

BTC ACTIVE TREASURY CC & CP STRATEGY

Established in 2019, Liberty Road Capital is a premier digital asset manager specialising in yield enhancement strategies for digital currencies such as Bitcoin and Ethereum. Boasting decades of collective experience in asset management, investment banking, and the digital and blockchain sectors, our team brings a wealth of knowledge to the evolving landscape of digital asset investments.

Programme Overview

The Liberty Road Active Treasury programme is a low-risk programme which targets 5 - 7% annualised volatility with a targeted Sharpe Ratio of 2.

It employs Artificial Intelligence and Machine Learning to dynamically and actively turns the portfolio over seeking opportunities on the BTC volatility surface in real time.

Distinguished from traditional offerings, the Active Treasury program sets itself apart with a higher entry threshold (over 90% success rate on the AI backtesting) and a unique volatility target.

Strategy

The Liberty Road Active Treasury is a combination of the Covered Call (CC) and Covered Put (CP) strategy. A proprietary Artificial Intelligence program analyses the BTC volatility surface and maximises the risk premium obtained by selling calls or selling puts at the peaks on the volatility surface. It utilises world-class quantitative methods and machine learning algorithms to back-test the success rate of any identified trade as a trade filter.

Once a trade passes this filter, it is executed. The allocation is split between Calls and Puts based on a medium-term proprietary directional indicator. In a bull market, more is allocated to CP, while in a bear market, more is allocated to CC.

Key Informations

Launch date	1 Jan 2022	Average Duration	0.25-12 months
Investment vehicle	Cold Wallet	Max Leverage	1x
Liquidity	Daily/Weekly/Monthly	Currency Exposures	BTC/USD
No. of holdings	5-10	Asset Classes	BTC
Daily EVaR Limit	5%	Minimum Investment	100 BTC

Monthly Performance Data %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	1.25	1.04	1.76	2.65	1.15	1.21	-0.05	1.15	0.17	0.34	-0.09	0.69	11.26
2023	-1.50	0.98	-0.28	1.46	1.74	1.37	1.28	1.11	1.39	0.22	1.93	1.69	11.38
2024	5.31	2.01	-1.16										6.16

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BTC Active Treasury CC & CP Strategy - Gross

Annualised Return	11.90%	Annualised Risk	4.4%
6 Mo Rolling Return	10.01%	Sharpe Ratio	2.67
3 Mo Rolling Return	6.16%	Skewness	1.0
Year to date	6.16%	Kurtosis	4.2
% Months Positive	81.4%	Max Drawdown	-1.50%

Proactive Risk Management

Risk is very actively managed and leverage is capped at a of 1:1. The portfolio has Hard Risk limits in place for:

1. Ruin Matrix
2. Extreme Value at Risk (EVaR)
3. Delta
4. Hard Monthly Stop Losses

Soft limits manage Theta, Vega, liquidity, fixing and settlement risk. A document is available outlining these risk limits on request

Past Performance - Competitive Comparison

