

# Digital Asset Management

Active Treasury Covered Call &  
Covered Put



LIBERTYROAD  
CAPITAL

December 2024

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# Firm Overview

**Liberty Road Capital** is a British Virgin Islands based Approved Investment Manager, under the Securities and Investment Business Act, 2010 (“SIBA”).



Founded in  
**2019**



Focused on  
**Yield Generation**



Primary Office in  
**Monaco**



Approved Fund Manager  
**BVI Financial Commission**

Accountability & institutional culture backed by decades of experience to deliver excellence for our clients





# Investment Philosophy

Yield generation for cold wallet bitcoin balances

## Strategy:

- ✦ Identify **opportunities** on the volatility surface
- ✦ Exploit **arbitrage** opportunities in key derivatives markets such as cash vs perpetuals, futures and cross exchange
- ✦ Incorporating **AI and quantitative methodologies** and tools to identify opportunities

## Key Themes:

- ✦ World class **risk management** utilising the best risk management tools
- ✦ **24/7 portfolio management** via an exceptional portfolio management team
- ✦ State of the art **security and custody** solutions where digital assets remain under the ownership and control of the investor in cold wallets





# The Opportunity

More and more companies need **treasury management** to generate yield for their **BTC holdings** while monetising volatility and risk hedging. BTC revenue generation options available on the market:

Features	Borrowing/Lending	Staking/Mining	WBTC/Liquidity pools	LRC Active Treasury
Counterparty Risk (exchange risk, eg. what happened to FTX )	MEDIUM	HIGH	MEDIUM	NO RISK
No Cyber Security Risk (hacking risk)	X	X	X	✓
Costs attached	LOW	HIGH	HIGH	LOW
Liquidity Risk	HIGH	HIGH	HIGH	LOW
Consistent Returns (5% and up)	X	X	X	✓
Control of the risk /portfolio	X	✓	X	✓
Full Control and the ownership of assets (Copper)	X	X	X	✓


LRC Active Treasury is a **one-of-a-kind tool for enhancing yield**, offering **low risk** and a targeted **annualised return of over 10 %**.

