



# Coindex Capital

*Powered by Revolutionary Intelligence™*

**January 2023**

For additional information regarding investment products discussed herein, including risk of loss, please refer to the Private Placement Memorandum for the referenced Strategy.

# Disclosures



## The offered investment strategies carry significant risk. Investors could lose some or all of their investment.

This presentation ("Presentation") is provided on a confidential basis to a limited number of qualified individuals. It must be treated in a confidential manner and may not be reproduced, used, or disclosed, in whole or in part, without the prior written consent of Coindex Capital Management LLC (the "Firm"). Disclosure to persons other than the recipient and its representatives is prohibited.

This Presentation is provided for informational purposes only, not as investment advice or a recommendation to buy or sell any asset or security or engage in any investment strategy discussed herein. Further, this Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any security of Coindex Capital, LLC or its independent series (each a "Fund" and collectively, the "Fund"). Any such offer or solicitation shall be made only pursuant to a confidential memorandum relating to the Funds (as amended or supplemented from time to time, the "Memorandums"), which provide important information related to investments in the Funds, as well as the Firm. This Presentation is qualified in its entirety by the information set forth in the Memorandums, including without limitation all of the cautionary statements set forth in the Memorandums including the "Risk Factors" and "Conflicts of Interest" sections. This Presentation does not constitute a part of the Memorandums.

The information contained herein is as of the December 21, 2022. All opinions, projections, forecasts, estimates, and other information contained in the Presentation, including all information regarding Coindex Long/short 3xETF, Long/short crypto, Market Neutral and Stable Yield Strategies (each a "Strategy" and together, "the Strategies") are subject to change. are subject to change without notice of any kind and may no longer be true after the date indicated or after the date of the publication of the Presentation. Any forward-looking statements speak only as of the date they are made. The Firm has no obligation to update, modify or amend the Presentation or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast, or estimate set forth herein, changes or subsequently becomes inaccurate. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. Certain economic and market information contained in this Presentation have been obtained from published sources prepared by third parties. While such sources are believed to be reliable, neither the Firm nor its affiliates assume responsibility for the accuracy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision.

**Target returns:** Target returns are hypothetical in nature and are shown for illustrative, informational purposes only. This summary is not intended to forecast or predict future events, but rather to indicate the returns for the asset classes indicated herein that Coindex Capital has observed in the market generally over the course of an investment cycle. It does not reflect the actual or expected returns of any potential investment of the Strategy and does not guarantee future results. The target returns are based upon Coindex Capital's view of the potential returns for investments to be made by the Strategy, are not meant to predict the returns of the Strategy Coindex Capital considers a number of factors, including, for example, observed and historical market returns relevant to the applicable asset class available for investment to the Strategy, projected cash flows, relevant other market dynamics (including interest rate and currency markets), anticipated leverage, and liquidity constraints. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the projected returns presented. Unless otherwise indicated, all data is shown before management fees, applicable expenses, taxes and does not account for the effects of inflation. Management fees, and potential expenses are not considered and would reduce returns. Actual results experienced by investors may vary significantly from the target returns shown. The performance shown is for the stated time period only.

**Performance returns:** The performance returns referenced herein were achieved with a live trading test account in Ryan DeMattia's personal accounts following substantially the same investment strategies that will be followed by the respective Strategy. Actual and/or target performance or metrics may be subject to bias due to small sample size. Sharpe ratios were calculated using a risk-free return of 1.74% (10-yr). Net of fees performance is used throughout, which reflects reflect the performance after the deduction of management fees which would have been paid by the Funds. Differences in the timing of transactions and market conditions prevailing at the time of investment may lead to different results. Differences in methodology used to calculate performance may also lead to different performance results than those shown. Past performance is no guarantee of future results.

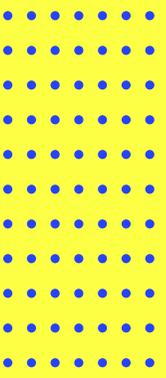
**Fund-specific disclosures:** Coindex Market Neutral Series of Coindex Capital LLC: Date of inception -5/29/2021; Largest monthly drawdown, past 5 calendar years – 6.4%; Worst peak-to-valley drawdown, past 5 calendar years – 7.4%. Coindex Stable Yield Series of Coindex Capital LLC: Date of inception: 5/28/2021. Largest monthly drawdown, past 5 calendar years: 6.2%. Worst peak-to-valley drawdown, past 5 calendar years: 6.2%. Coindex High Yield Market Neutral Series of Coindex Capital LLC: Date of inception - 7/1/2022; Largest monthly drawdown, past 5 calendar years – 2.4%; Worst peak-to-valley drawdown, past 5 calendar years – 2.4%.

**Important Risk Information:** Though all investing bears risk, including the risk of loss of principal, investing in digital assets is particularly speculative. Prospective investors are encouraged to consult with their financial advisor as they must understand and be able to bear risks associated with such investments. The following are examples of risks associated with the Funds:

**Reliance on key persons -** The Strategy's manager or advisor has total trading authority over the Strategy and may be subject to various conflicts of interest. The death, disability or departure of the manager or advisor may have a material effect on the Strategy.

**Counterparty and bankruptcy risk -** Although Coindex Capital will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the Strategy will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Strategy to substantial losses.

**Highly competitive market for investment opportunities -** The Strategy is based, in part, upon the premise that investments will be available for purchase at prices that Coindex Capital considers favorable, and which are commensurate with the Strategy's investment program. The activity of identifying, completing and realizing attractive investment opportunities is highly competitive and involves a significant degree of uncertainty. The Strategy competes for investment opportunities with other institutional investors as well as the public debt markets, individuals and financial institutions, including investment banks, commercial banks and insurance companies, business development companies, strategic industry acquirers, hedge funds and other private investment funds. It is possible that competition for appropriate investment opportunities may increase and such supply-side competition may adversely affect the terms upon which investments can be made by the Strategy. To the extent that current market conditions change or change more quickly than Coindex Capital currently anticipates, investment opportunities may cease to be available to the Strategy.



01.

# The Coindex Team

## Our Director Team

- Ryan DeMattia (Founder & Managing Director)**  
 is a cryptocurrency early adopter and quantitative analyst, originally published in 2011 on Bitcoin. He has 10+ years trading and modeling emergent and exotic markets, with a quant background concentrated on statistical economic modelling. Ryan has previously founded and fundraised in startups and has experience managing and operating from the seed/pre-revenue stage through late-stage funding. Ryan holds an MBA from Clemson University and is based in Atlanta, GA.
- Shareef Abdou (Co-Founder & Director, Strategy & Finance)**  
 is a veteran strategy, operations, and proprietary trading expert with over 25 years experience. He served as SVP in Credit Risk Management and Strategy at Bank of America during 2006-2017, and brings key expertise in asset management, risk mitigation, process improvement, and operational efficiency. He has managed his own trading fund since 2008 and holds a Series 3 National Futures Association license. He obtained an MBA from UCLA and is based in Los Angeles, CA.
- Matt Rahman (Co-Founder & Director, Cybersecurity & Ops)**  
 is a veteran technologist, cybersecurity and SaaS entrepreneur. He has 25+ years' experience running cybersecurity projects for government and financial clients, scaling VC backed tech companies, and managing M&A and turnaround deals. Multicultural Senior Executive with experience aligning business and market strategies, human capital and P&L management across multiple industries. Led multiple global acquisitions and exits in cybersecurity, SaaS, blockchain and AI. Matt holds an MBA from NYIT and is based in Atlanta, GA.

## Our Mission and Vision

### Vision Statement:



To provide our clients with exceptional growth opportunities, while disrupting markets with our technology.

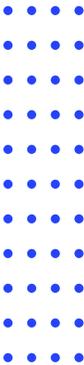
### Mission Statement:



Be the fund manager that every client wants to recommend.

### How We Achieve These:

1. Always act with integrity first, at all times.
2. Deliver each and every client an exceptional white-glove level of service.
3. Leverage technology to be best-in-breed in terms of investment returns, investor reporting systems and cybersecurity.



