



# CoinDex Capital Funds

*Powered by rEvolutionary Intelligence™*

**December 2021**

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

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

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**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.

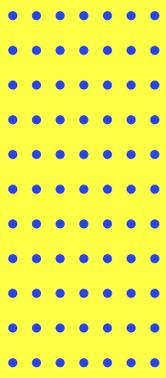
**Fund-specific disclosures:** Coindex Market Neutral Series of Coindex Capital LLC: Date of inception -5/29/2021; Largest monthly drawdown, past 5 calendar years – none; Worst peak-to-valley drawdown, past 5 calendar years - 0.29%. Coindex Stable Yield Series of Coindex Capital LLC: Date of inception: 5/28/2021. Largest monthly drawdown, past 5 calendar years: none. Worst peak-to-valley drawdown, past 5 calendar years: 0.45%.

**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.

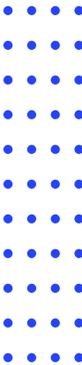
### Mission Statement:



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. Provide a group of strategies with differing risk profiles and seek to deliver outsized returns in each.
4. Leverage technology to be best-in-breed in terms of investment returns, investor reporting systems and cybersecurity.



# Our Advisory Team

## Peter Colegate - Cayman Islands

- Counsel, (Appleby)

## Keith Dallara - ATL, GA

- Blockchain technology, digital trading exchanges, crypto

## Chris Ensey - Puerto Rico

- Cryptocurrency, cybersecurity, cloud computing

## David Lloyd - Cayman Islands

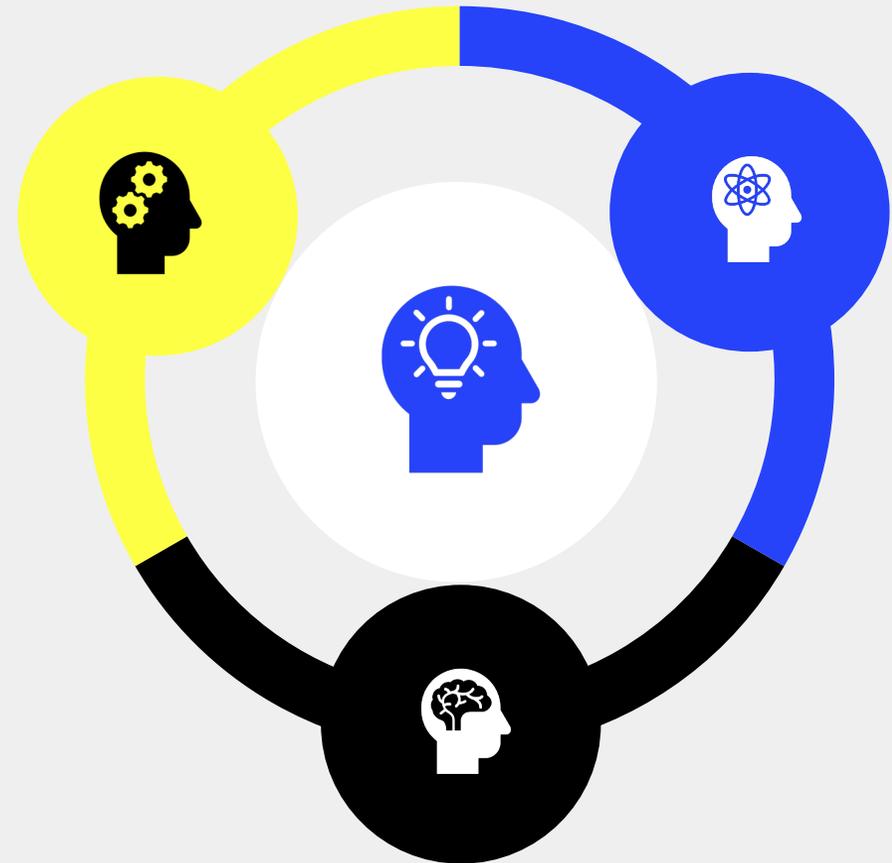
- Cayman registered director, Crypto fund services

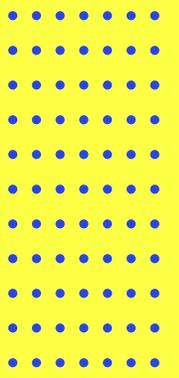
## Aspect Advisors - NY, NY

- Crypto fund compliance

## Jeff Spence - ATL, GA

- Investment banking, cryptocurrency, fund management





02.

