L2 Sertis Systematic Fund

The Alternative within Alternative Investments

Q4'2024

The Opportunity |
01

US$200M to invest in liquid digital assets.

AI and ML driven quantitative long/short trading with dynamic capital allocation between market regimes – a platform approach

+40.2% gross return YTD to September 25th 2024 with –8.3% max monthly loss; +126.5% annualized gross return since 2020 with –8.3% max monthly loss and 3.8 Sharpe ratio[1]

The Time is Now |
02

Big and liquid markets, increasing alpha pool

Limited competition

Proven process to capture risk-adjusted returns.

Our Edge |
03

Leadership from Point72, Soros and Blackstone.

Unique team of AI technologists, crypto-native investors, TradFi investors and web3 enterprise builders from industry pioneers.

US$7B+ deployed over our careers.

Bringing together best in class performance, risk management, technology infrastructure and service providers counterparties to reduce counterparty risk.

We know what success looks like.

Executive Summary

1) 66.6% average return excluding 2021 return of 640.5%.

Fund Summary

An AI/ML systematic fund focused on digital assets – built by crypto-native & institutional investors for institutional investors

Management Company	L2 Sertis Systematic BVI ("L2SS")
Strategy	Systematic
Strategy Established	2023
Initial Fund Size	US$200M Hard Cap
CIO	Jonathan Lin
Strategy Dedicated Employees	16
Primary Offices	Hong Kong & Bangkok, Research Office in Singapore
Auditor	RSM
Administrator	Ascent
Custodian	Copper
Prime Broker	Hidden Road
New Capital Accepted	Monthly until hard-cap of US$200M
Performance Information	Updated via secure website on a monthly basis

Who We Are

Proprietary Quantitative Alpha Platform under leadership of seasoned Investors and Web3 Enterprise Builders

L2 Sertis Systematic Leadership

Jonathan Lin

Partner & CIO, L2 Sertis Systematic
Co-Founder, Partner & CIO, L2 Capital
Chairman & CEO, Magnum Opus (NYSE: OPA)
Former MD and PM, Point72
Former Investor, Och-Ziff / Sculptor
University of British Columbia

Kas Vardhanabhuti

Partner, L2 Sertis Systematic
CSO, Sertis Co, Limited
Former PM, Dymon Asia
Former Investor Soros Fund Management
Former Investor, Davidson Kempner
University of Oxford & Wharton MBA

Frank Han

Partner, L2 Sertis Systematic
Co-Founder & Partner, L2 Capital
President, Magnum Opus (NYSE: OPA)
Former Principal, Blackstone
Former Associate, Carlyle Group
NYU Stern & Wharton MBA

Platform and Technology Team

 # team members by function

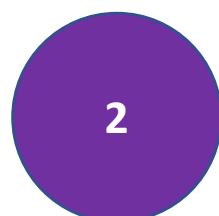**Research**
5

Engineering
4

Business & Operations
2

Platform Support
2

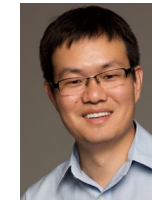### Web3 Enterprise Builders

Lily Liu[#]
*Co-Founder, Anagram
President, Solana
Foundation*

Sam Thapaliya[#]
*Founder, Zebec
Founding Advisor,
Cedro & Eclipse*

Yu Guo[#]
*Co-founder,
SETBIT Labs
Associate Prof., USTC*

Strategic Partners

Joint business partner

Google

Community giving

Cyberport 數碼港

Web3 investing partner

ANAGRAM

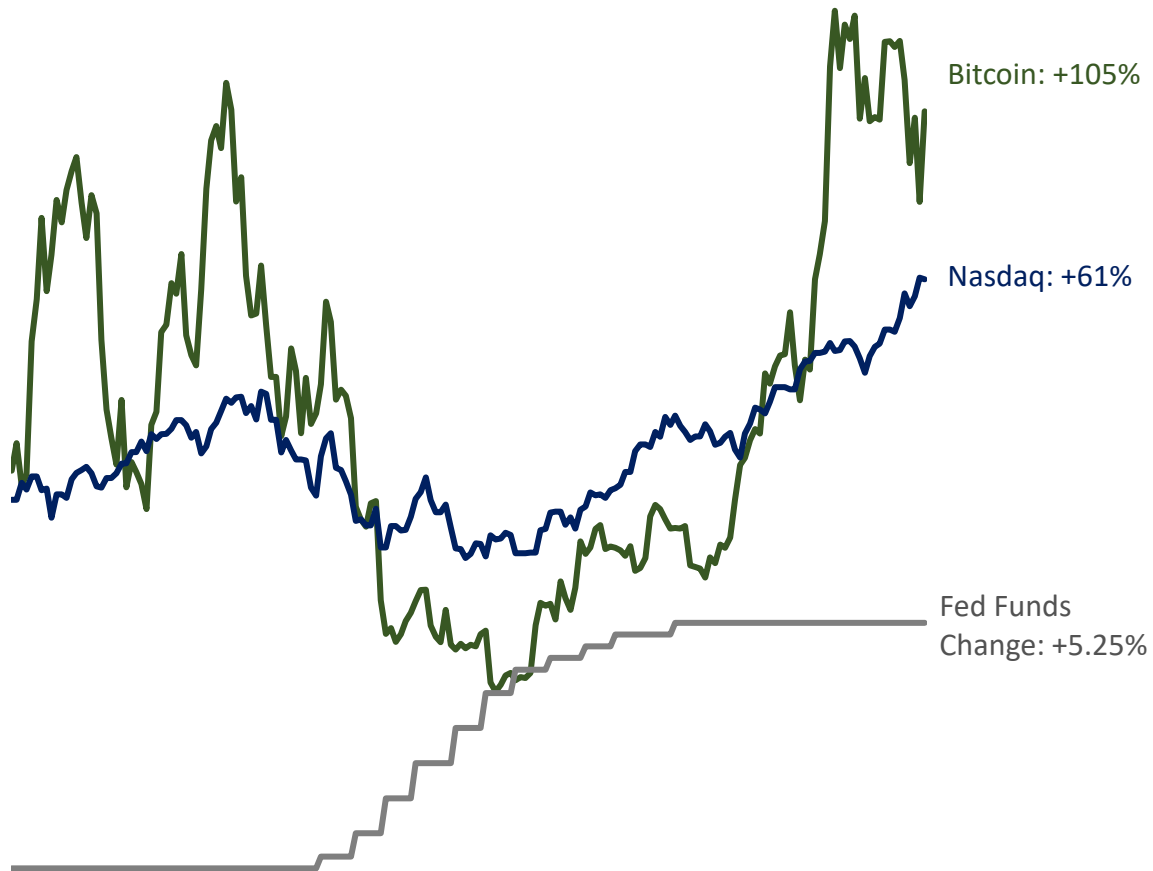#Denote Executive Committee and Venture Partners.

