



STOUFF
CAPITAL

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FUND

WEBINAR – MARCH 26th 2025

APOCALYPSE NOW- Views
from Urizen

For Institutional & Professional
Qualified Investors Only

Agenda

- I. **Urizen Fund** – Three years performance review
- II. **Urizen Views** – Equity Macro Outlook
- III. **Urizen Fractals** – Trump 2.0 & Der Kaiser

Questions can be submitted via the **Zoom Q&A tool** during the session or at ir@stouffcapital.com after the webinar.




Stouff Capital Overview

Stouff Capital is an absolute-return investment firm deploying a proprietary quantamental management style. Our objective is to generate attractive risk-adjusted returns, driven by alpha, across market cycles.



1. See appendix for Historical Strategy performance. Source: Stouff Capital SA. Data as of January 2025.



Urizen Fund
—
Three-Years
Performance
Review



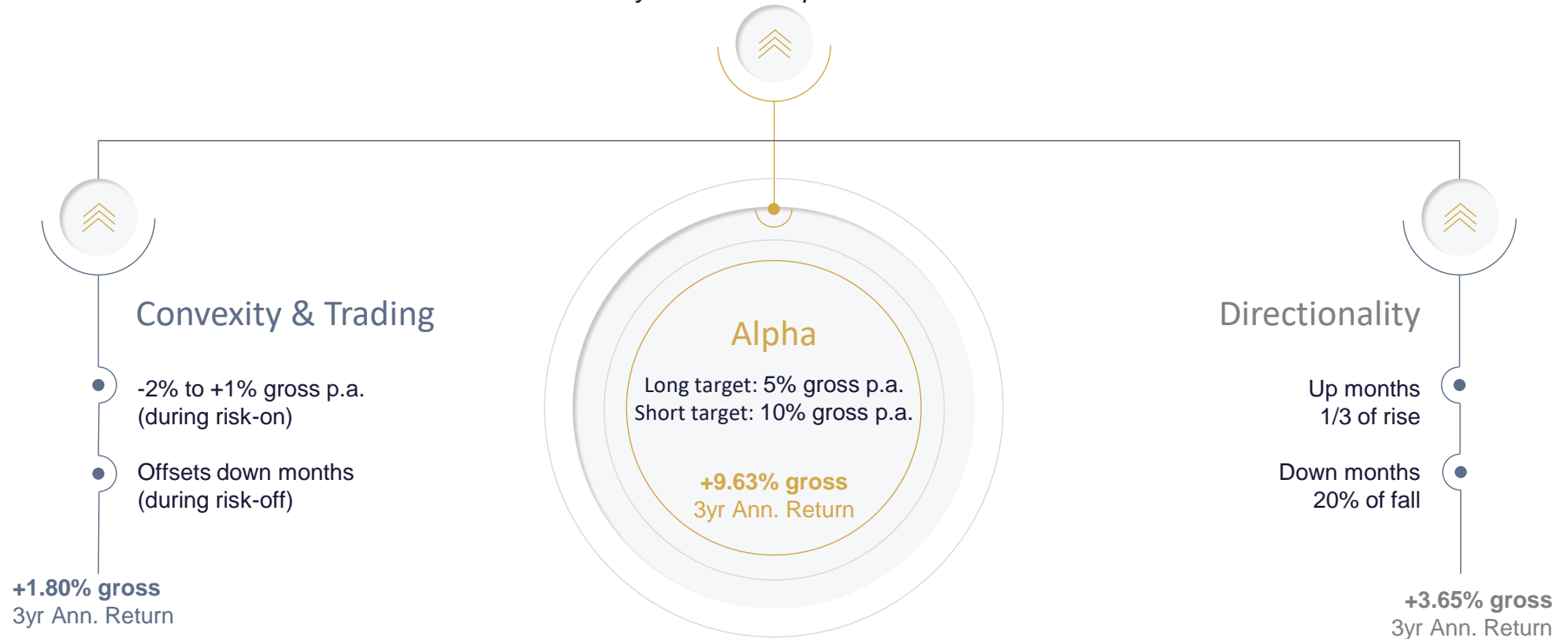
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Urizen Fund – Last Three Years: Performance Drivers

Our strategy combines three complementary sources of return in pursuit of our targeted return profile.

Urizen Performance (Class B1 USD)

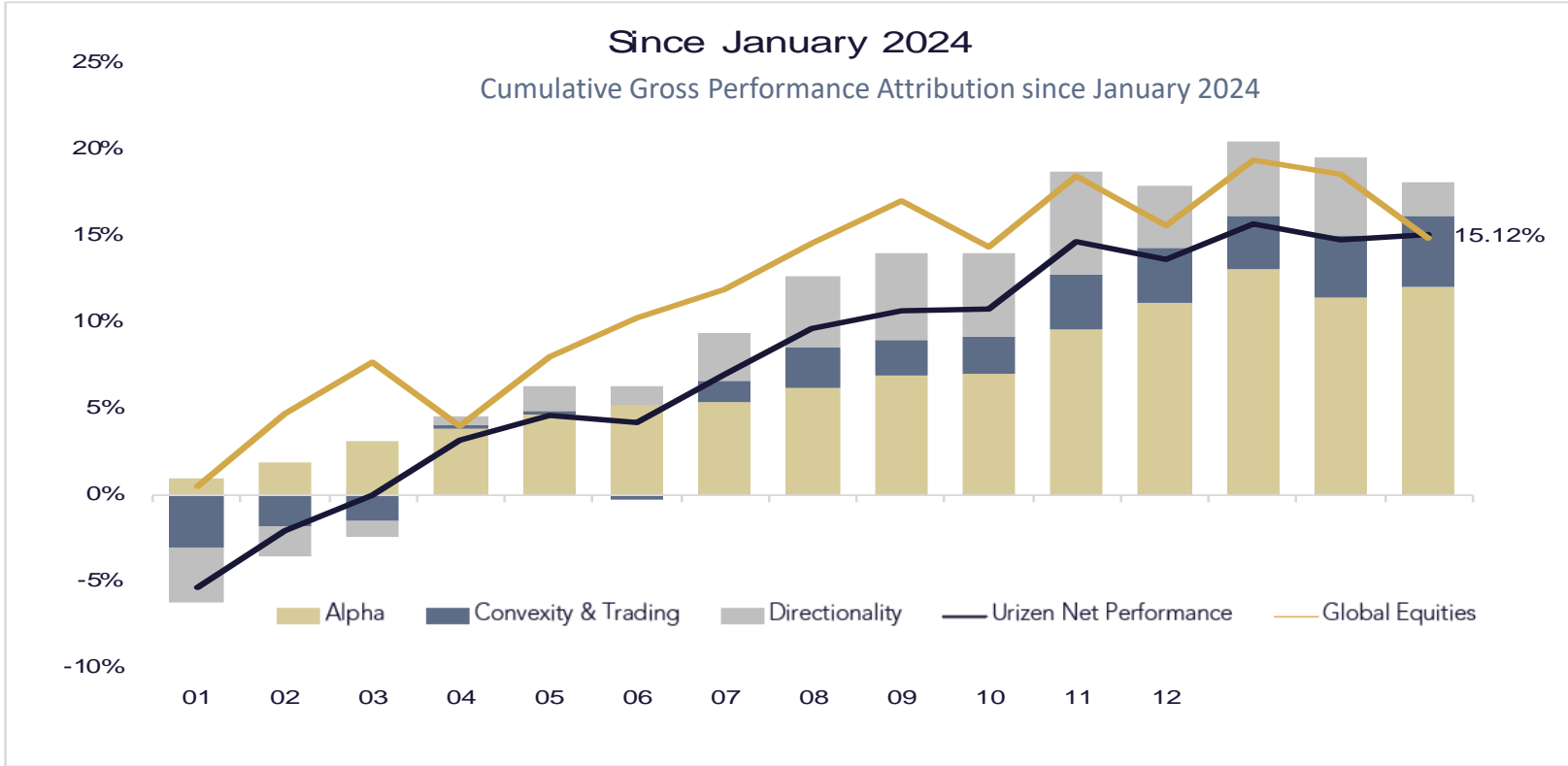
+11.56% net 3yr Annualised Return
6.58% Volatility or a 1.7 Sharpe ratio and a 0.13 Beta



1. See slide 28 for the Historical Strategy performance. Source: Stouff Capital. Data as of March 2025.

Urizen Fund – Last 14 months: Performance Attribution from alpha to Trading & Convexity

This attribution chart shows that a big part of the cumulated gross return comes from the alpha generation (long and short), but positive contribution from the 2 other pillars (Directionality and Convexity) explains why Urizen did so well in 2024:

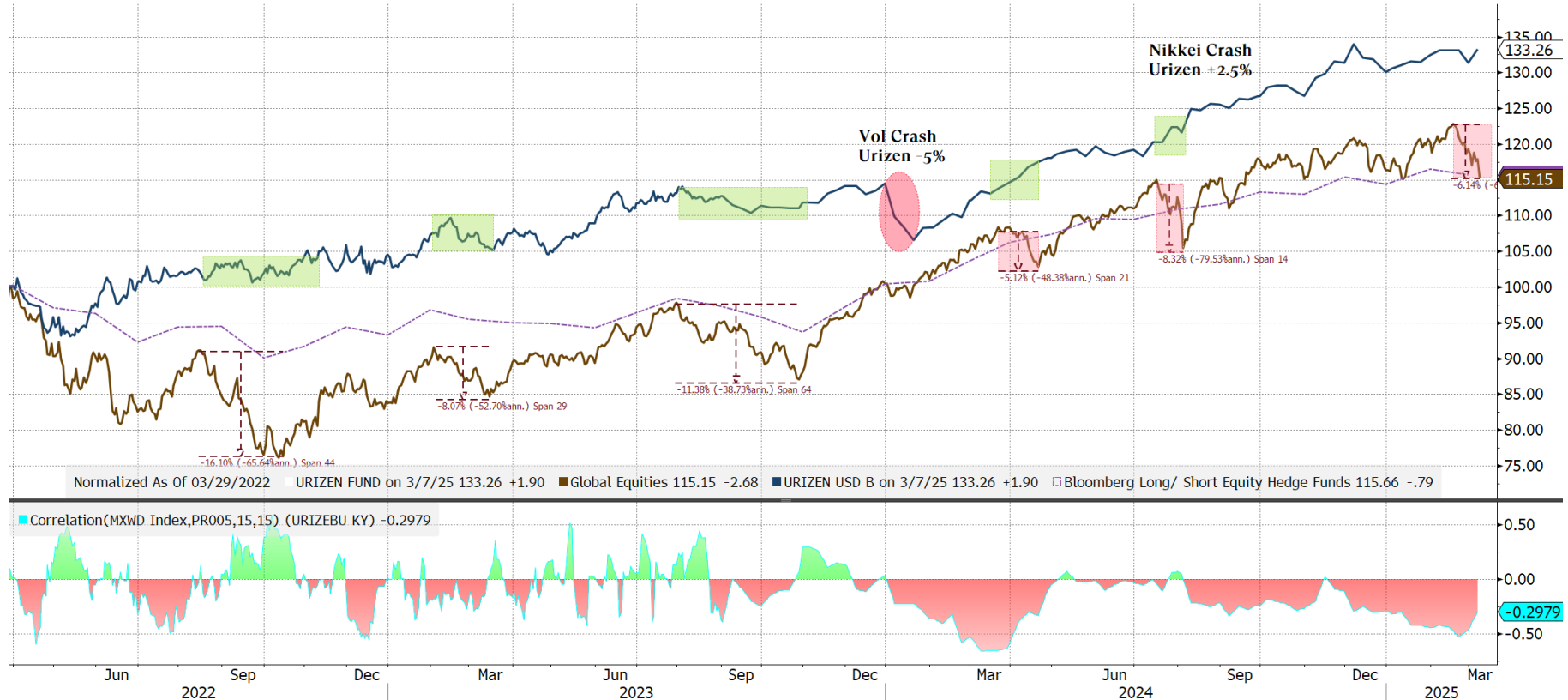


* Performance drivers are expressed in cumulative gross terms per year. Urizen Fund performance is expressed in cumulative net terms per year. Source: Stouff Capital. Data as of March 2025

Urizen Fund – Last Three Years: Performance & Correlation

Urizen has been quite uncorrelated with global equities, as shown by the unstable correlation on the below chart. Periods of sell-offs for equities have been well managed by Urizen even rising in August 2024, 3Q 2022 or 3Q 2023:

Urizen USD versus global equities



Source: Stouff Capital SA - Apex - Bloomberg - g sc 528

URIZEBU KY Equity (Urizen Fund) Urizen 2022-2025 Daily 29MAR2022-10MAR2025

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* Performance drivers are expressed in cumulative gross terms per year. Urizen Fund performance is expressed in cumulative net terms per year. Source: Stouff Capital. Data as of March 2025

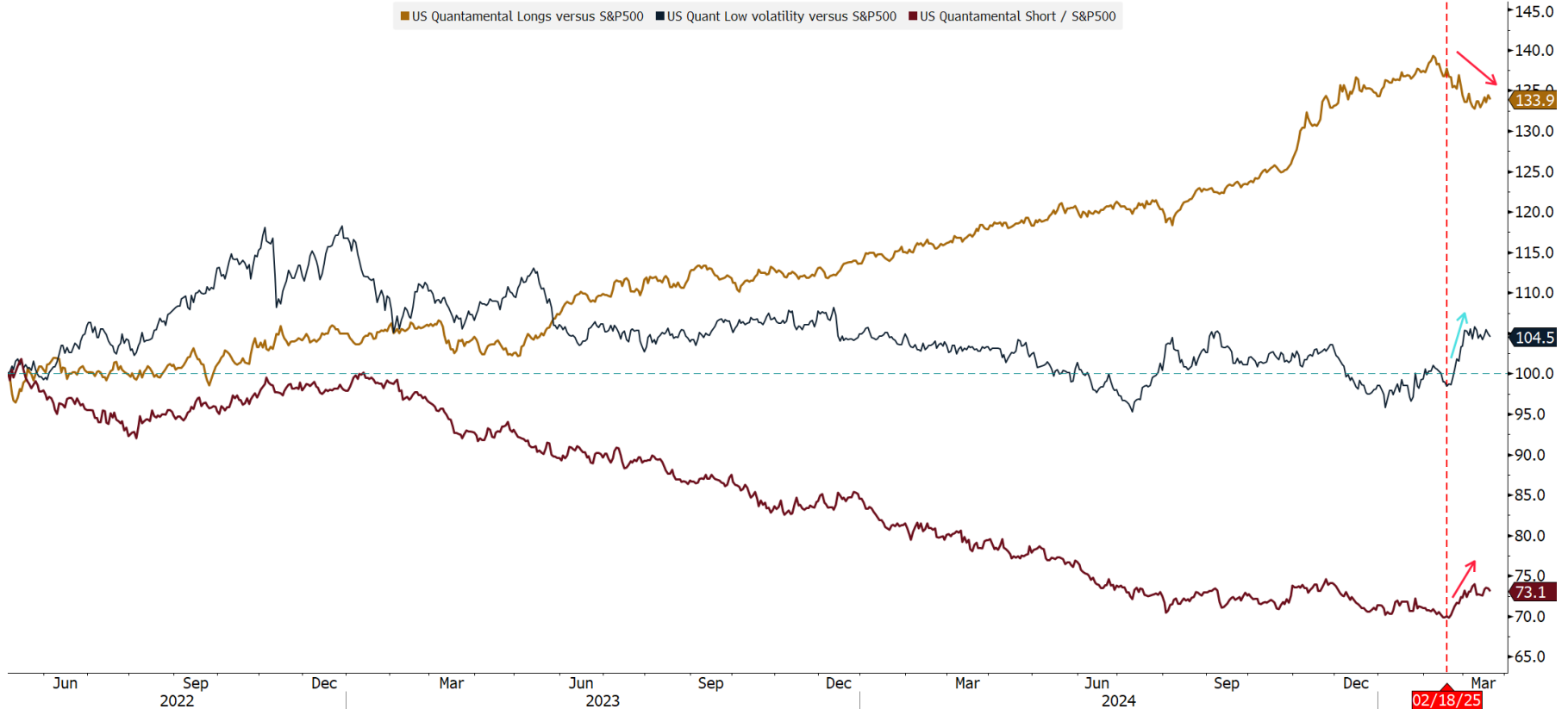


Urizen Fund –Alpha in the USA has reversed after a 3-year run

Alpha (long and short) has been exceptional in the last 13 months in the USA. But that has changed since Trump inauguration. To the contrary, our purely quantitative Low volatility basket has started to work better (dark line):

Relative Performances of Quantamental Long & Short portfolios ALPHA in the USA

Alpha of the Longs & Shorts reverses since Feb 02 2024, and Alpha of the shorts rises since Trump inauguration, but Low volatility quantamental stocks rise



Source: Stouff Capital SA - Bloomberg G SC 1716
.SCUSA W9Q:225V Index (SC SPX LONG) SC US port 2025 Daily 05MAY2022-20MAR2025

