



North Haven Partners LP



A Fund Dedicated to Market Neutral Basis Trading of Digital Assets



North Haven's Investment Strategy

- North Haven Partners, LLC (“North Haven” or the “Partnership”) has identified an opportunity to earn attractive risk-adjusted returns through basis trading of digital assets, including major cryptocurrencies Bitcoin and Ethereum
 - The returns are available for a number of reasons:
 - Price volatility and trading activity in digital assets has created strong demand for futures and option derivatives
 - Digital asset market structure as well as regulatory, custodial, prime broker and other issues prevent traditional hedge fund managers from participating in the space
 - Substantially higher digital asset prices require more capital to support derivatives volumes, providing attractive financing spreads. Open Bitcoin and Ethereum futures are in excess of \$22 billion (as of June 14, 2021) and reached \$38 billion in May
 - North Haven has the trading expertise and a structure to participate in these basis trades with major US and non-US digital asset exchanges
 - This is a limited capacity market neutral strategy that will produce returns that are unrelated to the direction of conventional securities and digital asset markets
 - The Partnership's underlying investments will be short-term in nature. If there is an unexpected change in regulatory or market conditions for digital assets, the Partnership can be liquid and unwound quickly
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Digital Assets Will Grow Based on Diverse Uses of Blockchain Technology

Example of Digital Assets

- | | |
|---|--|
| 1. <u>Store of Value / “Digital Gold”</u> | Bitcoin |
| 2. <u>Evolving Transaction Platforms Utilizing Blockchain Technology</u> <ul style="list-style-type: none">▪ Cross-border remittances▪ Alternative currency in emerging markets▪ Alternative banking and credit in developing economies▪ Peer-to-peer transactions▪ Bypassing traditional F/X▪ Decentralized exchanges | Ether
Ripple
Stable
coins |
| 3. <u>Evolving Digital Finance Applications (“DeFi”)</u> <ul style="list-style-type: none">▪ Tokenized ownership of virtual assets (digital art, sports moments, etc.)▪ Tokenized ownership of assets (real estate, loans, etc.)▪ Venture capital investing (decentralized autonomous organizations) | Uniswap
Curve
Aave |

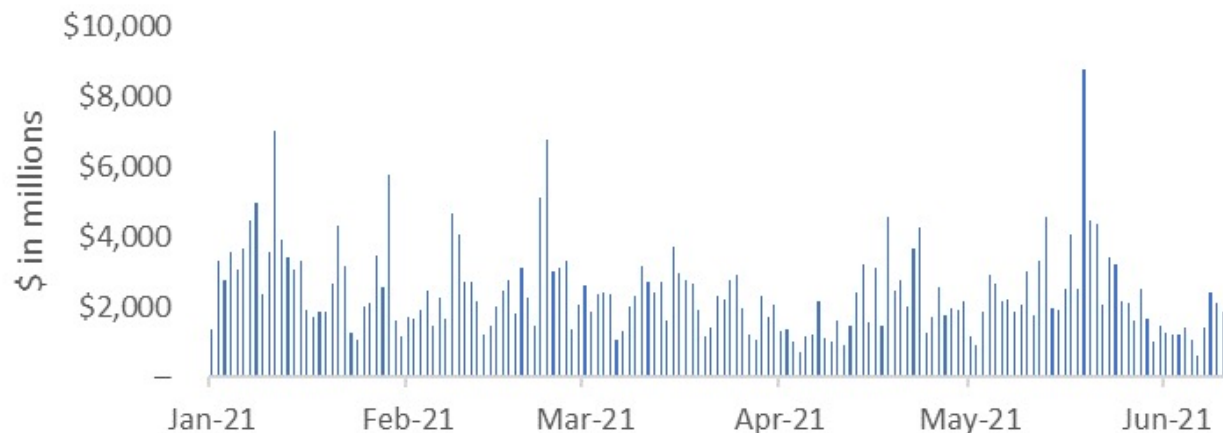
Paul Tudor Jones Remains Bullish on Bitcoin (June 14, 2021)



Bitcoin has Matured into a Liquid Institutional Quality Asset

- Widespread global interest and increasing institutional adoption has pushed Bitcoin to a total value of approximately \$800 billion. Many analysts predict further price increases as BTC becomes more broadly owned by institutional investors
- Bitcoin is highly liquid and institutionally traded in large size across global markets. Average daily trading volumes approximated to \$2.4 billion per day thus far in 2021. Ethereum trading volumes averaged \$1.1 billion per day in 2021

