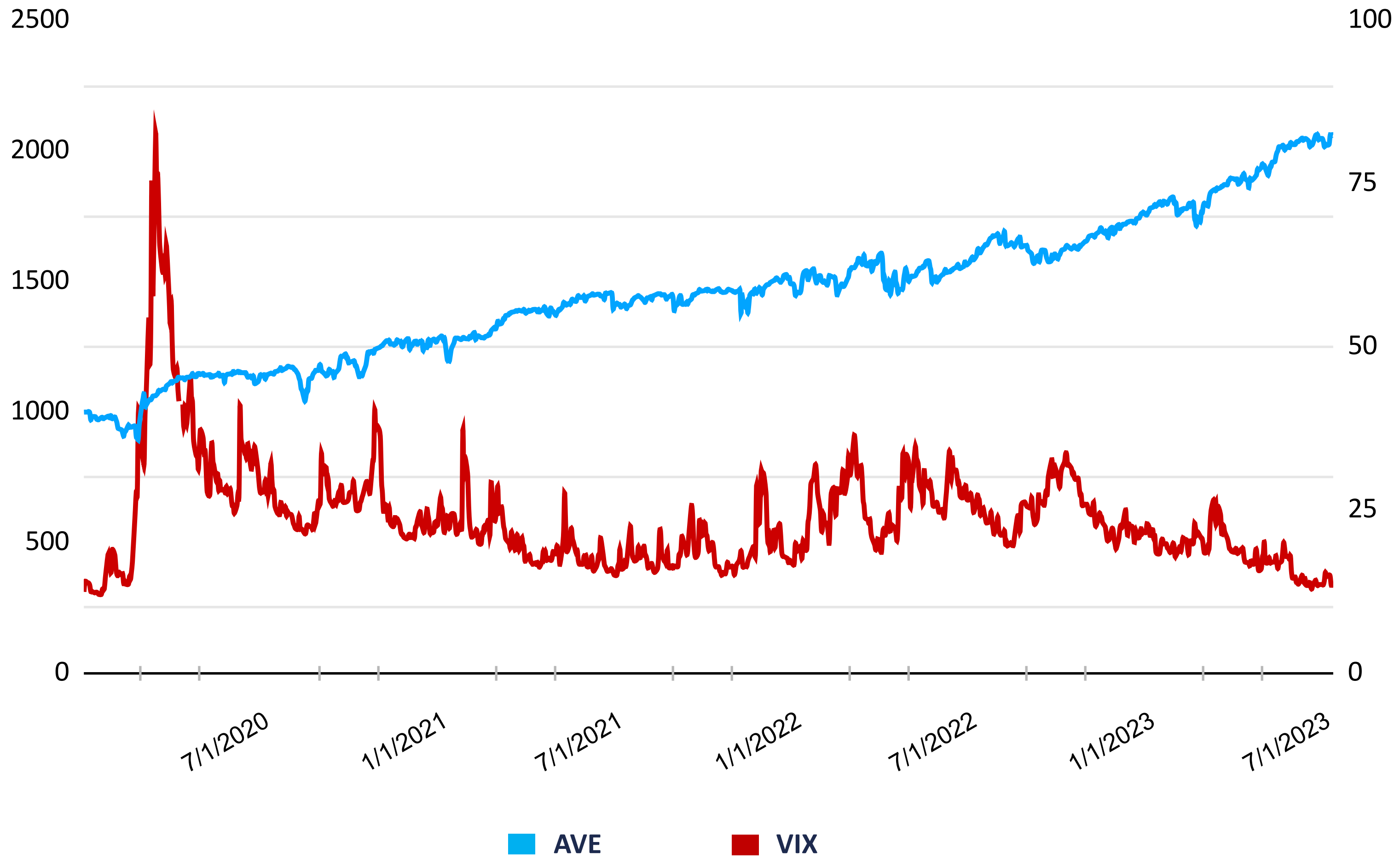
The discretionary component of our strategy involves a critical decision-making process centered around selecting the expected "Delta" and adjusting it by rolling up or down. This aspect plays a significant role in shaping our overall approach, allowing us to exercise discretion and fine-tune our trading positions based on market conditions and our assessment of potential opportunities. By carefully managing the expected "Delta" and making appropriate adjustments, we strive to optimize our trades and enhance the effectiveness of our strategy.

