

Product FAQ

Byzantine Prime

Frequently Asked Questions.

Product FAQ

ABOUT BYZANTINE

- › What is Byzantine?
- › How does it work?
- › Do I need to know digital assets to use Byzantine?
- › How does Byzantine compete with established players? What makes your risk profile superior?

DIGITAL ASSET BASICS

- › What is a stablecoin?
- › How are stablecoins kept at \$1/€1?
- › Where are stablecoins held?
- › What is a lending market?
- › What is a smart contract?

PRODUCT DETAILS

- › What asset is the vault denominated in?
- › What's the payout currency?
- › What is meant by active risk monitoring and continuous rebalancing?
- › What are "PTs" and "YBS"?

WITHDRAWALS

- › How 'instant' are the withdrawals? Does this apply regardless of withdrawal size?
- › What about stress scenarios?

PERFORMANCE

- › How do you generate returns?
- › How were your simulated returns built, and why should I trust them?
- › How will the product perform in a bear market?
- › How do you benchmark your yield against market alternatives?

SAFETY & TRUST

- › Is my money safe?
- › Have the smart contracts been audited? By whom?
- › Were there any open findings?
- › Are there any operational audits (SOC 2 Type II or others)?

KEY PARTNERS

- › What exactly does Keyrock do?
- › What exactly does Aon do?
- › What exactly is an OTC desk?

Product FAQ

ABOUT BYZANTINE

> What is Byzantine?

Byzantine is a digital investment product designed to help companies and investors earn safe, predictable returns on their cash or digital assets. Think of it as a high-quality savings account or money market fund, but built on transparent blockchain technology, with double the returns.

> How does it work?

When you deposit funds, we:

- Convert them into stablecoins (digital dollars or euros that are always 1:1 with fiat currency)
- Invest them across secure, audited lending markets
- Manage everything for you: currency hedging, risk monitoring, and liquidity. You simply deposit, watch your balance grow, and withdraw whenever needed.

> Do I need to know digital assets to use Byzantine?

No. We handle everything: onboarding, currency conversion, risk, and reporting - so you can treat this like a traditional investment account with the added benefits of blockchain transparency and liquidity.

> How does Byzantine compete with established players? What makes your risk profile superior?

Byzantine is designed as a fixed-income style product, comparable to bonds or money market funds.

- **Set-and-forget:** We manage everything end-to-end - on/off-ramping, FX hedging, rebalancing, diversification, liquidity buffers, risk monitoring, and insurance - so clients can treat this as a turnkey treasury allocation.
- **Base + spread model:** We deliver base rate + 400bps at all times. Stability is the priority, but we capture upside when possible - investors are guaranteed the spread, not a capped rate.
- **Capital protection:** Backed by Aon insurance, operated under MiCA regulation, and with assets in tier-1 custody, active risk management.

Product FAQ

- **Capital protection:** Backed by Aon insurance, operated under MiCA regulation, and with assets in tier-1 custody, active risk management.
- **Risk-adjusted diversification:** We select only audited, deep-liquidity pools, dynamically rebalancing to maintain safety.
- **Real-time risk monitoring:** 24/7 oversight + Keyrock's proprietary stress testing.
- **Regulated structure:** Operated by Keyrock Asset Management under MiCA, AML/CFT regulation.
- **Liquidity-first design:** Withdrawals fulfilled in < 1 minute under normal conditions, with buffers sized for institutional flows.

Byzantine is built as a bond-like, fully managed credit product designed for treasuries. Investors get stable, risk-adjusted returns with the transparency of on-chain infrastructure. The right comparison set is T-bills, MMFs, and institutional credit strategies.

DIGITAL ASSET BASICS

› What is a stablecoin?

A stablecoin is a **digital version of traditional currency** (like USD or EUR) that is designed to always stay at a fixed value, typically 1:1 with its fiat counterpart. For example, USDC is always intended to be worth \$1.

› How are stablecoins kept at \$1/€1?

Stablecoins like USDC and EURC are issued by regulated companies (like Circle) that hold equivalent reserves of cash and short-term treasuries. These reserves are audited regularly to ensure every token in circulation is backed by a real-world asset. This peg mechanism is what keeps the value stable.

Product FAQ

› Where are stablecoins held?

Stablecoins are held in digital wallets, similar to bank accounts but on the blockchain.

