

Monthly Newsletter

May 2025

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RV Capital Asia Opportunity UCITS Fund

Macro investing in recent months has been down to either anticipating a move in response to long run mis-pricings or predicting a reversion of a mis-pricing. Four main sources of mis-pricings are prevalent: *Sharp change in policy directions, Geo-political flareups, Correlation mis-pricing and the pure vanilla mis-pricing of Inflation & Growth.* All four are difficult to predict, but slightly easier to analyze post facto. Those who do the former well will outperform markets.

Any *Martian* looking at US fixed income and equity markets once on Jan 1 and once at the end of May would be tempted to say YTD markets have been boring with nary a blip! Yet as the stresses and strains of the market shows, that couldn't be farther from the truth. The search for macro alpha in this environment has to focus on four main mis-pricings:

- Policy error related mis-pricings (Central banks behind the curve or tariff measures and countermeasures)
- Asset Price mis-pricing (not yet getting the obvious trend line)
- Geopolitical mis-pricing (over-pricing or under-pricing crisis)
- Obvious Growth or Inflation mis-pricing

In this newsletter we wanted to highlight examples of each:

Policy Error Mis-pricing: This happens far too often, and the market often over-anticipates or draws an obvious continuation of data trends. Past examples include recent extrapolations of high probability of recession or inflation. The Fed's March 2024 "pause-then-pivot" messaging confused markets and led to a rapid repricing of rate cuts in 2H24, causing violent swings in short-term Treasury futures and USD OIS curves. Similarly, the US tariff announcements in April 2025 and China's retaliatory measures triggered mis-pricings in EM FX (notably KRW and TWD), global autos, and semiconductor equity baskets. Also in this category would be Japan having the lowest rates and highest inflation across Asia.

Asset Price Mis-pricing: The May TWD move: Given the persistent interest rate differential between Taiwan and the United States, where Taiwanese rates have remained significantly lower, USDTWD has been a preferred vehicle for carry trade strategies — typically involving long USD positions funded in TWD. Historically, this is often reversed sharply during episodes of heightened market volatility, when these positions are unwound (see below highlighted by the upward (blue) and downward (red) arrows on the chart). The green line represents the volatility asymmetry for USDTWD. Notably, an anomaly emerged in the pricing of USDTWD risk reversals, which we sought to exploit. Over March and April 2025, we accumulated significant downside optionality in USDTWD with maturities ranging from 6 to 9 months. The sharp decline in USDTWD in early May triggered a surge in option volatility, propelling our long downside options deep into the money.

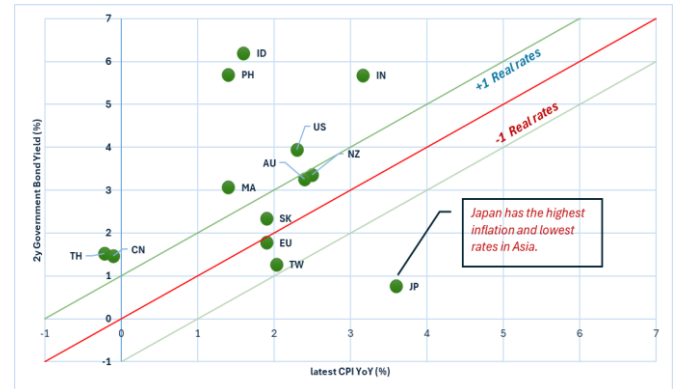


Mis-pricing Due to Geopolitics: Geopolitics remains a recurring and underappreciated source of volatility. A clear case in May was the India-Pakistan border flare-up, where classic tit-for-tat posturing led to a brief surge in USDINR and a selloff in the NIFTY and Pakistan sovereign bonds. Yet, as a ceasefire was announced, markets rapidly reversed, highlighting their tendency to discount risk too quickly. More broadly, markets remain both, too quick and too sticky in pricing out re-emergence of flare-ups between nations, often lulled by temporary calm. This complacency is repeatedly challenged as diplomatic relations deteriorate faster than anticipated, triggering sudden flights to quality and painful exits from risk-on trades. The result is a cycle of mispricing that leaves portfolios vulnerable to geopolitical acceleration of events. A reality that the persistence of ongoing wars—despite countless ceasefire efforts and negotiation rounds—should serve to remind us of. Amidst this uncertainty persistently low credit spreads seem unwarranted to us.



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Growth or Inflation Mis-pricing: Markets continue to underestimate nonlinearity in inflation and growth dynamics. The Fed's flip-flop between "transitory" and "persistent" inflation narratives has left investors whipsawed, especially in the latest episode where tariff-driven price rises may fuel short-term inflation but ultimately suppress demand and competitiveness—eventually turning disinflationary. Fed members remain divided, further muddling the signal. Australia offers a parallel puzzle: strong job growth and falling wages coexist with sticky services inflation and one of the sharpest productivity declines among DM economies. The RBA faces a policy bind, but markets have repeatedly priced a clean disinflation path—ignoring the structural frictions beneath. Misreadings like these continue to drive real rates mispricing.



