MARGIN SYNDICATE

Systematic Derivatives Trading

Q4 2025 Performance Report

& December 2025 Monthly Update

Report Date: 26 December 2025

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Executive Summary

Q4 2025 delivered exceptional performance with **+58.48%** quarterly returns, bringing 2025 YTD to **+292.9%** and cumulative returns since inception (November 2024) to **+628.2%**. The strategy maintained institutional-grade risk metrics with a Sharpe ratio of **3.25** and Sortino ratio of **5.02**, demonstrating superior risk-adjusted returns through systematic flow-governed execution.

December 2025 contributed **+20.49%** (MTD as of 26 December: +5.1%), continuing the strategy's consistent outperformance against Bitcoin and traditional benchmarks. The rolling 90-day Sharpe of **2.22** and 365-day rolling Sharpe of **2.70** confirm sustained alpha generation across market conditions.

Key Performance Indicators

Metric	Value	Period
Cumulative Return	**+628.2%**	Since Inception
2025 YTD Return	**+292.9%**	Jan - Dec 2025
Q4 2025 Return	**+58.48%**	Oct - Dec 2025
CAGR	**+529.2%**	Annualised
Sharpe Ratio	**3.25**	Full Period
Sortino Ratio	**5.02**	Full Period
Calmar Ratio	**15.06**	Full Period
Maximum Drawdown	-35.1%	57 days recovery
Volatility	**63.0%**	Annualised

Monthly Performance Breakdown

2025 Monthly Returns

Month	Return	Month	Return
January	+9.87%	July	+5.68%
February	-12.00%	August	+28.49%
March	+9.30%	September	+54.34%
April	+20.31%	October	+13.23%
May	+41.08%	November	+15.60%
June	+11.84%	December	+20.49%

Track Record: 11 positive months, 1 negative month in 2025. Best month: September (+54.34%). Worst month: February (-12.00%).

Quarterly Performance

Quarter	Return	Highlights
Q1 2025	+6.21%	Feb drawdown recovered
Q2 2025	+90.96%	Strong trend capture
Q3 2025	+111.65%	Peak performance quarter
Q4 2025	+58.48%	Consistent through volatility

Risk Analytics

Risk-Adjusted Performance

Metric	Value
Sharpe Ratio	**3.25**
Rolling Sharpe (90-day)	**2.22 (Last) | 4.73 (Median)**
Rolling Sharpe (365-day)	**2.70**
Sortino Ratio	**5.02**
Calmar Ratio	**15.06**
Omega Ratio	**2.08**
Tail Ratio	**1.89**

Downside Risk Metrics

Metric	Value
Maximum Drawdown	-35.1%
Drawdown Duration	57 days
1-Day VaR (95%)	-2.27%
1-Month VaR (99%)	-7.26%
CVaR (95%)	-6.55%
CVaR (99%)	-9.11%
Best Day	+33.0%
Worst Day	-31.7%

Execution Statistics

Trading Activity

Metric	Value
Total Trades	**294,176**
Total Positions	**134,461**
Positions per Day	342
Positions per Hour	14
Instruments Traded	499
Mean Daily Turnover	190.4%
Win Rate	35.38%
Long Win Rate	**76.84%**

Execution Quality

Strategy Overview

Flow-Governed Systematic Execution

Margin Syndicate operates a high-frequency, flow-governed trading system designed for directional and volatility harvesting in crypto futures markets. The strategy combines algorithmic precision with real-time flow analysis and adaptive risk control to deliver consistent performance across market conditions.

Core Execution Logic:

- Open Interest Expansion and Compression analysis
- Liquidation Heatmaps and Stop Zone identification
- CVD Divergence and Order Book Skew monitoring
- GEX Monitoring (Global Estimated Leverage)
- Funding Rate Imbalance and Sentiment Shifts
- Dealer Delta and Gamma Exposure tracking

Grid Architecture

The system employs a hybrid grid framework adapting between geometric and arithmetic spacing depending on volatility structure and liquidity density. Geometric grids provide exponential coverage in trending conditions, whilst arithmetic grids optimise fill probability during mean-reversion phases.

Proprietary Flow Monitoring Systems

Margin Syndicate has developed a comprehensive suite of proprietary flow monitoring tools that provide real-time market structure intelligence. These systems are designed to identify liquidity vacuums, market maker footprints, and execution inflection points across all major derivatives venues.

1. Structural Levels Dashboard

A centralised system that collates and interprets options flow data from Deribit alongside proprietary signals from Coinglass. The dashboard pulls CME positioning, CEX liquidation data, max pain levels and ETF flows into a single view with real-time structural levels calculated automatically.

Key Metrics Displayed:

- Current Pin: Nearest expiry strike with maximum open interest
- Max Pain: Strike price minimising total payout to option holders
- Delta Flip Zones: Price levels where dealer delta crosses zero
- Gamma Peak: Maximum gamma concentration price
- Hedge Alert: Levels triggering dealer hedging activity
- Structure Broken: Price level invalidating current positioning

2. GEX (Gamma Exposure) Analysis Engine

Real-time gamma exposure calculation across all Deribit strikes. The system aggregates dealer positioning to identify zones where hedging pressure amplifies or suppresses price moves. Positive GEX zones indicate dealer stabilisation (selling rips, buying dips), whilst negative GEX zones signal amplification (chasing moves in direction of travel).

3. Liquidation Heatmap Integration

Integration with Coinglass liquidation heatmap models to visualise leveraged position clustering. The system identifies stop zones and liquidation cascades before they trigger, enabling pre-positioning ahead of forced selling or buying events.

4. CVD and Order Book Analytics

Continuous monitoring of Cumulative Volume Delta divergence and order book skew. The system identifies toxic flow (informed aggressive order flow) and whale positioning alignment between spot and perpetual markets, providing early warning of directional moves.

5. Sigma-Based Hedging System

IV-derived sigma threshold hedging replacing fixed-percentage stops. Protection orders are staged at statistically meaningful levels based on current implied volatility, respecting crypto's fat-tailed distribution where 3-sigma moves occur 6-12 times annually rather than once.

6. ETF Flow Monitor

Real-time tracking of Bitcoin and Ethereum ETF flows, net assets, and premium/discount levels. The system monitors Grayscale holdings alongside spot ETF inflows to identify institutional positioning shifts.

Infrastructure and Access

Exchange Connectivity

Supported Venues:

- Binance USDT-M Futures
- OKX Derivatives
- Bybit Perpetuals
- Hyperliquid DEX
- Deribit Options (flow analysis)
- KuCoin, Bitget, BitMEX (available)

Performance Verification

All performance figures are independently verified through third-party tracking platforms. Real-time and historical data is available for due diligence.

Verification Sources:

- Quants.space: quants.space
- Allo by GenieAI: allo.genieai.tech
- Zignaly Profit Sharing: Zignaly Dashboard

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Important Notices

Risk Disclosure: Trading cryptocurrency derivatives involves substantial risk of loss and is not suitable for all investors. Past performance is not indicative of future results. The high degree of leverage can work against you as well as for you. Before deciding to invest, you should carefully consider your investment objectives, level of experience, and risk appetite.

Data Accuracy: Performance data is sourced from exchange APIs and third-party verification platforms. Whilst every effort is made to ensure accuracy, Margin Syndicate Limited cannot guarantee the completeness or accuracy of data from third-party sources.

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Margin Syndicate Limited

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