For Byzantine clients (excluding the clients choosing the self-custodial option), they're kept in qualified custody, meaning:

- Assets are segregated (not mixed with company funds).
- Held off the custodian's balance sheet.
- Protected by bank-grade regulation and insurance.

› What is a lending market?

A lending market is a blockchain-based platform **where investors lend assets to borrowers**, similar to a digital money market fund.

These markets are over-collateralised: borrowers must deposit more collateral than they borrow, dramatically reducing counterparty risk.

Byzantine only deploys client funds into secure, diversified, blue-chip stablecoin lending markets like Morpho and Aave, which have billions in liquidity and years of operational history.

This approach ensures capital safety first, yield second.

› What is a smart contract?

A smart contract is self-executing code on the blockchain that **automates financial transactions**.

It removes the need for intermediaries: once programmed, it runs exactly as written.

Smart contracts used by Byzantine have been audited by third-party security firms to ensure they're safe before managing client funds.

Product FAQ

PRODUCT DETAILS

> What asset is the vault denominated in?

Base currency: The vault is denominated in USDC. All deposits are converted to USDC, diversified and rebalanced across currencies. Rewards accrue in USDC, and principal + yield can be converted to any currency automatically at withdrawal.

EURC deposits: EURC deposits are supported through an FX-hedged option. Rewards are accrued and paid in EURC.

ETH / BTC deposits: ETH and BTC deposits are converted into USDC at deposit. Yield is paid in stablecoins to ensure stability and predictability; it can be converted to any currency at withdrawal.

> What's the payout currency?

Stablecoin deposits: Paid in-kind (deposit USDC → earn USDC; EURC → EURC).

For ETH/BTC deposits, deposits are converted and yield is paid in stablecoins to ensure stability and predictability.

> What is meant by active risk monitoring and continuous rebalancing?

Active Risk Monitoring (ARM):

Risk is actively monitored via **Keyrock's proprietary risk systems** as well as a **third-party monitoring tool (Hypernative)**. These systems track protocol health, liquidity depth, oracle accuracy, and smart contract risk in real time.

Continuous Rebalancing (CR):

The curator rebalances the strategy daily to:

- Ensure **liquidity is always available** in underlying vaults, even during market stress.
- Optimise **yield and capital efficiency** while maintaining risk thresholds.

Product FAQ

In practice, this means Byzantine delivers a **hands-off, fully managed allocation**: risk, liquidity, and optimization are monitored and executed continuously so clients can treat this as a **set-and-forget treasury product**.

› What are Morpho “PTs” and “YBS”?

Principal Token markets and Yield-Bearing Stablecoin markets. This describes the token of the underlying Morpho market.

WITHDRAWALS

› How “instant” are the instant withdrawals? Does this apply regardless of withdrawal size?

Withdrawals happen in a single block, i.e. **under a minute**, with a liquidity buffer sized for typical flows.

Byzantine’s and Keyrock’s mandates are to assure liquidity at all times, rebalancing positions to allow withdrawals at all times independently from the size.

› What about stress scenarios?

We tested stress scenarios, and in the most extreme cases, withdrawals may take up to 30 minutes depending on liquidity unwind times.

PERFORMANCE

› How do you generate returns?

Returns come from institutional lending markets (Aave, Morpho, Maker), where traders and market makers borrow stablecoins at predictable rates.

We deploy capital exclusively in multi-audited, blue-chip protocols. Capital is placed in over-collateralised lending structures, with conservative LTVs. Assets are insured, regulated, and fully transparent on-chain.

Think of this as a digital version of a credit fund or money market fund.

Product FAQ

➤ How were your simulated returns built, and why should I trust them?

Simulations use actual **historical rates and liquidity conditions over the past 30 months**, powered by Keyrock's **regulated internal risk framework**.

Our risk and custody framework is aligned with MiCA's regulatory requirements, ensuring governance, capital segregation, and audited operations.

On top of that, we add a proprietary, continuously monitored risk model designed for institutional portfolios.

➤ How will the product perform in bear market?

Because we operate on a base + spread model, yields track interest rates:

- If rates drop, yields will soften - just like traditional bonds or MMFs.
- The strategy focuses on capital preservation; you always earn base +400bps, no matter the market condition.
- The insurance further protects your principal.

