

Meta Strategy

Market-Neutral Quantitative Strategy · USDT, BTC & ETH Denominated

Jun 2026
For Qualified Investors Only

ANN. RETURN	SHARPE RATIO	MAX DRAWDOWN	CALMAR RATIO	WIN RATE (DAILY)	LIVE TRACK RECORD
41.74%	2.18	-12.01%	2.95	54.96%	37 Months

COMPANY OVERVIEW

Stoic is a company specializing in market-neutral systematic strategies for digital assets. Founded in 2015, the firm has built a proprietary research and execution infrastructure, supported by more than \$9 million invested in research and technology, to enable institutional-grade portfolio management in crypto markets.

Since inception, Stoic has provided its services via segregated managed accounts to over 20,000 retail, high-net-worth, and institutional clients across its strategies, with cumulative assets serviced since inception exceeding \$200 million.

STRATEGY OVERVIEW

Meta is a systematic, market-neutral quantitative strategy that implements a multi-alpha portfolio across liquid digital assets, with cross-sectional positioning and mid-frequency rebalancing.

Alpha signals are generated through statistical and machine-learning analysis of market microstructure and cross-sectional inefficiencies.

The portfolio functions as a controlled ensemble of independent alpha sources, with dynamic capital allocation based on risk-adjusted performance metrics. Machine learning techniques are also applied at the portfolio construction level to optimise allocation across sub-strategies within a regularised optimisation framework.

The objective is to deliver uncorrelated returns while maintaining disciplined exposure and institutional-grade risk controls.

STRATEGY PARAMETERS

Parameter	USDT	BTC
Annualized Return	41.74%	28.79%
Sharpe Ratio	2.18	1.89
Max Drawdown	-12.01%	-14.25%
Calmar Ratio	2.95	1.74
Avg Daily Gains	0.10%	0.07%
Avg Weekly Gains	0.68%	0.49%
Avg Monthly Gains	2.95%	2.13%
Profitable Days	54.96%	53.44%

INVESTMENT PROCESS

Strategy development follows a systematic proprietary quantitative research pipeline. Alpha ideas are generated through statistical and machine-learning analysis of market microstructure and cross-sectional inefficiencies in digital assets.

Each sub-strategy undergoes in-sample and out-of-sample validation and is continuously monitored using rolling performance metrics to assess alpha persistence and degradation. Capital is dynamically allocated across strategies based on Sharpe ratio, covariance, and volatility, ensuring optimal diversification and minimal false-positive bias.

Live strategies are executed through a fully automated infrastructure and monitored in real time for performance decay, drawdowns, and exposure anomalies. Predefined deactivation thresholds and adaptive risk-scaling rules are applied to maintain portfolio discipline.

MARKET REGIME BEHAVIOR

The strategy tends to perform strongest in sustained trending market environments where directional momentum persists. Performance may moderate during momentum crashes or prolonged mean-reverting regimes characterized by unstable or frequently reversing price dynamics.

RISK MANAGEMENT

Risk is controlled through a multi-layer quantitative framework combining:

- Position-level exposure limits (max 3% per asset, 20% BTC)
- Cluster-level allocation caps (40% per cluster)
- Exchange-level per-instrument stop mechanisms (40% stop per asset)
- Continuous monitoring of marginal risk contribution

Exchange-level stop orders cap post-allocation tail risk, ensuring that the maximum loss contribution of any single asset is limited to approximately 1% of portfolio NAV.

The strategy is structurally market-neutral: total long exposure is balanced with total short exposure on a dollar-neutral basis. Net exposure is typically below 1-2% and only transient due to execution and rebalance latency. Gross exposure is typically maintained around 100% of NAV, with a dynamic range of approximately ±20% depending on market conditions and signal intensity.

Signal-level performance thresholds are used to deactivate underperforming models, while portfolio-level risk is managed through adaptive position sizing and, when necessary, manual leverage reduction. The strategy is routinely stress-tested against historical market shocks, including March 2020, May 2021, the 2022 FTX collapse, and the 2025 tariff-related macro stress event.

A real-time monitoring system tracks drawdowns, volatility, leverage, and exposures, with automated alerts triggered when predefined limits are breached.