BTC Daily Spot Trading Volume



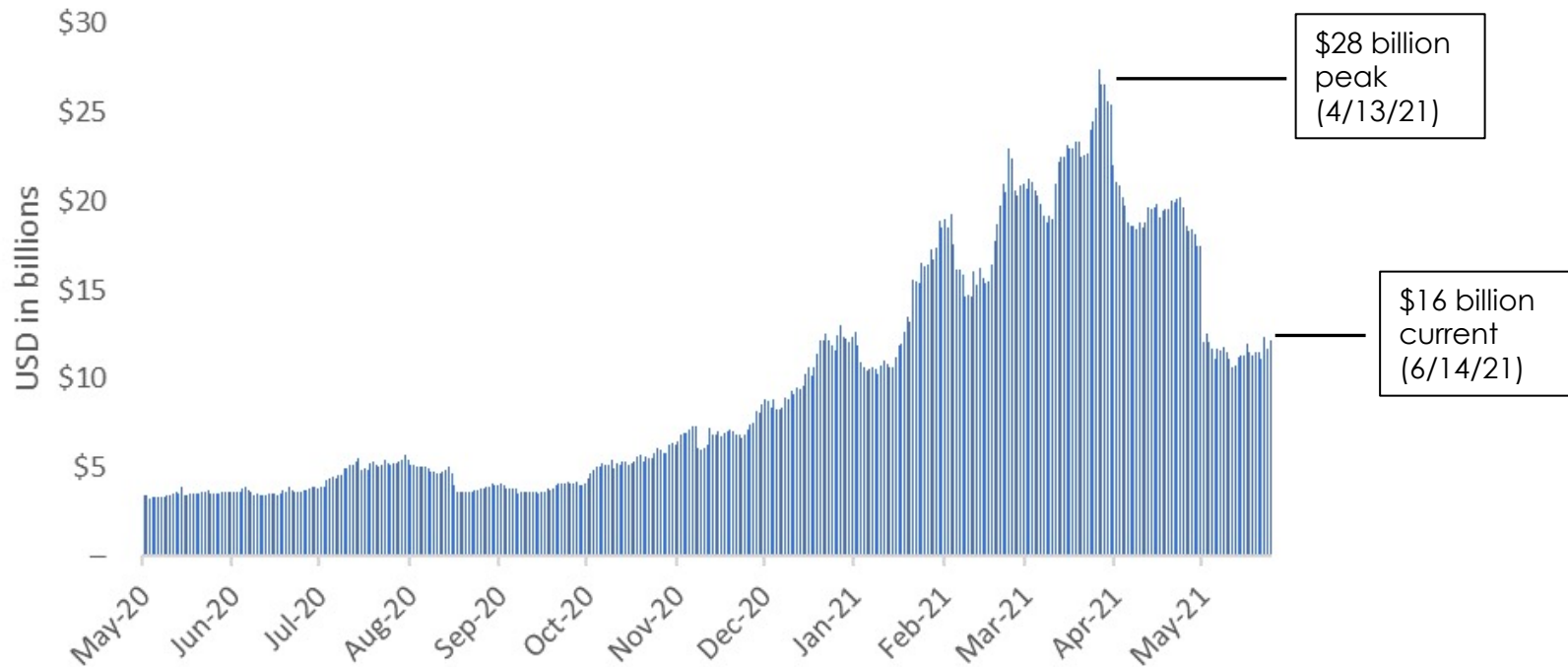
Source: Skew

Opportunity Overview

- In comparison to the traditional financial system, digital asset markets are relatively nascent. Market infrastructure is underdeveloped, allowing for market inefficiencies to persist for extended periods
- Bitcoin futures first began trading in 2017 with the CME Group. Since then, futures products have started trading on various other digital asset exchanges, adding further liquidity to the system
- Since the introduction of Bitcoin futures, the futures have generally traded at a significant premium to spot prices
- The persistent and sometimes extreme futures price premium can be explained by the following factors:
 - Supply and demand – more traders want leveraged or option exposure than capital exists in the system to support it
 - Regulated institutions, including investment funds, can't own Bitcoin directly. Bitcoin futures are a regulatory and custody friendly way to hold positions
 - Holding Bitcoin futures eliminates custody risk (you can't lose your Bitcoin)
 - Securities and banking regulations prevent large hedge funds from arbitraging the futures premiums on digital asset exchanges

