Walleye Capital Letter:

I believe discipline, humility, and self-awareness are critical to long-term success. Following our worst month since March 2020, in an already challenging 2026, we have taken a hard look at every aspect of our firm. With that in mind, we are simplifying our internal equity long/short business. This decision includes parting ways with our long/short leadership and a substantial portion of our internal long/short investment teams. We are also going to lean into the businesses where we have a proven and differentiated right to win, including our Volatility, Quant and external businesses. Related, we have evaluated the optimal size of the Fund and plan to return a portion of our capital. We will be in touch with you regarding the quantum, timing, and mechanics of the planned capital return.

Our internal equity long/short business has been our weakest-performing strategy since 2023 and has substantially underperformed our external long/short business. Over the past few years, we invested considerable effort in improving the internal business, including bringing in new leadership. Those efforts did not produce the results we expected, and the opportunity cost and resources consumed have been too high relative to the return. It did, however, reinforce an important lesson: our competitive advantage is not going to be trying to replicate the traditional multi-manager equity long/short model. We are not exiting equity long/short as an asset class. We will continue to access equity long/short through our external manager partnerships as we have for over 10 years, continue our day-one long/short external seeding activities, and continue to pursue exposure through our highest conviction long/short PMs. That cohort, as well as incoming internal long/short PMs, will report directly to me.

This decision builds on a broader evolution that began in 2023, when we consolidated two funds into one, strengthened our leadership team, and focused resources on our strongest businesses. Much of that work has succeeded. Volatility is larger, broader, and more profitable today than ever. October was its strongest month on record, and 2026 is on track to be its best year in dollar P&L. We have hired nearly 20 Volatility PMs over the last two years, which is our leading internal PM growth area. Quantitative investing remains a durable franchise for us with a decade-long track record of success, notwithstanding a softer 2026. We have tremendous confidence in Rob and his team and will continue investing in that business both through Quantic and our central quant efforts. Our external equity long/short and seeding investments will remain central to our future, supported by more than a decade of experience and natural strategic alignment with Dockside and our institutional partners. My Partners, Tom (sourcing and relationship management) and Chris (risk management), alongside their teams, will step back into the management of this external long/short business, reporting to me as they did before in 2024 and most of 2025. Our “balance sheet” strategies such as Reinsurance, Treasury Basis, and Equity Capital Markets have also been smaller but valuable additions as Walleye has grown. We will continue to look for interesting opportunities in this area for our investors.

This is a proactive decision and ongoing discussion. We continue to see strong investor demand for more exposure to our Volatility, Quantitative, and external strategies. Feedback from several of our largest partners has reinforced the rationale for simplifying internal long/short as it increases the Fund’s focus on the differentiated businesses that attracted them to Walleye in the first place.

Thank you for the continued support.

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