DRAWDOWN CHARACTERISTICS

Maximum Drawdown: 12%
Average drawdown magnitude: 1.57%
Average drawdown duration: 12.9 days

PORTFOLIO CONSTRUCTION

Portfolio allocation follows a risk-based optimization framework using historical volatility, covariance, and expected Sharpe ratios. The strategy primarily operates across top 15% of the most liquid digital assets, including BTC and major alcoins. Strategy's universe - futures available on Binance Global excluding memecoins and GameFi tokens.

Capital is allocated across more than 200 active sub-strategies grouped into momentum, reversal, arbitrage, and hedging clusters. Normally, 20 sub-strategies receive non-zero weight at the same time, ensuring diversification across independent alpha sources.

EXECUTION & INFRASTRUCTURE

Execution is fully systematic via a proprietary execution module requiring only API connectivity to supported exchanges. The strategy trades primarily on Binance and Bybit for Meta BTC, with additional infrastructure supporting Coinbase, Kucoin, Crypto.com, and Binance.US for other strategies.

Rebalancing occurs on an hourly basis. Average holding period is 3-5 days, with longest positions held up to 3-4 weeks for high-conviction trend signals. Turnover averages approximately 55% of strategy capital per day, depending on market volatility and liquidity conditions.

RETURN DRIVERS

In addition to trading alpha, the Meta USDT strategy captures funding income through collateral optimisation. Collateral is frequently maintained in BTC while directional exposure is hedged via futures, allowing the strategy to capture funding rates as an additional return component.

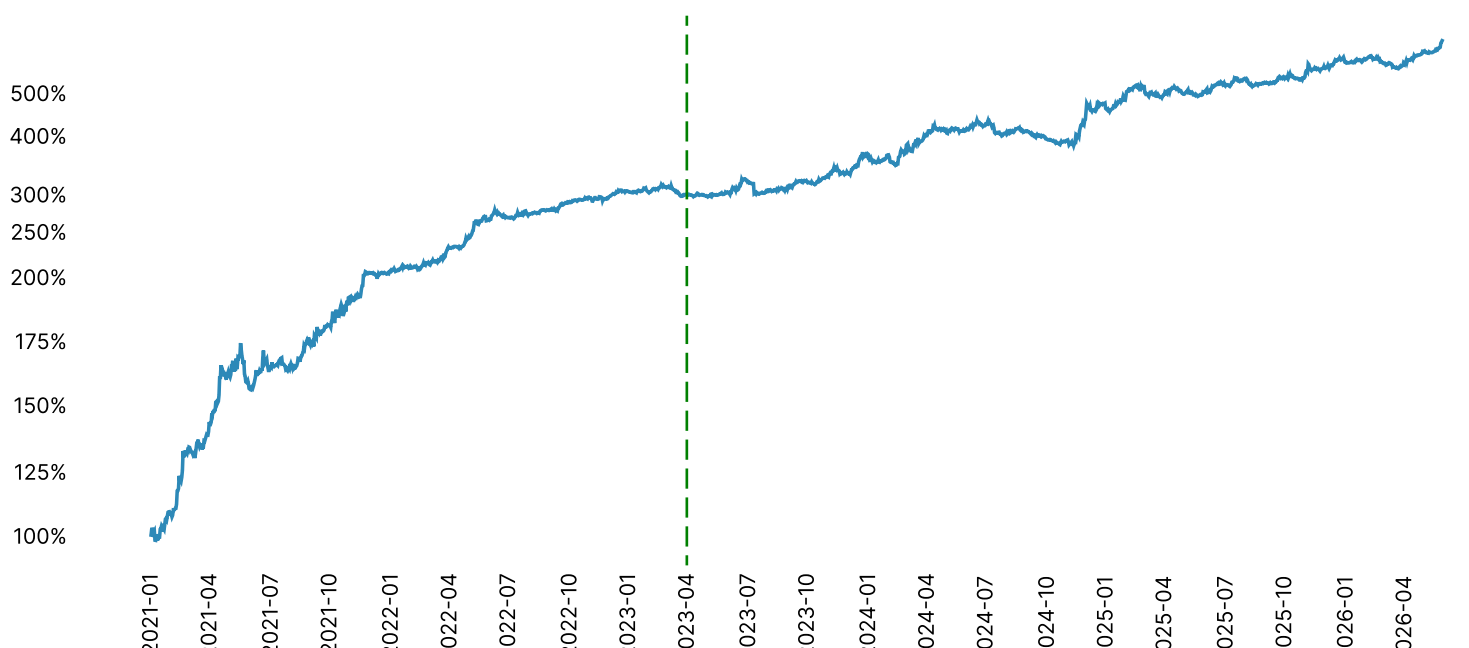
CAPACITY & SCALABILITY

The current version of the strategy is designed to operate efficiently at approximately \$75 million in capital, with target annual returns of up to 28%.

