

## Militia Capital

| Daily Stats    | Long | Short | Gross | Net  | SP500 | $\beta$ | $\alpha$ | $\Delta\sigma$ | Sharpe | AUM    |
|----------------|------|-------|-------|------|-------|---------|----------|----------------|--------|--------|
| Feb-Dec 2021   | 56%  | 20%   | 87%   | 72%  | 28%   | -0.08   | 0.73     | 12.5           | 2.79   | \$16m  |
| Full Year 2022 | -11% | 123%  | 98%   | 73%  | -18%  | 0.02    | 0.70     | 0.5            | 2.83   | \$43m  |
| Full Year 2023 | 58%  | -27%  | 15%   | 15%  | 26%   | -0.23   | 0.16     | 7.1            | 0.56   | \$58m  |
| Full Year 2024 | 37%  | -7%   | 27%   | 26%  | 25%   | 0.10    | 0.18     | 2.9            | 1.29   | \$85m  |
| Year to Date   | 89%  | -16%  | 59%   | 47%  | 15%   | -0.48   | 0.68     | -1.8           | 3.08   | \$159m |
| Total          | 468% | 53%   | 767%  | 536% | 89%   | -0.12   | 0.48     | 4.6            | 2.06   |        |

$\Delta\sigma$  = *Militia Capital* volatility - SP500 volatility, annualized.

*Militia* uses the S&P 500 as a benchmark because it shows the fund's correlation and volatility relative to risk assets, not because you should gauge our performance to the S&P 500 quarter to quarter - we are uncorrelated, after all.

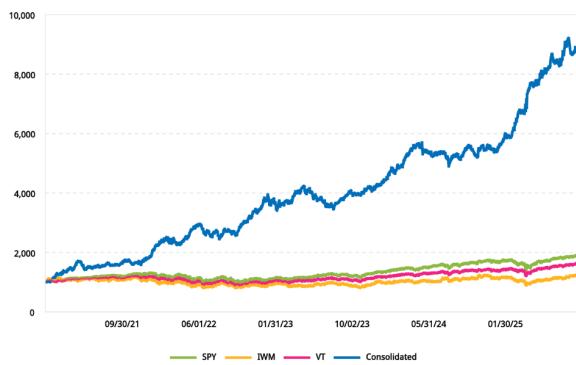
Net of .5%/year management fee and 25% performance fee over S&P 500 returns.

Past performance does not guarantee future results.

