



Passive Crypto Fund

www.PassiveCryptoFund.com

Passive Management Group, LLC

A U.S. Based Fund under Rule 506(b) of the Securities Act of 1933

DISCLAIMER

This presentation is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities. Investments in this fund are offered under Rule 506(b) of Regulation D and are available only to accredited investors and up to 35 non-accredited, but sophisticated investors. This presentation contains forward-looking statements that are subject to risks and uncertainties. Prospective investors should consult with their own financial, legal, and tax advisors before making an investment decision.



MEET THE MANAGEMENT



Ratchet Capital

General Manager & Founder

Ratchet Capital is a decentralised technology development company based in Dubai. Ratchet operates in 82 different global markets with over 32 Team Members and has completed over 23 High Visibility Projects and 11 Digital Products.



Derick Smith

Principal & Managing Director

A U.S. Registered Investment Advisor Firm owner (pending) & Managing Partner at Ratchet Capital (Ratched.Capital) a successful Blockchain financial systems development company.

MEET THE ADVISORY BOARD



Dr. Adel ElMessiry

Advisory Board Member

Ph.D. in Computer Science at NCSU
Tech entrepreneur, published expert
on AI and Blockchain with 20+
years, Mentor, Advisors & Speaker.
Presently President & CTO of
AlphaFin, a Draper Goren Holm
portfolio company.



Jake Call

Advisory Board Member

Hedge Fund consultant & Founder of
Metrix Finance that brings advanced
insights for liquidity pools on leading
decentralized exchanges helping
institutional & retail investors in the
DeFi space make better-informed
decisions.



Ammbbr Group

Technology & Blockchain
Engineering

Ammbbr is a blockchain technology
development company based in Dubai.
Ammbbr develops automations for
financial applications and trading on
and off the blockchain.

PASSIVE CRYPTO FUND

The Passive Crypto Fund is supported by seasoned institutional investors and trading systems development engineers. Our team is dedicated to profiting from investments in and trading of crypto, blockchain, and DeFi products. We focus on automating proprietary strategies and processes to generate ongoing passive income, including hedging strategies in other financial markets.

Our goal is to generate profits from cryptocurrency trading with a strong emphasis on passive income opportunities. These opportunities include products that pay fees, such as Liquidity Pools (LPs), ecosystems, mining, payment systems technology, and other blockchain-based projects.

Our advantage lies in our unique combination of financial market portfolio experts and skilled engineers who develop automated trading and market timing systems to maximize profits. This synergy enables us to create a robust and diversified portfolio.

Our strategy focuses on earning high yields, mitigating downside risk, and diversifying through investments in cryptocurrencies, DeFi, DAO projects, blockchain ecosystems, and related businesses. By automating and commercializing these processes, we aim to achieve superior returns for our investors.



THE PROBLEM

Cryptocurrency and blockchain products, along with related businesses, offer unique and highly lucrative opportunities for earning fees with high yields by supporting on-chain activities of blockchain users worldwide. Cryptocurrency allows investors to retain sovereignty over their funds, protecting them from the insolvency and mismanagement often found in centralized banks and financial institutions.

However, cryptocurrency and blockchain products are complex for most people to understand. Participation in these opportunities is time-consuming and requires a commitment to education and ongoing research. Additionally, the accountability of management in many cryptocurrency projects can be elusive, creating additional risk. Legacy financial institutions and government actors try to maintain control over markets and capital by citing risks and releasing false information to discourage people from moving their business and funds to blockchain and cryptocurrency.

Due to these complexities and the negative portrayal by conventional competing institutions, trading and investing in cryptocurrency and related products remain challenging for many. As a result, investors often miss credible opportunities to profit from participation in cryptocurrency markets and earn rewards passively from the blockchain, with returns that exceed those of legacy financial products and services.



THE SOLUTION

The **Passive Crypto Fund** provides investors with an opportunity to participate in cryptocurrency markets and blockchain products, earning income from these investments known for yielding higher-than-average returns. This allows investors to benefit without navigating the complexities of trading on their own. All trading decisions are made by experienced traders, with guidance from a credentialed Advisory Board.

The **Passive Crypto Fund** will file documents with the U.S. Securities and Exchange Commission (SEC) under Regulation 506(c) of the 1933 Securities Exchange Act. This filing identifies the fund's managers, providing accountability for investors and ensuring easy access for regulators.

Additionally, the **Passive Crypto Fund** employs third-party accounting systems to provide investors with regular updates and credible financial information about the organization.



