

STRATEGY OVERVIEW · QUALIFIED INVESTORS ONLY

Algotoria Spike Stable — strategy overview

A pre-launch strategy overview for qualified investors. The Algotoria Spike family has two strategies — Algotoria Spike Stable (this document) and Algotoria Spike Diversified (its own overview) — both on the Algotoria Spike engine, built to capture the rare, violent trend days that drive crypto returns, holding cash — earning yield — the rest of the time.

FROM	AUDIENCE	STATUS	DATE
Algotoria Limited BVI Approved Investment Manager	Qualified investors under evaluation	Pre-launch forward validation in progress	27 September 2026

1. What Algotoria Spike is

Algotoria Spike is the newest strategy from Algotoria's neural-network research programme. It trades seven high-liquidity perpetual swaps (Bitcoin, Ethereum and five major altcoins) on tier-1 derivatives venues. Positions are margined against a collateral book of three yield-bearing stablecoins. It is delivered through Separately Managed Accounts, so the investor keeps custody throughout.

Algotoria Spike trades only when model conviction is exceptional. Its entry threshold is set deliberately high — derived in research, then frozen — so on the great majority of days the strategy stands aside. The result is a deliberately **dormant** book:

- **It deploys on roughly 64 days per year** — only when model conviction is exceptional — and holds no positions the rest of the time; time-weighted, roughly 99% of capital sits in cash.
- **Idle collateral is not idle capital.** Capital is held in equal thirds of RLUSD, OKUSD and USDG, stablecoins whose rewards accrue daily; figures budget that yield at 4% a year.
- **Drawdown is the design constraint, not an outcome.** The configuration was selected under three hard bars: backtest maximum drawdown no deeper than 7% at the strategy's 3× gross exposure cap, no single drawdown lasting more than 100 days, and no losing calendar half-year across the whole test window. It clears all three, at **−6.7%** over 76 days. One measure is used throughout — Algotoria's **adjusted** drawdown, defined in Section 3 — and the investor's own limit, the **10% drawdown budget**, sits above the design bar rather than at it. **Time under water is the shortest in the Algotoria range: 81 days** on the published track (76 adjusted), against 156 days and counting for the Algotoria Stable replay and 176 days for the live Algotoria Diversified track.

Why it exists. Crypto trend returns are concentrated: a handful of days each year carries most of the profit; time between them mostly adds drawdown, funding and trading costs. Algotoria Spike participates only in the tail.

2. How the strategy works

Each instrument is analysed continuously and around the clock by a proprietary neural network that reads horizons from order-flow detail up to multi-week context and reduces them to a single directional conviction score. Every instrument has its own dedicated direction model, deployed as a multi-seed ensemble so that no individual training run can drive a trade. **A second, separate model forecasts near-term market volatility.** It never opens a position: it feeds the capital-preservation overlay below, governing when the book rests after an adverse run and how quickly sizing is restored.

Entry — a deliberately high bar

A position opens only when conviction clears a high entry threshold, fixed in research on strictly historical data and then frozen. In practice the bar is cleared roughly 64 days a year, typically on one or two instruments at a time. Position size on those days is proportional to conviction, within fixed per-instrument weights and the 3× gross exposure cap.

Exits

Every position carries a full exit stack from the moment it opens: a volatility-scaled stop-loss, a take-profit, a trailing profit lock, a hard time-stop, and exit on signal reversal. Each is enforced in code and verified bar-for-bar in testing. Holding periods are typically measured in hours.

Between deployments

The book is flat and the capital sits in its collateral book (Section 8). The account is funded in USDT, which is converted into the collateral book; realised profits are reinvested into it; positions are margined against it on the venue's cross-collateral margin, so a deployment never waits on a conversion; and the collateral is not sold to fund drawdowns. A capital-preservation overlay — the consumer of the volatility model above — rests the book after adverse runs and re-arms sizing only as recovery is confirmed; in backtest it is load-bearing for the 7% drawdown bar.

3. Risk framework

- **Backtest design bar:** maximum drawdown no deeper than **7%** at 3× gross exposure, no single drawdown lasting more than **100 days**, and no losing calendar half-year from 2024-H1 to 2026-H1. The frozen configuration clears all three, at **-6.7%** (trough 11 February 2025) over **76 days**, and prints shallower still under a stressed 25 bps cost assumption.
- **Investor drawdown budget: 10%.** Set deliberately above the 7% backtest bar, so the margin between them is monitoring headroom and never operating room. Two numbers govern this strategy and no others — that 7% research bar and this 10% budget — and both read the same adjusted basis as the live risk engine. Live alarms are tiered beneath the 7%; any excursion past it is escalated long before the investor budget is approached.
- **A budget is a design target, not a guarantee.** A drawdown can exceed the investor drawdown budget. It is rare and it is not the expected case, but it is possible — no systematic strategy can contract otherwise against a market that gaps. If it happens, Algotoria notifies the investor and **continues trading** under the escalation ladder rather than liquidating into the drawdown; de-risking at Stage 1 and Stage 2 is a mandated review, and automatic enforcement applies only where the account carries a custom risk policy. The investor may reduce the budget, reduce leverage or withdraw at any time.

