



DEVINE GROUP

DG11 Systematic Investment Strategy

DG11 Long/Short Momentum Research And Development Overview

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DG11 Overview

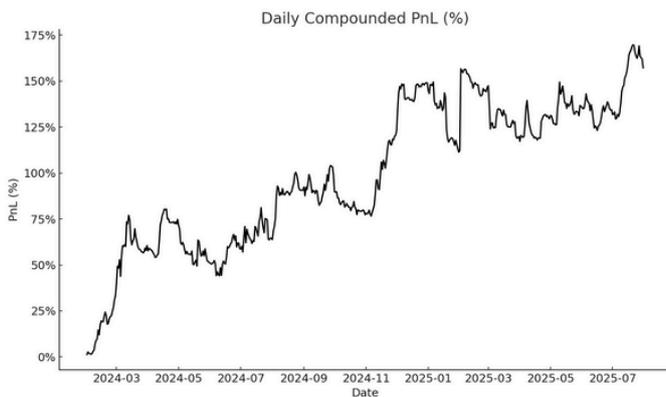
The DG11 strategy is a directionally agnostic, algorithm-driven investment approach that seeks to harness the inherent volatility of digital assets to generate consistent returns across varying market conditions.

By executing both long and short positions across a diversified basket of cryptocurrencies, DG11 capitalizes on recurring patterns, statistical anomalies, and historical price trends. This adaptive framework allows DG11 to remain agile and responsive to evolving market dynamics, with a strong focus on risk-adjusted performance.

Key Investment Strategies:

- **Pattern-Based Long/Short Execution:** DG11 systematically identifies and exploits recurring market behaviors by analyzing historical trends and technical signals. By dynamically balancing long and short exposures, the strategy benefits from both bullish and bearish market phases.
- **Volatility-Driven Opportunity Capture:** Designed to thrive in high-volatility environments, DG11 leverages rapid price movements to extract alpha, employing algorithms that respond swiftly to momentum shifts and mean-reversion signals.
- **Adaptive Risk Management:** Through real-time monitoring and portfolio adjustment, DG11 adapts to changing market conditions. The strategy continuously reassesses exposure levels, ensuring alignment with prevailing volatility and minimizing downside risk.

Compounded Total Gross Returns Since Inception



Monthly Returns (Compounded) Gross Return

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEARLY
2025	-15.15	16.70	-10.86	4.39	2.94	-0.78	9.72						+3.25%
2024		33.29	20.43	8.86	-13.43	4.97	3.60	15.92	4.45	-10.98	24.32	12.99	149.19%

The DG11 strategy's performance shown is live SMA traded figures from February 2024 to April 2025 is presented in two formats, both denominated in USD. Reported returns are gross of operating expenses but include brokerage commissions, trading costs associated with asset transactions, subject to any applicable investor taxes.

Operational Excellence

Resources: Supported by significant computational and operational resources, including dedicated AWS clusters, advanced data pipelines, and a global team of quant researchers and engineers, ensuring precision and scalability for institutional investors.

Research Information

- Launch Date: Feb 1, 2024
- Asset Class: Digital Assets
- Strategy Type: Active Systematic
- Venue: Binance | OKX | Bitfinex | Bybit

Supported Denominations

DG11 accepts the following underlying collateral:

- Bitcoin (BTC)
- USD Coin (USDC)
- Tether (USDT)

Portfolio Construction

DG11 has the following portfolio characteristics:

- Exposure: Top 30 Digital Assets by Exchange volume
- Annualized Volatility (%): 39.43%
- Sharpe Ratio: 1.79
- Max Drawdown Since Inception: -20.11%
- Positive Months (%): 72.22%

Past performance is not indicative of future results. Investments in digital assets involve significant risks, including high volatility and potential loss of principal. Please refer to the full risk disclosures for additional details.

Risk Management

The DG11 strategy is underpinned by a robust, institutional-grade trading execution infrastructure and a multi-layer risk control framework, systematically engineered for resilience in high-volatility digital asset markets. Since 2016, the infrastructure has been developed as low-latency, globally distributed systems with continuous uptime, real-time risk monitoring, and automated reconciliations validated every 30–60 minutes. Pre-execution controls, dynamic risk constraints, and an independent risk engine enforce strict exposure limits, while tiered circuit breakers and venue integrity protocols mitigate systemic risks. This architecture ensures consistent performance, capital preservation, and operational stability, treating resilience as a core driver of alpha generation.