In such a scenario, it is possible to generate profits by being long VIX futures. Specifically, the front month can be sold at a higher price than the subsequent month when the position is rolled over. This strategy allows for capitalizing on the price differentials between the front and next month contracts, potentially resulting in favorable returns. By strategically executing these rollover trades, our models can exploit these pricing discrepancies and benefit from the market dynamics surrounding VIX futures.

RETURN VOLATILITY

This chart illustrates the pricing of the VIX, also known as the Fear Index, which represents the volatility index of the S&P 500. The monthly return of the Adaptive Volatility Edge strategy is also displayed alongside it in blue. During periods of increased volatility or fear, the VIX tends to have higher pricing, while during periods of market complacency, the VIX exhibits lower pricing.

As demonstrated by the equity curve of the Adaptive Volatility Edge strategy, the models have generated generally smooth returns regardless of whether the VIX is at extreme highs, as observed in February 2019, or at extreme lows, as experienced throughout most of 2017.

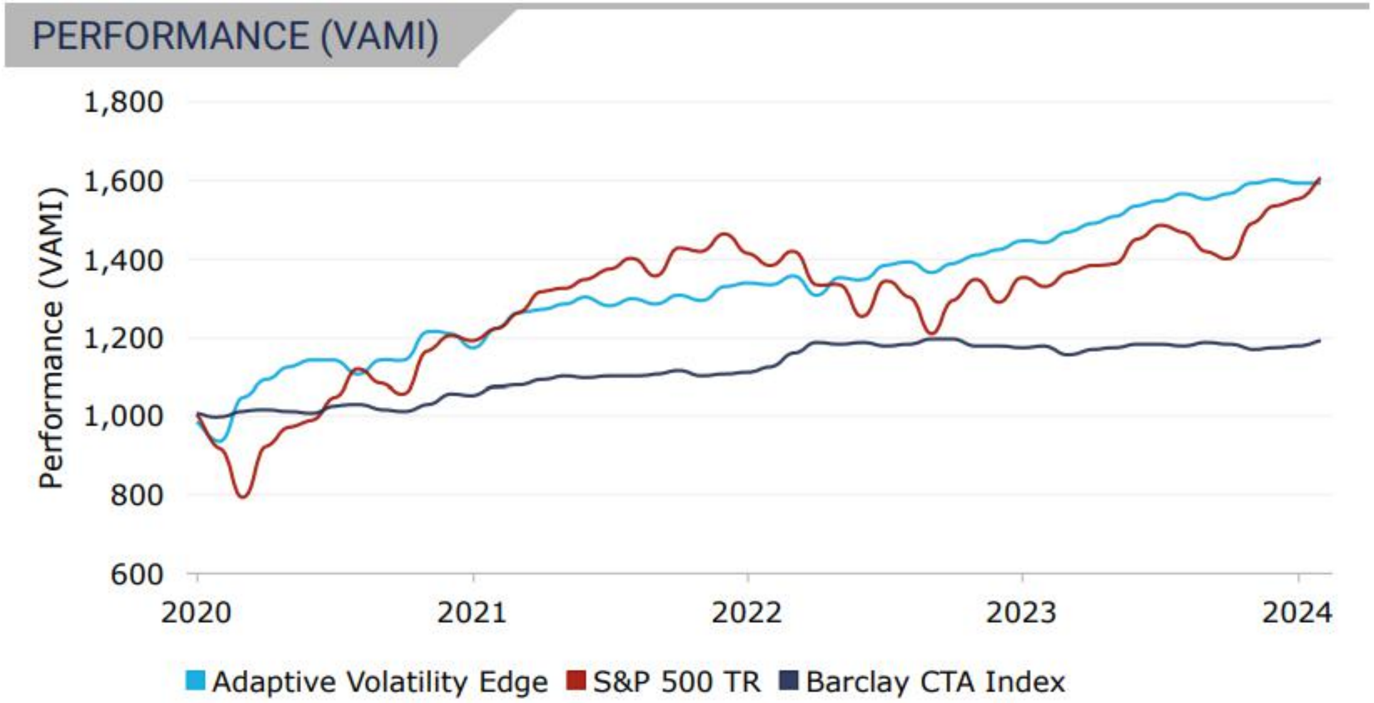


PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

PERFORMANCE (VAMI)