Risk framework, continued

- **Exposure:** hard 3× gross cap touched only in rare bursts of simultaneous signals; majors anchor the fixed weights and each altcoin leg is individually capped; positions are margined in USDT; the book reverts to cash whenever conviction is absent.
- **Cost realism:** all quoted backtest figures include trading costs at a 20 bps round-trip. Algotoria Spike executes as a taker, so its costs were checked on the venue's recorded order books rather than against the ~11 bps of the largely passive Stable account: at a \$1 million account, about +120% to +130% CAGR and -6.5% to -6.7% adjusted drawdown (Section 4). The bars are enforced at the registered 20 bps basis.
- **Operational:** non-custodial SMA structure; signals generated on venue-redundant infrastructure; the investor retains custody and may withdraw at any time under the terms of the Asset Management Agreement.

How drawdown is measured — the adjusted basis. Every drawdown figure in this document is Algotoria's **adjusted drawdown**: the firm-standard measure used across all Algotoria strategies, in the live risk engine, in the published factsheets and on [algotoria.com](#). Every performance figure quoted for Algotoria Spike reads it on one curve — the published series, gross of performance fees, including the assumed 4%/yr idle-collateral yield. The 7% research bar and the 10% gate criterion apply the same measure to the curve *excluding* that yield, which is the basis on which each was registered; on this strategy the two curves are 0.10 pp apart, so nothing of substance turns on the choice. **What it does.** A drawdown is measured from a peak. A naive measure accepts any single print as a new peak, so one transient spike permanently deepens every drawdown measured after it — a measurement artefact, not a loss the investor could have experienced. The adjusted measure therefore accepts a new peak only at the **minimum observed over the following 24 hours**, and the accepted peak never falls. Formally, with V the value path, $\text{adjusted peak}(t) = \max_{s \leq t} \min(V \text{ over } [s, s+24h])$ and drawdown is $V(t)$ over that peak, minus one. **What it is not.** It is not a smoothing of the equity curve — returns are untouched — and it is not a way of reporting a smaller number: it can only differ from the naive measure where a peak was transient, and on this strategy's curve the two are **0.01 pp apart** (adjusted -6.71% against a naive -6.72% on the published series). Where they diverge materially, it is the naive figure that is describing a data print rather than a loss. **Consistency.** Because all Algotoria strategies and benchmarks are measured this way, every drawdown and every Calmar ratio in this document is comparable across the tracks shown — and identical to the figures published for the same strategy on [algotoria.com](#). Calmar is CAGR divided by the absolute adjusted maximum drawdown of the same curve. Intraday marks can be deeper than any daily-close figure, on either basis.

4. Validation: out-of-sample evidence first

The freeze

Model predictions and per-fold execution settings were generated walk-forward on prior data. The final configuration, including its entry threshold, was selected on data **up to 30 June 2026**, frozen on 21 August 2026 and pinned by cryptographic hash (SHA-256 `3c44897b...`). If forward results disappoint the strategy fails its gate — it is not re-tuned; July 2026 onwards is out-of-sample.

Execution realism — restated 17 September 2026. The simulation was rebuilt on the execution semantics the product actually ships on: decisions are taken only on completed price bars, stop-losses and take-profits are tested against the bar's close rather than assumed to fill at the exact level, every fill occurs at the following bar, and no stop or take-profit rests at the exchange. This is a deliberately conservative restatement — it removes fills a live account could not have achieved, and it widened the measured drawdown rather than narrowing it. The parameter set is unchanged; every figure in this document, and on [algotoria.com](#), is measured on that basis.

How orders are executed. Algotoria Spike trades as a taker rather than maker-first. Its signals fall at the start of fast moves, when an order resting in the book is filled mainly by the trades that turn against it. Orders are sent at the decision as price-protected marketable orders and completed within minutes; stop-losses and take-profits stay inside the strategy.

Research backtest — selection window (Jan 2024 – Jun 2026, 3×, 20 bps costs)

MEASURE	VALUE
Total return	+764.9%
CAGR	+137.5%
Maximum drawdown (adjusted)	−6.7%
Calmar ratio	20.5
Longest time below high-water mark	76 days
Losing calendar half-years (of 5)	0

Research backtest of the frozen configuration on its selection window; not a live track record. One basis throughout, and the same one Sections 5 to 7 use: **adjusted drawdown, gross of performance fees, on the published curve including the assumed 4%/yr idle-collateral yield**, read on daily closes. Under a stressed 25 bps cost assumption the same window re-prices shallower still. Costs are charged at a 20 bps round-trip, the registered enforcement basis. Intraday marks print deeper than any daily-close figure.