Bitcoin Futures Volumes have Surged with Increased BTC Prices in 2021, Requiring Greater Capital to Support Funding Positions

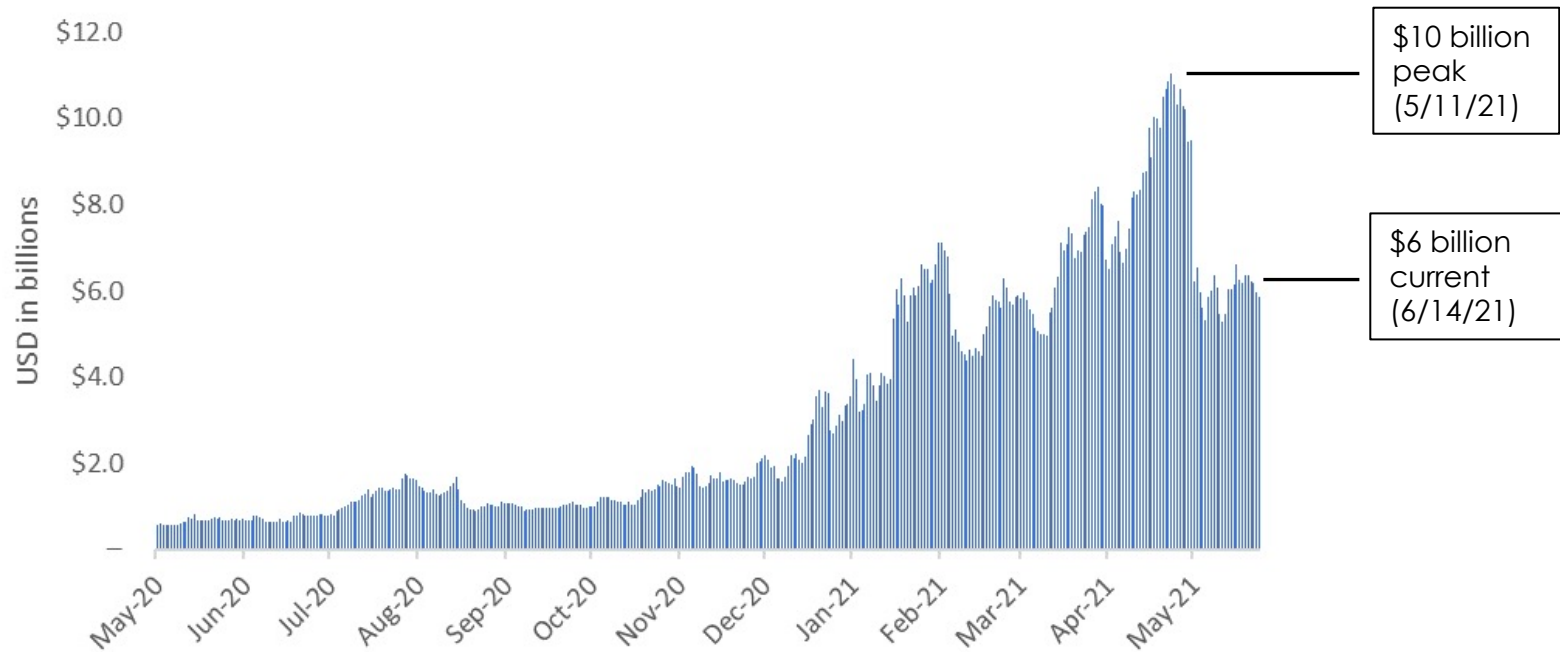
Bitcoin Futures Aggregate Open Interest
(Value of Outstanding Contracts)



Source: Skew

Ethereum Futures Volumes have Dramatically Increased alongside Bitcoin in 2021

ETH Futures Aggregate Open Interest
(Value of Outstanding Contracts)

