

# Crypto Alpha Strategy



# Agenda

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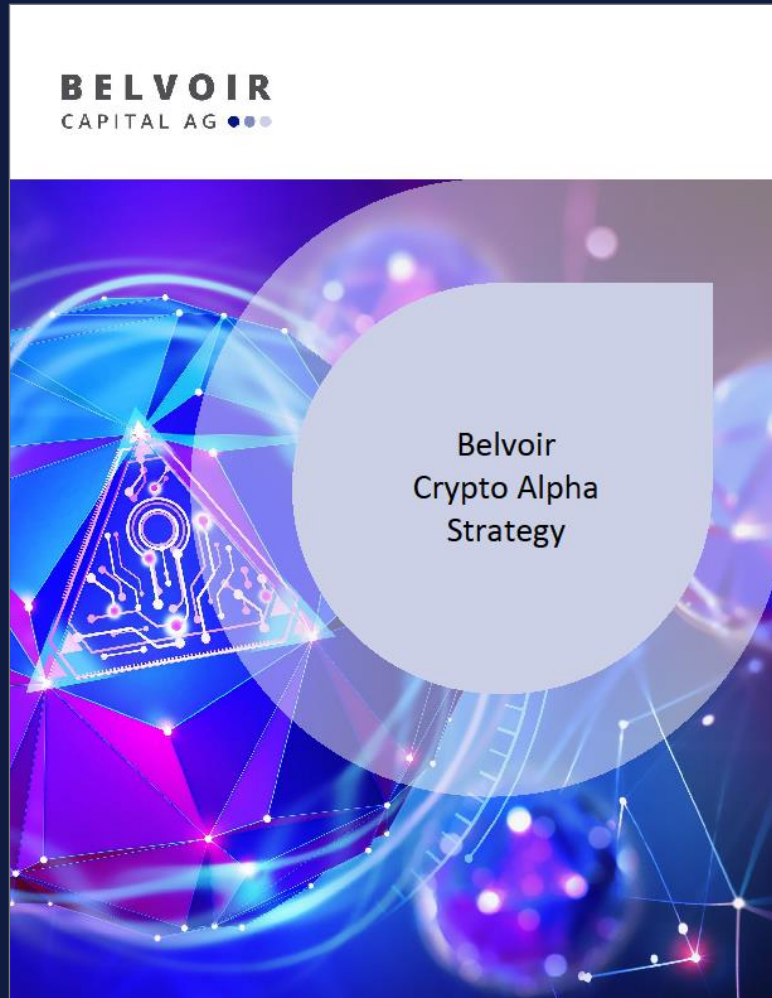


- At a Glance
- Blockchain & Crypto
- Artificial Intelligence at its Best
- The Investment Strategy
- The Portfolio
- The Team
- Terms & Conditions
- Conclusion

# At a Glance



# Investment Description



- Actively managed and diversified crypto strategy
- Selects and trades liquid crypto coins, currencies, and derivatives
- Based on state-of-the-art artificial intelligence technology with trades being executed fully automatically
- Adaptation to changing market conditions in an efficient, prompt, and professional manner
- Uncorrelated approach to Bitcoin, other cryptocurrencies, and/or broad market indices
- Especially suitable for the highly volatile crypto markets
- Volatility dampening diversification from directional strategies
- Ability to cushion against specific market risk while capturing further growth and capitalizing on potential market opportunities
- Aimed delivery of high and consistent
- Strict portfolio and operational risk management to address general and specific crypto asset risks

# Everybody is on Board!

**Der Riese erwacht**  
**Bitcoin auf dem Radar von BlackRock**  
Startseite > Schlagzeilen > Der Riese erwacht: Bitcoin auf dem Radar von BlackRock  
Schlagzeile  
von Daniel Hoppmann  
Am 3. Dezember 2020 · Lesedauer: 2 Minuten

**BITCOIN | BUSINESS**  
**New York Digital Investment Group Files for Bitcoin ETF**  
New York Digital Investment Group (NYDIG) applied with the U.S. Securities and Exchange Commission for a Bitcoin ETF.

**UBS steigt in die Tokenisierung von Assets ein**  
Donnerstag, 24. Oktober 2019 11:04 | von Katharina Bieri

**JP Morgan startet eine eigene Kryptowährung – Was das für den Bitcoin heißt**  
06.01.2021 | Märkte  
JP Morgan traut Bitcoin langfristig Anstieg auf 146.000 Dollar zu

**PayPal expanding crypto services to U.K. residents**  
CEO Dan Schulman said last week the company would add crypto features to "Venmo and select international services".

**BlackRock has begun to 'dabble' in bitcoin because investors are hunting for 'storehouses of value,' according to fixed-income boss Rick Rieder**  
Shalini Nagarajan  
Feb. 18, 2021, 12:39 PM

**Kanton Zug akzeptiert ab 2021 Kryptowährungen für Steuerzahlungen**  
03.09.2020  
Ab 2021 können im Kanton Zug Steuerschulden mit Kryptowährungen beglichen werden. Akzeptiert werden die Währungen Bitcoin und Ether. Möglich wird dies dank einer Zusammenarbeit mit Bitcoin Suisse, einer Pionierin im Schweizer Crypto Valley. Zug ist damit der erste Schweizer Kanton, in dem Steuern mit Kryptowährungen bezahlt werden können.

**J.P. Morgan Creates Digital Coin for Payments**  
NEWS & ANNOUNCEMENTS

**Morgan Stanley May Bet on Bitcoin in \$150 Billion Investment Arm**  
Cryptocurrencies  
By Sridhar Natarajan  
13. Februar 2021, 16:00 MEZ Updated on 14. Februar 2021, 15:56 MEZ

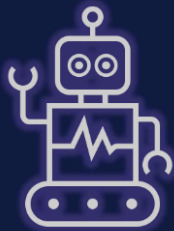
**Toronto Stock Exchange Lists World's First Bitcoin ETF**  
Français

**Deutsche Bank Plans to Launch a Digital Asset Custody Platform for Institutional Clients**  
BUSINESS | BITCOIN  
Thomas M. | Feb 13, 2021 at 3:17 UTC

**Bitcoin to Come to America's Oldest Bank, BNY Mellon**  
The custody bank plans to eventually treat bitcoin like any other asset