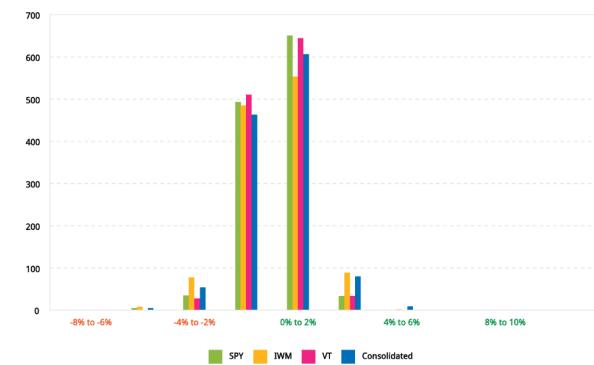
### Risk Measures Benchmark Comparison

Analysis Period: February 1, 2021 - September 30, 2025

#### Value Added Monthly Index (VAMI)



#### Distribution of Returns



#### Risk Measures

|                    | SPY                 | IWM                 | VT                  | Consolidated        |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| Ending VAMI        | 1,923.25            | 1,247.80            | 1,639.26            | 8,678.31            |
| Max Drawdown       | 24.50%              | 31.91%              | 26.39%              | 18.23%              |
| Peak-To-Valley     | 01/03/22 - 10/12/22 | 11/08/21 - 06/16/22 | 11/08/21 - 10/12/22 | 05/02/23 - 08/03/23 |
| Recovery           | 305 Days            | 624 Days            | 338 Days            | 97 Days             |
| Sharpe Ratio       | 0.71                | 0.18                | 0.53                | 2.11                |
| Sortino Ratio      | 1.02                | 0.26                | 0.77                | 3.29                |
| Calmar Ratio       | 0.61                | 0.15                | 0.42                | 3.23                |
| Standard Deviation | 1.07%               | 1.42%               | 1.00%               | 1.33%               |
| Downside Deviation | 0.74%               | 0.99%               | 0.69%               | 0.85%               |
| Turnover           | -                   | -                   | -                   | 5,489.56%           |
| Mean Return        | 0.06%               | 0.03%               | 0.05%               | 0.19%               |
| Positive Periods   | 688 (56.53%)        | 647 (53.16%)        | 679 (55.79%)        | 698 (57.35%)        |
| Negative Periods   | 529 (43.47%)        | 570 (46.84%)        | 538 (44.21%)        | 519 (42.65%)        |

#### Risk Measures Relative to Benchmark

| Consolidated vs.  | SPY    | IWM    | VT     |
|-------------------|--------|--------|--------|
| Correlation       | -0.11  | -0.21  | -0.08  |
| $\beta$ :         | -0.13  | -0.19  | -0.11  |
| $\alpha$ :        | 0.47   | 0.46   | 0.46   |
| Tracking Error    | 1.80%  | 2.14%  | 1.73%  |
| Information Ratio | 375.95 | 346.90 | 407.08 |

This report is generated by Interactive Brokers. It uses gross returns. See net of fee returns above.

Here are reports for [2021](#) [2022](#) [2023](#) [2024](#) [2025](#). And [monthly since inception](#).

October 2nd, 2025

## 1. Results from July 1st - September 30th

This quarter was hard for long/short fundamental equities, the hardest since January 2021. This is a chart of the most shorted stocks, which shows the worst stocks in the market jumping almost 25% in a single quarter:



Despite being flat, I consider this quarter as one of Militia's best when compared to the market environment. We avoid crowded shorts, which is how we held up through this, but stock prices and fundamentals still became disconnected far more often than normal. If this move continues through Q4 I expect at least some losses for Militia.

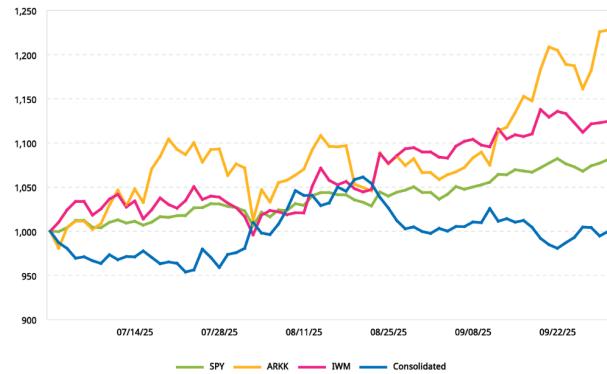
S&P 500 +8.1%

Militia Capital +1.9%, net of .5%/year management fee and 25% performance fee over the S&P 500 return.

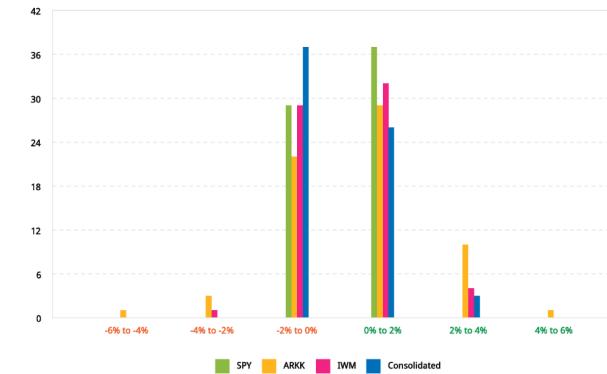
We made 16% on longs and lost 16% on shorts.

We're currently 245% long and 190% short.