# Our Advisory Team

## Keith Dallara - ATL, GA

- Fund investor
- blockchain technology expert, digital trading exchanges, cryptobanking

## Ron Marks - NY, NY

- Fund investor
- Global macro strategy expert, fund management, investment strategy

## Lee Underwood - Puerto Rico

- Fund investor
- Investor relations and capital markets expert

## Peter Colegate - Cayman Islands

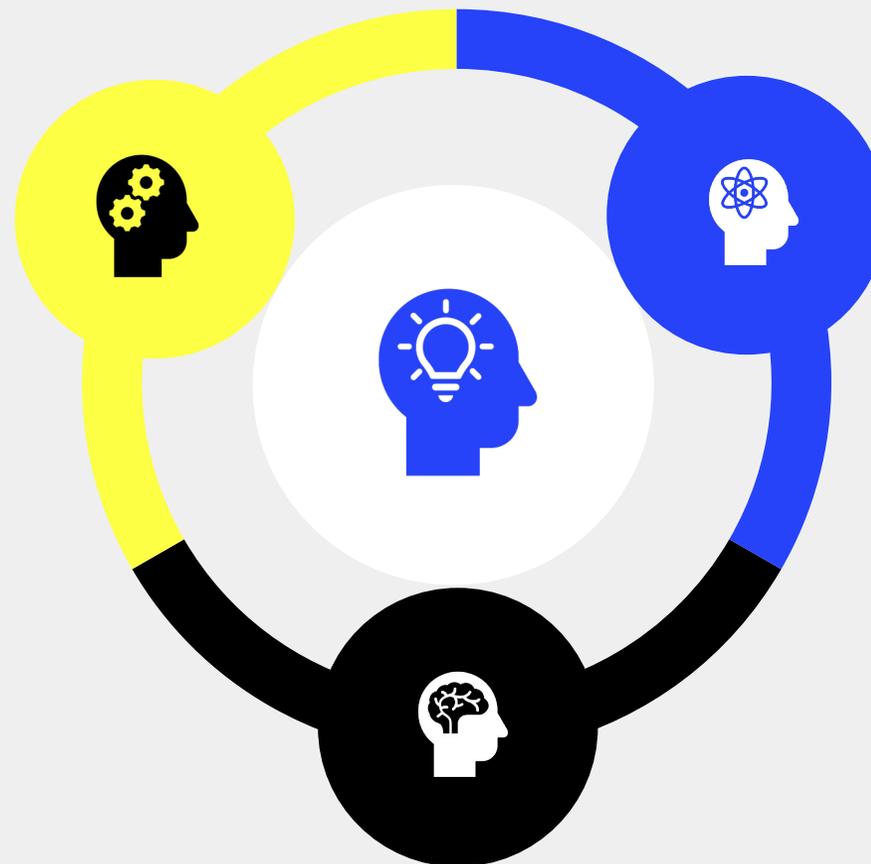
- Counsel, (Appleby)

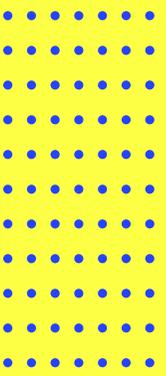
## Jeff Spence - ATL, GA

- Fund management, asset management

## David Lloyd - Cayman Islands

- Cayman registered director, Crypto fund services





02.