Markets rarely move in a straight line, and 2025 has reminded us that the most lucrative trades often emerge not from consensus, but from dislocation — the gap between perception and reality. Whether it's policymakers fumbling forward guidance, a currency mispricing hiding in plain sight, or geopolitical tremors that shift vol surfaces more than oil tankers, the hunt for alpha remains alive and well — just not where the headlines tell you to look.

So yes, from 30,000 feet it may look like a "zero YTD" year for many asset classes. But zoom in, and the cracks, distortions, and asymmetries reveal themselves — waiting for the patient, nimble, and curious to strike. As always, we remain committed to navigating the noise, trading the disconnects, and positioning where price hasn't yet caught up to narrative. Let the Martians sleep — we're wide awake.

-Ronnie Roy



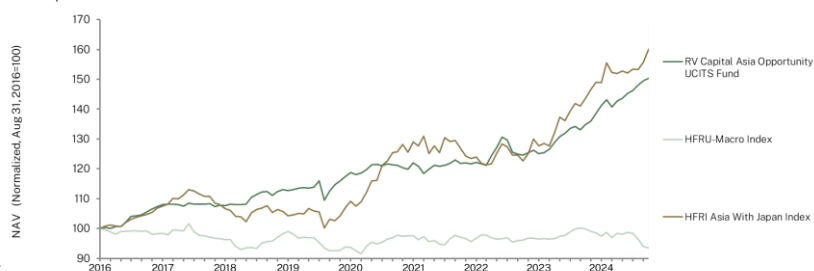
RV Capital Asia Opportunity UCITS Fund

Portfolio Summary

Monthly Return	0.5%
Year-To-Date Return (%)	4.7%
Life-To-Date Return (%)	50.3%
VaR (%-Daily 99% CI)	1.0%

Performance

Fund performance^{1,2} vs Benchmarks

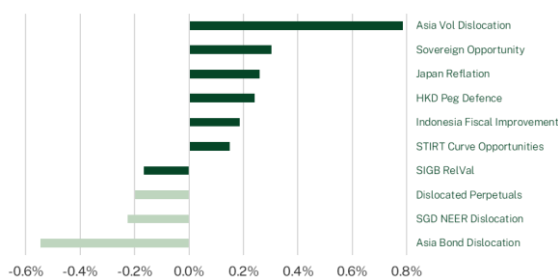


Monthly returns

Past performance may not be indicative of future performance. See disclaimer.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016													
2017	1.7%	1.8%	0.2%	0.3%	1.0%	0.8%	0.8%	0.6%	0.2%	0.0%	-0.2%	-0.3%	6.9%
2018	1.0%	-0.3%	0.1%	0.0%	0.0%	-0.8%	0.4%	-0.1%	0.4%	-0.1%	-0.1%	0.2%	0.7%
2019	2.1%	0.8%	0.8%	0.2%	-1.2%	1.2%	0.6%	-0.4%	0.3%	0.5%	0.1%	-0.2%	4.9%
2020	0.3%	1.9%	-5.6%	2.8%	1.9%	1.1%	1.3%	1.1%	-0.5%	0.5%	0.9%	1.4%	6.9%
2021	0.2%	-0.4%	0.6%	-0.3%	-0.1%	-0.7%	-0.3%	1.7%	-1.0%	-1.9%	1.3%	1.1%	-0.1%
2022	-0.3%	0.3%	0.6%	1.0%	-0.9%	0.0%	-0.2%	0.3%	-0.3%	-0.4%	2.6%	2.3%	5.0%
2023	2.7%	-0.7%	-3.1%	-0.6%	-0.3%	0.7%	0.7%	-1.0%	0.2%	1.0%	1.7%	1.5%	2.8%
2024	0.8%	1.2%	0.5%	-0.9%	1.4%	0.9%	1.9%	1.9%	1.4%	-1.8%	1.4%	0.7%	9.8%
2025	1.1%	0.7%	1.2%	1.1%	0.5%								4.7%