### Value Added Monthly Index (VAMI)



### Distribution of Returns



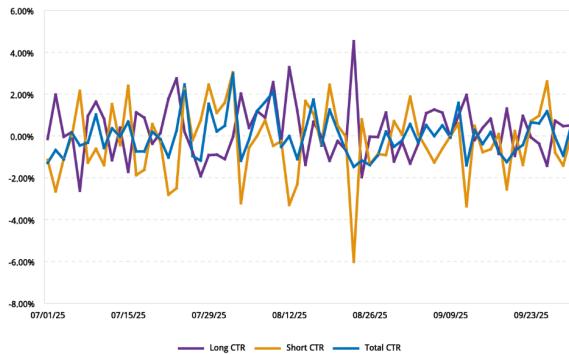
### Risk Measures

|                    | SPY                 | ARKK                | IWM                 | Consolidated        |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| Ending VAMI        | 1,081.20            | 1,227.77            | 1,124.46            | 999.83              |
| Max Drawdown       | 2.41%               | 8.33%               | 5.19%               | 7.60%               |
| Peak-To-Valley     | 07/25/25 - 08/01/25 | 07/18/25 - 08/01/25 | 07/23/25 - 08/01/25 | 08/20/25 - 09/22/25 |
| Recovery           | 5 Days              | 8 Days              | 7 Days              | Ongoing             |
| Sharpe Ratio       | 3.12                | 2.81                | 2.44                | -0.18               |
| Sortino Ratio      | 5.22                | 4.38                | 4.39                | -0.29               |
| Standard Deviation | 0.54%               | 1.79%               | 1.11%               | 0.98%               |
| Downside Deviation | 0.32%               | 1.15%               | 0.62%               | 0.62%               |
| Mean Return        | 0.12%               | 0.33%               | 0.18%               | 0.00%               |
| Positive Periods   | 37 (56.06%)         | 40 (60.61%)         | 36 (54.55%)         | 30 (45.45%)         |
| Negative Periods   | 29 (43.94%)         | 26 (39.39%)         | 30 (45.45%)         | 36 (54.55%)         |

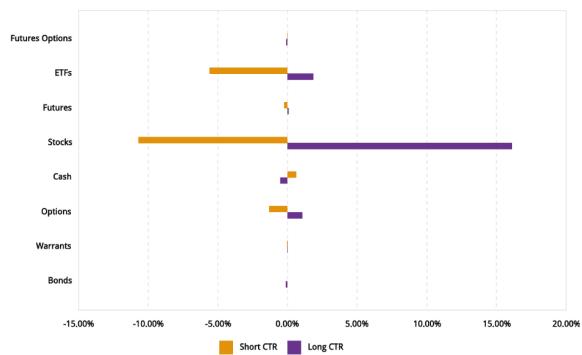
### Risk Measures Relative to Benchmark

| Consolidated vs. | SPY   | ARKK  | IWM   |
|------------------|-------|-------|-------|
| Correlation      | -0.37 | -0.52 | -0.54 |
| $\beta$ :        | -0.68 | -0.28 | -0.48 |
| $\alpha$ :       | 0.15  | 0.20  | 0.18  |

### L & S Performance Comparison



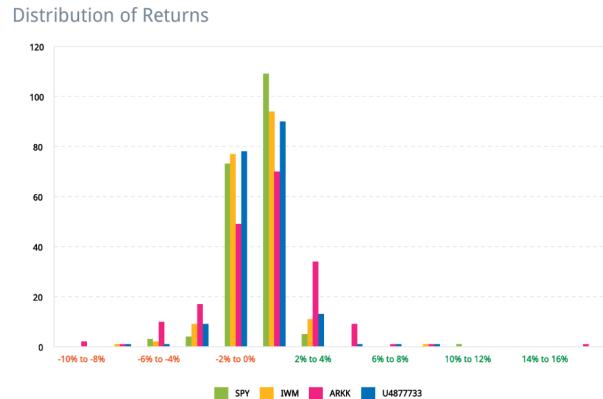
### L & S Performance by Financial Instrument Comparison



This report is generated by Interactive Brokers. It uses gross returns. See net of fee returns above.

