



# Coindex Capital Management

Stack the Dex in Your Favor - Capitalize on rEvolutionary Intelligence™

**November 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.

## Our Core 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 Advisor 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

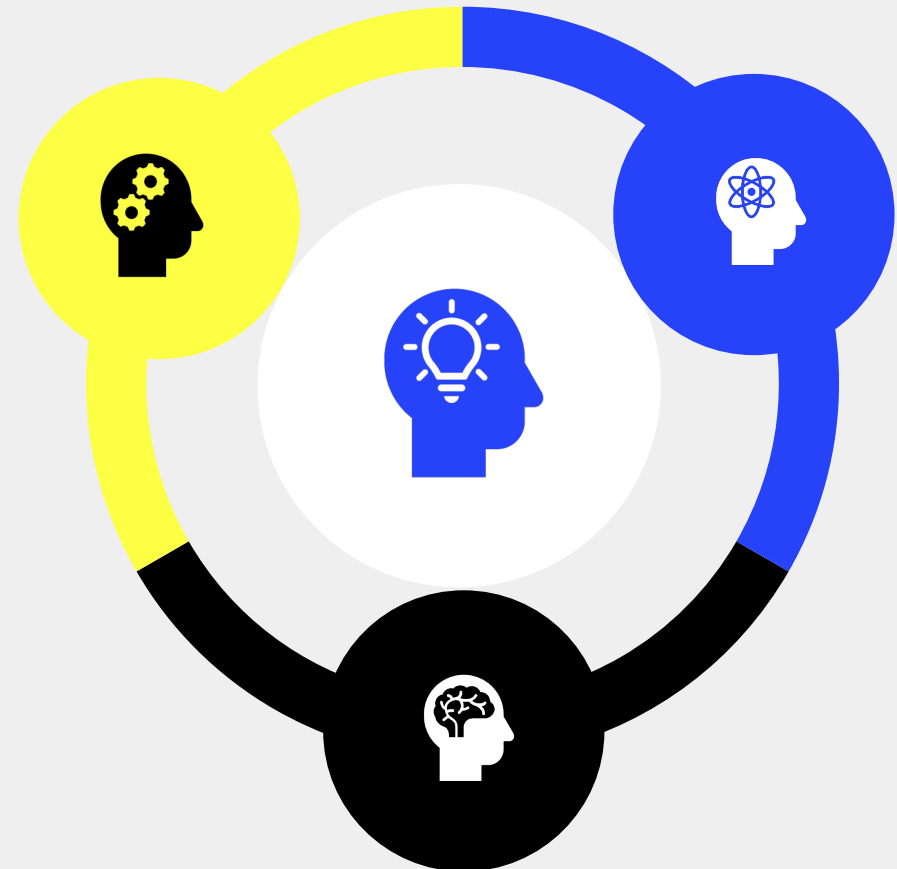
- Cayman registered director, Crypto fund services

