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 3X programme is a leveraged version of our Active Treasury strategy and targets sub 15% 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 Al backtesting) and a unique volatility target.

# Strategy

The Liberty Road Active Treasury 3X 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

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	3x
Liquidity	Daily/Weekly/Monthly	Currency Exposures	BTC/USD
No. of holdings	5-10	Asset Classes	BTC
Daily EVaR Limit	5%	Minimum Investment*	50 BTC

\*for SMA Accounts

# BTC Active Treasury 3X Strategy - Gross

Annualised Return	34.71%	Annualised Risk	13.7%		
6 Mo Rolling Return	10.80%	Sharpe Ratio	2.40		
3 Mo Rolling Return	3.45%	Skewness	8.0		
Year to date	25.14%	Kurtosis	2.3		
% Months Positive	72.22%	Max Drawdown	-7.71%		

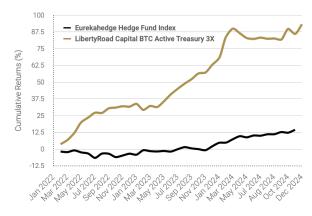
# **Proactive Risk Management**

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



# Monthly Performance Data %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	3.72	3.12	5.34	7.95	3.46	3.64	-0.16	3.46	0.52	1.01	-0.28	2.07	33.83
2023	-4.51	2.94	-0.84	4.37	5.21	4.11	3.83	3.33	4.26	0.67	5.79	5.07	34.21
2024	15.92	6.02	-3.49	-3.58	-0.64	0.96	-0.84	0.20	-0.80	7.95	-3.75	7.20*	25.14

\*MTD December

Contact Anna Dinescu (EU) +33.678.63.1062 anna@libertyroadcapital.com

Jonathan Morris (USA) +1.212.991.8332 jonathan@libertyroadcapital.com

This document is issued on request and is for information purposes only. It is not to be construed as an offer or solicitation for the purchase or sale of any financial instruments. This document is for distribution, solely to persons permitted to receive it and to persons in jurisdictions who may receive it without breaching applicable legal or regulatory requirements. In particular, this document is intended for distribution, in Hong Kong only to professional investors within the meaning of the Securities and Futures Ordinance. The information and any opinions given have been obtained from or based on sources believed to be reliable. This document does not identify all the risks (direct or indirect) or other considerations which might be material to you when entering into any financial transactions. All prices are indicative only and dependent upon market conditions. Liberty Road accepts no liability whatsoever for any direct, indirect consequential loss arising from or in connection with any use of, or reliance on, this document. Past performance is not indicative of future performance. Returns are gross of transaction costs and gross of fees and charges. All statistics are calculated on monthly returns. Source: Liberty Road of 30 June, 2021.