## 2. Multi-Strategy Update

Here is the YTD comparison of all 3 portfolio managers combined versus my partition alone:



### Risk Measures

|                    | SPY                 | IWM                 | ARKK                | U4877733            |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| Ending VAMI        | 1,146.62            | 1,103.64            | 1,520.17            | 1,469.85            |
| Max Drawdown       | 18.76%              | 23.75%              | 39.56%              | 9.25%               |
| Peak-To-Valley     | 02/19/25 - 04/08/25 | 01/21/25 - 04/08/25 | 02/17/25 - 04/08/25 | 08/08/25 - 09/22/25 |
| Recovery           | 57 Days             | 91 Days             | 53 Days             | Ongoing             |
| Sharpe Ratio       | 0.77                | 0.50                | 1.36                | 1.90                |
| Sortino Ratio      | 1.17                | 0.74                | 2.10                | 3.21                |
| Standard Deviation | 1.31%               | 1.46%               | 2.83%               | 1.65%               |
| Downside Deviation | 0.86%               | 0.98%               | 1.84%               | 0.98%               |
| Mean Return        | 0.08%               | 0.06%               | 0.25%               | 0.21%               |
| Positive Periods   | 116 (59.49%)        | 107 (54.87%)        | 116 (59.49%)        | 110 (56.41%)        |
| Negative Periods   | 79 (40.51%)         | 88 (45.13%)         | 79 (40.51%)         | 85 (43.59%)         |

### Risk Measures Relative to Benchmark

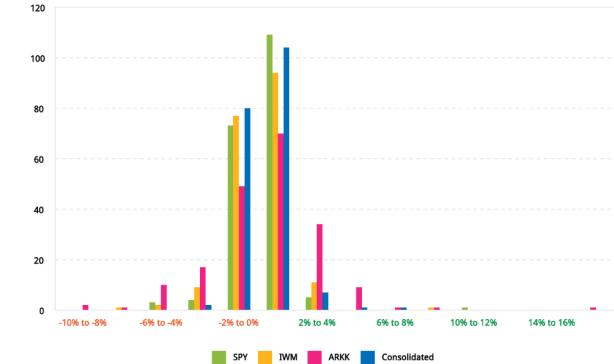
| U4877733 vs. | SPY   | IWM   | ARKK  |
|--------------|-------|-------|-------|
| Correlation  | -0.61 | -0.65 | -0.61 |
| $\beta$ :    | -0.77 | -0.74 | -0.36 |
| $\alpha$ :   | 0.63  | 0.59  | 0.73  |

### Value Added Monthly Index (VAMI)

#### All PMs Combined



### Distribution of Returns



### Risk Measures

|                    | SPY                 | IWM                 | ARKK                | Consolidated        |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| Ending VAMI        | 1,146.62            | 1,103.64            | 1,520.17            | 1,591.61            |
| Max Drawdown       | 18.76%              | 23.75%              | 39.56%              | 7.60%               |
| Peak-To-Valley     | 02/19/25 - 04/08/25 | 01/21/25 - 04/08/25 | 02/17/25 - 04/08/25 | 08/08/25 - 09/22/25 |
| Recovery           | 57 Days             | 91 Days             | 53 Days             | Ongoing             |
| Sharpe Ratio       | 0.77                | 0.50                | 1.36                | 3.08                |
| Sortino Ratio      | 1.17                | 0.74                | 2.10                | 5.70                |
| Standard Deviation | 1.31%               | 1.46%               | 2.83%               | 1.20%               |
| Downside Deviation | 0.86%               | 0.98%               | 1.84%               | 0.65%               |
| Mean Return        | 0.08%               | 0.06%               | 0.25%               | 0.25%               |
| Positive Periods   | 116 (59.49%)        | 107 (54.87%)        | 116 (59.49%)        | 114 (58.46%)        |
| Negative Periods   | 79 (40.51%)         | 88 (45.13%)         | 79 (40.51%)         | 81 (41.54%)         |