# The CoinDex Thesis

THE COINDEX THESIS

# The digital gold rush opportunity

COLLAPSING YIELDS

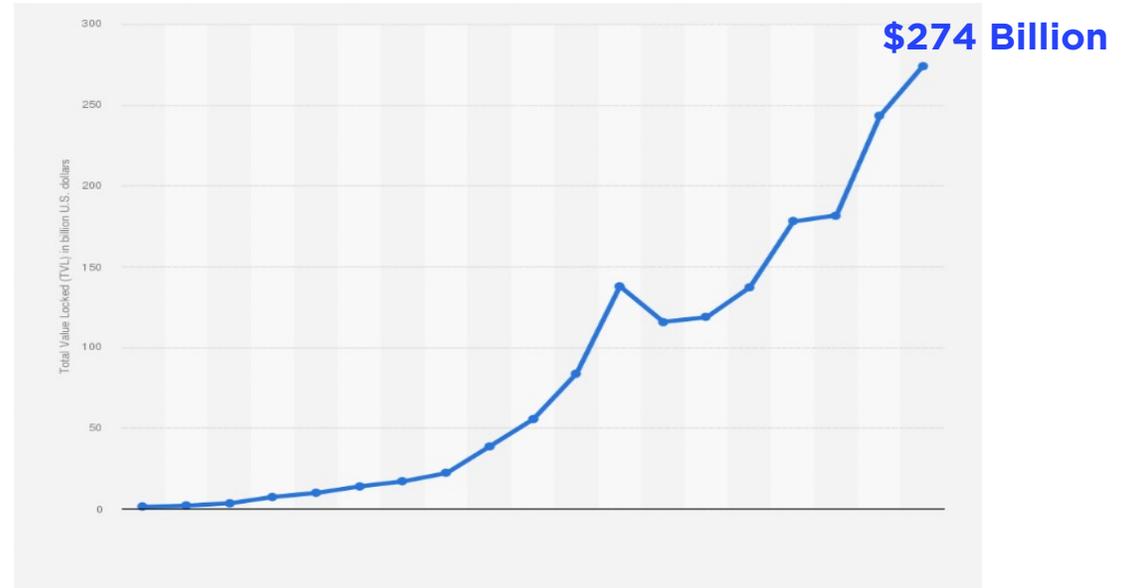
EXPONENTIAL NETWORK GROWTH



GLOBAL CURRENCY DEBASEMENT

ASSET FLOW INEFFICIENCY

## Total Value Locked (TVL) in DeFi (USD) May 2020 - Nov 2021

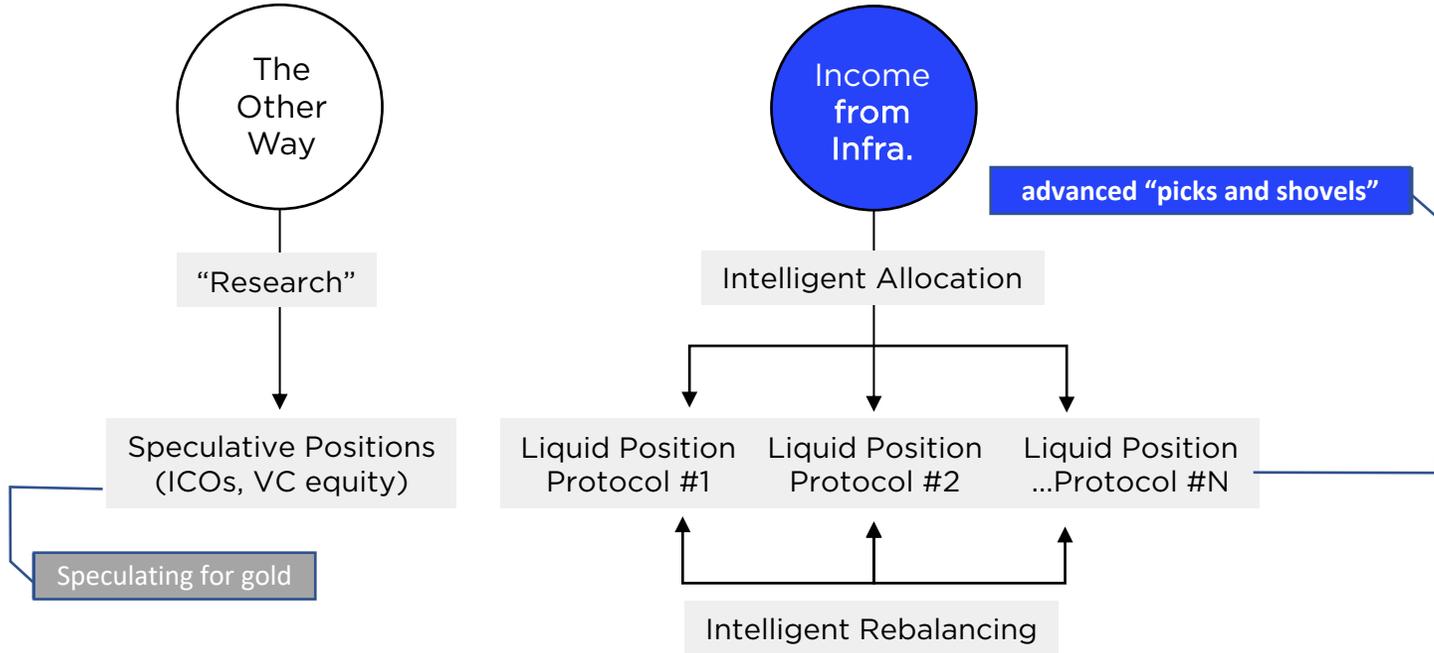


<https://www.statista.com/statistics/1272181/defi-tvl-in-multiple-blockchains/>

**Toll, fee and commission income can enable consistent profit from crypto market infrastructure whereas speculation has not.**

THE COINDEX THESIS

# 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 |

*“It’s better to be good than to be lucky.”*

## It's better to own the casino...

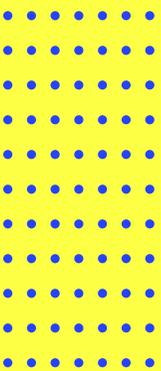
- **Non-directional**
  - (directional AI strategies launching in 2022Q1)
- **Return based on digital asset usage**
- **Relatively consistent based on volume activity**
- **Leveraging AI and technology to capitalize on market volatility and network opportunities**
- **60-90 day notice on redemptions**

## than to be placing bets at it

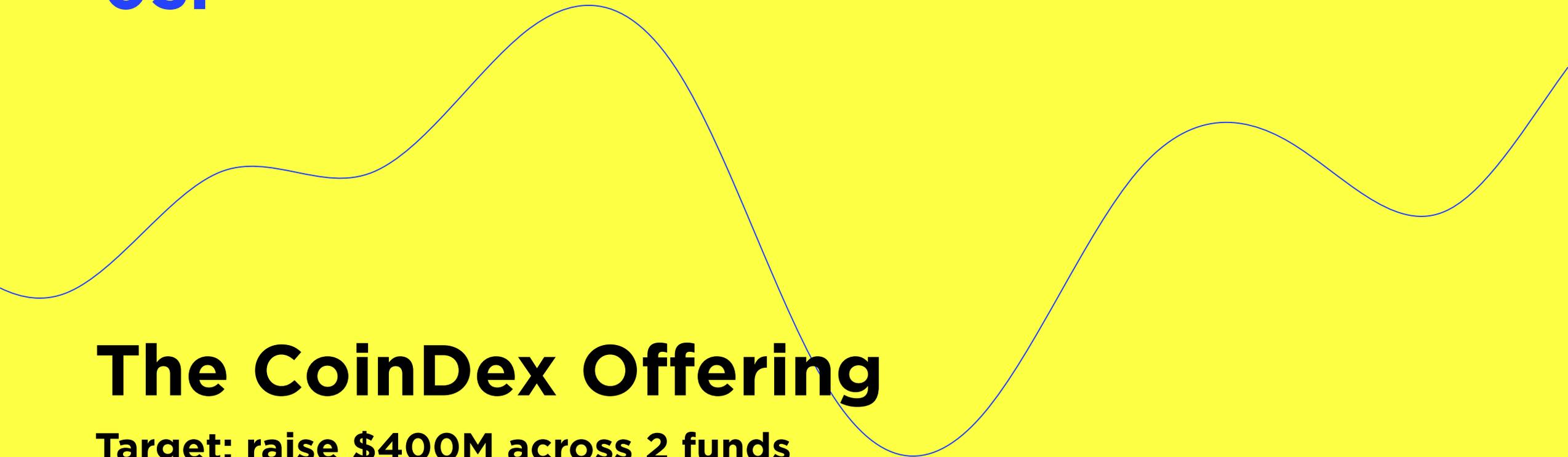
- **Long-only, long/short-only, ICO funds**
  - Needs price action to create returns
- **Return based on speculative prices**
- **Extremely volatile depending on token prices**
- **Outdated manual strategies like watching charts and longing breakouts**
- **Long lockups**