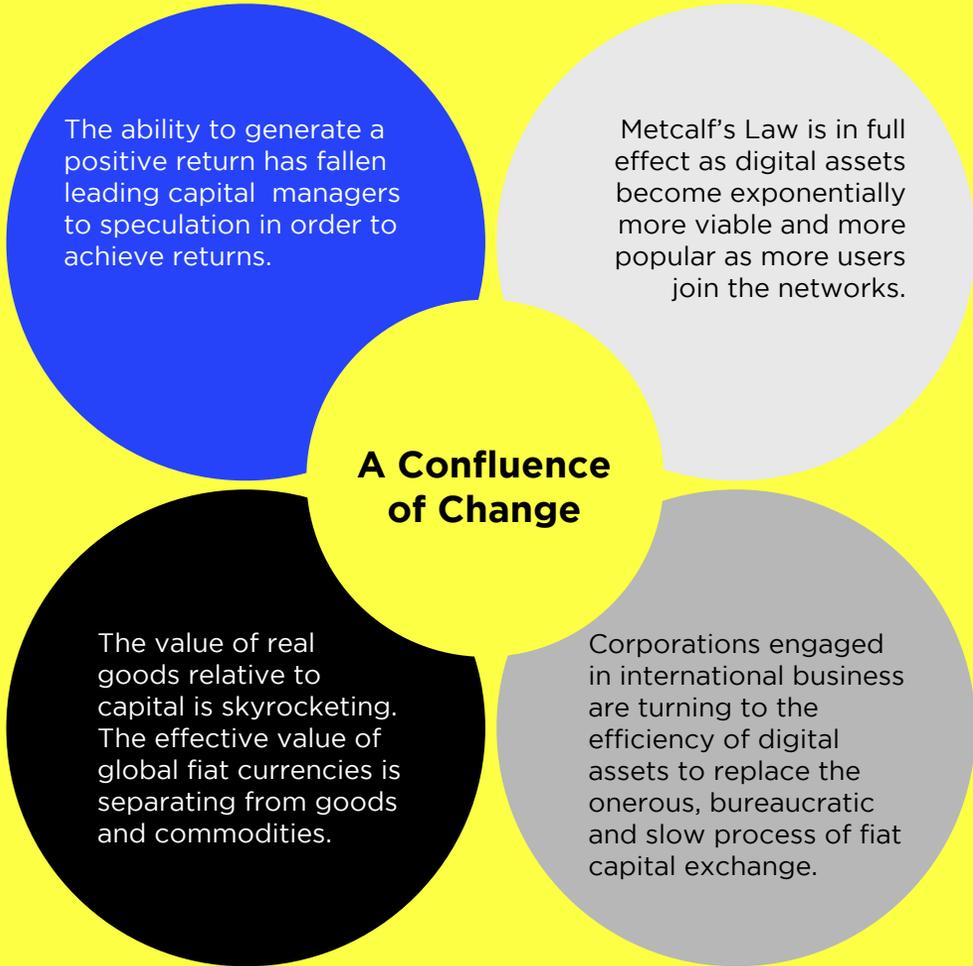
# The Coindex Edge

# The digital gold rush opportunity



## GLOBAL RECESSION

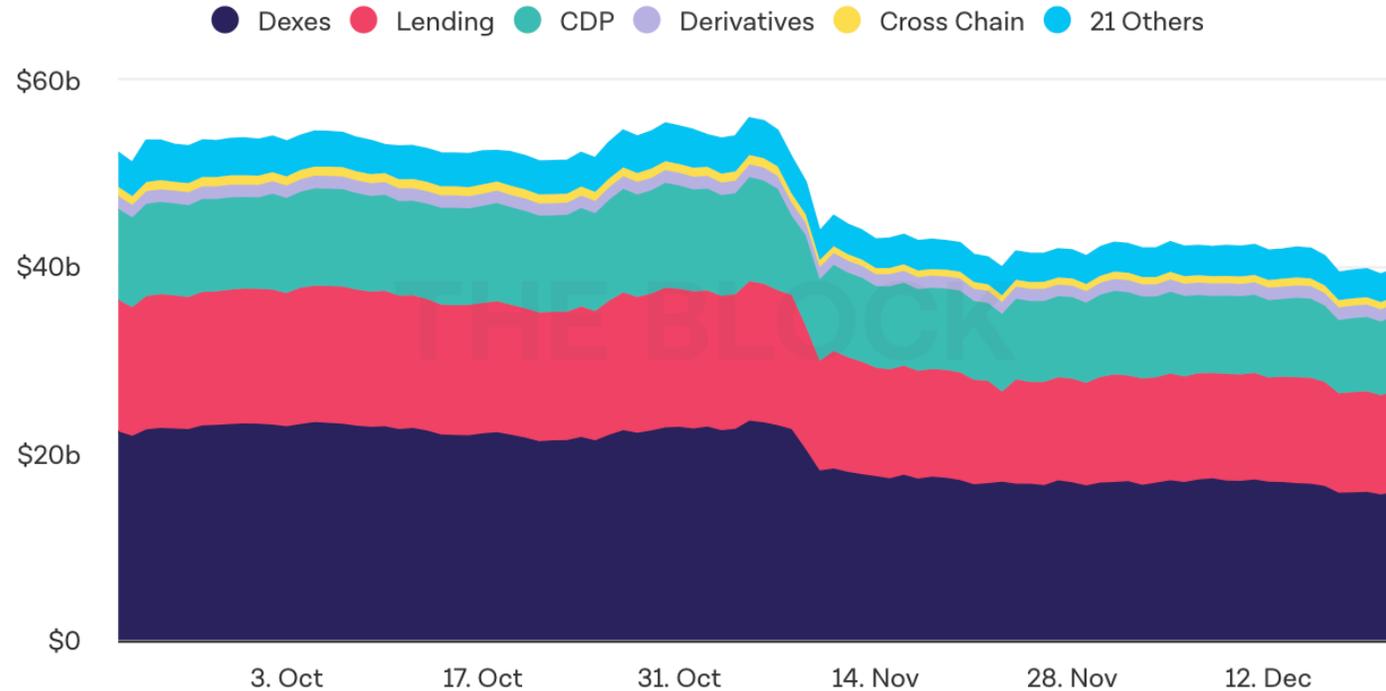
## EXPONENTIAL NETWORK GROWTH



## GLOBAL CURRENCY DEBASEMENT

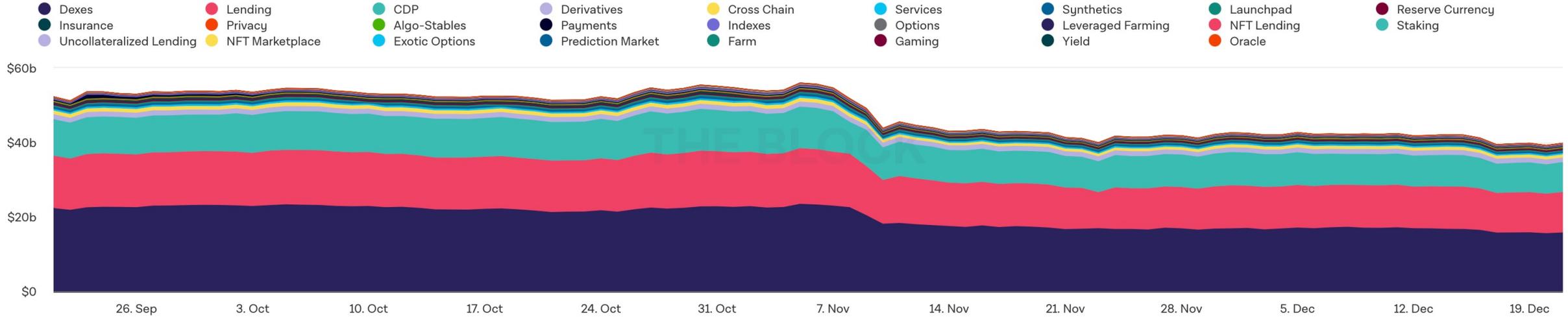
## ASSET FLOW INEFFICIENCY

## Total Asset Value Locked (TVL) in DeFi (USD)

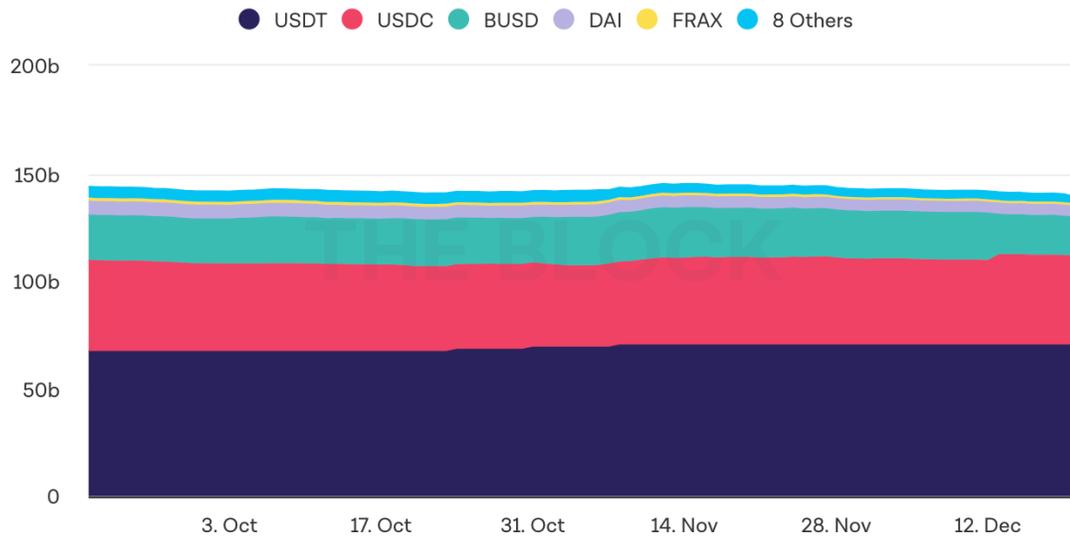


**Arbitrage, fee and commission income can often be more consistent than speculating on price or trends.**

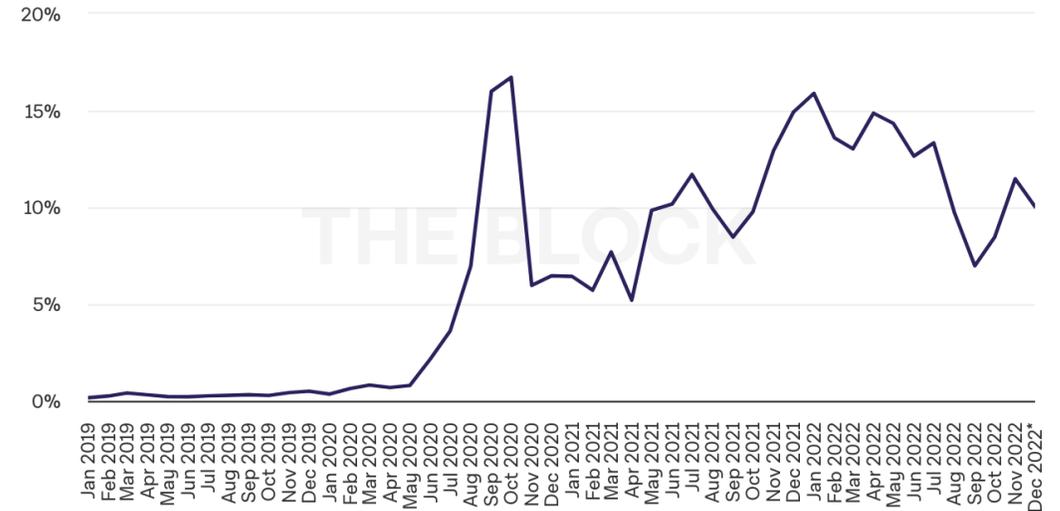
# The Infrastructure Opportunities in DeFi (Decentralized Finance)



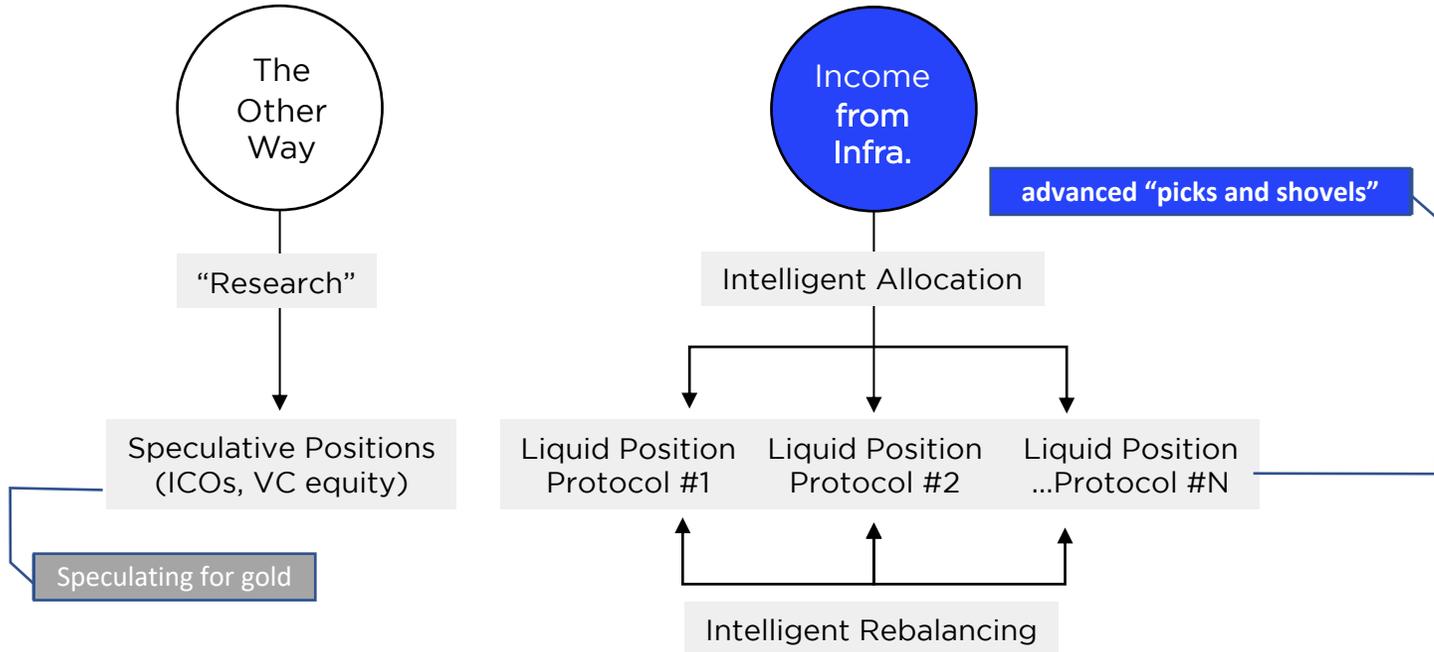
Total Stablecoin Supply



DEX to CEX Spot Trade Volume (%)



# Applying technologically-advanced ‘picks and shovels’ in the digital gold rush

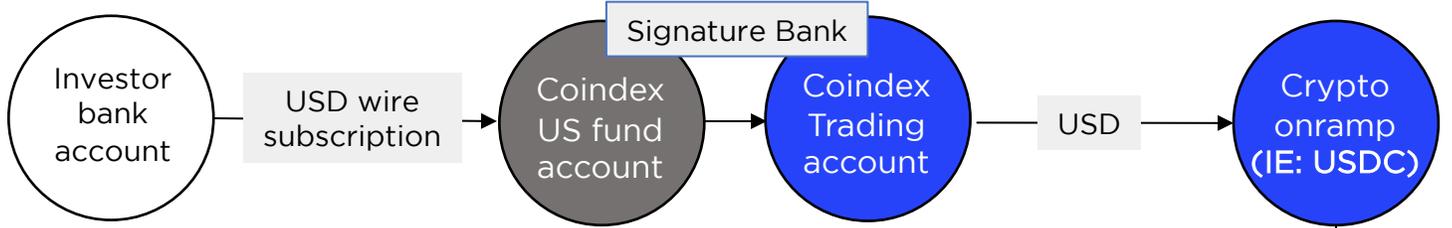


### Why Income from Infrastructure Matters:

- Capitalize on opportunities in nascent crypto markets
- Minimize market exposure to specific tokens
- Highly liquid and not reliant on speculation
- Intelligently rebalancing based on volume
- Relatively consistent yields based on activity