# Crypto Alpha Strategy

## What We Do



Successfully applied artificial intelligence in Crypto markets



Actively trade crypto currencies with a market neutral strategy



State-of-the-art technical integration



High risk-adjusted return with no long bias



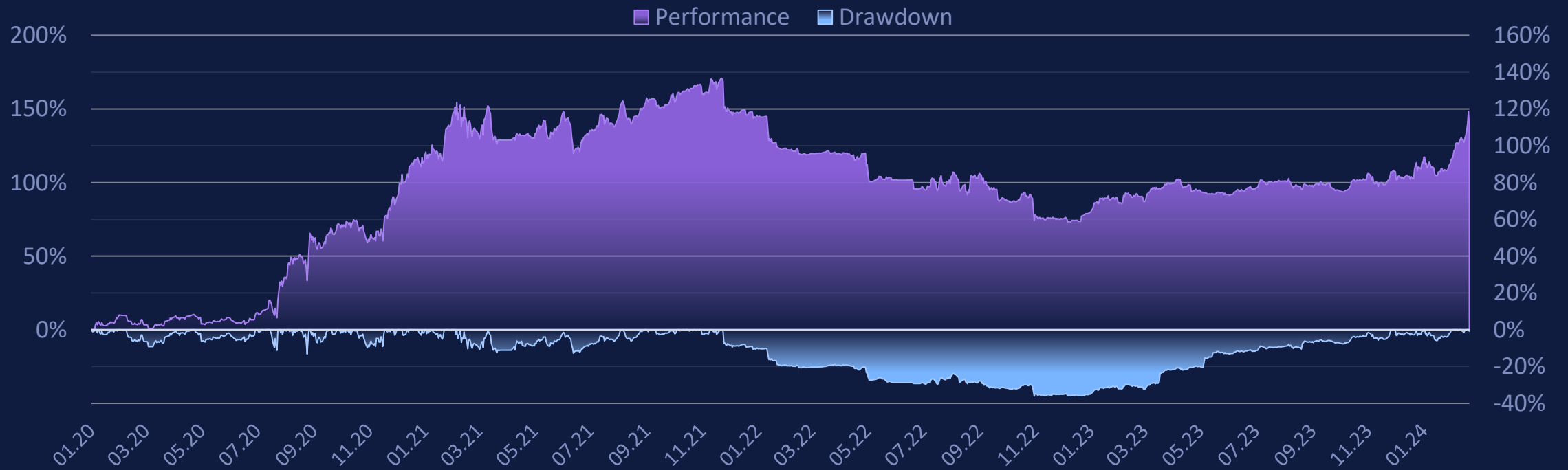
Exchange listed product – public offer



Daily tradable via own bank account

# Live Performance

136.0% Performance with a Maximum Drawdown of -36.1%\*

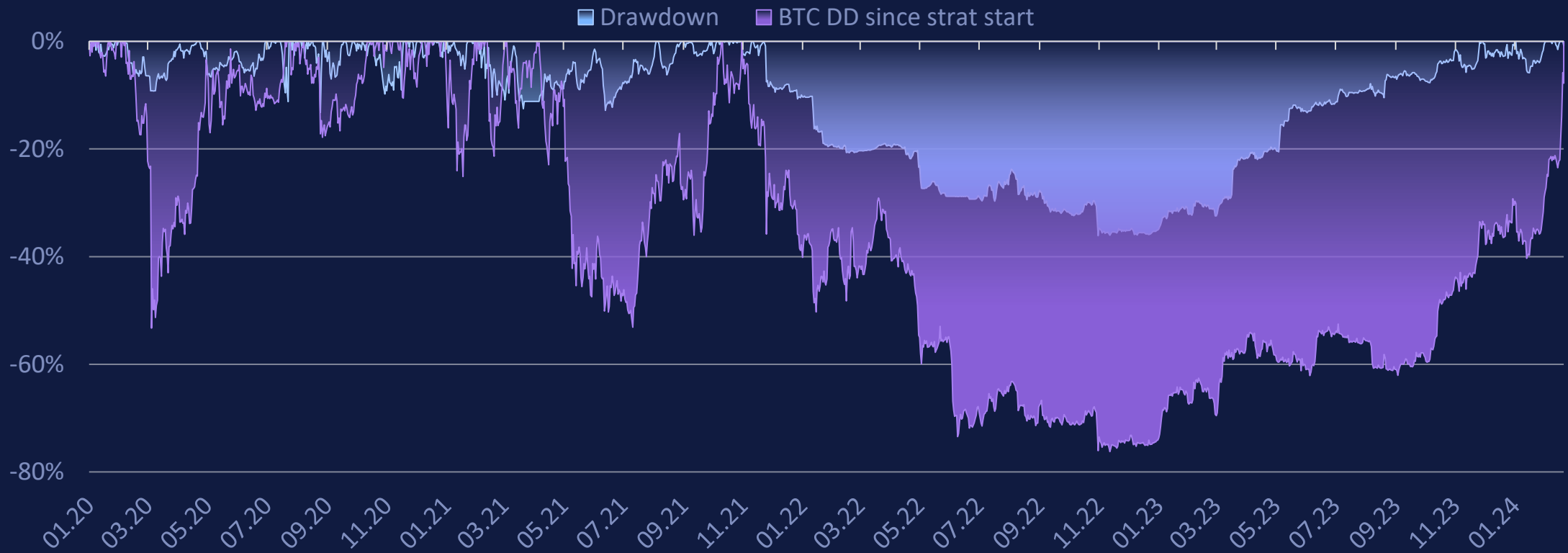


\*The performance is shown after fees. From January 2020 to April 2021, the track record shown is based on the performance of an institutionally managed account based on data provided by SpeedLab AG. Since April 2021, stock market prices of the certificate are used. Specific account limitations, size, risk parameters, and currency fluctuations may result in significant tracking errors between different accounts. Past performance is not a guarantee of future results and may not be repeated. The investments discussed may fluctuate in value and investors' capital may be lost entirely.

