

Transform The Financial Infrastructure



New Asset Class

Fast growing market with proven business models as crypto increasingly being adopted by mainstream institutions



Regional Market Leader

Clear regional leader of US\$6bn crypto balance sheet with fast growth record



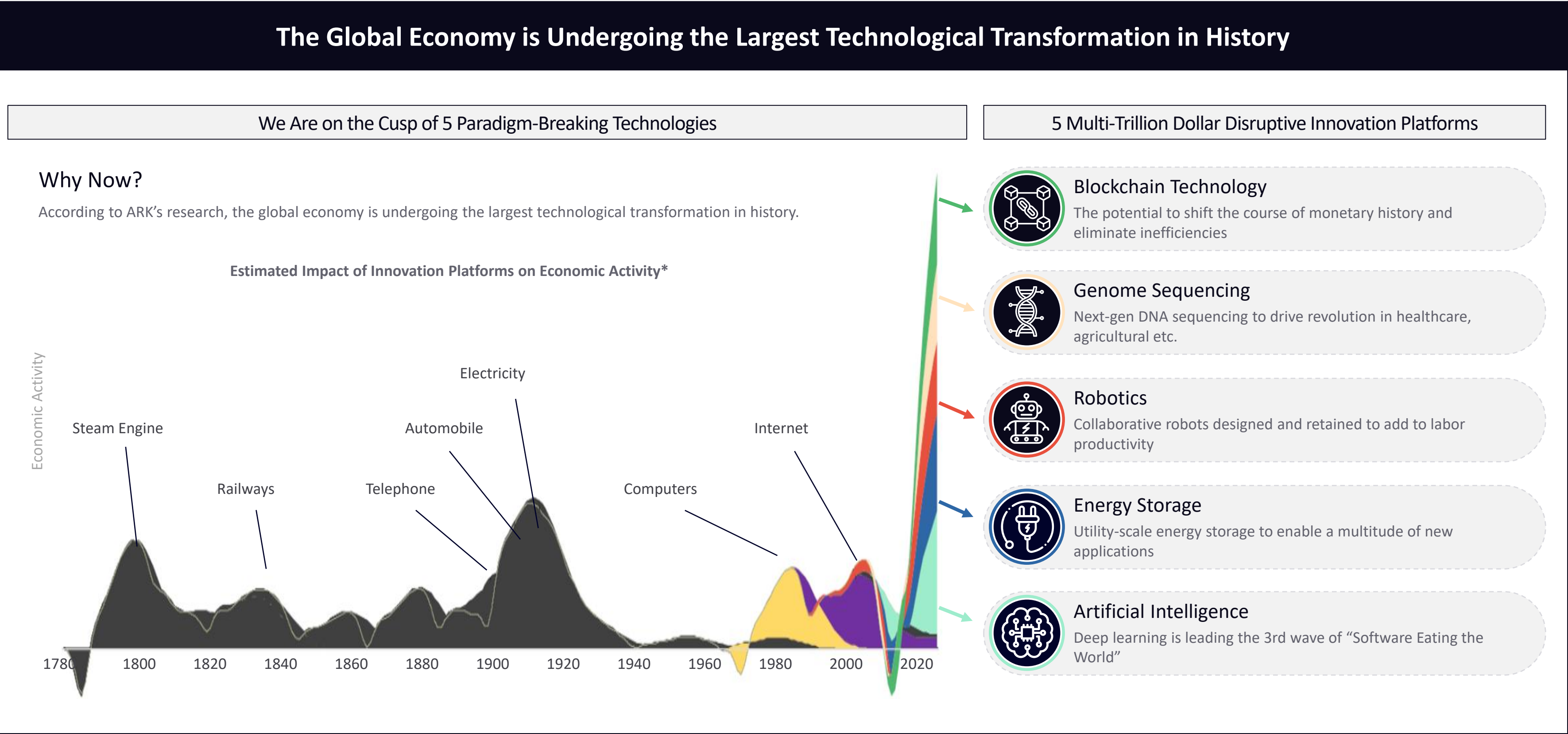
Prudent Financial Innovator

Financial innovation in credit, asset management and prime brokerage, led by a professional team with successful entrepreneurship experiences

PART

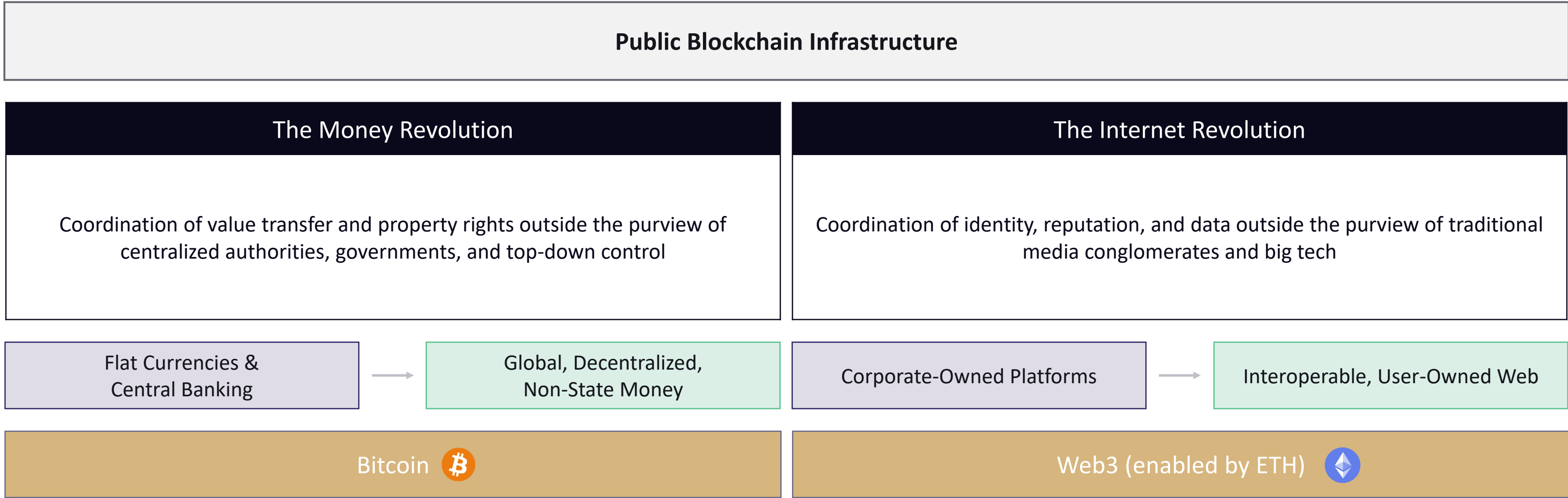
01

- **01. Crypto Primer: A New Asset Class**
- 02. Babel Finance Overview
- 03. Babel Fund Offerings



Public Blockchains Are Stirring Several Revolutions

- **Public blockchains** are **decentralized databases** that power novel forms of coordination across **money, finance, and the internet**. By decentralizing institutions with open-source software, blockchain technology **minimizes the need to trust centralized authorities**.



