

Third Angel Fund Programme • Project

Project name: Third Angel Fund Programme

Initiator: STATE STREET INVESTMENT MANAGEMENT

Project leader: Michael Solecki

Implementation region: Germany

Expected duration: 2 months

Target return: 300% (without leverage)

Main trading strategy: Fund rotation, AI quantitative trading strategies, intraday high frequency trading

Intelligent trading system: EMAlpha

I. Project background and objectives

Against the background of the evolving global financial market structure and increasing institutionalization, asset allocation is changing significantly. Based on the successful experiences of the first two phases, State Street Group now officially launches the "Third Angle Fund Program", aiming to provide a clear, stable and profitable quantitative fund investment solution for high-net-worth investors and professional clients by integrating AI systems and institutional trading strategies.

This program is led by State Street Group's German team and builds on the group's core competencies in cross-market capital allocation, trading technology systems and risk management. An institutional trading process and post-investment operations framework is developed, which aims to ensure the safety of invested capital while increasing medium-to short-term compound interest income.

II. Technological basis and system support of the project

The central trading system of this program is the emalpha intelligent quantum system developed by State Street Group. It is based on machine learning, statistical models, structured arbitrage algorithms and an intraday trading module and offers the following core benefits:

- Fully automated model decision mechanism: reduces human intervention and ensures consistency and discipline in trading.
- Multi-factor selection and timing module: Covers multiple dimensions such as valuation, profitability, industry trends and capital flows.

- Algorithmic Trade Execution Engine: Supports common execution algorithms such as VWAP, TWAP and active high-frequency orders.
- Position and risk management system: Integrates multi-level capital management logic, including pyramid wager, trend stop loss and capital funnel mechanism.
- Real-time monitoring and performance evaluation functions: Ensures transparency of strategy, control of execution and traceability of results.

Executing trade orders through the EmAlpha system can largely avoid the common disadvantages of retail investors, such as emotional influence, delays in execution and high transaction costs. Thus, a professional investment cycle with "data-driven decisions and system-driven execution" is realized.

III. Market environment and strategy adjustment

According to the analysis and model backtests of this program, the German equity market offers the ideal basis for the successful use of quantitative models with stable macropolicies, faster sector rotation and high liquidity.

The implementation of the project will be based on the following three strategies:

1. Fund rotation strategy: Switching between sector/thematic ETFs and high-quality stocks to track changes in cash flow.
2. Quantitative stock selection and timing strategy: Combination of multi-factor models and market sentiment indicators to select promising stocks in the trend confirmation stage.
3. Intraday high-frequency trading: short-term arbitrage operations in the crucial periods of market volatility to increase the speed of capital turnover.

The overall strategy is very consistent in its logic with the current main methods of large global institutions. It can effectively hedge non-systematic risks and build a relatively safe source of income in volatile markets.

IV. Implementation mechanism and risk management system

To ensure the safety of investments and compliance with trading regulations, this program has been fully integrated into State Street Investment Management's internal risk management and compliance processes. The specific execution details are as follows:

- Independent custody of capital accounts: Project funds are centrally managed by an independent third-party account management service.
- Full Systematic Execution: The trading process is carried out automatically by the EmAlpha system, including order placement, cancellations and profit/loss management.

Daily Net and Risk Reports: Regular reports on net worth, positions and a summary of strategy operations are published to participants.

- Clear exit mechanisms: positions are automatically closed and funds liquidated when profit targets are reached or system alerts are triggered.

Compliance Audit and Archiving Management: The program complies with German and European securities laws and regulations and is supported with full compliance documentation.

V. Investment Structure and Return Forecast

This program is designed as a closed cycle with a duration of 60 calendar days, with a target return of 300%. The expected revenue sources mainly include:

- Structurally induced excess returns through quantitative stock selection
- Rolling gains from high-frequency intraday strategies
- Arbitrage profits from the rotation strategy
- Optimization of earnings growth through capital reinvestment and compound interest effects

Assuming that no leverage is used and risk management is fully covered, this target return was supported by the practical tests of the first two phases and systematic backtesting, confirming its feasibility and model basis.

VI. Conclusion and risk information

The "Third Anchor Fund Program" is an integral part of the long-term systematic practice of State Street Group's quantitative investment strategy and represents the deep integration of institutional trading technologies and medium-to short-term profit logics. We are convinced that this program, under the guarantee of systematicness, discipline and professional execution, will provide a truly replicable, risk-controllable and targeted investment solution for qualified investors.

State Street Investment Management hereby assures that all operations of this project comply with regional regulations and compliance requirements and that the investment risk is within controllable limits. Nevertheless, unpredictable systemic risks remain in the markets. Investors should therefore participate cautiously according to their own risk appetite.

We invite investors with professional judgment and capital management awareness to participate in this round of collaboration and jointly benefit from the structural profit opportunities within the framework of this systematic change.

STATE STREET INVESTMENT MANAGEMENT

Responsible: Michael Solecki

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