Strategy Benefits

DG11 is a systematically engineered quantitative strategy developed with institutional standards and capital efficiency in mind. The framework models portfolio exposures designed to align with capital preservation and consistency across market regimes. Through research into uncorrelated return streams and market-neutral construction.

Notes

- Rapid Loss Recovery
- Directional Agnostic Trading
- High Conviction Positioning

It would be attractive to market participants seeking:

- Directionally agnostic
- Long/short
- Pattern/trend-based (but not necessarily only momentum)
- Seeks to profit in rising and falling markets
- Volatility harvesting
- Adaptive risk management

Risk Considerations

The DG11 strategy involves significant risks, and prospective investors should carefully evaluate the following factors before committing capital. This section outlines key risks but is not exhaustive; additional risks may be detailed in the definitive offering documents.

Market and Volatility Risks

The DG11 strategy's exposure to digital assets, even when employing sophisticated risk management, subjects it to inherent volatility in cryptocurrency markets. Digital assets such as Bitcoin (BTC), USD Coin (USDC), and Tether (USDT) remain highly speculative and may experience extreme price swings influenced by market sentiment, regulatory developments, technological advances, or macroeconomic factors. Although the strategy seeks to manage directional risk, there is no assurance that these measures will fully protect against adverse market movements, and investors may face significant losses.

Strategy and Execution Risks

DG11 utilizes complex trading methodologies including arbitrage, relative value strategies, and quantitative models that are susceptible to execution risks such as slippage, latency, and liquidity constraints, particularly during volatile or stressed market conditions. Despite optimization of trade execution speed and system responsiveness, disruptions such as API failures, exchange outages, or market dislocations can lead to suboptimal execution or losses. Passive liquidity provision may result in unfilled orders, requiring more aggressive trading that increases costs or exposure.

Counterparty and Exchange Risks

DG11 operates through third-party digital asset exchanges (e.g., Binance, OKX, Bitfinex, Bybit), exposing it to counterparty risks including insolvency, security breaches, or operational failures of these venues. Although risk controls are in place to reduce exposure during exchange downtime, such as gradual reduction of positions, these measures cannot guarantee complete protection against losses from exchange failures or malfeasance. Regulatory gaps in some jurisdictions may limit investor recourse in adverse events.

Regulatory and Legal Risks

The regulatory environment for digital assets continues to evolve globally. Actions by regulators—such as the U.S. SEC, U.K. FCA, or others—may materially impact DG11's operations. Changes could include restrictions on trading or holding digital assets, increased compliance burdens, or enforcement actions that could force position liquidations or limit strategy capabilities. Policy changes affecting perpetual futures or arbitrage mechanisms may reduce anticipated returns.

Operational and Systemic Risks

DG11 depends on a complex, continuously operating technology infrastructure, which, despite robust fail-safes and monitoring, remains vulnerable to outages, cyber-attacks, or human errors. Multi-layered risk management tools such as position limits and circuit breakers are employed to mitigate risks, but cannot guarantee prevention of losses during unforeseen events like widespread market disruptions or technological failures.

Performance and Model Risks

No assurance is given that DG11's quantitative models and trading algorithms will perform as expected. Model assumptions may not hold in unprecedented or rapidly changing market conditions, potentially resulting in underperformance or losses. Historical performance and awards do not predict future results, and investors should be prepared for drawdowns and periods of negative returns despite the strategy's volatility management efforts.

Liquidity and Redemption Risks

DG11 targets highly liquid digital assets, but market stress can impair liquidity, affecting trade execution and position adjustments. The strategy does not offer a formal redemption program, and investors may encounter difficulties exiting positions during market dislocations. Asset prices may deviate significantly from net asset value under such conditions.

Concentration and Correlation Risks

Although DG11 employs a market-neutral approach, unintended correlations with broader market movements can occur, especially during systemic digital asset events. Concentration in specific assets or exchanges beyond target levels may amplify losses under adverse conditions.

General Investment Risks

DG11 carries a high degree of risk, including the potential for complete loss of capital. Positive returns or achievement of investment goals are not guaranteed. Investors should be prepared for substantial volatility and significant losses. Diversification does not ensure profits or protect against losses in declining markets. Only accredited or institutional investors with a high tolerance for risk should consider investing.

Disclaimer

The risks described above are not exhaustive, and additional risks may apply. Investors should consult the Fund's definitive offering documents for a comprehensive discussion of risks, fees, and other important considerations. Past performance is not indicative of future results, and no guarantee is made that DG11 will meet its investment objectives or avoid losses. For further information, contact investments@devinegroup.xyz



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