The Money Revolution: Bitcoin Is Decentralized, Trustless, Governed By Code, And Facilitating Ease Of Ownership Transfer



Bitcoin Is Driving Global Money Revolution Through Payments And Institutional Adoption

- Bitcoin's cumulative transfer volume increased by 463% in 2021, whose **annual settlement volume** surpassed Visa's payments volume.
- Its **institutional holder base** is broadening after the launch of regulated products and adoption by corporations and nation-states.

Bitcoin Is Capturing The Money Revolution at A Global Scale

Bitcoin's Transfer Value Metrics Have Seen Significant Growth in Recent Years Fueled by Wide Adoption

Bitcoin Metrics	2020	2021
Cumulative Annual Transfer Volume	\$2.3 trillion	\$13.1 trillion
Average Daily Transfer Volume	\$6.4 billion	\$35.9 billion
Average Transaction Value	\$21,590	\$136,555

Grayscale Bitcoin Trust Remains The Largest Non-Custodian Bitcoin Holder As of November 2021

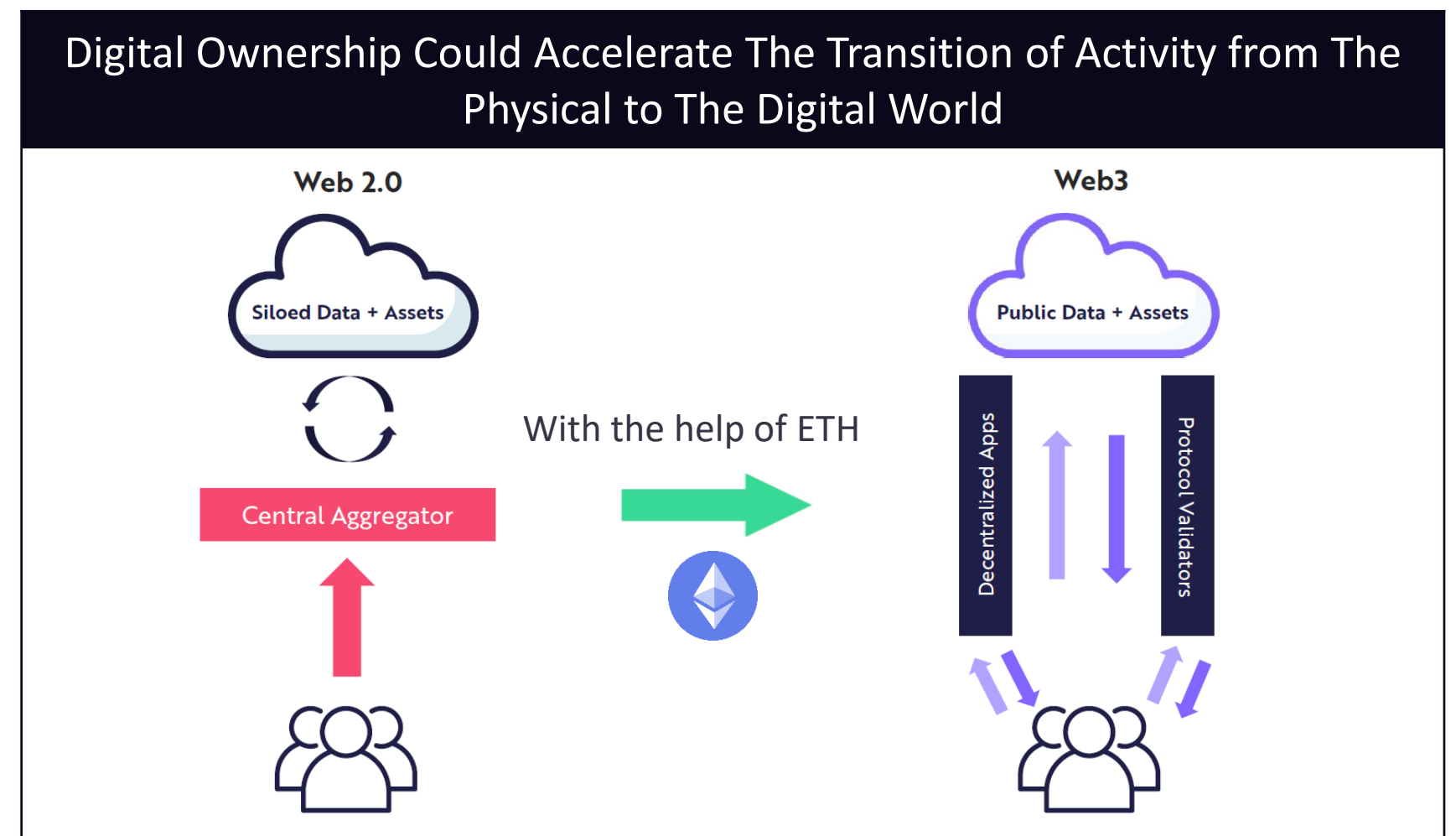
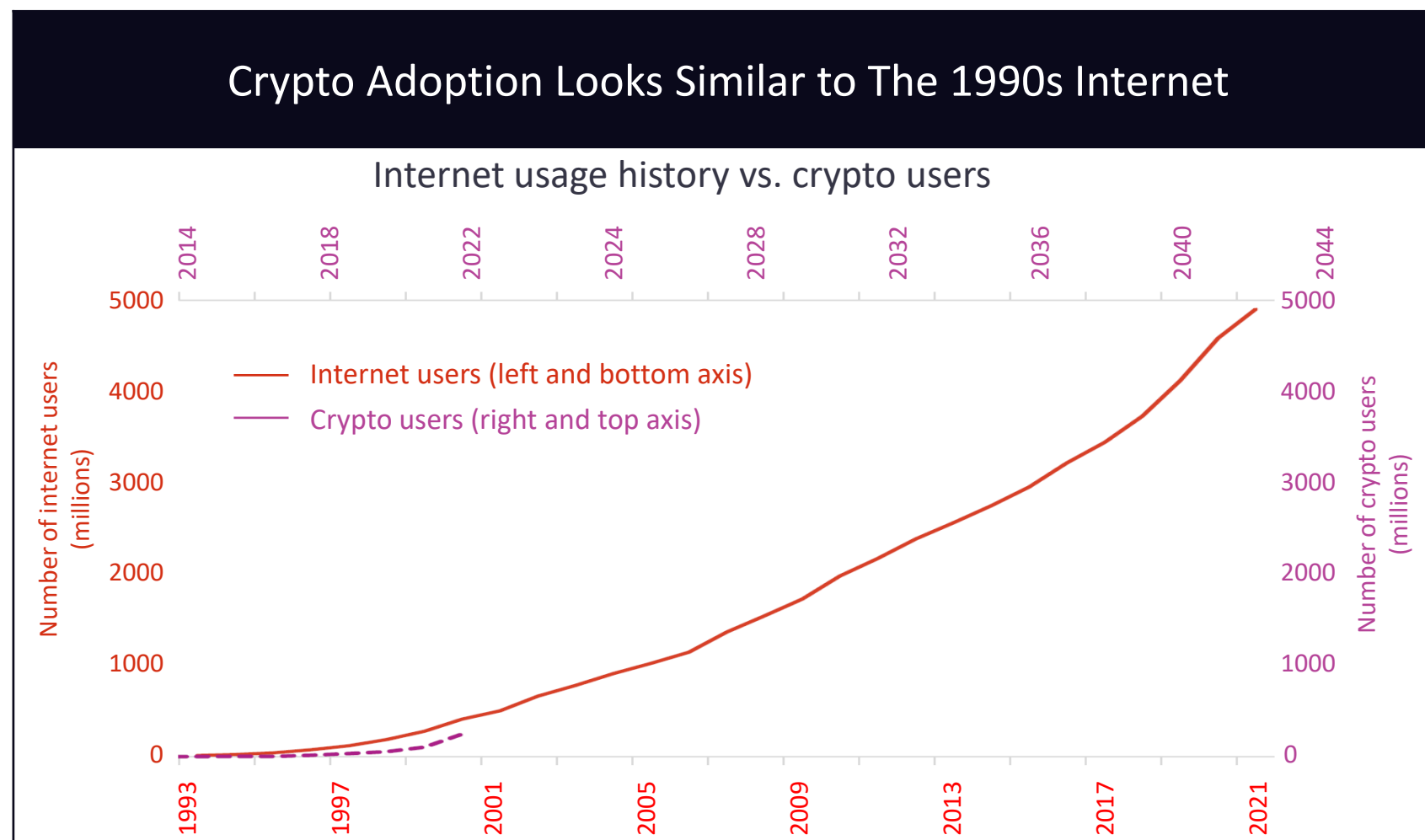
10 Largest Publicly Disclosed Bitcoin Holders