Status: End of February 2024

# Significantly Reduced Risk

## Max. Bitcoin Drawdowns Compared to our Strategy



Status: End of February 2024

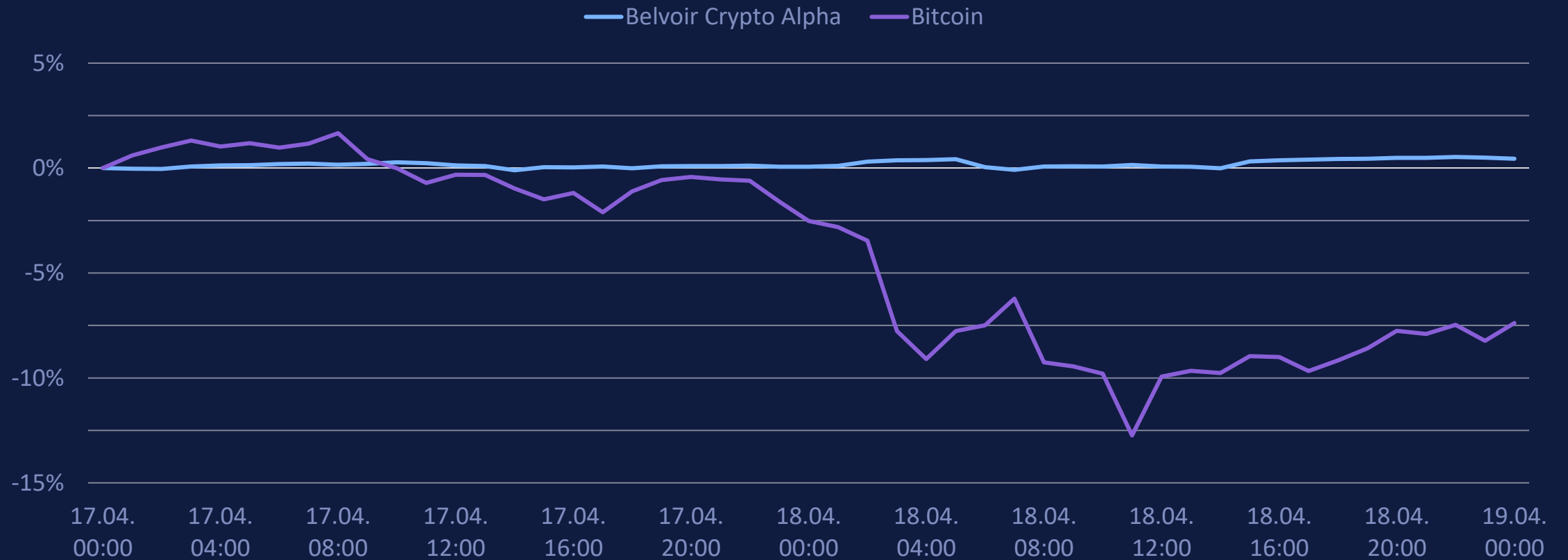


# Our Benefits vs. Long Only

	CRYPTO ALPHA STRATEGY	BITCOIN LONG ONLY (BENCHMARK)
<b>Directional</b>	long / short	100% long and needs Bull Market
<b>Drawdown</b>	< 36%	> 90%
<b>Sharpe Ratio</b>	> 1	-0.2 to 1.4 (dependant on time frame)
<b>Bear Market</b>	Can perform also in falling market	Loses in falling market
<b>Diversification</b>	Diversified portfolio	Concentrated risk
<b>Correlation</b>	Uncorrelated to crypto and other asset classes	1.0 correlation by definition
<b>Custody</b>	Buy through your bank or broker	Wallet or bankable products

