



518am
Reliable yield

**MONTHLY LETTER TO THE SHAREHOLDERS
OF 518AM DELTA-NEUTRAL STRATEGIES SP**

November 2025



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November was a stress test for the market, with Bitcoin crashing 17%. Yet, amidst all the volatility, the investment strategy delivered a steady 0.43% gain. This performance perfectly illustrates the power of our delta-neutral strategy: decoupling from market chaos to generate consistent, uncorrelated returns regardless of price action.

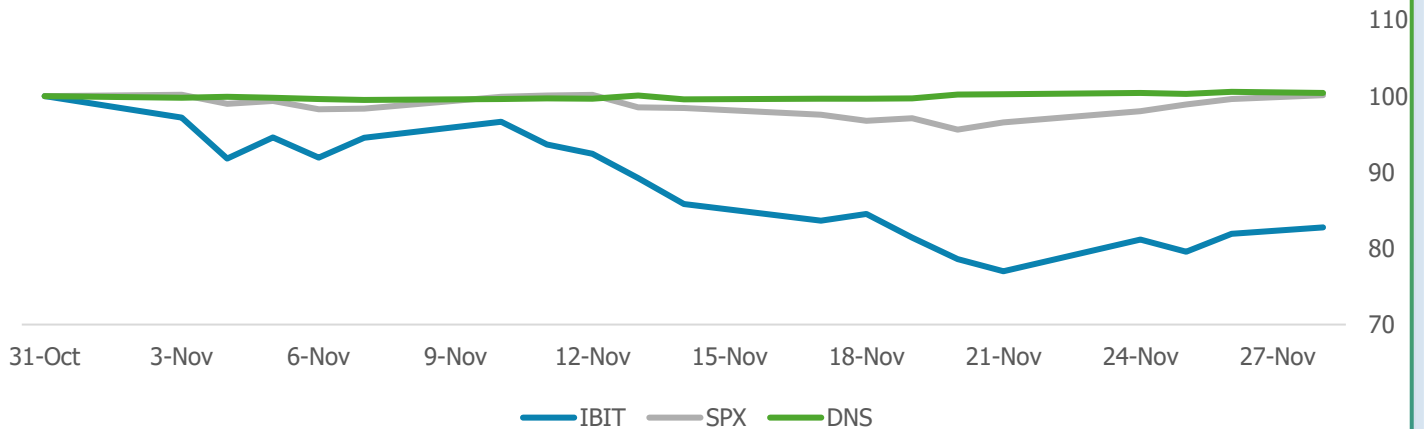


The Institutional Anchor

While the market fixated on the price drop, the most significant news of the month was the quiet, irreversible march of institutional and sovereign adoption. Three major developments signal that the "adults" are not just watching, but entering the room. First, the Czech Republic announced a strategic investment into a Bitcoin reserve, marking a historic shift of a sovereign nation treating digital assets as a treasury standard. Simultaneously, the

banking sector received a massive green light: the Basel Committee is rethinking its crypto rules, potentially opening the floodgates for global banks to hold stablecoins and crypto assets on their balance sheets. Finally, JPMorgan—led by a CEO who once famously dismissed the asset class—is doubling down with its JPM Coin deposit token. When the world's largest bank, sovereigns, and regulators all move in the same direction during a bear market, the signal is undeniable: adoption is high.

