

Bitcoin Treasury Income Guide

- **2% Monthly Income**
- **Max Income**



KELLY

Kelly's Solutions Solve for Cash and Income Treasury Requirements

Current Solutions – Attempt Shareholder Value Through Strategic Raises

- Bitcoin treasury companies provide access to Bitcoin exposure and shareholder value creation opportunities.
- Bitcoin treasury companies do not currently pay a yield or distribution in the form of dividends or interest.
- Their focus is on holding Bitcoin for long-term appreciation and diversification.
- The concept of BTC Yield, and now Torque, is used by some companies like Strategy (Nasdaq: MSTR) to measure Bitcoin accumulation per share, but this is not a payout to shareholders.

Alternative Treasury Solution – Income Focused

- Bitcoin treasury companies and Bitcoin exchange traded products both offer exposure to Bitcoin's potential, but they serve different purposes and come with distinct advantages and trade-offs.
- The BITY Indexed Strategy (2% Monthly Income) and the BAGY Indexed Strategy (Max Income) seek to deliver distinct strategies to the emerging Bitcoin focused treasury ecosystem.
- Kelly Bitcoin 2% Monthly High Income Index ("BITY Index Strategy")
 - Provides institutional investors with a systematic, and transparent, index strategy to provide their Bitcoin treasury, or strategic reserve, with 2% high monthly income.
- Kelly Bitcoin Max Monthly Income Index ("BAGY Index Strategy")
 - Provide institutional investors with a systematic, and transparent, index strategy to provide their Bitcoin treasury, or strategic reserve, with high monthly income ranging from 30-60%.

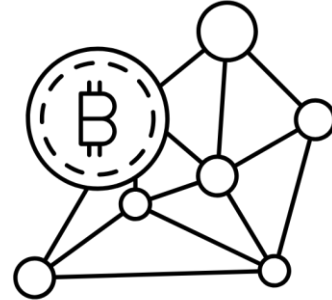
Institutional Bitcoin Treasury Management

Income and Upside: The power of Bitcoin, coupled with the strength of high yield / premium



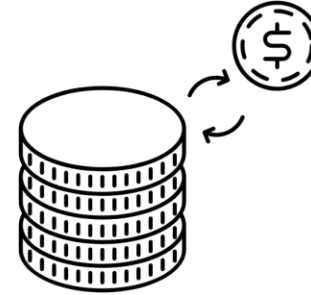
LONG BITCOIN

Long Bitcoin exposure through Bitcoin exchange traded products and exchange traded options.



MANAGE

Implementation of weekly overwriting program on Bitcoin portfolio, with a minimum of 5% out of the money options (strategy dependent), to maximize income while still providing weekly Bitcoin upside potential.



MAINTAIN

On a weekly basis, replace and rewrite option positions to help generate ongoing option premiums.



MONTHLY INCOME

Pay monthly distributions that include the targeted income premiums. Monthly income can be reinvested.

*There is no guarantee distributions will be made.
Charts, graphs, and graphics are provided for illustrative purposes only.*

Kelly Bitcoin Treasury Income Strategies

Lower Volatility Access to Bitcoin

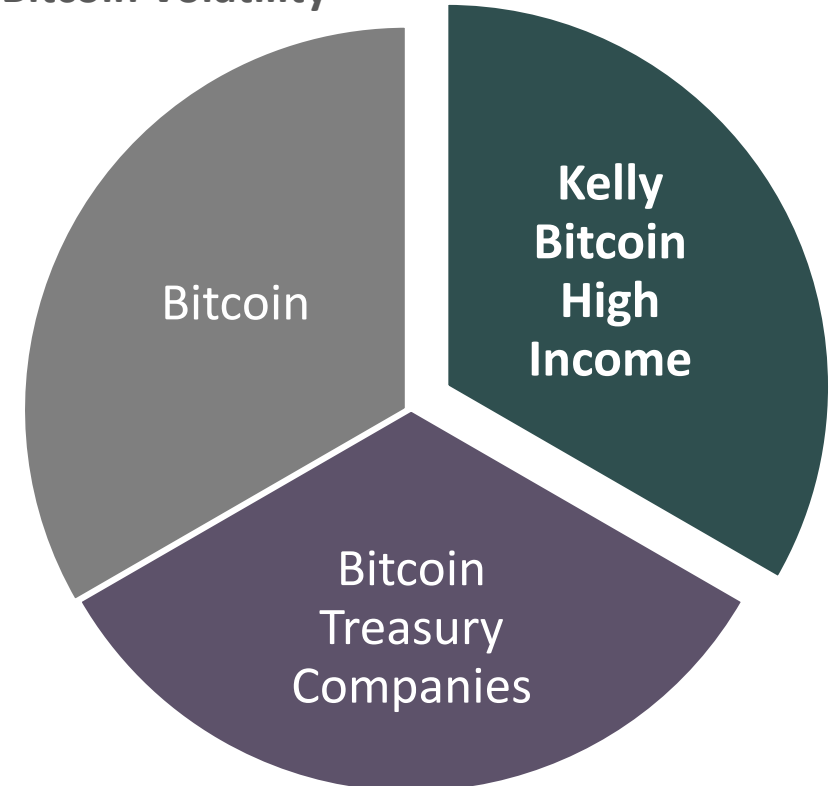
- The BITY Index Strategy, (2% Monthly Income), and the BAGY Index Strategy, (Max Income), can complement treasury or Bitcoin positions.
- Any investor, bitcoin miner, digital bank, family office, institutional, or UHNWs, can get their Bitcoin to work for them.
- The Kelly strategies offer simple yet sophisticated approaches, providing income generation and risk management for volatile assets like Bitcoin.
- By tailoring the strategies to specific market conditions, investors unlock powerful tools to navigate volatility and maximize returns. In the ever-changing financial landscape, Kelly's strategies are a testament to the elegance of calculated, adaptive trading around volatility.
- The strategies can be particularly useful for long-term Bitcoin holders, who can receive the option premium and participate in the cryptocurrency-appreciation on a weekly basis (at least 5% upside weekly).

