



THETA-DIGITAL FUND LUXEMBOURG

January 2021

Investment Objective

The investment objective is to produce absolute growth in the number of BTCs while achieving a risk/return profile superior to a buy-and-hold strategy.

Description

Our private fund is launching this year to offer actively managed exposure to the emerging digital asset called Bitcoin (BTC). We not only protect new investors from strong market volatility but also offer experienced BTC-holders a stream of returns which does not rely on a favorable market environment.

The fund is managed by a team with strong expertise in the area of digital assets, systematic investment management, and cybersecurity. This investment vehicle also aims to minimize the risk of personally holding bitcoin while maximizing the potential return.

KEY FEATUERS

DENOMINATION	BTC
MIN. TICKET	100 BTC
FUND ADMIN	CREATRUST
FUND DOMICILE	LUXEMBOURG
CAPACITY	EUR 20mm
HURDLE RATE	10% pa.
MAX. DRAWDOWN	5%

REDEMPTIONS	MONTHLY
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FEES

PERFORMANCE FEE	13% (on 30% pa. ROI)
MANAGEMENT FEE	FIXED 0.75%

Model Portfolio Performance since Inception



March 2020 (COVID19)

Before markets crashed heavily, we reduced our exposure and started buying the recovery resulting in months of strong returns

Progressive Fee Structure

Our fee structure is designed in a way to replicate the benefits of both low-cost ETF investing and an actively managed hedge fund. During times where the fund simply holds BTC we only charge our 0.75% management fee which is typical for ETFs.

On the other hand, if we are able to grow the amount of BTC through trading we will charge a performance fee on the increase in number of BTCs. Using a progressive fee structure enables us to lower our fee significantly below the market standard of 30% typical for crypto hedge funds. An excellent annual return of 30% (above the BTC price return!) would be met with a performance fee only as low as 13%. While returns under 10% come without a performance fee entirely.

Examples of performance fees vs. returns:

GROSS RETURN	NET RETURN	FEE RATE
5%	5%	0%
10% (hurdle)	10%	0%
15%	14%	7%
20%	18%	10%
25%	22%	12%
30% (target)	26%	13%
35%	28%	20%
40%	29%	28%

Manager Bio

André Arakelyan – The investment manager is an expert in quantitative analysis, predictive modeling, and systematic trading based out of Luxembourg. After studying general management at a top tier German private business school, Mr. Arakelyan worked in CIO management consulting for large corporations listed in Germany (DAX), consulted ultra-high-net-worth individuals on digital assets, and finally worked as a trader for a Swiss multi-family-office with \$3 billion in assets under management where he was responsible for introducing and managing the emerging asset class of Digital Assets.