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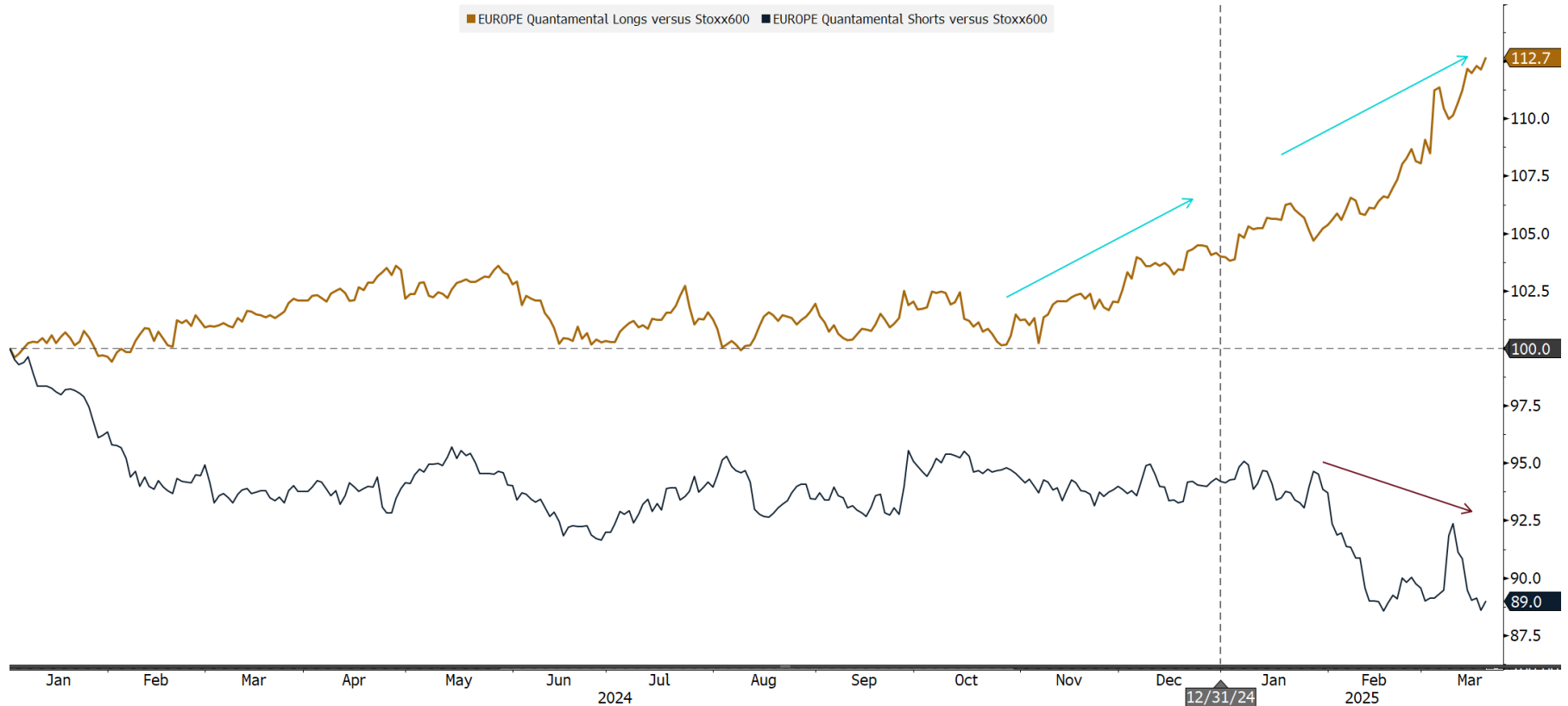
* Performance drivers are expressed in cumulative gross terms per year. Urizen Fund performance is expressed in cumulative net terms per year. Source: Stouff Capital. Data as of March 2025



Urizen Fund – Alpha in Europe is great again

we increase our balance sheet to benefit from a better alpha on our longs and shorts , with our long base rising from +20% to +30% and our shorts from -20 to -25%,. The alpha generated by our European portfolios has improved significantly since October 2024, as shown below:

Relative Performances of Quantamental Long & Short portfolios ALPHA in Europe Alpha of the Longs rises since Oct 2024, and Alpha of the shorts rises since Trump inauguration




Source: Stouff Capital SA - Bloomberg G SC 1716
.SCEUROPE V9Q:22ST Index (SC SIXP LONG) SC EU port 2025 Daily 02JAN2024-20MAR2025

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* Performance drivers are expressed in cumulative gross terms per year. Urizen Fund performance is expressed in cumulative net terms per year. Source: Stouff Capital. Data as of March 2025



Urizen Views — Equity Macro Outlook

Our top-down allocator tool, the Matrix, is assessing the outlook of global equities based on a systematic and data driven approach. It is constructive and expects a 10% rebound from oversold levels.

Sentiment is too pessimistic, Liquidity is plentiful, the Trend has stayed positive on the long run, and valuation is cheaper. Only soft US economic data is a headwind.

Hence everything should be fine and the steepest corrections of the S&P500 in the last 50 years should not have happened without the rise of political uncertainty triggered by President Trump statements.

Urizen Views – The Matrix: Top-down Algorithm

Our top-down allocation tool, the Regional Matrix, gives our global net exposure and our regional positioning. It had upgraded Europe to Overweight, with China and more recently Emerging markets. The USA and Japan have been downgraded to Underweight.

The Regional Matrix

EQUITY REGIONAL GRADES

Three month outlook **Bullish**
One month outlook **Bullish**

19.03.2025

Matrix recommended net exposure

Trend (one month outlook in blue)

Contrarian trend

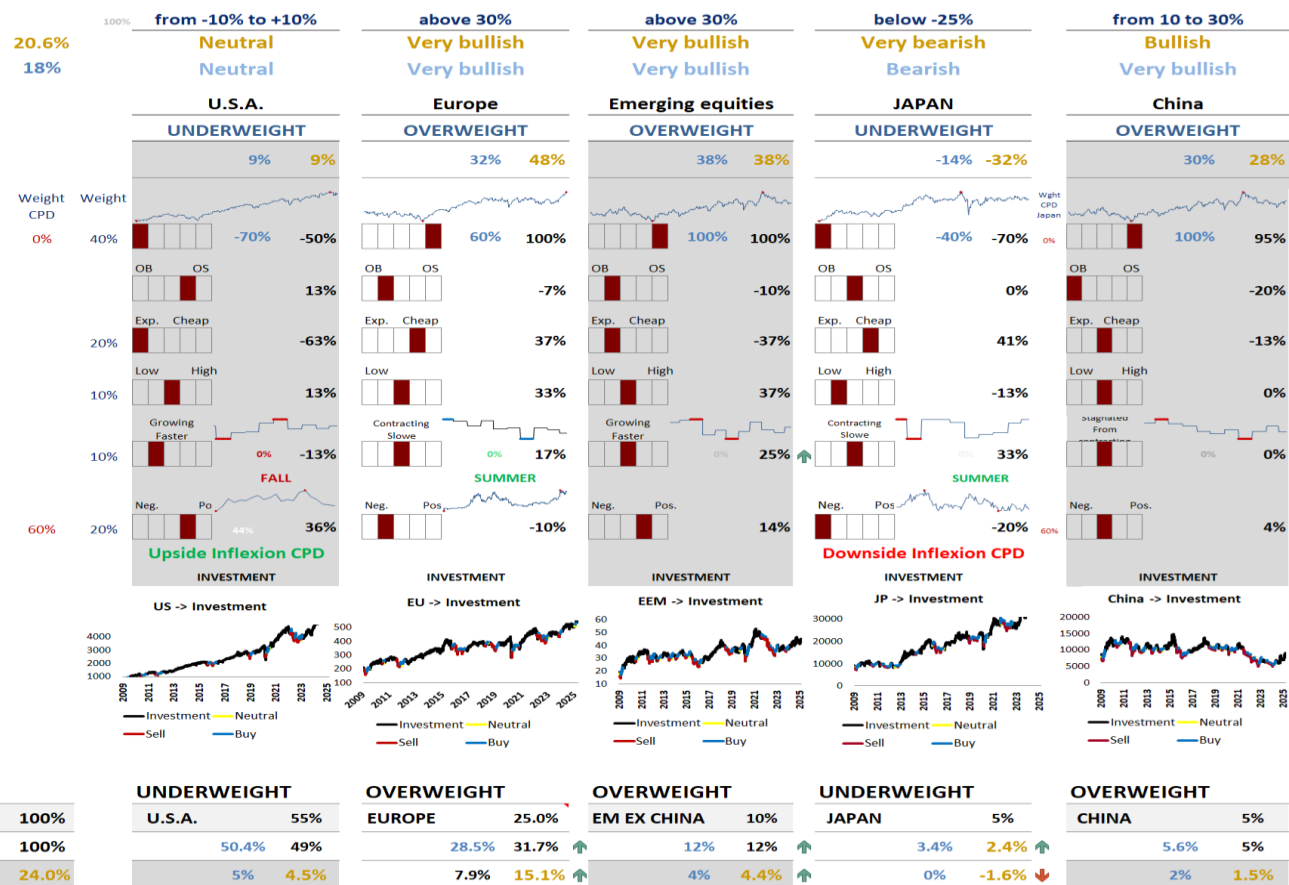
Relative valuation since 1995

Liquidity delta

Economics delta

Contrarian Sentiment

Investing Phases with Trend Charts

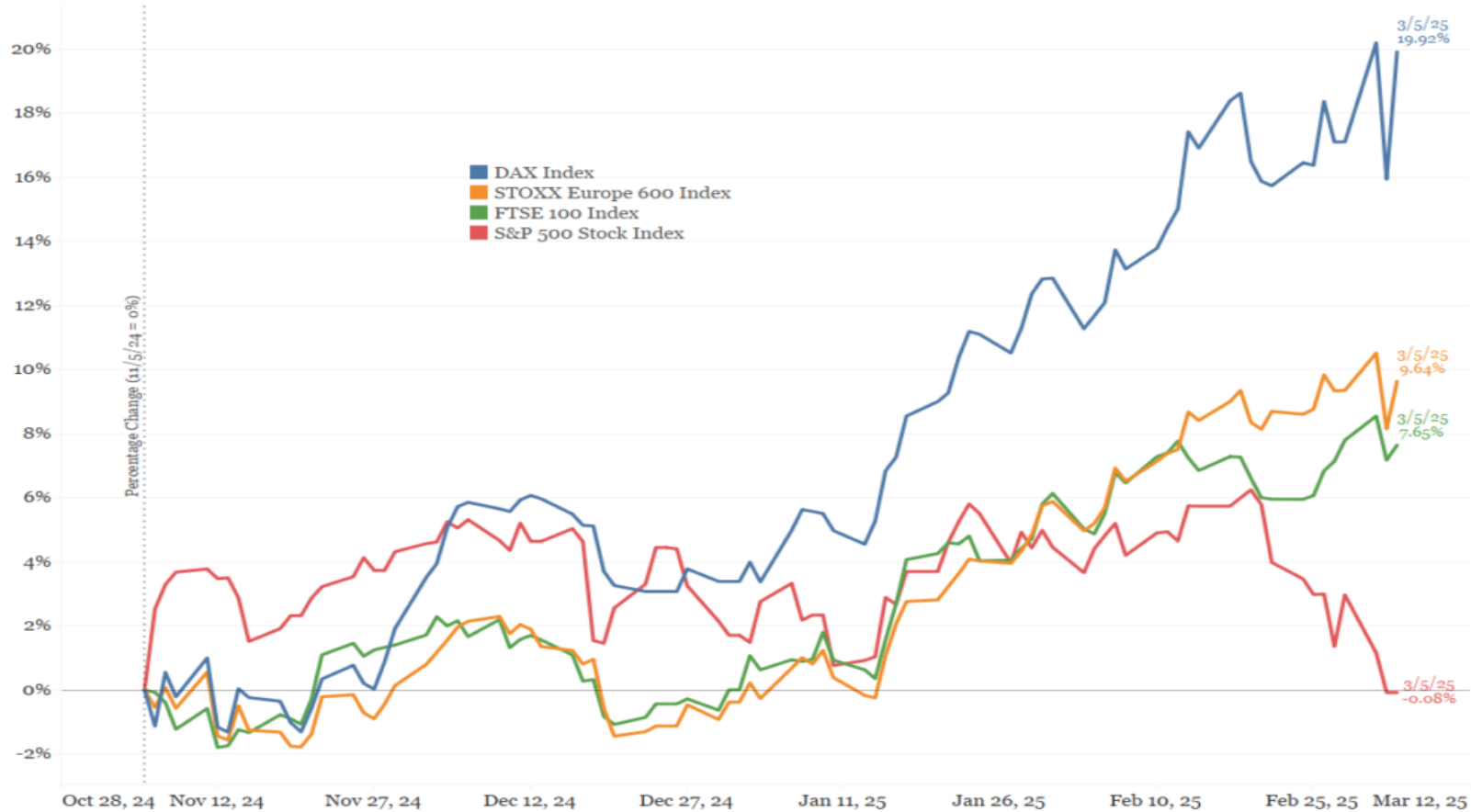


Urizen Views – The Matrix: Top-down Algorithm

The Matrix has been right based on the returns of European equities with the DAX up +20%, while the S&P500 is in negative territory.

The Regional Matrix

Returns Since Trump Was Elected



Data Source: Bloomberg

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Urizen Views – Sentiment Grade: Ugly in US

Our Matrix is based on 5 pillars, of which Sentiment has a big (20% to 60% in case of CPD) weight. US sentiment, as measured by our SC short term and medium run Sentiment indicators, has become too pessimistic

US SENTIMENT



Source: Stouff Capital - Bloomberg
SPX Index (S&P 500 INDEX) SC US sentiment Daily 11DEC2019-11MAR2025

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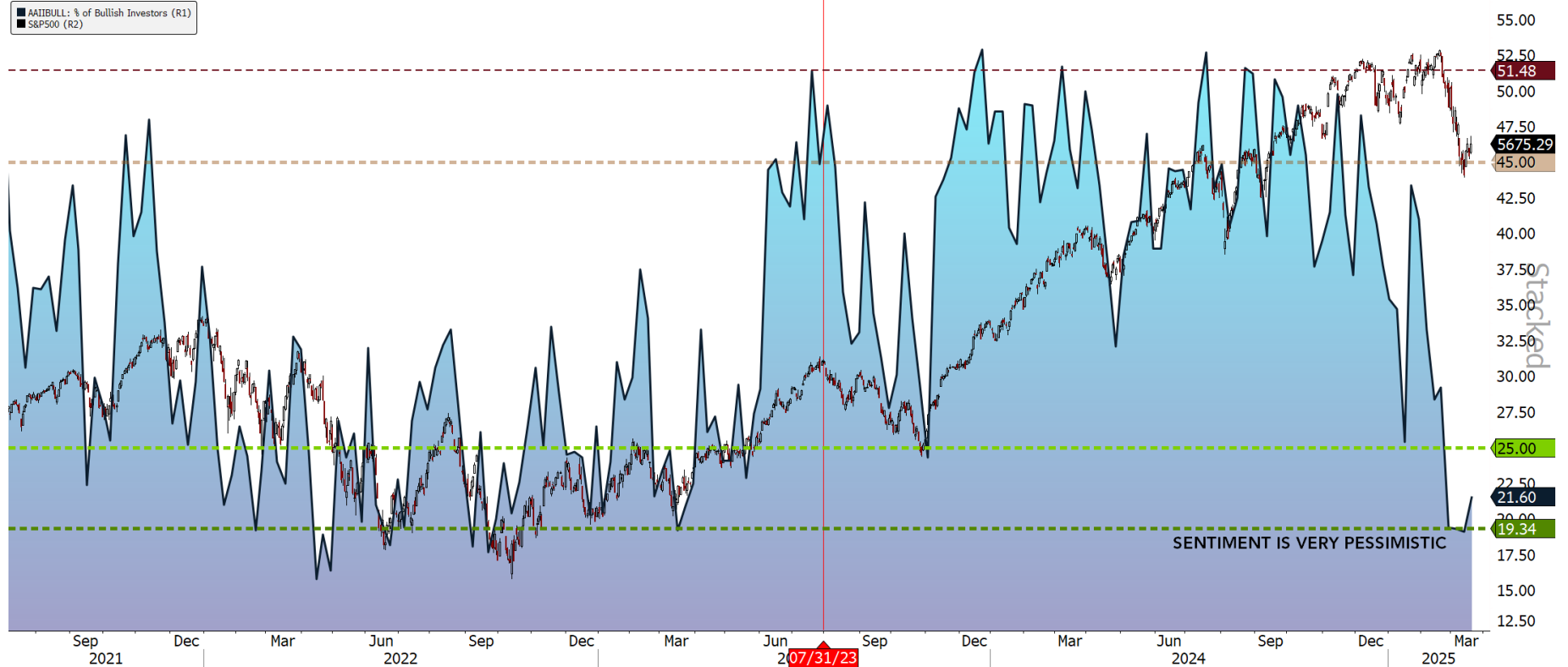


Urizen Views – Sentiment Grade: Ugly in US

An element of our proprietary SC sentiment indicator is the AAI survey, which has reached an extreme pessimistic level

AAII US Sentiment Bullish Readings

When below 25, time to buy, when above 45, time to sell, when above 55 and reverting GET OUT



Source: SC, Bloomberg

AAIIBULL Index (AAII US Investor Sentiment Bullish Readings) aaiibull. Daily 30DEC2023-20MAR2025