- |                                   |                                           |
|-----------------------------------|-------------------------------------------|
| ⊗ Speculative & Illiquid          | ✓ Liquid positions based on real usage    |
| ⊗ Binary success or failure       | ✓ Highly diversified (10% max position)   |
| ⊗ Long lockups & return horizons  | ✓ Generate returns from volume, not price |
| ⊗ Allocation based on speculation | ✓ Allocated based on diligence and volume |

# Decentralized Finance (DeFi) Operational Process Flow



Coindex Secure DeFi system

- ✓ **MPC:** transactions require multiple authorizers
- ✓ **Whitelisting:** transactions restricted to approved destinations
- ✓ **Batching:** large transfers are broken into smaller tranches
- ✓ **Test transactions:** all new transfer pathways and destinations are tested with de minimis capital amounts prior to usage
- ✓ **Transaction Policy:** corporate-style transaction limits and monitoring
- ✓ **Co-custody:** private keys for assets are not held entirely by manager OR custodial partner; each holds part of key and signs together

Blockchain withdrawal

Secure custody wallet  
IE:  
Fireblocks

MPC approved transfers

DeFi yield position  
IE: chain bridge

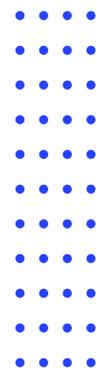
DeFi yield position  
IE: lending position

DeFi yield position  
IE: swap pool

Intelligent Rebalancing

### Multi-layer Security Model:

- All asset-facing activities and platforms require multi-factor authentication
- Self-custody system secured with co-custody institutional partners (Fireblocks, Metamask Institutional)
- All wires and USD transfers require 2 authorizers
- Transfers to/from onramp can only occur with pre-approved wallet addresses
- DeFi transactions require biometric signing to confirm user identity
- Siloed wallets dividing total assets into less conspicuous smaller tranches
- Insurance policy coverage available on secure custody wallets in certain cases



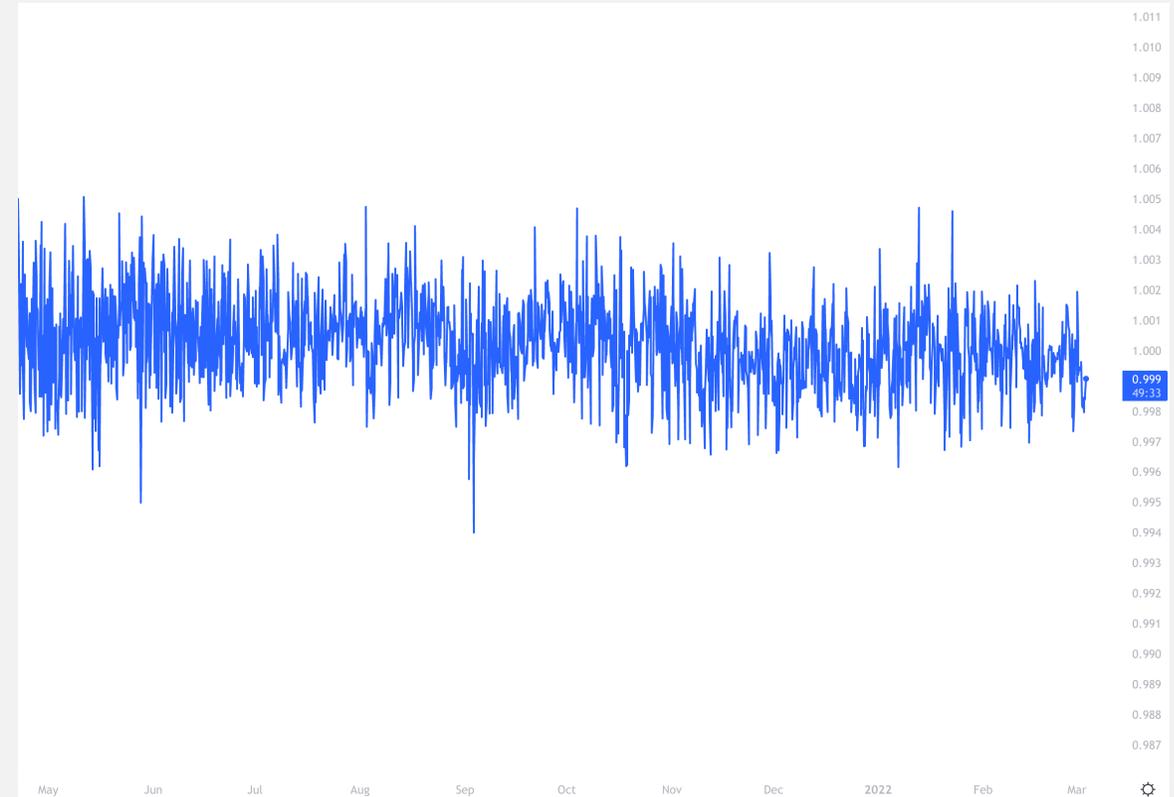
## Example DeFi Trade: Stablecoin Liquidity

In this strategy we are earning income from users swapping one stablecoin for another.

**Liquidity Pool:** we begin by taking our \$1M and converting to equal parts USDC and DAI (500k/500k) and then depositing them into the liquidity pool smart contract

**Fee Income:** users who swap with USDC for DAI or vice versa in the pool pay cross a spread and pay a 0.3% flat fee on all their trading volume (chart to the right). We earn our relative pro rata share of this volume proportional to our liquidity provided

### USDC/DAI liquidity pool position on Swap



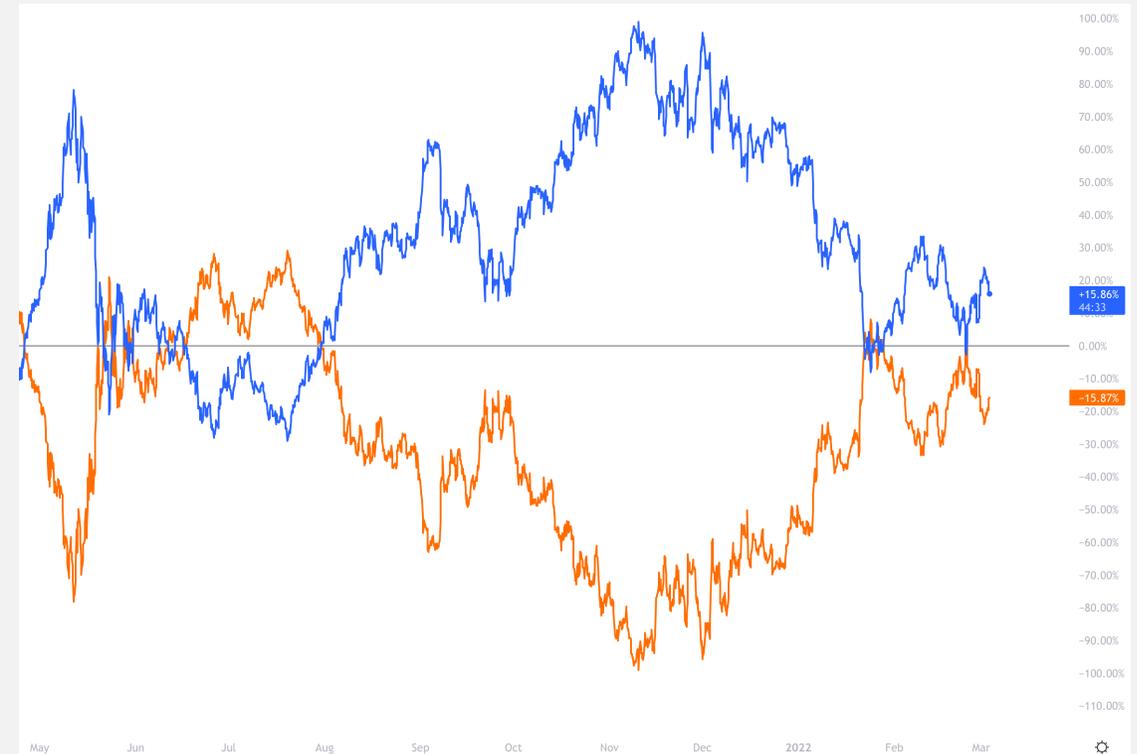
*Earning fees and as users swap one dollar coin for another dollar coin*

## Example DeFi Trade: Non-stable Token Liquidity

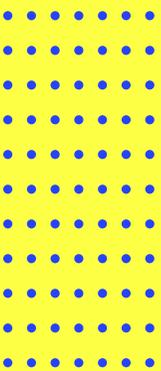
This strategy is similar to non-stable token swap, but with a variable asset and a protocol that has an incentive token they pay as a reward for providing liquidity.