Holder	Type	BTC	\$ Value (mm)
Grayscale Bitcoin Trust	ETP	654,200	37,289
Block.one	Balance Sheet	140,000	7,980
Microstrategy	Balance Sheet	121,044	6,900
Coinshares XBT Provider	ETP	48,466	2,763
Tesla Inc.	Balance Sheet	42,902	2,445
Purpose Bitcoin ETF	ETP	24,097	1,374
3IQ Coinshares ETF	ETP	22,010	1,255
ETC Group Bitcoin ETP	ETP	17,976	1,025
The Tezos Foundation	Balance Sheet	17,500	998
Galaxy Digital	ETP	16,400	935

The Internet Revolution: ETH-Enabled Smart Contracts Are Usurping Traditional Internet And Financial Functions At The Margin

Ethereum Emerged In 2021 As The Predominant Smart Contracting Platform For Data Exchange, Decentralized Finance, Content Ownership And Next-Gen Social Activities

- Proposed in 2013 and released in 2015 as a blockchain that enables **decentralized applications** and vision of a currency replacement, Ethereum presents the ability to host **smart contracts (automated functions)** that can replace the manual processes done in traditional finance and social activities, such as lending, data exchanges, content ownership (e.g. NFT) etc.



- As the base protocol on which DeFi and Web3 are built, Ethereum is upending existing financial/social intermediaries as relevant services shift on-chain.
- Ethereum could displace many traditional financial and internet services, and its native token, ETH, could compete as global money.

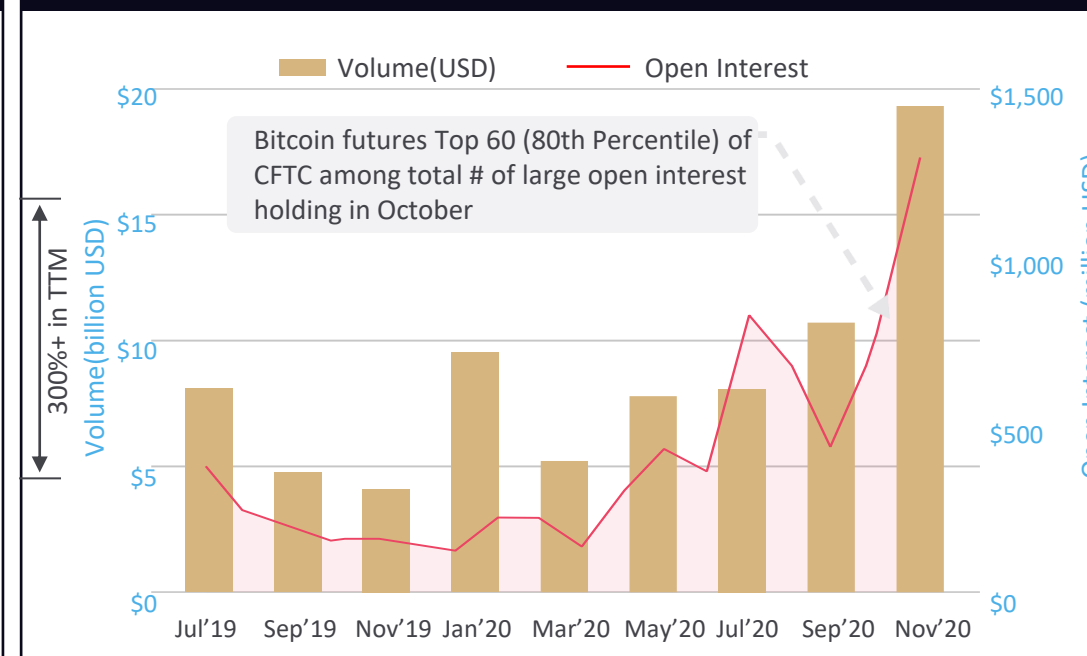
Why Crypto? Why Now?