L2 SERTIS

Why Now? – Part I

Futures Pricing in Rate Cuts in September, which historically driven outsized BTC performance[1]

Current Tightening Cycle (2021 – Present)
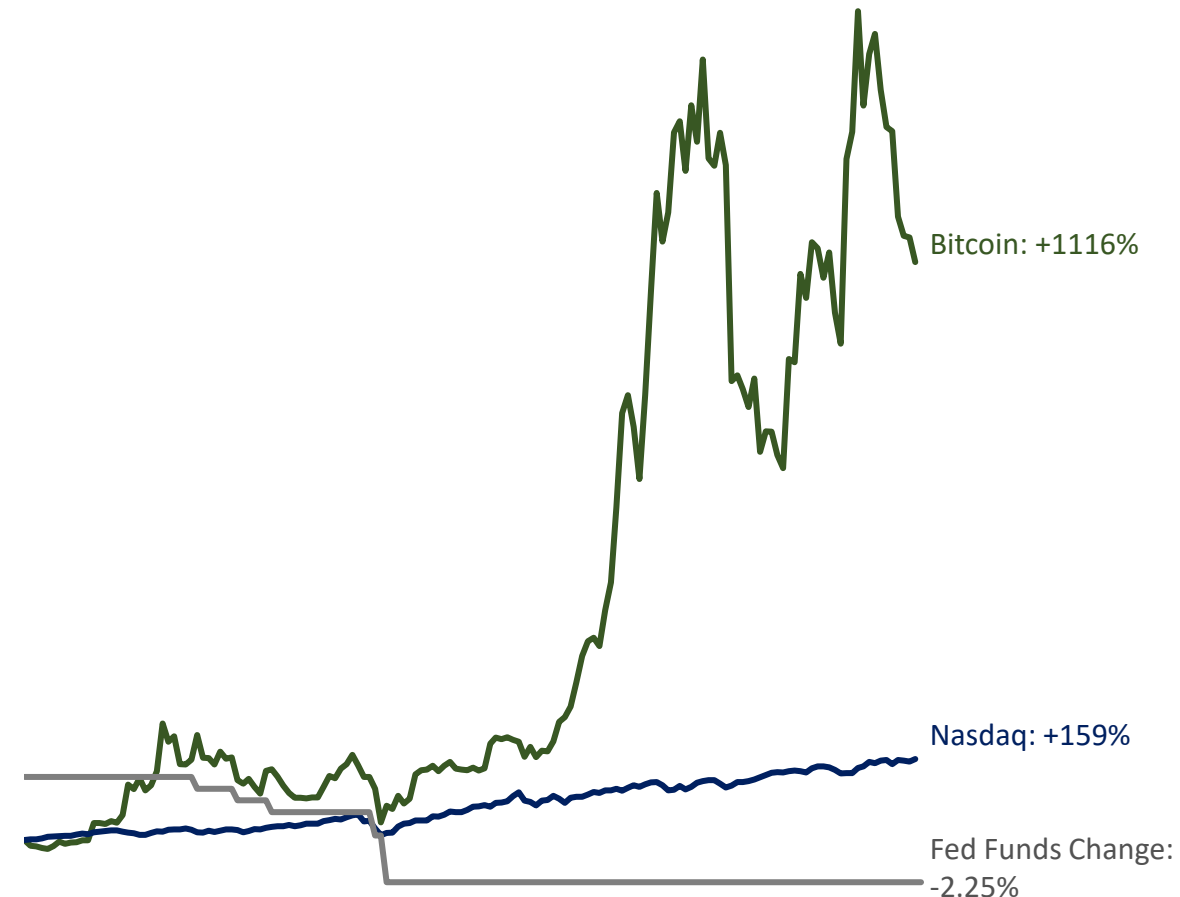*Indexed MoM %*

Bitcoin: +105%

Nasdaq: +61%

Fed Funds Change: +5.25%

Last Easing Cycle (2019 – 2021)
Indexed MoM %
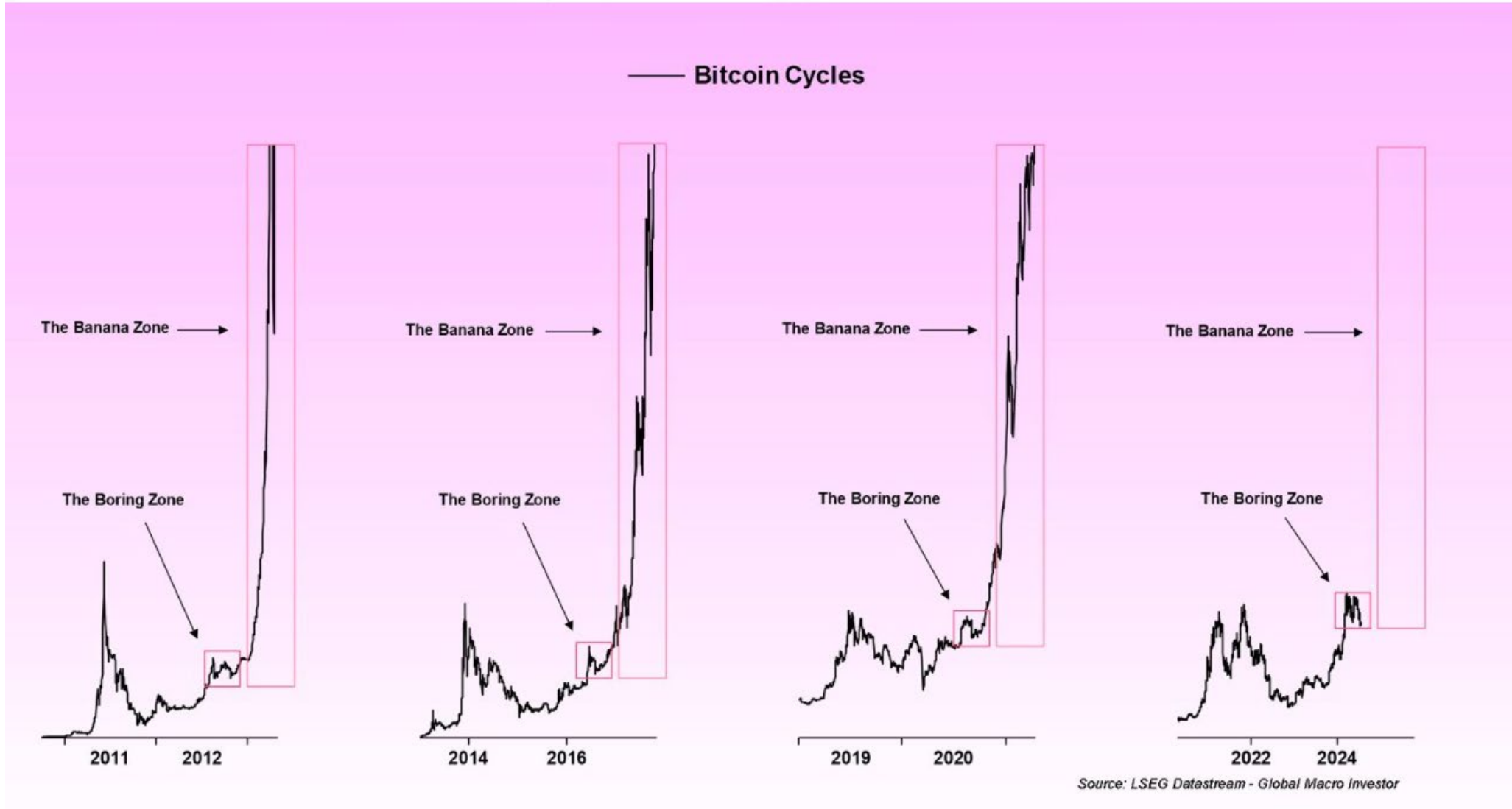

Bitcoin: +1116%

Nasdaq: +159%

Fed Funds Change: -2.25%

1)   Data per Bloomberg as of 7/20/2024. July 2025 Fed Fund futures at 4.05 versus Fed Funds at 5.50% today.