Statistics

13.95% CAROR	**1.43** Sharpe
0.30 Correlation vs. S&P 500	**0.00** Correlation vs. Barclay CTA Index
2.71% Average Winning Month	**-1.67%** Average Losing Month
9.73% Standard Deviation	**1.35%** Downside Deviation



NET MONTHLY PERFORMANCE

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	DD
2024	-0.76	-0.04	0.25										**-0.55**	-0.80%
2023	2.33	-0.42	2.55	2.06	1.82	2.77	1.29	1.69	-1.18	1.39	2.62	0.76	**17.68**	-1.18%
2022	0.79	-0.21	2.08	-4.86	4.47	-0.55	3.74	0.75	-2.79	2.48	2.07	1.52	**9.49**	-4.86%
2021	-3.81	4.82	4.38	0.57	1.48	1.60	-2.12	1.96	-1.58	2.31	-1.23	3.50	**11.88**	-3.81%
2020	-1.78	-4.64	10.91	4.38	3.44	1.72	-0.26	-3.33	3.74	-0.15	7.03	-0.27	**20.79**	-6.34%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. The monthly performance trading results are actual and independently verified. Pro Forma results are adjusted for a 2% Management fee calculated monthly and a 20% quarterly Incentive fee. The performance from January 2020 through September 2023 represents the live trading results for an account traded by the developer of the strategy. In addition, this method is used to calculate annual rates of returns because the trading level of the accounts managed did not fluctuate with prior months profits or losses. This material is intended for Qualified Eligible Persons only. This information is subject to change at any time, and Le Mans Trading LLC is under no obligation to provide you with any updates or amendments to this presentation. This presentation is intended for the use of the recipient only and may not be reproduced or distributed to any other person, in whole or in part, without the prior written consent of Le Mans Trading LLC.

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PERFORMANCE STATISTICS

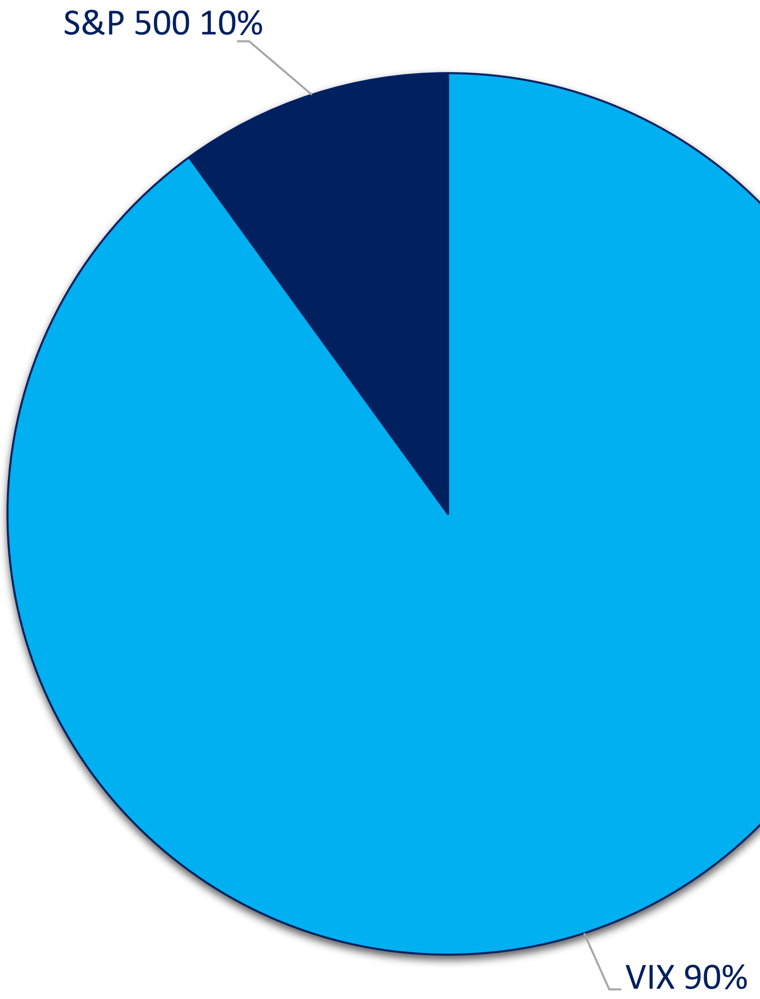
STATISTICS	
Sortino Ratio	2.88
Sterling Ratio	0.89
Calmar Ratio	2.34
Standard Deviation Monthly	2.81%

RISK	
Average Winning Month	2.71%
Average Losing Month	-1.67%
Winning Months	64.71%
Losing Months	35.29%

REWARD/RISK	
Max Drawdown	-6.42%
Total Return Annualized	13.95%
Total Return Cumulative	59.29%

Note: Figures shown in the Monthly column are the greatest figures (or worst for losses/drawdowns) for any month. The Annual figures are the greatest for any calendar year.