# AI & Machine Learning

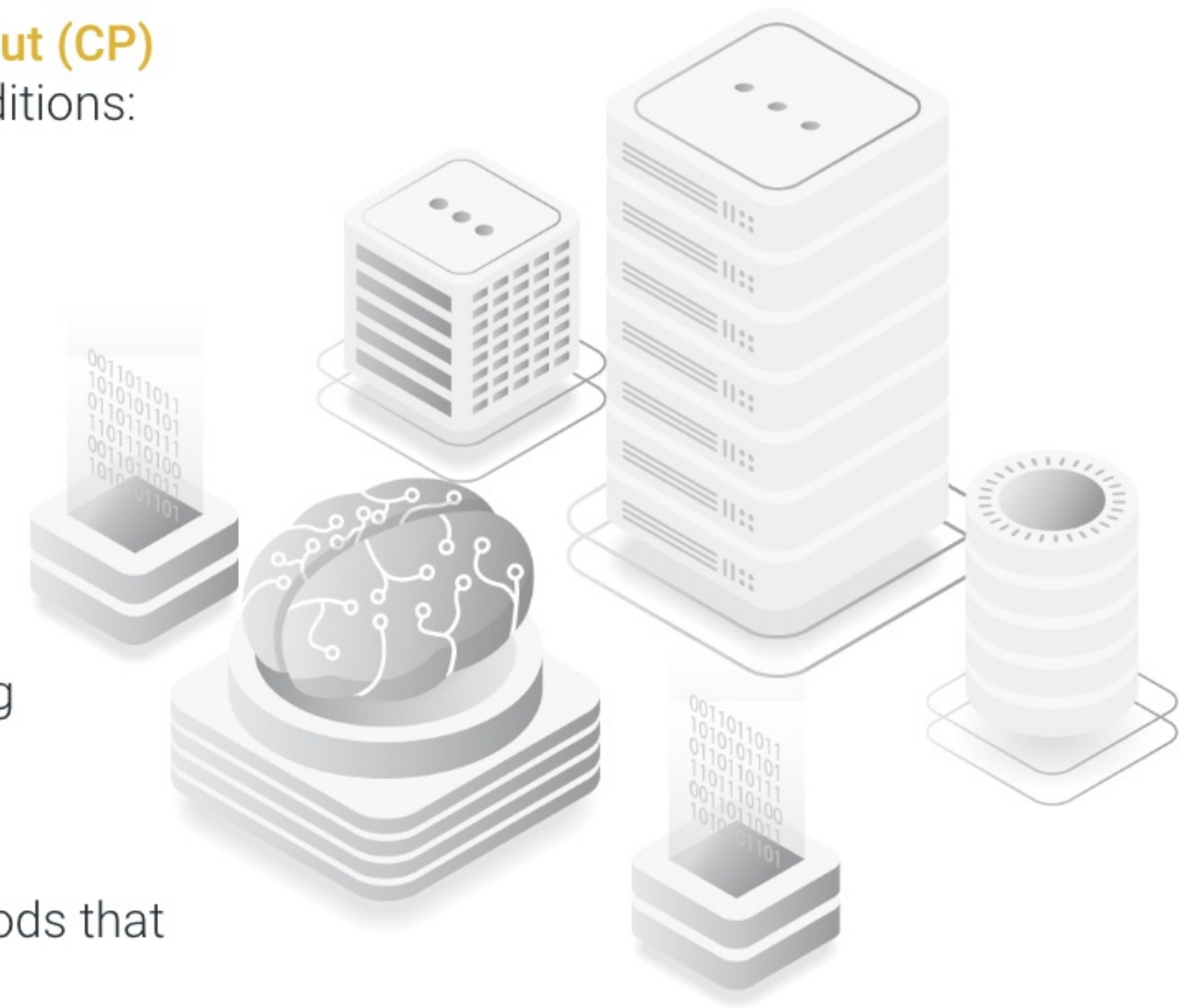
The Active Treasury Strategy combines the **Covered Call (CC)** and **Covered Put (CP)** strategies, with a flexible allocation split of 70% to 30% based on market conditions:

Market Conditions	70% Allocation	30% Allocation
Bullish Market	CP	CC
Bearish Market	CC	CP

A proprietary **AI programme** :

 Monitors and assess market direction by screening indicators and conducting fundamental analyses of the blockchain.

 Runs **ML algorithm** for trade signaling utilising world class quantitative methods that **back-test the success rate (over 90%)** of any identified trade signal.





# Process Overview



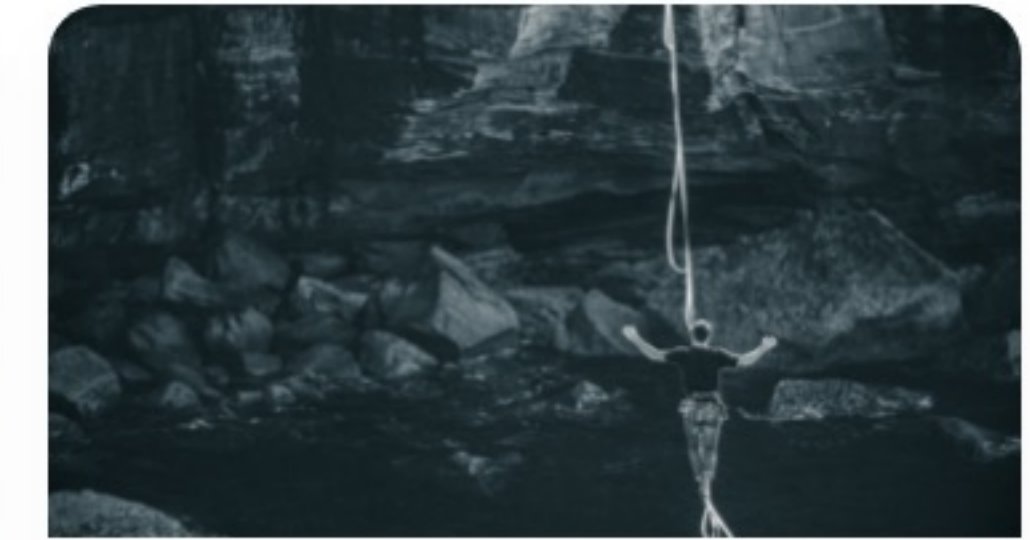
## Institutional Infrastructure

Secure. Frictionless. Ownership remains with Investor.