*“The old picks and shovels are antiquated – digital assets require new methodologies beyond speculating for gold.”*



03.



# The CoinDex Offering

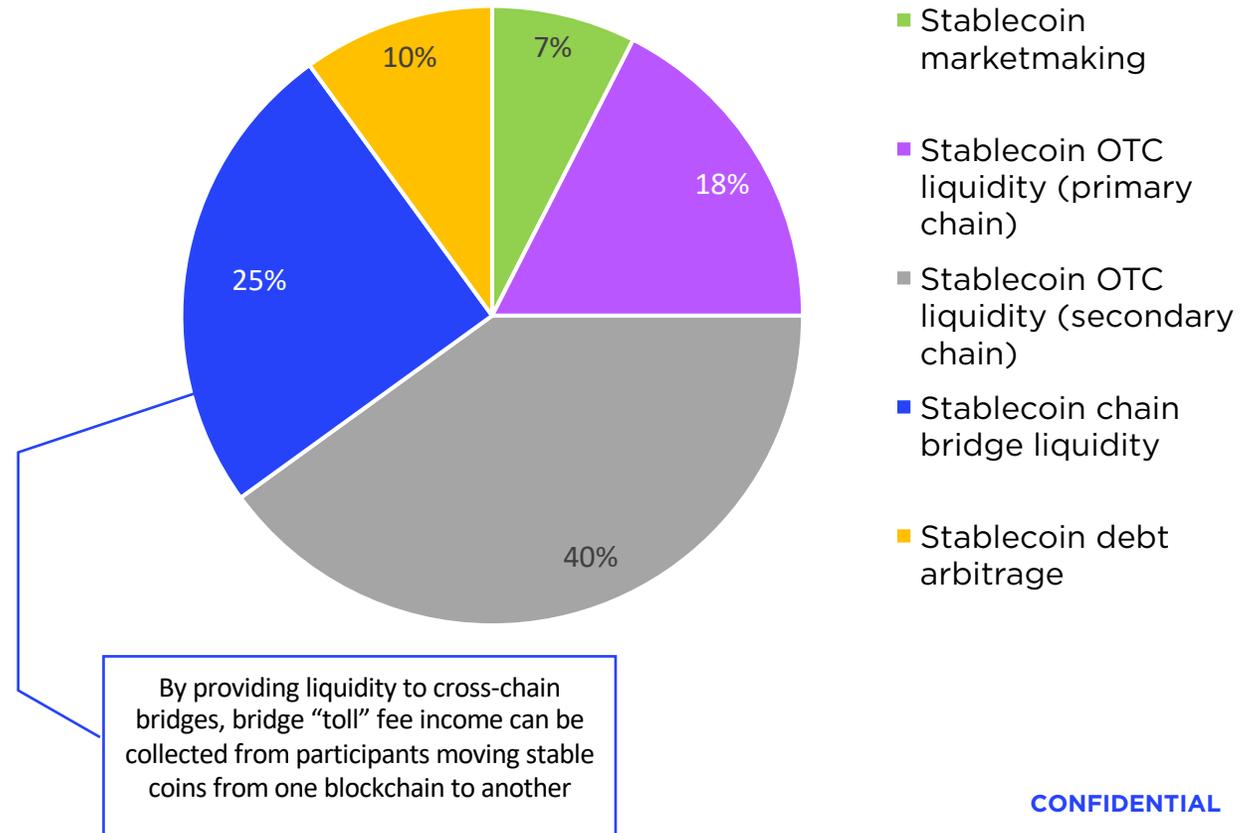
Target: raise \$400M across 2 funds

# Stats & Allocation: Stable Yield

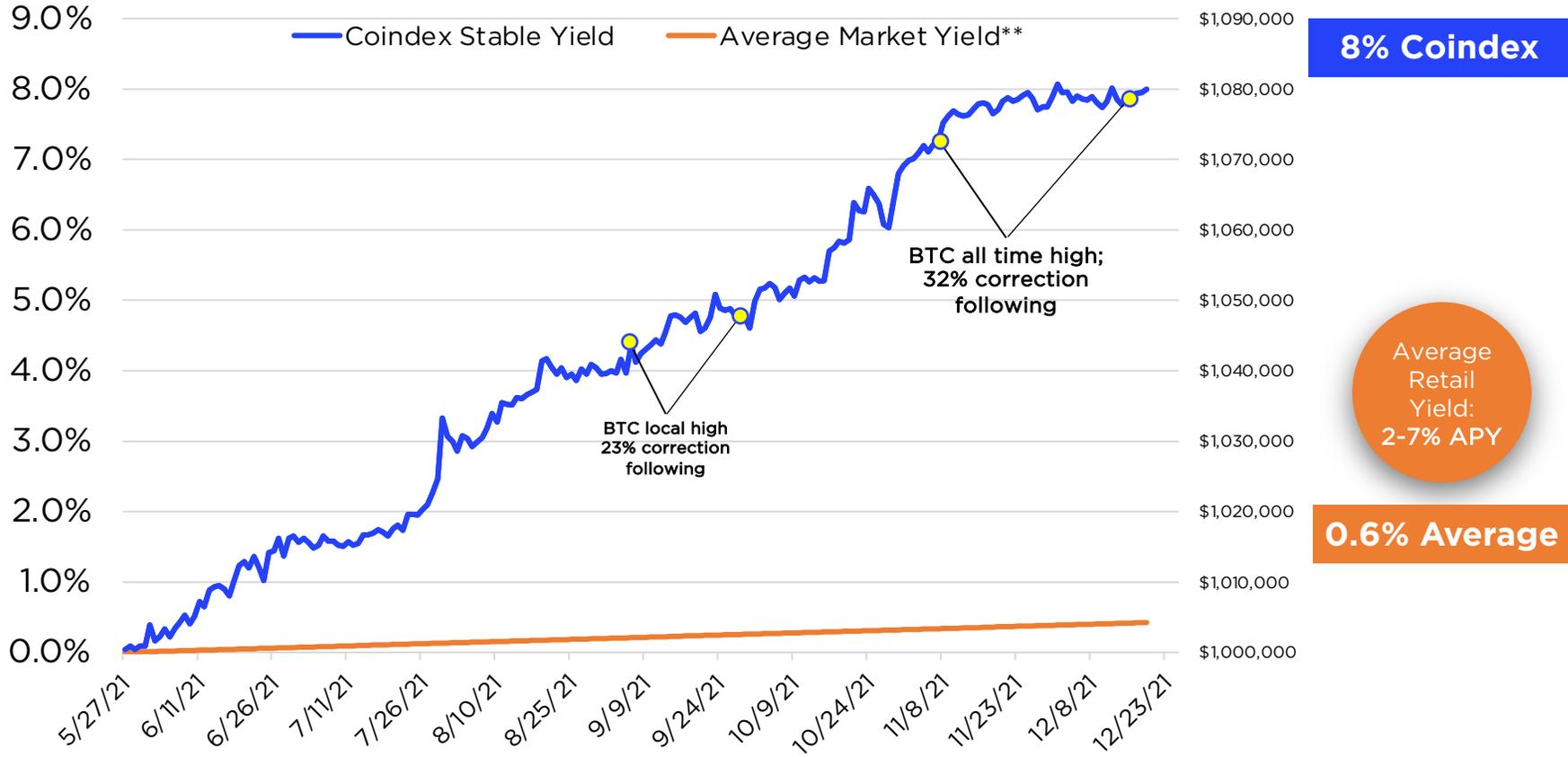
|                                   |                             |
|-----------------------------------|-----------------------------|
| <b>Target return net of fees:</b> | 12% - 20%                   |
| <b>Target max drawdown:</b>       | 5%                          |
| <b>Liquidity:</b>                 | Quarterly,<br>60 day notice |

| <b>Since-Inception Performance Characteristics</b> |           |
|--|-----------|
| Average number of positions                        | 20-25     |
| Average position size as % of AUM                  | 6%        |
| Typical position holding time                      | 1-45 days |
| Percent positive months                            | 100%      |
| Percent negative months                            | 0%        |
| Largest positive month                             | 2.4%      |
| Largest negative month                             | N/A       |
| Average monthly return                             | 1.6%      |
| Largest drawdown (Peak to trough)                  | -0.47%    |

## Typical Core Allocation



# Live Performance: Stable Yield



Income-focused cryptocurrency strategy with US dollar-pegged underlying assets.

|                                    |       |
|------------------------------------|-------|
| <b>Sharpe Ratio:</b>               | 57    |
| <b>Sortino Ratio:</b>              | 169   |
| <b>Projected APY net of fees:</b>  | 16.6% |
| <b>Return to date net of fees:</b> | 8%    |