MARKETS TRADED



STRATEGY DETAILS

CTA	**Le Mans Trading LLC**
Min Investment	**300,000 USD**
Liquidity	**Daily**
Highwater Mark	**Yes**
Management Fee	**2%**
Performance Fee	**20%**
NFA ID	**0531607**
Legal Advisor	**CLARK HILL**

PERSONNEL

Jürg Bühler

Adaptive Volatility Edge

Jürg Bühler, a 35-year veteran in the Financial Markets industry, boasts extensive expertise in model development, testing, and the trading of foreign exchange, futures, equities, ETFs, and options. Pioneering early investments in Alternative Investments, he played a pivotal role in supporting CTAs through marketing, consulting, and adept trading and risk management.

As the founder of GVI - Global Vision Investments AG in Switzerland, established in 2008, Bühler developed models for Volatility Trading (both long and short, with hedges in Equity Futures) and an innovative Adaptive Asset Allocation Program. He earned his bachelor's degree in Business Administration from the Graduate School of Business Administration in Zürich, Switzerland.

PERSONNEL

Tyler Resch

FOUNDING PARTNER

Mr. Resch is a senior member of the portfolio management team, he plays a pivotal role in assisting both retail and institutional clients in constructing well-balanced, diversified, and non-correlated portfolios of managed futures. Mr. Resch's deep understanding of alternative investments and portfolio management has earned him recognition in esteemed financial publications, including The Wall Street Journal, CTA Intelligence, and Commodities Now.

Mr. Resch served as a Commodity Trader at Lind-Waldock. Working as part of a dynamic team, he was responsible for trading highly liquid contracts with a specific focus on systematic trading. This experience fortified his knowledge and honed his skills in navigating the complexities of the market.

With his extensive background and demonstrated expertise, Mr. Resch is committed to delivering exceptional portfolio management services and guiding clients towards achieving their investment goals.

JonPaul Jonkheer

FOUNDING PARTNER

Mr. Jonkheer plays a pivotal role at Le Mans Trading, overseeing the firm's daily operations and spearheading strategic initiatives. With a focus on business development, he actively cultivates relationships with industry professionals in the managed futures space. His extensive experience includes co-founding IASG Alternatives LLC in March 2015, a boutique broker dealer that offers hedge funds and managed futures funds to qualified investors.

Mr. Jonkheer's profound insights into the managed futures industry have gained recognition and have been featured in prominent financial publications and online platforms, including The Wall Street Journal, Michael Covel, and CTA Intelligence. Before joining IASG, he excelled as a sales and marketing executive for 12 years, bringing valuable expertise and a strong business acumen to his current role.

Through his leadership, expertise, and established industry connections, Mr. Jonkheer contributes significantly to Le Mans Trading's growth and success.

Mason Resch

DIRECTOR OF INVESTOR RELATIONS

Mr. Resch assumed a full-time role at Le Mans Trading in January 2020, where he plays a pivotal role in Investor Relations. As the main point of contact for existing and potential investors, he takes responsibility for producing all marketing materials pertaining to the fund. Furthermore, Mr. Resch handles inquiries related to investment and operational due diligence, ensuring prompt and accurate responses. He also oversees performance reporting, ensuring transparency and accountability.

In addition to his Investor Relations responsibilities, Mr. Resch actively leads diverse business development projects in close collaboration with the Le Mans Trading Management team. His contributions in this capacity help drive the growth and expansion of the firm's operations.

Through his expertise and dedication, Mr. Resch plays a crucial role in fostering strong relationships with investors, facilitating effective communication, and promoting the firm's business development endeavors.

CONTACT

Le Mans Trading LLC

141 W Jackson Blvd Suite 1525

Chicago, IL 60604

Phone: 312-561-3146

Email: operations@lemanstrading.com

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