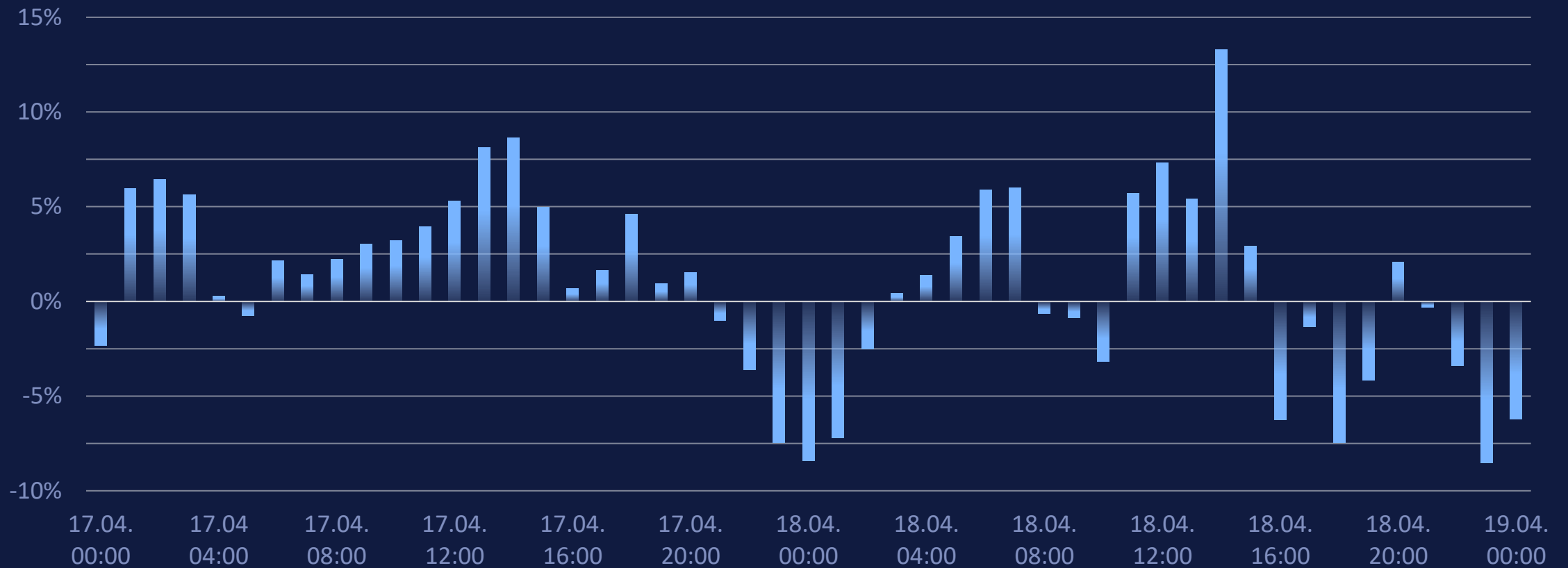
# Live Example

## Performance During Flash Crash 17.04.21 – 18.04.21

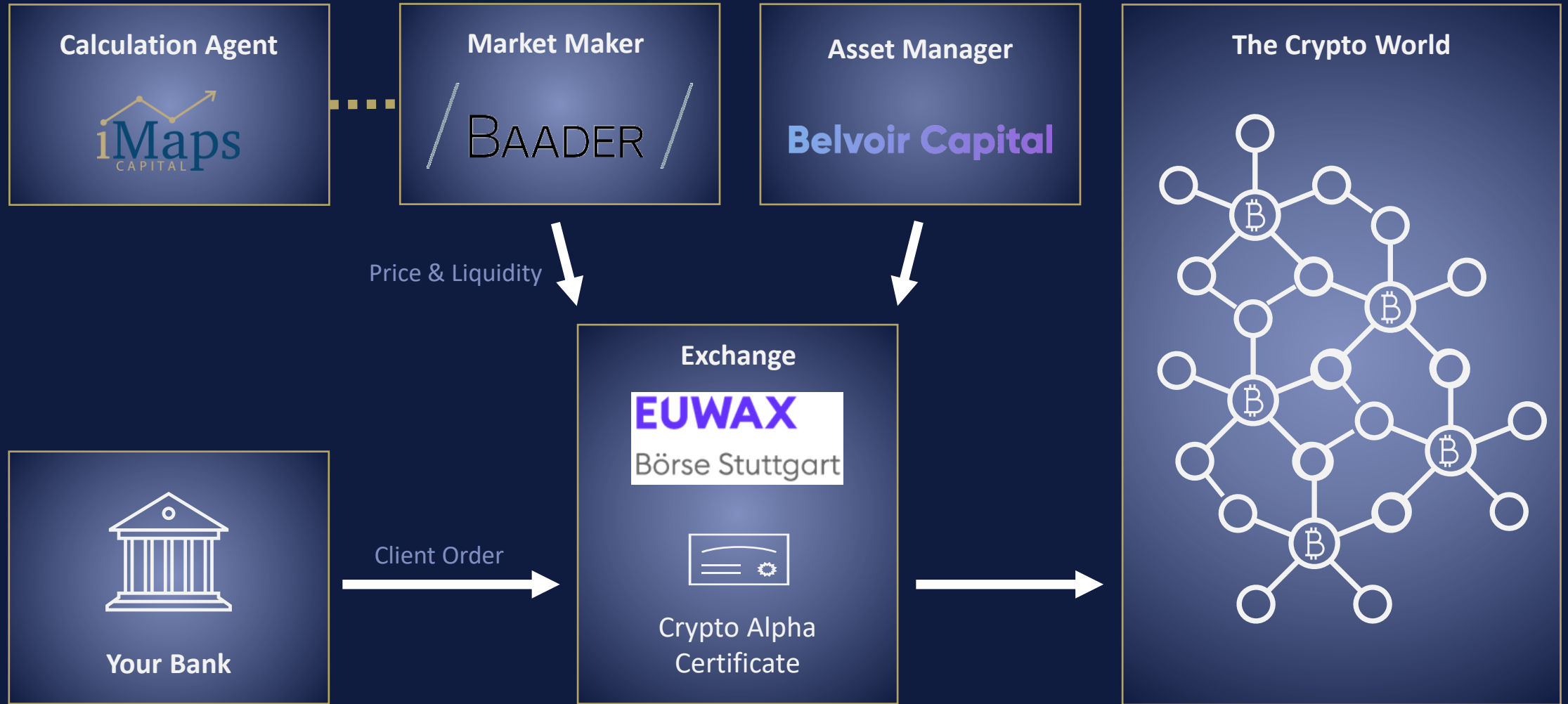


# Live Example

## Dynamic Net Exposure During Flash Crash 17.04.21 – 18.04.21



# Easy Access to the New World

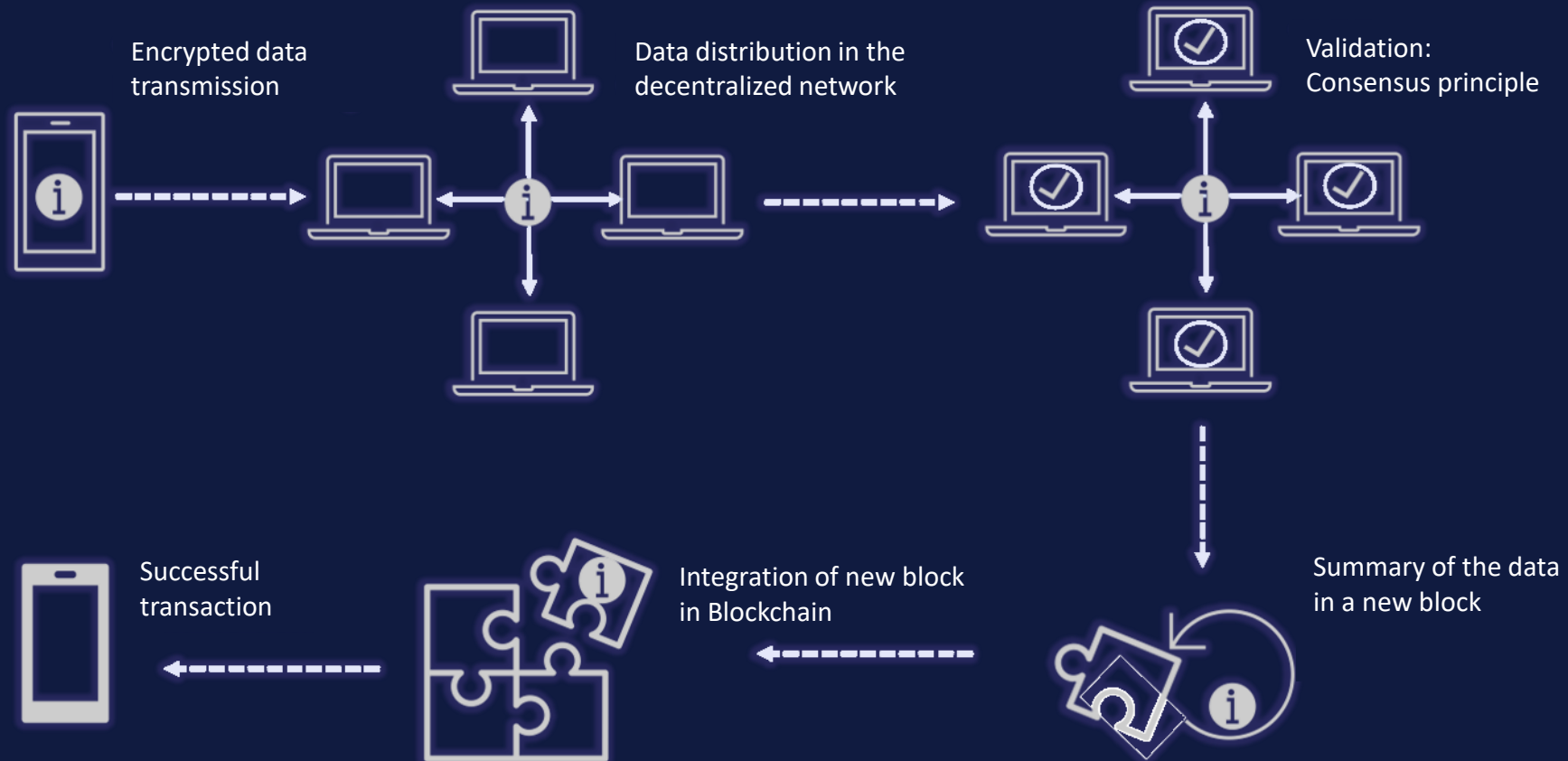


# Blockchain & Crypto



# Blockchain & Crypto

## Blockchain at a Glance



# Blockchain & Crypto

## Advantages of the Blockchain



Security



Speed



Data Integrity



Reliability



Transparency

# Blockchain & Crypto

## Escape Helicopter Money and Financial Repression with Crypto

- New asset class and an alternative
- Maximum number of coins
- Very low correlation to other asset classes
- Unregulated / hard access of government
- Potential inflation protection with only small allocation
- Potential protection against financial repression
- Highly fungible / easily transferable



