

The ScoreGenix Story

A 50-Year Journey

The genesis of the ScoreGenix dates back to 1971, when the father of one of the firm's founding partners—an accomplished accounting executive with a career spanning respected Midwest firms including Arthur Andersen—embarked on an ambitious project. He was attempting to leverage his expertise in finance, accounting, and securities trading to develop a system capable of making investment decisions based entirely on mathematics and logic, without the need for human judgment.

His vision was to create an automated, algorithmic stock-picking model that avoided the emotional biases and inconsistencies of discretionary decisionmaking. The system was to be data-driven, systematic, and objective—functioning entirely on inputs, logic, and probabilities.

After years of testing and refinement, it became clear that the stock market, despite its promise, posed significant limitations. The data was often unreliable, distorted by inaccurate earnings reports, inflated forecasts, and subjective interpretations. Worse, market outcomes were frequently driven by unpredictable variables—political instability, economic events, war, or even mass psychology—that could not be quantified or modeled with precision.

The breakthrough came with the realization that professional sports offered something the stock market could not: clean, transparent, and verifiable data. Sports outcomes are defined by finite statistics—wins, losses, points scored, player performance—and those metrics are not subject to manipulation. Moreover, sports data is publicly available, updated in real time, and largely unaffected by broader economic or political conditions.

From this insight, the early concepts of what would eventually become the ScoreGenix system were born. Over the past two decades, the system has been refined and enhanced, used exclusively by family, close friends, and a small group of private clients.

What Is Sports Trading?

When anchored in rigorous data analysis, discipline, and sound risk management, sports trading can be approached as a legitimate investment strategy—much like traditional stock trading.

Just as stock traders study market trends, company performance, and economic indicators to inform their trades, successful Sports Traders analyze team stats, player form, historical matchups, injury reports, and line movements to make informed wagers.

In both disciplines, the goal is to uncover value—be it undervalued stocks or mispriced betting lines—and to capitalize on market inefficiencies for sustained returns. When approached methodically, sports wagering shifts from chance to strategy, driven by probability management and informed decision-making.

How Does Wall Street Feel?

Wall Street is increasingly viewing sports wagering as a legitimate and lucrative investment vehicle, driven by the rapid legalization of sports betting across the U.S. and the explosion of data-driven platforms.

Major investment firms and private equity groups are pouring capital into sportsbooks, betting exchanges, and sports tech startups, seeing them as high-growth opportunities akin to early-stage fintech.

The parallels between financial trading and sports trading—such as market volatility, arbitrage opportunities, and real-time analytics—make the space attractive for institutional investors seeking diversification and exposure to a booming, tech-enabled sector.

How Does the Program Work?

The ScoreGenix Software uses a proprietary, time-tested algorithm that analyzes over 50 performance metrics per team to identify statistically imbalanced matchups. Only the most unevenly matched games become recommendations. There is no handicapping or human bias involved. The software involves bankroll management, diversification of bets, and minimizing exposure, mirroring the principles of portfolio management in traditional investing. The system has been refined and deployed for over 13 years.

What kind of return profile can I expect?

This offering represents the Fund's first capital raise, targeting \$500,000 in committed capital. To provide prospective investors with a sense of the return potential, we have modeled Fund performance based on personal sports wagering records maintained by the Fund's principals from January 2, 2020, through December 31, 2024. Using this historical data and applying the same investment strategy intended for the Fund, the modeled portfolio generated a cumulative net profit of approximately \$2,178,855 over five years, based on an initial capital base of \$500,000. This equates to a non-compounded annual return on investment (ROI) of 107%. These returns are net of all relevant costs, including exchange fees and the management fee structure that will apply to Fund investors.

The ScoreGenix Fund employs a disciplined, non-compounding strategy. This means that individual wager sizes do not increase as profits are generated; instead, the Fund maintains consistent stake amounts throughout the investment period. By avoiding compounding, we prioritize capital preservation, risk control, and liquidity, while ensuring that each trade reflects the same methodical approach—regardless of prior performance. This strategy has been central to our consistent and replicable results.

Another defining feature of this strategy is its capital efficiency. At no point during the modeled period was the full \$500,000 deployed. Peak capital utilization reached just \$165,923—less than 35% of committed capital. When returns are measured against this actual capital used, the effective ROI rises to approximately 1,313% (321% annually), underscoring the strategy's potential for outsized performance with a conservative capital footprint.