Execution check at a \$1 million account. Every simulated order of the window was re-priced against OKX's recorded order books, sampled every second, and its trade prints, at the size a \$1 million account sends, under the launch execution rules and the taker fee of Algotoria's reference account (a higher fee tier pays more). The window then reads about **+120% to +130% CAGR**, an adjusted maximum drawdown of **−6.5% to −6.7%** and 84 to 94 days as the longest time below the high-water mark, inside the 7% and 100-day bars. The range spans the strategy's two model replays; its lower end ignores every fill the model prices better than the decision price. This is a model of execution, not a record of fills; larger accounts need their own assessment.

Simulated forward shadow (1 July – 19 September 2026)

Replayed daily against fresh market data through the last complete UTC day, the forward segment returned **+12.4%** on the published basis, with an adjusted maximum drawdown of **−1.2%**.

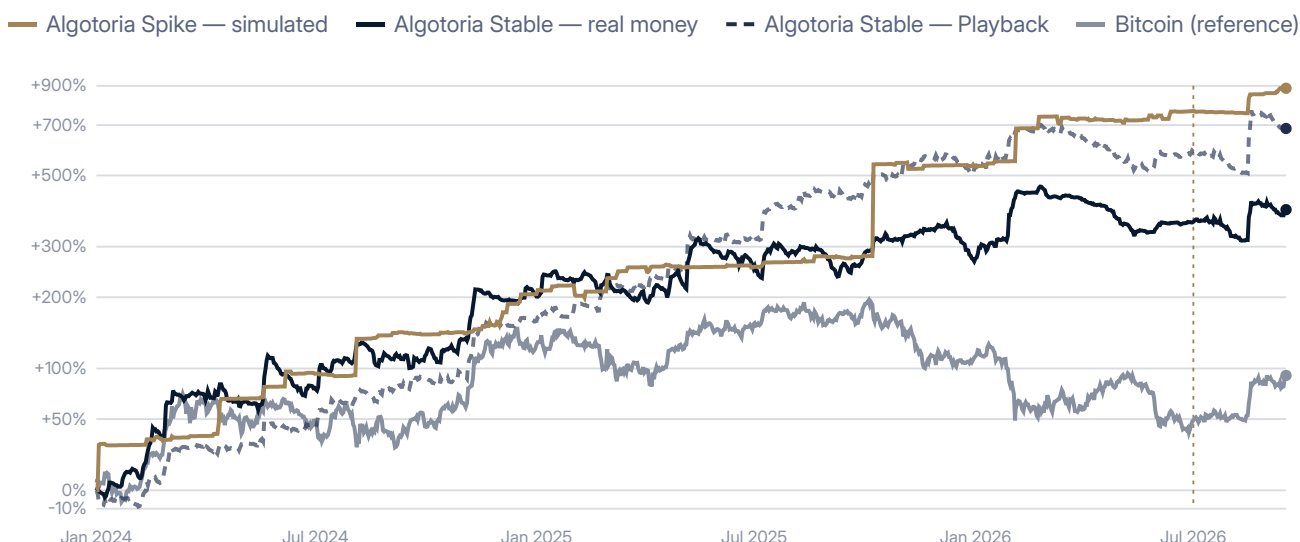
- **August spike captured.** On 19 August the frozen book deployed into the major trend day — an owner-spent operational look, not a gate reading.
- **September remains a shadow read.** Nothing was re-selected; September through the 16th is **+3.8%** including assumed yield. Deployment stays intermittent: 54 active days out of 259 in 2026.

Pre-registered forward gate. Before any capital decision, Algotoria Spike must pass a gate registered on 21 August 2026, scoring **1 September – 30 November 2026** on criteria fixed in advance: forward adjusted maximum drawdown within **10%** — the same figure as the investor drawdown budget, so the gate tests the number the mandate actually promises, on the measure the mandate is written in, read on the registered no-yield curve at 20 bps; participation on at least half of the market's large up-days; no calendar month below **−4%**. Readings in early October (paper/shadow) and early December (production), no re-tuning in between.

5. Context: live money, replay fidelity and the market

1 January 2024 – 19 September 2026

All lines start from the same opening value. Stable is the real-money record; Playback and Spike are simulations. Spike is one continuous simulated curve on a single set of weights throughout. The vertical marker denotes 1 July 2026: everything to its left was available when the final Spike variant was selected; everything to its right is an operational forward shadow.