| <b>Correlation to BTC:</b>         | 0.13  |
| <b>Correlation to S&amp;P:</b>     | 0.06  |

|                        |      |                         |        |
|------------------------|------|-------------------------|--------|
| % Positive days:       | 66%  | Average return per day: | 0.05%  |
| % Negative days:       | 34%  | Average 7-day return:   | 0.37%  |
| Average 30-day return: | 1.6% | Average drawdown:       | -0.10% |

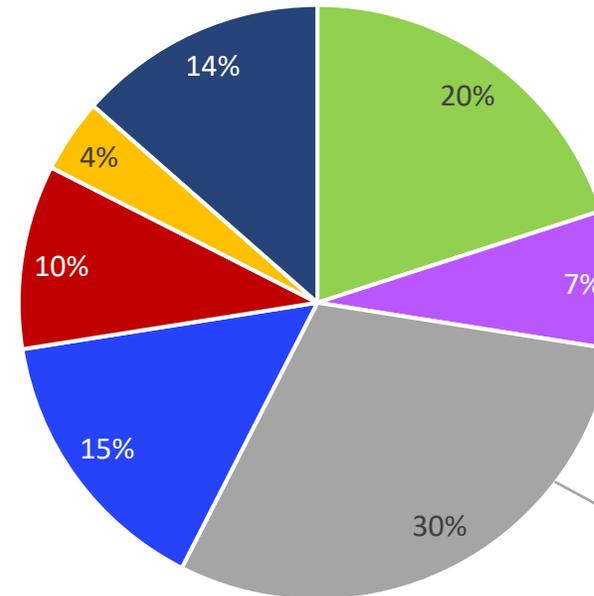
\*\* Average Market Yield based on annualized rate of return of 30-day yield average of USDT. See performance returns disclosures for full details. Charts show returns net of fees.

# Stats & Allocation: Market Neutral

|                                   |                             |
|-----------------------------------|-----------------------------|
| <b>Target return net of fees:</b> | 20% - 30%                   |
| <b>Target max drawdown:</b>       | 15%                         |
| <b>Liquidity:</b>                 | Quarterly,<br>60 day notice |

| <b>Since-Inception Performance Characteristics</b> |           |
|--|-----------|
| Average number of positions                        | 40-45     |
| Average position size as % of AUM                  | 4%        |
| Typical position holding time                      | 1-30 days |
| Percent positive months                            | 100%      |
| Percent negative months                            | 0%        |
| Largest positive month                             | 4.1%      |
| Largest negative month                             | N/A       |
| Average monthly return                             | 2.55%     |
| Largest drawdown (Peak to trough)                  | -0.48%    |