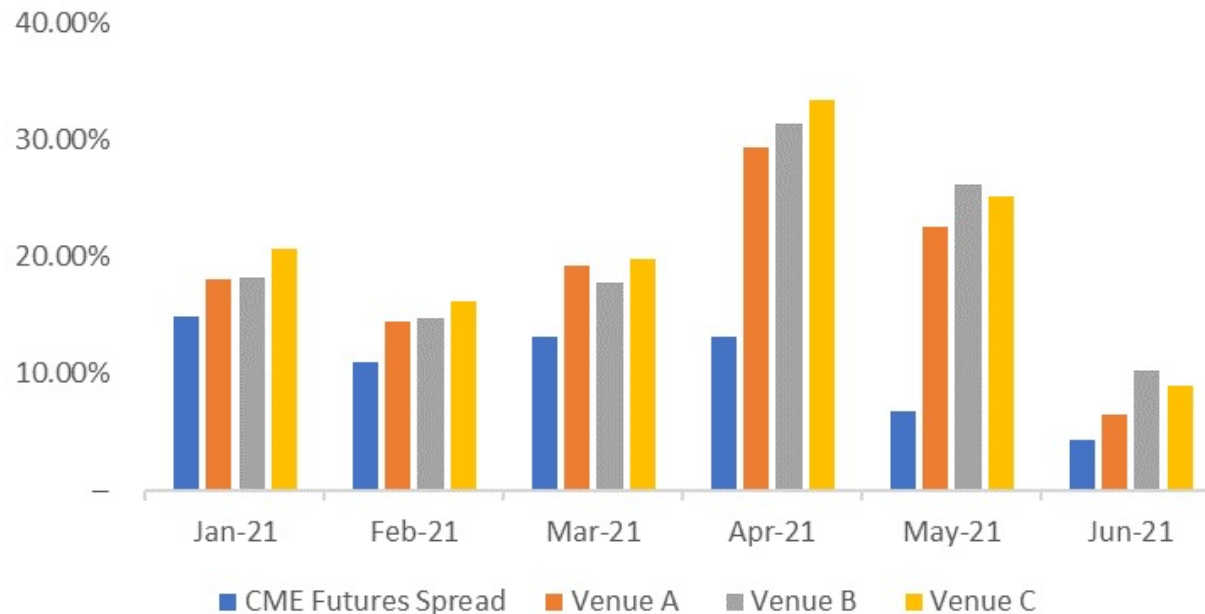


Source: Skew

The Explosion in Demand for Bitcoin Futures has led to an Increase in Futures Spreads, especially on Non-US Digital Asset Exchanges

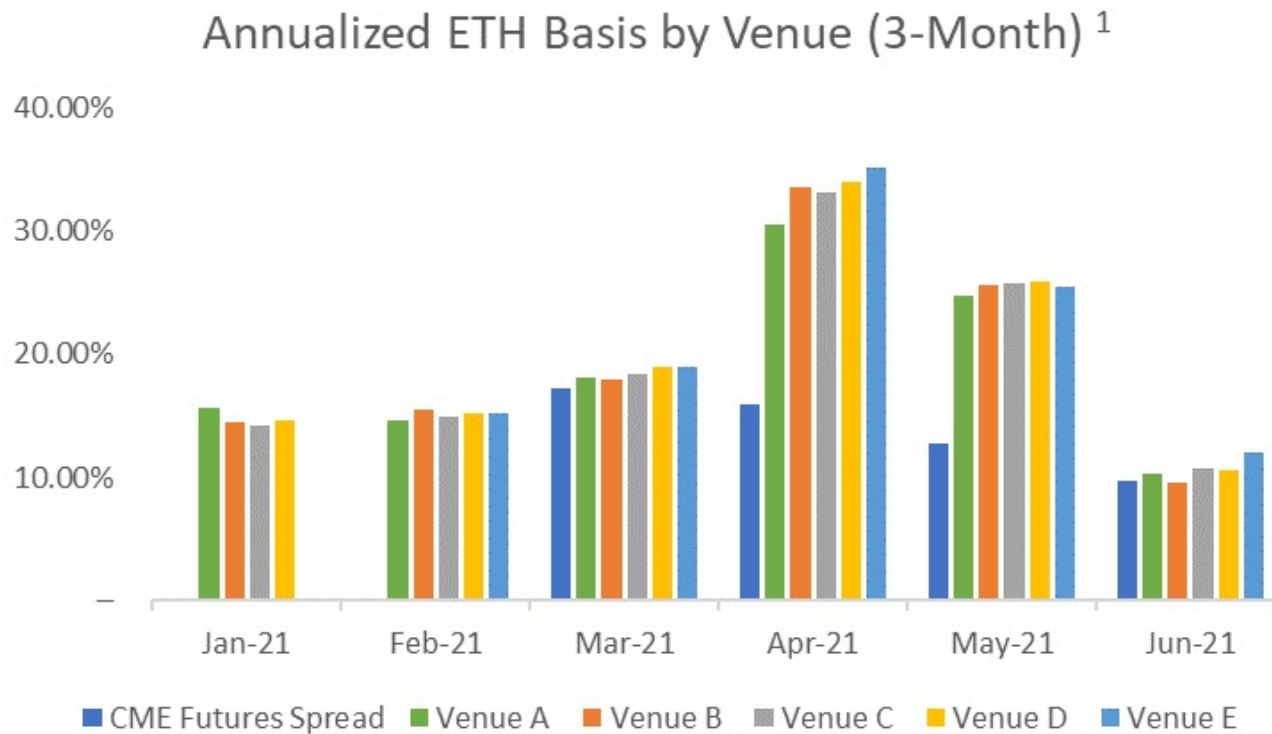
- The largest markets for digital asset futures are with non-US digital asset exchanges. The futures spreads on these exchanges are often significantly higher than on the CME exchange