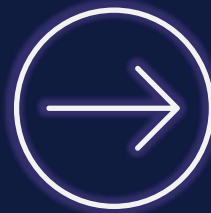


# Blockchain & Crypto

## Advantages of Cryptocurrencies



Decentralized



Direct



Cost-effective



Fast



Safe



High Potential

# Blockchain & Crypto

## Crypto Market Size Comparison

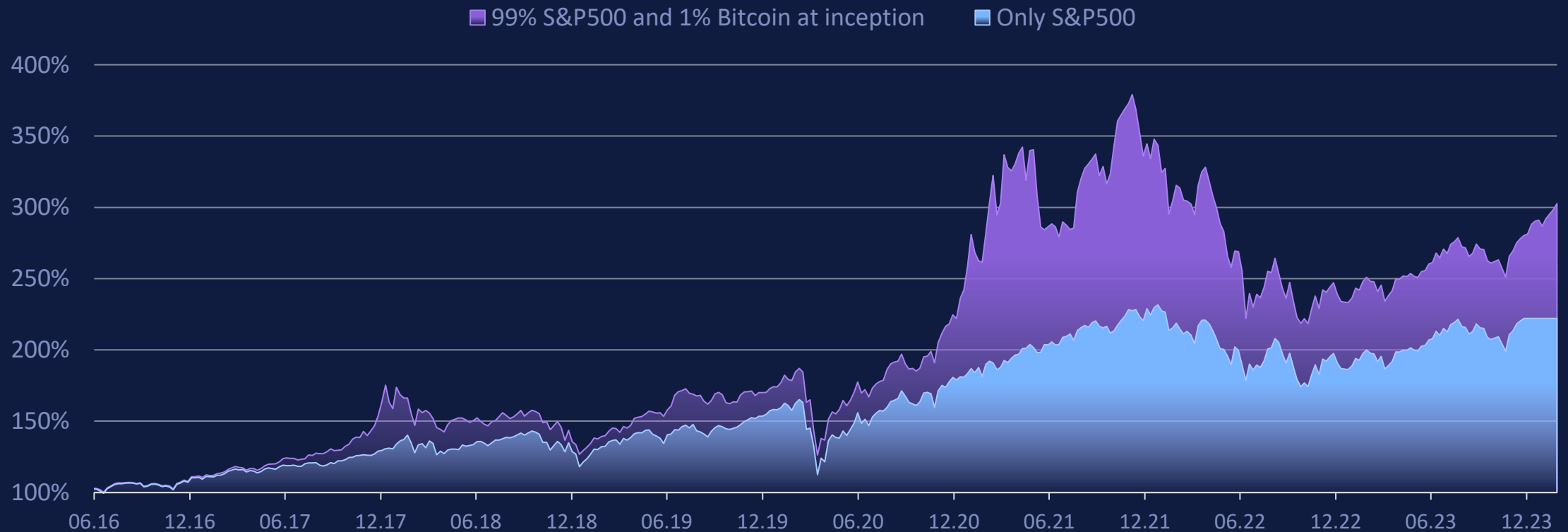


Status: End of September 2023

Sources: ICMA, CNBC, CIA World Factbook, MarketWatch, 8marketcap, Coinmarketcap, Federalreserve, Forbes

# Blockchain & Crypto

## Small Allocation to Crypto Makes a Big Difference

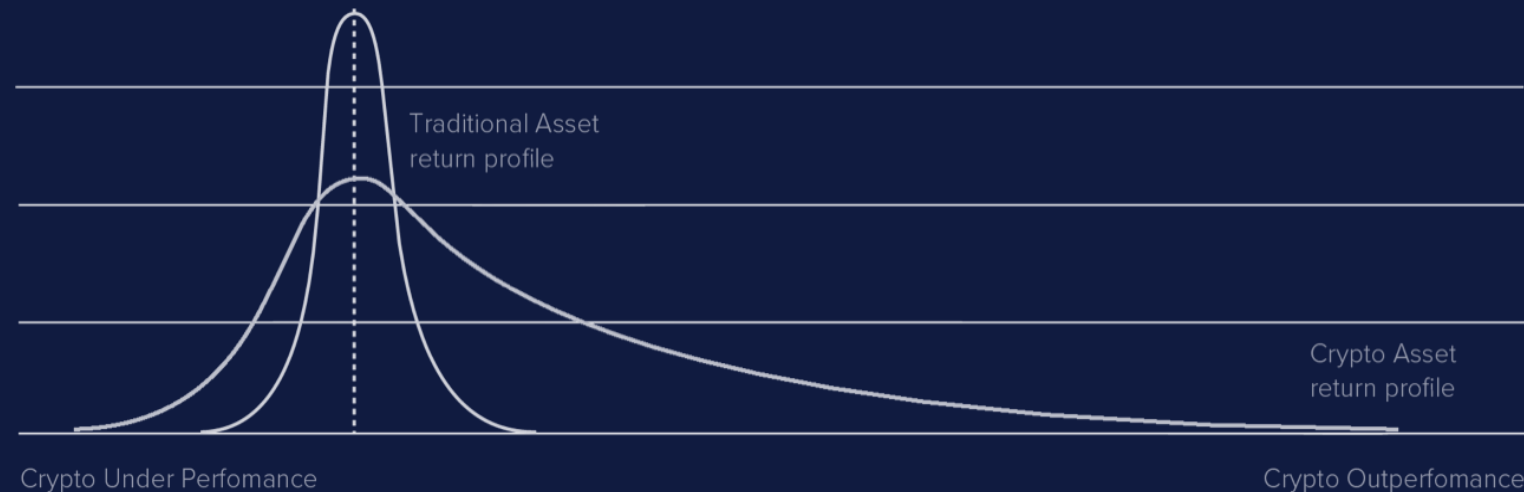


Status: End of February 2024

# Blockchain & Crypto

## You Can't Afford to Miss Crypto

- Crypto return distribution is extremely positively skewed - A must-have in any portfolio
- Potential for 10 times, 20 times or even more capital growth



Source: Medium, Crypto Assets: The Allocation of Crypto in a Balanced Portfolio  
<https://medium.com/@Swissonecapital/crypto-assets-the-allocation-of-crypto-in-a-balanced-portfolio-649d0a848f00>

# Artificial Intelligence at its Best



# Artificial Intelligence at its Best

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Applied Artificial Intelligence for over 7 years



Highly experienced team & ahead of other market participants



Reinforcement Learning applied to crypto market delivers outstanding returns



Highly trained agents by reinforcement learning



Cooperation with world leading university in this field



Artificial Intelligence meets crypto -> high tech applied to emerging (crypto) market = high profitability

# Artificial Intelligence at its Best

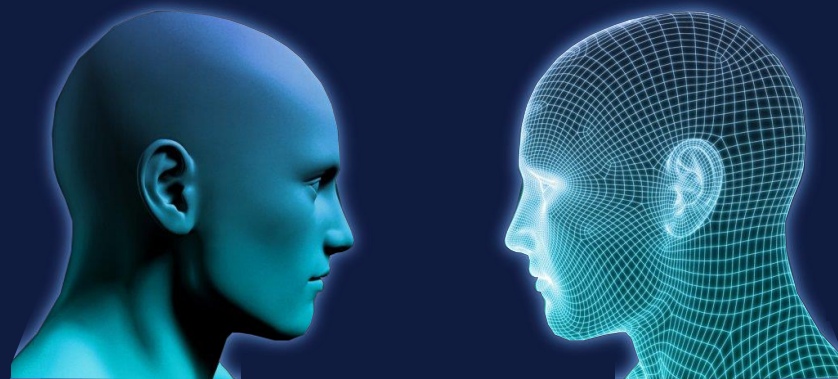
## Man vs. Artificial Intelligence

Negative emotions (fear, greed)