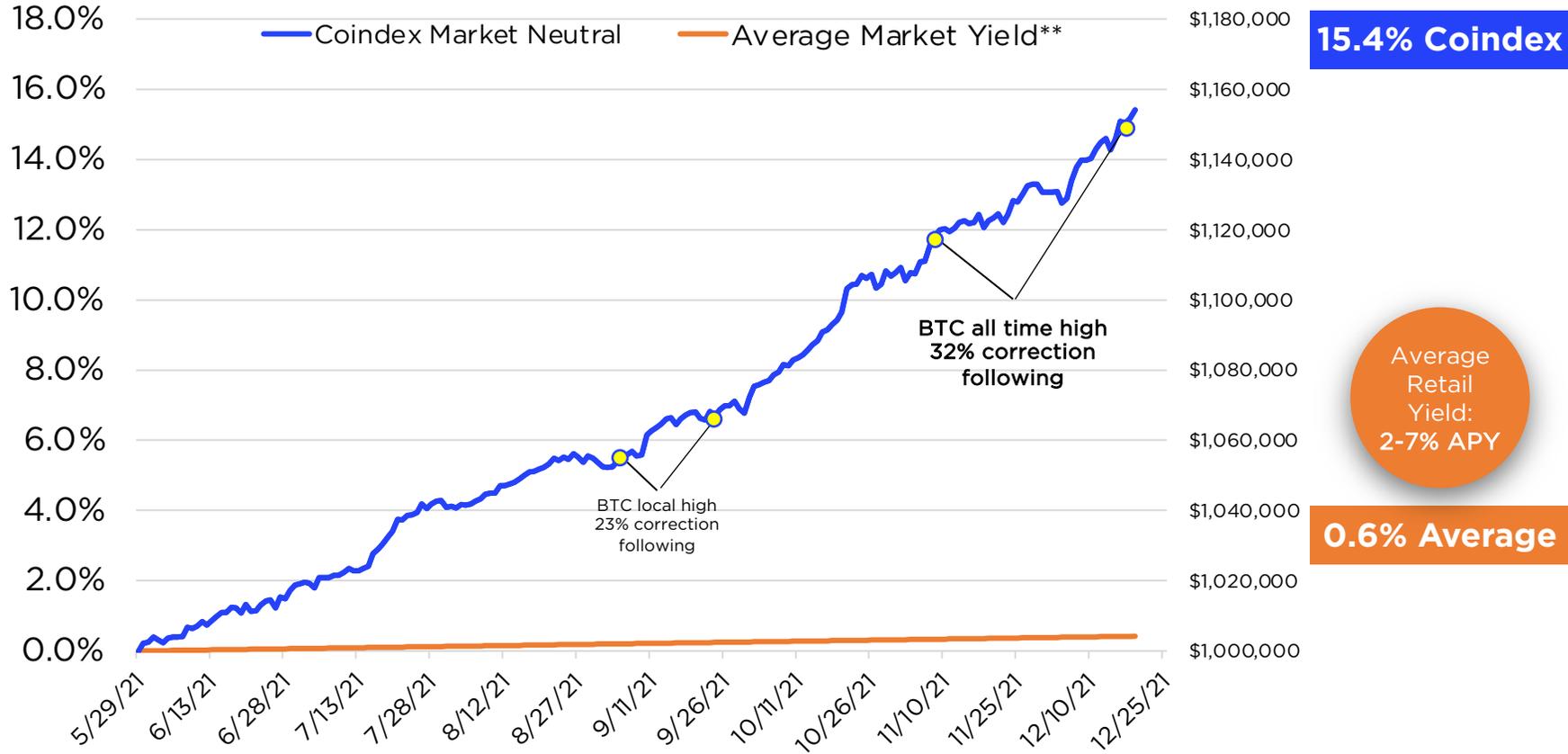
## Typical Core Allocation



- Market crypto derivatives (hedge)
- Market OTC liquidity (primary chain)
- Market OTC liquidity (secondary chain)
- Stablecoin chain bridge liquidity
- Market crypto futures basis trade
- Stablecoin debt arbitrage
- Stablecoin OTC liquidity (secondary chain)

By providing liquidity to OTC platforms, transaction "commission" fee income can be collected from participants swapping between liquid digital assets (for example: ETH <-> USDC)

# Live Performance: Market Neutral



|                        |       |
|------------------------|-------|
| % Positive days:       | 76%   |
| % Negative days:       | 24%   |
| Average 30-day return: | 2.55% |

|                         |        |
|-------------------------|--------|
| Average return per day: | 0.06%  |
| Average 7-day return:   | 0.57%  |
| Average drawdown:       | -0.11% |

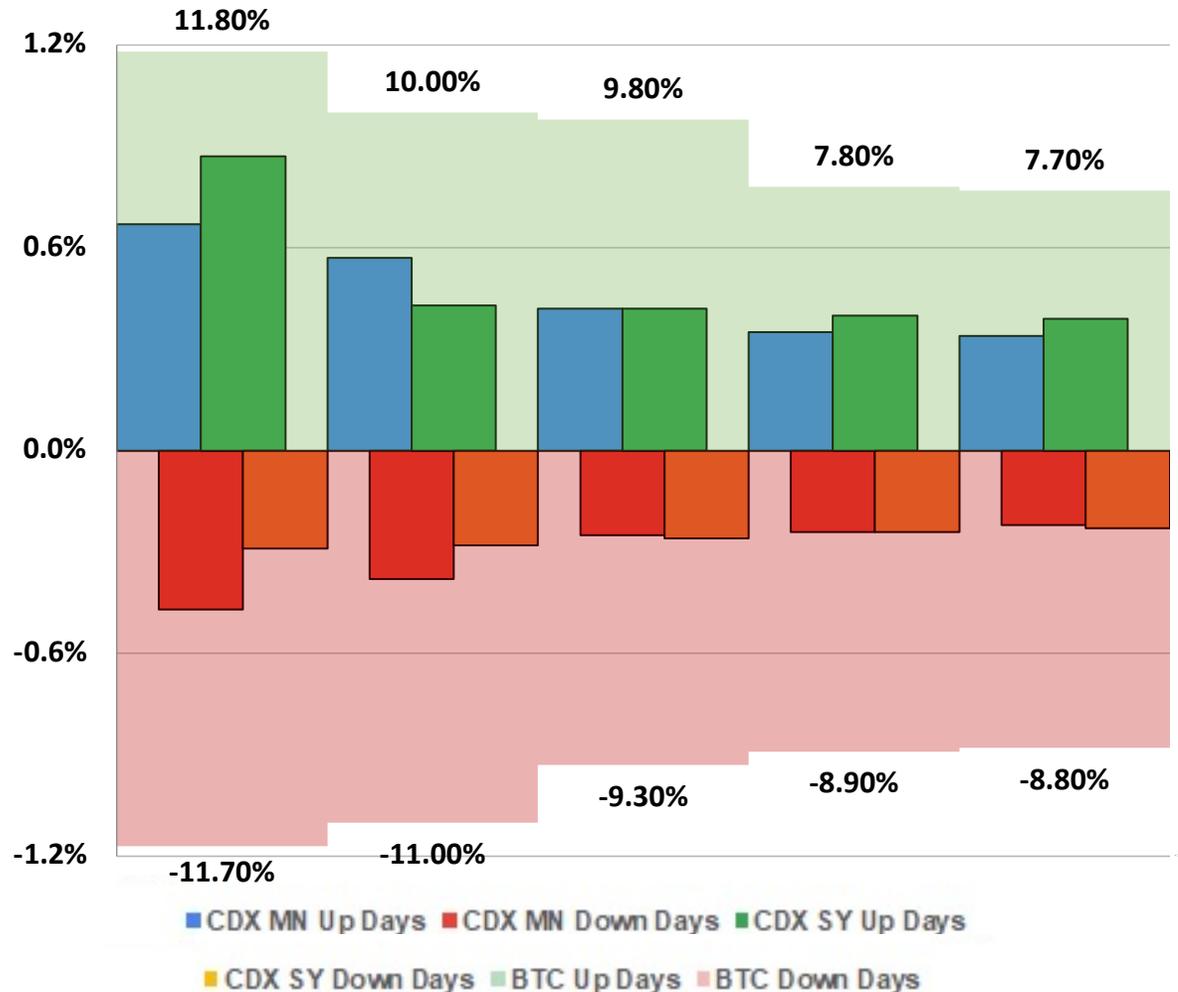
\*\* Average Market Yield based on annualized rate of return of 30-day yield average of USDT. See performance returns disclosures for full details. Charts show returns net of fees.