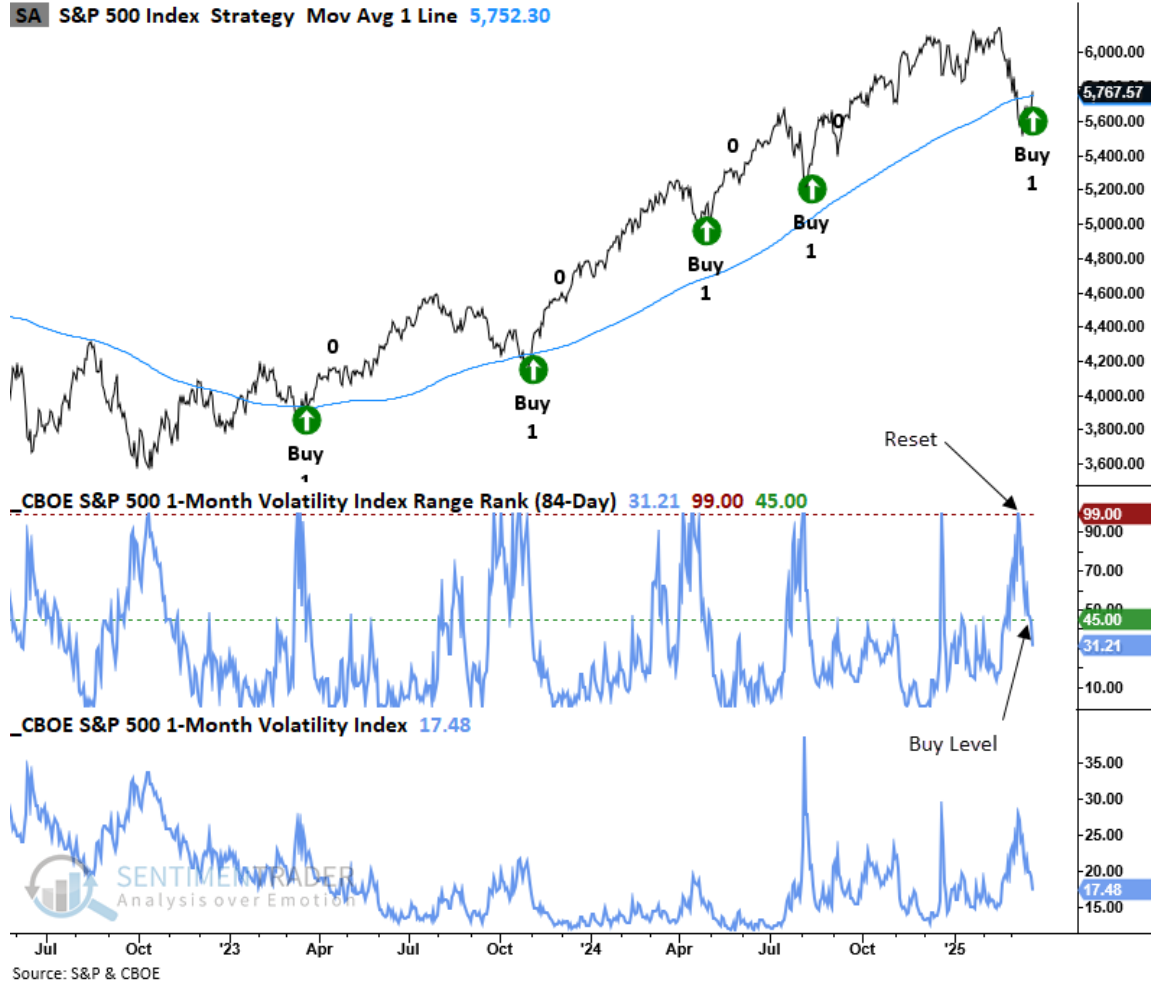
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Urizen Views – Sentiment Grade: Ugly in US

Another element of our Sentiment indicator is based on the behavior of the VIX. And the US implied volatility has reached an extreme level (upper band of a long-term normalized range), and has since reversed, triggering a bullish statistical signal for US equities:

The fear gauge shifts direction following a period of market unease



Urizen Views – Sentiment Grade: massive intraday vol



While this may be a negotiating technique, the volatile swings in President Trump statements have become a major source of uncertainty and intraday volatility

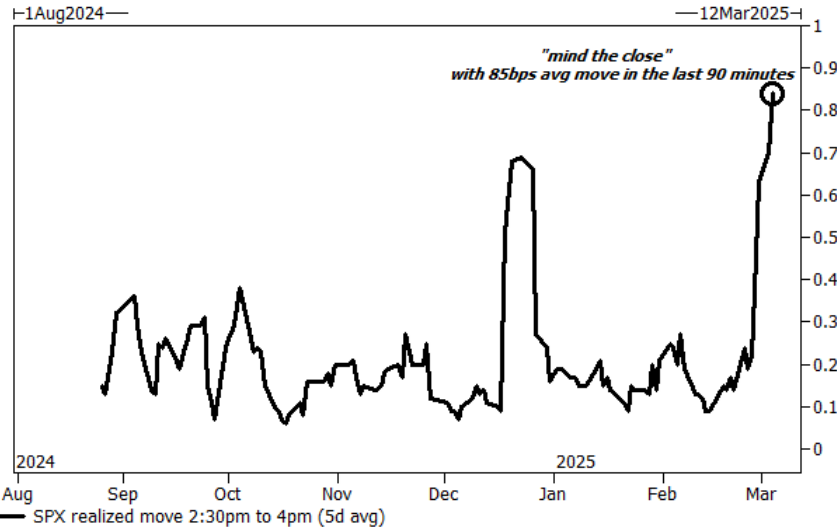
However, a good news for US equities is that implied volatilities have recently retraced.

How Many Days Has the S&P 500 Had a 2% Range in Past Year?
Number of days with a "true range" (previous close included) of more than 2%



Data Source: Bloomberg

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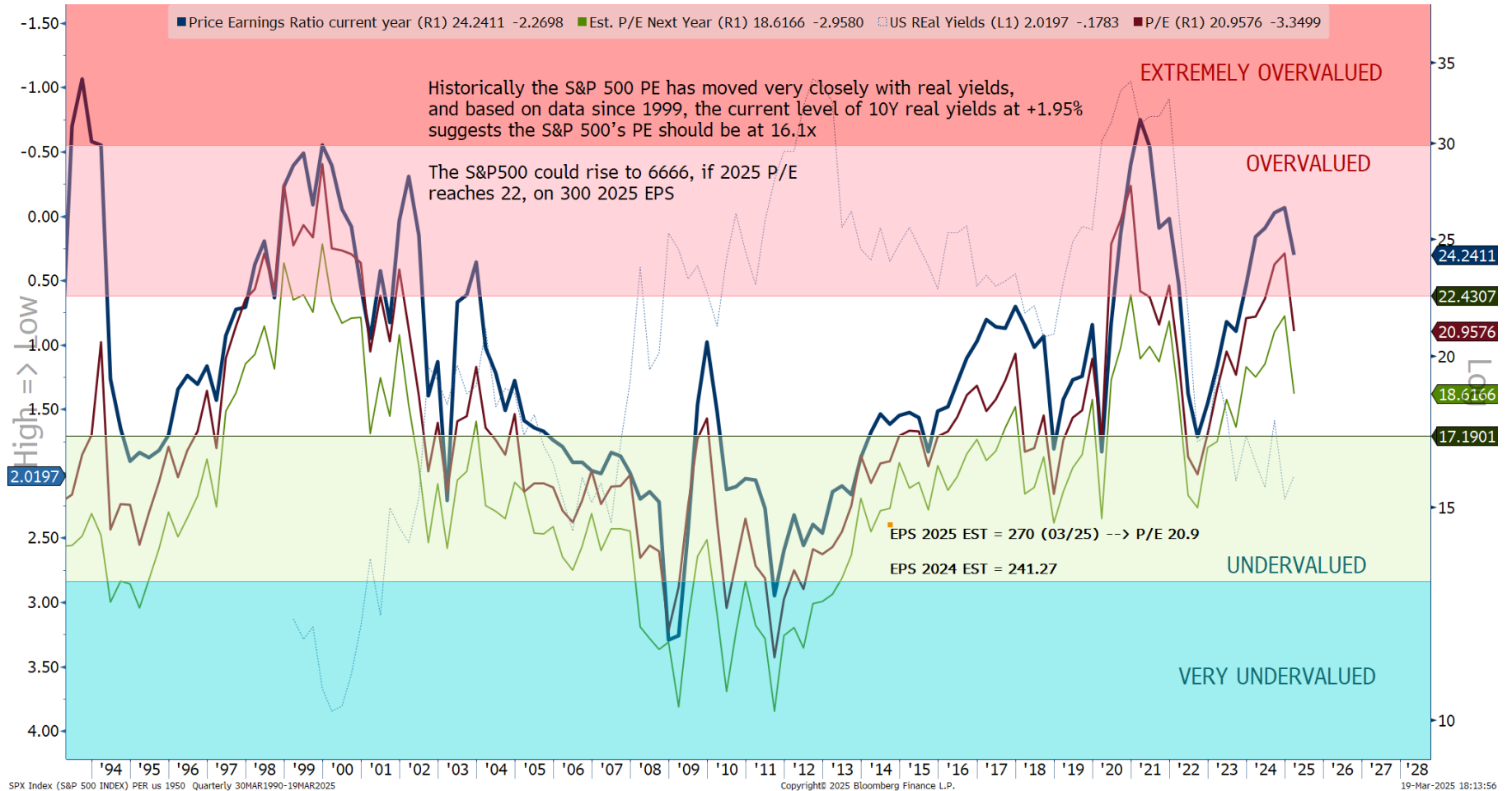


— SPX realized move 2:30pm to 4pm (5d avg)

Urizen Views – Valuation Grade: expensive in the USA

US valuations had become very expensive, as the strong rise of US equities have been driven by P/E expansion, more than an increase of earnings. The 2025 correction has switched their valuation from very expensive to expensive.

S&P500 P/E AND REAL YIELDS

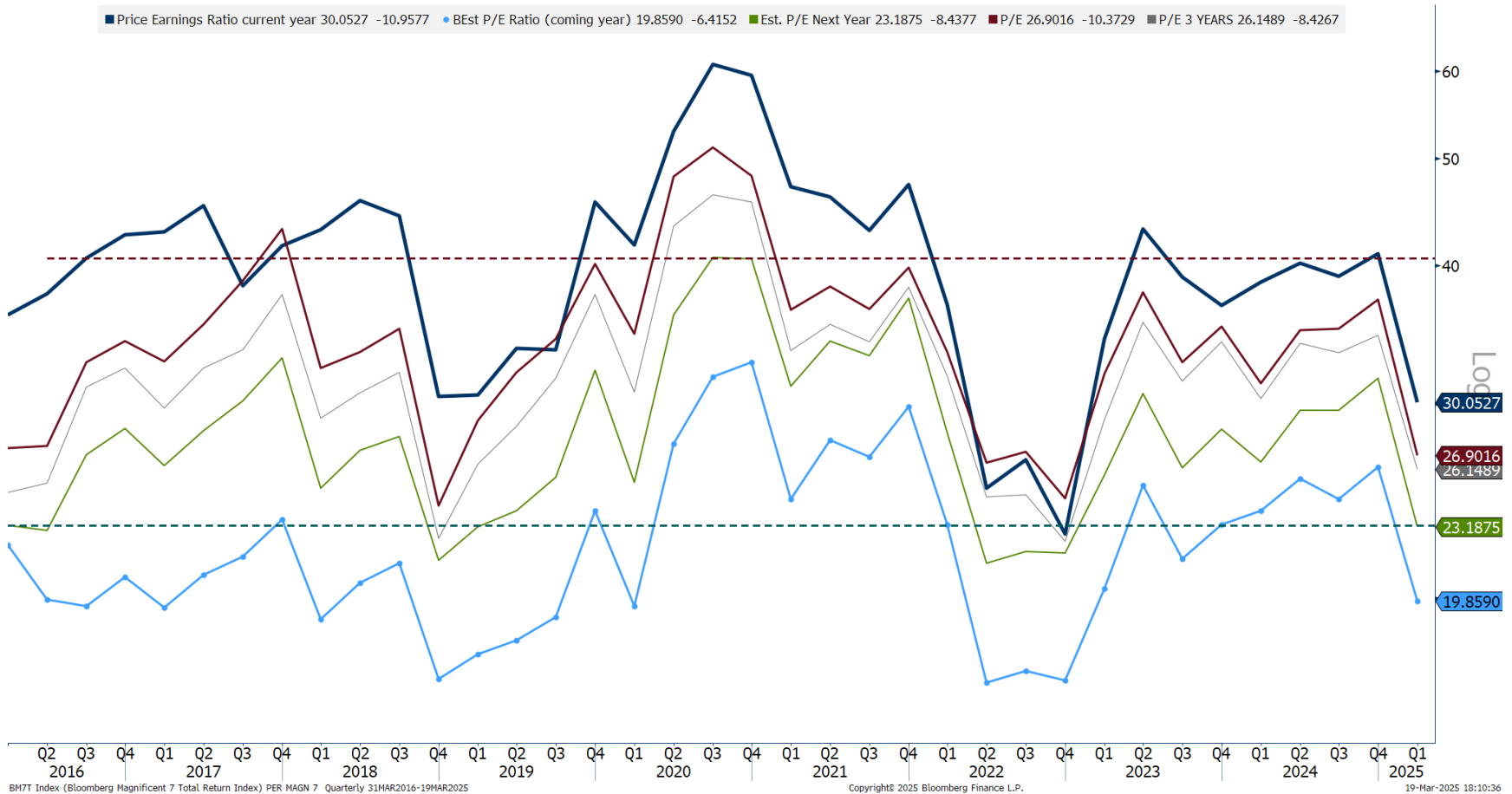


Urizen Views – Valuation Grade: expensive in the USA

One of the main reason for the expensiveness of US equities comes from the Magnificent 7 very high P/E. Another good news is that their P/E s have retraced to the lowest level since 2016:

THE 7 P/E AND REAL YIELDS

■ Price Earnings Ratio current year 30.0527 -10.9577 ● Best P/E Ratio (coming year) 19.8590 -6.4152 ■ Est. P/E Next Year 23.1875 -8.4377 ■ P/E 26.9016 -10.3729 ■ P/E 3 YEARS 26.1489 -8.4267



Urizen Views – Valuation Grade: expensive in the USA

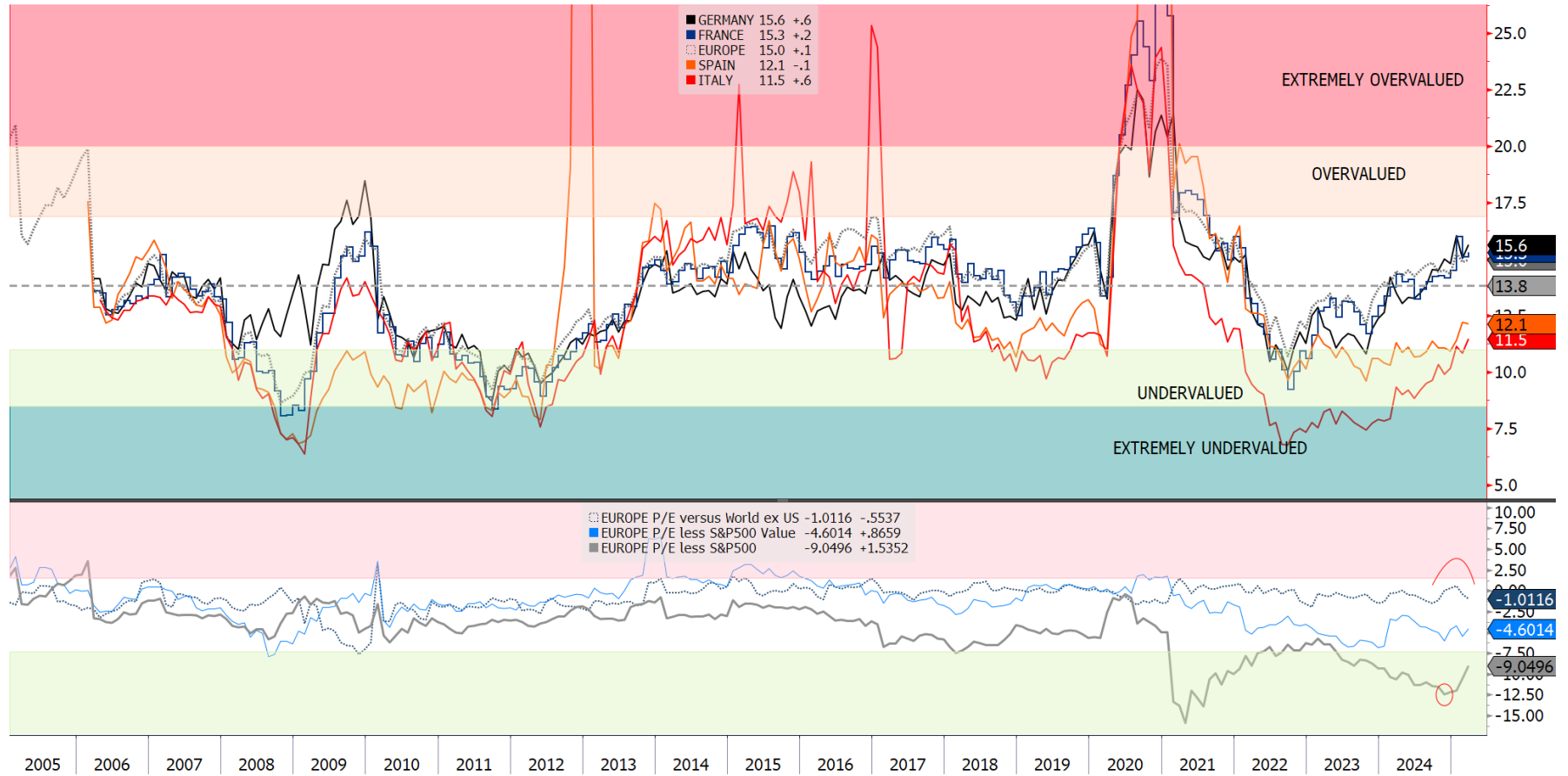
While the P of the P/E has retraced, what about the E ? 2025 EPS must absolutely hold in order for US equities to stop correcting. The blue line in the below chart shows an estimated 270\$ for the SPX 2025 EPS.



