

CRIPTONITE KAIRON

A RULES-BASED, FUNDAMENTAL RESEARCH-DRIVEN
AMC IN THE DIGITAL ASSETS' SPACE.



Asset Management SA

VISION

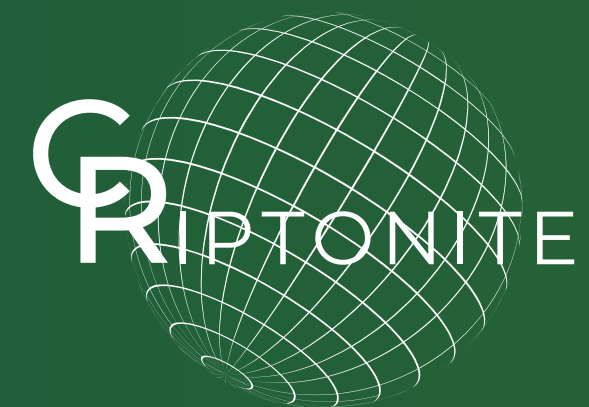
The Cryptonite Kairon AMC is the evolution of our Next Gems AMC.

Next Gems' management began with a systematic technical analysis approach, emphasizing Elliott Wave Theory to identify price turning points and prolonged growth or decline phases.

For over a year, we reviewed Kairon Labs' methods and observed a real money portfolio. Since 2018, they have analyzed the impact of blockchain activity flows on prices, using **blockchain transparency** to **track influential flows and identify "smart money."** This is akin to tracking insider movements in the equity market in real-time rather than waiting for quarterly reports, providing an **early edge** over traditional Elliott Wave Theory.

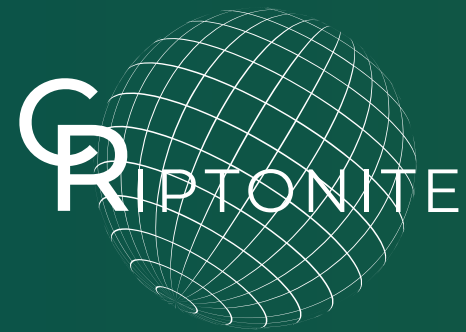
Kairon Labs and Cryptonite bring **extensive expertise** in qualitative project selection in the cryptocurrency market, **blending fundamental analysis with unique technical insights.**

Thus, it was natural for Next Gems to be managed by Kairon Labs, offering investors this quantitative management approach.



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WHO'S BEHIND THIS PRODUCT?



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Criptonite Asset Management, an authorized by **FINMA portfolio manager, based in Geneva since 2018** with extensive experience in the digital assets' management space.



Kairon labs **specializes in digital assets and token liquidity, market structure, financial derivatives, innovative trade solutions, and algorithmic trading strategies**, providing transparent, ethical and professional services.

ENHANCING OUR NEXT GEMS' STRATEGY



Elliott Wave Theory helps traders find entry and exit points in the market by identifying predictable patterns in price movements. Its aim is to allow traders to align their strategies with market psychology, aiming to buy low during corrections and sell high before major corrections.

HOWEVER

It can be subjective, as identifying waves in real-time can be challenging and often open to interpretation.

THIS IS WHY



We decided to keep the core of our strategy but instead of finding entry and exit points graphically, we decided to rely on software's data analytics to allow us to track "smart money".

By doing this, we are able to find and analyze the right flows to enter and exit positions before an impact happens on market prices.

By leveraging software-based data analytics, we've enhanced our previous strategy, making it more systematic, accurate, and responsive to market dynamics.

THE BENEFITS

Increased Accuracy

- **Automated Pattern Recognition:** Our software can precisely identify “smart money” flows, ensuring more accurate entry and exit points.
- **Consistent Analysis:** Algorithms provide consistent analysis without the variability that comes with subjective human interpretation.

Speed and Efficiency

- **Real-Time Analysis:** Software processes data in real-time, allowing for immediate identification of trading opportunities without the delays inherent in manual chart analysis.
- **Quick Calculations:** Automated tools can instantly calculate technical indicators, streamlining the decision-making process.