## Aspect Advisors – NY, NY

- Crypto fund compliance

## Jeff Spence – NY, NY

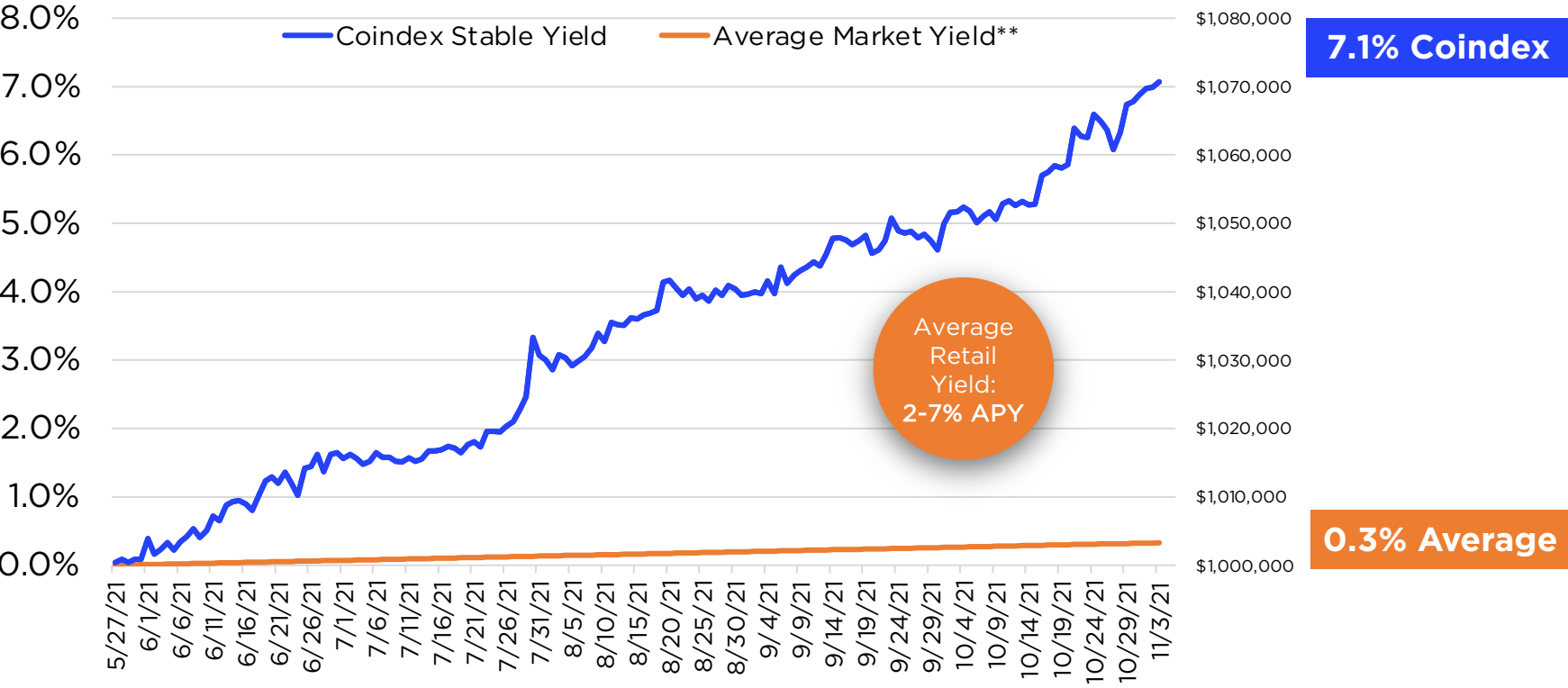
- Investment banking, cryptocurrency, fund management





Yield-focused exposure to cryptocurrency with minimally volatile underlying assets.

# Live Performance: Stable Yield



% Positive days:	66%
% Negative days:	34%
Average 30-day return:	1.6%

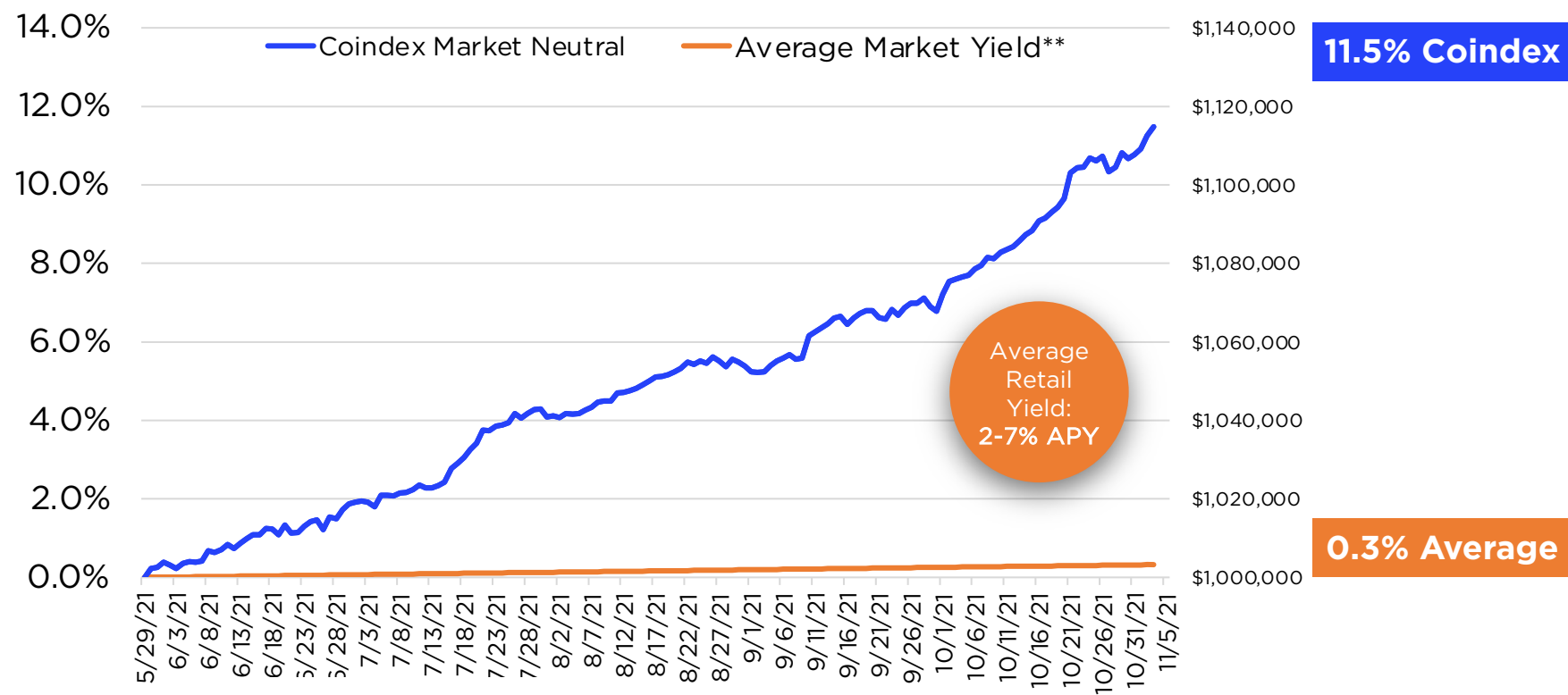
Average return per day:	0.05%
Average 7-day return:	0.37%
Average drawdown:	-0.10%

