



Liquidity

24/7 tradable on Trakx.io
Third party liquidity providers



Safety

Institutional grade
Secure storage



Diversification

Low correlation to
other asset classes



100% Asset-backed

Fully auditable
Collateralised assets

For professional investors only

Trakx Recovery

as of 01 Jul 2024

About Trakx

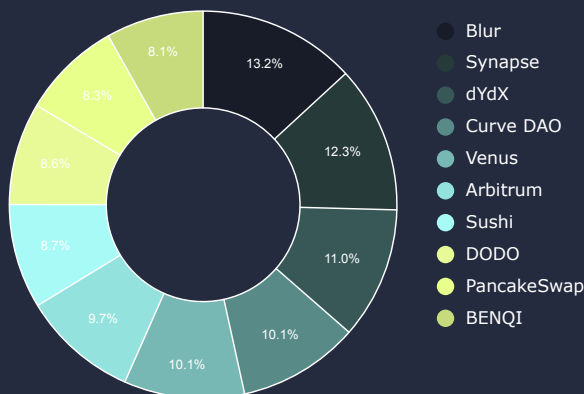
Trakx is a global fintech company creating new standards for digital asset investments. Through our trading platform, we offer thematic Crypto Tradable Indices (CTIs) and customised solutions, providing sophisticated investors a high degree of compliance, security and liquidity. Trakx is registered with the French regulator (AMF).

About the CTI

This instrument is designed to replicate the performance of a basket of 10 tokens that have undergone notable price drops but have robust on-chain financials.

Trakx Recovery presents investors with an opportunity to gain exposure to tokens with strong fundamentals and the potential to recover significantly when the market rebounds.

New Asset Allocation as of 01 Jul 2024



Index Construction Methodology

- Strong financials: Select the tokens with the lowest P/F ratio
- Past Performance: Select the tokens with the highest drawdown ratio over the last 12 months
- Weighting: Allocate proportionally to the drawdown with a 15% cap

Benefits

- During market downturns, some tokens may experience significant price drops, even if their underlying fundamentals remain strong. This presents an opportunity for investors to buy these tokens at a discount and potentially profit from their recovery
- The Recovery CTI rebalances on monthly basis and hence adjusts regularly the exposure to benefit from price dislocation. All in systematic manner.
- The CTI is diversified across 10 tokens with an explicit cap of 15%, therefore reducing risk while maximising recovery potential.

Historical Performances

Index returns and statistics are for illustration only. All data were calculated from the historical prices of the constituents. Index returns do not reflect any transaction costs or expenses. Past performance does not guarantee future results.

Source: CryptoCompare, Coingecko



	1 month	Since 31 Oct 2023	YTD
Index Returns (USD)	-27%	44%	-20%
Annualized Volatility	93%	85%	85%
Index Sharpe Ratio	-3.41	0.78	-0.47
Bitcoin Sharpe Ratio	-3.00	2.64	1.95
Max. drawdown	-34%	-53%	-53%
Correlation to S&P 500	-0.03	0.00	0.01
Correlation to a 60/40 pfi*	-0.19	0.01	0.01
Constituents Market Cap	\$4,802 million		

*simulated portfolio of 60% Equities (S&P500) and 40% of bonds (Long Term US Treasury bonds ETF)

Key Facts

CTI (investment instrument)

Sponsor	Trakx SAS
Product Ticker	LIRECOVER
Investment Objective	Replicate tokens with the low P/F ratio and highest performance drawdowns
Eligible Investors	Professional investors in EEA and Switzerland Not to be offered to US clients or in the US
Currency	USDC
Management Fee	2%
Performance Fee	0%
Inception Date	1 November 2023
Expiry Date	Open-Ended

Underlying Index

Name	Trakx Recovery
Nb of constituents	10
Leverage	1
Rebalancing	Monthly
Weighting	Proportional to drawdown with 15% cap
Data source	Kaiko, Coingecko
Custodians	Coinbase Custody, Fireblocks

Risk Factors of the Product

Prospective investors should ensure they fully understand the nature of this product and the extent of their exposure to certain risks. They should consider the suitability of this product as an investment based on their own personal circumstances and financial situation, investment experience, and investment objectives. This product could involve a high degree of risk. Potential investors should be prepared, in certain circumstances, to sustain a total loss of their invested capital. Prospective investors should also consider the following important risk factors below and discuss this investment with their trusted advisors to help verify this product is suitable for their portfolio. Note, the terms and conditions of this product are subject to change during the lifetime of the product.

Market Risks

The general market performance of this instrument is dependent on various endogenous and exogenous factors. Market disruptions such as trading or exchange interruptions, the discontinuation of trading, or other unforeseeable occurrences concerning the respective instrument and/or its underlying assets, the exchanges, market participants, and other factors may take place during the life of this product. Such occurrences can influence the timing of redemption and/or on the market value of this product. Past performance is not a reliable indicator of future performance.

No Dividend Payment

Investors should have no expectation of influence over Trakx's shareholders' general meetings as well as no rights to Trakx's earnings nor other interests in the company, such as dividends.

Termination Risk

Trakx may terminate the product if it doesn't meet the requirements of our clients. In any case, Trakx will announce the delisting thirty (30) days prior to the end date. On the last day, all relevant customer positions on "to-be" delisted CTI will be sold at their NAVs and converted to USDc onto the customers' wallets.

Liquidity Risk

At rebalancing, Trakx only includes constituents that meet minimum liquidity requirements. Trakx is not responsible for the liquidity shortage on the platform, if there is insufficient liquidity on certain constituents, customers may choose to redeem their CTI at a lower price than the NAV. Digital assets may have limited liquidity which may make it difficult or impossible for you to sell or exit a position when you wish to do so. This may occur at any time, including at times of rapid price movements.

Tax Implication

There may be a tax implication on investing in this product. Trakx does not provide any tax opinion. Any Investors should consult with their own tax advisor prior to investing in the product. In addition, investors should be aware that taxation, with respect to the underlying(s) and therefore this product, may (adversely) change over the lifetime of this product.

Foreign Exchange Risk

The investor in the product is exposed to foreign exchange rate risk if the currency of the underlying and settlement currency are not identical.

Volatility of Crypto-Assets

The value of crypto-assets may change significantly, even on an intraday basis. As the volatility of crypto-assets may currently be higher than traditional assets, changes and advances in technology, increases/decreases in fraud, theft, cyberattacks, regulatory changes, and other factors, further stress the potential of exaggerated investment gains or losses in this product. In addition, crypto-assets lack the historical track record of other traditional financial assets, thus increasing performance uncertainty.

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Investment in digital currency carries a high degree of risk and volatility and is not suitable for every investor; therefore, you should not risk the capital you cannot afford to lose.

Risks include loss of all capital, liquidity, absence of regulations, execution, counterparty and many more as these are still very experimental technologies. Please consult an independent professional financial or legal advisor to ensure the product meets your objectives before you decide to invest.

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