Crypto Evolved to Be An Important Asset Class after A Decade Track Record

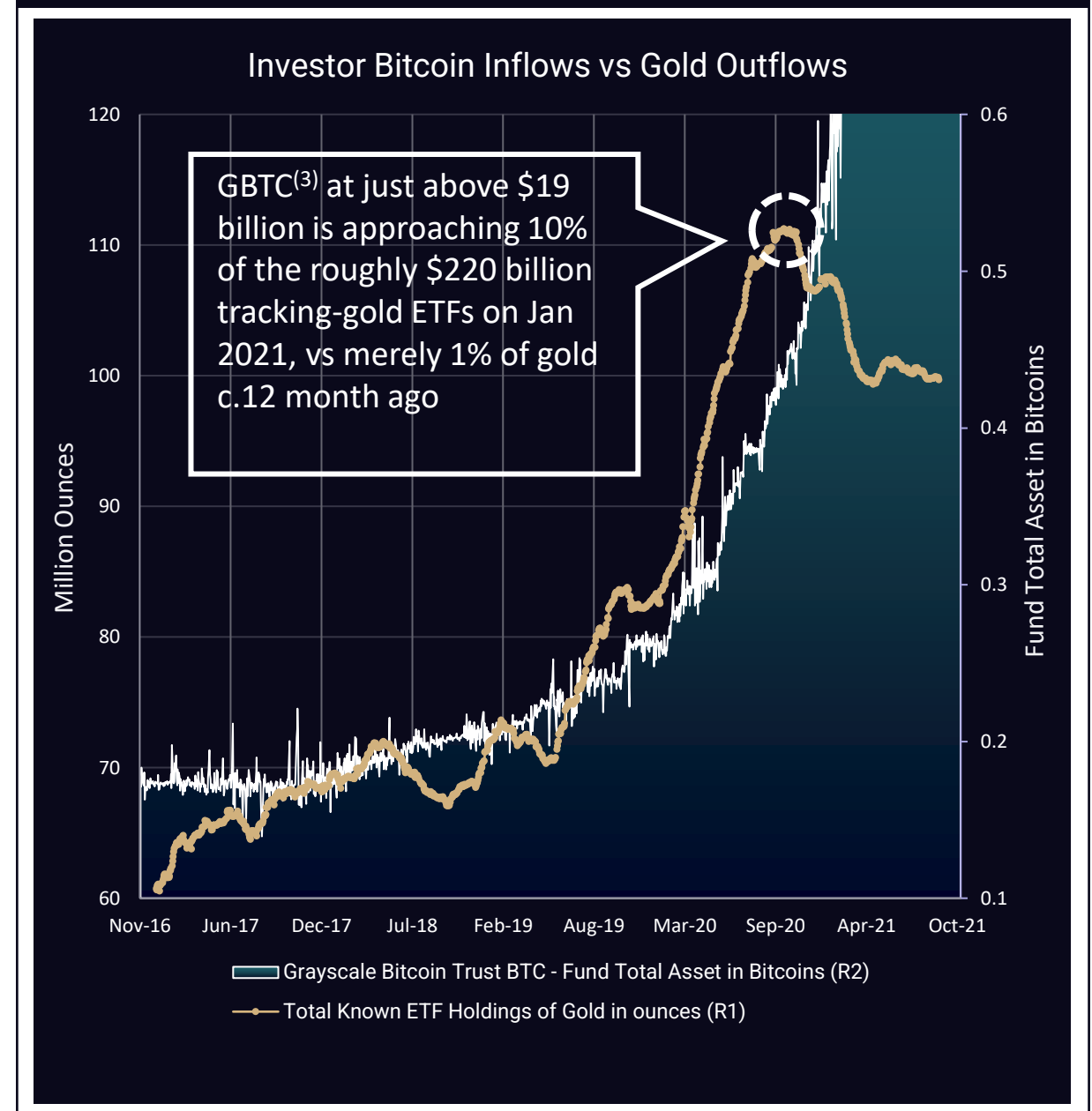
Crypto market-cap exponential growth into a non-neglectable new asset class⁽¹⁾



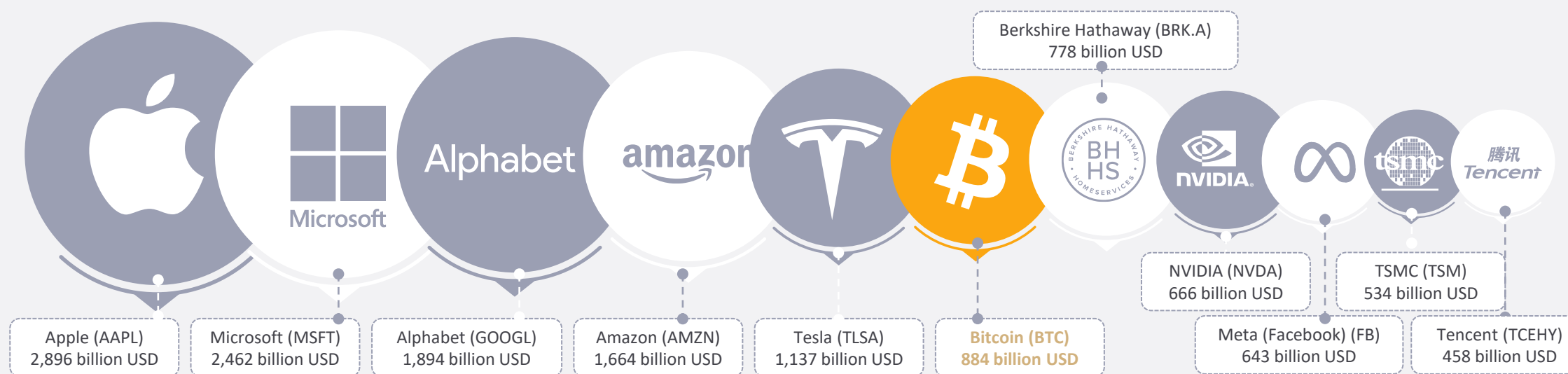
Institutions flocking into CME to boost activities on Bitcoin trading



Increasing flows into bitcoin vs. outflows in gold indicates an upside potential for maturation of the new asset class



Bitcoin market-cap outranks some of the largest companies globally⁽²⁾



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Source: Babel Finance Research, Coinmarketcap, Bloomberg, theBlock, Genesis Capital Quarterly Insights
Note:
(1) CAGR calculating from Nov 9th, 2020 to Nov 09th, 2021
(2) Market-cap as of April 3, 2022
(3) Grayscale Bitcoin Trust (GBTC) are primary indicators of maturation into the mainstream for the benchmark crypto

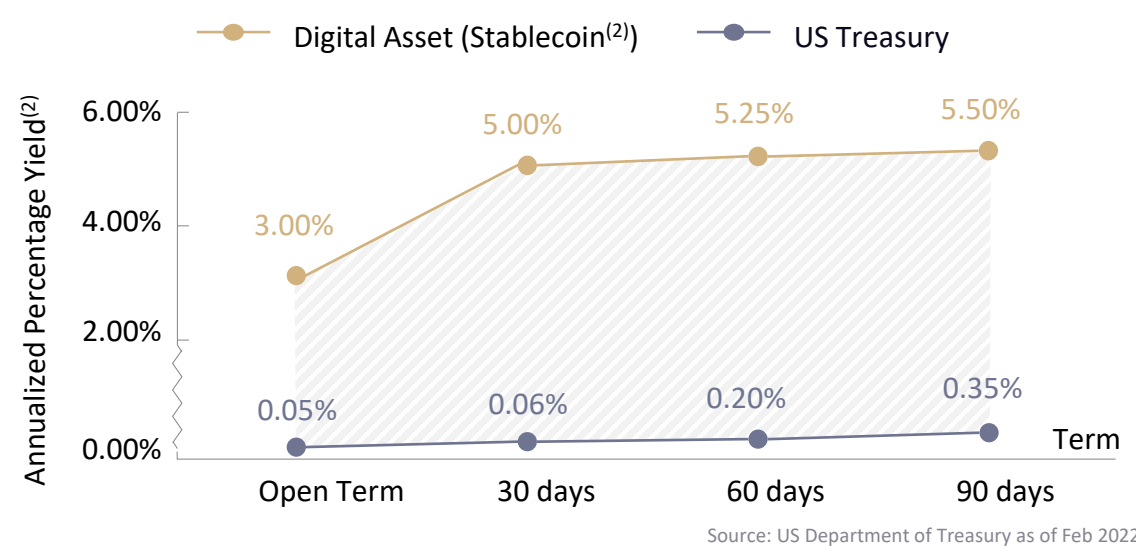
Why Crypto? Why Now?