## Investment Opportunity

Live opportunities identified by AI. Volatility Surface. Arbitrage via Product, Curve, Exchange.



## Risk Management Procedures

Embedded in the investment process. Extreme Value Theory, Overseen by AI.

### Client Funds

- ✦ Ownership retained
- ✦ Real-time monitoring
- ✦ Secure wallets & cold storage
- ✦ No movement of assets

### Investment

- ✦ Algorithmic Arbitrage
- ✦ Live Volatility Surface
- ✦ Artificial Intelligence

### Risk Management

- ✦ Extreme Value Theory
- ✦ EVAR
- ✦ Live constantly monitored Greek limits

### Portfolio Management

- ✦ World Class PM team
- ✦ 24/7 management

### Operations

- ✦ Monthly liquidity
- ✦ Daily Portfolio Visibility

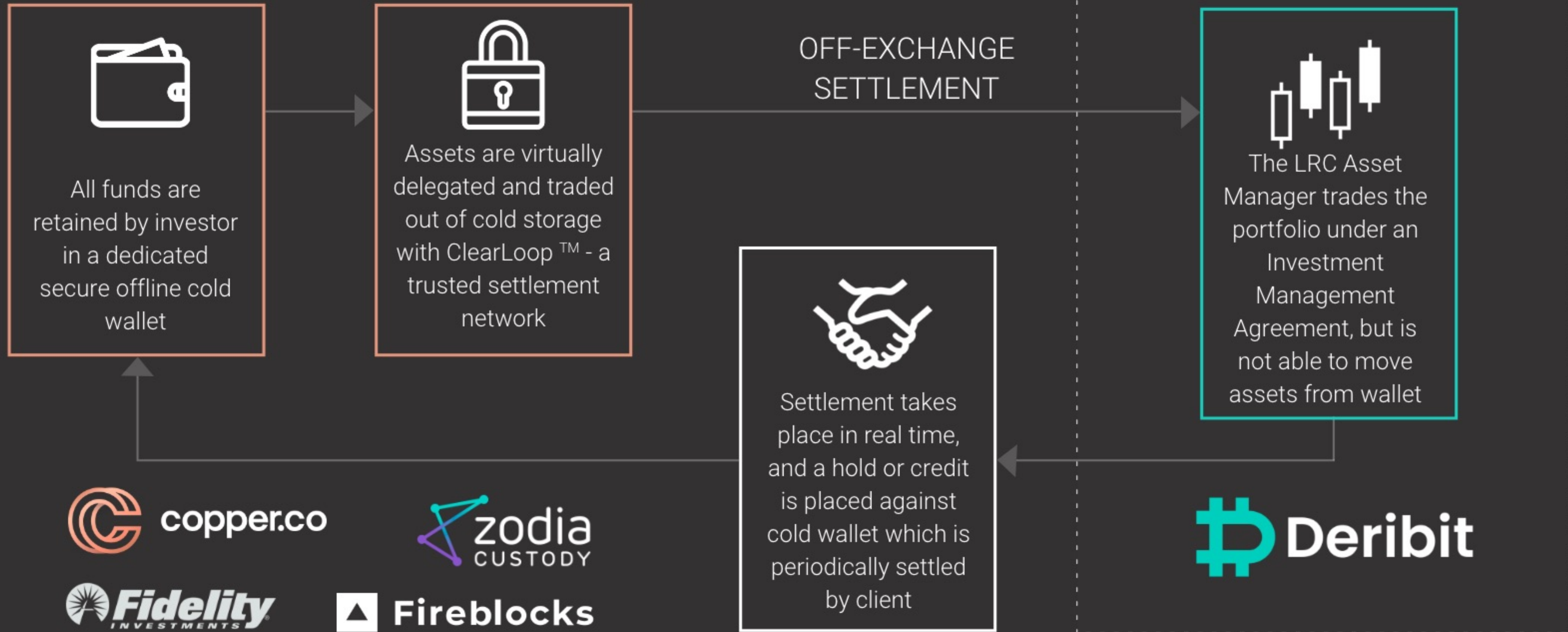
# Digital Infrastructure

100% Secure. Zero Credit Risk. No Counterparty Risk.