Enhanced Data Integration

- **Multi-Source Data:** Our software integrates and analyzes data from multiple sources, including price, volume, and sentiment data, providing a more comprehensive market view.

Scalability

- **High-Frequency Trading:** We can exploit short-term price movements in high-frequency trading environments.

Improved Risk Management

- **Automated Orders:** Automated stop-loss and take-profit orders, ensuring disciplined risk management.
- **Consistent Position Sizing:** Our software calculates optimal position sizes based on predefined risk parameters, maintaining consistent risk exposure.

Objective Decision-Making

- **Emotion-Free Trading:** Software eliminates emotional bias, making trading decisions based solely on data and predefined rules.
- **Clear Signals:** Provides clear entry and exit signals, reducing uncertainty and indecision in trading.

SMART MONEY IN THE CRYPTO SPHERE

In the context of the cryptocurrency sphere, "smart money" refers to the capital controlled by institutional investors, professional traders, and other market-savvy individuals or entities with deep expertise, significant resources, and access to superior information.

➤ How Smart Money Operates

In-Depth Market Analysis



Advanced Trading Strategies



Market Influence



Risk Management

➤ Impact of Smart Money on the Crypto Market

Market Movements

-
- **Price Influences:** Large trades by smart money can cause significant price fluctuations, creating trends that other investors follow.
 - **Liquidity Provision:** Smart money often provides necessary liquidity, particularly in less liquid markets, facilitating smoother transactions.

Market Sentiment

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- **Confidence Boost:** The presence of institutional investors and professional traders can boost market confidence, attracting more retail investors.
 - **Trend Setting:** Smart money often sets market trends that retail investors and smaller traders try to follow.

Smart money plays the crucial role of driving market dynamics and influencing price movements in the crypto market. Through our strategy, we enable our investors to capitalize on this.

THE INVESTMENT PRODUCT

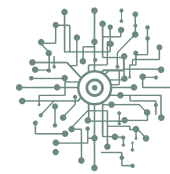
CRIPTONITE KAIRON AMC

The AMC seeks to **identify tokens experiencing dramatic fundamental growth with proper narratives, validate trends via fundamental research and due diligence,** and **utilize strategies to determine the optimal investment initiation point.**

INVESTMENT OBJECTIVES



This AMC provides a diversified exposure to the crypto asset class by investing in the top **30 digital assets by market cap.**



Our proprietary **algorithmic system manages: position sizing, position exiting and risk controls.**



Our AMC seeks to generate **high returns in all economic environments,** including the potential returns in bear markets such as 2022.

EASY SECURED ACCESS



Exposure to crypto without the need to buy, store and secure tokens directly.



Storage is secured by **APLO, AMF regulated qualified custodian.**



Accessible in brokerage accounts in the form of an **actively managed certificate with an ISIN number.**

THE STRATEGY



- We employ a **long-only strategy** with **major cryptocurrencies** and **large-cap coins to mitigate liquidity risks**.
- Through in-depth fundamental research, we **uncover growth opportunities across various crypto sectors**.
- We **seize** and **deploy capital** during market capitulation events, to minimize drawdowns.
- Our **disciplined approach** includes precise **position sizing, portfolio rebalancing, and clear stop-loss levels** to **safeguard capital** in volatile conditions.



Our **in-house models** track **key fundamental and on-chain indicators to optimize asset allocation**, favoring major cryptocurrencies in uncertain markets and increasing altcoin exposure in favorable conditions.

With a long-term outlook, **we believe in the crypto market's significant growth potential**, driven by rising adoption, despite short-term volatility.



With the crypto market being highly cyclical, usually following four-year cycles, we have tailored our strategy to this pattern. **This allows us to deliver strong results in both bear and bull markets**. For instance, the strategy outperformed during the bear market with a yield of +30%, while the major cryptocurrencies (BTC and ETH) were down over 50%.