KEY BENEFITS

Down Market Resistance. Strategies such as collecting fees from Liquidity Pools, using automated software systems and active hedging enables the fund to deliver returns even in down markets.

Maximum Asset Utilization. Closed End Funds are known to generate higher than average returns by allowing the maximum amount of assets to be committed to generating dividends at all times without having to hold a large portion of assets in lower earning positions in order to accommodate redemptions.

Principal Repaid First. Closed End Fund structure enables principal to be paid back first.

Accountability. How many U.S. investment products enable someone to achieve higher than average monthly returns that are comparable to the Passive Crypto Fund while being in compliance with U.S. Securities Laws and employing a reputable, registered third party accounting firm to perform all of its accounting, including tracking assets, calculating asset performance, calculating client's returns, and providing client statements and an online accounts for clients to interact with their dividends?



MARKET CONDITIONS & COMPETITION

The current market conditions are highly favorable for cryptocurrency hedge funds, marked by a strong recovery and positive future outlook. The competition among leading funds like The Ugly Unicorn Fund, Pantera Capital, MulticoIN Capital, and Polychain Capital showcases diverse strategies and robust performances. The Passive Crypto Fund I aims to leverage these favorable conditions and its unique combination of financial expertise and technological innovation to offer superior returns in the evolving crypto landscape.

2022 was a very painful year for the cryptocurrency industry, mainly due to the collapse of Terra and the bankruptcy of FTX. However, the cryptocurrency market is currently experiencing a strong recovery following the downturns driven by increasing institutional interest and significant regulatory developments. Notably, the approval of spot Bitcoin ETFs in the U.S. has fueled optimism and contributed to the market's positive outlook. For example, Bitcoin's anticipated price surge to \$148,000 by mid-2025 highlights the bullish sentiment surrounding major cryptocurrencies.

The strongest crypto hedge funds have been able to weather bear markets and repeatedly find themselves in a strong position. Some examples of crypto funds are below.

- The Ugly Unicorn Fund : Achieved an over 60% return for 2023, finding “ugly unicorns” inside of the crypto, blockchain, and defi space.
- Pantera Capital: Achieved a 66% return in Q1 2024, driven by investments in Solana and other altcoins.
- MulticoIN Capital: Despite a 55% loss post-FTX collapse, remains a leading investor with significant projects like Solana and Starkware.
- Polychain Capital: Raised \$750 million with investments in Coinbase, Ava Labs, and dYdX.
- Paradigm: Launched a \$2.5 billion crypto fund focusing on Web3 and decentralized protocols.
- Brevan Howard: Raised over \$1 billion for its crypto fund, focusing on staking and network governance.
- Andreessen Horowitz (a16z): Launched a \$4.5 billion crypto fund, investing in projects like Solana and Avalanche.

** For detailed performance data, visit Cointelegraph, BeInCrypto, and Capital.



INVESTMENT THESIS

OUR VALUE PROPOSITION & COMPETITIVE EDGE

Objective: Generate substantial returns through diversified investments in cryptocurrency and blockchain technology and trading systems automation..

Core Strategies:

1. Fundamental & Algorithmic Trading:

- Utilize conventional analysis combined with automated algorithms to exploit market inefficiencies, enhancing profit potential and managing risk.

2. Event-Driven Investments:

- Capitalize on regulatory announcements, technological advancements, and market trends for significant gains.

3. Staking & Yield Generation:

- Earn rewards by supporting blockchain infrastructure through staking, providing steady income.

4. Long-Only & Market-Neutral Strategies:

- Combine long-only positions in high-potential tokens with market-neutral strategies like arbitrage to balance risk and returns.

5. Diversification:

- Invest in a mix of established tokens (Bitcoin, Ethereum) and emerging altcoins/DeFi projects to spread risk and maximize returns.

Competitive Advantage:

- **Experienced Team:** Seasoned professionals with expertise in finance and crypto markets.
- **Advanced Technology:** Proprietary trading systems and algorithms.
- **Institutional-Grade Infrastructure:** Top-tier service providers for auditing, accounting, and compliance.

Conclusion: Positioned to leverage the dynamic cryptocurrency market, The **Passive Crypto Fund I** aims for superior returns and effective risk management, benefiting investors without the need for direct market navigation.