<b>Sharpe Ratio:</b>	29
<b>Sortino Ratio:</b>	235
<b>Projected APY net of fees:</b>	17.7%
<b>Return to date net of fees:</b>	7.1%
<b>Max drawdown to date:</b>	0.47%
<b>Target max drawdown:</b>	5%
<b>Target return net of fees</b>	12% - 20%
<b>Correlation to BTC:</b>	0.13
<b>Correlation to S&amp;P:</b>	0.06
<b>Liquidity:</b>	Quarterly, 90 day notice

\*\* 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.



# 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%

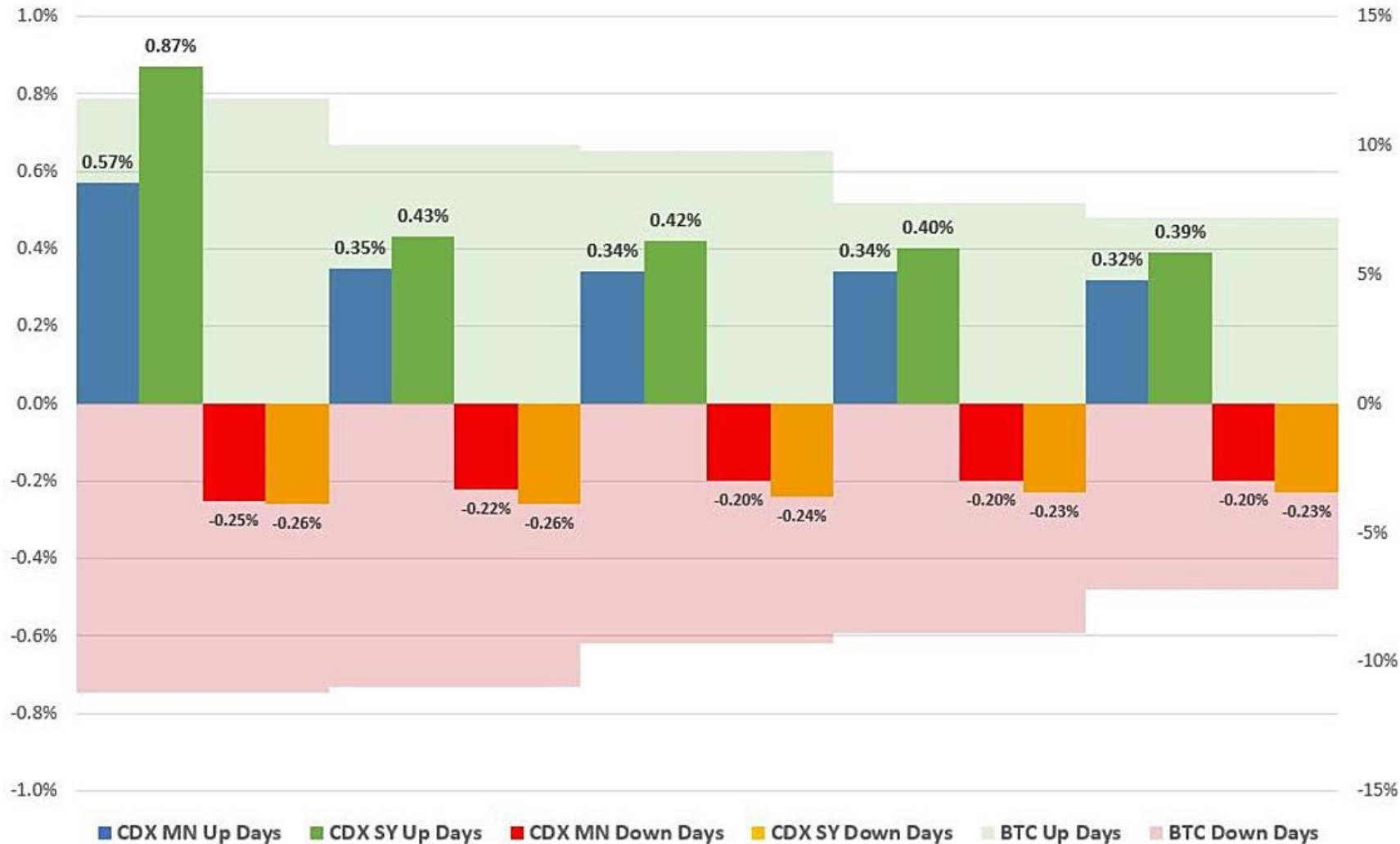
Yield-focused exposure to cryptocurrency with hedged underlying assets.

