

Militia Capital

Daily Stats	Long	Short	Gross	Net	SP500	β	α	$\Delta\sigma$	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.

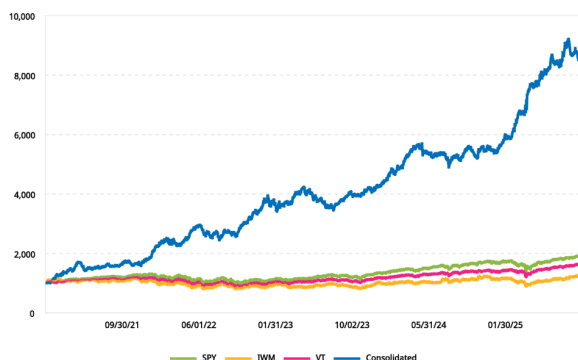
Net of .5%/year management fee and 25% performance fee over S&P 500 returns.

Past performance does not guarantee future results.

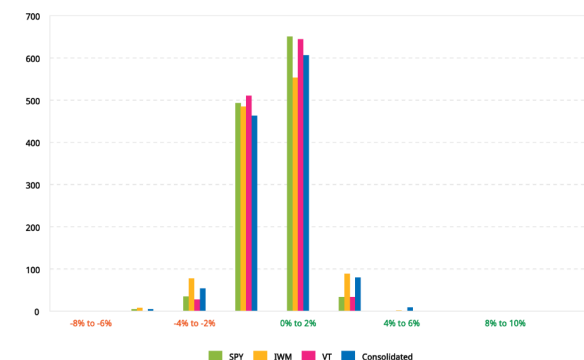
Risk Measures Benchmark Comparison

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
β :	-0.13	-0.19	-0.11
α :	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.

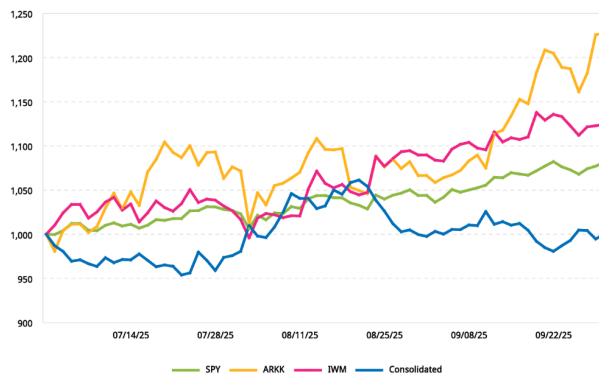
S&P 500 +8.1%

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

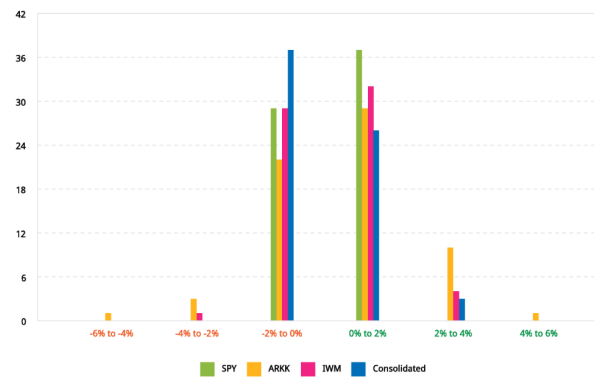
We made 16% on longs and lost 16% on shorts.

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

Value Added Monthly Index (VAMI)



Distribution of Returns



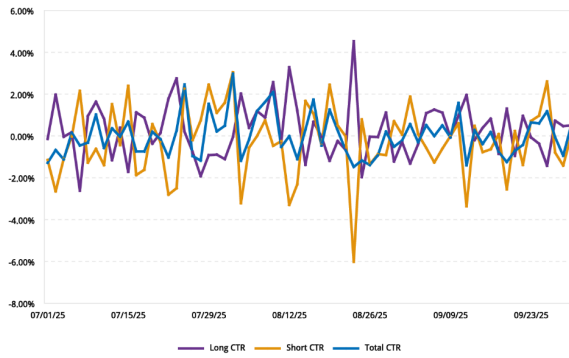
Risk Measures

	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%)