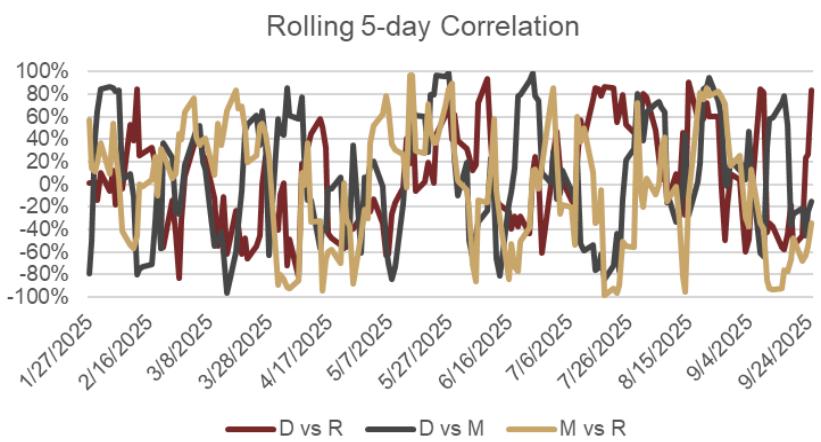
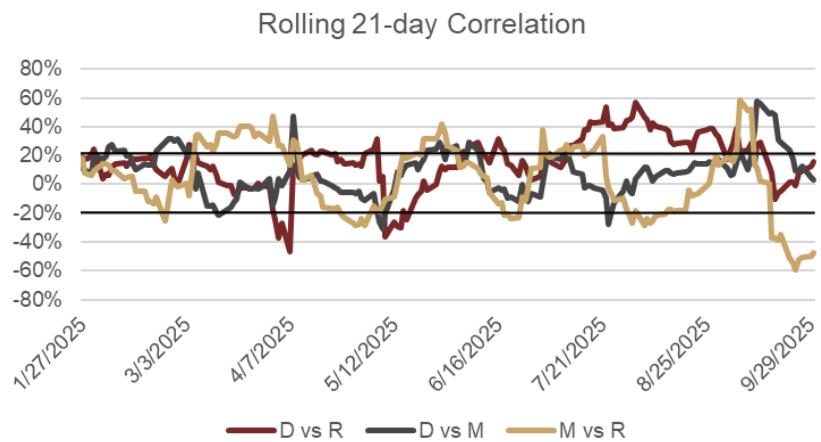
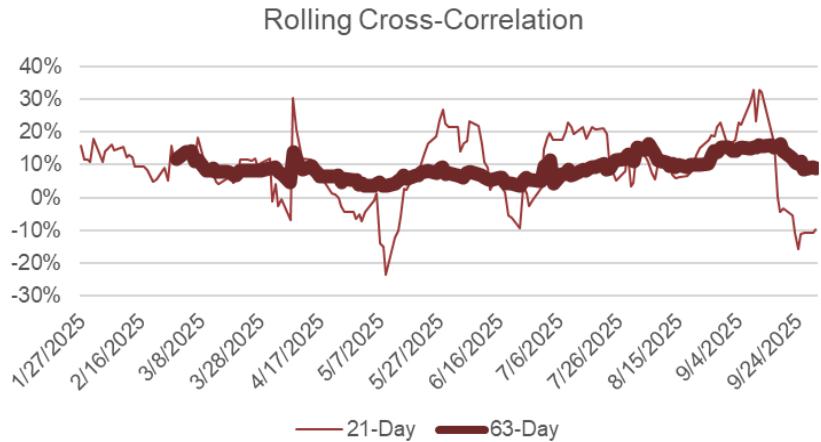
### Risk Measures Relative to Benchmark

| Consolidated vs. | SPY   | IWM   | ARKK  |
|------------------|-------|-------|-------|
| Correlation      | -0.52 | -0.57 | -0.53 |
| $\beta$ :        | -0.48 | -0.47 | -0.23 |
| $\alpha$ :       | 0.68  | 0.65  | 0.74  |