Why Now? – Part II

History may not repeat but often rhymes

L2 SERTIS

The Liquid Crypto Investment Opportunity (Problem)

While long term returns are attractive, in the last 3 years alone we have had 4 major drawdowns averaging 49.5%
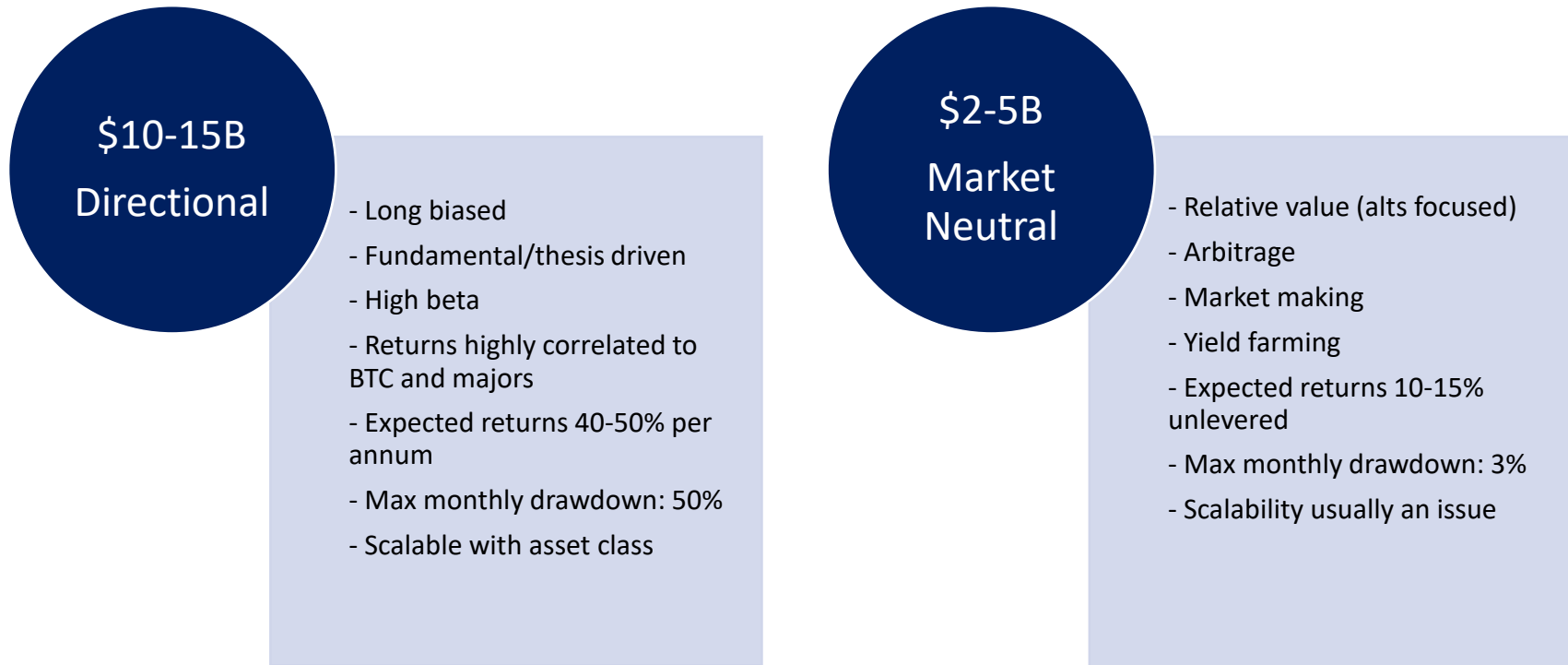
Bloomberg Galaxy Index[1]

CAGR since 2019: 44%[2]

-55%   -47%   -62%   -34%

Source: Bloomberg
1)   Top 30 tokens by market capitalization.
2)   As of 9/23/2024.

Crypto Hedge Fund Landscape

The majority of the hedge funds seek to provide either high beta or low volatility, rarely striking a balanced risk reward

Digital Asset Manager Landscape

$10-15B Directional

- Long biased
- Fundamental/thesis driven
- High beta
- Returns highly correlated to BTC and majors
- Expected returns 40-50% per annum
- Max monthly drawdown: 50%
- Scalable with asset class

$2-5B Market Neutral

- Relative value (alts focused)
- Arbitrage
- Market making
- Yield farming
- Expected returns 10-15% unlevered
- Max monthly drawdown: 3%
- Scalability usually an issue

Source: L2 Sertis Insights.

The L2 Sertis Systematic Solution

We have developed what we believe to be an optimal solution to navigate highly volatile markets

Viewpoint

Crypto is an emerging technology driven asset class, so will experience short but also deep cycles

Institutional adoption is increasing but remains highly concentrated in BTC and ETFs

We believe a single strategy is unlikely to drive strong risk adjusted returns throughout a market cycle (c. 3-4 years historically)

The L2 Sertis Systematic Solution

Heavily incubated for over 20 months by a leadership team that has ran risk at both directional and market neutral firms

Systematically and dynamically allocating capital to sub algorithms that perform best in each of the 3 different market regimes (bull, bear, 2-way)

A focus on alpha generation in bear and 2-way markets, with upside capture in bull markets

Our Definition of Market Regimes

Systematically Defined

- Proprietary model based on multi-time frames to define market regime and capital allocation to sub-algorithms

A Platform Approach – Different Strategies Deployed in Different Market Regimes

Uncorrelated set of algorithms to generate alpha in challenging markets and upside capture in bull markets

	Base Layer	Bear & 2-way Market	Bull Market
Description	• Arbitrage driven with limited capital consumption for other strategies	• Short-term directional (long and short) and relative value in top 30-50 tokens	• Token selection in top 5-10 tokens
Average Position Length/Aging	• N/A	• 1-3 days	• Weeks
Average Net Exposure	• 0%	• 0% (range is –100% to +100% but for short periods of time)	• Up to 100%
Expected Returns	• 10% per annum	• 25% per annum	• 70%+ upside capture during bull market
Expected Drawdowns	• 1%	• 10%	• 20%
Deployment Frequency	• 100%	• 50.3%	• 49.7%
Scalability	• Large	• Large	• Large

Fund and Performance Overview

System designed for repeatable alpha generation with low draw downs and minimal correlation to other asset classes

- Global systematic strategy in liquid digital assets; quantitative, systematic and data driven

- Systematic optimization for alphas in different market regimes

- Continuously evolving through AI and ML with the aim to deliver repeatable alpha-driven returns with minimal volatility, draw-downs and correlation with S&P 500 and BTC

- Portfolio designed to be market agnostic with large capacity
  - Portfolio turnover: 40x per annum
  - Varying net exposures based on market regime
  - No single issuer more than 20% of ADV

- Strict process driven risk management framework and proprietary systems for monitoring risk exposures and draw downs

- Emphasis on asset security, reporting frequency and infrastructure

Illustrative Track Record (Jan 2020 to Sept 2024)	
	L2SS
Annualized Gross Return	126.5%
Annualized Net Return[1]	90.2%
Monthly Standard Deviation	9.5%
Max Drawdown	-14.6%
% Up Months	70.2%
% Down Months	29.8%
Sharpe Ratio	3.8
Correlation with S&P	0.02
Correlation with BTC	0.30

1) Based on existing fund terms. 2.0% p.a in management fees and 20.0% carry on gross returns up to 30.0% and 30.0% carry on incremental gross returns above 30.0%.