- This strategy uses the same liquidity pool mechanics as the stablecoin swap position with the exception that one of the stablecoins has been replaced with a non-stablecoin – for example ETH
- To maintain market neutrality, in this strategy the non-stable coin is hedged with a target-delta zero short position using derivatives, which seeks to neutralize its price sensitivity (chart to the right)

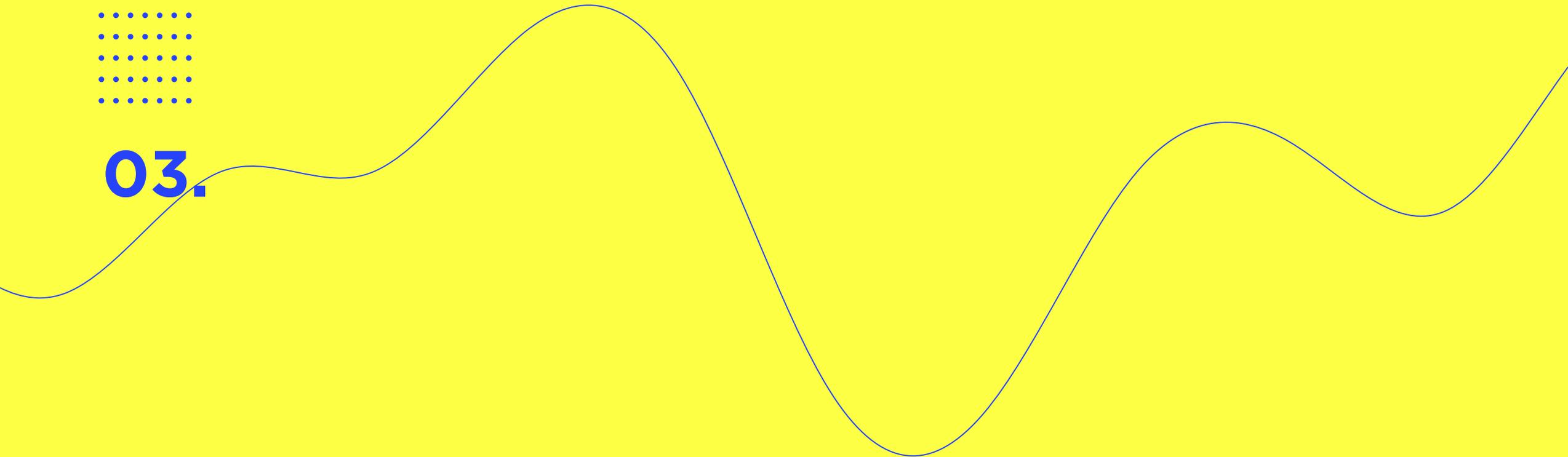
### USDC/ETH liquidity position



*Earning fees as users swap a dollar coin for a variable coin, while hedging the variability*



03.



# High Yield Market Neutral (HYMN): The Coindex Flagship Fund

Target: raise \$500M for Coindex HYMN

# Coindex Composite Historical Fund Performance<sup>1</sup>



High yield Market Neutral cryptocurrency strategy with hedged underlying assets.

## Coindex Alpha (vs. key comps)

	CDX 2021	CDX 2022
vs. S&P	+13.9%	+18%
vs. NASDAQ	+11.2%	+31%
vs. BITCOIN	+17.5%	+63%

<sup>1</sup> Composite performance reflects the performance of the Coindex Market Neutral fund from May 2021 through June 2022. Prior to May 2021 the track record reflects the Stable Yield pilot fund performance; from July 2022 onward this track record reflects the performance of the new flagship High Yield Market Neutral fund.

\*Estimated typical investor performance. Actual November performance in High Yield was -2.44% reflecting the net impact of investor redemptions in November. An investor who did not redeem in November would expect a return of -0.85%.

Past performance is not indicative of future results. An investor could lose all or a substantial amount of his or her investment in securities offered by Coindex Capital, LLC ("the Funds"). The Funds are offered pursuant to Regulation D of the Securities Act of 1933, as amended and are solely managed by the firm. The Funds are not principal protected. Performance was calculated net of commissions, fees and expenses. This material is provided for informational purposes only, not as investment advice or a recommendation to buy or sell any asset or security or engage in any investment strategy. Additional disclosures available in PPM.

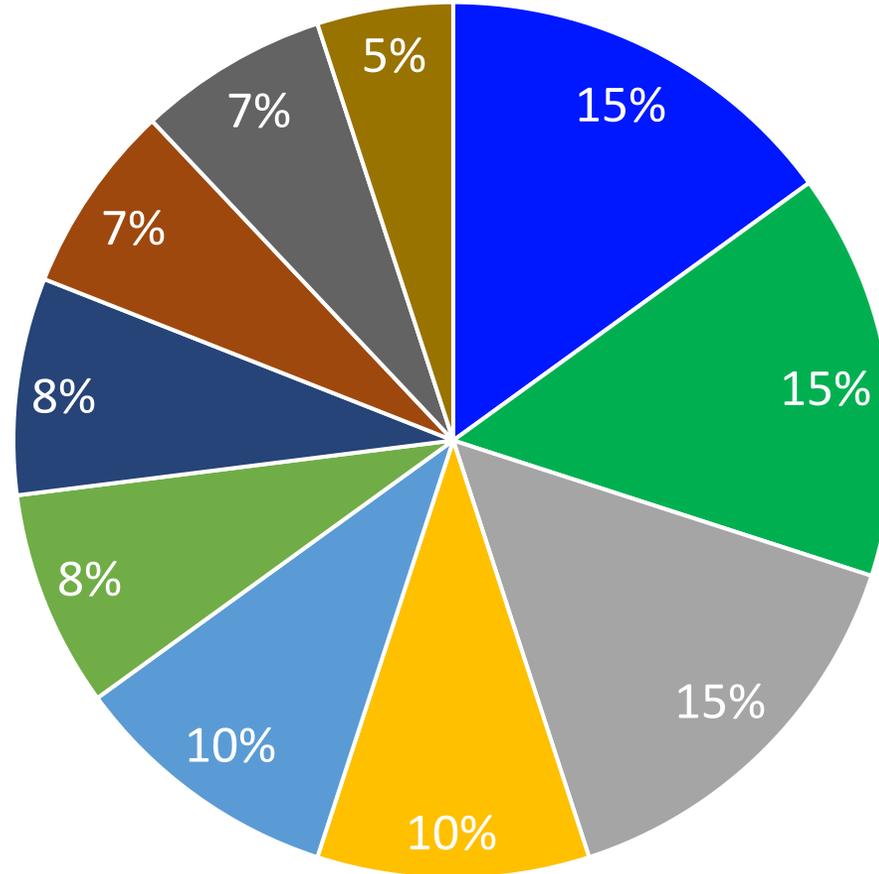


## Coindex Composite Historical Monthly Fund Performance<sup>1</sup>

DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2.2%	1.7%	1.1%	1.6%	2.5%	0.1%	1.7%	2.5%	2.8%	0.4%	4.1%	3.6%	2.4%
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
0.7%	1.6%	2.0%	1.5%	-7.3%	1.2%	0.3%	0.4%	0.1%	0.4%	-0.8%	-0.9%	

# HYMN Fund: Typical Strategy/Position Diversification

- Strat 1
- Strat 2
- Strat 3
- Strat 4
- Strat 5
- Strat 6
- Strat 7
- Strat 8
- Strat 9
- Strat 10



- Top 3 positions capped at 15% of AUM
- All other positions beyond top 3 capped at 10% of AUM
- Strategies capped according to corresponding protocol, token, and smart contract risk assessment



# HYMN Fund: Portfolio Characteristics and Outline



<b>Target return net of fees:</b>	+25%
<b>Target typical / max volatility:</b>	-3% / -15%
<b>Liquidity:</b>	monthly

## Target Portfolio Characteristics

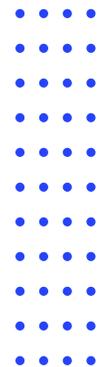
Average number of positions	10-15
Average position size as % of AUM	8-10%
Typical position holding time	1-14 days

## Insights for flagship from legacy Coindex Funds:

- Combine the best trades and sub-strategies from 20+ months of experience running Coindex funds
- Bring all battle-tested capabilities under a single flagship rather than siloing to specific vehicles
- Improve risk-adjusted return profile
- Improve operational expense efficiency for investors

## Key Differences between HYMN and legacy Coindex Funds:

- Has a focus on both stablecoins as well as market neutral trades
- Has a deeper focus on arbitrage and active opportunities on-chain as opposed to passive liquidity positions
- More concentrated positions and portfolio:
  - Target 8-10% of AUM per position, up from 3-5%
  - Limit of 15% of AUM on top 3 positions, up from 10%
- Use of leverage: HYMN will apply leverage to stablecoin and market neutral trades as applicable. Target level of leverage will match level previously used.