Liquidity and turnover-based capacity analysis indicates scalability up to approximately \$300 million with target returns of ~15%, and a maximum theoretical capacity of up to \$1.3 billion with target returns of ~11%.

USDT Meta Performance

Cumulative Returns (Live since April 1, 2023)

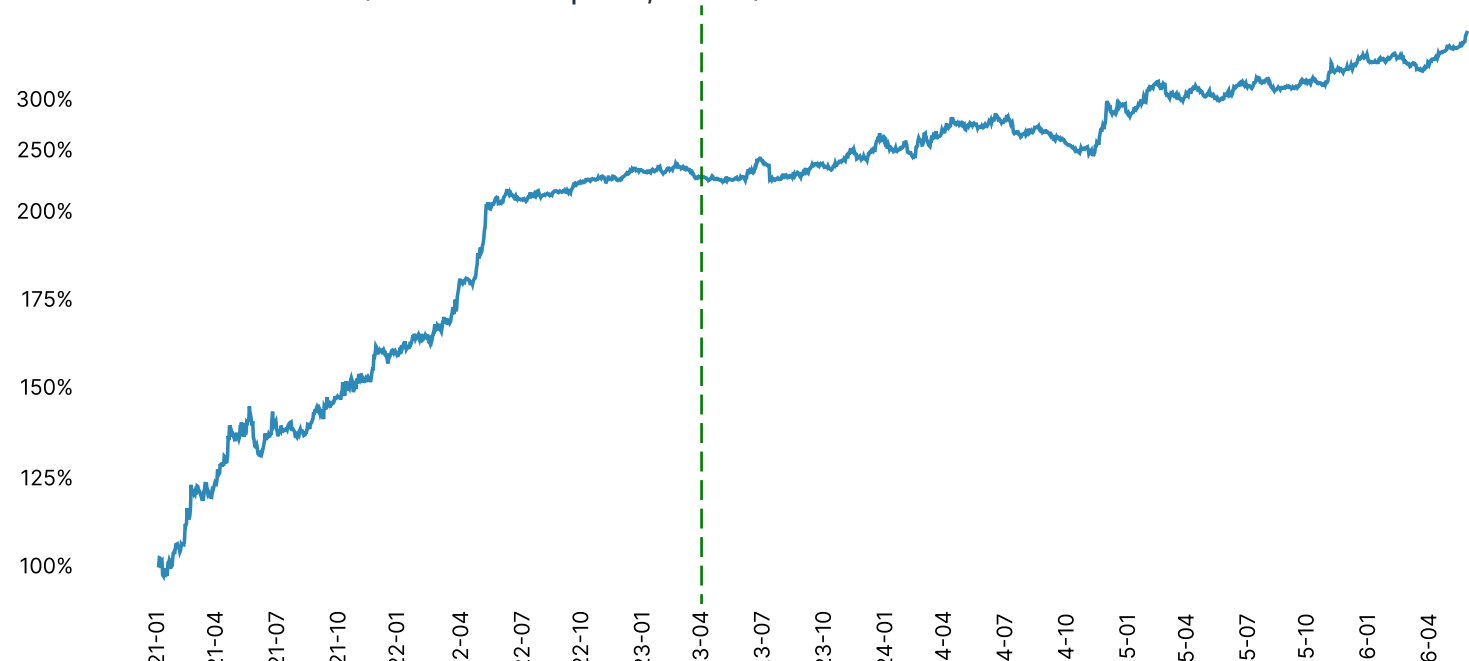


Monthly Returns (%)

	J	F	M	A	M	J	J	A	S	O	N	D	YTD
2021	8.3	23.8	7.2	12.7	-3.2	4.1	1.0	6.5	3.2	6.0	5.9	-0.0	103.36
2022	3.1	1.9	7.9	4.9	9.3	1.5	1.6	2.2	4.0	1.7	-0.1	4.0	50.29
2023	-0.2	2.3	-3.6	-0.9	0.2	6.7	-5.6	1.3	3.8	1.9	1.7	10.2	19.98
2024	-1.9	2.2	9.4	3.0	-0.7	2.7	-3.8	1.0	-2.6	-2.4	11.4	8.6	28.81
2025	1.4	7.1	-4.0	0.2	1.1	4.2	2.3	-1.9	3.1	-0.5	4.8	5.9	25.88
2026	-1.2	-1.25	-1.78	6.1	6.68								8.46