Cumulative daily return, UTC, on a logarithmic equity scale: equal vertical distances represent equal proportional changes. **Every figure in this section is GROSS of Algotoria's performance fee**, and of the client's own exchange, transfer and custody costs and any taxes; Section 6 restates the same four tracks net of a 25% fee. Spike includes an assumed 4%/yr idle-collateral yield on the estimated idle fraction of its 1× sleeve; its drawdown is shown on that same curve, on the adjusted basis of Section 3.

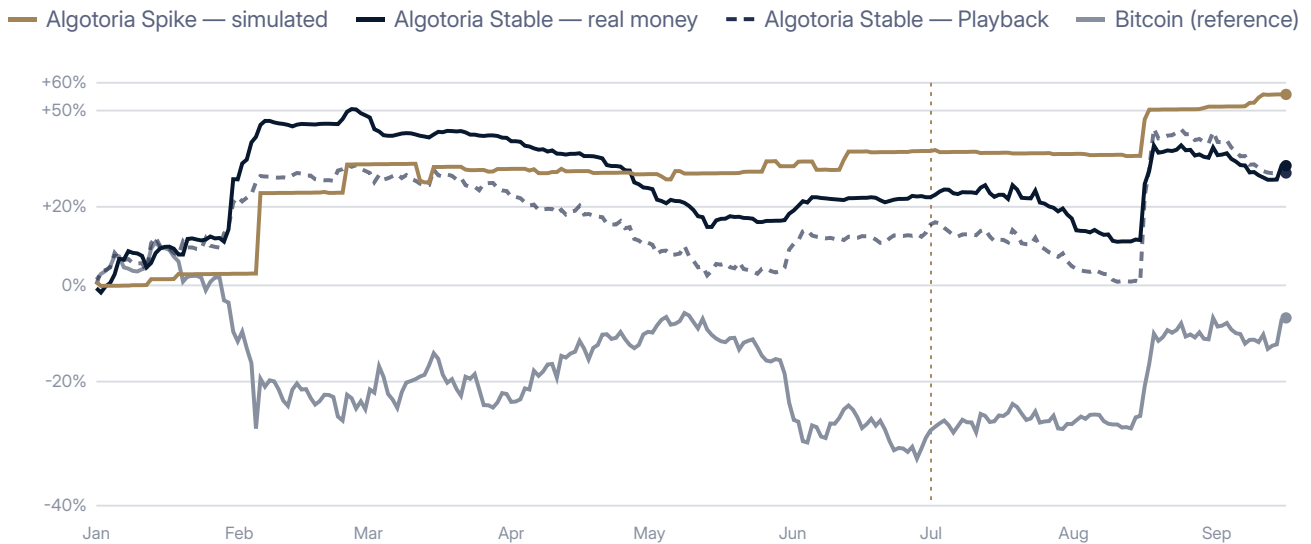
TRACK	CAGR	MAX DRAWDOWN (ADJUSTED)	CALMAR	BASIS
Algotoria Spike — simulated	+132.3%	-6.7%	+19.70	Frozen configuration; simulated; gross of performance fees; includes 4%/yr assumed idle yield. Selection window through 30 June 2026.
Algotoria Stable — real money	+80.2%	-26.4%	+3.04	Executed account; daily TWR, gross of performance fees.
Algotoria Stable — Playback	+114.0%	-23.5%	+4.85	Simulated replay of the live book, gross of performance fees; 2026 parameters include in-sample tuning.
Bitcoin (reference)	+27.2%	-52.5%	+0.52	Passive spot price reference.

CAGR is annualised over the window shown; Calmar is that CAGR over the absolute **adjusted** maximum drawdown of the same curve (Section 3) — every track here, benchmark included, on that one measure. Spike runs on the **live policy weights** (Σ 0.997, 2.991× gross) across the whole window, not a curve that changes weights at 1 July 2026. Only Spike carries the assumed idle yield: Stable is an executed account, Playback replays that book, Bitcoin is a passive spot reference.

Sources: Algotoria Monitoring hourly Stable export (Isolated method); frozen Spike extended daily export; Stable Playback historical export stitched to the fresh weekly replay (overlap matched within 1e-9); OKX BTC-USDT spot daily close.

2026 year to date · through 19 September

The same four series rebased to 1 January 2026. Spike remains a continuous simulated curve on one set of weights; the vertical marker separates its selection window from the operational forward shadow. The September observation is not a formal October gate result.



Cumulative daily return from 1 January 2026, UTC, on a logarithmic equity scale; equal vertical distances represent equal proportional changes. Axis labels show return from the common opening value. Stable is live time-weighted performance. Playback remains simulated. Spike includes the assumed idle yield; the 7% backtest design bar and the 10% forward-gate criterion are both evaluated on the separate no-yield daily-close curve.