Fund Metrics – Monthly Gross Returns

Our product design is to drive good hit-rate (50%) and high slugging (1.7), resulting in a steady alpha stream

|	Total Days	+ Days	- Days	Hit Rate %	Slugging	Avg Win (+%)	Avg Loss (- %)	Monthly Performance %
Since 2020	1375	687	688	50.0%	1.7	1.5%	-0.9%	4720.3%
2020	271	141	130	52.0%	1.5	1.4%	-0.9%	97.2%
2021	279	156	123	55.9%	1.8	2.4%	-1.4%	640.5%
2022	222	95	127	42.8%	1.7	1.1%	-0.7%	21.1%
2023	334	157	177	47.0%	1.8	1.2%	-0.7%	94.5%
2024 YTD	269	138	131	51.3%	1.3	1.0%	-0.8%	40.2%
Jan-23	28	15	13	53.6%	2.2	2.4%	-1.1%	22.6%
Feb-23	28	10	18	35.7%	1.5	1.6%	-1.0%	-3.4%
Mar-23	27	14	13	51.9%	1.1	1.0%	-0.9%	1.8%
Apr-23	28	11	17	39.3%	1.5	1.1%	-0.7%	-0.8%
May-23	19	3	16	15.8%	0.8	0.5%	-0.5%	-7.2%
Jun-23	20	9	11	45.0%	2.4	1.1%	-0.5%	5.1%
Jul-23	31	13	18	41.9%	2.0	1.0%	-0.5%	3.6%
Aug-23	31	11	20	35.5%	3.5	0.6%	-0.2%	3.1%
Sep-23	30	18	12	60.0%	0.6	0.1%	-0.2%	-0.3%
Oct-23	31	17	14	54.8%	2.8	1.5%	-0.5%	19.0%
Nov-23	30	17	13	56.7%	1.3	1.6%	-1.3%	10.6%
Dec-23	31	19	12	61.3%	1.4	1.7%	-1.2%	18.9%
Jan-24	31	15	16	48.4%	0.9	0.9%	-1.0%	-2.1%
Feb-24	29	19	10	65.5%	2.9	1.5%	-0.5%	24.8%
Mar-24	31	18	13	58.1%	1.4	2.2%	-1.6%	19.5%
Apr-24	30	16	14	53.3%	0.4	0.5%	-1.1%	-8.3%
May-24	31	15	16	48.4%	1.9	0.8%	-0.4%	5.4%
Jun-24	30	13	17	43.3%	1.2	0.7%	-0.6%	-1.3%
Jul-24	31	15	16	48.4%	1.0	0.6%	0.6%	0.4%
Aug-24	31	12	19	38.7%	1.4	0.8%	-0.6%	-1.8%
Sep-24	25	15	10	60.0%	0.9	0.5%	-0.6%	2.2%

Note: Hit rate and slugging data shown for directional alphas only. YTD to 9/25/2024.

Performance Metrics Comparison- vs. S&P 500 and BTC

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L2SS has similar volatility as S&P 500 but provides enhanced BTC directional returns with limited correlation and more importantly lower draw downs

Jan 2020 to Sept 2024	L2SS	S&P 500	BTC
Cumulative Net Return	2017.5%	88.1%	777.6%
Annualized Net Return[1]	90.2%	14.3%	58.1%
Sharpe Ratio	3.8	0.6	0.9
Annualized Standard Deviation	32.8%	21.4%	65.9%
% Up Months	70.2%	64.9%	57.9%
% of Down Months	29.8%	35.1%	42.1%
Best Month Gross Return	70.5%	12.7%	46.9%
Worse Month Gross Return	-8.3%	-12.5%	-37.3%

Gross NAV of US$1M invested vs. Selected Benchmarks
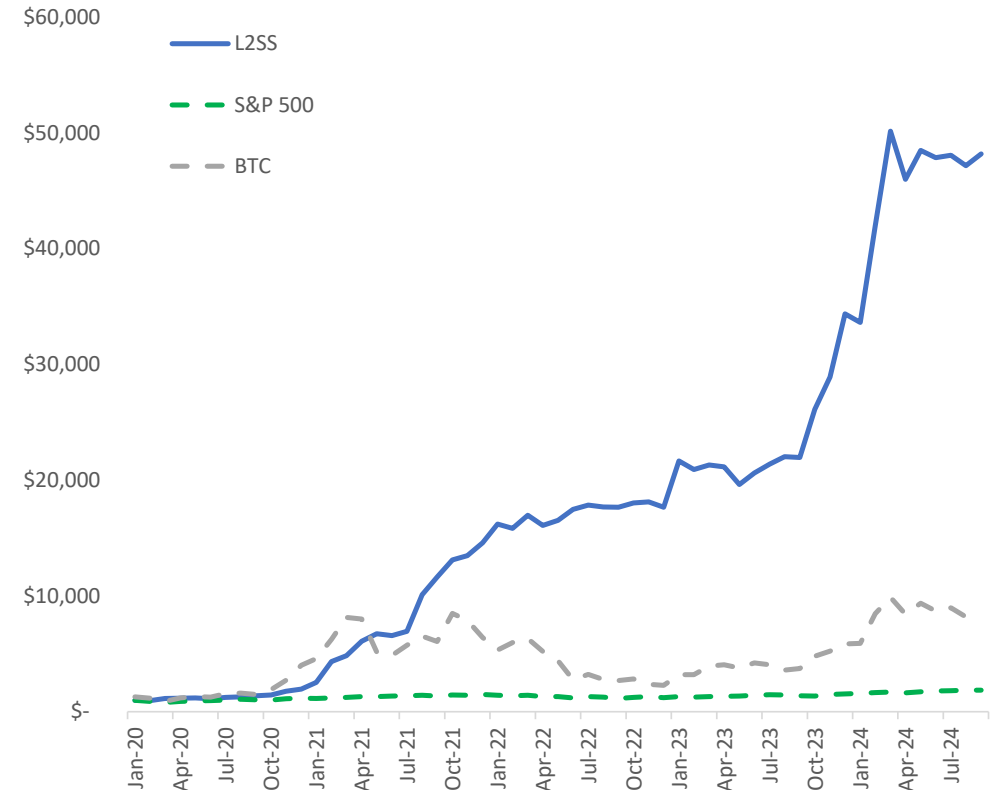
1) Based on existing fund terms. 2.0% p.a in management fees and 20.0% carry on gross returns up to 30.0% and 30.0% carry on incremental gross returns above 30.0%.
2) Measured over average risk free rate over same horizon.

Why L2 Sertis Systematic?

We are building a systematic leader in liquid digital assets, where it is opportunity rich and competition poor

Exposure to Growing Asset Class with Limited Competition

Digital assets are deep and liquid, with favorable market structure and limited competition providing for ample of alpha opportunities

Technology Stack

Technology native team with secure and stable technology stack designed specifically for cryptocurrency trading; AI and ML systematic process to continuously improve and get better

Return Quality

L2SS seeks to achieve superior risk adjusted returns with low correlation to equities and BTC

Risk Management

Proprietary systems, dashboards and processes built upon over 50 years of TradFi investment experience at industry pioneers

Secure and Scalable Infrastructure

Industry leading infrastructure to adhere to highest standards of asset security, ethics, compliance, oversight, and reporting

L2 Sertis Investment Process

Continuously evolving through machine learning for automated and risk controlled trading
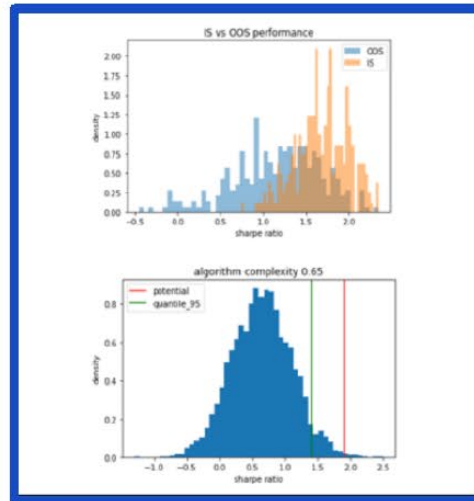

