

Global Arbitrage Fund – US\$ Denominated

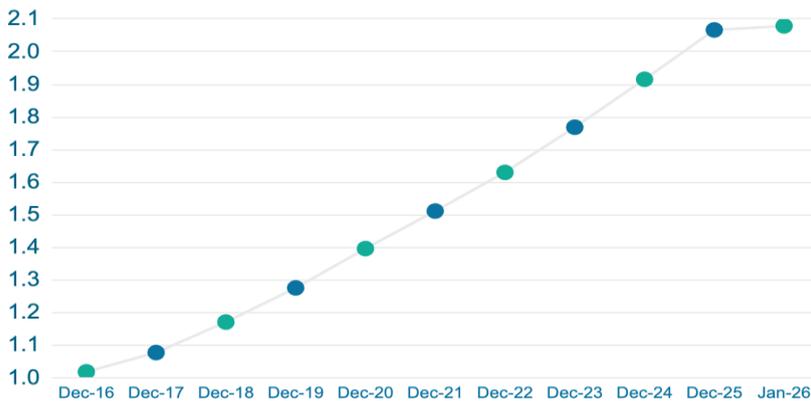
Abans International Ltd, Share Class B (ISIN – MU0646S00002)

COMPANY PROFILE:

Abans International Limited is a Mauritius incorporated company, and holds Category 1 Global Business License under Mauritius Financial Services Act, 2007. The company is licensed under the Securities Act, 2005 as an Expert Fund under The Securities (CIS & Closed End Fund) Regulation, 2008.



CUMULATIVE RETURNS



RISK/RETURN STATISTICS-CLASS B:

As of	31-Jan-26	
30 Day SOFR	3.679%	Annually(%)
SOFR	0.307%	Monthly
Avg Return	7.74%	Annually
Std Dev	0.67%	Annually
SHARPE Ratio	6.01	
Downside Deviation	0.21%	Annually
Upside Deviation	1.34%	Annually
Max Drawdown	-0.02%	
Sortino Ratio	19.44	

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2016									0.72%	0.22%	0.37%	0.50%	1.82%
2017	0.43%	0.50%	0.51%	0.39%	0.61%	0.51%	0.45%	0.50%	0.13%	0.83%	0.80%	0.00%	5.80%
2018	0.88%	1.43%	0.94%	-0.02%	0.73%	0.98%	0.40%	0.46%	1.07%	0.50%	1.01%	-0.02%	8.68%
2019	0.69%	0.70%	0.56%	0.83%	0.73%	0.70%	0.72%	0.72%	0.67%	0.80%	0.81%	0.68%	8.94%
2020	0.86%	0.77%	0.67%	0.83%	0.76%	0.79%	0.67%	0.72%	0.68%	0.80%	0.71%	0.82%	9.46%
2021	0.64%	0.65%	0.65%	0.82%	0.69%	0.68%	0.64%	0.66%	0.67%	0.64%	0.62%	0.60%	8.24%
2022	0.63%	0.70%	0.70%	0.58%	0.61%	0.65%	0.60%	0.55%	0.67%	0.67%	0.65%	0.58%	7.85%
2023	0.70%	0.68%	0.69%	0.64%	0.61%	0.73%	0.65%	0.67%	0.72%	0.84%	0.68%	0.57%	8.49%
2024	0.68%	0.73%	0.68%	0.65%	0.68%	0.78%	0.68%	0.60%	0.64%	0.65%	0.67%	0.57%	8.31%
2025	0.70%	0.68%	0.62%	0.69%	0.62%	0.63%	0.64%	0.66%	0.63%	0.61%	0.64%	0.50%	7.90%
2026	0.60%												0.60%

Subscription / Redemption Frequency	Monthly
Who can Invest	Anyone, except US & Resident Indian Investors
Redemption Notice	Upto 25 th of the month. Quarterly Systematic Withdrawal Plan (SWP) available
Lock In / Exit Fees	Nil
Subscription Fee	1%
Minimum Investment :	USD 100,000 Lower ticket size is available via investment platforms where the fund is onboarded
Management Fee	2% pa (adjusted in NAV)
Performance Fees	20% above 0.50% monthly hurdle rate (adjusted in NAV)

Disclaimer: This is not a guaranteed return product and Investment in the Fund is subject to market and other risk factors. This document is for information purposes only. In no circumstances should it be used or considered as an offer/advise/solicitation to invest in the fund. The external information in this document has been obtained from sources believed to be reliable, but we do not represent that it is accurate or complete. The information concerning the performance track record is given purely as a matter of information and without legal liability on the part of Abans International Limited or any of Abans Group Company/Officer. Any decision by an Investor to offer to buy any of the securities herein should be made only on the basis of the information contained in the relevant prospectus and Investor's risk appetite.

Investment Strategy

The Fund deploys various arbitrage and relative value trading strategies such as location spreads, calendar spreads, statistical arbitrage, pairs trading, etc, designed for sophisticated investors seeking absolute returns with strict drawdown control and minimal directional exposure. The Fund has low correlation to asset classes such as bonds and equities, and is suitable for capital preservation due to its low volatility and limited downside risk.

Some of the strategies across the following commodities - **Gold, Silver, and Copper**, traded across the London Bullion Market Exchange (LBME), Shanghai Futures Exchange (SHFE), Chicago Mercantile Exchange (CME), and London Metal Exchange (LME) are highlighted below along with their risk factors and mitigation to these risk factors.