Urizen Views – Valuation Grade: from cheap to neutral in Europe

Valuation in Europe was cheap in 2024, but a bit less after the recent rise. Specifically German equities have seen their P/E increase from 12 to 15.6.

P/E Ratios for main European Indexes since 2005



Source: SC - Bloomberg

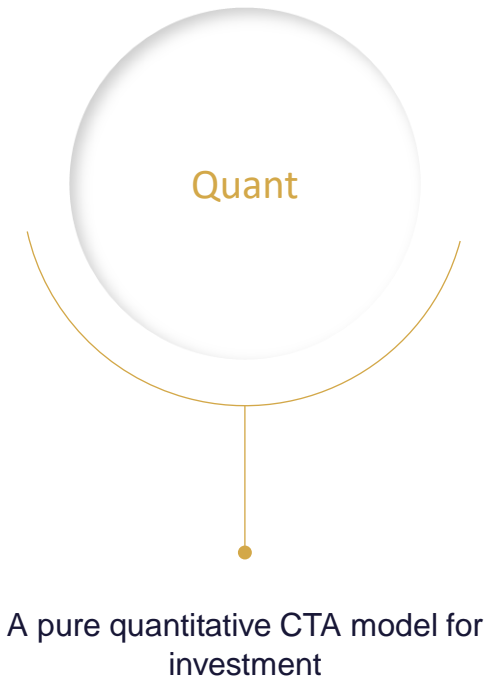
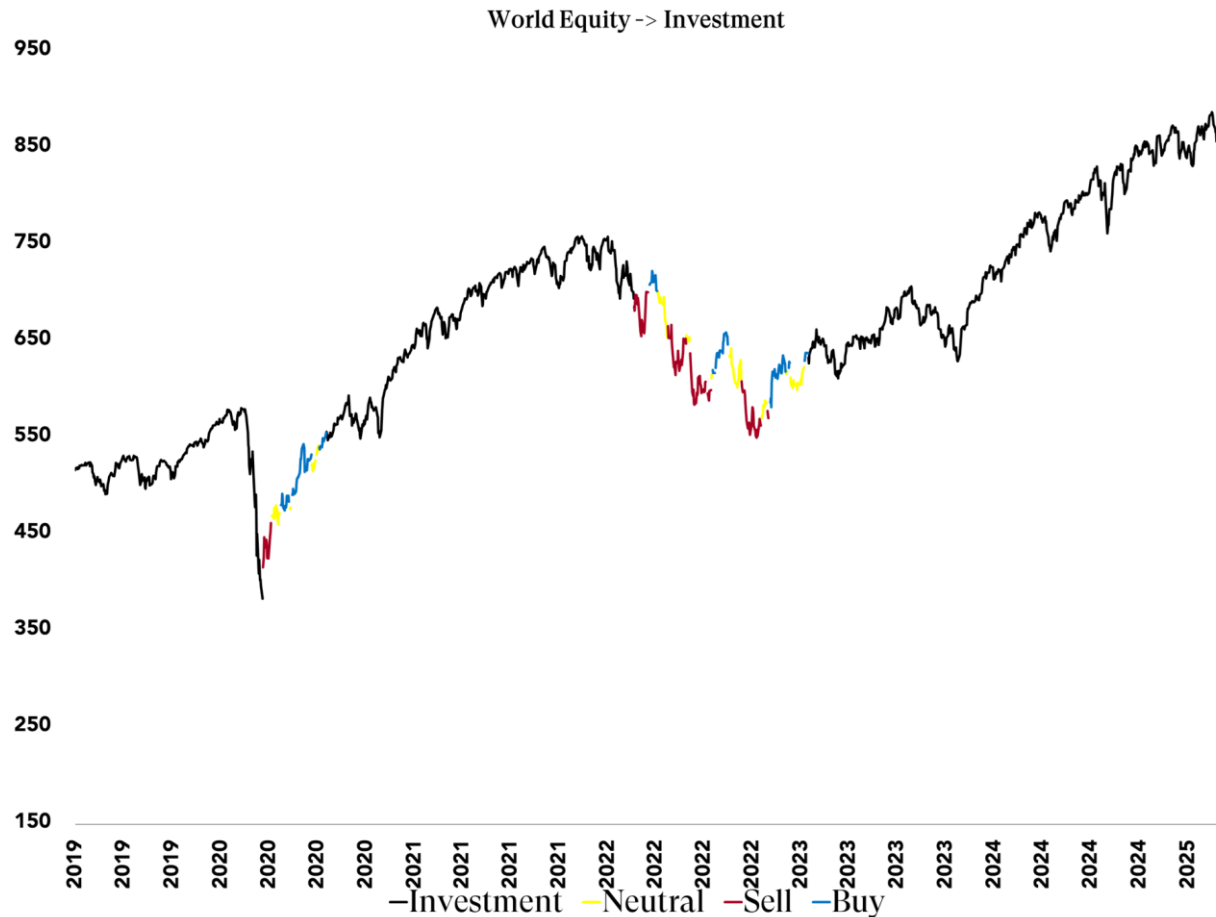
DAX Index (Deutsche Boerse AG German Stock Index DAX) P/E Ratios EUROPE Monthly 01JAN2005-19MAR2025

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Urizen Views – Trend Grade: still in Investment Phase despite the fastest US market correction since 1950

Our Matrix is based on 5 pillars, of which Trend has the biggest weight. This Trend grade is calculated with a mix of moving average crossings and slopes.



Urizen Views – Trend Grade: still in Investment Phase despite the fastest US market correction since 1950

While the global Trend grade stays constructive, US equities are at a “Make or Break” moment:



Source: Stouff Capital, bloomberg

SPX Index (S&P 500 INDEX) SPX CHART 3months Daily 25FEB2021-25MAR2025

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25-Mar-2025 13:46:57



Urizen Views – Trend Grade: still in Investment Phase despite the fastest US market correction since 1950

Positive. A long-term cycle model tells us we should start a one-year bullish cycle, but it has been wrong last year.

LONG TERM CYCLES

8.6 Years Wave breaks down into three waves, two short legs of 1.075 years (392 days) and one of 2.15 yr (784 days)



Source: SC, Bloomberg

SPX Index (S&P 500 INDEX) COMPASS armstrong Daily 02JAN1998-20MAR2025

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Urizen Views – Trend Grade: still in Investment Phase despite the fastest US market correction since 1950

Fastest Market Corrections from 52-week High
Since 1950

Positive. The recent US correction has been one of the fastest in terms of time (20 days) since 1950. 100% of the time, the S&P500 has rebounded 8.2% after 3 months.

<i>Fastest 10% Correction from 52-week high</i>					<i>S&P 500 Forward Return</i>			
	52W High	10% Decline	# Days	Cause	1M	3M	6M	12M
1	2/19/2020	2/27/2020	8	COVID	-14.7%	1.9%	15.6%	27.9%
2	1/26/2018	2/8/2018	13	Trade War 1.0	8.0%	4.5%	10.7%	4.9%
3	9/23/1955	10/11/1955	18	Eisenhower heart attack	9.6%	9.1%	19.7%	14.8%
4	6/12/1950	6/29/1950	17	Korean War	1.4%	11.3%	14.2%	20.2%
5	10/5/1979	10/25/1979	20	Volcker Shock	4.7%	13.4%	3.4%	29.9%
6	10/7/1997	10/27/1997	20	Asian Financial Crisis	8.5%	9.2%	26.3%	21.5%
Average			16			8.2%	15.0%	19.9%
Median			18			9.1%	14.9%	20.8%
Win Ratio						100%	100%	100%
Current			20					

Current	2/19/2025	3/11/2025	20
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TESLA

~~Tariff War~~

~~DOGE recession~~

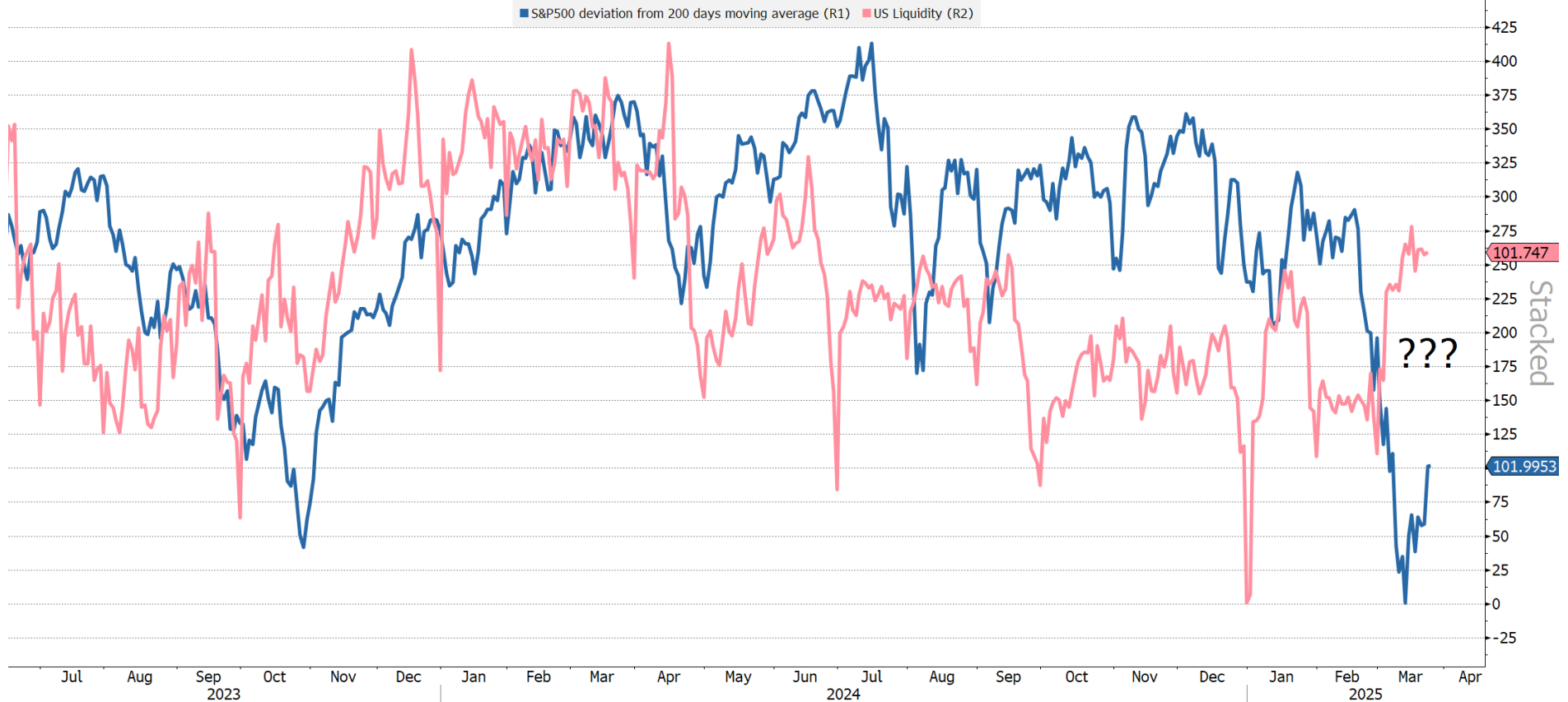
~~No "Trump Put"~~

~~No "Fed put"~~

Urizen Views – Liquidity: Good with a confirmed Fed Put

The third pillar of our Matrix is Liquidity. And it is quite supportive:

LIQUIDITY SHOULD HAVE BEEN VERY BULLISH FOR US EQUITIES



Source: Bloomberg - Stouff Capital G SC 490

USCBFDRA Index (US Treasury Cash Balance Federal Reserve Account) fed liquidity GTA st. Daily 16JAN2023-25MAR2025

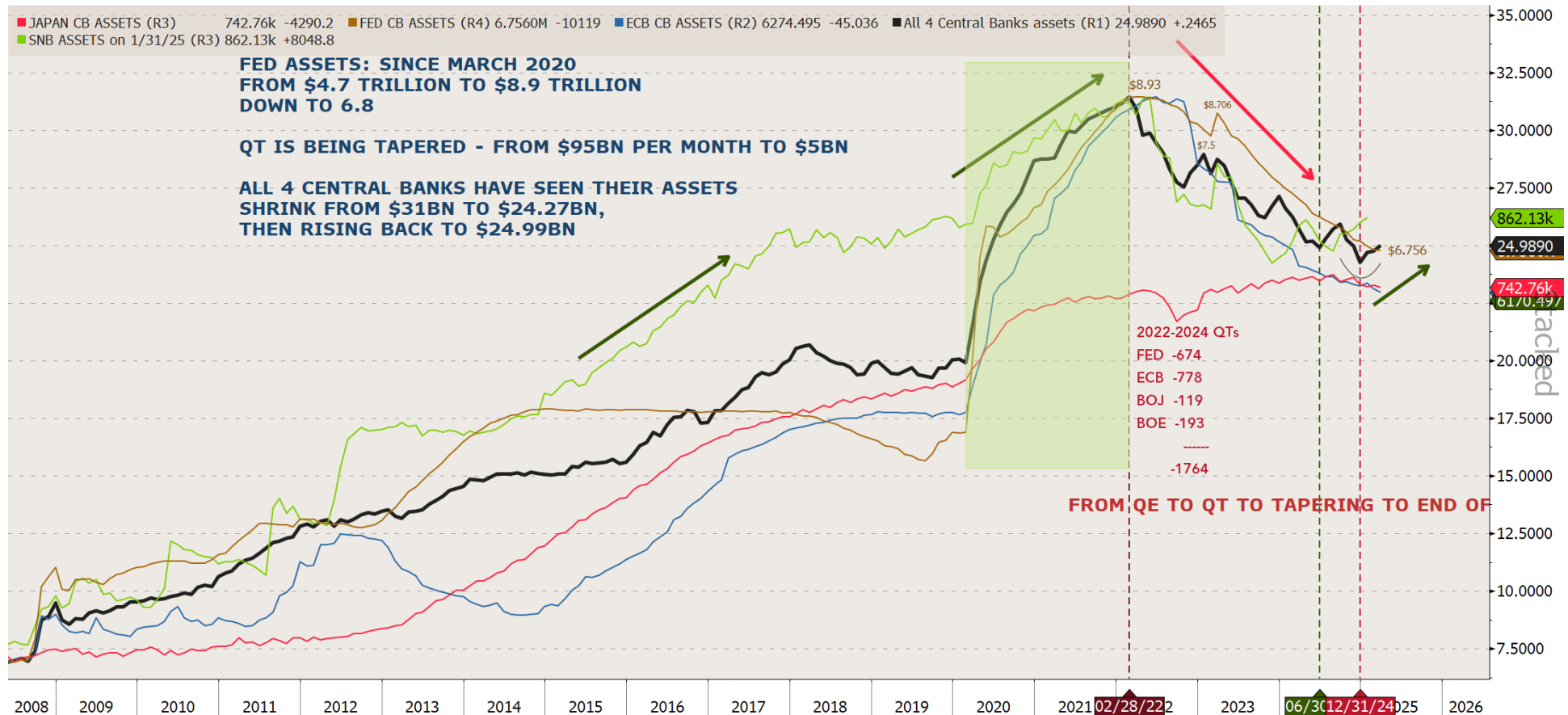
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Urizen Views – Liquidity: Good with a confirmed Fed Put

The third pillar of our Matrix is Liquidity. And it is quite supportive, as Central banks are tapering their quantitative tightening

Central Banks Assets Tapering of QT



Source: Bloomberg - Stouff Capital 64

BJACTOTL Index (Bank of Japan assets:Total) balance sheet CBs Monthly 31JAN2007-24MAR2025

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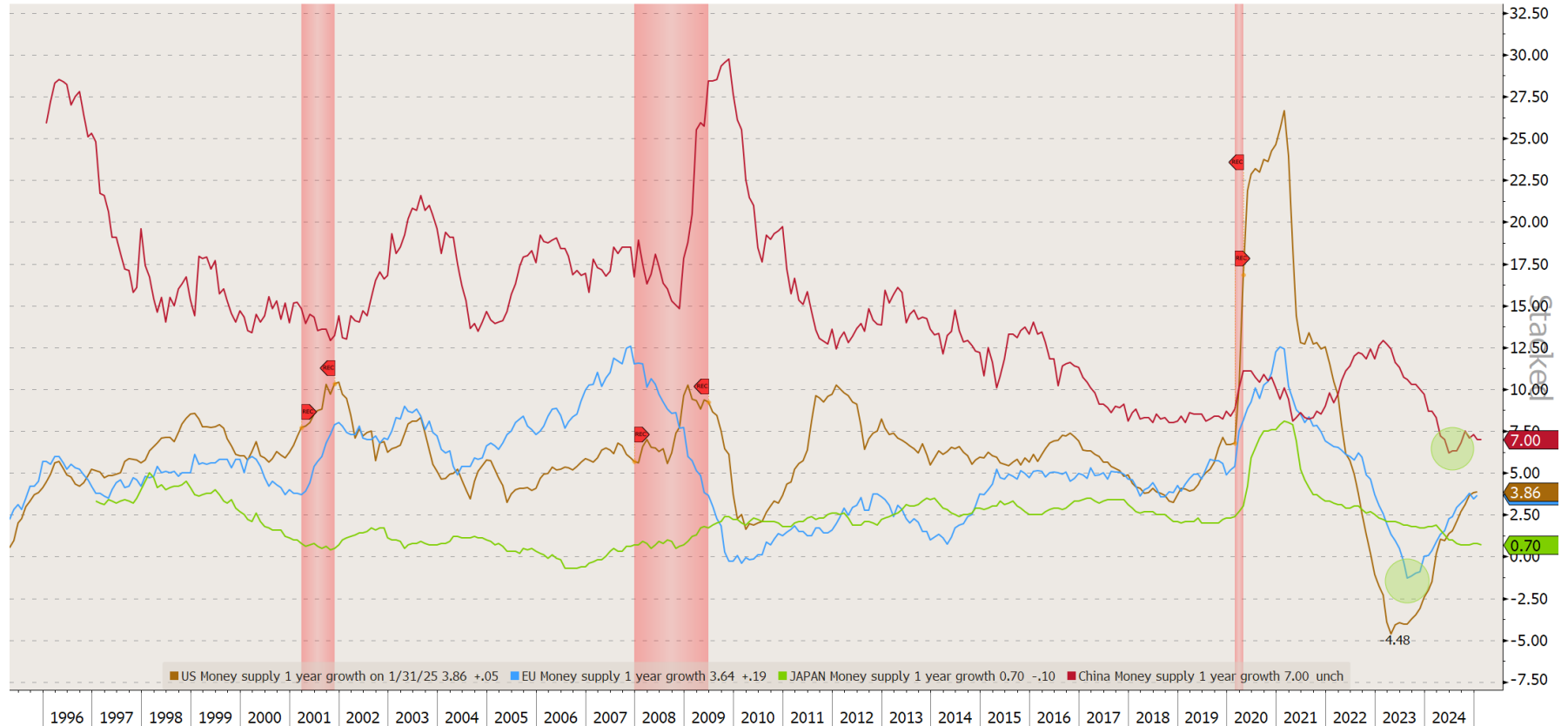
24-Mar-2025 13:54:09