<b>Sharpe Ratio:</b>	66
<b>Sortino Ratio:</b>	179
<b>Projected APY net of fees:</b>	28.5%
<b>Return to date net of fees:</b>	11.5%
<b>Max drawdown to date:</b>	0.38%
<b>Target max drawdown:</b>	15%
<b>Target return net of fees:</b>	20% - 30%
<b>Correlation to BTC:</b>	0.21
<b>Correlation to S&amp;P:</b>	-0.12
<b>Liquidity:</b>	Quarterly, 60 day notice

\*\* 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.

## Volatility skews strongly to the upside in both funds.

Top 5 Up and Down Days Since Inception: Coindex Stable Yield and Market Neutral vs. BTC



Compared to BTC which demonstrates relatively even positive and negative skew, the top 5 positive days of both Coindex Funds significantly outsize their worst negative days.

## How does Coindex generate non-directional DeFi yields?

Generating yield with DeFi can be accomplished numerous ways without taking directional risk:

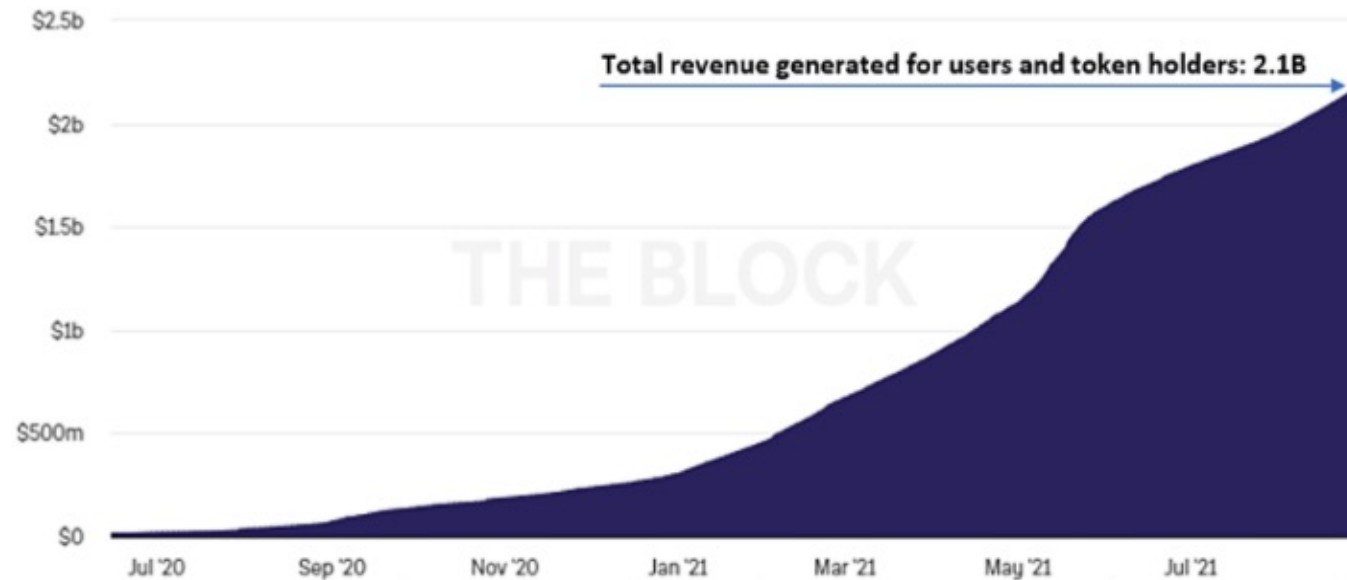
**Liquidity pools:** earning fees from token exchange volume - Coindex uses a proprietary methodology to take exposure to pools proactively, generating significant fee income from volume