Stable and Attractive Yield under QE, Outperforming Assets in Traditional Markets

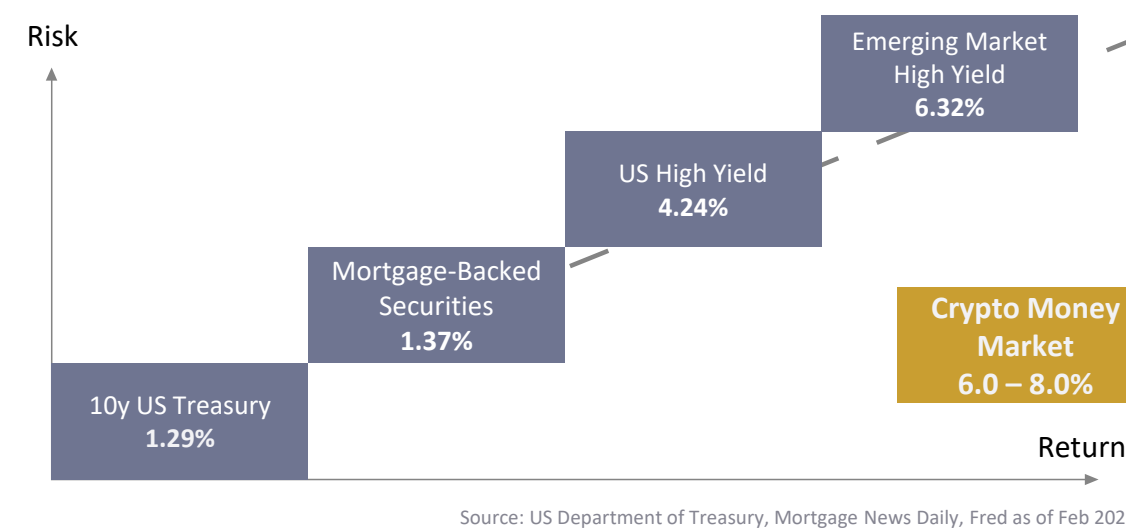


More stable and decent yield against the macro backdrop of global QE

Crypto offers significant yield enhancement compared to fiat across the yield curve given Fed 0% policy rate and global QE⁽¹⁾



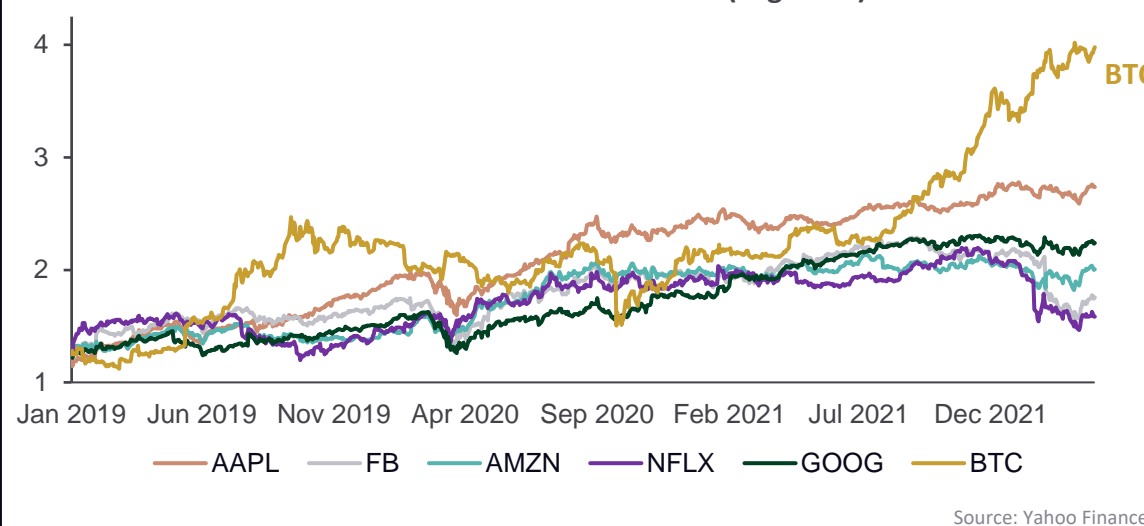
Crypto credit market outperforms most traditional fixed income benchmark assets on the risk-return matrix⁽³⁾



Crypto as an uprising asset class outperforms traditional and mainstream investments

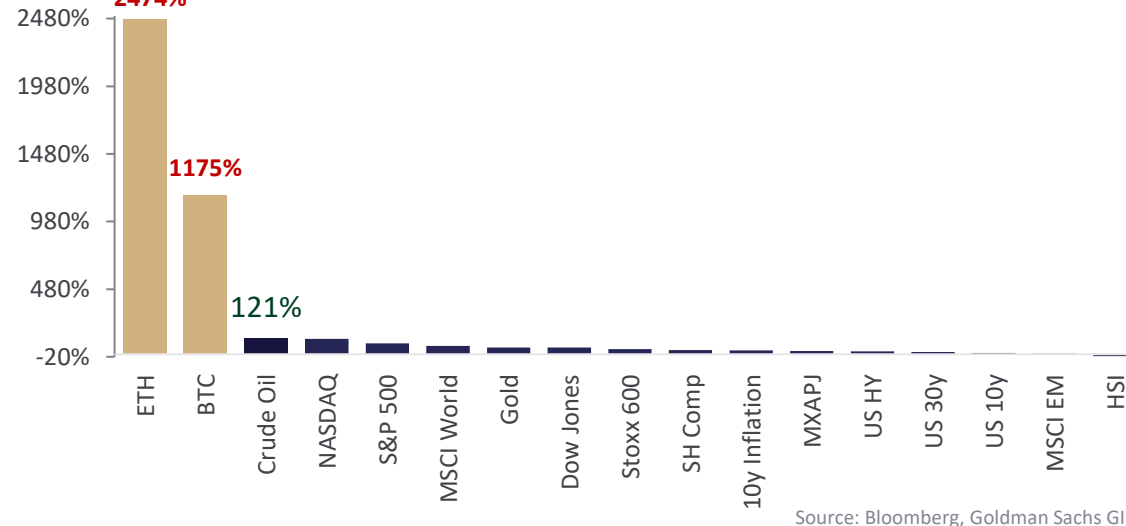
BTC outperformed US stocks from 2019 to 2021

2019 – 2021 Share Performance (Log Scale)



