

# Cautious

## Product Description

The high volatility and lack of transparency of the crypto market are forcing investors to look for new, safe ways to invest. By providing smart portfolios with different risk levels and long-term investment goals, Coinpanion enables a simple entry into the complex world of crypto.

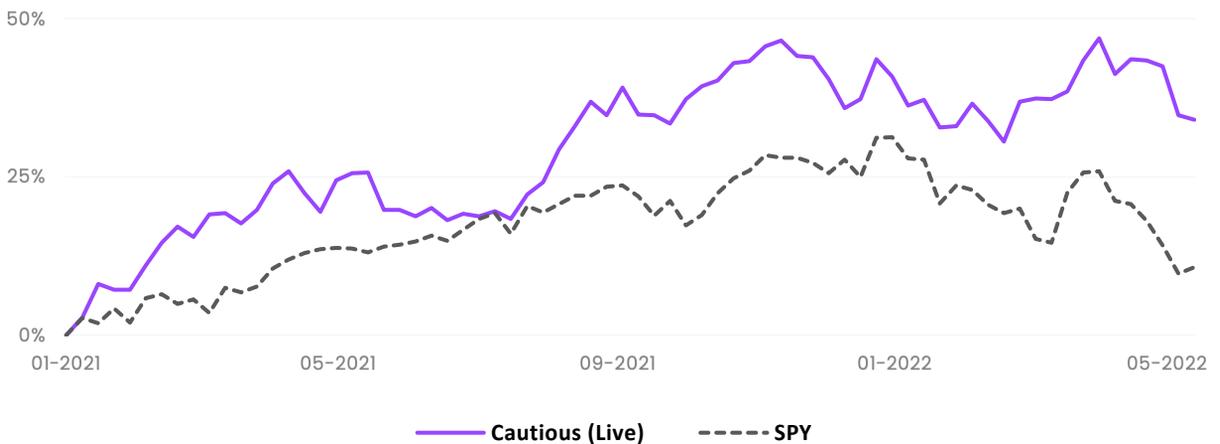
The cautious portfolio focuses on lending stablecoin to minimise risk and is designed for investors who prefer to play it safe.

Advanced data-driven approaches paired with state-of-the-art risk-based portfolio optimisation techniques deliver long-term capital growth and superior risk-adjusted returns in comparison to a traditional cap-weighted solution.

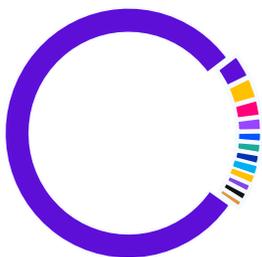
## Strategy

From a predefined Asset Universe, the top 13 crypto assets have been carefully selected to offer investors a unique range of emerging crypto assets.

Through weekly rebalancing, the allocation of Coinpanion's portfolios is automatically adjusted and thus risk for investors is minimised. Moreover, a dynamic asset allocation framework secures downside protection while preserving upside participation.



## Weightings After Rebalancing\*



■ USDC 80.00%	■ BTC 3.17%	■ MKR 2.86%	■ ETH 2.25%
■ XLM 1.79%	■ ADA 1.41%	■ UNI 1.40%	■ LINK 1.37%
■ DOT 1.26%	■ AAVE 1.21%	■ SOL 1.16%	■ MATIC 1.16%
■ MANA 0.97%			

\*As of May 16<sup>th</sup>, 2022

## Methodology

The portfolio methodology is based on three key elements:

**Selection** Qualitative and quantitative filters are used to analyse in-chain activities, technical reliability and market conditions. Accordingly, six selection criteria have been established and are monitored on an ongoing basis. This not only enables the inclusion of emerging crypto assets in the portfolio in terms of business and technology but also helps with asset class allocation.

**Allocation** A modified risk parity model with quantitative rules is used for the optimal weighting of the individual components based on the principle of equal risk contribution. This approach balances the risk contribution of each component and minimises risk exposure.

**Rebalancing** Weekly rebalancing is used to adapt the weighting of the components to their dynamic target allocation and is performed according to defined pricing rules.

Cumulative Performance	Cautious	SPY	Key Risk Metrics	Cautious	SPY
Since Inception (01.01.2021)	34.03 %	10.72 %	Volatility (30d)	1.2 %	2.14 %
1 Month	-6.56 %	-11.89 %	Sharpe Ratio	1.06	0.55
3 Months	0.74 %	-10.43 %	Max Drawdown	11.87 %	16.39 %
1 Year	12.14 %	-2.54 %	Avg Drawdown	3.99 %	4.75 %
YTD	-6.65 %	-15.57 %			

## Fees and Benchmark

There is an annual service fee of 2%, which includes the adjustment of the portfolios, the smart rebalancing, the ongoing analysis of the crypto market, and many other services by Coinpanion.

For comparative purposes, the portfolio will be benchmarked against the performance of the SPDR S&P 500 ETF Trust which aims to track the Standard & Poor's 500 Index, which comprises 500 large- and mid-cap U.S. stocks.

### Disclaimer

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