Data Collection & Analytics

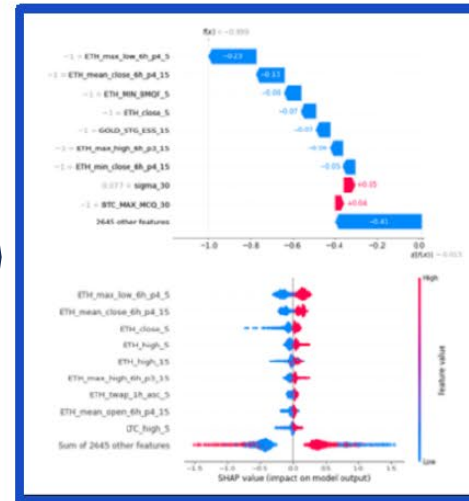Collect, curate and transform data into informative signals
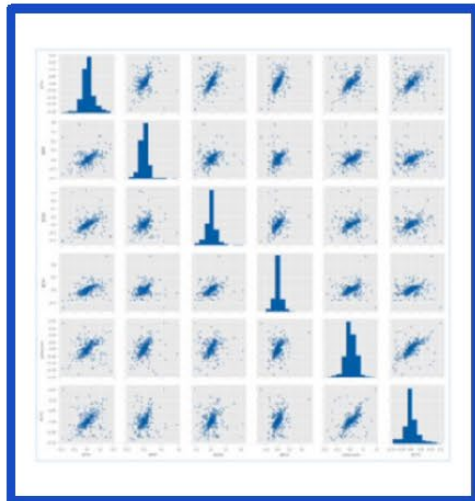
Backtesting

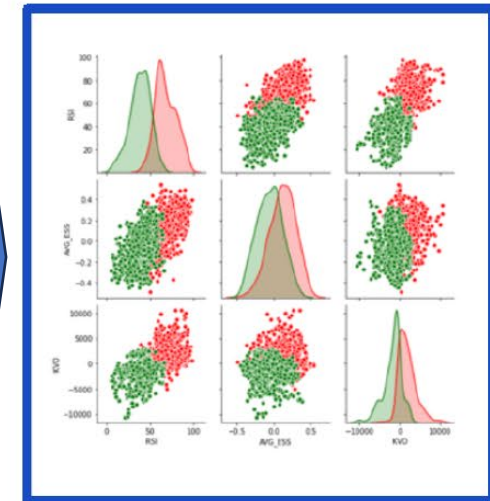Proprietary system with infinite flexibility to test new ideas

Alpha Generation

Team of highly trained researchers focused on finding alphas

Trade Execution

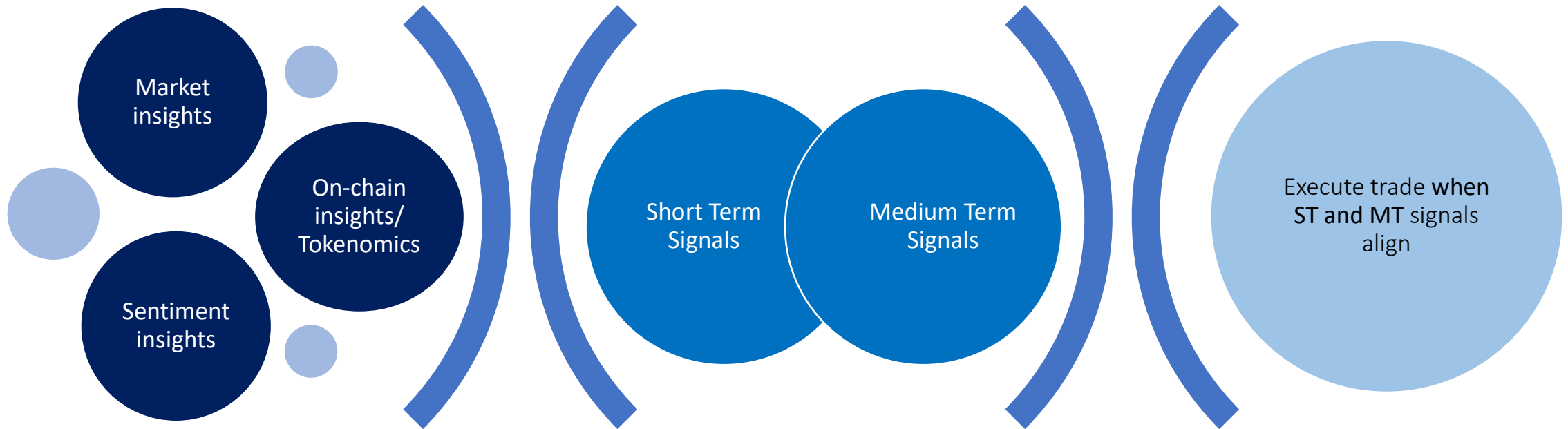Stable, scalable system designed to minimize slippage

Performance Monitoring and Risk Management

L2 Sertis Signal Generation and Trade Execution Flow

3 major sources of proprietary analysis to generate signals and expressed within a risk adjusted framework

50TB of data collected since 2018
Equivalent to GPT-3 training set[1]

Market insights

On-chain insights/ Tokenomics

Sentiment insights

Short Term Signals

Medium Term Signals

Execute trade **when ST and MT** signals align

- Market: (i) various measures of Open, High, Low, Close / Volumes / Positioning on various ST and MT timeframes
- On-chain/Tokenomics: (i) Cycle Indicators, (ii) Exchange / Miner flows, (iii) Coin Age and (iv) Token Release
- Sentiment: LLM and NLP on X/Twitter and news channels to generate a sentiment score

Cybersecurity and Technology Infrastructure

Built for security and scalability

Cybersecurity

- Our technology infrastructure lives on Amazon Web Services Virtual Private Cloud
- Built-in several layers to ensure information and code security

Data Collection and Storage

- Data collection and data quality assurance is conducted using Python
- Data is stored on AWS data lake, can only be accessed by proprietary Python SDKs

Alpha Platform

- Alpha algorithms are stored on our alpha platform and live data is parsed through our alpha platform to generate trading signals

Trade Execution

- Trade execution is conducted through our proprietary Multi Venue Trading platform
- Trading instructions can only be sent via pre-specified "safe" IP addresses
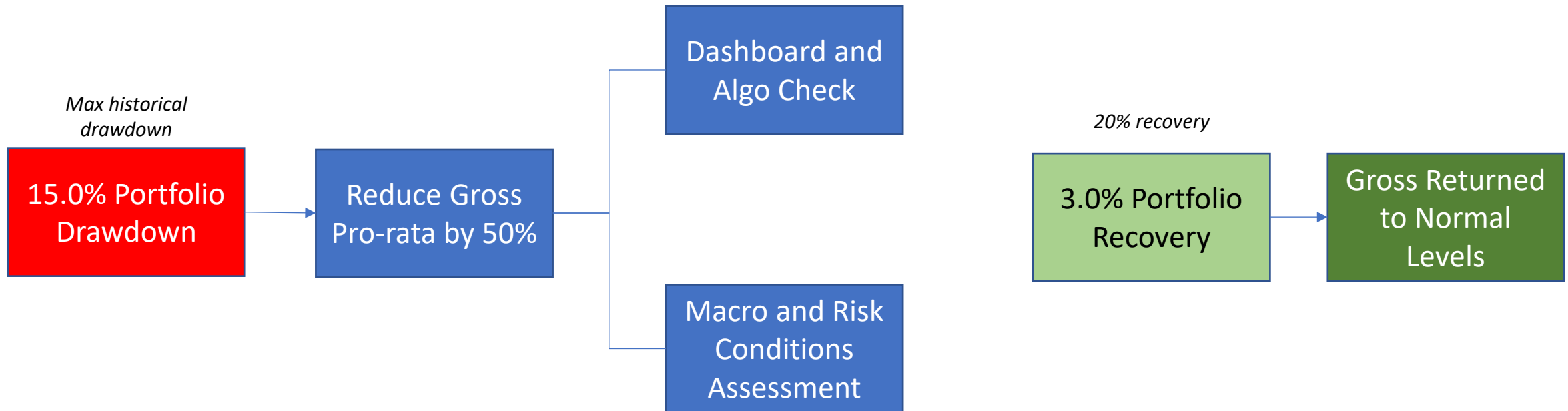
Risk Management Protocol