## SECURE COLD WALLET CUSTODY

## CRYPTO DERIVATIVES EXCHANGE





# Risk Management

## Investment Management Process

### Liquidity Risk

- ✦ Real-time monitoring of liquidity
- ✦ Strategic long bias positions

### Counterparty Risk

- ✦ Cold storage
- ✦ Sophisticated MPC wallet
- ✦ 2 of 3 signature control
- ✦ 2 keys retained by coin owner

### Event Risk

- ✦ Tactical hedging of tail risk events
- ✦ Strict risk limits & internal protocols

### Technical Default Risk

- ✦ Ongoing engineering analysis of digital assets
- ✦ Real-time onchain data feeds and analytics

## Best practices

- ✦ No single person, server, vault location or device failure can compromise our operations
- ✦ MPC wallet authorization for fund access
- ✦ Exchange partners rigorously selected based on data security practices & management
- ✦ Short term positions managed with strictly imposed risk limits
- ✦ Mitigating exposure via e-wallets, exchange accounts & other counterparty risks
- ✦ Overseen by independent risk management committee







# Active Treasury Covered Call & Covered Put BTC Performance

## Summary Statistics

(Period: January 2022 – November 2024)

Annualised Return (since inception)	10.23%	Annualised Risk	4.6%
Sharpe Ratio	2.22	Omega Score Annualised	1.75%
Largest Drawn Down	-2.57%	Length (Months)	3
Skewness	0.9	Kurtosis	2.6
Up Months	25	Percentage Months Positive	71.42%
6 Month Rolling Return	1.40%	3 Months Rolling Return	1.29%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2022</b>	1.24	1.04	1.78	2.65	1.15	1.21	-0.05	1.15	0.17	0.34	-0.09	0.69	<b>11.28</b>
<b>2023</b>	-1.50	0.98	-0.28	1.46	1.74	1.37	1.28	1.11	1.42	0.22	1.93	1.69	<b>11.41</b>
<b>2024</b>	5.31	2.01	-1.16	-1.19	-0.21	0.32	-0.28	0.07	-0.27	2.81	-1.25		<b>6.14</b>

Quantitative trading returns are back tested returns. Document outlining returns available on request.

Gross returns for LRC reference accounts. Calculated as simple interest rate.

# Team



## Russell Thompson

30+ years Finance & Trading. Ran Pan-Asia Trading for AIG, and ran desks for HSBC Hong Kong, and Midland Montagu.

Founder/ Owner The Cambridge Strategy, USD \$3.5B AUM in emerging markets strategies.

Firm attained top 1% of returns for Investment Management firms for the past 10 years.

## Tom Bowles

Financial Quantitative Expert, with 25 years experience in top-tier hedge funds, asset management and family offices in London, New York and Monaco with AUM from \$1bn to \$30bn.

Specialised in quantitative and machine learning, with a PhD from Oxford in mathematical forecasting.

Successful entrepreneur track record, building 3 MedTech companies with strong +\$1bn exits.

## Anna Dinescu

12 years Project Management in top tier multi-nationals, fin-tech startups and investment companies.

Specialised in Business development and Fund-Raising for VCs/Hedge Funds/FO focused on fin-tech, blockchain, digital assets and alternative asset investment portfolios.



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Contact Information

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**Europe**

**Anna Dinescu**

Founding Partner

**t:** +336 78 63 10 62

**e:** [anna@libertyroadcapital.com](mailto:anna@libertyroadcapital.com)

**North America**

**Jonathan Morris**

Partner

**t:** +1 (212) 991 8332

**e:** [jonathan@libertyroadcapital.com](mailto:jonathan@libertyroadcapital.com)