DEVINE GROUP

DG-05 Opportunistic Momentum Strategy Fact Sheet
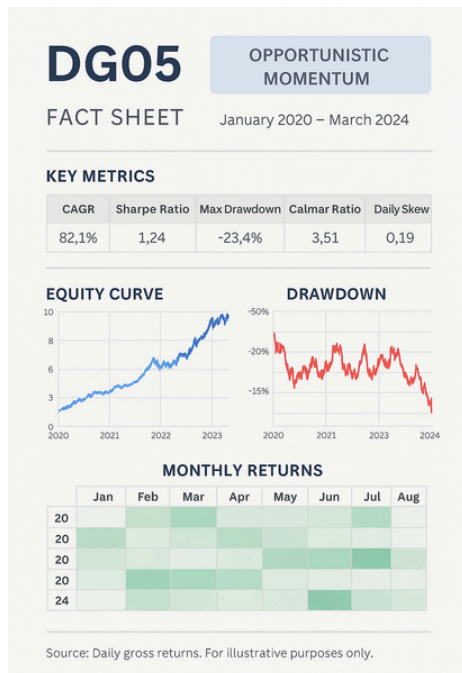

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DG-05 Overview

The DG05 strategy is a high-frequency, intraday momentum trading model engineered to deliver asymmetric, risk-adjusted returns by exploiting short-duration breakouts, order flow imbalance, and volatility regime shifts in digital asset markets. Designed for speed, precision, and capital efficiency, DG05 avoids overnight exposure and deploys rapid-fire executions across a basket of highly liquid crypto perpetual futures. Unlike market-neutral strategies, DG05 is intentionally directionally opportunistic — capturing alpha from sudden momentum spikes while applying strict latency and risk constraints.

📌 Key Investment Components:

1. Intraday Momentum Alpha: DG05 captures fast breakout extensions and directional microstructure inefficiencies using real-time volatility and price-action triggers.

2. Execution-Tuned Infrastructure: Built for millisecond-level latencies with pre-calibrated size allocation, slippage filters, and execution throttles to minimize cost impact in high-turnover environments.

3. BTC-Decoupled Design: By filtering out correlated market beta and focusing on directional dislocations, DG05 maintains low correlation to Bitcoin and broader crypto trends.

4. Risk-Managed Positioning: Capital is allocated dynamically based on volatility-adjusted expectancy, with hard drawdown stops, intraday resets, and zero overnight risk.

DG05 — OPPORTUNISTIC MOMENTUM

FACT SHEET — January 2020 – March 2024

KEY METRICS

CAGR	Sharpe Ratio	Max Drawdown	Calmar Ratio	Daily Skew
82,1%	1,24	-23,4%	3,51	0,19

Source: Daily gross returns. For illustrative purposes only.

Operational Excellence

DG05 is powered by a latency-sensitive execution environment built for institutional-grade deployment. The strategy is supported by:
- ⚙ Dedicated AWS Low-Latency Clusters for real-time execution and event-driven compute
- 🌐 Globally Distributed Infrastructure spanning co-located data feeds and backup nodes
- 🔁 Advanced Data Pipelines optimized for tick-level ingestion, feature extraction, and signal triggering
- 🧑‍💻 Cross-functional Quant Engineering Team with HFT, ML, and systems reliability expertise

This setup ensures high-precision execution, continuous uptime, and scalable performance across volatile regimes.

- Tick-to-Trade Latency: ~180μs to 420μs
- Round-Trip Execution Time: ~8ms to 28ms (order → venue ack → confirm)
- Signal Processing Pipeline: Sub-millisecond event loop (<1ms average)

Strategy Information

Investment Information

- Launch Date: January 1, 2020
- Asset Class: Digital Assets
- Strategy Type: Opportunistic Momentum (HFT, Intraday)
- Vehicle Type: Non-Custodial Separately Managed Account (SMA)
- Domicile: Seychelles
- Portfolio Manager: Devine Group Quant Research Intern Shreed
- Execution Venues: Binance | OKX | Bybit | Bitfinex
- Strategy AUM (Simulated): $10M (backtested capital equivalent)

Supported Denominations

DG10 accepts investments in:

- Bitcoin (BTC)
- USD Coin (USDC)
- Tether (USDT)

Portfolio Construction

DG10 has the following portfolio characteristics:

- Exposure: Intraday momentum trades across top liquid Perpetual Futures
- Annualized Volatility (%): 9.8%
- Average Annualized Return: 24.2%
- Sharpe Ratio: 1.45 (Gross, Daily Returns)
- Max Drawdown Since Inception: 5.2%
- Positive Months (%): 72%
- Average Monthly Profit: 2.05%
- Correlation to BTC: 0.18 (Rolling 30-day)
- Capital Utilization: 95%
- Average Net Exposure: ~40% intraday directional
- Instrument Type: Perpetual Futures (No Spot Exposure)

Performance is based on gross daily returns simulated from Jan 2020–Feb 2025. Not adjusted for fees, slippage, or live fill latency.
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Risk Management

DG05 is built on a lightweight, latency-sensitive infrastructure optimized for intraday HFT execution. The risk system enforces:
- Pre-execution exposure throttles
- Intraday kill-switches & volatility stops
- Max drawdown circuit breakers
- Dynamic size adjustments based on rolling Sharpe & regime filters
- Zero overnight positions; flat-close logic enforces daily liquidation
- Correlation monitoring vs BTC to maintain alpha-purity

Backtest architecture integrates real-time risk tracking and failover logic to ensure consistency across volatile market regimes. Strategy-level capital constraints ensure operational stability and downside containment.