Process driven approach to risk management and re-risking when portfolio underperforms versus historical bounds

1 *Trigger Event* **2** *Immediate Action* **3** *Diagnosis (volatility or something not working?)* **4** *Threshold to remove manual control*

Max historical drawdown

20% recovery

15.0% Portfolio Drawdown	→	Reduce Gross Pro-rata by 50%

Dashboard and Algo Check

Macro and Risk Conditions Assessment

3.0% Portfolio Recovery	→	Gross Returned to Normal Levels

Asset Security: Off Exchange Solutions to Ensure Asset Security

Assets are protected from centralized exchange bankruptcy risks

Base Case: Off Exchange Solution
Capital stays at Custodian in a UK Trust Structure

Funds
i.e. stablecoins

Custodian
Off exchange settlement, bankruptcy remote

Centralized Exchange
Mirror Funds so L2SS can trade

Alternative Case
If capital goes on exchange, L2SS will purchase insurance against exchange default

Funds
i.e. stablecoins

Centralized Exchange

Insurance Provider
L2SS will purchase "exchange risk spread" or insurance against balance at exchange

Risk Dashboard

Proprietary dashboard that monitors macro, crypto and the portfolio to allow us to measure existing and potential risks in a quantifiable way

Portfolio Risk Analytics

- Gross, Net, Beta Net Exposure

- Factor exposure measured through proprietary engine (momentum, liquidity, size, volatility etc.)

- Position level breakout signal strength and progression to stop loss targets (if relevant)

- Position level aging

- Position and portfolio level liquidity

- Counterparty risk exposure (if relevant)

Crypto Risk Analytics

- Funding rates

- Smart/Whale Wallet Activity

- Coin Age

- Miner Flow

- Miner BTC holdings

- Unrealized BTC gains/losses

- Crypto sentiment

Macro Risk Analytics

- Active risk asset performance (crypto, equities, credit etc.)

- Positioning and fund performance, with particular focus on funds flow

L2 Sertis Systematic Fund Terms

Target Fund Size	• US$200 million Hard Cap
Management fee	• 2.0% per annum
Carried Interest	• Progressive carry structure based on performance • 20.0% carried interest for gross returns up to 30.0% • 30.0% carried interest for incremental gross returns above 30.0% • For example, if fund delivers 45% in gross return, 20% carry for first 30% and 30% carry for remaining 15%
Minimum Subscription	• US$1 million individuals, US$3 million institutions
Lock Up	• Initial 12 month lock up, with quarterly redemptions thereafter subject to fund gate

Service Providers

L2SS has best-in-class service providers to minimize counterparty risk

Legal	**Prime Broker**	**Auditor**	**Administrator**	**Custodian**

Track Record Over Market Cycles

2020 – 2021 Bull Market	**2022 Bear Market**	**2023 – Sept 2024 YTD Bull Market**

Gross Return
Sufficient upside capture in bull markets and outperformance in bear markets

Legend:
- ■ L2SS
- ■ S&P 500
- ■ BTC

Gross Return chart values:
- 2020: L2SS 97.2%, S&P 500 17.2%, BTC 301.7%
- 2021: L2SS 640.5%, S&P 500 28.7%, BTC 59.8%
- 2022: L2SS 21.1%, S&P 500 -18.2%, BTC -64.2%
- 2023: L2SS 94.5%, S&P 500 26.2%, BTC 155.6%
- 9M 2024 YTD: L2SS 40.2%, S&P 500 20.7%, BTC 49.5%
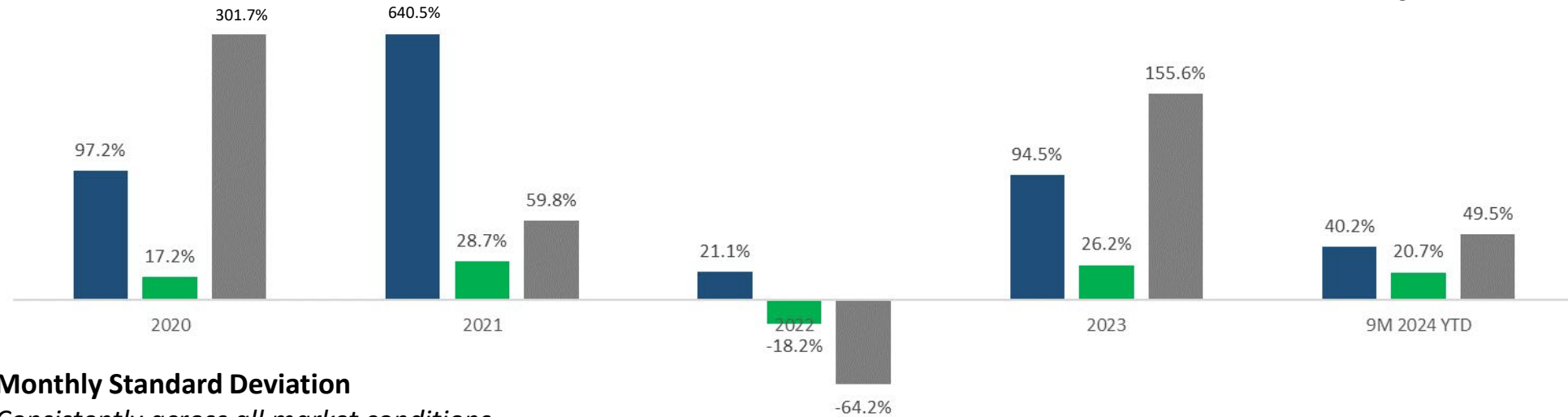
Monthly Standard Deviation
Consistently across all market conditions

Monthly Standard Deviation chart values:
- 2020: L2SS 8.4%, S&P 500 7.5%, BTC 23.0%
- 2021: L2SS 20.7%, S&P 500 3.2%, BTC 23.0%
- 2022: L2SS 4.5%, S&P 500 6.7%, BTC 15.4%
- 2023: L2SS 8.9%, S&P 500 3.4%, BTC 17.2%
- 9M 2024 YTD: L2SS 10.8%, S&P 500 2.8%, BTC 17.4%

L2 SERTIS
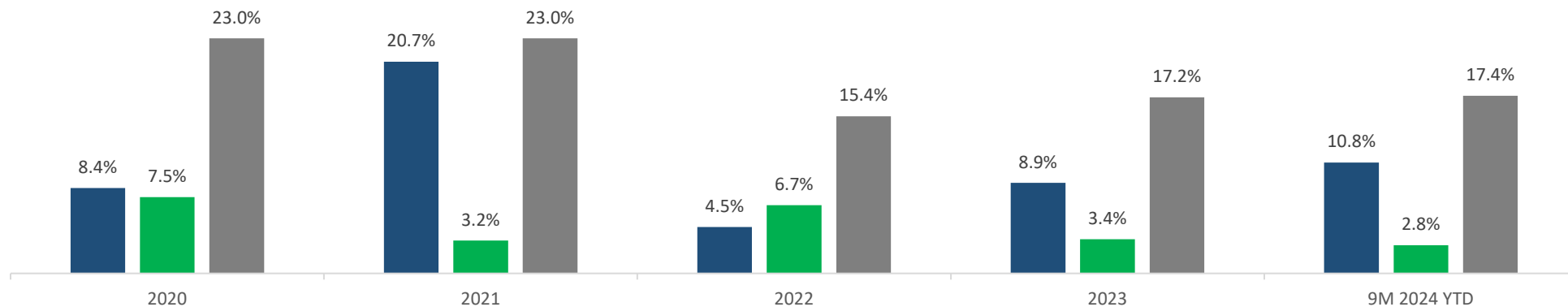
Management Structure & Operations

