

01 // ANNUAL INVESTMENT REPORT

# JARE Investments 2025 Annual Report

ARAD Volatility-Targeting Strategy

JANUARY 2025 – DECEMBER 2025

The 2025 fiscal year validated the ARAD System's core thesis across a full market cycle. Bitcoin declined **-6.20%** on a buy-and-hold basis while the ARAD strategy generated a gross return of **+34.53%** – an alpha spread of **+40.73 percentage points** over the passive benchmark. This demonstrates the system's primary objective: to consistently accumulate Bitcoin purchasing power by outperforming the underlying asset through disciplined volatility management.

The ARAD System segments market data into drawdown tranches to mathematically project expected returns, dictating exposure levels with zero emotional interference. In 2025, this framework produced **9 of 12 positive months** (75% hit rate), a Sharpe ratio of **1.49**, and a maximum drawdown of **-8.48%** – significantly below Bitcoin's benchmark drawdown over the same period. The October 2025 return of **+19.5%** was the year's highest, capturing a momentum acceleration while the strategy's risk controls limited drawdown during the November correction.

**+34.53%**STRATEGY GROSS RETURN  
(USD)**~+27.62%**TYPICAL NET RETURN (AFTER  
FEES)**-6.20%**

BTC BUY-&amp;-HOLD 2025

**+40.73%**

ALPHA VS BTC BENCHMARK

**1.49**

SHARPE RATIO (FULL YEAR)

**-8.48%**

MAXIMUM DRAWDOWN

**9 / 12**

POSITIVE MONTHS (75%)

**+36.04%**

BTC PURCHASING POWER GAIN

02 // MONTHLY ATTRIBUTION GRID - 2025

JAN <b>+3.6%</b>	FEB <b>-1.9%</b>	MAR <b>+1.4%</b>	APR <b>+4.5%</b>	MAY <b>+1.5%</b>	JUN <b>+0.8%</b>
JUL <b>-2.1%</b>	AUG <b>+5.6%</b>	SEP <b>+1.3%</b>	OCT <b>+19.5%</b>	NOV <b>-6.0%</b>	DEC <b>+3.8%</b>

03 // FEE STRUCTURE & NET RETURNS

CONCEPT	RATE / NOTE	PER \$100,000 PORTFOLIO
Initial Capital (AUM)	100.00%	\$ 100,000.00
Strategy Gross Return (before performance fee)	<b>+34.53%</b>	<b>\$ 34,530.00</b>
Management Fee (2% annual on AUM)	-2.00%	\$ (2,000.00)
Performance Fee (20% on net profits, per investor)	~-6.91%	~\$ (6,910.00)
<b>Typical Net Investor Return</b>	<b>~+27.62%</b>	<b>~\$ 27,620.00</b>
<b>Capital Distribution (Initial + Net)</b>	<b>~127.62%</b>	<b>~\$ 127,620.00</b>

\* Performance fee (20%) is calculated on net realized profits above each investor's high-water mark. Actual net returns vary per investor based on entry date and individual fee arrangements. Taxes are assessed individually per investor jurisdiction.

04 // BITCOIN PURCHASING POWER

**1.0699 BTC**

START OF 2025 (PER \$100K)

→

**1.4557 BTC**

END OF 2025 (PER \$100K)

**+36.04%**

Through active management, the portfolio grew its Bitcoin purchasing power from 1.0699 BTC to 1.4557 BTC per \$100,000 – a **+36.04%** increase in hard-asset purchasing power, the ultimate benchmark for JARE Investments.

**José Andrés Ruiz Elizondo**  
 Founder & Chief Investment Officer  
 JARE Investments

**DISCLAIMER:** JARE Investments is a private mandate. All returns are presented on a \$100,000 reference portfolio basis. Gross return of +34.53% is before performance fees. Typical net return of ~+27.62% assumes standard fee arrangements; actual net returns vary per investor based on entry timing and individual fee agreements. Past performance is not indicative of future results. This document does not constitute financial advice or an offer to invest.