Bitcoin:

- Beta
- Bitcoin Volatility

Kelly Bitcoin High Income:

- Lower Bitcoin Beta
- Lower Bitcoin Volatility



Bitcoin Treasury Companies:

- Higher Bitcoin Beta
- High Volatility

Advantages of Kelly Bitcoin Treasury Income Strategies



Kelly's Solutions Solve for Cash and Income Treasury Requirements

The Kelly Solution for Income Oriented Bitcoin Treasury Investors

- Designed to offer appreciation potential and the opportunity to harness Bitcoin's price volatility for consistent income potential.
- The BITY Indexed Strategy (2% Monthly Income) and the BAGY Indexed Strategy (Max Income) seek to harness Bitcoin's price volatility to generate constant, high monthly income, all while maintaining the potential for upside growth. These innovative strategies systematically write options on Bitcoin ETPs or related assets.
- High Income Yield on Bitcoin.
- Established infrastructure with predictable processes.
- Access to diverse financial instruments for risk management and liquidity.
- Provide 1:1 exposure to Bitcoin's price (minus fees), offering no leverage or premium potential. Returns are capped at Bitcoin's market performance.
- Pure play Bitcoin exposure through regulated vehicles.
- Liquidity Management: Bitcoin's high volatility requires careful planning for liquidity needs.

Reason to Implement Kelly's Premium Strategies

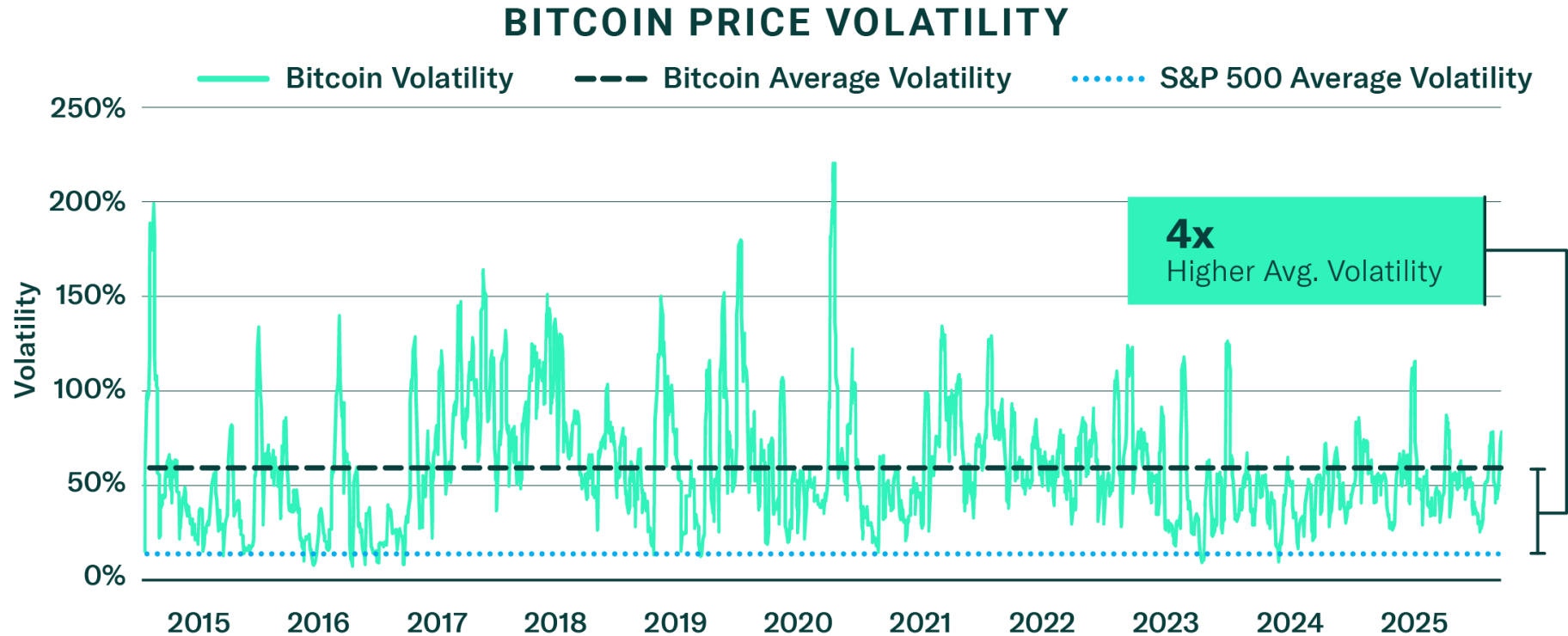
Whether Bitcoin trends upward, downward, or remains range-bound, investors may benefit from resilient income, transforming volatility into opportunity.

Advantages of Kelly Bitcoin Treasury Income Strategies



Transforming Volatility into an Income Opportunity

- Bitcoin's notable price movements present a unique advantage when paired with Kelly's premium strategy.
- By leveraging volatility, investors can generate regular premium earnings while still retaining exposure to Bitcoin's growth.
- The chart shows Bitcoin's volatility relative to the S&P 500. A higher level of volatility typically results in a higher level of potential option premium received in a covered call strategy.



Past performance is no guarantee of future results. The S&P 500 index tracks the performance of the 500 leading U.S. companies. The Bloomberg Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD. Volatility is the annualized standard deviation of the relative price change for the 10 most recent trading days closing price, expressed as a percentage.

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