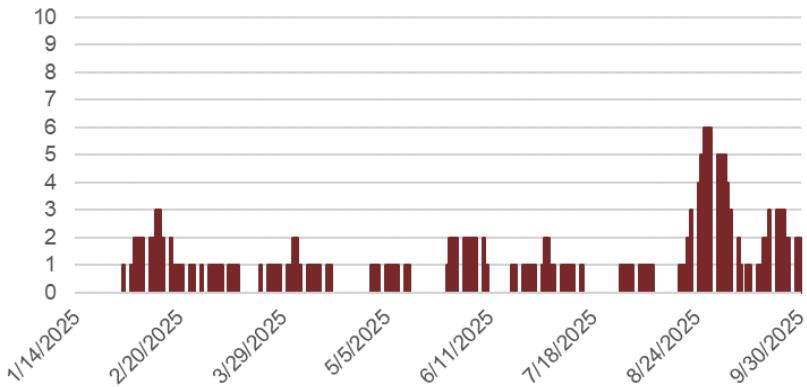
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### 3. Michael's Correlation Analysis

Michael did an analysis of our portfolio manager's correlations over various timeframes:



"How many of the last ten days are we all down?"



My two takeaways:

- Over a week all three of us will seem correlated a few times per year through randomness alone. However, it's a lot less likely to be random during key market events or regime shifts.

This quarter we [became correlated](#) in late August around a Fed decision. In this case, I estimate that 2% of the drop was a coincidence rather than true correlation. A couple of bigger, unrelated bets were going wrong at the same time. The other 4% came from the obvious: pressure on all of our shorts, which seems fine given the extreme one day jump in the Russell 2000 (a proxy for bad stocks).

- We are only mildly correlated longer term, with me and Rodrigo's correlation being the highest.

I'm getting a second broker so that we can short more global stocks, which will lower our correlation. I have wanted to short them for a long time but it's cost prohibitive at small scale because Interactive Brokers [only pays a fair short rebate](#) for US listed stocks. And for Japan specifically we would have had to pay an extra 1% to borrow shorts compared to larger brokers.

Shorting global stocks will lower our correlation for two reasons. 1. Junky non-US stocks are often uncorrelated to US ones and 2. Me and Rodrigo share a factor mismatch - we both have more global longs than shorts. Thus, while the US is outperforming Rodrigo and I perform worse, which also makes us more correlated.

#### 4. Current Tax Estimate for 2025

This is a rough estimate. As a percent of your profit this year,

Short term gains:

12% short term capital gains

10% interest income  
2% ordinary dividends  
Less  
12% interest expense deduction  
12% short dividend expense deduction  
Total is 0%.

I hope to harvest another 10% of tax losses before year end, which would create a 10% shield against short term capital gains for you. I will update on the status of that in December.

Long term gains:  
7% long term capital gains  
2% qualified dividends  
Total is 9%.

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Thank you for investing with us,  
David Orr

#### LEGAL DISCLAIMER

The information contained herein reflects the opinions and projections of David Orr, founder and portfolio manager at Militia Capital as of the date of the letter. Mr. Orr's opinions and projections are subject to change without notice.

All information provided in this letter is for informational purposes only and should not be interpreted as investment advice or a recommendation to purchase or sell any specific security. While Mr. Orr believes that the information presented herein is reliable, no representation or warranty is made concerning the accuracy of the data presented. Indeed, this letter is NOT an offer to sell or the solicitation of an offer to buy any interests in any Fund managed by Militia Capital or David Orr. Any such offer to sell or solicitation of an offer to buy will be made only pursuant to definitive subscription documents between the Fund and the Investor.

Performance returns – gross and net – are computed by Mr. Orr. Net returns are net of performance fees and management expenses, if any. Upon request, Mr. Orr can provide additional information regarding how gross and net returns are computed.

Except for the year end 2021-2024 net returns at the top of this letter, the figures provided are unaudited.

Past performance is not indicative of future results.

Each investor / Limited Partner will receive individual statements from the funds' administrator showing actual returns.

Reference to the S&P 500 does not imply that Militia Capital will achieve returns, volatility, or other results similar to that index. Indeed, while the S&P 500 is a long-only index primary of large capitalization companies, Militia Capital takes long and short positions in many securities. As such, Militia Capital's portfolio may often differ materially from the S&P 500, hence the manager's consistent reference in this letter to a lack of correlation.

The specific investments identified and described in this letter are not a representation of all potential positions or strategies used by the Fund and, to the contrary, may represent a small percentage of activity. This information is presented to provide insight into explaining the Fund's performance, Sharpe ratio, or commenting on investment principles such as valuation.