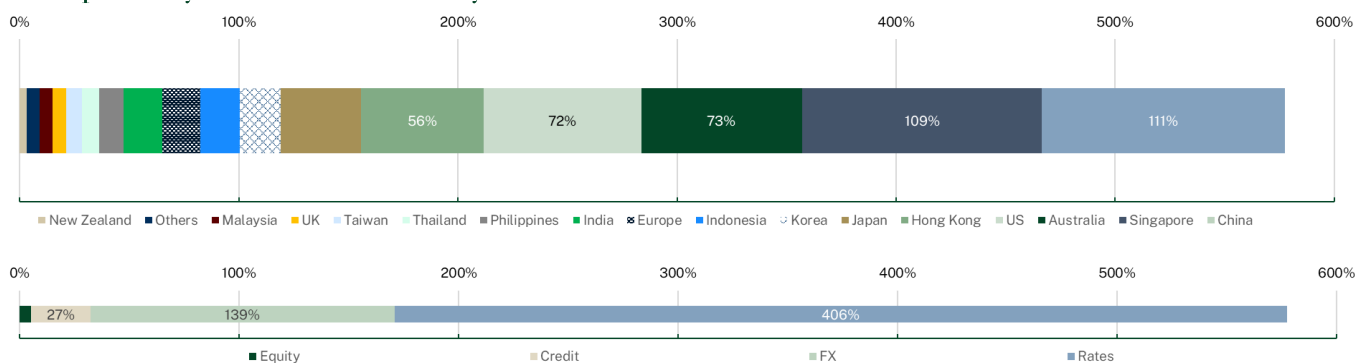
Monthly Performance by Theme²



RISK - Top VaR Contributors by Asset Class^{2,3}



Gross Exposure by Asset Class and Country⁴



Fund Details

Inception	Sep 2016
Sector	Asian Macro
Legal Council	Walkers
Administrator	MUFG Alternative Fund Services
Depository	MUFG Investor Services and Banking
Auditor	Cohen & Co
Bloomberg Ticker	RVUCTUS (USD)
ISIN	IE00BD08N388 (USD)

ABOUT RV CAPITAL MANAGEMENT

RV Capital Management is a Singapore-based hedge fund management company founded in 2011. We focus on long/short investments in the interest rates, foreign exchange and credit markets in Asia. These investments are driven by economic, secular and structural themes. Our culture is rooted in top-down macro research of Asian economies framed within the context of price dislocations resulting from drivers outside Asia. We emphasize strong risk discipline and seek to employ liquid instruments while being mindful of market technicals.

1. Source for benchmark indices: Bloomberg

2. Actual net returns of Inst-USD Shares. Other available share classes are detailed in the Fund Prospectus

3. Approximate return and VaR contributions as on 30 May 2025

4. These are first order exposures on a duration adjusted basis using 10yr equivalents for Rates, 5yr equivalents for Credit and delta equivalents for FX. The sum of unadjusted gross notionals of all positions will be significantly higher for this portfolio.



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This information is qualified in its entirety by reference to the Prospectus which will contain additional information about the investment objective, terms and conditions of an investment in the Fund and will also contain tax information and risk disclosures that are important to any investment decision regarding the Fund, and the Subscription Agreement relating to the purchase of interests in the Fund. **Any information regarding projected or estimated values, investment returns or distributions are estimates only and should not be considered indicative of the actual results that may be realized or predictive of the performance of a fund or any investment.** There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of sample performance results and all of which can, adversely affect actual trading results. In considering the suitability of the Fund to investment objectives, investors must consider amongst other factors, any existing exposure to private equity and investments of illiquid nature, existing risk profile, investment mandate, liquidity considerations and previous investment experience. Opinions expressed are current as of the date appearing in this material only. Nothing in this document constitutes accounting, financial, investment, legal, regulatory, tax or other advice. While the information provided in this document is believed to be reliable, the Fund makes no representation or warranty whether express or implied, and accepts no responsibility for its completeness or accuracy or reliability and expressly disclaims any liability, including incidental or consequential damages arising from errors in this publication. This document and the information contained herein is strictly confidential and no part of this material may be copied, photocopied or duplicated in any form, by any means, or redistributed, in whole or in part, without the prior written consent of the Investment Manager. All financial information contained herein is approximate, unaudited and subject to change. **An investment in the Fund is speculative and involves a high degree of risk, including a significant risk of loss relating to trading futures products. The value of investments held by the Fund may also fluctuate and investors may not get back their principal amount invested.** An investment in the Fund is not an investment in the Fund's underlying assets. The Fund has been notified as a restricted foreign scheme under the Securities and Futures Act (Cap. 289) of Singapore (the "SFA") and will be invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Fund is not and will not be authorized or recognized by the Monetary Authority of Singapore and interests in the Fund are not allowed to be offered to the retail public in Singapore. This document is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectus would not apply. The Fund may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304 and Section 305 of the SFA and the subsidiary legislation enacted thereunder. The Fund is not intended to be made available to the retail public in Singapore.

The charges investors in the Fund pay are used to pay costs of running the Fund, including Investment Manager fees, administrator fees, director fees, depositary fees, audit fees and the costs of marketing and distributing the Fund. These charges reduce the potential growth of an investment in the Fund. The Fund's annual report for the financial year will include details on the exact charges made. Ongoing charges do not include Fund transaction costs and may vary from year to year.

Further information regarding the Fund, including the Prospectus, financial statements, Articles of Incorporation, and any marketing materials can be obtained free of charge in English from the Investment Manager. A summary of shareholders' rights can be found in the Prospectus. The most recent share price of the Fund can be obtained free of charge at <http://www.rvcapital.com/ucits>.

The Fund's representative in Switzerland is Carne Global Fund Managers (Switzerland) Ltd, Beethovenstrasse 48, 8002 Zurich, , Switzerland and its paying agent in Switzerland is Banca Credinvest SA, Zweigniederlassung Zürich, Stockerstrasse 41, 8002 Zurich, Switzerland. The Fund's Prospectus, financial statements, Articles of Incorporation, and marketing materials may be obtained free of charge from the Swiss representative. In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative in Switzerland.