Crypto returned much higher than other asset class in recent years

2019 – 2021YTD Total Return



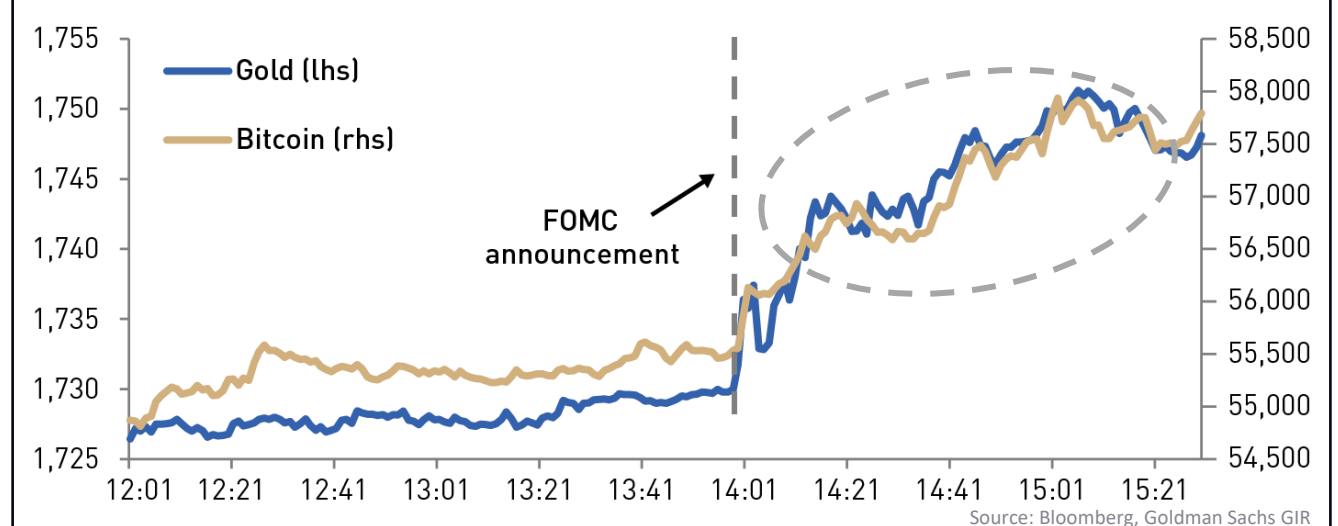
Hedge against currency debasement given Bitcoin's Scarcity

Historical Performance Deflated by the Fed's Balance Sheet

	2007 High to Present	2008 Low to Present
WTI Spot Oil	-95% ↓	-61% ↓
Copper	-88% ↓	-11% ↓
Case-Shiller U.S. National Home Price Index	-86% ↓	-55% ↓
NASDAQ	-25% ↓	+225% ↑
S&P500	-70% ↓	+37% ↑
Gold	-74% ↓	-42% ↓
Bitcoin	NA	+24,280x ↑

Bitcoin behaved like Gold following the March FOMC announcement

Prices on March 17, 2021, \$



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Note:

- (1) The Fed cut its policy rate to 0.00-0.25% in Mar 2020, first ever in history; Quantitative easing (QE) is a monetary policy whereby a central bank purchases predetermined amounts of government bonds or other financial assets in order to inject money into the economy to expand economic activity, which in most cases should essentially drive the entire yield curve downward
- (2) The stablecoin rate is subject to change and market conditions
- (3) Mortgage-Backed Securities (MBS), US Junk Bond and Emerging Market Junk Bond are common treasury management allocation assets; MBS is a securitized fixed income instrument whose cash flow is derived from the mortgage payments embedded in its underlying portfolio; Junk bonds are credit fixed income instruments with ratings below investment grade; Emerging Market is usually considered to be riskier compared with developed markets such as US

Sovereign Risk Hedge against Increasingly Likely Regional Financial System Meltdown or Geopolitical Crisis, Induced by Unprecedented Overdraft of Monetary and Fiscal Measures

Major Historical Events Points to The Necessity of Hedging Solution against Sovereign Risk

1997 to 2021: Different regional turmoil evolved to outbreaks of severe currency, sovereign debt and banking crises

1997 Asian Financial Crisis

"The Thai Gamble: Devaluing Currency to Revive Economy"

- The New York Times, July 3, 1997

- From 1996 to 1997, the nominal GDP per capita dropped by **-43.2%** in Indonesia, **-21.2%** in Thailand, **-19.0%** in Malaysia, **-18.5%** in South Korea, and **-12.5%** in the Philippines.

1998-2022 Argentine Great Depression

"Argentina's President de la Rúa Resigns, Unable to Quell Deepening Finance Crisis"

- The Wall Street Journal, December 21, 2001

- The deposit freeze** causes unrest among the Argentine population. The possibility of freely converting Argentine pesos into US Dollars has become meaningless, as deposit holders can no longer access their savings.

2018-2021 Turkish Currency & Debt Crisis

"The bankruptcy of Turk Telekom deepens the economic crisis in Turkey"