Security and Risk Mitigation

Security is key to investing into defi and crypto projects

- Safe Keys & MPC: All wallets and associated keys will be managed using the latest tools to protect funds whenever possible.
- Third Party Administrator and Custodians: To allow full transparency and correct reporting to investors, we use one of the top 3rd party admins in the country, NAV Consulting



FUND TERMS



GENERAL MANAGER NAME: Ratchet Capital Ltd domiciled in the United Arab Emirates with a beneficial owner of Derick Smith

LIMITED PARTNERSHIP NAME: Passive Management Group LLC , Reg D 506(b) Accredited investor only

PARTNERSHIP SIZE: Unlimited Members, \$40M USD Maximum, \$20M USD Target

FUND TYPE: Reg D 506(b) Accredited investor only

TYPES OF INVESTMENT: Closed End Fund that invests primarily into Crypto Currency Liquidity Pools

COMMITMENT PERIOD: Subscribers purchase Units. The Fund is not obligated repurchase Units. The Fund pays profits to Subscribers for the life of the Fund. If the Fund closes Subscribers receive any remaining Equity.

MINIMUM COMMITMENT: \$50,000 USD.

TARGET RETURN: 5% to 12% per month NET to Members.

MANAGEMENT FEE: There is no Management Fee, only a Performance Fee of 33% of profits.

CARRIED INTEREST: 66 / 33 split, where 66% goes to the Subscribers and 33% goes to the General Manager.

INVESTMENT LENGTH: The investment is for the life of the Fund unless Subscribers sell their Units to someone else.



CASE STUDY

PassiveCryptoFund.com

Sharing in the Profits of Decentralized Exchanges (Liquidity Pools)

Passive Income Case Study. One of the most lucrative and easy to understand examples of our ability to earn Passive Income on the Blockchain is the opportunity for the fund to supply liquidity for the day to day operations of Fully Automated and fully transparent Decentralized Cryptocurrency Exchanges (DEXs). The **Passive Crypto Fund I** makes extensive use of tools on the Blockchain that are used to earn semi-passive fees by facilitating Blockchain operations of others, such as by providing capital for Concentrated Liquidity Pools.

On any given day anyone can use tools such as App.Metrix.Finance to find opportunities to provide liquidity for DEXs where they can make higher than average annual returns on their investment in a semi-passive way, as shown in the picture below. The Passive Crypto Fund I finds and automates the processes necessary to maximize gains of such opportunities on behalf of investors.

POOL ▼	FEES APR ↕ ▼	PRICE VOLATILITY ↕ ▼	TVL ↕ ▼	24H AVG FEES ↕ ▼	24H FEES / TVL ↕ ▼	24H AVG VOLUME ↕ ▼	24H VOLUME / TVL ↕ ▼
☆  WETH/AGRS   1.00% 	170.33%	11.58%	\$2.56m	\$1.09k	0.0426%	\$108.98k	4.26%
☆  IMX/WETH   0.30% 	166.56%	5.57%	\$795.62k	\$560.41	0.0704%	\$186.80k	23.48%
☆  WETH/GNO   0.30% 	166.01%	4.08%	\$1.29m	\$5.86	0.0005%	\$1.95k	0.15%



CASE STUDY

PassiveCryptoFund.com

Sharing in the Profits of Decentralized Exchanges (Liquidity Pools)

Objective: This case study demonstrates how investors can profit from providing liquidity on Uniswap V3 by utilizing its features of concentrated liquidity and multiple fee tiers.

Background

Platform: Uniswap V3 **Investor:** Jane Doe **Initial Investment:** \$100,000 in ETH/USDC pool **Strategy:** Concentrated liquidity within a specific price range.

Strategy Implementation

- 1. Choosing the Pool and Range:** Jane decides to provide liquidity in the ETH/USDC pool, which is one of the most active pools on Uniswap V3. She concentrates her liquidity in the price range where most trading volume occurs, between \$2,800 and \$3,200 per ETH. This range is chosen based on recent historical price movements and market analysis.
- 2. Fee Tier Selection:** Uniswap V3 offers multiple fee tiers. Jane selects the 0.30% fee tier, which balances potential earnings with trading volume expectations.
- 3. Providing Liquidity:** Jane deposits \$50,000 worth of ETH and \$50,000 worth of USDC into the selected pool. Her liquidity is concentrated in the chosen price range, making her capital more efficient and allowing her to earn higher fees compared to Uniswap V2.