Urizen Views – Liquidity: Good with a confirmed Fed Put

The third pillar of our Matrix is Liquidity. And it is quite supportive, as Money supply are growing around 4% in US and Europe

Money Supply Growth



Source: Bloomberg - Stouff Capital SC 84

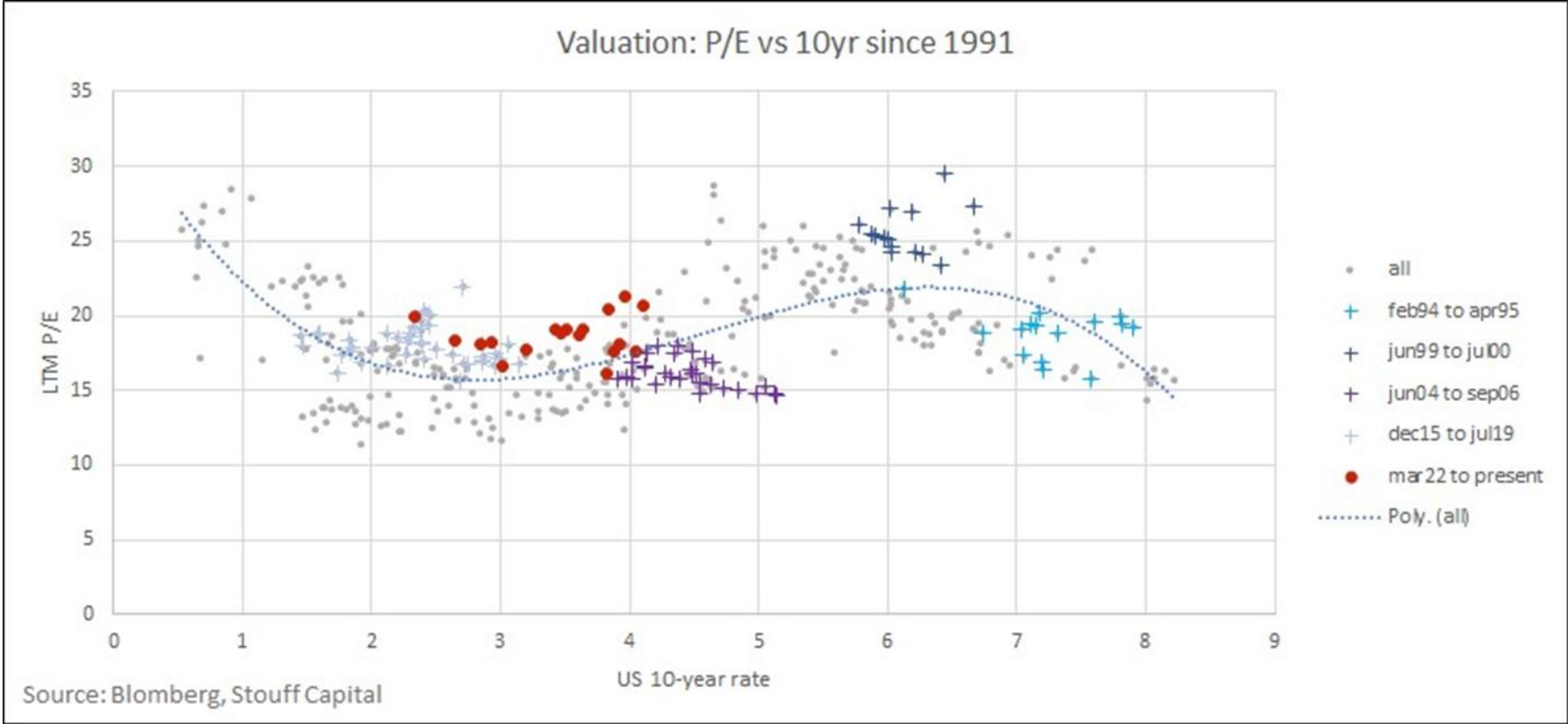
H2% YOY Index (Federal Reserve Money Supply H2 YoY % Change) money supply growth Daily 30APR1995-24MAR2025

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24-Mar-2025 13:41:50

Higher Rates a Headwind ?

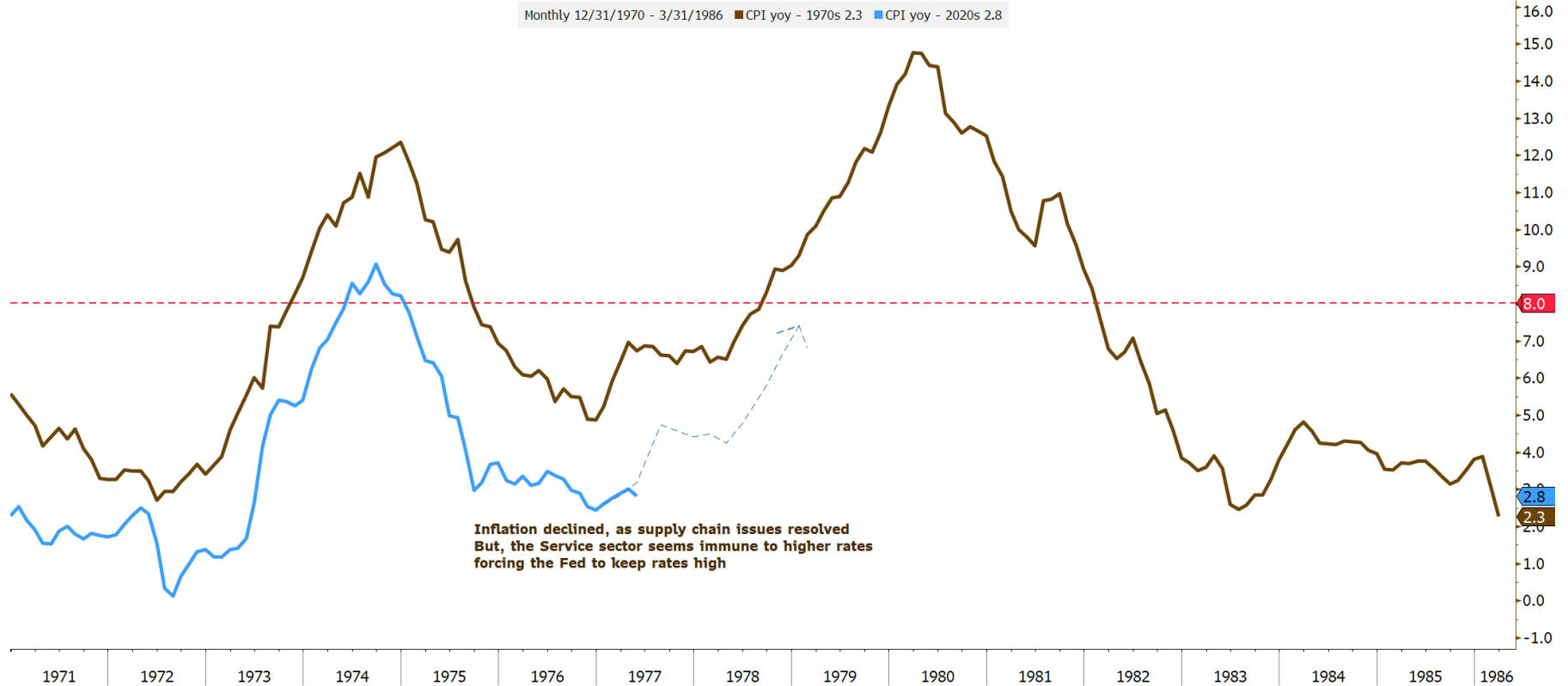
it is when rates are approaching 5% that the point of no return is achieved, where equity buyers are stepping aside. The chart below shows that P/E stops rising on average only when 10YR exceeds 6%. So 10YR rates between 4.2 and 4.4% is still not a problem.



Higher Rates a Headwind ?

But if we were to rhyme with the 70s, when CPI rebounded strongly from 1976, we could have a lost decade for equities:

CPI 1970'S VERSUS 2020'S



Source: SC - bloomberg

CPI YOY Index (US CPI Urban Consumers YoY NSA) CPI 1970 vs 2020 Monthly 31DEC1970-31MAR1986

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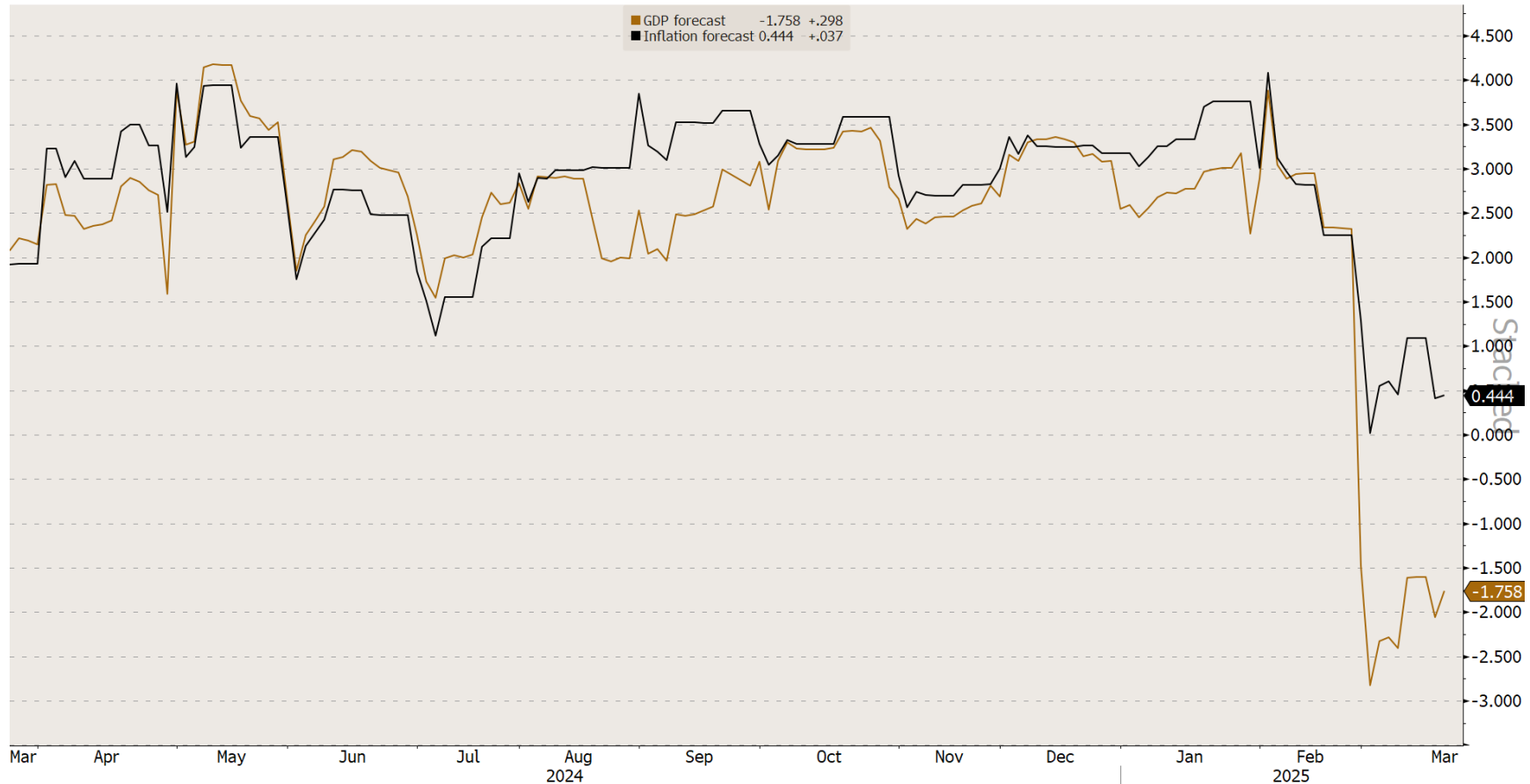
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Urizen Views – Economics Grade: falling in the USA

The fourth pillar of our Matrix is based on Economics. We created a model called Kairos that classifies economic cycles in terms of seasons (Spring being defined as better economic growth with lower inflation). The recent correction of soft economic data is a headwind as Kairos has switched towards Fall (lower Economic Growth, higher inflation), another way to define Stagflation.

GDPNow

Atlanta Fed



Source: Bloomberg – Stouff Capital SA - G SC 539

GDGCAFJP Index (Atlanta Fed GDPNow GDP Forecast) NoWCasting Daily 17MAR2024-25MAR2025

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25-Mar-2025 14:15:14



Urizen Views – Economics Grade: falling in the USA

Kairos has switched from Spring to Fall (lower Economic Growth, higher inflation), another way to define Stagflation. In this case, our model adapts its allocation in sectors (favoring defensive), or in factors (favoring low volatility).

DM Equity Countries		EM Equity Countries		Equity Industry Groups		FX		Commodities		Equity Regions		Equity Styles		Crypto	
1 Austria	3.4%	1 Russia	5.8%	1 Mining	3.5%	1 AUD	3.7%	1 Crude Oil	2.8%	1 EM Europe	4.6%	1 Small Caps	1.4%	1 Ripple	37.7%
2 HK	1.5%	2 Brazil	4.9%	2 Auto & Compo	3.4%	2 ZAR	3.5%	2 Lumber	2.1%	2 EM Latam	3.7%	2 Value	0.4%	2 Ethereum	32.1%
3 Singapore	1.1%	3 Indonesia	3.1%	3 Materials	2.8%	3 BRL	3.0%	3 Copper	1.1%	3 EM	2.8%	3 Growth	0.8%	3 Litecoin	21.5%
4 Norway	0.8%	4 Korea	3.1%	4 Semis	2.5%	4 KRW	2.3%	4 Platinum	0.8%	4 EM Asia	2.2%	4 Large Caps	-0.2%	4 Bitcoin	-12.8%
5 Canada	0.6%	5 Greece	3.1%	5 Tch H/W/Eq	2.1%	5 GBP	1.9%	5 Palladium	0.3%	5 Pacific ex-JP	1.5%	5 Mometnum	-0.4%		
6 Japan	0.6%	6 Peru	3.0%	6 Chemicals	2.1%	6 EUR	1.6%	6 Cotton	-1.8%	6 Japan	0.6%	6 Quality	-0.9%		
7 Finland	0.6%	7 Hungary	2.9%	7 Cons Dur/App	1.8%	7 CAD	1.6%	7 Silver	-1.4%	7 US	-0.2%	7 Min Vol	-2.7%		
8 Israel	0.6%	8 Taiwan	2.7%	8 Cap Gds	1.2%	8 TRY	1.6%	8 Sugar	-1.3%	8 EMU	-0.3%				
9 Ireland	0.3%	9 Colombia	2.6%	9 Div Fin	0.6%	9 RUB	1.5%	9 Corn	-4.7%	9 UK	-1.4%				
10 Italy	0.1%	10 India	2.5%	10 S/W & Svs	0.6%	10 MXN	1.5%	10 Live Cattle	-5.6%	10 Switzerland	-2.6%				
11 Sweden	0.0%	11 SA	2.5%	11 Energy	0.5%	11 CHF	1.1%	11 Coffee	-5.2%						
12 Germany	-0.2%	12 Thailand	2.1%	12 Retailing	0.3%	12 INR	0.9%	12 Wheat	-6.1%						
13 US	-0.2%	13 China	1.9%	13 Media	0.0%	13 CNY	0.3%	13 Cocoa	-6.1%						
14 EMU	-0.3%	14 UAE	1.7%	14 Banks	0.0%	14 JPY	0.0%	14 Gold	-6.2%						
15 Belgium	-0.4%	15 Poland	1.4%	15 Cons Svs	-0.4%	15 USD	-1.5%								
16 Netherlands	-0.4%	16 Mexico	0.9%	16 Transpt	-0.5%										
17 Spain	-0.7%	17 Czech	0.9%	17 AeroDefense	-0.8%										
18 Portugal	-0.7%	18 Chile	0.9%	18 Insurance	-1.1%										
19 Denmark	-0.8%	19 Malaysia	0.4%	19 Coml/Prof Svs	-1.2%										
20 France	-0.8%	20 Turkey	-0.3%	20 H/C Eq/Svs	-1.7%										
21 Europe	-0.9%	21 Philippines	-1.6%	21 Real Estate	-2.1%										
22 Australia	-1.0%			22 T/Cm Svs	-2.2%										
23 UK	-1.4%			23 Utilities	-2.2%										
24 New Zealand	-2.2%			24 Fd/Bev/Tob	-3.2%										
25 Switzerland	-2.6%			25 Fd/Staples Rtl	-3.3%										
				26 Pharm/Biotec	-3.3%										
				27 Biotec	-3.5%										
				28 H/H Pers Prd	-4.2%										