Limited working time  
(sleep, weekends, holidays, illness)

Limited data processing capacity

Negative marginal utility of risk



Non-emotional

Virtual workspace, speed, and 24/7  
availability

Modular investment strategy

High & low latency data processing

State-of-the-art learning algorithms

# Artificial Intelligence at its Best

## Reinforcement Learning

- Reinforcement Learning
  - Algorithm learns how to act in each environment in order to maximize a numerical reward
  - Actions receive feedback with reward or punishment logic which trains the learning algorithm
- Implementation of Deep Q Learning
  - Training of algorithm to act as a trader
  - Inputs (state) are market price chain of Crypto
  - Reward is P&L of future price
  - The agent learns based on reward system
  - The agent also considers punishments for over activity



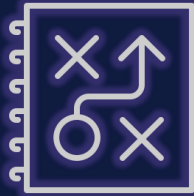


# The Investment Strategy



# The Investment Strategy

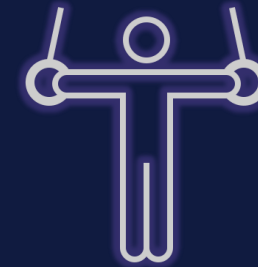
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AI self-developed algorithms



Currently 20 AI agents live



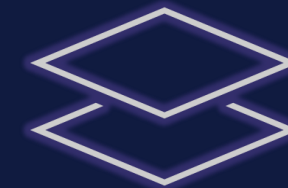
500+ computer-automated AI agents in training



Highest flexibility and adaptive to market



AI agents are dynamic



2 layers of adaptivity

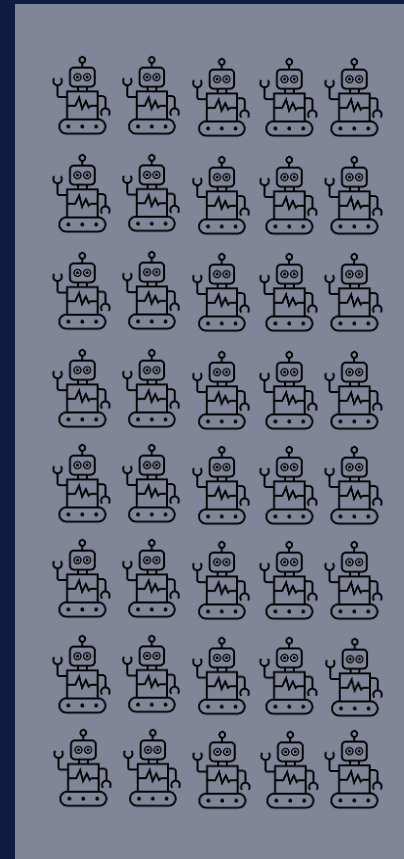
- Each AI agent reacts to market condition
- Possible replacement of agent with better performing / newer agent

# The Investment Strategy

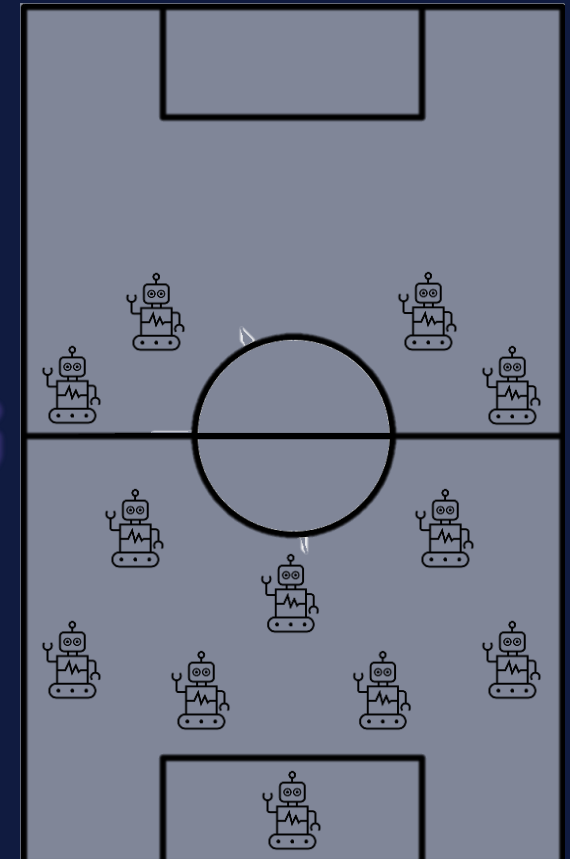
- We call our trading robots “agents” <sup>1</sup>
- Currently 20 agents in live operation
- Permanent training of 500+ agents in background and ready to step in depending on performance and market environment
- Periodic reshuffle of agents according to R&D results

<sup>1</sup> According to Reinforcement Learning, each working machine unit is determined as an “agent”

500+ agents in training



20 agents in live operation



# The Investment Strategy

## Investment Aim



Construct dynamic & balanced portfolio



Uncorrelated to other asset classes



Non-directional & mainly market neutral



Generate Alpha in any market condition

# The Investment Strategy

## Performance Objectives

### Strategy

long / short  
market neutral,  
non-Corr. to  
Bitcoin

### Managed by

20 AI agents,  
100% computer-  
automated

### Aimed Return

> 60% p.a.

