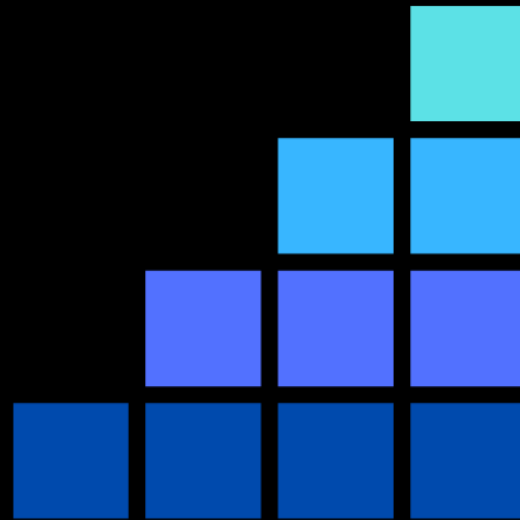


LTCM



September 2021

Disclaimer

This information pack is for **internal use only** and is not intended to be **distributed to investors**. Cayman Islands Fund laws and many jurisdictions frown upon sending out unsolicited publicity materials, because the fund is for qualified investors / professional investors only.

Please use this information pack as a quick reference providing a summary of useful information about the fund. Do not use it as marketing material or hand out copies to potential clients.

Under no circumstances should anyone invest into the fund based on material in this presentation.

Our Story

The original Long Term Capital Management* was a quant fund that blew up in the 1998 Russian financial crisis when they were overconfident in their trades. Like Roman generals who had a slave whispering *memento mori* after a successful campaign, we want to remind ourselves of the virtue of humility.

At the same time, cryptocurrency markets are notoriously inefficient. In normal markets, “too good to be true” trades are traps. In crypto, they are profit. The wisest reaction to this absurdity is to laugh.

And so, to honor those who have come before us, our fund is named Lol Term Capital Management.

* We are not affiliated with the original Long Term Capital Management.

Executive Summary

Lol Term Capital Management (LTCM) operates the following quantitative cryptocurrency strategies:

- Arbitrage
- Market-making
- Others (e.g. short-term correlation trading)

We do not charge any fees at all unless we turn a profit.

We aim for net-of-fees annualized returns of 100% or greater.

Arbitrages

We believe that our arbitrage strategies are best-of-class in execution and tactics. The number of people with the skillset required for high performance crypto arbitrage is very low, because it requires a high level of quantitative knowledge, a deep understanding of network programming, and careful risk management.

While we are unable to discuss our strategies in detail, we believe that our strong team is able to provide all of these capabilities effectively.

Our arbitrages are generally fully delta-hedged, with gross exposure ranging from 80% to 1200% of the portfolio. **This strategy will be more profitable during bull markets and periods of high volatility.**

Market Making

The market making strategy is being tested on our development server and will be rolled out once its reliability is sufficient. We expect it to be in operation by late October 2021.



Portfolio Management

Some of our quantitative strategies are market neutral, such as our arbitrages and market making activities. We also plan to develop directional trading strategies in the future, although these directional trades will generally be intra-day.

Because of this, the Fund has **limited exposure to cryptocurrency prices**.

By having multiple different strategies that want to do somewhat uncorrelated trades, we can also reduce our execution costs by netting exposures across strategies. We believe that our skill at cost-effective execution will be one of several factors that differentiates us from our competitors.

Risks We Face

Although we are executing quantitative strategies, this fund should be regarded as **high risk**. Particular risks we want to highlight are:

Counterparty risk. For on-exchange trades, we will suffer severe losses if the exchange is hacked, goes bankrupt, or otherwise experiences a failure that affects customer assets. For off-exchange and DeFi trades, we are exposed to hacking risk and scamming risk. We do not have off-exchange and DeFi trades now, but we may have some in the future.

Liquidations. Some strategies involve significant leverage, and there is the risk that our positions are partially or fully liquidated. In general, we do not employ high leverage outside of arbitrage strategies where it is very unlikely that this will happen, and we keep the maximum loss on our leveraged strategies to reasonable levels.

Security. Our accounts may be hacked or compromised. We take security seriously and strive to minimize the likelihood of this happening.

