

Investment Strategy

Investment Policy

The investment strategy of the Sentinel is a trading account traded fully automatically by 1000FTAD Software, broadly diversified manner across a wide range of currency pairs. It is based on a double GRID and smooth sub-martingale trading approach, fully automated, systematically hedged on both sides. The primary objective is to achieve a high expected return with manageable risk. The selection of currency pairs follows a qualitative approach, while the strategy is implemented using a quantitative methodology. Regardless of market conditions, returns can be generated in both rising and falling markets. The strategic objective is to minimize risk within this asset class while targeting a return of 20-30% per annum.

The investment strategy focuses on investing in major currencies globally through managed accounts. The strategy allows for up to 100% allocation in a single asset class or the holding of up to 100% of assets in cash.

Management Commentary

US stock markets close near record highs in 2025 despite geopolitical and trade-related uncertainties. DAX achieves best year since 2019 despite sideways movement in the second half of the year. US Treasury yields fall. Markets are betting on easing policy in 2026. Global market outlook for 2026 points to opportunities despite volatility. Precious metals are still considered undervalued despite high valuations. The Swiss stock market shows relative resilience despite global uncertainties. The US dollar was significantly weaker in 2025, posting its biggest annual loss since 2017. The euro gained significantly against the US dollar. The British pound had its best year against the US dollar since 2017, but was weaker against the euro. The BoE is likely to continue its policy of lowering the key interest rate in 2026, while the BoJ raised interest rates, which was followed by a sharp rise in yields across all maturities. 30-year bonds yielded 3.41% at the end of the year. This makes carry trades significantly riskier. The SNB kept its key interest rate at 0% and pointed to weaker inflation. The Swiss franc remained strong against the US dollar. US tariffs are seen as an FX/macro risk for CHF policy. Eurozone growth slowed in December, but Q4 was the strongest year since 2023.

Winner & Losers - Market Overview

Top Performer (excluding currencies)

Silber +25,21% | Platin +21,37% | AMEX Gold

Bugs +19,10% | Palladium +10,17% | Kupfer

+7,70% | IBEX35 +5,72% | FTST MIB +3,66%

Biggest Loser (excl. Currencies)

Natural Gas -24,19% | Stellar -21,20% | XRPEUR

-16,81% | BalticDry -12,62% | Litecoin -9,25%

Bitcoin -3,71% | Ethereum -2,45% | Brent -3,53%

Currency Winner

ZARJPY +3,65% | AUDJPY +2,26%

CADJPY +2,17% | GBPJPY +2,10%

AUDUSD +1,89% | GBPUSD +1,73%

Currency Loser

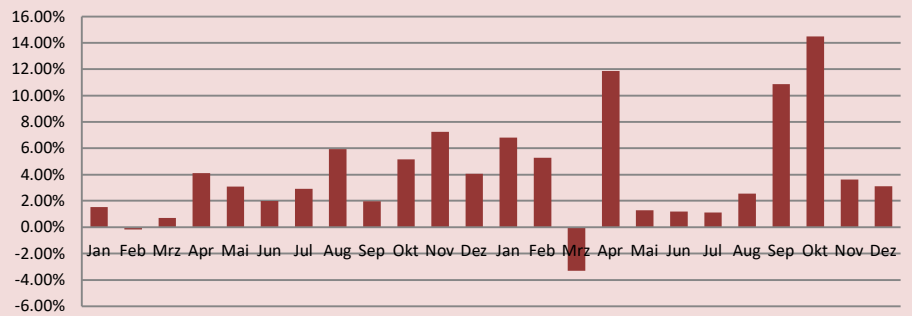
USDZAR -3,21% | EURZAR -2,00%

USDCAD -1,77% | USDPLN -1,67%

GBPZAR -1,53% | NZDCAD -1,37%

Current Value

Performance (in %)



Current value (in %)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|------|------|-------|-------|-------|------|------|------|------|-------|-------|------|------|--------|
| 2024 | 1.52 | -0.15 | 0.72 | 4.11 | 3.08 | 2.00 | 2.92 | 5.92 | 1.96 | 5.15 | 7.24 | 4.06 | 45.75% |
| 2025 | 6.81 | 5.28 | -3.32 | 11.87 | 1.28 | 1.21 | 1.13 | 2.54 | 10.85 | 14.49 | 3.61 | 3.12 | 75.27% |

Cumulative value (in %)

| | 1M | 3M | 6M | 12M | since launch | 2024 | 2025 | 2026 |
|--|-------|--------|--------|--------|--------------|--------|--------|------|
| | 3.12% | 22.32% | 40.59% | 75.27% | 155.46% | 45.75% | 75.27% | n/a |

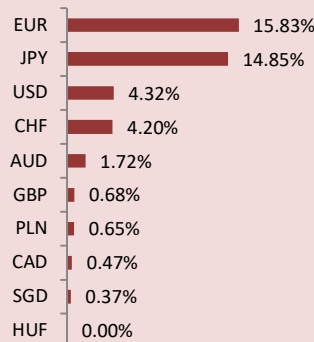
Structure Of The Investment Strategy

Largest Currency Pairs (Exposure in %)

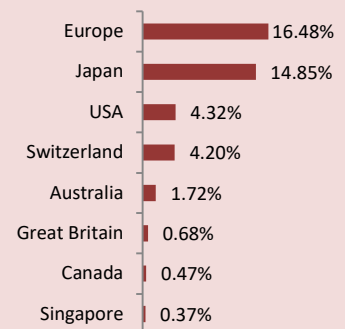
| | | | |
|--------|-----------------|------------------|----------------|
| EURJPY | 29.7021% | Cash | 56.20% |
| USDCHF | 7.6580% | CFDs | 43.80% |
| EURAUD | 1.8525% | Shares | |
| AUDNZD | 1.4499% | Commodities | |
| GBPPLN | 1.1935% | Money Market | |
| USDCAD | 0.9400% | Options | |
| CHFSGD | 0.7330% | Certificates | |
| GBPAUD | 0.1381% | Investment funds | |
| EURPLN | 0.1010% | Futures | |
| GBPUSD | 0.0360% | Precious metals | |
| | 43.8041% | Sum | 100.00% |