DM Equity Countries		EM Equity Countries		Equity Industry Groups		FX		Commodities		Equity Regions		Equity Styles		Crypto	
1 Switzerland	2.7%	1 Philippines	1.5%	1 H/H Pers Prd	4.4%	1 USD	1.4%	1 Gold	7.1%	1 Switzerland	2.7%	1 Min Vol	2.7%	1 Bitcoin	4.6%
2 New Zealand	2.3%	2 Turkey	1.2%	2 Biotech	3.5%	2 JPY	0.1%	2 Cocoa	6.4%	2 UK	1.6%	2 Quality	0.8%	2 Litecoin	-17.3%
3 UK	1.6%	3 Malaysia	-0.3%	3 Pharm/Biotec	3.4%	3 CNY	-0.4%	3 Wheat	5.7%	3 EMU	0.5%	3 Large Caps	0.2%	3 Ethereum	-27.6%
4 Europe	1.1%	4 Mexico	-0.8%	4 Fd/Staples Rtl	3.3%	4 INR	-1.0%	4 Live Cattle	5.3%	4 US	0.1%	4 Mometnum	0.2%	4 Ripple	-32.6%
5 Spain	1.1%	5 Chile	-0.8%	5 Fd/Bev/Tob	3.3%	5 CHF	-1.0%	5 Coffee	5.2%	5 Japan	-0.6%	5 Value	-0.2%		
6 Australia	1.0%	6 Czech	-1.1%	6 Utilities	2.2%	6 RUB	-1.4%	6 Corn	4.3%	6 Pacific ex-JP	-0.6%	6 Growth	-0.4%		
7 Denmark	1.0%	7 Poland	-1.1%	7 T/Cm Svs	2.1%	7 TRY	-1.5%	7 Sugar	2.5%	7 EM Asia	2.2%	7 Small Caps	-1.4%		
8 France	1.0%	8 UAE	-1.4%	8 Real Estate	2.0%	8 CAD	-1.5%	8 Silver	1.5%	8 EM	-0.3%				
9 Portugal	1.0%	9 China	-1.4%	9 H/C Eq/Svs	1.7%	9 MXN	-1.6%	9 Cotton	1.1%	9 EM Latam	-3.9%				
10 Netherlands	0.6%	10 Thailand	-1.4%	10 Insurance	1.4%	10 EUR	-1.5%	10 Palladium	-0.1%	10 EM Europe	-4.5%				
11 EMU	0.5%	11 Greece	-2.4%	11 Coml/Prof Svs	1.2%	11 GBP	-2.0%	11 Platinum	-0.7%						
12 Belgium	0.3%	12 Colombia	-2.4%	12 AeroDefense	0.9%	12 KRW	-2.2%	12 Copper	-1.0%						
13 Italy	0.3%	13 India	-2.4%	13 Transpt	0.6%	13 BRL	-3.0%	13 Lumber	-2.4%						
14 Germany	0.3%	14 Hungary	-2.4%	14 Cons Svs	0.4%	14 ZAR	-3.8%	14 Crude Oil	-2.9%						
15 US	0.1%	15 SA	-2.4%	15 Banks	0.4%	15 AUD	-3.7%								
16 Sweden	0.0%	16 Taiwan	-2.4%	16 Media	0.2%										
17 Finland	-0.2%	17 Peru	-2.5%	17 Div Fin	0.3%										
18 Ireland	-0.4%	18 Indonesia	-3.0%	18 Energy	0.5%										
19 Japan	-0.6%	19 Korea	-3.4%	19 Retailing	0.5%										
20 Canada	-0.7%	20 Brazil	-5.2%	20 S/W & Svs	0.8%										
21 Norway	-0.8%	21 Russia	-6.1%	21 Cap Gds	1.0%										
22 Israel	-0.8%			22 Cons Dur/App	1.2%										
23 Singapore	-1.0%			23 Chemicals	2.3%										
24 HK	-1.5%			24 Tch H/W/Eq	2.3%										
25 Austria	-3.3%			25 Semis	2.7%										
				26 Materials	2.8%										
				27 Mining	3.5%										
				28 Auto & Compo	3.8%										

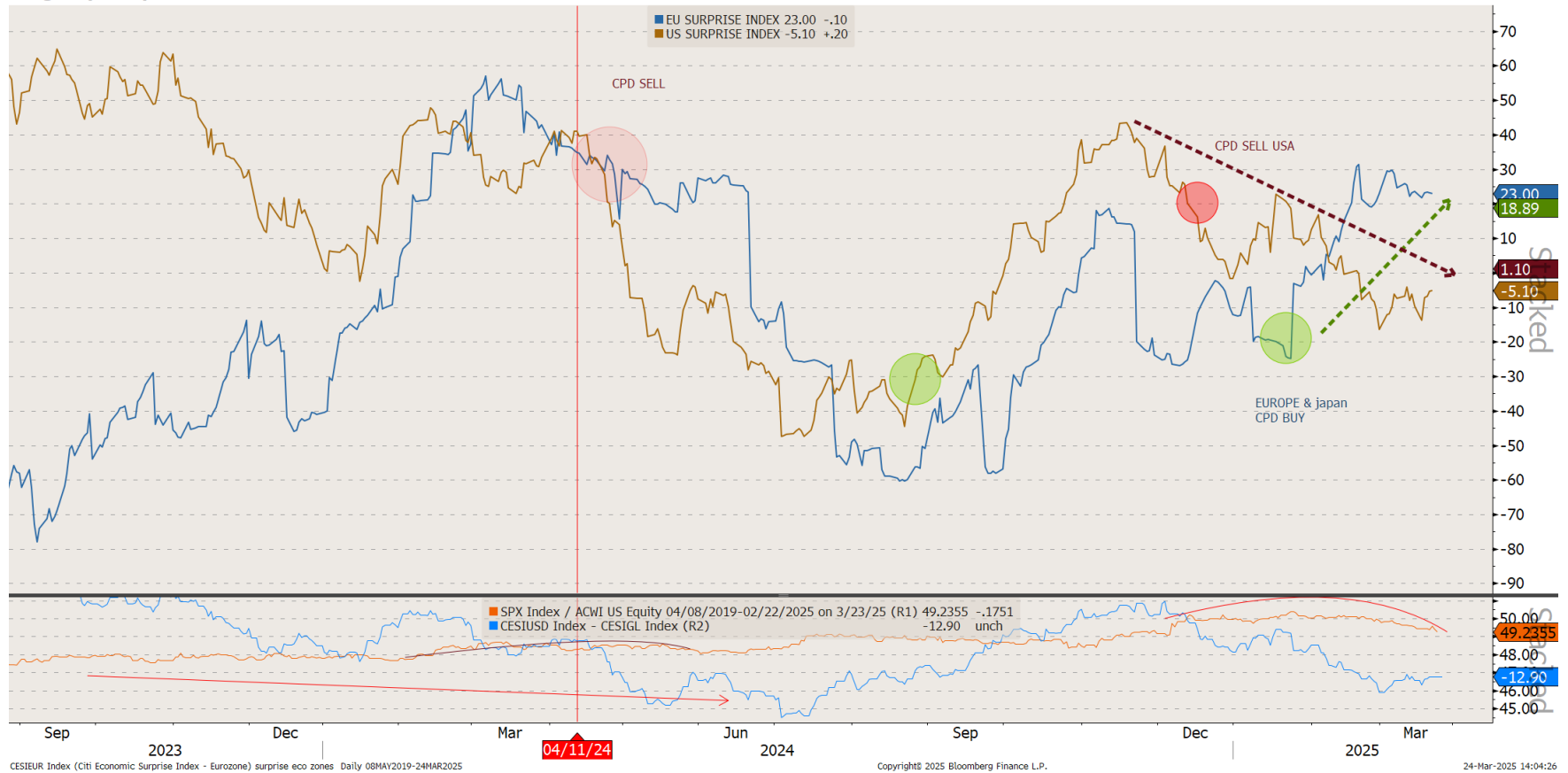


Urizen Views – Kairos From Spring to Fall

Lower economics & high inflation: favors **Low volatility**, Defensives like Communications, Health-Care, Staples; Underweight Discretionary, Materials

US Sectors

Citigroup Surprise Index



Source: Stoff Capital



Urizen Views – From Spring to Fall

Lower economics & high inflation: what is the impact on our US Sector matrix: OW Communications, Health-Care, Staples; Underweight Discretionary, Materials

US Sectors

25.03.2025

Sector Grade (from -100% to 100%)

Period change

S&P 500 Sector ranking

S&P 500 Weight per sector

Weight

Trend

Contrarian trend

Relative valuation since 1995

Earning momentum

Short-term intra sector perf

Factors

Contrarian Sentiment

Weight (OW, Neutral, UW)

Catalyst (green: bullish; red:bearish)

Sentiment details

12month etf flows

3month etf flows (3m=72,20d=26)

20d etf flows (too high is negative)


smart sentiment

CHG_PCT_1m

Rank 1 month return

Source: Stouff Capital

		XLF	XLE	XLV	XRT	XLI	XLP	XLB	XLC	XLU	XLK	XLRE	
		19%	-13%	1%	-34%	20%	4%	-31%	25%	-1%	-6%	-16%	
		↓	↓	↓	↓	↓	↓	↓	↓	↓	↓	↓	
		3	8	5	11	2	4	10	1	6	7	9	
		Financials	Energy	Health Care	Discretionary	Industrials	Staples	Materials	Communication	Utilities	Technology	Real Estate	
		14.4%	3.5%	11.0%	10.4%	8.4%	5.7%	2.0%	9.4%	2.5%	30.4%	2.8%	
		60%	↓ 10%	↓ -30%	↓ -20%	↓ 30%	↓ -10%	↓ -100%	↓ 30%	↓ 0%	↓ -70%	↓ -50%	
		-3%	↓ -11%	↓ -2%	↓ 3%	↓ -2%	↓ 8%	↑ 3%	↓ 2%	↓ 2%	↑ 3%	↓ 2%	
		-37%	↓ -16%	↓ -34%	↑ -50%	↑ -89%	↓ -35%	↓ -49%	↑ 26% adjus. with GICS chg	↑ -79%	↓ -58%	↑ 46%	
		28%	↓ -61%	↑ 61%	↑ -28%	↓ -33%	↓ -11%	↑ -17%	↓ 67%	↑ 17%	↑ 83%	↑ -56%	
		67%	↑ 100%	↑ 75%	↑ 8%	↓ 83%	↑ 17%	↓ 50%	↓ 33%	↓ 58%	↓ 25%	↑ 0%	
		yield curv mortgage whol. Spr	Oil	Fed spending drugs deals >65 pop	apparel consumer watch. Sales	dur. Goods PMI manuf	beverage Cpi care Cpi tobac	PPI cement Steel cap uti	rates	rates, prod util.	Equip. Booking mobile sales	Yield curves	
		-53%	↓ -70%	↓ 44%	↓ -78%	↓ 0%	↓ 100%	↓ 0%	↓ 53%	↑ 10%	↓ 100%	↑ 53%	
		9%	↑ -22%	↑ 5%	↓ -4%	↑ 46%	↑ -1%	↓ 13%	↓ -9%	↓ -13%	↓ 56%	↑ -23%	
		OW	N	N	UW	OW	N	UW	OW	N	N	UW	
		(+) Deregulation, capital market IPO	Oil down	(+) Secular Grey economy, rate cut cycle	Turning consumer	Trump loser	Turning consumer	Falling commodities	(+) FANG favored with peak rate increase	IA investment in Data Centers	(+) innovation cycle (AI, cloud), rates peaking	cloud industry warehouse REIT space,	
		(+) easing cycle without recession +10%	(-) Trump = new exploration	(-) Biden pricing war	(+) Inflation decelerating	Harris winner (def, IRA, globalization)	(+) Inflation decelerating	China Bazooka		Rates declining	(-) GDPR, regulation, high PE, Rate cut	Rates declining	
		654	6732	-5848	-2461	-1477	672	-411	-55	-173	2924	-150	899
		-2355	2299	-3654	-226	207	-1015	-139	-269	160	504	-449	227
		17%	16%	8%	-19%	67%	-5%	42%	-17%	-17%	64%	-35%	
		-5%	-100%	-2%	26%	4%	6%	-46%	6%	-6%	41%	0%	
		-1.59	3.58	-1.17	-6.12	-0.47	-5.02	-2.38	-2.95	-1.64	-4.76	-2.45	
		4	1	3	11	2	10	6	8	5	9	7	



Urizen Fractals — Trump 2.0

The steepest corrections of the S&P500 in the last 50 years should not have happened without the rise of political uncertainty triggered by President Trump statements.

Are those statements creating a situation similar to the first Trump mandate ? If yes, you should buy the stock market now.

But is Trump 2.0 different ? Let's check what our fractal approach has to say.

Apocalypse Now in 2016-2020



Market Focus Apocalypse Now

November 14, 2016

This Month's Focus

The Trump victory has opened us one of the strongest divergences amongst stocks and sectors since a long time. "Make America Great Again" could Make Volatility High Again in a scenario we artificially dub "Apocalypse Now".

In this publication, we weigh up the potential shake up in US policy with global macro economic conditions to find interesting investment opportunities.

- In the US, we look at Fiscal Stimulus plans & Normalisation Trades.
- In Europe, four themes catch our eye: Value Growth, Under-Owned & Under-Valued stocks, Industrials, and Share Buybacks.
- In Japan, Fiscal Relief, Inbound Tourism, and Exports draw our attention.
- In China, we would only focus on the e-commerce/internet stocks.



Our view then was:
"make Volatility High again"

Apocalypse Now in 2016-2020

The Brexit vote and Trump's victory may prove to be a pivotal moment in our future textbooks. We see an analogy with the 1848 Spring of Nations, when a rejection of political leadership, and an upsurge of nationalism removed the old feudal structures.

Will the current ballot box revolts spread to the rejection of Europe by the Italians, the French and then the Germans? Donald Trump has been elected as an outsider to the current political elite just like Napoleon III was elected as a rejection of old monarchical powers. And now, we await to see what will be the impact on others regions of the world.

We believe it is the Apocalypse now. But, as T.S. Elliott wrote : «The world ends not with a bang but a whimper», so the anti-establishment new leaders may not make their countries Great again but more certainly Volatility High again.

From FANG to BANG! Trump is an anti-establishment winner, and he may want to avenge himself from this establishment that attacked him: he would prefer listening to the people who voted for him, letting wages increase and reverse a lot of policies favoring some hospital-linked stocks like HCA or even technological companies like Apple. Indeed, Apple should benefit from repatriation discounted tax rate but would be negatively impacted by protectionist trade policy given its global supply chain.

Amazon (war of words between Trump and Jeff Bezos), Netflix (Trump challenging net neutrality) or Tesla could be challenged over the short term.

The best performing industry of the decade, Consumer Discretionary, may under-perform. Facing rising wages and inflation, their top margins should come under pressure. We would reduce our exposure to them and recommend closing our US consumer list.

Market Focus Apocalypse Now

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Our view then was:
“make Volatility High
again”

Scenario 1: Trump 2.0 rhymes with Trump 1.0

Today situation bears similarities with December 2018, triggering many corrections, and even a 20% plunge in the S&P 500, when Trump's tariffs clashed with a tight Fed. At the time, market turmoil forced Powell and Trump to retreat, leading to a Fed pause in January 2019. Today, we may have a Fed put based on that past experience.

The Art of Tragedy

Trump 1.0 started with a lower Dollar, higher equities until tariff war started in 2018



Source: Stoff Capital, bloomberg

USGG10YR Index (US Generic Govt 10 Yr) Art of tragedy Trump1&2 Daily 03DEC2015-25MAR2025

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Scenario 1: Trump 2.0 rhymes with Trump 1.0

The chart below shows that if history repeats itself, correction should be over !