TRACK	CAGR	MAX DRAWDOWN (ADJUSTED)	CALMAR	BASIS
Algotoria Spike — simulated	+85.9%	-4.2%	+20.43	Frozen configuration; simulated; gross of performance fees; includes 4%/yr assumed idle yield. Selection window through 30 June 2026.
Algotoria Stable — real money	+47.7%	-26.4%	+1.81	Executed account; daily TWR, gross of performance fees.
Algotoria Stable — Playback	+44.4%	-23.5%	+1.89	Simulated replay of the live book, gross of performance fees; 2026 parameters include in-sample tuning.
Bitcoin (reference)	-10.0%	-38.7%	-0.26	Passive spot price reference.

CAGR is annualised from the 259-day window and Calmar is that CAGR divided by the absolute adjusted maximum drawdown on the same curve; annualising eight and a half months magnifies both. Negative Calmar indicates a loss over the period. As above, only the Spike line carries the assumed 4%/yr idle yield, and it runs on the live policy weights throughout.

Spike YTD total return: **+55.8%** including the assumed idle yield; adjusted maximum drawdown -4.20%. The forward period is an operational shadow read; scheduled gate decisions remain in October and December.

Calendar-year returns (%)

TRACK	2024	2025	2026 YTD	WHOLE WINDOW
Algotoria Spike — simulated	+205.4	+107.4	+55.7	+886.6
Algotoria Stable — real money	+205.8	+22.4	+32.0	+394.1
Algotoria Stable — Playback	+161.5	+131.1	+29.8	+684.2
Bitcoin (reference)	+121.3	-6.4	-7.3	+92.2

2024 and 2025 are complete UTC calendar years; 2026 is year to date through 19 September. Daily returns geometrically compounded within each period, so the three periods multiply to the whole-window figure. Same bases as the table above: Spike includes the assumed 4%/yr idle yield and runs on the live policy weights; the other three carry no such yield.

Monthly returns, 2026 (%)

September is month to date through 19 September; January–August are complete UTC calendar months.

TRACK	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Algotoria Spike — simulated	+2.7	+28.9	-1.1	-1.2	+1.9	+3.6	-0.7	+11.0	+3.5
Algotoria Stable — real money	+27.9	+16.6	-5.5	-10.3	-8.1	+5.8	-3.4	+14.1	-2.6
Algotoria Stable — Playback	+21.2	+8.1	-4.9	-10.9	-6.9	+9.1	-5.1	+31.4	-7.6
Bitcoin (reference)	-10.2	-14.9	+2.0	+11.8	-3.5	-20.4	+7.3	+24.9	+3.4

Daily returns geometrically compounded within each month. Stable is the live Isolated-method account, gross of performance fees. Spike includes the 4%/yr assumed yield on the estimated idle fraction of its 1× sleeve.

How to read the comparison. Stable's line is executed performance on client capital. Playback checks simulation fidelity, but its 2026 parameters were calibrated using data that overlaps 2026. Spike remains a pre-launch simulation. Its fold-level model and execution outputs are walk-forward, while the final Spike variant was selected on results through June 2026. The July–September segment is an operational shadow read and does not replace the registered forward gate.

Drawdown basis. Every drawdown on these pages is the **adjusted** drawdown defined in Section 3, applied identically to all four tracks and measured on each plotted curve — which for Algotoria Spike includes the assumed idle yield. These are the same figures Algotoria publishes for the same strategies on algotoria.com, from the same computation. The **7% backtest design bar** and the **10% forward-gate criterion** — the latter equal to the investor drawdown budget — are the same measure read on a different curve, the no-yield daily-close simulation, rather than on the yield-inclusive curves plotted here; on this strategy the two curves differ by 0.1 pp of drawdown. Intraday marks can be deeper than daily-close figures.

6. The same record, net of performance fees

Everything before this page is gross of Algotoria's performance fee. This page restates it net, so the figure a client would actually have kept is on the page rather than left as an exercise.

Basis. A **25% performance fee** on new profit above a **high-water mark**, crystallised each calendar quarter and debited on the **first day of the following quarter**. No management fee. A quarter ending below the high-water mark pays nothing and the mark is not reset, so losses are earned back before the fee resumes. Produced by the same fee engine as Algotoria's published Stable net track, not a separate calculation for this document.

Gross and net, 1 January 2024 – 19 September 2026

TRACK	CAGR GROSS	CAGR NET	TOTAL GROSS	TOTAL NET	MAX DD NET (ADJUSTED)	CALMAR NET
Algotoria Spike — simulated	+132.3%	+94.8%	+886.6%	+511.8%	-11.8%	+8.06
Algotoria Stable — real money	+80.2%	+57.5%	+394.1%	+243.0%	-31.8%	+1.81
Algotoria Stable — Playback	+114.0%	+80.4%	+684.2%	+394.3%	-27.3%	+2.95
Bitcoin (reference)	+27.2%	—	+92.2%	—	-52.5%	+0.52

Bitcoin is a passive price reference and carries no performance fee, so the dashes avoid implying otherwise. A net simulation is still a simulation.