In volatile conditions, this becomes a safe harbour for capital.

➤ How do you benchmark your yield against market alternatives?

Byzantine delivers competitive, sustainable hard yields with broader diversification, full transparency, institutional compliance alignment, and a rigorously managed risk framework - a combination unmatched by current market options.

In the table below, only hard yield is considered (not token incentives). For Pendle, only PT yields from pools interacting with blue-chip protocols (Aave, Morpho, Euler) are listed.

Product FAQ

Protocol	Fixed Yield	Notes
<i>Byzantine</i>	9.25%	
<i>Pendle PTUSDC Aave Yield</i>	10.3%	Source
<i>Morpho Hyperithm USDC</i>	9.4%	Source
<i>Pendle PTUSDC Euler Yield</i>	8.9%	Source
<i>Pendle PTUSDC Morpho Yield</i>	7.9%	Source
<i>Aave USDC</i>	5.1%	Source

SAFETY & TRUST

> Is my money safe?

Yes, safety is our top priority:

- All smart contracts used in this strategy are audited and battle-tested extensively.
- Byzantine's vault is built on Morpho V2's audited architecture, inheriting its security guarantees and further strengthened by Byzantine's custom risk tooling.
- The capital is held in a vault that has been **audited by seven independent security firms** (*see the full list of auditors below*).
- In addition, Byzantine integrates with [Hypernative](#), a real-time DeFi risk monitoring platform that continuously detects threats and anomalies, helping to prevent exploits before they impact client funds.
- Additionally, **two live bug bounty programs** are in place:
 - [ImmuneFi - \\$2,500,000](#)
 - [Cantina - \\$2,500,000](#)

Product FAQ

> Have the smart contracts been audited? By whom?

The vault has undergone **seven independent audits** by industry-leading firms:

- [Zellic](#)
- 2x Spearbit (reports to be released soon)
- [Blackthorn](#)
- [Chainsecurity](#)
- Cantina competition (reports to be released soon).
- All custom adapters audited by Spearbit, [check here](#) full report.

> Were there any open findings? What is their status?

- **Zellic** (May 2025): No criticals, no highs, 1 medium, 3 low, 1 informational - all issues corrected and re-audited (15/07/2025)
- **Blackthorn** (Aug 2025): 1 high, 5 medium, 18 low/info - all issues corrected and re-audited (06/09/2025)
- **ChainSecurity** (Sep 2025): 1 critical, 5 medium - all issues corrected and re-audited (06/09/2025)
- **Cantina** (Sep 2025): 3 medium, 1 low, 3 informational - all issues corrected and re-audited (10/09/2025)

> Are there any operational audits (SOC 2 Type II or others)?

Yes. Byzantine's products are operated under the regulatory and operational framework of our strategy manager, Keyrock Asset Management, which is **SOC 2 Type II certified by Deloitte**. This certification, issued by an independent auditor, verifies that Keyrock maintains the highest standards of security, availability, and confidentiality in managing sensitive financial operations.

In practice, this means that all operational processes, internal controls, and data handling are covered by a SOC 2 Type II framework.

Product FAQ

KEY PARTNERS

› What exactly does Keyrock do?

Keyrock is our regulated asset manager partner. They:

- Design and manage the strategy (rebalancing, risk limits, etc.)
- Hold the regulatory license under MiCA and AML/CFT requirements
- Oversee reporting, audits, and compliance

› What exactly does Aon do?

Aon is one of the **world's largest insurance brokers**, covering over \$3 trillion of insured assets globally.

Aon provides principal insurance coverage for Byzantine's product, protecting invested capital against extreme tail risks such as hacking or smart contract vulnerabilities.

This insurance is issued through top-tier underwriters and adds an additional layer of trust for institutions that require insured exposure.

› What exactly does an OTC desk do?

Over-the-Counter (OTC) desk is a trading service used by institutions to manage large **foreign exchange (FX) transactions**.

We use OTC desks to hedge currency risk: offering EUR-hedged share classes for allocations denominated in EUR.

They source deep liquidity from multiple exchanges and liquidity providers, ensuring minimal slippage and regulatory-grade execution.

This allows Byzantine clients to hold allocations in their preferred currency without taking on FX volatility.

Product FAQ

Built for treasuries, not traders

Seamless integration with existing systems.

Get early access