Relative performance - stability is key

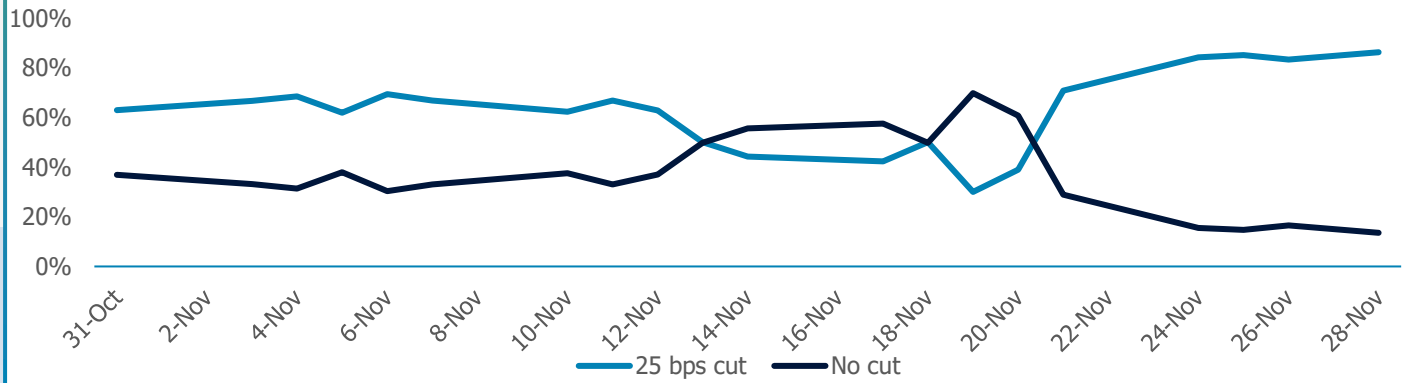


The chart above tells the most important story of November. It visualizes the stark reality of market correlation versus the stability of our Delta-Neutral Strategy (DNS). While the broader crypto market, represented by the iShares Bitcoin Trust (IBIT), suffered a severe drawdown of over 17%, and even the S&P 500 (SPX) struggled to find direction, our fund remained steadfast. You can see the IBIT line plunging, reflecting the chaos and volatility that defined the month for directional investors. In sharp contrast, the DNS line (our fund) is a steady, upward trajectory, completely unbothered by the storm.

This is not just about avoiding losses; it is about the structural advantage of our approach. By neutralizing price risk, we transform volatility from a threat into an opportunity. When the market bleeds, we don't just survive—we continue to compound. This month serves as a perfect stress test and validation: in a sea of red, we delivered consistent, uncorrelated yield.



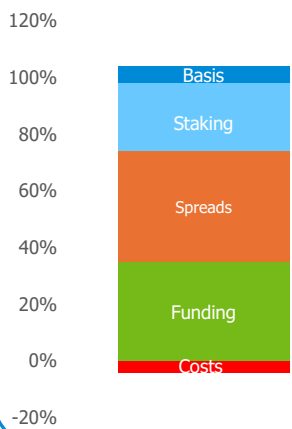
US Interest Rates - Odds of a Rate Cut this December



November witnessed a dramatic repricing of Fed expectations. Mid-month, the market was bracing for a pause, with the probability of a rate cut dipping as low as 30%. However, the tide turned aggressively by month-end, with data now pricing in an 86% chance of a 25-basis-point cut.

This pivot is critical. Historically, Bitcoin price action shares a remarkably high statistical correlation with global liquidity conditions; when the Fed eases, crypto assets don't just respond, they amplify the signal. For our delta-neutral strategy, this is the perfect storm. A return to easing ignites risk appetite, driving a surge in demand for leverage across the ecosystem. As traders aggressively borrow to go long, futures premiums expand, significantly widening the basis. We stand ready to capture this spread, benefiting from the market's bullish exuberance without ever taking a directional bet.

Performance attribution December 25



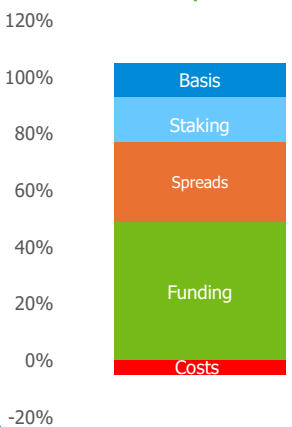
Going into November, the book was relatively under-levered. Our main objective this month was to re-enter the market when opportunities presented themselves. We've managed to add risk selectively, but overall opportunities have remained subdued. The market continues to be weighed down by large sellers and unwinding of leveraged positions, which has made monetising our core strategy more challenging. Despite that, the portfolio has remained positive in what has essentially been an absolute bear environment, reinforcing we remain uncorrelated to the broader market direction.

Performance this month has been varied across our strategies. Our variable overnight funding trades were largely neutral, while the longer-term basis positions contributed more. Most of the trades we did manage to put on throughout this month were cross-exchange opportunities, that typically show up more often in these choppy and bearish markets, especially in the lower market-cap coins where levered traders tend to take outsized positions which are prone to forced liquidations.

Although this subset of trades represents a small percentage of the overall portfolio, it has been an outsized contributor this month.

Looking ahead to December, we haven't seen the market this polarised in some time. Our strategy is intentionally emotionless and doesn't require us to predict market direction, but macro dynamics do influence how we position between sub-strategies. Potential rate cuts in the US, hikes in Japan, potential stretched AI valuations, the end of QT and a still sticky inflation environment could indicate December being just as volatile as November. The good news is we are set up to navigate it the same way we have this month.

Performance attribution Since inception



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Schedule a meeting with your manager



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