Net calendar-year returns (%)

TRACK	2024	2025	2026 YTD
Algotoria Spike — simulated	+150.6	+87.1	+30.5
Algotoria Stable — real money	+160.9	+8.0	+21.8
Algotoria Stable — Playback	+125.8	+83.0	+19.6

Eleven quarterly settlements fall inside this window, the last on 1 July 2026. The quarter in progress has not been charged, so its fee is still ahead of the 2026 figures.

Why the net drawdown is deeper — and why it is not a risk-limit breach. A fee is debited in one lump on a single day, so it appears in the net equity path as a one-day fall that no market produced. For Algotoria Spike the entire difference is exactly that: net adjusted maximum drawdown is **-11.8%**, but on the same path with the fee debits excluded it is **-6.7%** — identical to gross. The deepest single debit is -10.1%, on 1 January 2026, settling a strong fourth quarter. Note that the adjusted basis does not soften this: a fee debit is a real, permanent fall in the net path, not a transient print, so the measure treats it as one. **The 10% drawdown budget and the drawdown bars in Section 3 govern trading drawdown and are measured on the gross curve;** paying a performance fee after a profitable quarter is not an exceedance of them, and should not be read as one.

Assumptions and limits. 25% is an assumption: the fee charged is tiered by account size and set in Exhibit 1 of the Asset Management Agreement. It is applied here to the whole gross return including the assumed idle yield — the conservative treatment, and the one Algotoria's published net tracks use. Net figures exclude the client's own exchange, transfer and custody costs and any taxes.

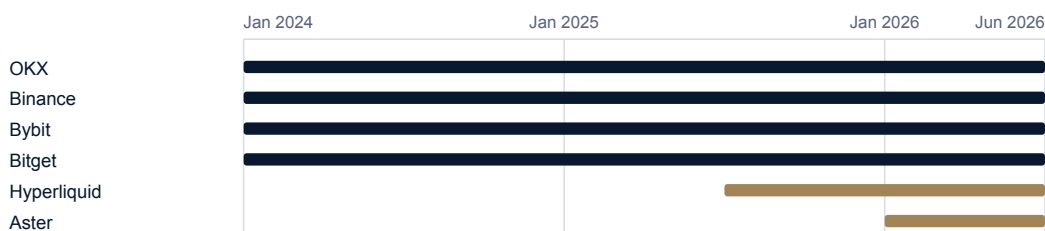
7. Exchange transfer — research comparison

We replayed Algotoria Spike's seven-instrument book on each venue's own candles. OKX-trained models and execution settings were not retuned by venue. Results are simulated and gross of performance fees, with 20 bps assumed roundtrip cost, a common OKX-derived risk overlay, and the same execution profile, weights and bases as Section 5. Scored periods differ by venue, so the rows are not like-for-like.

The venues are listed in Algotoria's order of recommendation, not by the returns below: platform integration and operational maturity, counterparty and custody standing under our due diligence, realised market depth, and the reliability of the venue's own data. OKX, Binance and Bybit are integrated today; Bitget, Hyperliquid and Aster are on the roadmap.

Consistency with Section 5. The OKX row is the same book, weights, execution profile and bases as Section 5's Spike line, rebuilt through this comparison's own venue-native harness — which is what makes it the control for the other five rows, not a second printing of the same run. Over the identical window Section 5 reads CAGR **+137.5%** and adjusted drawdown **−6.71%**, against **+136.0%** and **−6.67%** here: the drawdowns agree to 0.05 pp, and the 1.5 pp of CAGR is the harness, not the strategy. Section 5's window then runs on to 19 September 2026.

Available seven-instrument history



All periods end on 30 June 2026 UTC. Bars show scored history, not returns; shorter histories begin at the first complete seven-instrument replay boundary.

Simulated performance by venue

VENUE	SCORED PERIOD	CAGR	MAX DD (ADJ.)	CALMAR	ULCER	SHARPE
OKX	1 Jan 2024 30 Jun 2026	136.0%	−6.7%	20.40	1.33	1.82
Binance	1 Jan 2024 30 Jun 2026	112.3%	−5.4%	20.84	1.65	1.90
Bybit	1 Jan 2024 30 Jun 2026	135.4%	−6.8%	19.98	2.08	1.82
Bitget	1 Jan 2024 30 Jun 2026	96.1%	−8.7%	11.03	2.54	1.57
Hyperliquid	1 Jul 2025 30 Jun 2026	114.0%	−4.0%	28.27	2.10	1.58
Aster	1 Jan 2026 30 Jun 2026	52.0%	−5.6%	9.24	2.50	1.36

Not a like-for-like ranking: different periods and markets; Aster's CAGR annualises 181 days. Max DD is the Section 3 adjusted drawdown from daily closes, Calmar = CAGR ÷ |Max DD|, Ulcer the RMS daily drawdown, Sharpe at zero risk-free. Only **Hyperliquid** differs materially between the two drawdown bases (−4.0% adjusted, −5.5% naive): its worst level followed a transient peak. Fills and liquidity are not measured; Aster's altcoin candles are thin. Source: Algotoria ML experiment 017, 27 September 2026.