Annualized Bitcoin Basis by Venue (3-Month) ¹



1) Recorded on the 1st day of each calendar month

Similar Opportunities Exist in Ethereum



1) Recorded on the 1st day of each calendar month

North Haven's Basis Trading Strategy

- The basis trading strategy is to sell a futures contract to deliver a digital asset in the future at a higher price than the current trading price. The price difference is called the Futures Premium. Buyers pay a premium for futures because it enables them to control assets while only putting up a fraction of the price. The seller of futures is financing a leveraged position on the underlying digital asset
 - North Haven will enter into basis trades with exchanges, involving futures contracts of various durations, depending upon the Futures Premiums available. Basis trades involve selling a futures contract and hedging with a matching long position
 - North Haven will maintain long digital assets and/or cash positions with digital asset exchanges as collateral against its short futures positions.
 - North Haven, in its discretion, may utilize modest leverage in the strategy, depending on market conditions. Notional long positions generally will not exceed 200% of Fund equity
 - The Fund will seek to be fully hedged at all times in relation to its short futures positions to limit exposure to the directional price of digital assets
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North Haven Investment Team is Led by Highly Experienced Investors with the Capability to Structure Complex Financial Transactions and Trade Digital Assets and Futures

Geoffrey Stern
General Partner and Co-Portfolio Manager

- Managing Member and CIO at Muirfield Capital Global Advisors for 19 years (“Muirfield”)
- Specializing in special purpose investment vehicles for alternative strategies since 2013
- 20 year career as a senior investment banker of Donaldson, Lufkin & Jenrette (“DLJ”) with extensive transactional experience representing corporations and Boards of Directors in mergers, acquisitions and going private transactions as well as financings and restructurings
- Personal investments in digital assets and Blockcap, a major private Bitcoin mining company
- MBA, Anderson School–UCLA; BA, Haverford College

Nick Gregoriou
General Partner and Co-Portfolio Manager

- 16 year career as a derivatives and macro trader with proprietary trading firms
- 13 year Partner / Group Head at Ronin Capital, a proprietary trading firm
- Experienced futures trader, with the majority of investment returns generated by futures trading strategies
- Consistently profitable, average 3.46 Sharpe ratio
- Bachelor of Mathematics (with Honors) University of Waterloo, Canada

Antonio Grassia
Senior Analyst

- Senior Analyst at Muirfield Capital Global Advisors for 4 years, based in Luxembourg
- Investment Banking Analyst at Rothschild & Co. focused on restructuring and debt advisory
- BSC, New York University Stern School of Business

Back Office Support

- Back office support provided by Muirfield Capital Global Advisors, LLC
- Muirfield is an SEC registered investment adviser with institutional level infrastructure

Fund Terms

Funds	North Haven Partners, LP (Delaware) North Haven Ltd. (“Caymans”)
Management Fees	2.00% per annum
Incentive Fee	20% of gains with high water mark
Liquidity	Subscriptions: monthly Redemption: at the end of any quarter, with 45 days notice
Investor Reporting	NAV, monthly unaudited, annual audited
Fund Capacity	Capped at \$50 million
Minimum Investment	\$500,000
Early Investor Terms	Reduced Management and Incentive Fees. Capacity rights for up to 2x initial investment with the same reduced fees

Service Providers

Fund Legal Counsel	Ogier (Caymans) / Seward & Kissel LLP (US)
Back Office Support	Muirfield Capital Global Advisors, LLC will provide back office, administrative and accounting support to the Partnership
Administrator	Trident
Bank	Signature Bank
Auditor	RSM, McGladrey

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