Income-focused cryptocurrency strategy with hedged underlying assets.

|                                    |       |
|------------------------------------|-------|
| <b>Sharpe Ratio:</b>               | 62    |
| <b>Sortino Ratio:</b>              | 184   |
| <b>Projected APY net of fees:</b>  | 28.4% |
| <b>Return to date net of fees:</b> | 15.4% |
| <b>Correlation to BTC:</b>         | 0.21  |
| <b>Correlation to S&amp;P:</b>     | -0.12 |

# Volatility skews strongly to the upside in both funds.

Top 5 up and down days since inception:  
Coindex MN and SY vs. BTC



Top BTC drawdowns since fund inception  
vs. Coindex MN and SY daily performance

| Date     | BTC     | SY Daily | MN Daily |
|----------|---------|----------|----------|
| 9/7/21   | -11.19% | -0.23%   | 0.45%    |
| 6/21/21  | -10.97% | -0.07%   | -0.18%   |
| 9/20/21  | -9.25%  | -0.26%   | 0.04%    |
| 6/25/21  | -8.86%  | 0.41%    | 0.06%    |
| 11/26/21 | -8.83%  | -0.06%   | 0.24%    |
| 6/7/21   | -6.25%  | 0.09%    | 0.03%    |
| 6/18/21  | -6.05%  | 0.22%    | 0.00%    |
| 6/4/21   | -5.96%  | 0.11%    | 0.14%    |
| 10/21/21 | -5.71%  | -0.11%   | 0.12%    |
| 11/18/21 | -5.65%  | -0.22%   | -0.36%   |
| 11/16/21 | -5.52%  | 0.05%    | 0.04%    |
| 9/21/21  | -5.18%  | 0.06%    | -0.14%   |

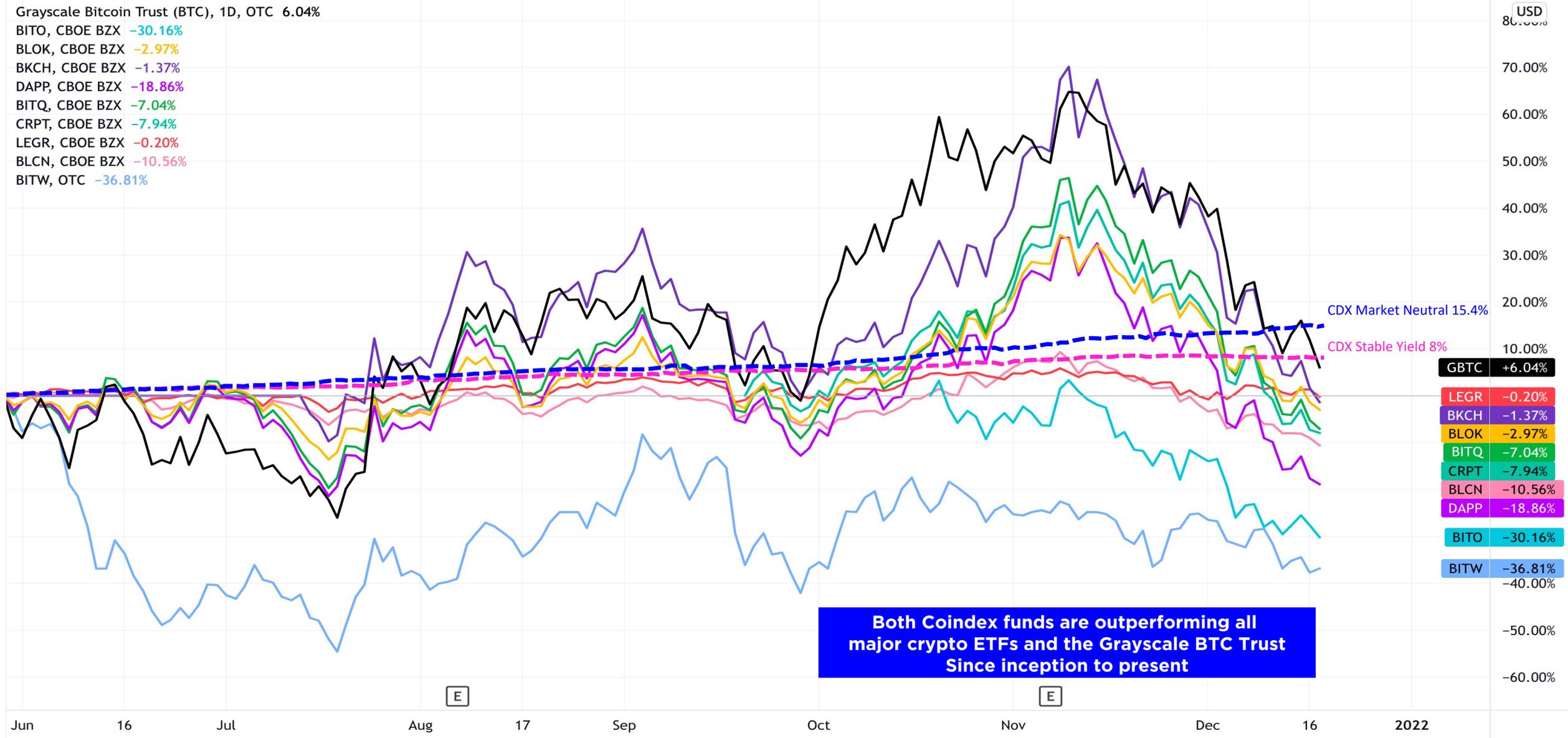
| Barra Stats: | Sigma | Beta vs NASDAQ | Beta vs. BTC |
|--------------|-------|----------------|--------------|
| MN           | .0043 | -0.716         | 0.0045       |
| SY           | .0026 | .0015          | 0.011        |