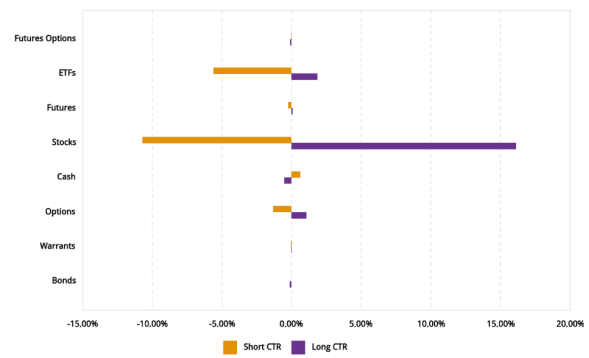
Risk Measures Relative to Benchmark

Consolidated vs.	SPY	ARKK	IWM
Correlation	-0.37	-0.52	-0.54
β :	-0.68	-0.28	-0.48
α :	0.15	0.20	0.18

L & S Performance Comparison



L & S Performance by Financial Instrument Comparison



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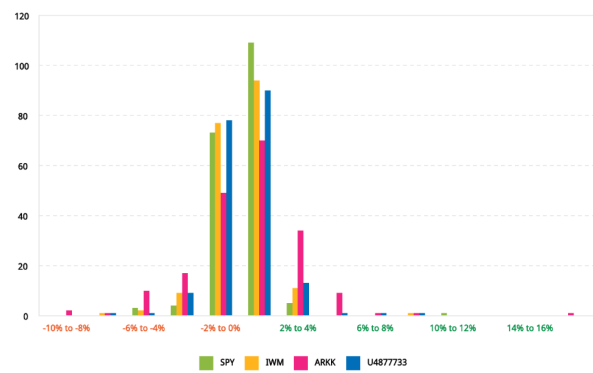
2. Multi-Strategy Update

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

Value Added Monthly Index (VAMI)



Distribution of Returns



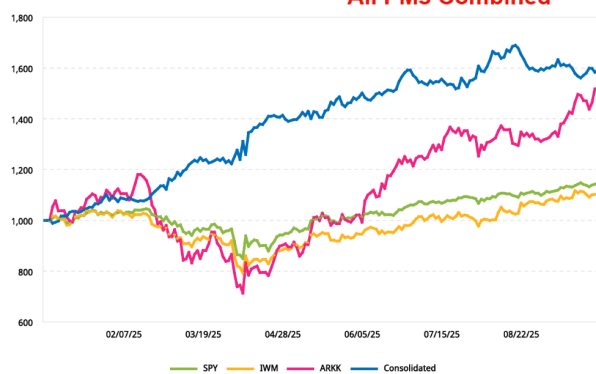
Risk Measures

	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%)

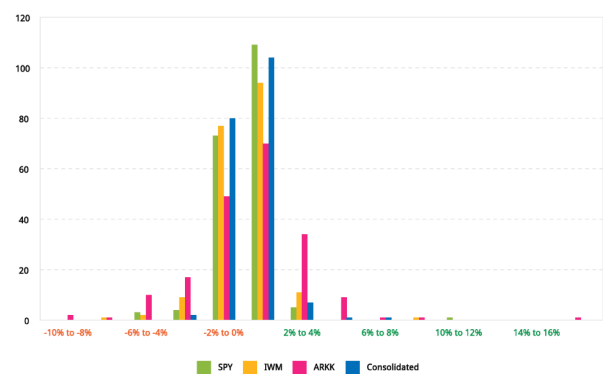
Risk Measures Relative to Benchmark

U4877733 vs.	SPY	IWM	ARKK
Correlation	-0.61	-0.65	-0.61
β :	-0.77	-0.74	-0.36
α :	0.63	0.59	0.73

Value Added Monthly Index (VAMI)



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	08/20/25 - 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%)

