



Aug 2023

Systematic Energy Diversified Program

INVESTMENT OBJECTIVE & STRATEGY

Cayler Capital LLC (CCL) is a quantamental energy program that seeks to deliver growth, diversification, and preserve capital in the oil market via systematic discipline with fundamental analysis. CCL is focused on trading futures and options in the WTI, Brent, Gasoline, and Heating Oil markets.

CCL utilizes over 1,000 fundamental data points (see algorithm inputs below) and systematizes the art of fundamental trading. The strategy has six algorithms that focus on global fundamentals in the energy market with inputs of refinery production models, physical oil movements around the world, field level oil production, demand forecasts, refinery turnarounds, and the term structure in the market.

KEY REASONS TO INVEST

- Six siloed algorithms offer diversification and uncorrelated investing within the portfolio
- Niche strategy – under-invested opportunity for most investors
- Uncorrelated to S&P 500 – (0.20) and HFR Macro CTA Index 0.01
- Daily liquidity – No lockup period and High-Water mark
- Low margin requirements – Average margin usage is under 10%
- Strong alignment of interests – Significant capital invested by the principal
- Diversification – 70% of VaR is relative value based with gasoline and heating oil cracks

| | |
|---------------------|-----------|
| CAROR | +17.32% |
| ANN. VOLATILITY | 20.27% |
| SHARPE (0%) | 0.84 |
| SORTINO (0%) | 1.90 |
| MAX. DRAW DOWN | (14.22) |
| MARGIN/EQUITY | 6.50% |
| HIGHWATER MARK | YES |
| AVG. HOLDING PERIOD | 7 DAYS |
| R/T PER \$1M | 2,250 |
| CORREL. TO S&P 500 | (0.07) |
| AUM (in M) | \$24.80 |
| MIN. INVESTMENT | \$250,000 |
| FEE STRUCTURE | 1 & 20 |

PERFORMANCE

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| 2019 | (3.67) | +2.64 | (0.92) | +6.47 | +6.37 | (1.11) | (1.02) | (5.59) | +3.99 | +3.54 | (0.77) | (2.38) | +6.97 |
| 2020 | +7.15 | (3.60) | +14.94 | +10.39 | +3.55 | +1.03 | (1.82) | (1.08) | +1.72 | (8.81) | +0.20 | (0.28) | +23.44 |
| 2021 | +3.15 | +7.02 | (2.67) | (7.51) | +1.68 | +3.75 | +3.27 | (2.91) | (1.35) | +4.03 | (5.10) | (0.51) | +1.86 |
| 2022 | +5.58 | +10.05 | +25.16 | (5.53) | (1.36) | +0.86 | (7.30) | (1.01) | +0.30 | +4.33 | (4.95) | +6.03 | +32.25 |
| 2023 | +0.56 | -4.10 | +7.27 | +7.84 | +2.30 | +2.74 | +6.30 | (4.86) | | | | | +18.58 |

MONTHLY RETURN ANALYSIS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| Best | +25.16% | +14.94% | +10.39% | +10.05% | +8.16% | +7.84% | +7.27% | +7.15% | +6.47% | +6.37% |
| Worst | 8.81% | 7.37% | 5.59% | 5.53% | 5.10% | 4.95% | 4.40% | 4.10% | 3.67% | 3.60% |

| | Positive Months | Negative Months | Sortino Ratio | 1.95 |
|-------------------|-----------------|-----------------|---|------|
| Total Number | 31 | 23 | Sharpe Ratio | 0.91 |
| Average Return | +5.42% | 3.01% | Standard Deviation is heavily skewed to the upside which leads to a compressed Sharpe Ratio. The Sortino Ratio recognizes this aspect of the return distribution. | |
| St. Dev | 5.16% | 2.32% | | |
| Cumulative Return | +151.72 | 72.24% | | |

MANAGER DESCRIPTION

Brent Belote is the manager of the Cayler Energy Program. Prior to founding Cayler Capital, he traded the Oil Product Derivative book for North America at JP Morgan from 2012 to 2016, managing a derivative portfolio with over \$1B of oil related futures, options, swaps, and complex derivative structures. From 2009 to 2012, he was the Crude Oil Derivatives trader at JP Morgan with a focus on fundamental analysis and systematic trading. He graduated from New York University's Stern School of Business with an MBA specializing in Quantitative Finance and Economics, and has a BS in Accounting from the University of Southern California.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. TRADING COMMODITY FUTURES AND OPTIONS IS SPECULATIVE, INVOLVES RISK, AND IS NOT SUITABLE FOR ALL INVESTORS. CAYLER CAPITAL ENERGY PROGRAM IS ONLY AVAILABLE TO QUALIFIED ELIGIBLE PERSONS ("QEP"), AS THAT TERM IS DEFINED BY CFTC REGULATION 4.7