Types Of Securities (in % of assets)

Currencies (in % of assets)



Countries (in % of assets)



Greatest Opportunities

- Largest market: The foreign exchange with a daily trading volume of approx. 7.5 trillion US dollars
- Fully automated algorithm 24/5
- Fully automated hedging of significant positions
- High available margin volume is maintained through a robust wallet system
- Trading is conducted without benchmark orientation, offering flexibility
- Low correlation to other markets
- CFDs, futures, warrants and knock-outs: provide the opportunity to profit disproportionately from price movements of underlying assets, including currencies, commodities, and indices.
- SWAP: If applicable, interest may be collected
- Diversification: Broad diversification across countries and currencies reduces risk.
- Investors benefit in rising and falling prices

Greatest Risks

- Credit and Counterparty Risk: Exposure to potential defaults from countries, issuers, or counterparties.
- Currency Risk: Involves trading instruments in non-EUR currencies, with heightened risk from unhedged or forward positions.
- Market Gaps and Liquidity: Markets may experience GAPS or temporary liquidity shortages.
- Margin Risk: Low margins increase default probability.
- Value Fluctuations: Investment values can fall below the purchase price.
- No Guarantee: Investments carry the risk of partial or total loss without guarantees or capital protection.

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| Key Figures | | General data | | | | | | | | |
|---|----------|---|--|---|---|---|---|---|---|---|
| RISIK Key Figures I (in %) | | Management | 1000FTAD AG | | | | | | | |
| max. possible size of a single position | 5.00% | Management type | Currency Strategy Demo Portfolio | | | | | | | |
| max. loss in value in one month | -3.32% | Risk class investment strategy DD (SRRI)^{1,2} | <table border="1"> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr> </table> middle risk (4 of 7) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
| max. duration of loss (months) | 1 | Risk class investment strategy Vola (SRRI)^{1,2} | <table border="1"> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr> </table> high risk (6 of 7) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
| Recovery period (months) | 2 | Risk class of the underlyings (SRRI)^{1,2} | <table border="1"> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr> </table> very high risk (7 of 7) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
| Sharpe Ratio (12-month-basis) | 6.01% | annualized annual return⁴ | 59.83% | | | | | | | |
| Sharpe Ratio (60-month-basis) | n/a | Investment currency | CHF | | | | | | | |
| % positive months since start trading | 91.67% | Launch of the software | 2019-12-06 | | | | | | | |
| Maximum Drawdown in % | 5.34% | Start of allocation in Sentinel | 2024-01-01 | | | | | | | |
| Volatility (6-months-basis) | 16.97% | Partizipation opportunity | Professional Investors, companies, family offices hedgefunds, trusts, wealthy private investors | | | | | | | |
| RISIK Key Figures II (in %) | | Type of participation | Software Licence, AIF, AMC, ETC, ETP Participation Certificates and subordinated loans to 1000FTAD AG | | | | | | | |
| Number of positions | 273 | Tax Regime participation certificates | DBG Art. 20; StHG; VStG | | | | | | | |
| Ø Size of the Exposure | 4.38% | for Countries | Switzerland | | | | | | | |
| Largest Exposure | 29.7021% | Risk class of the participation certificates³ | <table border="1"> <tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr> </table> middle to high risk (5 of 7) | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
| Smallest Exposure | 0.0360% | Minimum investment amount⁵ | CHF 100.000 | | | | | | | |
| Open positions / Exposure | 43.80% | Holding period | 48 - 72 months | | | | | | | |
| Performance-Currency | EUR | Premium | 0.00% | | | | | | | |
| STATISTIC Key Figures (in %) | | ¹ Synthetic Risk Reward Indicator (SRRI): The risk indicator figures were calculated on the basis of the underlying maximum drawdowns in the trading accounts and the underlying maximum volatility. The risk class is shown in the example below: | | | | | | | | |
| % profit trades | 47.54% | | | | | | | | | |
| % loss trades | 52.46% | Risk Assessment and Key Notes | | | | | | | | |
| Largest profit trade | 0.71% | ^{2,3} Risk scale from 1 (lowest risk) to 7 (highest risk), where 1 does not imply a risk-free investment. The risk category assigned to this investment strategy or participation certificates is not guaranteed and may change over time. | | | | | | | | |
| Largest loss trade | -0.16% | Terminology | | | | | | | | |
| Average profit trade | 0.0063% | DD (Drawdown): Refers to the peak-to-trough decline during a specific period of an investment. | | | | | | | | |
| Average loss trade | -0.0034% | Vola (Volatility): Indicates the degree of variation in the price of an investment over time. | | | | | | | | |
| Risk Return Diagram | | Performance Calculation | | | | | | | | |
| | | ⁴ Annualized return: This represents the average annual return on an investment over a specified period, factoring in the effect of compound interest. It illustrates how much an investor would earn on average per year if returns were distributed evenly over the entire period. | | | | | | | | |
| | | Management Software | | | | | | | | |
| | | ⁵ 1000FTAD AG utilizes its proprietary, fully automated foreign exchange trading software for portfolio management. This software is available under license to professional investors, companies, foundations, and high-net-worth individuals, requiring a minimum investment of USD/EUR/CHF 3-10 million. Investors can participate in 1000FTAD AG | | | | | | | | |

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