In bull cycles, we benchmark against BTC and ETH, treating them as the "index" to beat. **We prioritize finding crypto assets that outperform these two while maintaining a core position in them**. This approach helps us manage downside risk and capitalize on high-momentum environments.

STRICT RISK MANAGEMENT

Our trading strategy is anchored in robust risk management principles to ensure the sustainability and security of our investments.

Our approach to risk management not only preserves capital but also aligns with best practices in asset security and risk mitigation in the dynamic environment of cryptocurrency trading.

Max Drawdown

- We strictly adhere to **a maximum drawdown limit of 25% from the initial investment**. This threshold is a critical part of our risk mitigation strategy, ensuring that our exposure to market volatility is managed effectively.

Only Onboarded with Regulated Counterparties

- APLO, our exchange aggregator which is AMF regulated, enables us to invest through 10 different exchanges **without facing counter-party risks**.

MONTHLY RETURNS SINCE INCEPTION (15.06.22)^{*1}

	January	February	March	April	May	June	July	August	September	October	November ^{*3}	December	YTD	
2024	Criptonite Kairon	5.00%	36.79%	14.12%	0.00%	28.14%	-14.27%	8.32%	-26.52%	21.56% ^{*2}	-6.28%	14.78%	87.41%	
	Bitcoin	0.60%	43.60%	16.80%	-14.80%	11.10%	-7.00%	3.00%	-8.60%	7.30%	11.00%	25.89%	109.67%	
	CCI30 ^{*4}	-6.59%	34.79%	27.08%	-23.12%	12.51%	-10.97%	-0.82%	-13.01%	8.57%	1.04%	22.39%	42.73%	
2023	Criptonite Kairon	40.11%	0.81%	22.16%	0.00%	-0.01%	3.62%	-2.32%	-8.37%	2.64%	16.36%	8.84%	26.58%	163.28%
	Bitcoin	39.67%	0.02%	23.02%	2.79%	-6.96%	12.00%	-4.00%	-11.30%	3.90%	28.50%	8.81%	12.20%	155.49%
	CCI30	38.71%	-1.56%	7.46%	-0.71%	-5.96%	1.49%	2.53%	-13.62%	2.90%	16.50%	14.61%	21.89%	106.24%
2022	Criptonite Kairon						-13.72%	42.50%	16.04%	-1.97%	-1.47%	0.00%	-7.52%	27.44%
	Bitcoin						-12.96%	16.80%	-13.90%	-3.10%	5.55%	-16.22%	-3.60%	-27.70%
	CCI30						-6.85%	28.55%	-10.88%	-2.53%	8.43%	-16.79%	-13.47%	-18.79%

***1 Live performance (real money portfolio from 15.06.2022 to 30.09.2024 and AMC from 19.09.2024)**

***2 Kairon's Strategy (Underlying Fund): 01.09.24-30.09.24**

***3 Criptonite Kairon AMC: 19.09.24-30.09.24**

***4** The CCI30 is a rules-based index designed to objectively measure the overall growth, daily and long-term movement of the blockchain sector. It does so by tracking the 30 largest cryptocurrencies by market capitalization, excluding stablecoins.