### Max. Exposure

Gross < 200%  
Net < 100%

### Sharpe Ratio

> 2

### Max. Drawdown

< 20%

### Edge

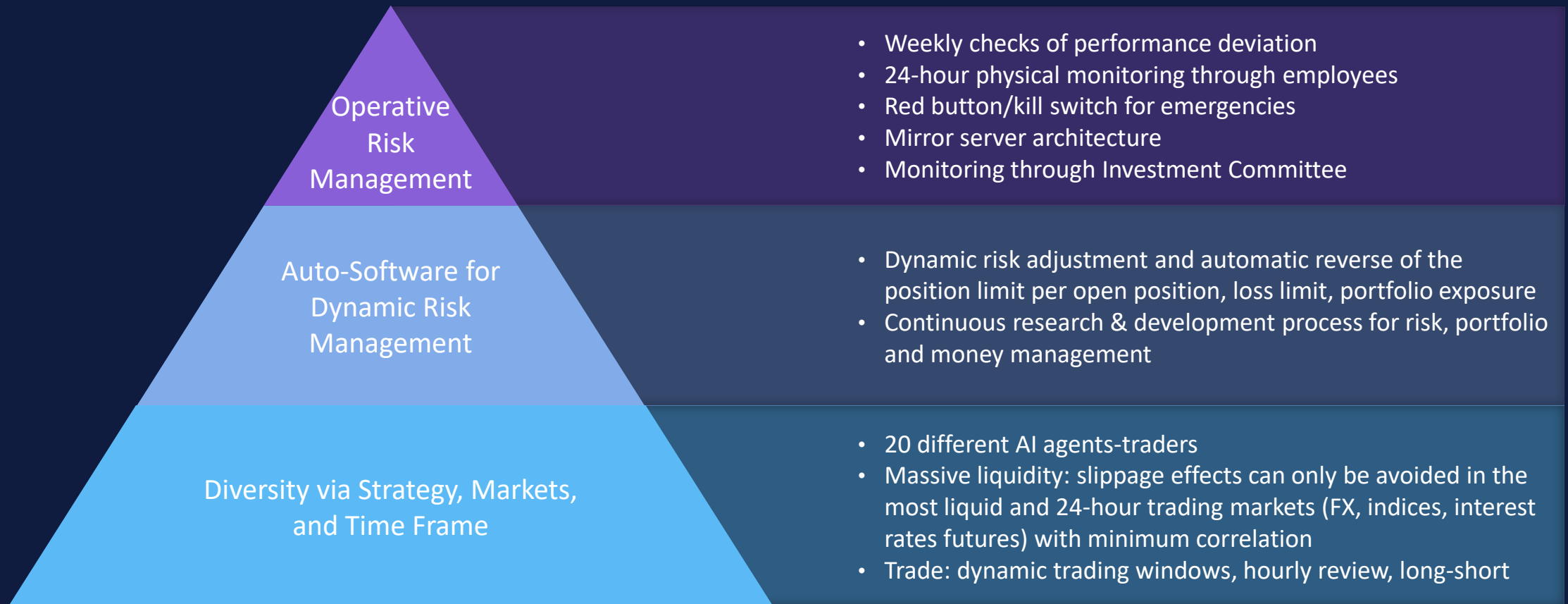
AI  
Reinforcement  
Learning

### Approach

100% driven by  
proprietary self-  
directed technology

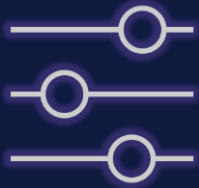
# The Investment Strategy

## Constant & Strict Risk Management



# The Investment Strategy

## Main Characteristics



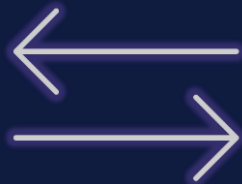
Intraday dynamic trade adjustment



Algorithm trading



Hourly revaluation of each trade / hourly trade generation



Highly adaptive



Average holding period between 3 and 24 hours



Flexible weighting according to market situation

# The Portfolio



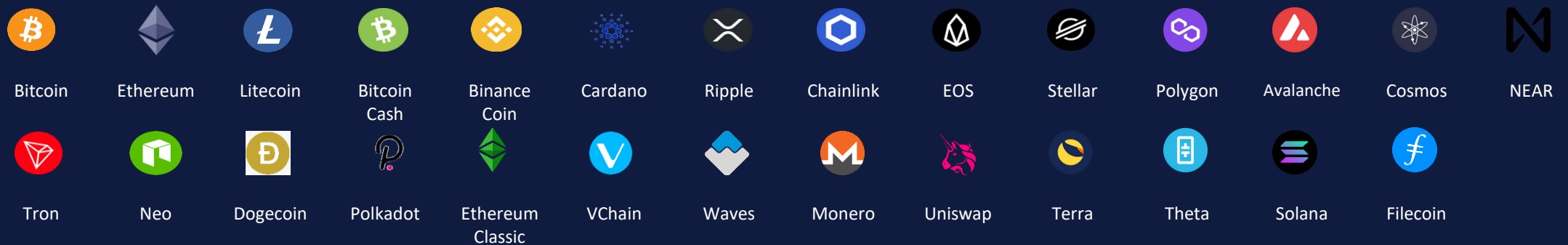


# The Portfolio

## Monthly Returns Since Inception

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2020	5.3%	-1.4%	1.7%	4.2%	-3.4%	-1.2%	4.8%	32.7%	15.2%	0.7%	3.7%	22.6%	115.3%
2021	4.2%	7.9%	-5.4%	2.3%	0.5%	-3.8%	6.2%	1.6%	3.4%	4.5%	2.4%	-8.5%	14.9%
2022	-9.4%	-2.0%	0.1%	-0.9%	-6.3%	-4.0%	2.3%	1.6%	-7.2%	1.1%	-8.8%	0.6%	-29.2%
2023	6.0%	2.0%	2.9%	-1.1%	-0.4%	1.2%	2.5%	-1.0%	-0.8%	2.2	-0.8	5.3%	19.2%
2024	-0.7%	13.9%											13.1%

## Our Current Investment Universe



...and many more in R&D and to be added in the future.