S&P500 in 2018 AND NOW

Normalized As Of 12/03/2018 Daily 11/13/2017 - 6/28/2019 ■ S&P 500 INDEX - Last Price 105.43 ■ S&P 500 INDEX 02/01/2024-09/15/2025 94.43



Source: SC - bloomberg

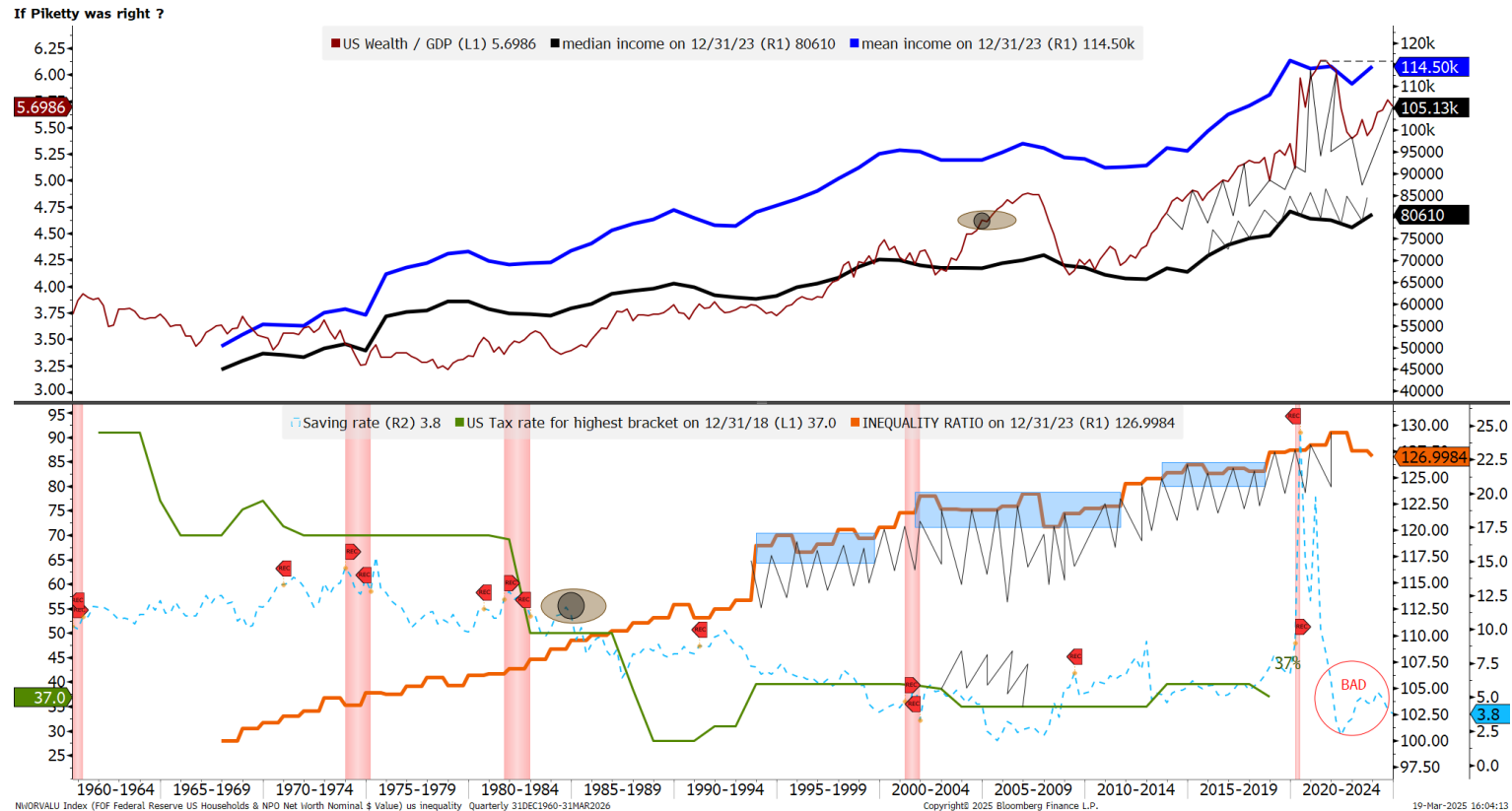
SPX Index (S&P 500 INDEX) S&P500 2018 Daily 13NOV2017-28JUN2019

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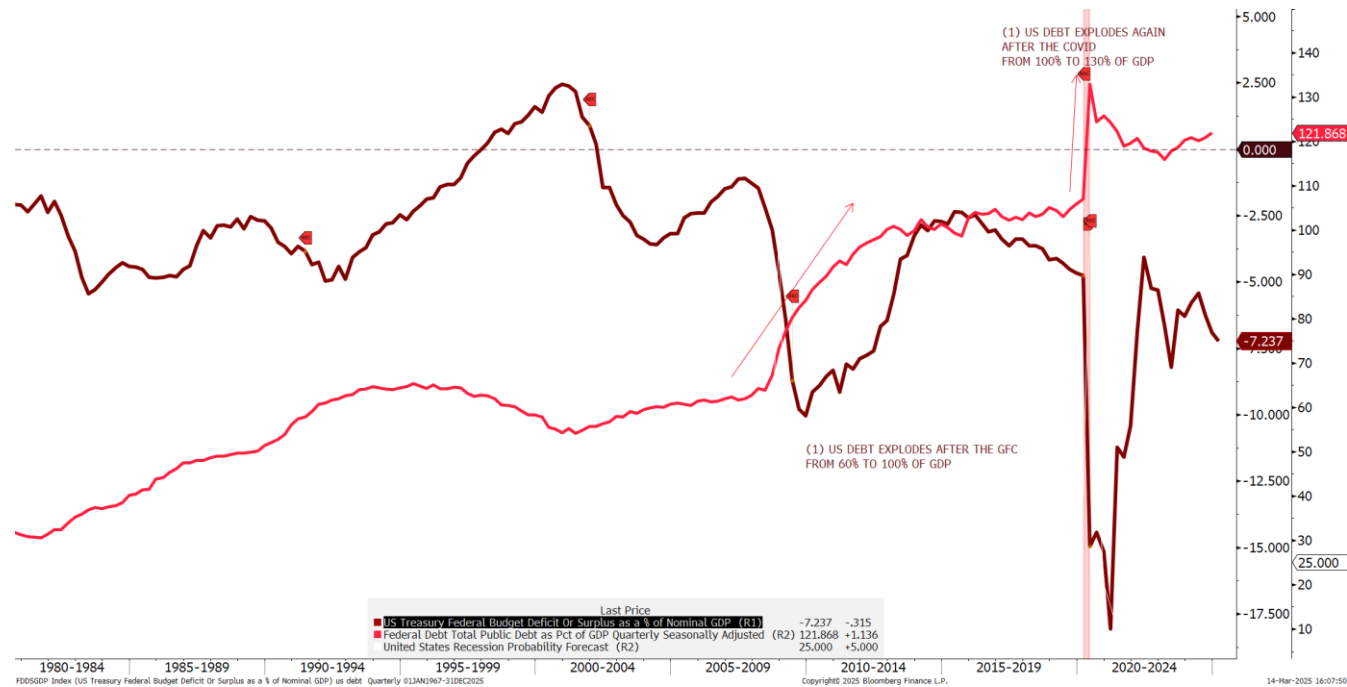
US ELECTIONS: the real reason why TRUMP won

The correction should be over, if Trump 2.0 rhymes with Trump 1.0. But It may be a too optimistic view. Listening to the Bessent podcast on Spotify, Trump 2.0 objectives are more profound, like (1) Reducing the federal budget and national debt, which he attributes to excessive Biden-era spending, by cutting expenditures—particularly through the Department of Energy (DOGE), (2) Addressing the economic struggles of the lower-income population, particularly those burdened by high rents and living costs, so he want interest rates to go down. In fact, the people who bore the losses from 38 years of trade deficits, equivalent to \$42tn in today's money, swung their support to Donald Trump, who promised to implement protectionist policies, and abandoned the Democratic and traditional Republican parties that had allowed this state of affairs to continue and had done nothing to protect them. This \$42tn bill was not borne uniformly by everyone. The people who were forced to pay it were those working in manufacturing, agriculture, mining, and other industries that were directly exposed to competition with foreign products on global markets.



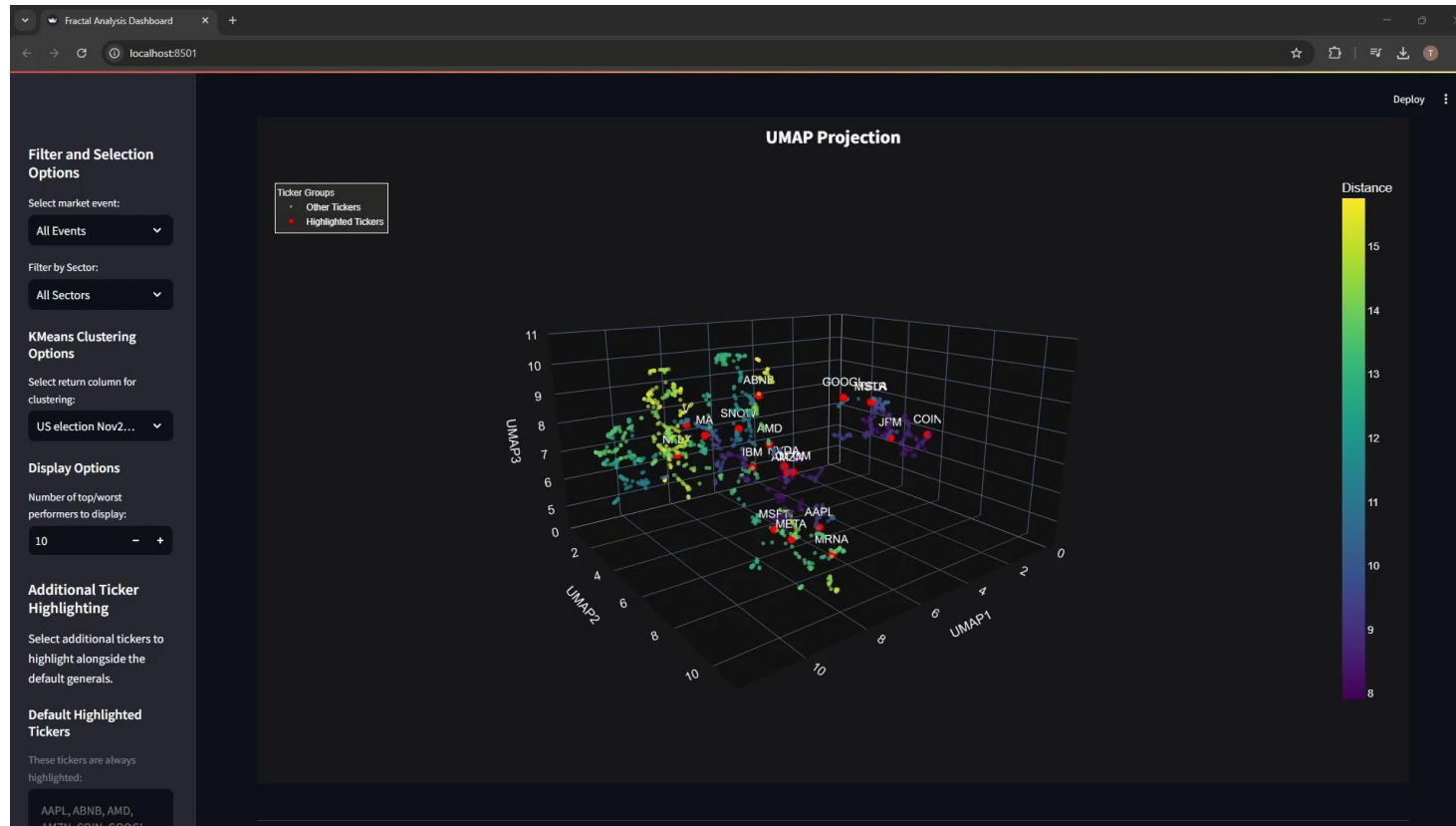
Trump 2.0 is a game changer

1. Is it just Trump's negotiation tactics: Step 1: Say something completely ridiculous that overshoots his desired outcome, Step 2: Retreat from that stance to something more "reasonable" that was the intended goal all along, Step 3: Get what you really wanted, Step 4: Repeat.
2. But the possibility of the new US administration actually imposing tariffs on goods from Mexico and Canada has been a big shock to many US businesses. **Industries around the world took a heavy blow when the pandemic left global supply chains in a shambles, so could the tariffs have the potential to wreak similar damage ? Unlike his first term, the Trump winners have collapsed while the Trump administration has been extraordinarily blasé about falling stocks.**
3. **Tariffs are not only a negotiation stategeme, but a mechanical process.** A 20% tariff increase on China and proposed 25% tariff on Mexico and Canada would equate to a \$150 billion tax hike in 2025, effectively raising the corporate tax rate from 21% to 31%. While tariffs are generally deflationary, financial markets are increasingly recognizing their disruptive potential.
4. The biggest danger is of a self-reinforcing downwards spiral between markets and the economy




Trump 2.0: main winners and losers

We use our fractal approach to identify stocks benefitting and affected by the tariff. As tariffs is likely to be an ongoing, dynamic process for the duration of the second Trump administration, we use many observations (Election day, Inauguration day January 21st, Feb 3rd with tariffs on imports from Mexico, Canada, and China, Feb 10th when Trump announced 25% tariffs on all steel and aluminum imports) to identify companies able to mitigate risk with pricing power, reorganization of supply chains, or inventory stockpiling. The Trump 2.0 fractal has become noisy with the “January 27th Deepseek” fractal, making things even more complex.



While animal spirits hibernate in the USA, they are moving to Europe and more specifically Germany. This is the return of “Der Kaiser”.

Let’s dig in our second fractal:



Urizen Fractals — Der Keiser



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Urizen Fractals – Der Kaiser

Worried that they could no longer count on the U.S. to help defend their interests, German leaders announced days later that they would break with decades of history by freeing up borrowing to fund a buildup in their military. European Union officials also outlined a plan to raise hundreds of billions of euros for defense, and a relaxation of fiscal rules at the national level.

	Industries/ themes	actors
Winners	Defense	German Single-names are RHM GY, HAG GY, R3NK GY, TKY HY, then non German LDO IM, HO FP, Saab, BAE Systems
	Defense enablers	German banks (CBK GY, DBK GY), automobiles, chemicals like BASF, steel firms like MT NA
	Infrastructure	HEI GY, SIE GY, then other European St-Gobain, Vinci
	Green touch	RWE, Veolia
	Germany	MDAX, European industrial Mid and small caps
Losers	US defense companies	LMT US , GD US, AXON US,
	Indebted European stocks	Real estate like Vonovia

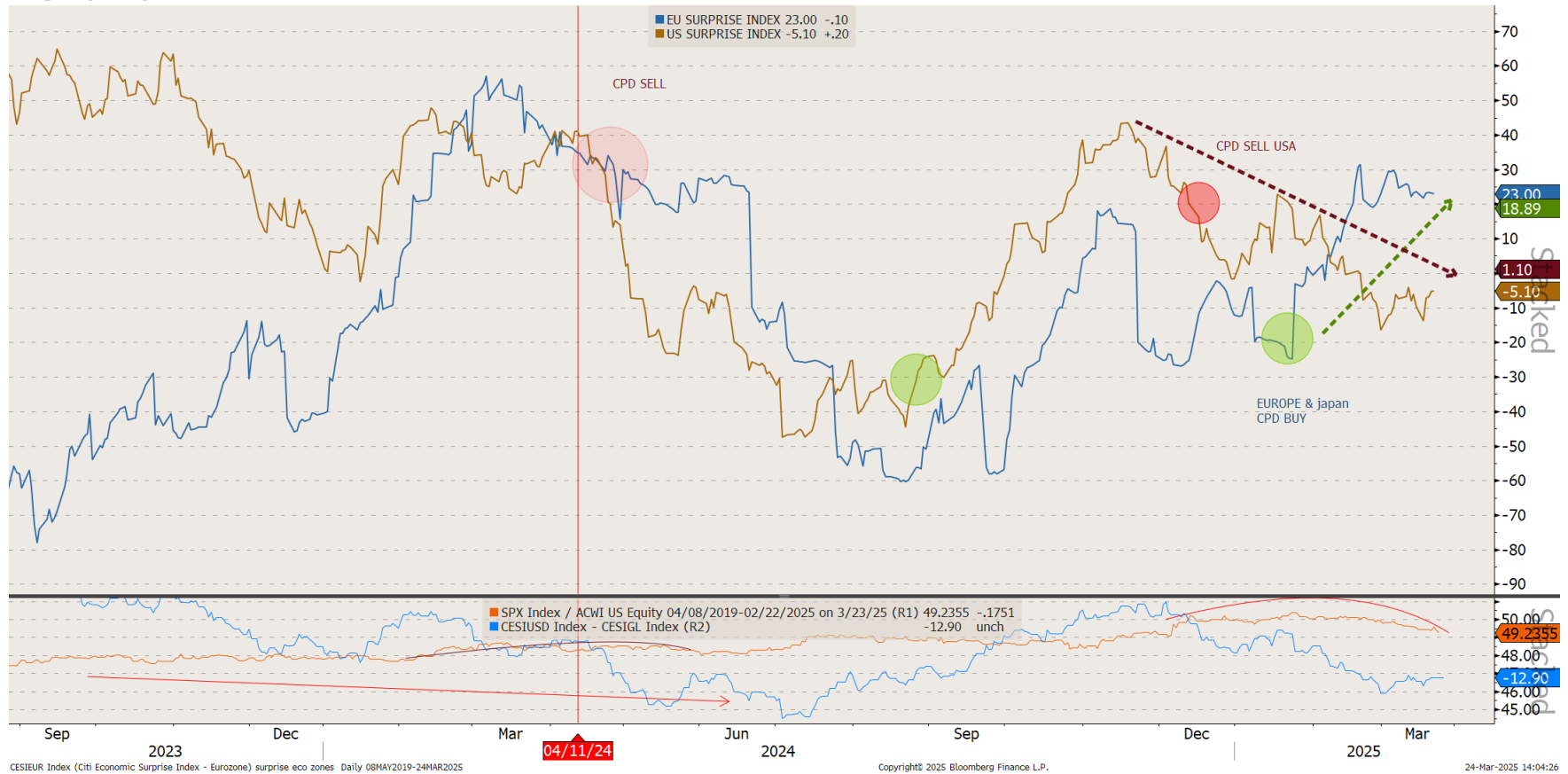
Source: Stouff Capital

Urizen Views – Europe in Summer

Higher economics in Europe: favors Banks, Tech and utilities; Underweight Real Estate, Health-care, Discretionary

EU Sectors

Citigroup Surprise Index



Source: Stouff Capital



Urizen Views – Europe in Summer

Higher economics: favors Banks, Tech and utilities; Underweight Real Estate. Health-care, Discretionary