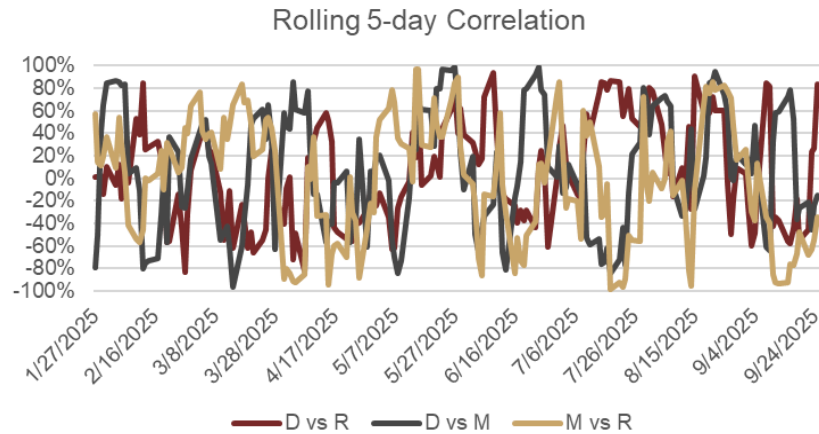
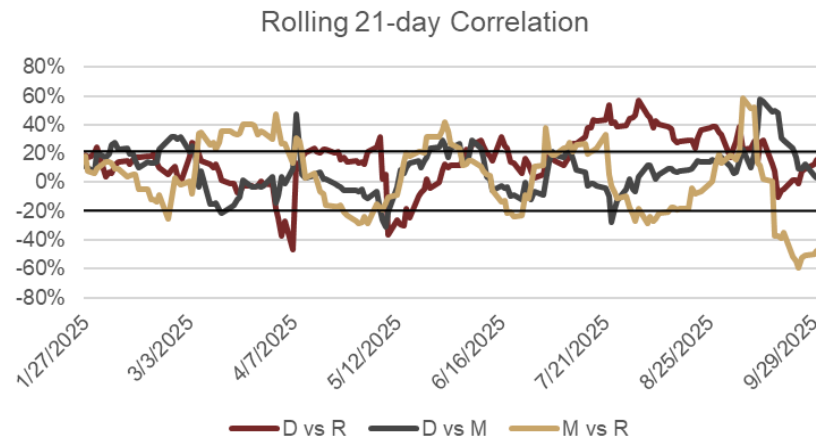
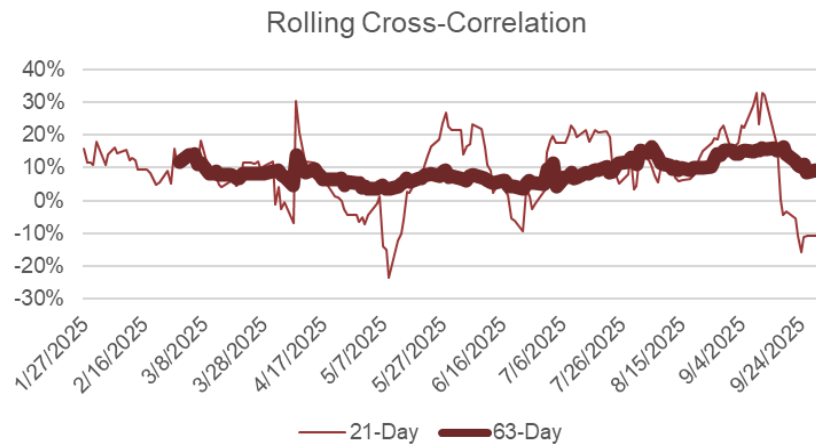
Risk Measures Relative to Benchmark

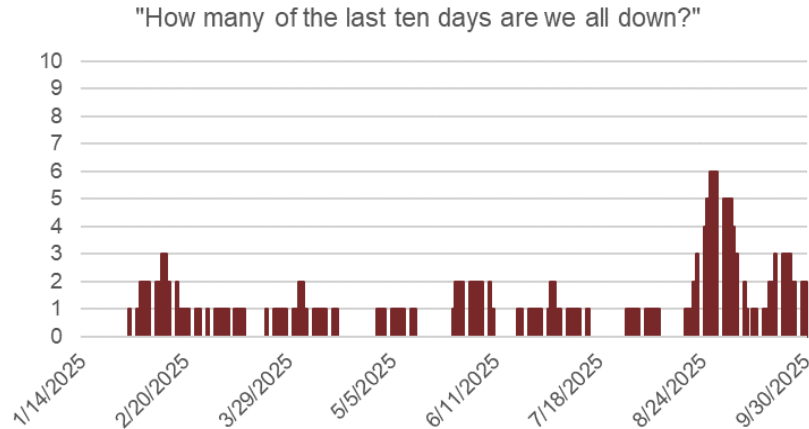
Consolidated vs.	SPY	IWM	ARKK
Correlation	-0.52	-0.57	-0.53
β :	-0.48	-0.47	-0.23
α :	0.68	0.65	0.74

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3. Michael's Correlation Analysis

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





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

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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.