# HYMN Fund: Typical strategies compared to Legacy Coindex Funds



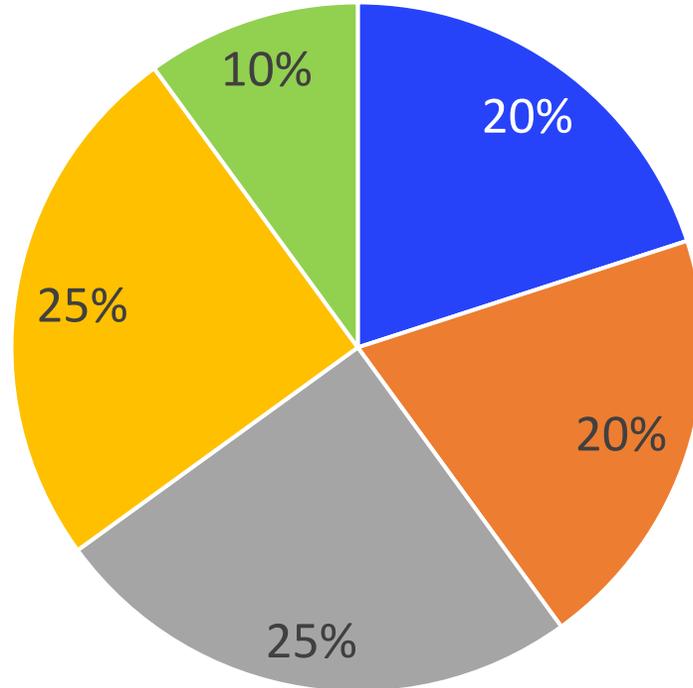
■ Price arbitrage trades

■ Debt/lending interest rate arbitrage

■ Token swap passive liquidity

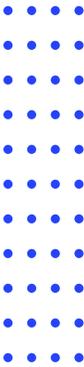
■ Derivatives spread & basis trading

■ Cross-chain bridge liquidity



## Key Differences between HYMN portfolio versus legacy Coindex Fund portfolio designs:

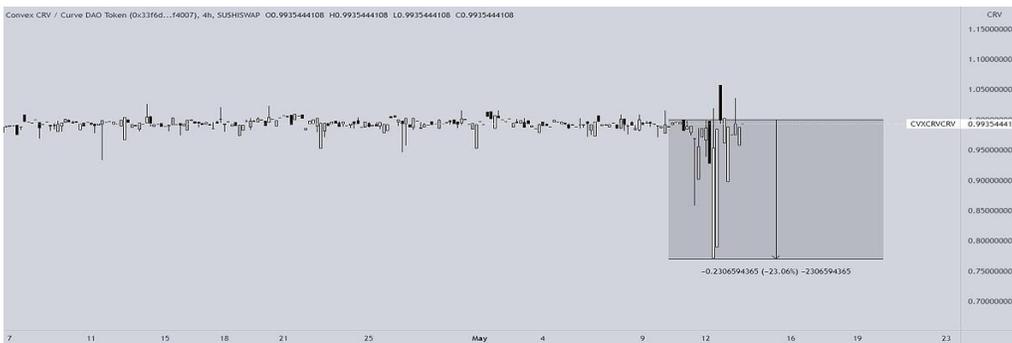
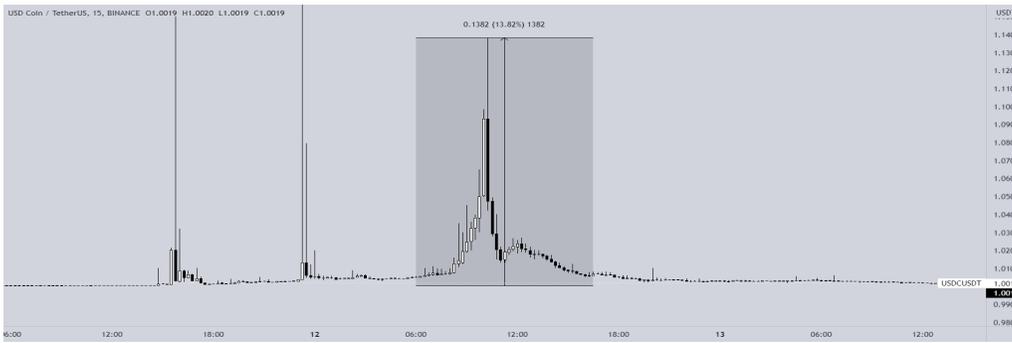
- Increased focus on price arbitrage trades
- Increased focus on derivatives spread and basis trades
- Decreased focus on swap liquidity-providing
- Decreased focus on bridge liquidity-providing



# Black swan events and lessons

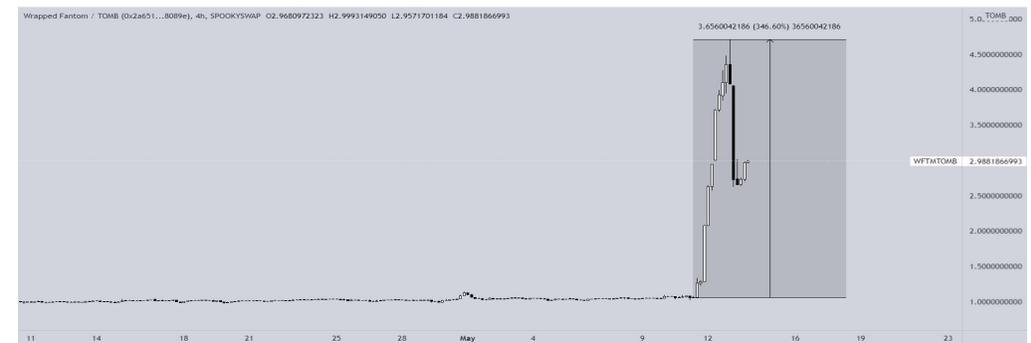


**Cascading effects:** several other pegged or algorithmic coins suffered extreme volatility, bank runs, and other de-peg events



**Impact to Coindex:** Coindex funds had minimal exposure to UST and zero exposure to LUNA. However due to cascading effects in other various pegged assets, as well as delta-hedging a market that was rapidly selling off, both Coindex funds had their first monthly drawdowns for approximately 6% in the month of May.

**Lessons and Adjustments:** The Coindex Management team has adjusted their risk assessment process with more conservative factoring regarding stable and pegged assets, and potential sensitivity to peg prices, which strongly favors overcollateralized assets. Coindex has implemented a borrowing-first strategy on any non-overcollateralized assets to hedge potential peg risks.



# The Coindex Offering



## Clear Investment Terms

<b>Minimum qualification:</b>	US accredited investors
<b>Management Fee:</b>	2%
<b>Performance Fee:</b>	20%
<b>Minimum Investment:</b>	\$1 million
<b>Subscriptions:</b>	Monthly
<b>Redemptions:</b>	Monthly
<b>Structure:</b>	Delaware series LLC, Cayman SPC

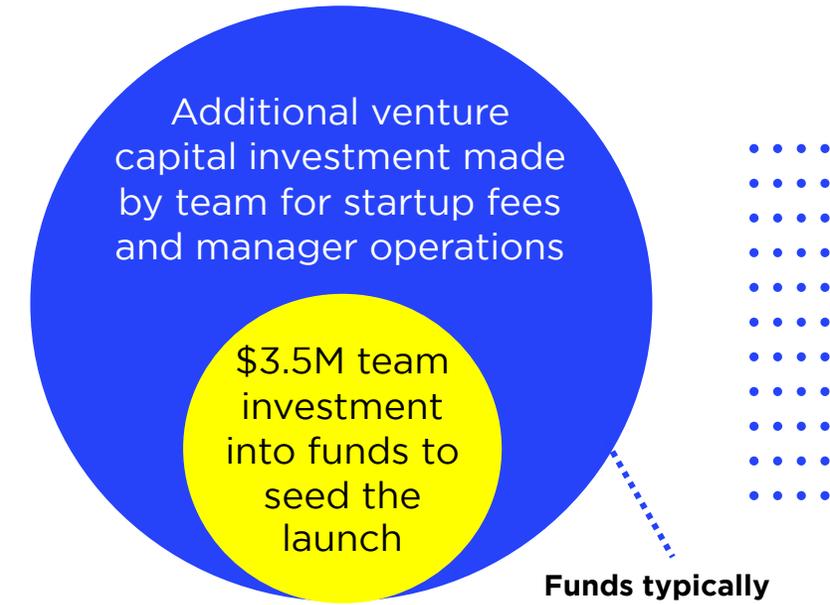
**Growth Class**

<b>Availability:</b>	Limited to \$150 million total subscriptions before 03/31/2023
<b>Management Fee:</b>	1%
<b>Performance Fee:</b>	15%
<b>Minimum Investment:</b>	\$10 million