8. Investment mandate and risk parameters

Algotoria Spike Stable operates inside Algotoria's standard Separately Managed Account framework; commercial terms follow the Algotoria Stable schedule and are documented per account in Exhibit 1 of the Asset Management Agreement.

These are defaults, not fixed terms — three things are set per account. Leverage: the 3× gross cap is the highest of three Investment Committee–approved risk tiers; the same signal and execution model run unchanged at 2× and 1×, with the lower tiers delivered purely by scaling applied leverage (minimums rise accordingly — see below). **Drawdown budget:** the 10% figure is the default. An investor may request a lower budget and Algotoria reconfigures the algorithmic risk settings to match; exposure scales with the selected budget, and a lower budget should be expected to produce proportionally lower returns. **Collateral composition:** the default is Algotoria Spike Stable's stablecoin book described below, but the instrument mix is selectable from the Investment Committee's approved list, subject to what the account's venue supports and to the investor's own jurisdiction. All three are agreed at onboarding and can be revised later in writing.

Collateral — the stablecoin book

Algotoria Spike Stable is the strategy; its collateral is **the stablecoin book**, this standard configuration's name for the account's capital held in equal thirds of three yield-bearing US-dollar stablecoins, each accepted by the venue as margin collateral.

INSTRUMENT	TARGET	WHAT IT IS
RLUSD	33⅓%	Ripple USD — a US-dollar stablecoin regulated by the New York Department of Financial Services (NYDFS), backed by US Treasury bills
OKUSD	33⅓%	OKX's native platform token, pegged 1:1 to USDT; a yield-bearing collateral product for the venue's VIP clients
USDG	33⅓%	Global Dollar — a US-dollar stablecoin issued by Paxos, with its reward benchmarked to US Treasury bills

Rewards accrue daily on the venue. Its printed rates are currently 4.1–4.5% per annum, variable, and dependent on the account's VIP status and the venue's programme terms; every figure in this document stands on the registered 4% per annum basis. How the book works is set out in Section 2.

Permitted and excluded investments

Permitted: USDT-margined perpetual futures on the seven-instrument universe (Bitcoin, Ethereum and five major altcoins) on the account's approved venue; USDT and the collateral book's yield-bearing stablecoins (RLUSD, OKUSD, USDG, or others from the Investment Committee's approved list, subject to venue support and the investor's jurisdiction). **Excluded:** everything else — spot positions in volatile assets, coin-margined contracts, options, DeFi, lending of client assets, and any transfer of assets off the client's own account. Material changes to instruments or counterparties are announced in advance.

Risk limits

PARAMETER	LIMIT / FRAMEWORK
Maximum gross leverage	Hard 3.0× gross-exposure cap, enforced at entry (new entries are clipped or skipped); touched briefly, not an operating level. Selectable per account at 3× / 2× / 1× — the strategy logic, signals and execution are identical across tiers
Maximum net leverage	Equal to gross: accounts run in One-Way (net) position mode — one net position per instrument. Long/flat on six of seven legs; Ethereum is the only short-permitted leg, capped identically to its long
Concentration limits	On a 1× basis, scaled by book leverage: BTC, ETH ≤ 35% of NAV each (105% at 3×); any other single instrument ≤ 10% (30% at 3×); whole book ≤ 100% (300% at 3×); caps tested at entry. Single-sector (large-cap crypto) by design; one venue per account
Counterparty exposure	Algotoria holds no client assets — counterparty risk is isolated to the client's own chosen exchange, under ongoing due diligence and health telemetry; API keys carry no withdrawal rights. Collateral instruments are restricted to the Investment Committee's approved list; each stablecoin is also a claim on its issuer
Drawdown limits & stop-losses	10% investor drawdown budget (gross, measured as adjusted drawdown — \$3, selectable per account — a lower budget reconfigures the risk settings and scales exposure down with it) with staged escalation: real-time alerts at 60/80/100% of budget and on any daily loss over 5%; mandated de-risking review at two-thirds (Stage 1) and at the full budget (Stage 2) — automated only by custom account policy. The 7% design bar sits beneath the budget; every position carries automatic stop-loss, take-profit, trailing lock and time-stop. A budget is a design target: an excursion beyond it is possible though rare, and is met with investor notification and continued trading under the ladder, not liquidation into the drawdown
VaR / stress	Product-specific 95% one-day VaR limit set at productisation (published limits for the live products: 2.0% Stable, 2.2% Diversified). Stress: 25 bps cost stress, a 10× spread-widening scenario, and the pre-registered forward gate
Liquidity / time-to-liquidate	Positions capped at 33% of 30-day average daily volume , sized so the whole portfolio liquidates within 24 hours; typical holds are hours. No lock-ups; redemptions on 5 days' notice. Entries are margined against the collateral book, which is not sold to fund drawdowns (\$2)
Reporting & escalation	The client holds the account and sees it live; read-only API keys can be provisioned to the client's auditor. AlgotoriaBot delivers on-demand balances/PnL and daily/weekly/monthly notifications; monthly factsheets; quarterly reports; gate readings (October, December 2026) as they occur
Minimum balance	Same schedule as Algotoria Stable: \$50,000 at 3× / \$100,000 at 2× / \$150,000 at 1× (lower-leverage tiers carry higher minimums). Bespoke terms from \$1 million with a one-year horizon