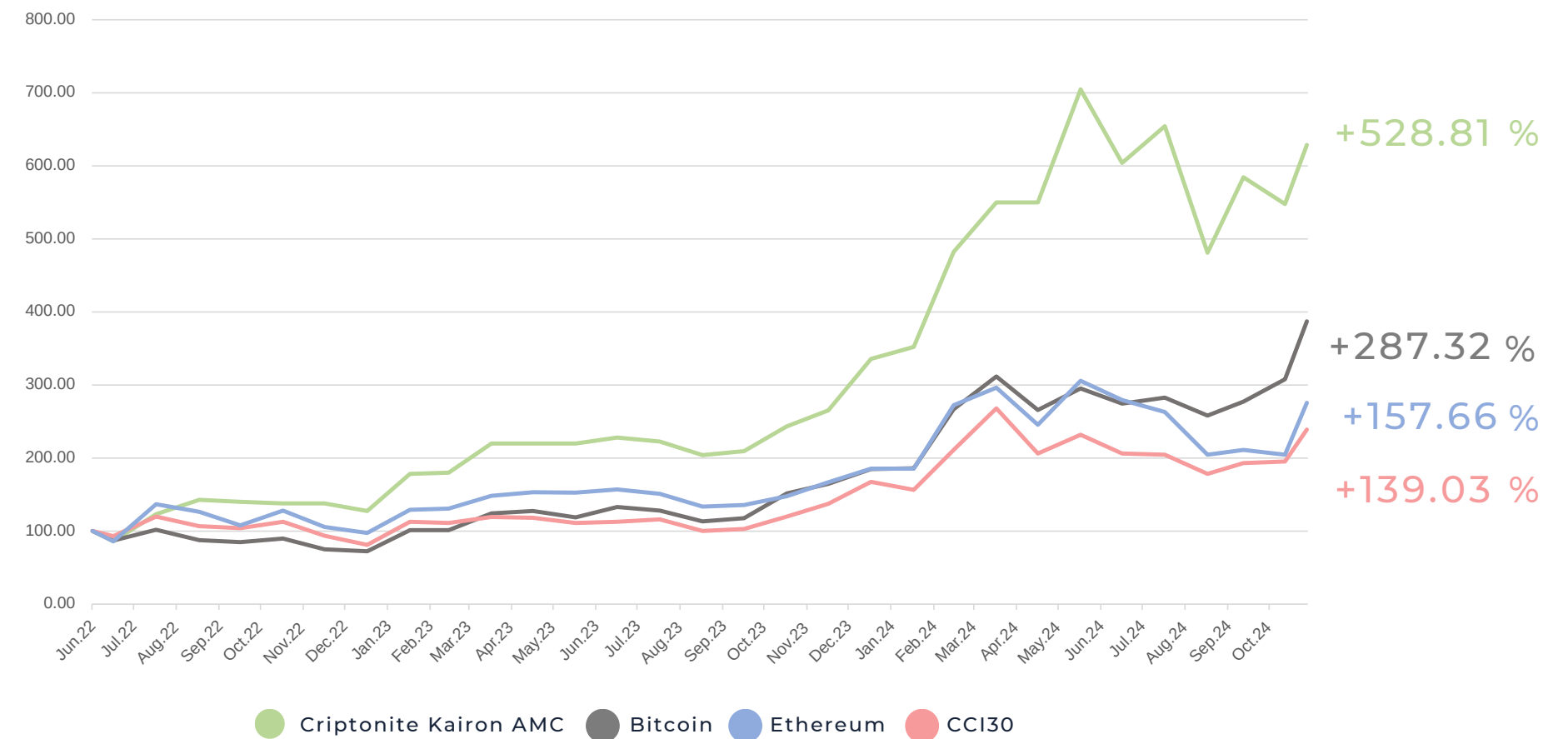
For achieving its objectives, the CCI30 has been designed with 5 main characteristics: 1. diversified; 2. replicable; 3. transparent; 4. provides in-depth coverage of the entire sector; 5. presents the best risk-adjusted performance profile possible.

Past Performance disclaimer: Past performance does not guarantee future results. No guarantee is given by the Actively Managed Certificate, the strategy Manager that the investment objective of the Certificate will be achieved. The investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than their original cost. The performance data does not take into account the commissions and costs incurred on the issue and redemption of units.

THE CRIPTONITE KAIRON AMC

ISIN Number	CH1350769639
Minimum Investment	10 units
Subscriptions / redemptions	Weekly / Weekly
Performance Fee Management Fee Hurdle Rate	20% 2% 5%
Investment Manager	Criptonite Asset Management
Paying Agent	ISP Securities AG (CH)
Administrator	GenTwo AG (CH)
Executing Broker	APLO (FR) AMF Regulated
Depository & Crypto Asset storage Provider	APLO (FR) AMF Regulated
Placement Type	Private placement for qualified investors only

Inception Date: 15.06.2022



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Let's team up to diversify
your investments by adding
cryptocurrency & blockchain
solutions.

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