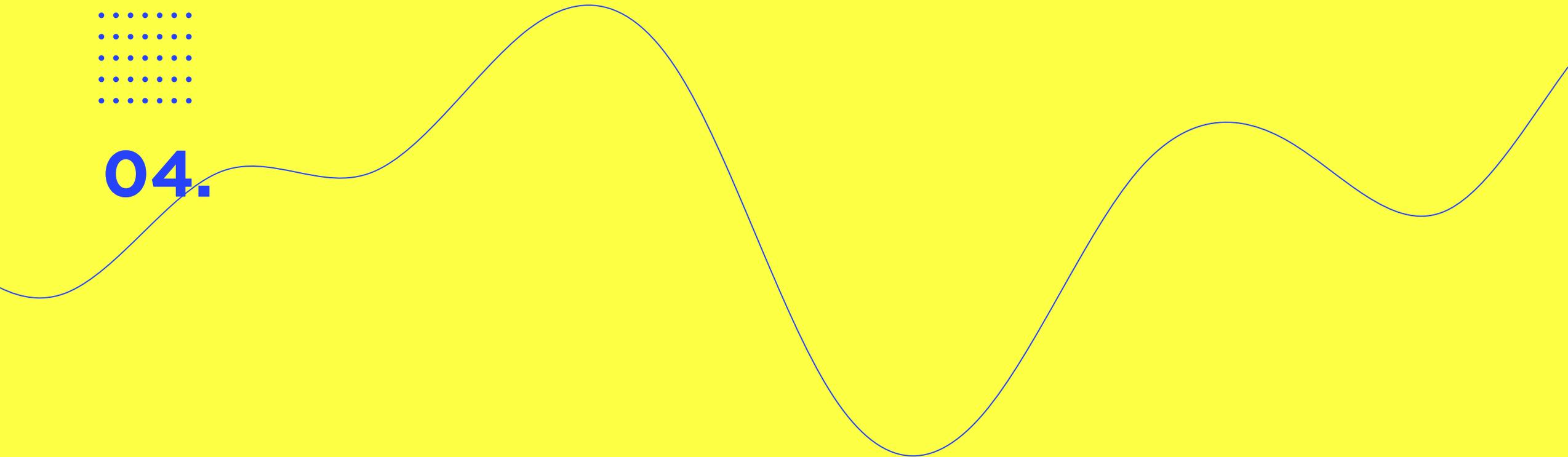
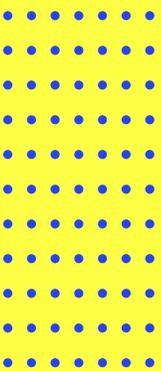
## Established Service Providers

<b>Fund Administrator:</b>	
<b>Auditor:</b>	 <small>Certified Public Accountants &amp; Advisors</small>
<b>US Counsel:</b>	
<b>Cayman Counsel:</b>	
<b>Custodian:</b>	
<b>Custodian:</b>	
<b>Compliance:</b>	 <small>ACCOUNTANTS &amp; ADVISORS</small>

## Self-funded and Committed



**Funds typically pass startup fees on to investors. Not Coindex.**



04.

# Appendix: Example DeFi Trades detailed

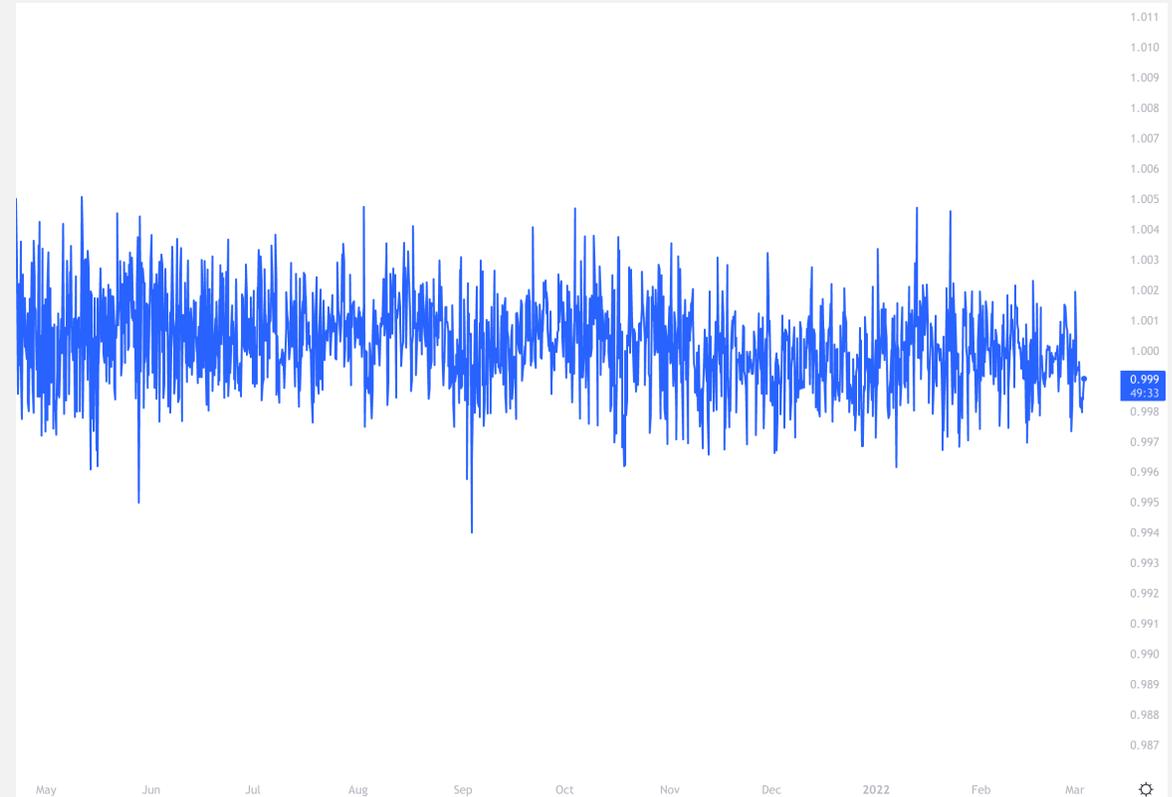
## Sub-strategy: Stablecoin Swap Liquidity

In this strategy we are earning income from users swapping one stablecoin for another.

**Liquidity Pool:** we begin by taking our \$1M and converting to equal parts USDC and DAI (500k/500k) and then depositing them into the liquidity pool smart contract

**Fee Income:** users who swap with USDC for DAI or vice versa in the pool pay a 0.3% flat fee on all their trading volume. We earn our relative pro rata share of this volume proportional to our liquidity share of the pool

### \$1M USDC/DAI liquidity pool position on Swap



*Earning fees and as users swap one dollar coin for another dollar coin*

## Example Trade: Stablecoin Swap Liquidity

In this strategy we are earning income from users swapping one stablecoin for another.

**Total liquidity:** \$250,437,602

This represents the total liquidity provided by all liquidity providers in the given pool

**24hr Volume:** \$38,947,334

This represents the total volume traded within the pool over the last 24 hours

**24hr Fees:** \$116,842

Fees are a fixed percentage of volume (0.3%). This represents the total amount of fees paid to liquidity providers on a pro rata basis over the last 24 hours

## \$1M USDC/DAI liquidity pool position on Swap

\$1M of total liquidity pool = 0.39% of total liquidity

Pro rata 0.39% of 24hr fees = \$455.68

24hr return =  $\$455.68 / \$1M = 0.046\%$

24hr return annualized = 18.1%

Paid in kind, in USDC and DAI



*Earning fees as users swap one dollar coin  
for another dollar coin*

## Sub-strategy: Incentivized Stablecoin Swap Liquidity

This strategy is similar to stablecoin swap, with a protocol that has an incentive token they pay as a reward for providing liquidity.