Really Catastrophic Risks

These two catastrophic risks will lead to large losses for us and are out of our control. We think they are unlikely, but please consider carefully before investing:

Exchange implosion. If a major cryptocurrency exchange implodes and all of our funds on that exchange are gone, this will have a severe impact on our fund. This has happened in the past, e.g. Mt. Gox closed in February 2014 and clients were unable to withdraw their money.

Stablecoin break. If either Tether or USD Coin experience a collapse in confidence and can no longer be redeemed for USD at par, the value of our Fund will be severely affected. Tether, in particular, is often the subject of rumors regarding its cash holdings.

Capacity

We believe that the Fund can maintain its profitability with up to **\$250 million** in assets under management.

When the Fund approaches this amount of assets under management, we are likely to close the fund to new investors. We expect to reach this milestone in approximately 1 to 2 years.

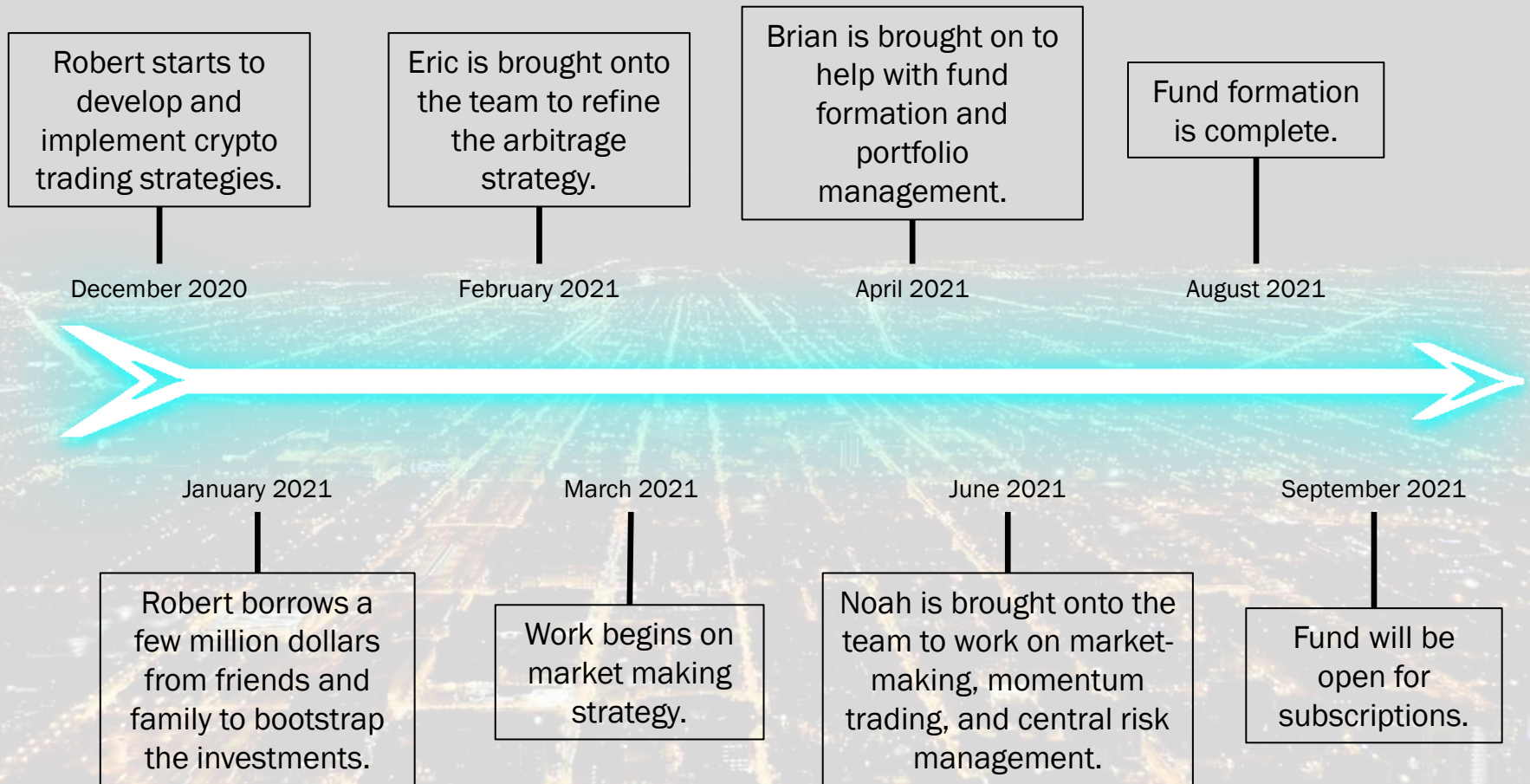
Investor Expectations

We are looking for investors that are open-minded and willing to allocate a portion of their assets into cryptocurrencies. Crypto returns can be much higher than regular investments, however, we also want investors to know that our strategies are unlikely to return 100x or 1,000x in a year.

Our returns are going to be partially correlated with crypto market returns, because many strategies are dependent on trading volume, which tends to be higher in bull markets. We hope that investors understand the returns will vary with the market cycle.

However, unlike investors that simply buy and hold cryptocurrency, we do not expect to suffer major drawdowns in a bear market.

Timeline



Past Performance

These figures are unaudited and are NOT representative of fund returns. They are an approximation of the arbitrage return strategies. We also expect a performance improvement when our market making and other strategies come online.

Month	Return
January 2021	11%
February 2021	12%
March 2021	15%
April 2021	12%
May 2021	4%
June 2021	0%
July 2021	1%
August 2021	15%

Our Founder

Robert Burke is a quant and software engineer. His duties as Chief Investment Officer include management and stewardship of the Fund, devising strategies and portfolio management, programming and implementation, and research. Prior to launching the Fund, he was a quantitative developer at RGM Advisors and held a variety of tech jobs. He holds a BS in Mathematics from University of North Texas.

Team Members