**Yield Farming:** earning reward tokens for allocating capital to growing protocols - Coindex uses proprietary technology to optimize reward emission

**Lending:** earning interest from borrowers - Coindex uses proprietary technology to identify and capture interest rate arbitrage opportunities, unlocking greater capital efficiency

*“Those who understand it, earn it;  
Those who do not, pay it.”*

## Total Revenues generated by popular DeFi protocols





## How does Coindex generate non-directional CeFi yields?

Generating returns with CeFi can also be accomplished without taking directional risk:

**Market Making:** earning profit on market-takers crossing spreads – Coindex uses proprietary technology to price pairs competitively

**Cash and Carry:** when markets have significant directional runs crypto futures contracts trade at a generous premium/discount. Coindex uses proprietary technology to long/short the basis and capture predictable returns from price inefficiency

**Statistical Arbitrage:** by accessing numerous trading venues simultaneously Coindex can use AI to capture statistical inefficiencies between exchanges without taking a net directional position

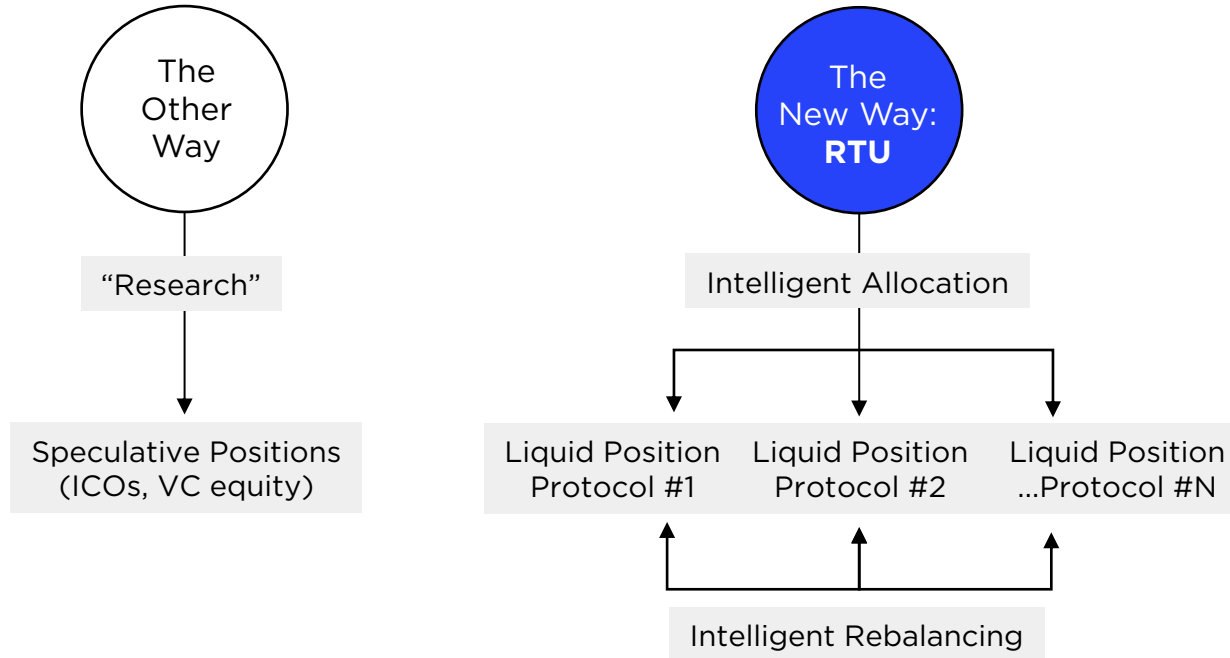
### 24hr volume traded on popular CeFi venues:

		Derivatives	Spot
1	 Binance	\$58.6B	\$18.4B
2	 Huobi Global	\$22.2B	\$16.1B
3	 OKEx	\$14.8B	\$6.7B
4	 FTX	\$12.2B	\$5.7B
5	 Bybit	\$9.5B	\$4.4B



*“I only know two men who really understand its true value and worth. Unfortunately, they disagree.”*

# Returns Through Utilization (RTU)



- ✗ Speculative & Illiquid
- ✗ Binary success or failure
- ✗ Long lockups & return horizons
- ✗ Allocation based on speculation

- ✓ Liquid positions based on real usage
- ✓ Highly diversified (10% max position)
- ✓ Generate returns from volume, not price
- ✓ Allocated based on diligence and volume

## Why Returns Through Utilization (RTU) Matters:

- Capitalize on opportune DeFi & crypto sectors
- Minimize market exposure to specific tokens
- Highly liquid and not reliant on speculation
- Intelligently rebalancing based on volume
- Relatively consistent yields based on activity

## The Coindex Difference

- Non-directional
- Return based on 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



## Vs. other crypto funds

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



## 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

\*If 50% annualized performance hurdle is achieved in a given quarter, Stable Yield performance fees increase to 40%.

### 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

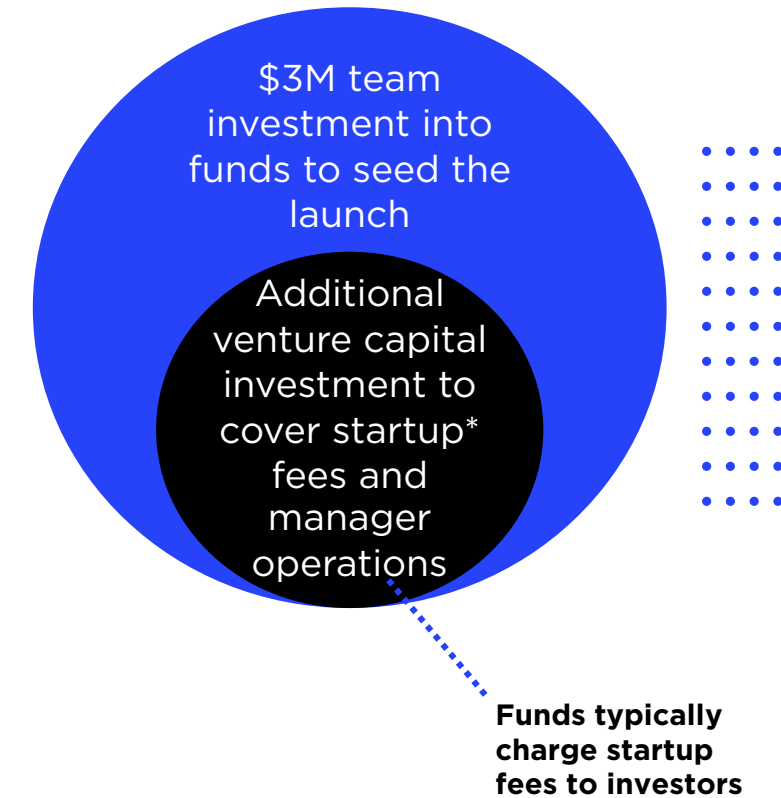
(available for both funds)

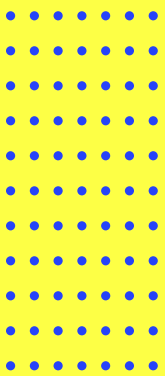
<b>Availability:</b>	Limited to \$50 million total subscriptions before 3/31/2022
<b>Management Fee:</b>	1%
<b>Performance Fee:</b>	10%
<b>Minimum Investment:</b>	\$2.5 million
<b>Subscriptions:</b>	Capacity up to \$10 million within 24 months

## Established Service Providers

<b>Fund Administrator:</b>	
<b>Auditor:</b>	
<b>US Counsel:</b>	
<b>Cayman Counsel:</b>	
<b>Prime Broker:</b>	
<b>Custodians:</b>	
<b>Compliance:</b>	

## Self-funded and Committed





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

**Questions?**