This distinction is important: while the Fund is raising \$500,000 to allow for flexibility, position sizing, and risk management, historical data suggest that the strategy can deliver substantial returns with significantly less capital actively at work.

Past performance does not guarantee future results. The performance figures presented are based on actual historical sports trades but are not a guarantee of future returns. All investments involve risk, including the potential loss of principal.

What has limited prior access to this strategy?

Previously, access to ScoreGenix was limited to subscription-based recommendations. Subscribers had to place wagers themselves through Casinos or Online Sportsbooks. However, consistently winning at a 64%+ rate inevitably triggered betting limits or bans from Sportsbooks, which do not support highperforming customers. Traditional sportsbooks act as counterparties to your wagers, effectively underwriting your bets. If you win too consistently, you become a liability. This makes it nearly impossible to scale up or place large wagers without getting restricted or cut off.

To circumvent this, subscribers had to place small wagers across multiple venues—up to 16 per recommendation—to avoid detection. This method was inefficient and unsustainable.

What has changed?

The rise of sports exchanges has transformed the landscape. A sports exchange is a peer-to-peer marketplace where users bet against each other, not the house.

The exchange has no financial stake in the outcome—it collects a small commission on winnings regardless of who wins. This neutrality means successful traders are not penalized or banned.

Today, ScoreGenix recommendations can be executed on one or two sports exchanges, with enough liquidity to support growth. This shift finally enables high-performance wagering at scale, without restrictions.

What kind of reporting will I receive?

The emergence of Sports Exchanges has revolutionized the landscape. A Sports Exchange is a peer-to-peer marketplace where users wager against each other, not against the house. Much like a stock exchange, it matches opposing sides of a wager anonymously and neutrally. In this model, the exchange has no financial stake in the outcome of the bet. It collects a small commission on winnings, but it doesn't care who wins. This neutrality means there is no risk of being limited or banned for success. You are simply engaging in a fair market, just like buying or selling shares of stock. Even though the Sports Exchanges are new they afford enough liquidity so that the recommendations generated by the ScoreGenix System can be placed on one or 2 exchanges. As the liquidity of sports exchanges continues to expand, so too will the capacity of the Fund to scale. This structural change is crucial for the strategy. It finally enables high-volume, highperformance wagering without artificial limits or interference.

What kind of reporting will I receive?

Members receive transparent reporting. After each trade, the Fund notifies investors with trade details and outcomes. Monthly access to bank account statements is also provided for independent verification.

How do I get involved?

The ScoreGenix Fund is a private investment opportunity available by invitation only. Participation is strictly limited to individuals who have been specifically invited by the Fund's management. This offering is not available to the general public and is not being solicited through any public means. The ScoreGenix Fund is structured as a Wyoming limited liability company (LLC) created exclusively to execute algorithm-driven sports wagers using the proprietary ScoreGenix System. Investors participate by becoming members of the LLC, with 7 | P a g e ownership interests proportional to their capital contribution. All invested funds are used solely for executing data-driven sports trades, and net profits are distributed to members based on their respective ownership percentages. Capital contributions are considered on a discretionary basis, typically within the \$25,000 to \$500,000 range. All prospective investors will be required to complete and sign an investor eligibility certification and execute a formal subscription agreement outlining the terms of the investment.

What are the Funds Costs and Fees?

Exchange Fee - Standard fees are charged by the sports exchange on all winning wagers. These fees are deducted automatically before winnings are distributed. The exchange fees are currently 2-3% Management Fee - This fee compensates the fund manager for operational oversight, wager execution, performance tracking, and for licensing access to the ScoreGenix System. The management Fee is currently 35%. Unlike traditional hedge funds that charge a 2% annual fee plus 20%, or more, of profits—regardless of overall performance, this fund charges a flat 35% performance fee, but only on profits actually earned. There is no management fee at all. This means investors are not charged anything unless the fund makes money. Even after these fees, the fund is projecting triple-digit net returns, allowing investors to keep the majority of substantial gains while avoiding the fixed costs and profitsharing layers typical of standard hedge fund models. Note that all returns discussed in this document are returns after the payment of the Exchange Fees and Management Fees, or net of all costs. Fees are structured to align incentives: when the system performs, the fund performs—and so do all its members.

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