Eric Shrewsberry is a software engineer and is responsible for devising, programming and implementing the Fund's strategies. Prior to joining the Fund, he was a software engineer at Facebook and Bloomberg. He holds a BS in Computer Science from UT Austin.

Noah Kreutter is a strategist and is responsible for developing, optimizing, backtesting, and analyzing the Fund's strategies. Prior to joining the Fund, he was a Systematic Trader at IMC Trading where he specialized in index volatility. He holds a BA in Economics from William & Mary.

Brian Lui is responsible for risk management and portfolio allocation. Prior to joining the Fund, he was a Portfolio Manager at Chartwell Capital in Hong Kong, where he managed a value equity portfolio focused on the Asian markets. He holds a BS in Finance from New York University.

Fee Structure

We **do not** charge any management fee. We believe in our Fund and prefer to be compensated solely from performance.

Our performance fee is 7% up to 40% annualized. We are confident that we can significantly outperform, and therefore we charge a very low performance fee. As cryptocurrency funds are risky investments, our clients deserve to be well compensated before we are.

The performance fee past that point is 70%. These performance fees have a high water mark, meaning that losses must be made up before fees are charged.

Management fee	0%
Performance fee (up to 40% p.a.)	7%
Performance fee (after 40%)	70%
Performance fee calculation period	Quarterly
Minimum investment	USD100,000

Incentive Alignment

We believe that our fee structure aligns the incentives of our team with the incentives of our investors. Additionally, our alignment is even higher because all team members have invested significant percentages of their personal wealth into the Fund.

As of September 2021, our investments into the Fund or equivalent strategies are as follows*:

- **Robert Burke** – 100%
- **Eric Shrewsberry** – 50%
- **Noah Kreutter** – 30%
- **Brian Lui** – 60%

*These are approximations calculated as a percentage of each person's gross investable assets

Fund Structure

Fund name	Lol Term Capital Management
Domicile	Cayman Islands
Structure	Open-Ended Fund
Investor restriction	Professional Investor only
Subscription frequency	Monthly, at least 30 days in advance
Redemption frequency	Monthly, at least 30 days in advance
Subscription and redemption fees	None
Fund-wide gate	20% of Fund NAV at each redemption
Investment Manager	TIM Investment Manager Ltd
Investment Adviser	TIA Investment Adviser Ltd
Auditor	Moore Cayman
Fund administrator	NAV Consulting
Legal counsel	McGrath Tonner
Fund directors	Robert Burke, Shaira Bibera