BTC Meta Performance

Cumulative Returns (Live since April 1, 2023)



Monthly Returns (%)

	J	F	M	A	M	J	J	A	S	O	N	D	YTD
2021	5.3	16.3	3.8	7.3	-3.6	3.8	0.5	5.2	2.1	4.2	4.3	-0.4	59.55
2022	3.0	1.9	7.3	4.4	9.3	1.4	1.3	1.5	3.5	1.2	-0.6	3.6	44.81
2023	-0.6	1.7	-3.3	-1.4	1.0	6.8	-6.0	0.9	3.5	1.4	0.8	7.8	12.30
2024	-3.0	0.5	5.1	2.5	-1.2	2.0	-4.2	0.8	-3.1	-3.1	9.7	7.1	12.88
2025	0.6	6.8	-4.4	-0.1	0.8	3.9	1.5	-2.5	2.5	-0.7	4.8	5.7	20.03
2026	-1.64	-1.19	-1.69	6.3	6.43								8.07

GOVERNANCE & CONTROLS

The strategy is overseen by an Investment Committee comprising company leadership, including the two Co-CEOs, CFO, CTO, Head of Quantitative Research, and Head of Engineering. The Investment Committee meets on a weekly basis to review performance, risk metrics, and strategic adjustments.

Day-to-day risk monitoring and operational oversight are conducted on a 24/7 basis. Emergency risk actions, including strategy suspension and exposure reduction, are authorized by the Head of Quantitative Research and Head of Engineering.

LEGAL & OPERATIONAL STRUCTURE

Client capital is managed via segregated managed accounts (SMAs) using exchange API keys. Stoic does not take custody of client assets. Clients retain full ownership and control over funds held on supported exchanges, while the strategy operates strictly within predefined trading permissions.

Independent performance verification is available via read-only API access to live exchange accounts upon request.

FEE STRUCTURE (INDICATIVE)

Management fee: 0%
Performance fee: 30%, calculated quarterly on a high-water mark basis
Liquidity: No lock-up; capital may be added or withdrawn at any time, subject to standard execution and settlement constraints

CLIENTS, AUM & GEOGRAPHY

Stoic serves a global client base, including over 2,000 active retail and high-net-worth individual clients across its strategies. Institutional investors are primarily concentrated in the Meta strategy, with over a dozen institutional clients currently utilizing the strategy through segregated managed accounts. Total assets under management across Meta currently stand at approximately \$10 million.

LEVERAGE, DENOMINATION & CUSTOMIZATION

The strategy supports flexible leverage levels ranging from 0.5x to 3.0x, depending on client preferences and risk tolerance. It may also be deployed on a fixed-capital basis, so clients can use a dynamic collateral framework to improve ROI. The default leverage is 1.0x.

Accounts may be denominated in USDT, BTC or ETH. Customization options are available exclusively to professional and institutional clients. Beyond leverage and denomination preferences, customization may include tailored risk limits, exposure constraints, and the exclusion of specific strategy clusters to align with existing portfolio exposures.

TEAM

The core team consists of 14 professionals, including quantitative researchers, engineers, and infrastructure specialists with academic backgrounds from top universities and prior experience in algorithmic hedge funds, proprietary trading firms, and professional market participants. Responsibilities are clearly distributed across research, execution, and risk monitoring functions to support institutional-grade operations.

RESEARCH & STRATEGY LINEAGE

The core research architecture underlying the strategy was originally developed under the leadership of a former VP Portfolio Manager at WorldQuant, with contributions from senior quantitative researchers and developers with backgrounds in global financial institutions, including Goldman Sachs and Deutsche Bank. While the strategy's day-to-day management is conducted internally, the foundational research framework and system design established during this period remain in place.

DATA & TECHNOLOGY

The strategy relies predominantly on proprietary datasets and internally developed research infrastructure. Signal generation incorporates statistical modeling and machine learning techniques, including clustering and portfolio-level optimization algorithms.

USE CASES

- Market-neutral strategy targeting stable USDT-denominated returns
- Yield-generating overlay on BTC holdings, where collateral is maintained in BTC
- Low-correlation diversifier within broader digital asset portfolios

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