## Since-Inception Net Drawdown Analysis: Stable Yield & Market Neutral vs. BTC and NASDAQ

|                              | Coindex Stable Yield |                     |                 | Coindex Market Neutral |                     |                 | Bitcoin     |                     |                 | NASDAQ      |                     |                 |
|------------------------------|----------------------|---------------------|-----------------|------------------------|---------------------|-----------------|-------------|---------------------|-----------------|-------------|---------------------|-----------------|
|                              | Net Decline          | Days of Net Decline | Days to Recover | Net Decline            | Days of Net Decline | Days to Recover | Net Decline | Days of Net Decline | Days to Recover | Net Decline | Days of Net Decline | Days to Recover |
| <b>Worst Drawdown:</b>       | -0.45%               | 2                   | 5               | -0.48%                 | 1                   | 4               | -31.8%      | 39                  | ??              | -7.69%      | 20                  | 18              |
| <b>2<sup>nd</sup> Worst:</b> | -0.40%               | 2                   | 2               | -0.38%                 | 1                   | 2               | -26.6%      | 36                  | 10              | -5.27%      | 20                  | ??              |
| <b>3<sup>rd</sup> Worst:</b> | -0.39%               | 16                  | 11              | -0.38%                 | 2                   | 1               | -23.4%      | 15                  | 15              | -2.32%      | 9                   | 3               |
| <b>4<sup>th</sup> Worst:</b> | -0.31%               | 2                   | 1               | -0.28%                 | 2                   | 3               | -11.5%      | 7                   | 12              | -2.29%      | 3                   | 6               |

# Coindex Funds Net of Fees vs. major Crypto/Blockchain Trusts, ETFs - Inception to Present

CoindexCapital published on TradingView.com, Dec 18, 2021 16:14 UTC



**Both Coindex funds are outperforming all major crypto ETFs and the Grayscale BTC Trust Since inception to present**

## Clear Investment Terms

Stable Yield

|                               |                                 |
|-------------------------------|---------------------------------|
| <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>           | Quarterly                       |
| <b>Structure:</b>             | Delaware series LLC, Cayman SPC |

Market Neutral

|                               |                                 |
|-------------------------------|---------------------------------|
| <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>           | Quarterly                       |
| <b>Structure:</b>             | Delaware series LLC, Cayman SPC |

Founder's Class

(available for both funds)

|                            |  |
|----------------------------|--|
| <b>Availability:</b>       | Limited to \$50 million total subscriptions before 3/31/2022 |
| <b>Management Fee:</b>     | 1%   |
| <b>Performance Fee:</b>    | 10%  |
| <b>Minimum Investment:</b> | \$2.5 million  |
| <b>Subscriptions:</b>      | Capacity up to \$10 million within 24 months                 |

## Established Service Providers

|                            |  |
|----------------------------|--|
| <b>Fund Administrator:</b> |  |
| <b>Auditor:</b>            | <br><small>Certified Public Accountants &amp; Advisors</small> |
| <b>US Counsel:</b>         |  |
| <b>Cayman Counsel:</b>     |  |
| <b>Prime Broker:</b>       |  |
| <b>Custodians:</b>         |  |
| <b>Compliance:</b>         | <br><small>ACCOUNTANTS &amp; ADVISORS</small>                  |