Clear process and responsibilities to optimize work-flow and efficiency for sustained fund performance

Execution Performance and Risk Monitoring

CIO

Active performance, exposure and risk monitoring, and human oversight during tail events or when risk protocol is triggered

Vetting

Partners
3 Partners

Ensure potential signals are interpretable and explainable; relentless back-test (including stress test), signals "graduate" from hypothesis to algo input

Thesis Formation

Research & Technology
9 Professionals

Continuously identify, collect, data to turn into information that can form basis of a signal, often backed by academic research

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L2 x Google Partnership (1 of 3 in Asia)

Strategic partner to L2 portfolio companies to accelerate technology development and market leadership

CNN BUSINESS Markets Tech Media Success Perspectives Video
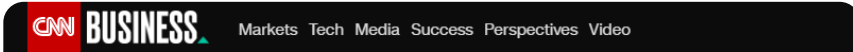
L2 Capital Collaborates with Google to Accelerate Portfolio Companies' Business Growth and Advance Its Web3 Investment Strategy

PR Newswire

HONG KONG, Oct. 12, 2022

HONG KONG, Oct. 12, 2022 /PRNewswire/ -- L2 Capital Management ("L2 Capital"), a multi-strategy asset management firm, today announced that it has entered into a collaboration with Google to accelerate the sustainable growth of its portfolio companies. The collaboration is also set to advance L2 Capital's strategy for investing in and contributing to various Web3 and blockchain ecosystems.

Other Google Partners a16z SEQUOIA

- **Ads/ Search**
- **Google Cloud Platform (GCP)**
- **International Growth Team (IGT)**
- **Google Play / Android**

Business Growth Acceleration

Strategic Executive Bridging

Education, Insights & Joint Events on Key Themes

Ecosystem Leadership & Reputation

Google Cloud x Web3: How can you start your Web3 Journey?

September 1, 2022 10:00 AM - 11:50 AM GMT+8
#GoogleCloudHK

Dennis Yue — Head of Sales, Google Cloud Hong Kong
Richard Widmann — Head of Strategy, Digital Assets, Google Cloud
James Ho — Director of Strategic Partnership Animoca Brands
Kevin Lee — Co-founder & Partner L2 Capital Management

Gary Liu — Founder Artifact Labs
Kelvin Tang — Co-Founder & CEO PONS.ai
Thor Chan — CEO of BGE CTO of HKE Holdings
Michael Yung — Strategic Advisor Google Cloud

APTOS BLOCKDAEMON Bullish Dapper Labs Hedera

nansen NEAR SOLANA TRM

Our Technology
Leading Authority in AI and Quantitative Finance

Sertis: A Leader in Big Data and AI Solutions

- Founded in 2015, based in Bangkok, Thailand with 120 employees
- Cutting edge solutions include demand forecasting and ordering, product recommendation, inventory optimization, and data lake & warehouse development
- Blue Chip client base of over 50 leading institutions

- Best-in-class cloud partnerships

Best in Class Quantitative Team

- Team of 14 with over 30 years AI and quantitative finance experience
- PhDs and Masters from leading institutions in Mathematics, Astrophysics, Dispersion Modelling, Machine Learning and AI, Data Science, Computer Science and Engineering

- Research & thought leadership with seminal publications including
  - Face mask detection pipeline for mask-wearing monitoring in the era COVID-19
  - Sub-pixel face landmarks using heatmaps
  - Face Landmark Localization Using Localization Transformer
  - Face Detection with Feature Pyramids
  - The Formation of Compact Elliptical Galaxies in The Vicinity of A Massive Galaxy
  - Predicted Stellar Kinematics of a Kiloparsec-scale Nuclear Disc in the Milky Way
- NIST: AI Face Recognition models ranked top tier with Imperial College London, Panasonic, Toshiba and Hikvision at the US government (NIST) Face Recognition Competition

TradFi vs. Liquid Digital Assets

We believe the opportunities for managers to add value is more evident in digital assets

	TradFi	Liquid Digital Assets	Opportunity for Managers to Add Value
Market Structure	Mature	Early	Digital Assets
Pace of Innovation	Low	High	Digital Assets
Competition	Fierce with full institutional adoption	Retail driven	Digital Assets
Breathe and Depth	Decreasing	Increasing	Digital Assets
Crowding	High in both in strategy and security level	Low	Digital Assets
Trading Windows	Localized 9am-4pm, weekdays	Globally distributed 24/7, 365 days	Favor systematic approach
Passive Inflows	Significant	Nil to Minimal	Less distortions in Digital Assets
Risk Management (performance and asset security)	Strong	Weak for overall landscape	Opportunity for L2SS to be one of the industry leaders

Investment Universe – Liquidity and Alpha Rich

We operate in a US$1.1T investable universe with US$22B in average daily trading volumes today; fragmented investor base provides L2SS with a favorable market structure for sustained risk-adjusted alpha opportunities

L2 SERTIS
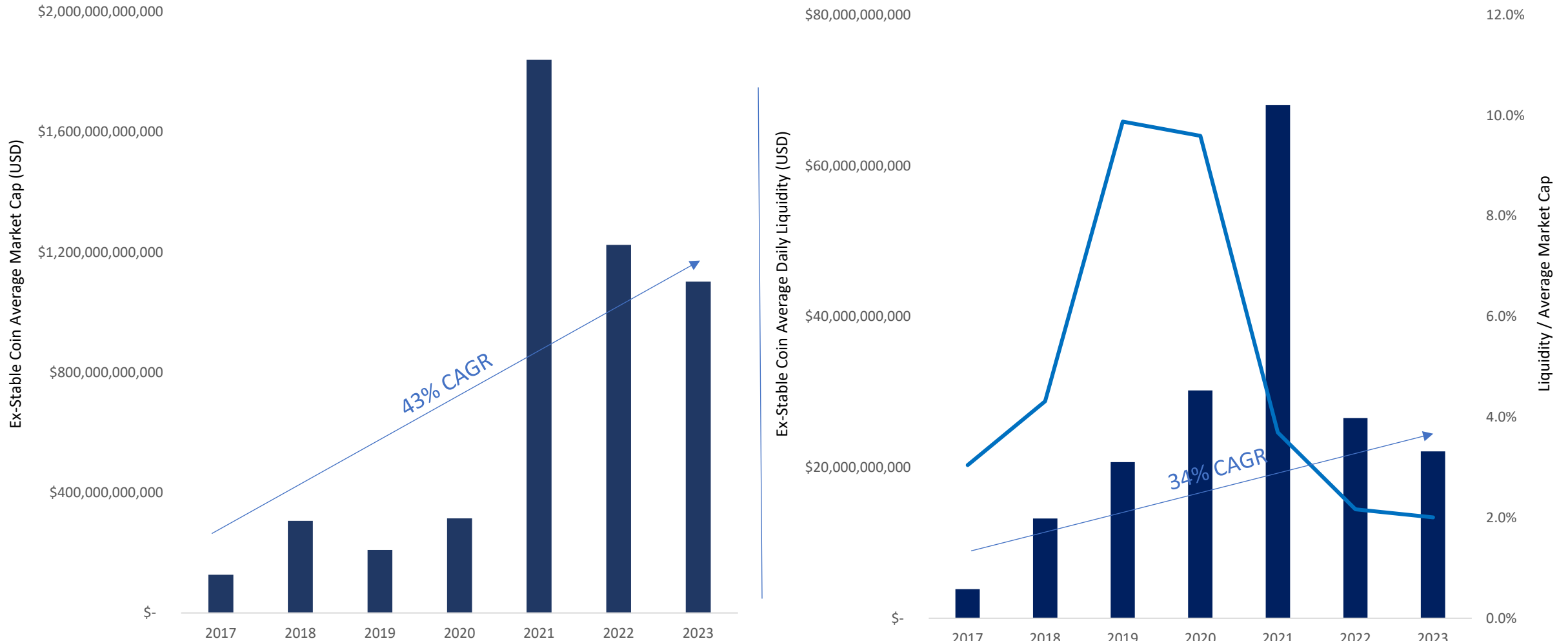
Alpha Rich: Rich in Depth, Breadth & Variance