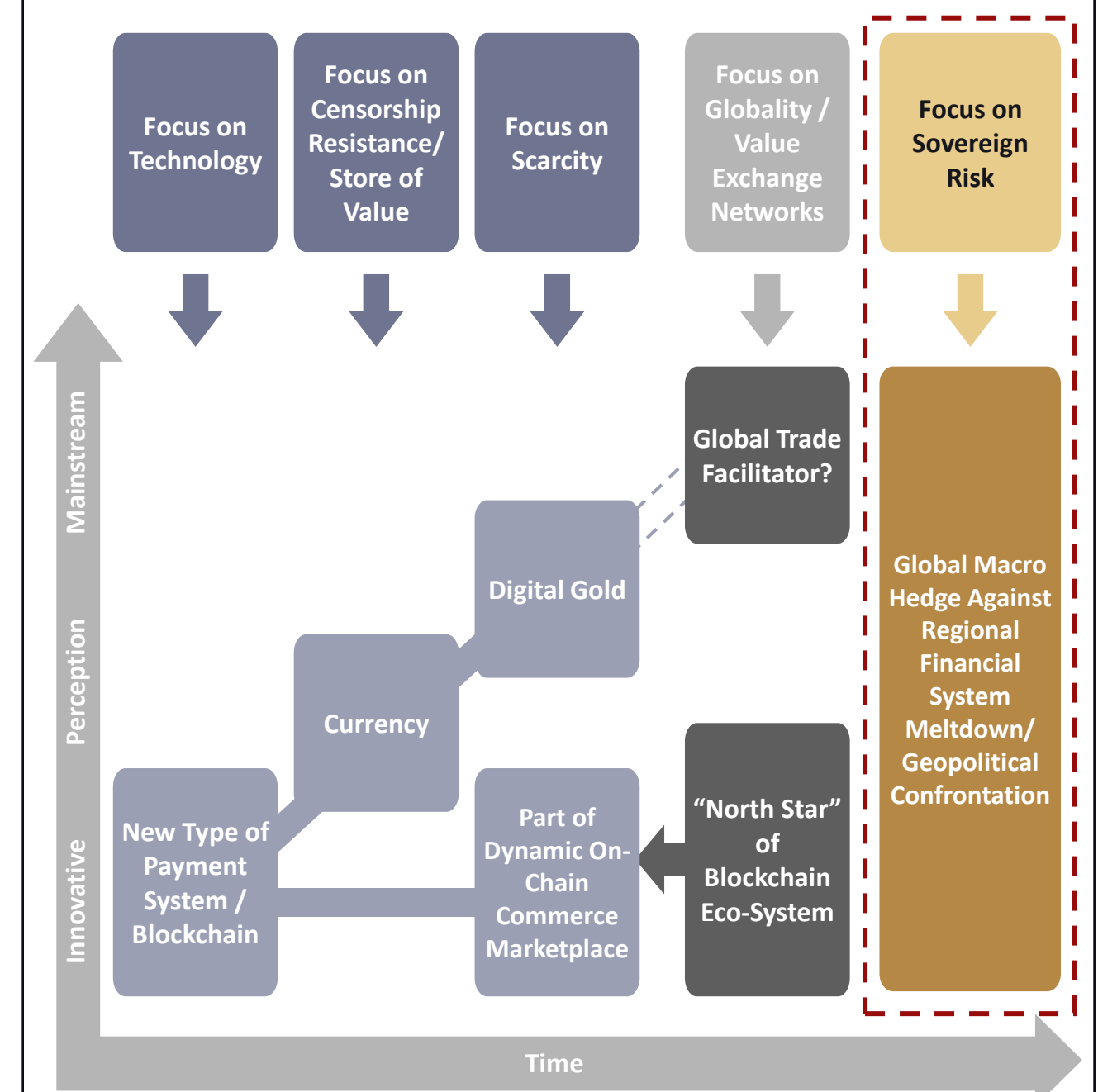
- Financial Times, October 27, 2017

- Plummeting business confidence and social turmoil amid high Inflation and rising default including the **\$4.75billion** restructuring of Turkey's Largest Phone Operator "Turk Telekom"

2022 Russia-Ukraine War: Bitcoin has been in hot pursuit amidst geopolitical confrontation-stirred concerns over asset freeze



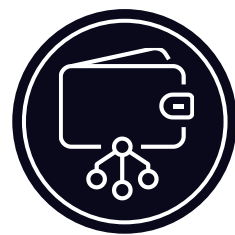
Mapping the Future For Bitcoin – SOVEREIGN RISK HEDGE



Source: Citi Business Advisory Services

Accelerated Adoption by Both Generation Z and Business Use Cases

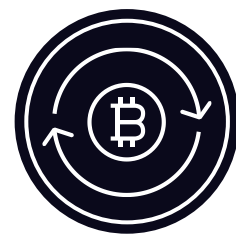
Growing levels of adoption given crypto's ease of transferability and brand for generation Z