## Self-funded and Committed

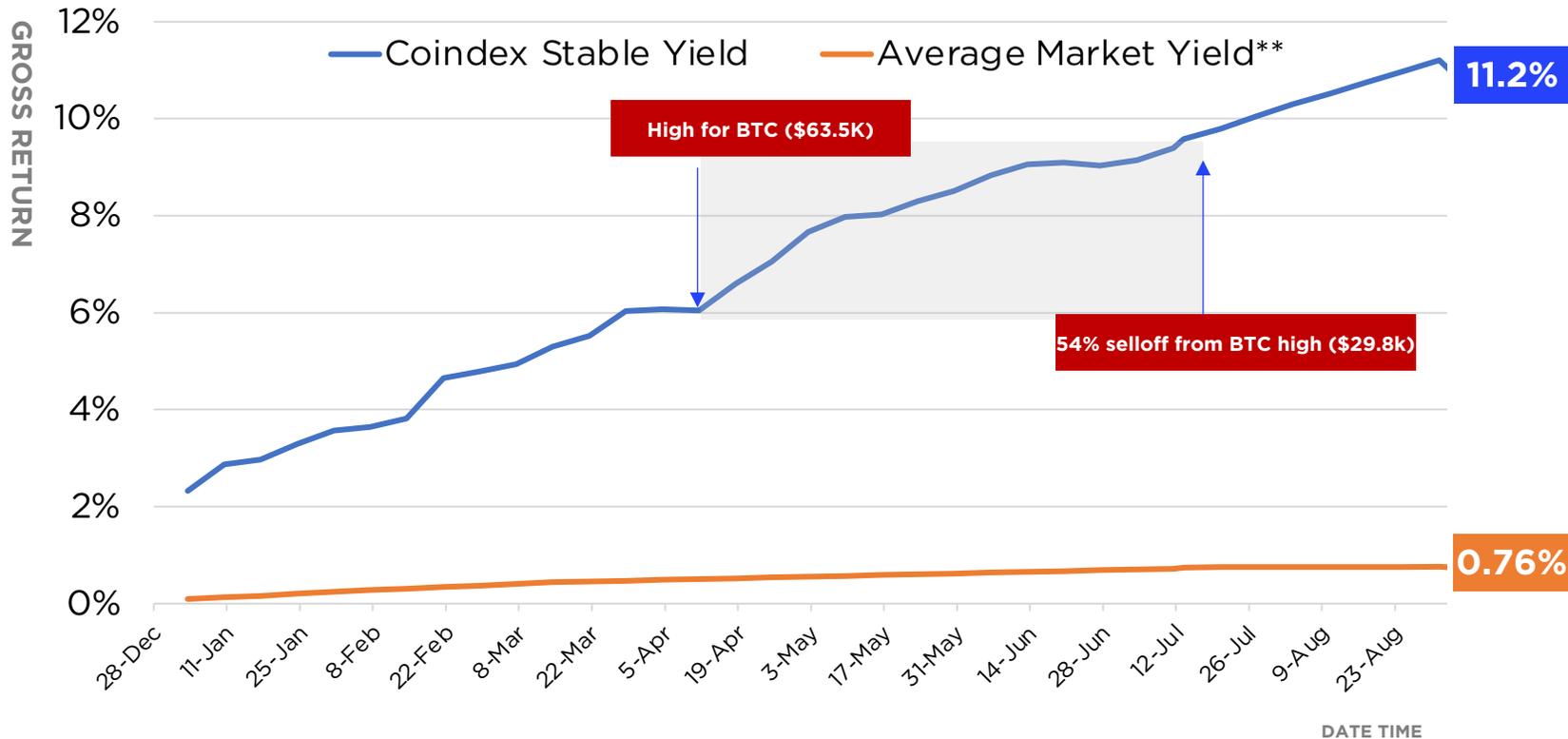


Funds typically charge startup fees to investors

# Coindex Stable Yield: Performance Sample

## Test performance with real cash: Coindex Stable Yield

(Chart shows return net of management and performance fees)



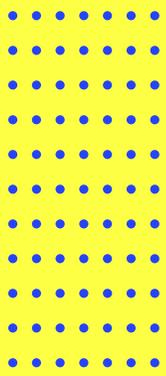
Executed:  
December 23 – August 31, 2021  
Live trading test account using cash.

### Strategy Test: Stable Yield

This strategy seeks to deliver returns from consistent yield generating positions with stable underlying assets.

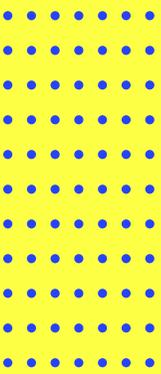
|                              |                                     |
|------------------------------|-------------------------------------|
| Sharpe Ratio:                | <b>18.4</b>                         |
| Target Gross APY:            | <b>15-20%<sup>1</sup></b>           |
| Projected APY net of fees:   | <b>20.1%<sup>1</sup></b>            |
| Returns to date net of fees: | <b>11.2%</b>                        |
| Average 7-day return         | <b>0.2%</b>                         |
| Target max drawdown:         | <b>5%</b>                           |
| Max drawdown to date:        | <b>1.2%</b>                         |
| Correlation to BTC:          | <b>0.13</b>                         |
| Correlation to S&P:          | <b>0.06</b>                         |
| Liquidity:                   | <b>90 day notice on redemptions</b> |

\*See performance returns disclosures  
 \*\* Average Market Yield based on annualized rate of return of 30-day yield average of USDT.  
 1. Target established with a high-level sensitivity analysis of past performance using monte carlo simulation. Lower bound of projected annualized return range used, with conservative haircut on performance.

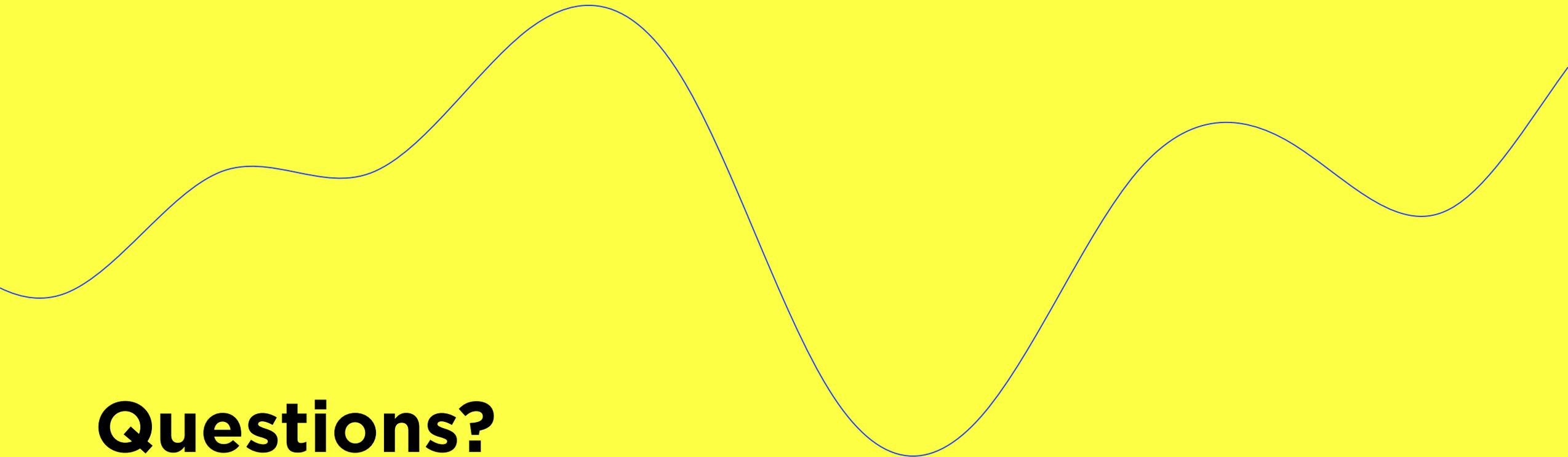


# Questions?

**(Appendix follows)**



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



**Questions?**