Performance Over One Month

Trading Volume and Fees Earned:

- **Average Daily Trading Volume:** \$10 million
- **Jane's Proportion of Pool:** 1% (due to high concentration of liquidity within the active range)
- **Daily Fees Earned:** $\$10 \text{ million} \times 0.30\% \times 1\% = \300
- **Monthly Fees Earned:** $\$300 \times 30 = \$9,000$



CASE STUDY (Continued)

PassiveCryptoFund.com

Sharing in the Profits of Decentralized Exchanges (Liquidity Pools)

Results and Analysis

- 1. Fees Earned:** Over the month, Jane earns **\$9,000 in trading fees**. This represents a **9% return on her initial investment, equivalent to an annualized return of approximately 108%**.
- 2. Impermanent Loss:** While Jane experiences some impermanent loss due to price fluctuations of ETH, her returns from trading fees significantly outweigh these losses.
- 3. Capital Efficiency:** By concentrating her liquidity within a narrow price range, Jane effectively utilizes her capital, resulting in higher returns compared to a similar investment in a broader price range.

Conclusion

Jane's strategic use of Uniswap V3's concentrated liquidity and fee tier options allows her to generate substantial profits. Her monthly returns highlight the potential for investors to make significant gains by providing liquidity on Uniswap V3, assuming they carefully choose their price ranges and manage the risks of impermanent loss.

Key Takeaways

- 1. Concentrated Liquidity:** Allows for higher capital efficiency and increased fee earnings.
- 2. Fee Tiers:** Selection of appropriate fee tiers based on expected trading volume and volatility is crucial.
- 3. Risk Management:** Understanding and mitigating impermanent loss is essential for maximizing returns.

References

1. [Uniswap V3 Official Documentation](#)
2. [CoinDesk on Uniswap V3](#)
3. [Medium Article on Uniswap V3 Performance](#)



DISCLAIMER

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Appendix

EXCLUSIVE OPPORTUNITY

Investor Events

- Be part of a community with invitations to international events.
- Networking opportunities with other partners of the fund.
- Access to Accredited Investor Networking Events with our partners..
- Access to thousands of dollars worth of custom courses and content that educate members about trading in Defi and other markets.
- Teachers from around the world.
- Access to future opportunities.



Defi & Blockchain



What is DeFi? Decentralized Finance, commonly referred to as DeFi, is a financial ecosystem built on blockchain technology, primarily on Ethereum, which aims to recreate traditional financial systems (like banks and exchanges) using decentralized, peer-to-peer networks. Unlike traditional finance, DeFi operates without intermediaries like banks or brokers, allowing users to engage in financial transactions directly with each other through smart contracts.

Key Components of DeFi:

1. **Decentralized Exchanges (DEXs):**
 - Platforms where users can trade cryptocurrencies directly without intermediaries.
 - Examples include Uniswap, SushiSwap, and PancakeSwap.
2. **Lending and Borrowing:**
 - Platforms like Aave and Compound allow users to lend their crypto assets to others and earn interest, or borrow assets against their own crypto holdings.
3. **Stablecoins:**
 - Cryptocurrencies pegged to stable assets like the US dollar, providing stability in the volatile crypto market. Examples include USDT (Tether), USDC, and DAI.
4. **Yield Farming and Liquidity Mining:**
 - Strategies that allow investors to earn rewards by providing liquidity to DeFi protocols or participating in various yield-generating activities.

Benefits of DeFi:

1. **Accessibility:** DeFi platforms are open to anyone with an internet connection, offering financial services to the unbanked population.
2. **Transparency:** All transactions are recorded on public blockchains, providing transparency and reducing the risk of fraud.
3. **Control:** Users retain control over their assets and can engage in financial activities without relying on centralized authorities.

Defi & Blockchain

(Continued)



Examples of Performance on Some Defi Exchanges: The total daily trading volume across all major decentralized exchanges (DEXs) is approximately \$7.474 billion.

- **Uniswap:**
 - Market Cap: Approximately \$3.5 billion.
 - Average Daily Trading Volume: Around \$1 billion.
- **SushiSwap:**
 - Market Cap: Approximately \$500 million.
 - Average Daily Trading Volume: Around \$300 million.
- **PancakeSwap:**
 - Market Cap: Approximately \$700 million.
 - Average Daily Trading Volume: Around \$400 million.

Risks of DeFi:

1. **Smart Contract Vulnerabilities:** Bugs or vulnerabilities in smart contracts can lead to loss of funds.
2. **Market Volatility:** The crypto market is highly volatile, which can impact the value of investments.
3. **Regulatory Risks:** The regulatory landscape for DeFi is still evolving, and future regulations could impact the market.

Conclusion: DeFi represents a transformative shift in the financial landscape, offering new opportunities for investors. While it presents certain risks, the potential for high returns and the benefits of decentralization make it an attractive option for those willing to explore this emerging sector.