Returns in Digital Assets have more breath with higher levels of variance which driven alpha opportunity

All index returns driven by top 10 stocks

high level of variance leads to high alpha opportunities

CY2023	S&P500		Digital Assets (Top 1000 coins)
Index / Total Capitalization Return[1]	+24%		+109%
Average Return for Top 10 Names[2]	+88%		+187%
Average Return (ex. Top 10 Names)	3%		+133%
Constituents Standard Deviation	29%		100%+
Constituents Standard Deviation (ex. Top 10 Names)	25%		100%+

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Asset Security

Asset security is our utmost priority, and our service provider stack allows us to mitigate exchange risk

Hidden Road – Prime Broker

- Founded in 2018 by former Point72 executive, Marc Asch with over 100+ employees

- Technology driven conflict-free prime brokerage, clearing and financing across traditional and digital assets

- Segregation of equity capital and risk capital[1]

- Raised US$50M in series A led by Castle Island Ventures, Citadel Securities, and Coinbase Ventures among others[2]

- Regulated by FCA (UK) as Non-SNI firm and is registered as digital asset firm with corporate banking with JPMorgan

- 130 clients, including Citadel and Virtu

- Over 700+ crypto assets across major exchanges that would support L2SS strategy

Copper – Custodian & ClearLoop Solution

- Highest grade of compliance and insurance: Registered with U.S. Department of Treasury's Financial Crimes Enforcement (FinCEN); insurance policy brokered by Aon

- Manages US$7B in assets under custody; over 400 clients use ClearLoop

- Raised US$281m to date from leading institutions including Tiger Global, Barclays Ventures, and Alan Howard

- Sole mandate to safeguard assets through MPC technology

- ClearLoop solution parks funds in custody, <u>L2SS funds do not go to exchanges</u>; underpinned by UK Trust Framework

- L2SS post collateral on the contract within Copper's independent, secure MPC custody and collateral is then deposited into segregated, cold storage and locked

- Connectivity with leading exchanges including Deribit, OKX, and Bybit

1) Risk Capital provided by large US Pension Fund.
2) <u>Hidden Road Raises $50 Million in Series A Led By Castle Island Ventures</u>

Historical Crypto Hedge Fund Returns

Overall hedge funds have generated significant outperformance, with quantitative strategies offering best risk/reward

Historical Returns
January 2018 Inception

INDEX NAME	2023 YTD	2022	2021	2020	2019	2018	ITD
CRYPTO HEDGE FUND **VisionTrack Composite Index**	42.28%	-37.85%	162.94%	174.27%	28.23%	-27.09%	388.18%
CRYPTO HEDGE FUND **VisionTrack Fundamental Index**	74.74%	-64.17%	326.79%	300.60%	22.40%	-44.63%	431.23%
CRYPTO HEDGE FUND **VisionTrack Quantitative Index**	27.86%	-31.11%	105.92%	147.40%	38.89%	-3.11%	413.93%
CRYPTO HEDGE FUND **VisionTrack Market Neutral Index**	15.06%	-3.57%	44.21%	38.71%	16.92%	13.95%	184.67%
Bitcoin	127.53%	-64.16%	59.60%	303.22%	91.08%	-63.07%	162.71%

Source: Galaxy Digital. Indices | VisionTrack - Data Driven Investment Decisions (galaxy.com)
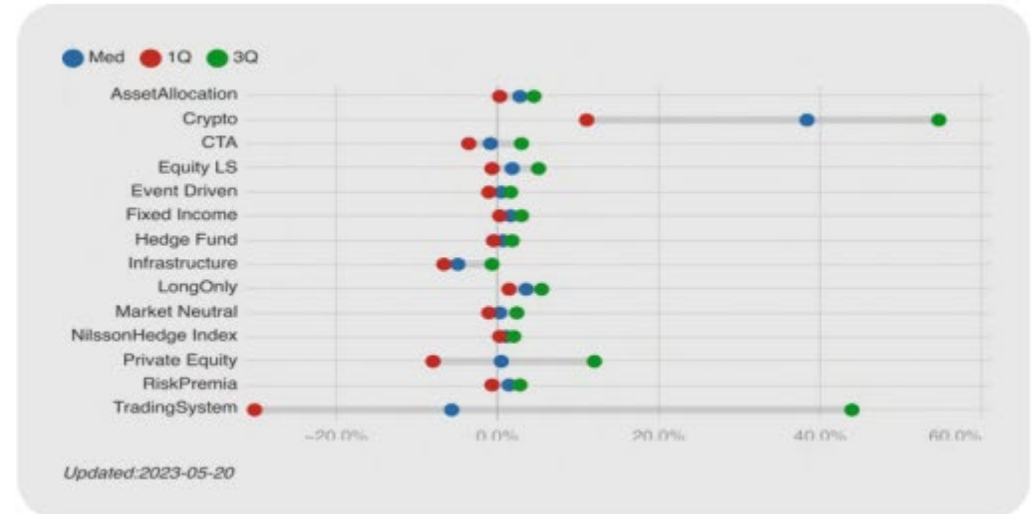
L2 SERTIS

Manager Selection Matters in Digital Assets

Difference between top managers and bottom quartile crypto hedge funds is 40% YTD, compared to 1-5% in traditional strategies; the key to success is risk management and avoiding blow ups

Hedge Fund Dispersion (2022)
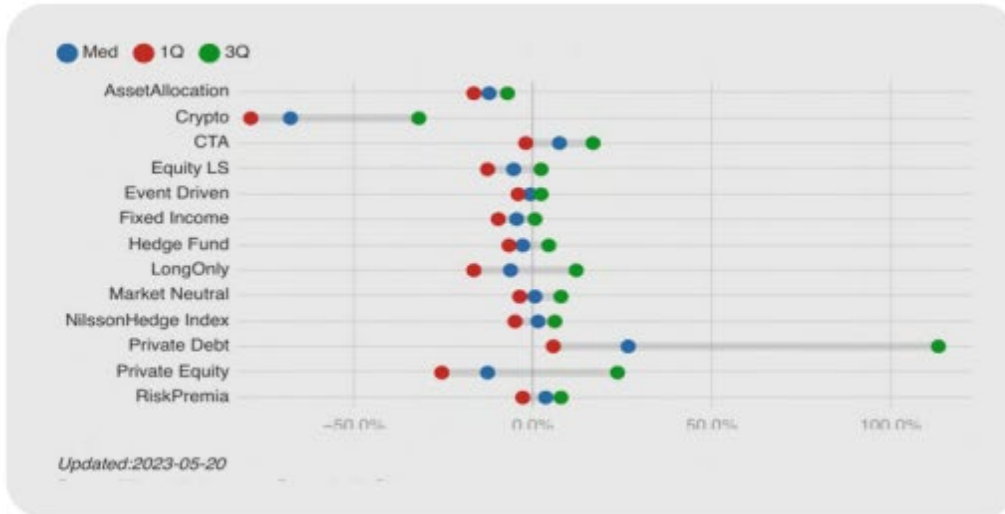
Hedge Fund Dispersion (YTD 2023)[1]

Source: Coinbase and NilssonHedge.
1) Through May 20,2023.