EU Sectors

25.03.2025

Sector grade (-100 to 100%)

Period change

Europe Sector ranking

Stoxx 600 Weight per sector

Trend

Contrarian trend

Relative valuation since 1995

Earning momentum

Short-term intra sector perf

Factors

Sentiment

Weight (OW, Neutral, UW)

Catalyst (green: bullish; red:bearish)

Sentiment details

3month etf flows

etf flows

smart sentiment

CHG_PCT_1m

Rank 1 month return

	SX7PEX	SXEPEX	SXDPEX	SXAPEX	SXNPEX	SX3PEX	SXPPEX	SXKPEX	SX6PEX	SX8PEX	SREEEX
Sector grade (-100 to 100%)	40%	32%	-1%	-26%	35%	25%	28%	39%	53%	45%	-46%
Period change	↑	↑	↑	↓	↑	↓	↓	↓	↓	↑	↑
Europe Sector ranking	3	6	9	10	5	8	7	4	1	2	11
	Financials	Energy	Health Care	Discretionary	Industrials	Staples	Materials	Communication	Utilities	Technology	Real Estate
Stoxx 600 Weight per sector	16%	5%	14%	16%	14%	12%	6%	4%	5%	6%	1.1%
Weight	100.0%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Trend	100%	100%	-30%	-54%	100%	55%	58%	100%	100%	100%	-100%
Contrarian trend	0%	-12%	10%	0%	-2%	0%	0%	-5%	-15%	2%	11%
Relative valuation since 1995	-20%	52%	-8%	55%	-51%	6%	3%	19%	38%	25%	-50%
Earning momentum	37%	-70%	18%	-50%	37%	4%	-53%	5%	52%	-72%	0%
Short-term intra sector perf	76%	67%	-33%	-80%	44%	-39%	45%	33%	55%	-22%	-45%
Factors	yield curv Italy NPL TLTRO	Oil	drugs deals >65 pop	Retail sales German tyres autos	PMI manuf ind. Prod	beverage Cpi tobac	PPI cement Steel cap uti	rates	rates, nat gaz	Equip. Booking mobile sales	rates
Sentiment	-18%	-70%	67%	11%	30%	33%	56%	-30%	35%	100%	-30%
Weight (OW, Neutral, UW)	OW	N	UW	UW	N	N	N	N	OW	OW	UW
Catalyst (green: bullish; red:bearish)	Better balance sheets	Oil down	(+) Secular tailwinds with Grey economy	weaker consumer	EU Recovery fund	weaker consumer	(+) EU go green Recovery plan (-) lower raw mat.	(+) EU Recovery plan & lower capex	(+) EU Recovery plan, AI data centre, lower rates	AI driving innovation cycle	defensive, lower rates
Sentiment details	1916	1469	-8	-5	206	542	15	-135	-89	-52	-12
3month etf flows	2/3	-62%	-15%	9%	0%	-63%	33%	6%	-31%	0%	13%
etf flows	1/3	-17%	-45%	30%	-17%	-16%	-14%	-17%	4%	-17%	-28%
smart sentiment											
CHG_PCT_1m	6.53	4.93	-3.93	-6.47	3.49	-0.80	-0.31	1.01	3.39	-3.03	-5.38
Rank 1 month return	1	2	9	11	3	7	6	5	4	8	10

Source: Stouff Capital



Urizen Fractals – Der Kaiser Winners: German Mid-Caps

Technical chart & relative performance



Source: **Stouff Capital, bloomberg**
 MDAX Index (Deutsche Borse AG DAX Mid-Cap Index) MACRO CHART Daily 20MAR2020-19MAR2025

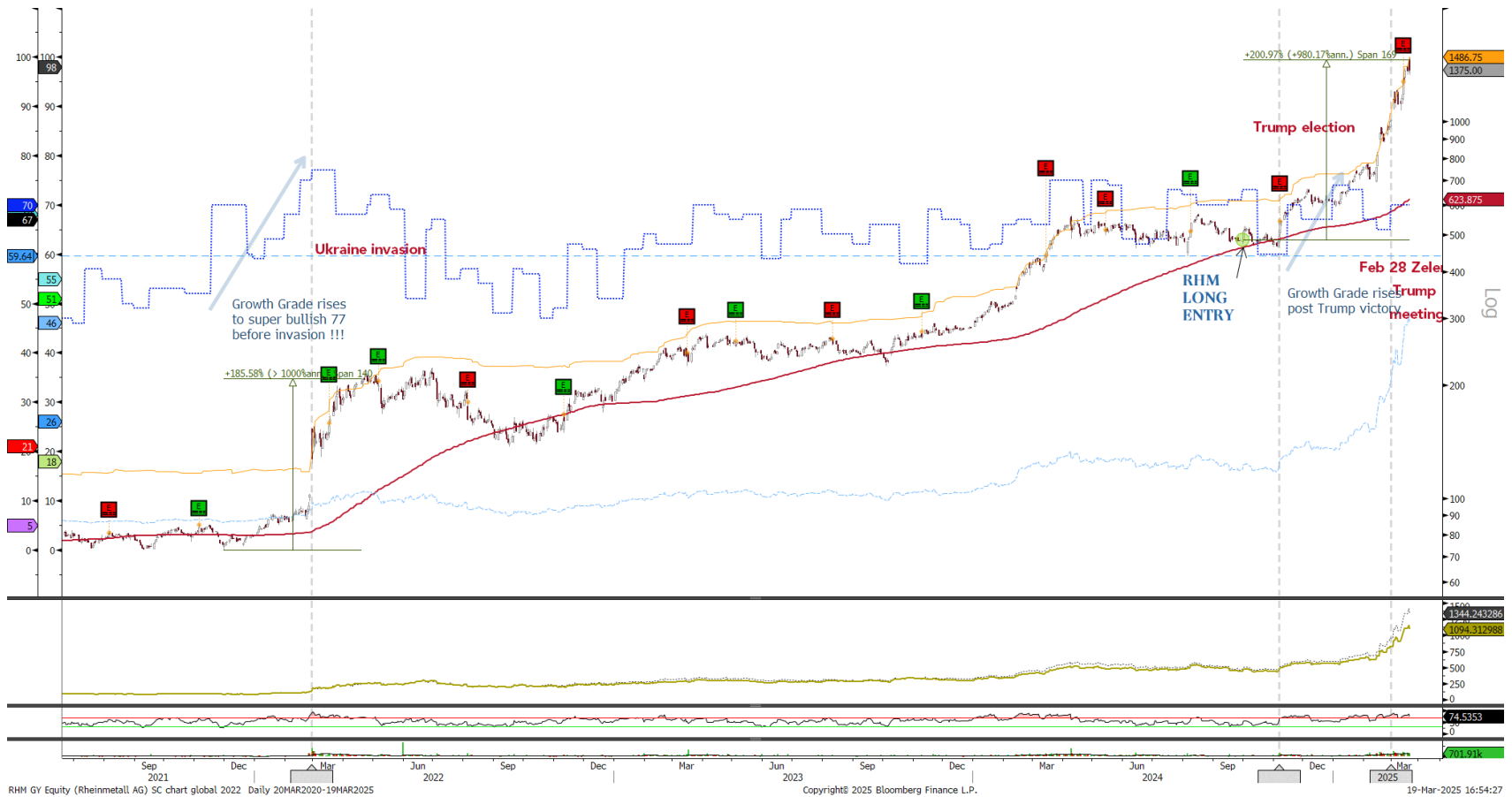
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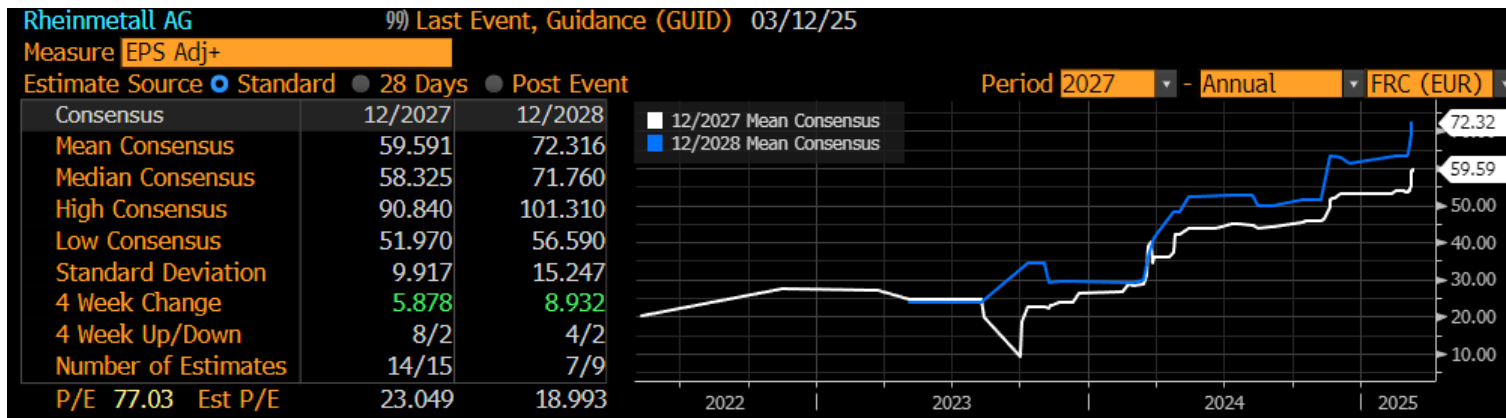
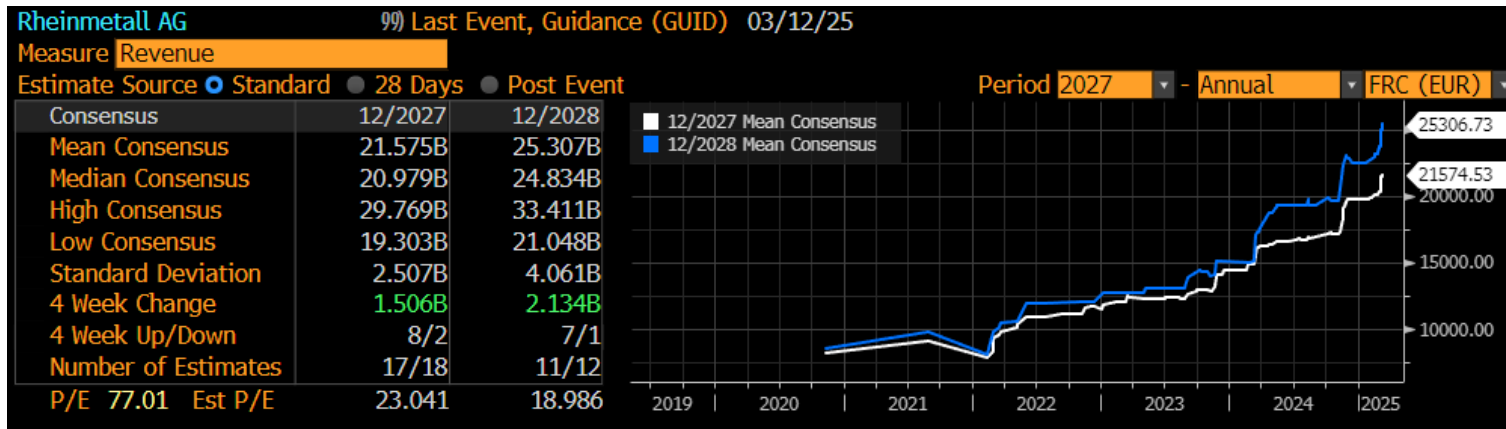
Urizen Fractals – “Der Kaiser” Winners: buy Rheinmetal

Rheinmetall’s growth is unprecedented, with EUR 100bn+ in potential orders and rising EU defense spending. The market hasn’t priced in this tech-like expansion, making it a rare long-term winner. Our PT to EUR 2,000



Urizen Fractals – “Der Kaiser” Winners: buy Rheinmetal

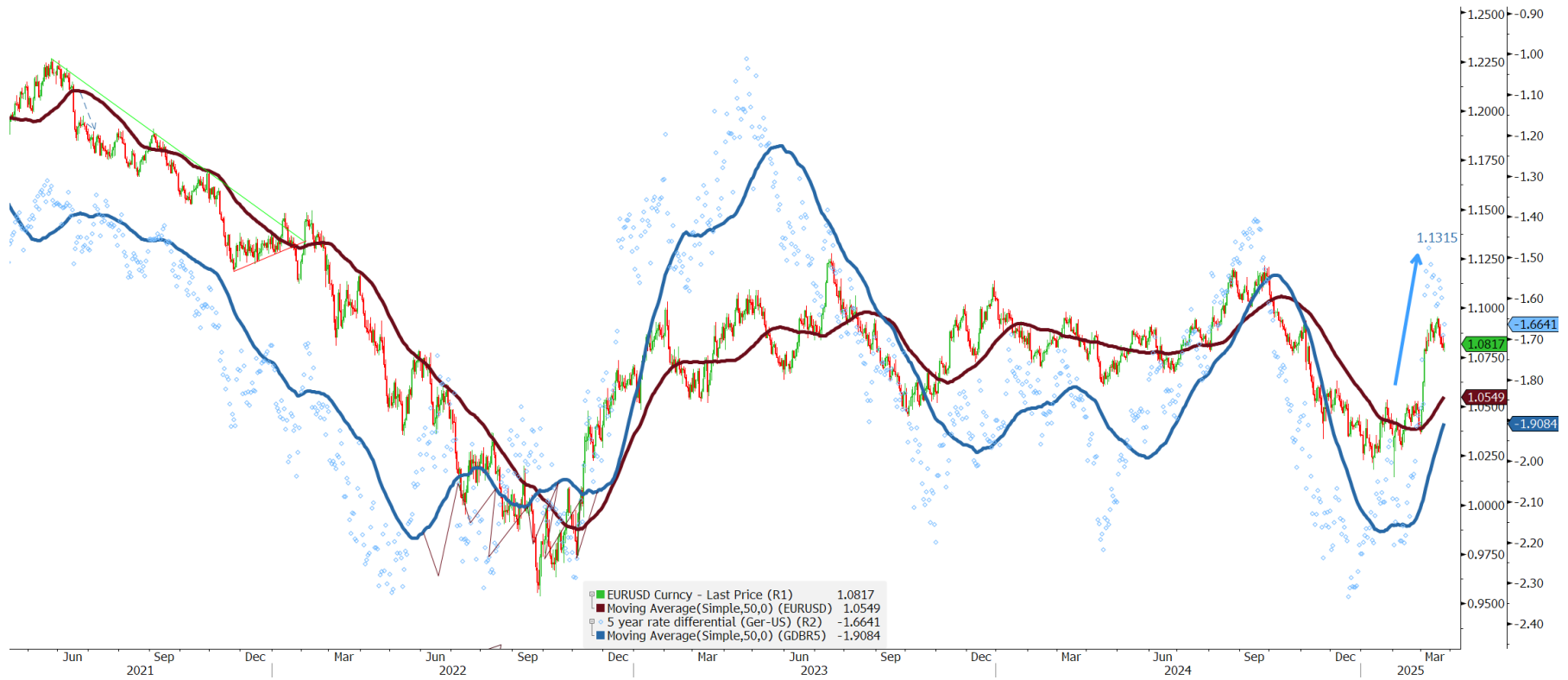
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Urizen Fractals – “Der Kaiser” Winners: the Euro

President Trump has launched an unprecedented challenge to a geopolitical order that has prevailed for decades. One potential victim: the U.S. dollar and by ricochet the US exceptionalism. Another way to play Der Kaiser include long EUR/USD

EURO VS DOLLAR WITH 5 YEAR RATES DIFFERENTIAL BULLISH EURO TO 1.09



Source: SC G822 - BGG
EURUSD Currency (EUR-USD X-RATE) st eurusd regression Daily 13APR2021-25MAR2025

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Fund Terms

SHARE CLASS	ISIN/ TICKER USD	ISIN/ TICKER EURO	ISIN/ TICKER CHF	MIN. INVESTMENT	MANAGEMENT FEE	PERFORMANCE FEE
A1	KYG9410B1115	KYG9410B1032	KYG9410B1453	\$100,000	0.00%	35.00%
	URIZEAU KY	URIZENLS KY	URIZEAC KY			
A2				\$50,000,000	0.00%	25.00%
B1	KYG9410B1297	KYG9410B1370	KYG9410B1529	\$500,000	2.00%	15.00%
	URIZEBU KY	URIZEBE KY	URIZEBC KY			
B2				\$5,000,000	1.50%	15.00%
B3				\$25,000,000	1.25%	15.00%
C1				\$100,000	2.00%	20.00%

FUND INFORMATION

Domicile	Cayman Islands	Prime Broker	Interactive Brokers LLC, JP Morgan
NAV Valuation	Weekly (2 days redemption notice)	Administrator	Apex Funds Services
Auditor	Deloitte & Touche LLP	Bank	Northern Trust
Redemption fees	2% within 6 months, 1% within 2 years	Legal Advisers	Simmons & Simmons in the United Kingdom, Maples Group in the Cayman Islands, Seward & Kissel LLP in the United States



END

It seems safe to say that the animal spirits engendered by President Trump's victory in November have given way to serious and widespread concerns about the new world economic order. Trump's erratic rollout of his tariff policy and slashing government have prompted a market selloff and could lead to a recession.

It has also spurred on one of the strongest dispersions amongst stocks and sectors since a long time. "Make America Great Again" could Make Volatility High Again in a scenario we satirically dub "Apocalypse Now". We think Urizen is a good solution to navigate those uncertain times with its convexity tilt.



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