STRATEGY	TARGETED ANNUAL RETURN	RISK PROFILE
Cross-Exchange Arbitrage	4-6% pa	Low
Calendar Spread Mean Reversion	6-8% pa	Low - Medium
Cross-Instrument Pairs Trading	5-8% pa	Low - Medium
Volatility Arbitrage	6-8% pa	Medium - High
Statistical & Basis Arbitrage	5-8% pa	Medium - High

Combined Portfolio Characteristics

- **Target Annual Return** : 6-8% net of fees
- **Expected Sharpe ratio** : 1.8 - 2.5

STRATEGY1: CROSS-EXCHANGE ARBITRAGE

Cross-exchange arbitrage exploits temporary price discrepancies of identical commodities traded across different global exchanges.

Sources of Arbitrage Opportunity

- **Time Zone Asynchrony**: Different market hours of Asian, European and American Markets.
- **Liquidity Fragmentation**: Large institutional orders temporarily move prices before rebalancing.
- **Currency Fluctuations**: Rapid currency movements create temporary mispricing.
- **Regulatory Differences**: Chinese capital controls create structural price differentials.

RISK	MITIGATION
Currency Risk : FX moves erode arbitrage profit	Dynamic FX hedging using forwards
Technology Risk : System outages or connectivity failures	Multiple data feeds; alternate fallback systems; auto-flatten on disconnect
Regulatory Risk : Capital controls or trading restrictions	Monitor regulatory changes; diversify across jurisdictions

STRATEGY 2: CALENDAR FUTURES SPREAD MEAN REVERSION

Calendar spread trading involves simultaneously buying and selling futures contracts of the same commodity with different expiration dates. These spreads exhibit strong mean-reverting behaviour, creating predictable trading opportunities.

Trading Signal Generation

- **Rolling Mean Reversion Framework:** Positions are taken when calendar spreads deviate meaningfully from their recent historical average, as measured using rolling mean and standard deviation bands.
- **Statistical Entry & Exit Levels:** Trades are initiated when spreads move beyond predefined standard deviation thresholds and are reduced or closed as prices revert toward their historical mean.
- **Risk-Adjusted Position Sizing:** Position sizes are scaled based on the magnitude of the deviation and recent volatility, ensuring consistent risk across trades.

RISK	MITIGATION
Regime Change : Structural shift in term structure	Weekly cointegration tests
Interest Rate Risk : Rate changes affect cost-of-carry	Daily carry recalculation; factor rate expectations into signals
Seasonality Judgement : Seasonal pattern shift or fail	Rolling 5-year seasonal analysis; adjust for structural changes

STRATEGY 3: CROSS-INSTRUMENT PAIRS TRADING

Cross-instrument pairs trading exploits the historical price relationships between related commodities. When one metal moves out of line relative to another, suitable positions are taken with the expectation of mean reversion.

Asset Pair Correlation Matrix

	Gold	Silver	Copper
Gold	1	0.95	0.77
Silver	0.95	1	0.81
Copper	0.77	0.81	1

Why these Pairs Work

PAIR	RELATIONSHIP	KEY DRIVER	WHY IT REVERTS	TRADE LOGIC
Gold/Silver	Monetary Twins	Both precious metals with store-of-value properties	They move together over time	Ratio high → Long Silver, Short Gold, and vice versa
	Industrial vs Safe Haven	Silver has more industrial use than gold	Ratio widens in fear, narrows in growth	
Gold/Copper	Fear vs Growth Gauge	Gold rises in uncertainty, copper in expansion	Ratio signals economic sentiment	Ratio high → Long Copper, Short Gold, and vice versa
	China Demand Link	Copper tracks China construction activity	Extremes signal overbought/oversold	
Silver/Copper	Industrial Cousins	Both have significant industrial demand	More stable than gold pairs	Ratio high → Long Copper, Short Silver, and vice versa
	Lower Volatility	Tighter trading range than gold pairs	More frequent, smaller wins	

STRATEGY 4: VOLATILITY ARBITRAGE

Volatility arbitrage exploits opportunities due to difference between implied volatility (priced into options) and realized volatility (actual market movement). When implied volatility diverges significantly from historical realized volatility, we position for convergence using options and futures combinations.

Core Strategy Mechanics

- **Volatility Term Structure Trading:** Trade the spread between near-term and far-term implied volatility when the curve becomes unusually steep or inverted.
- **Implied vs Realized Spread:** When implied volatility trades at a significant premium or discount to trailing realized volatility, position for mean reversion.
- **Event-Driven Vol Trading:** Position for volatility crush after major scheduled events (FOMC, NFP, China PMI) when implied vol is elevated.

RISK	MITIGATION
Vol Explosion : Unexpected events vol spike	Fully Hedged Option Structure ensures defined maximum risk
Gamma Risk : Large directional move near expiration	Delta-hedged positions; defined-risk option structures
Liquidity Risk : Wide bid-ask spreads in options	Trade only liquid strikes; max 10% of open interest

STRATEGY 5: STATISTICAL & BASIS ARBITRAGE

Statistical and basis arbitrage exploits temporary dislocations between related instruments using quantitative models. This includes spot-futures basis trades, cash-and-carry arbitrage, and statistical mean reversion across multiple related contracts.

Core Strategy Mechanics

- **Spot-Futures Basis Trading:** When futures trade at an abnormal premium or discount to spot (after adjusting for carry costs), we trade the convergence as expiry approaches.
- **Cash-and-Carry Arbitrage:** Lock in risk-free profit when futures premium exceeds cost of financing physical metal until delivery.
- **Statistical Mean Reversion:** Use cointegration and statistical models to identify temporary dislocations across a basket of related contracts.

RISK	MITIGATION
Delivery/Statement Risk : Unexpected delivery obligations	Roll positions before first notice date; no physical delivery
Financing Cost Changes : Interest rate moves alter carry cost	Daily carry recalculation; hedge rate exposure with IR feature
Model Breakdown : Statistical relationship fails	Weekly model validation