9. Implementation summary

UNIVERSE	7 high-liquidity USDT-perpetual swaps (BTC, ETH + 5 major altcoins)
VENUES	OKX (primary), Binance, Bybit
STYLE	Systematic neural spike-capture; dormant/long-flat; highly selective
ACTIVITY	≈ 64 deployment days and ≈ 156 trades per year; holding periods in hours
EXPOSURE	≈ 99% of capital in cash, time-weighted; hard 3× gross cap on deployment days, selectable at 3× / 2× / 1×
COLLATERAL	Stablecoin book: RLUSD, OKUSD, USDG in equal thirds, rewards accruing daily (figures budget 4% per annum); positions margined against it cross-collateral; selectable per account from the approved list; client retains custody
DRAWDOWN DESIGN	≤ 7% depth and ≤ 100-day duration backtest bars at 3×, cleared at -6.7% over 76 days ; 10% investor drawdown budget (a design target, not a guarantee — see §3). All measured as adjusted drawdown (§3)
SIGNALS, EXECUTION	Continuous, 24/7; taker, price-protected orders; stops held in the strategy (§4)
STATUS	Pre-launch; pre-registered forward gate Sep–Nov 2026, readings Oct and Dec
COMMERCIAL TERMS	Same as Algotoria Stable: minimums \$50,000 (3×) / \$100,000 (2×) / \$150,000 (1×); no management fee, success fee only; documented in the Asset Management Agreement at launch

10. What happens next

- **September–November 2026** — forward gate window. The frozen configuration is scored on live market data against the pre-registered criteria; no re-tuning is permitted.
- **Early October 2026** — first gate reading; decides paper/shadow go-live.
- **Early December 2026** — second gate reading; decides the production go-live recommendation, subject to final sign-off and production engineering release.
- **Evaluation access** — qualified investors receive the gate readings as they occur, together with the underlying daily series on request.

This document is provided for informational and due-diligence purposes to qualified investors only. It does not constitute an offer, solicitation or investment advice, and it is not a term sheet. Algotoria Spike figures are research-backtest and simulated forward-shadow results of a frozen configuration, not returns of a live account; Algotoria Stable real-money figures are the time-weighted returns of a live account, gross of Algotoria's performance fee and net of trading costs. Simulated and past performance are not indicative of future results. Digital-asset derivatives trading involves substantial risk of loss, including loss of the entire allocated amount; leverage amplifies both gains and losses. The investor drawdown budget is a monitoring and governance figure, not a guarantee or a contractual floor. Idle-collateral yield depends on third-party instruments and prevailing rates and is not guaranteed; where Algotoria Spike figures are stated as including it, the yield is accrued at 4% per annum simple-daily on the estimated idle fraction of the 1× sleeve (a conservative approximation of the idle-capital fraction). The venue's printed reward rates on the collateral stablecoins are currently 4.1–4.5% per annum and variable; OKUSD, RLUSD and USDG rewards depend on the account's VIP status and the venue's terms, and each is accepted as margin at a venue-set discount (currently 0.98) and carries issuer and de-peg risk. Every drawdown figure here is Algotoria's adjusted drawdown, defined in Section 3 and applied identically to every track and benchmark; comparison tables read it on their plotted curves, the 7% design bar and the 10% gate criterion on the no-yield daily-close curve. It is a measurement convention, not a limit on loss, and intraday marks can be deeper than any daily-close figure. Commercial terms, if and when the strategy is launched, will be set out in the applicable Asset Management Agreement. Algotoria Limited is registered in the British Virgin Islands (No. 2161048) and regulated by the BVI Financial Services Commission as an Approved Investment Manager.