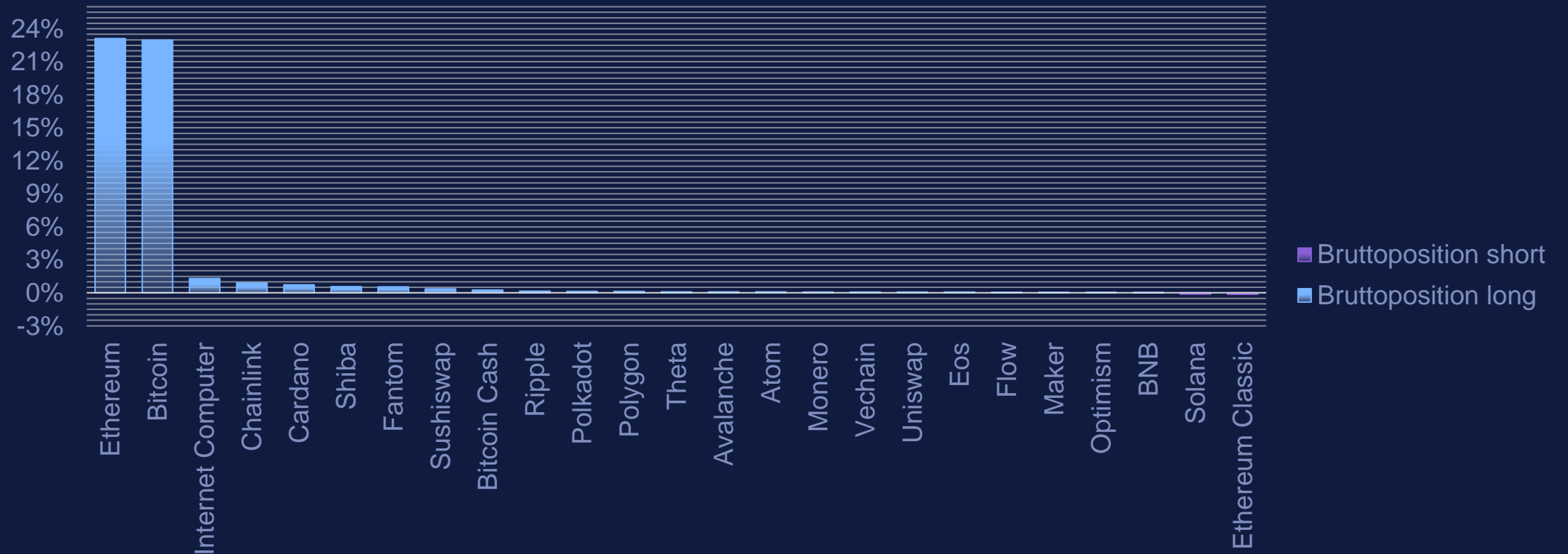
# The Portfolio

Statistics per February 29, 2024

	3 MONTHS	YTD	1 YEAR	LIVE STRATEGY
Performance	19.2%	13.1%	24.8%	136.0%
Volatility (annualized)	15.6%	16.8%	10.2%	18.0%
Max. Drawdown	-0.7%	-0.7%	-1.8%	-36.1%
Correlation with Bitcoin (daily %)	0.72	0.74	0.67	0.21

# The Portfolio

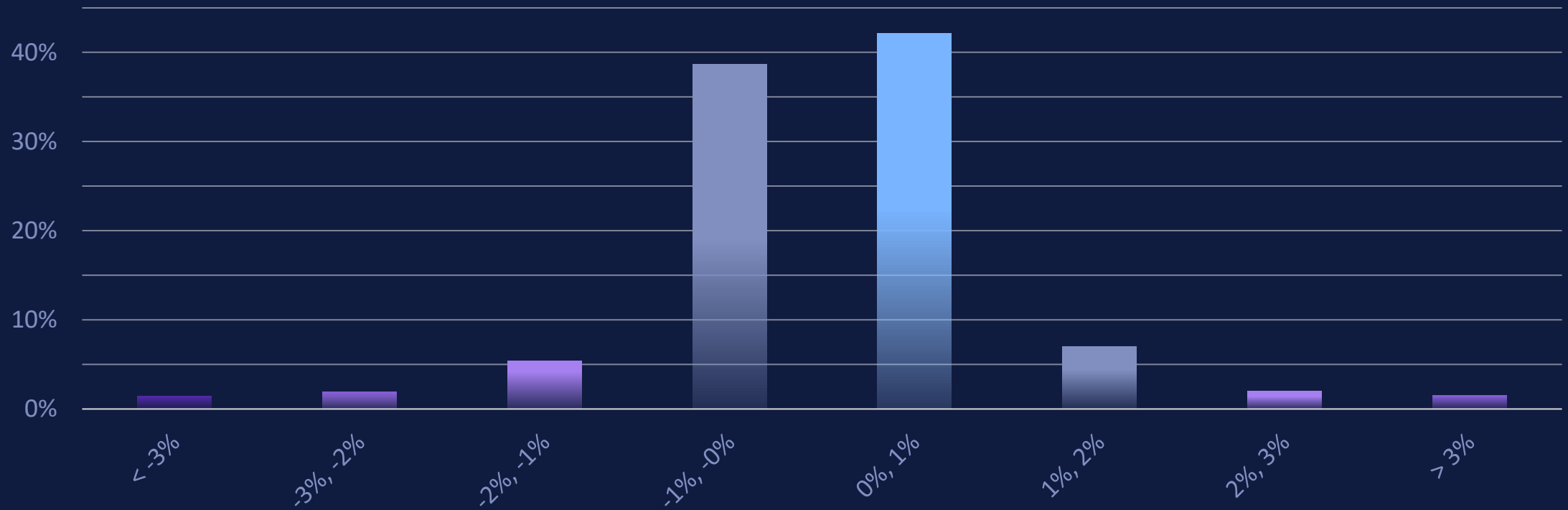
## Asset Allocation



Status: End of February 2024

# The Portfolio

## Distribution of Daily Returns since January 2020



Status: End of February 2024

# The Team

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```
...sub-indicator  
...c-menu .cart-icon-w  
...transparent header#top  
...enu > li.current_page  
...enu > li.current-menu  
... > li > a:hover > .sf-sub  
#search-btn a:hover span,  
...sf-menu > li.current-menu-ite  
...er .icon-salient-cart,.ascend  
...important;color:#ffffff!impor  
...ent header#top nav>ul>li.butte  
...t-widget-area-toggle a i  
...ner-filter transparent
```

# The Team

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Your Contact Persons for Crypto Alpha – Experienced and Skilled Professionals



**Steffen Bauke**  
Chief Executive Officer



**Adrian Marcu**  
Head of Investment Solutions



**Ioannis Poimenidis**  
CEO Speedlab AG

# The Team

## Our Technology Provider



Swiss FinTech  
alternative  
investment firm

Founded in 2014

Based in Cham,  
Switzerland

Subsidiary in  
Munich, Germany

- Proprietary provider of quantitative AI technology for institutional clients
- Specialized absolute return quant-portfolios
- Managed by smart digital applications
- Automated risk minimizing filters and processes
- Self-directed and fully automated technology
- 100% in-house developed end-to-end software

→ <http://www.speedlab.ag/>

# Terms & Conditions





# Terms & Conditions

<b>ISIN</b>	DE000A3GQF18	<b>Stock Exchange</b>	Stuttgart Exchange (EUWAX)
<b>Valor</b>	110304963	<b>Management Fee</b>	2% p.a.
<b>WKN</b>	A3GQF1	<b>Performance Fee</b>	20% (HWM)
<b>Structure</b>	Exchange Traded Instrument (AMC)	<b>Base Currency</b>	EUR
<b>Investment Manager</b>	Belvoir Capital AG	<b>Offering</b>	Public
<b>Underlying Issuer</b>	iMaps ETI AG	<b>Minimum Initial Investment</b>	1 Unit (EUR 1'000)
<b>Administrator</b>	iMaps Capital Markets	<b>Liquidity/Pricing</b>	Daily (EUWAX)
<b>Custodian</b>	Baader Bank	<b>Inception Date</b>	March 2021
<b>Technology Provider</b>	SpeedLab AG	<b>Registration for public distribution</b>	D, A, CH, I, FL, IRE, LUX, UK

# Conclusion



# Conclusion

Become Part of the Future



Source: [www.shutterstock.com](http://www.shutterstock.com)

*“Intelligence is the ability to adapt to change.”*

– Stephen Hawking

# Disclaimer

The prospectus and the basic information sheet for the issuance program of Exchange Traded Instruments in the form of derivative securities got approved by FMA Liechtenstein and can be downloaded free of charge from the website [www.imaps-capital.com/etis](http://www.imaps-capital.com/etis)

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