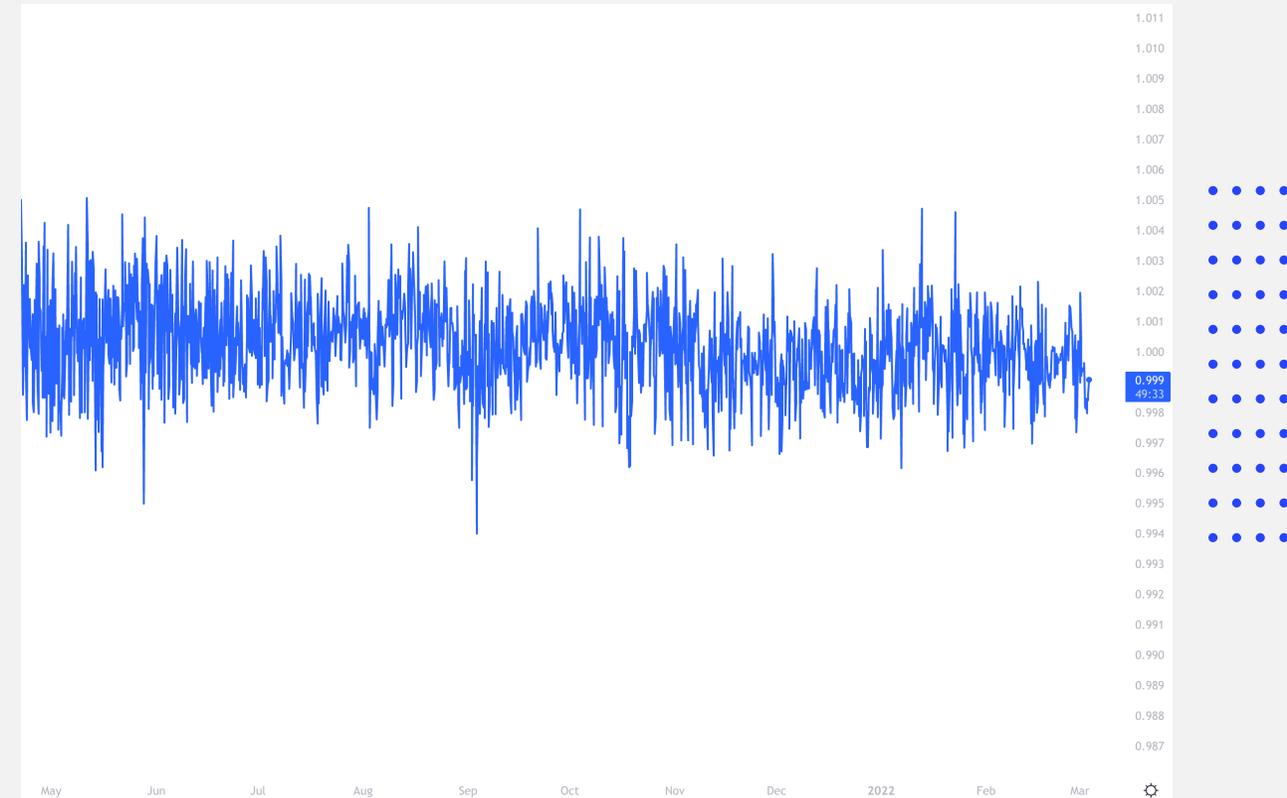
**Liquidity Pool:** we begin by taking our \$1M and converting to equal parts USDC and DAI (500k/500k) and then depositing them into the liquidity pool smart contract

**Fee Income:** users who swap with USDC for DAI or vice versa in the pool pay a 0.3% flat fee on all their trading volume. We earn our relative pro rata share of this volume proportional to our liquidity share of the pool

**Yield Farming:** Swap protocol also pays an additional bonus in the form of their proprietary token which we convert to stablecoins and re-invest

*Earning fees and bonus rewards as users swap one dollar coin for another dollar coin*

## \$1M USDC/DAI liquidity pool position on Swap



## Example Trade: Incentivized Stablecoin Swap Liquidity

This strategy is similar to stablecoin swap, with a protocol that has an incentive token they pay as a reward for providing liquidity.

**Total liquidity:** \$250,437,602

This represents the total liquidity provided by all liquidity providers in the given pool

**24hr Volume:** \$16,249,934

This represents the total volume traded within the pool over the last 24 hours

**24hr Fees:** \$48,749

Fees are a fixed percentage of volume (0.3%). This represents the total amount of fees paid to liquidity providers on a pro rata basis over the last 24 hours

**24hr Reward token emission:** \$78,531

Reward tokens typically have a fixed emission, allocated on a pro rata basis to liquidity providers

## \$1M USDC/DAI liquidity pool position on Swap

\$1M of total liquidity pool = 0.39% of total liquidity

Pro rata 0.39% of 24hr fees = \$190.12

24hr return =  $\$190.12 / \$1M = 0.019\%$

24hr return annualized = 7.2%

Paid in kind, in USDC and DAI

Pro rata 0.39% of 24hr reward tokens = \$189.27

24hr reward return =  $\$305.57 / \$1M = 0.031\%$

24hr reward return annualized = 11.9%

Paid in proprietary reward token; needs to be sold into stablecoin and redeposited

24hr compound return =  $\$495.69 / \$1M = 0.05\%$

24hr compound return annualized = 19.8%



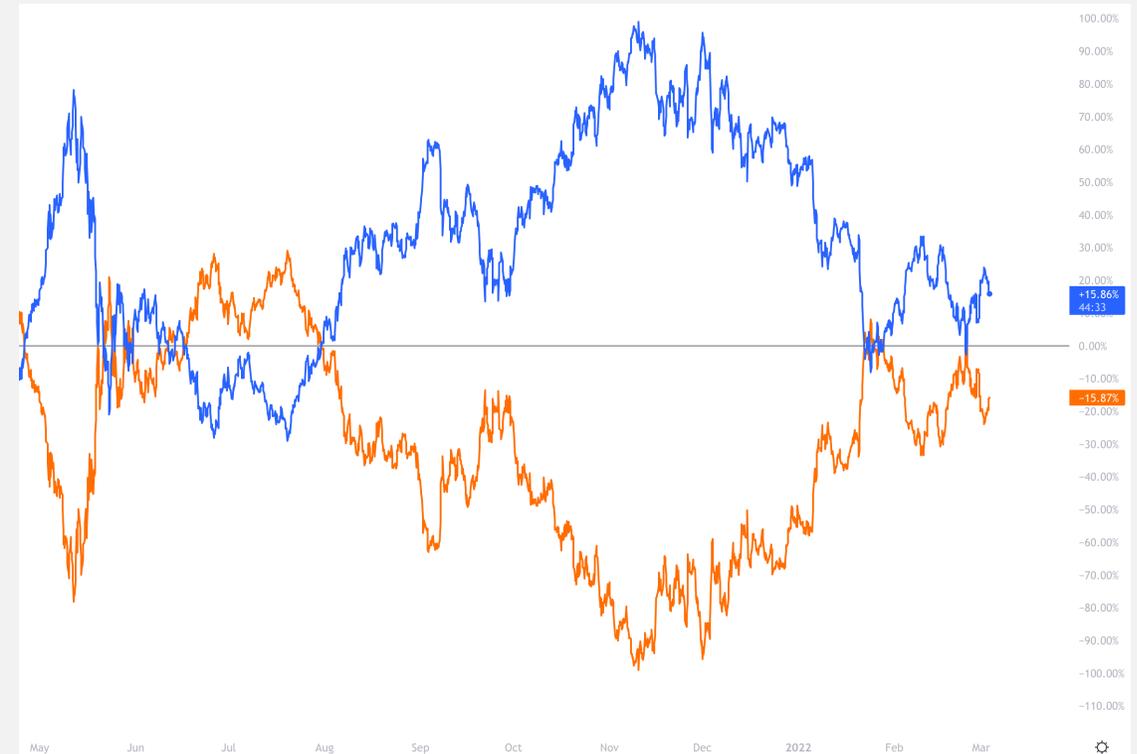
*Earning fees and bonus rewards as users swap one dollar coin for another dollar coin*

## Sub-strategy: Incentivized Non-stable Token Swap Liquidity

This strategy is similar to non-stable token swap, with a protocol that has an incentive token they pay as a reward for providing liquidity.

- This strategy uses the same liquidity pool mechanics as the stablecoin swap position with the exception that one of the stablecoins has been replaced with a non-stablecoin – for example ETH
- To maintain market neutrality, in this strategy the non-stable coin is hedged with a target-delta 0 short position which seeks to neutralizes its price sensitivity (chart to the right)

### \$1M USDC/ETH liquidity pool position on Swap



*Earning fees as users swap a dollar coin for a variable coin, while hedging the variability*

## Example Trade: Incentivized Non-stable Token Swap Liquidity

This strategy is similar to non-stable token swap, with a protocol that has an incentive token they pay as a reward for providing liquidity.

**Total liquidity:** \$324,878,145

This represents the total liquidity provided by all liquidity providers in the given pool

**24hr Volume:** \$44,142,937

This represents the total volume traded within the pool over the last 24 hours

**24hr Fees:** \$132,429

Fees are a fixed percentage of volume (0.3%). This represents the total amount of fees paid to liquidity providers on a pro rata basis over the last 24 hours

**24hr Reward token emission:** \$111,924

Reward tokens typically have a fixed emission, allocated on a pro rata basis to liquidity providers

*Earning fees as users swap a dollar coin for a variable coin, while hedging the variability*

## \$1M USDC/ETH liquidity pool position on Swap

\$1M of total liquidity pool = 0.31% of total liquidity

Pro rata 0.31% of 24hr fees = \$407.63

24hr return = \$407.63/\$1M = 0.041%

24hr return annualized = 16.1%

Paid in kind, in USDC and ETH

Required hedge = \$500K ETH short

Required hedge margin = \$166K

Total position capital requirement = \$1.166M

Hedge-adjusted 24hr return = 0.035%

Hedge adjusted return annualized = 13.6%

Pro rata 0.31% of 24hr reward tokens = \$346.96

24hr reward return = \$346.96/\$1.166M = 0.029%

24hr reward return annualized = 11.5%

Paid in proprietary reward token; needs to be sold into USDC and ETH and redeposited

24hr compound return = \$754.59/\$1.166M = 0.065%

24hr compound return annualized = 26.2%



**Contact us: [team@coindexcap.com](mailto:team@coindexcap.com)**

**Questions?**