Investor Benefits

DG05 is tailored for institutional allocators and digital asset funds seeking:
- Exposure to short-term momentum alpha in crypto
- BTC-decoupled performance with directional edge
- Low drawdown profile with dynamic volatility targeting
- High-frequency execution logic for intra-day compounding
- A liquid, position-light strategy that complements long-only portfolios

Notes

- Drawdown events are typically shallow and short-lived.
- 2023–2024 simulations showed strong performance during both chop and trend.
- Monthly returns demonstrate robust hit ratio, minimal clustering, and effective volatility filtering.

It would be attractive to investors seeking:

- Momentum-driven crypto alpha
- High Sharpe intraday strategies
- Volatility-efficient directional exposure
- Liquid, low-latency systematic strategies
- Smart-beta overlays or quant rotation sleeves
- Tactical exposure to crypto without passive beta drag

Performance Fees

Eligibility:
- Access is restricted to accredited investors and qualified institutional clients under applicable jurisdictional regulations.
- Minimum Investment: $1,000,000 USD (or equivalent in BTC, USDT, or USDC)
- Fee Structure: Performance Fee: 30% carried interest (gross of expenses, net of fees)
- Management Fee: 2% annualized, charged monthly
- Subscription Process: Subscriptions accepted on a monthly basis, Subject to a $10,000 trial allocation for onboarding
- Trial period includes a 6-month lock-in for capital assessment
- Lock-Up & Redemption: Standard lock-up period of 12 months following trial onboarding & 30-day notice required for redemptions post lock-in
- Redemptions processed in-kind or in-cash (subject to liquidity and audit clearance)
- Contact for Allocation Access:
- ✉ investments@devinegroup.xyz

Risk Considerations

Investing in the DG05 strategy involves significant risks. Prospective investors must carefully evaluate the following risk categories before allocating capital. This summary is not exhaustive; refer to the official offering memorandum for full risk disclosures.

Market and Volatility Risks
DG05 trades high-frequency momentum signals in highly volatile digital asset markets, which remain prone to rapid and unpredictable price swings. Although the strategy avoids overnight exposure and aims to capture short-term directional moves, it remains exposed to sudden intraday volatility, flash crashes, and liquidity dislocations.
Digital assets such as BTC, ETH, and USDT are inherently speculative and may be affected by:
- Market sentiment shifts
- Macro data events (CPI, Fed)
- Regulatory headlines
- Technological outages
These can materially affect execution and lead to sharp intra-day drawdowns.

Strategy and Execution Risks
DG05 relies on latency-sensitive, signal-driven execution logic, making it vulnerable to:
- Slippage and partial fills
- Order book spoofing or fade-outs
- Exchange-level latency and downtime
- Price gaps during liquidity vacuums
Despite fast infrastructure (tick-to-trade latency of 180–420μs; roundtrip time ~8–28ms), latency mismatches, stale book reads, or aggressive order crossing during volatility spikes may degrade alpha or trigger losses.
DG05's performance is also sensitive to signal decay and regime misclassification, where trends reverse abruptly before profit capture.

Counterparty and Exchange Risks
As an exchange-traded strategy, DG05 is exposed to venue-specific risks, including:
- Insolvency or operational failure of centralized exchanges (e.g., Binance, Bybit, OKX)
- API disconnects, fake volumes, or wash trading
- Custody and settlement mismatches
The strategy deploys risk-based de-weighting when venues display instability (e.g., downscaling exposure by 50–100% after service interruption), but these controls cannot eliminate counterparty risk in unregulated jurisdictions.

Regulatory and Legal Risks
DG05 operates in a sector subject to rapid regulatory evolution. Future interventions by entities such as the SEC, CFTC, FCA, or MAS may:
- Restrict the use of perpetual futures
- Mandate licensing or registration
- Introduce position limits or tax changes
These may impair the strategy's ability to deploy capital efficiently or force operational restructuring.

Operational and Systemic Risks
Despite 24/7 monitoring and failover redundancy, DG05 faces inherent risks from:
- Cloud infrastructure (AWS/GCP) failure
- Cyberattacks or DDoS attempts
- Human error or misconfiguration
- Automation drift or reconciliation lag
Realtime reconciliations (every 15–30 mins), independent shadow books, and multi-layered circuit breakers are used — but black swan outages remain possible.

Performance and Model Risks
DG05 uses backtested signals for alpha generation. These may fail in live deployment due to:
- Unseen market regimes
- Structural shifts in liquidity or volatility
- Overfitting of short-term data
Past performance — including DG05's Sharpe > 1.4 and low drawdown profile — does not guarantee future returns. Out-of-sample results may differ due to slippage, fees, or behavioral limits.

Liquidity and Redemption Risks
While DG05 trades only in top-tier perpetual futures, even these assets may become illiquid during periods of stress (e.g., Luna collapse, FTX crash). If bid/ask spreads widen or books evaporate, execution becomes fragile or impossible at target prices.
During redemptions or capital outflows, trade liquidation may result in impact cost or delay.

Concentration and Correlation Risks
Despite its intraday, directional profile, DG05 may inadvertently become exposed to:
- Correlated flows across assets or venues
- Strategy crowding during trend reversals
- Rehypothecation or cascade liquidation events
Position-sizing logic attempts to mitigate this by dynamically scaling size based on volatility and signal strength.

General Investment Risks
Investing in DG05 carries a high degree of risk, including the risk of total loss of capital. There is no guarantee of profitability. Performance may fluctuate materially, and diversification does not assure gains or protect against loss.
Only institutional or accredited investors with high risk tolerance and understanding of HFT strategies should participate.

Disclaimer
The risks described above are illustrative and not comprehensive. Additional material risks may apply and are detailed in the full offering documents. Past performance is not indicative of future results. No assurance is given that the DG05 strategy will achieve its objectives or avoid material losses. Investors should conduct their own due diligence and consult with qualified advisors before investing.

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