82%

Of small businesses in the U.S. planning to accept digital payments in 2022

Source: Visa



\$106 million. +1,200%

Worth of cryptocurrency received in African countries as of mid-2021

Source: Forbes



\$31 billion per day

Bitcoin trading volumes on 1st March 2022

Source: Coingecko

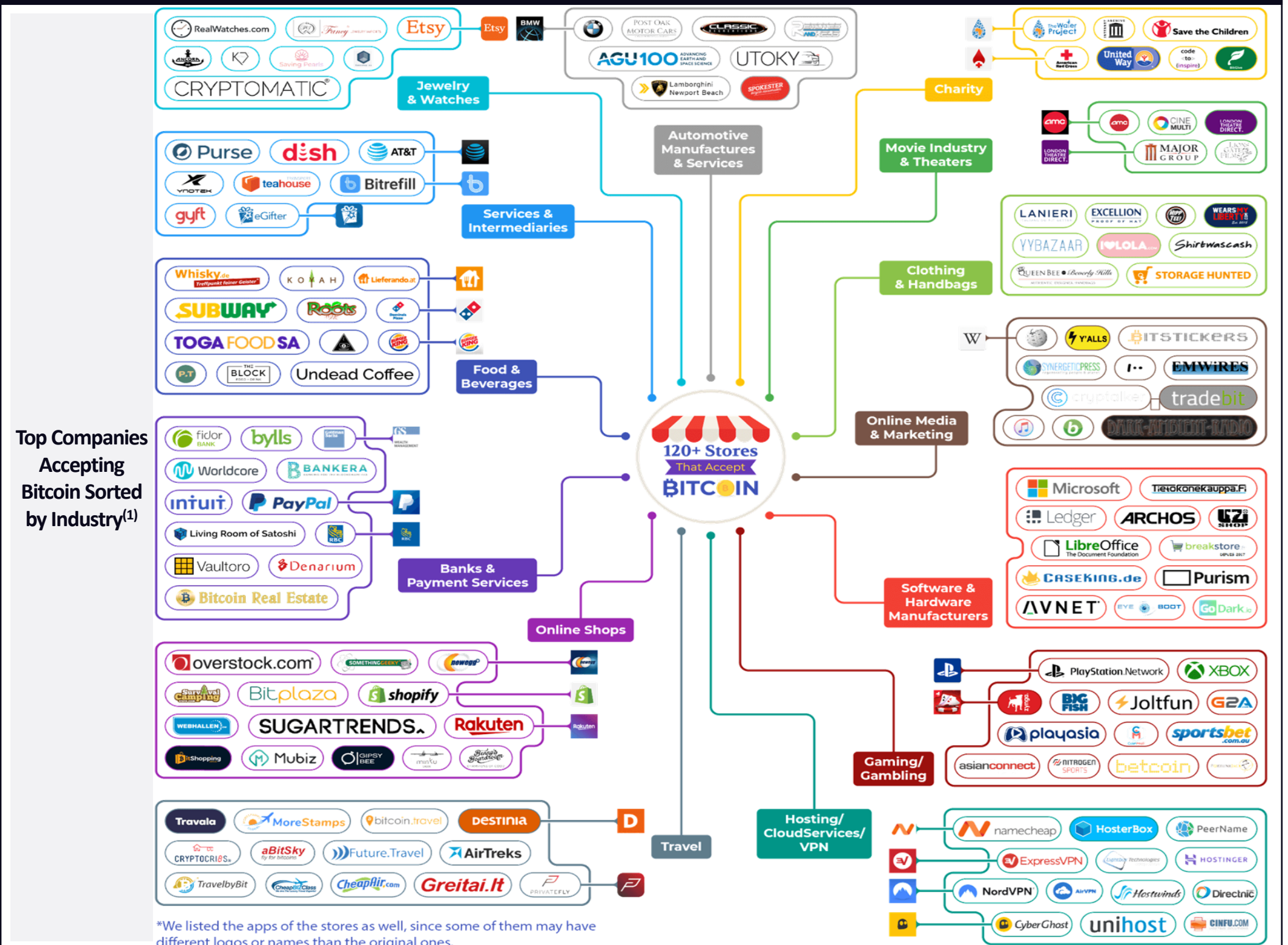


\$833 billion

Crypto exchange volumes in the first Month of 2022

Source: The Block

Growing levels of adoption among businesses for payment and different occasions

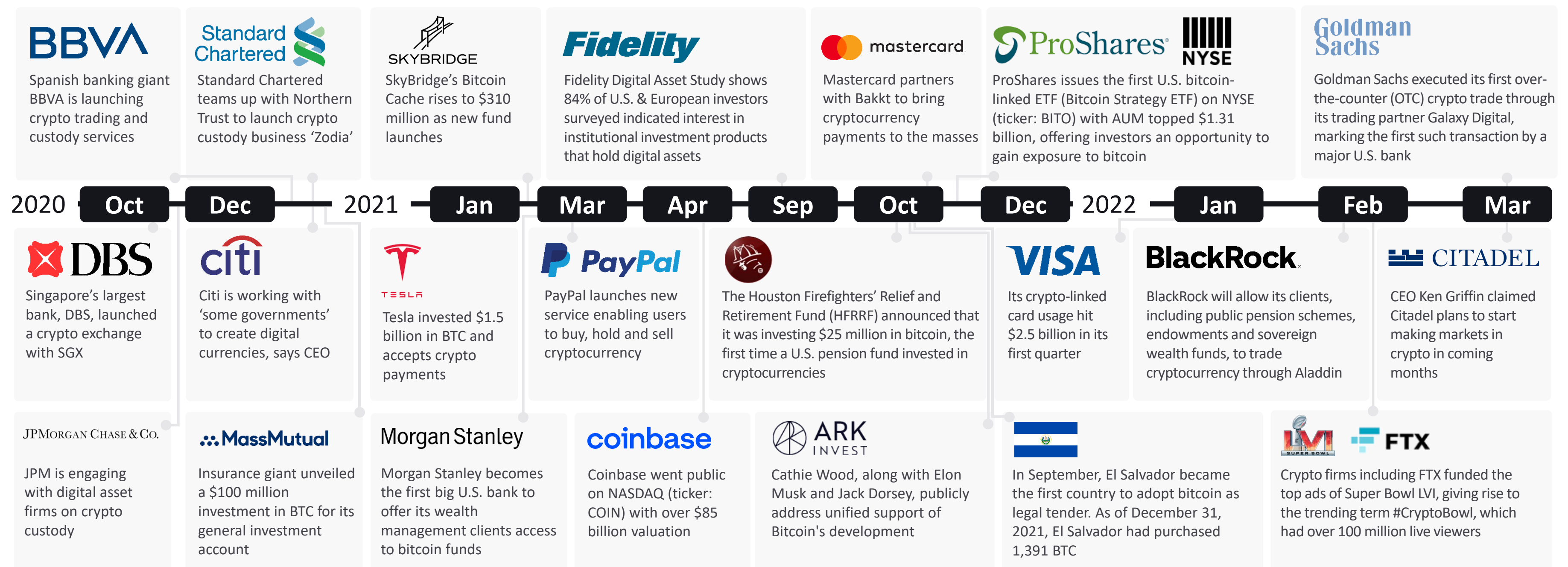


Accelerated Adoption by the Mainstream Institutions Supports Expansion of Crypto Market



2020 has been a banner year for financial service development in crypto and digital assets

The uprising industry keeps gaining powerful traction with incremental institutional inflows in 2021 and 2022



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Sources: Babel Finance Research, Coinmarketcap, Bloomberg, theBlock

Surging Interest in Crypto among Reputable Institutional Investors; Performance Optimization with Crypto Added in Portfolio Allocation

Multiple surveys indicated more investors are already invested or interested in investing in crypto



More than **70%** of investors surveyed currently investing in digital assets, including **HNWIs and family offices**
-----quoted from Sep 2021 report



Almost **50% family offices** globally indicated they may be **interested in initiating exposure to cryptocurrencies in the future**
-----quoted from July 2021 report



Has allowed **all of its wealth management clients to access crypto via funds**
-----from May 2021 report



Square, NYSE listed payment company, **owned 8027 bitcoins** according to filed 2021 Q1 report



Invested **\$100mn in bitcoin** (estimated over 4,000BTC) and **\$5mn in NYDIG**. NYDIG is the Bitcoin subsidiary of Stone Ridge, with \$2.3bn AUM
-----quoted from Dec 2020 news



Ray Dalio
Founder of Bridgewater

"I have some bitcoin."; **"Personally, I'd rather have bitcoin than a bond"** in an inflationary scenario, said during an interview on May 6, 2021



Ka-Shing Li
Total Net Worth Ranking #1 in HK

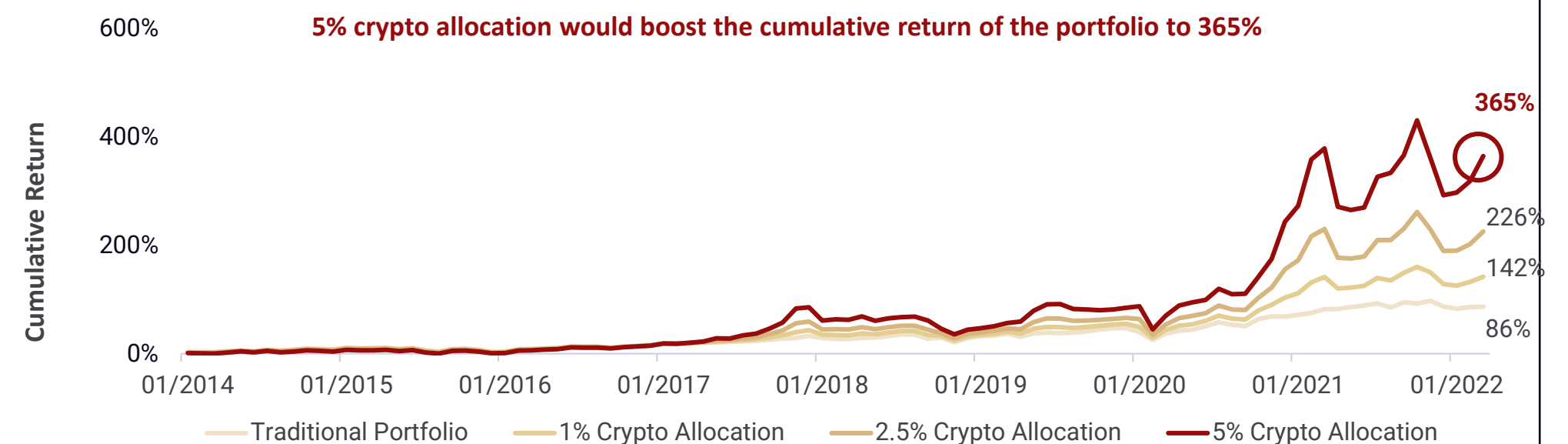
Owned **100mn HKD worth of BTC** in 2014 and **invested in crypto companies** like BitPay and Blockstream via his VC, Horizons Ventures, in 2013 and 2016⁽¹⁾

Better return along with low correlation and decreasing volatility make crypto a perfect diversification allocation

Cumulative returns are remarkably higher when adding crypto into portfolio allocation

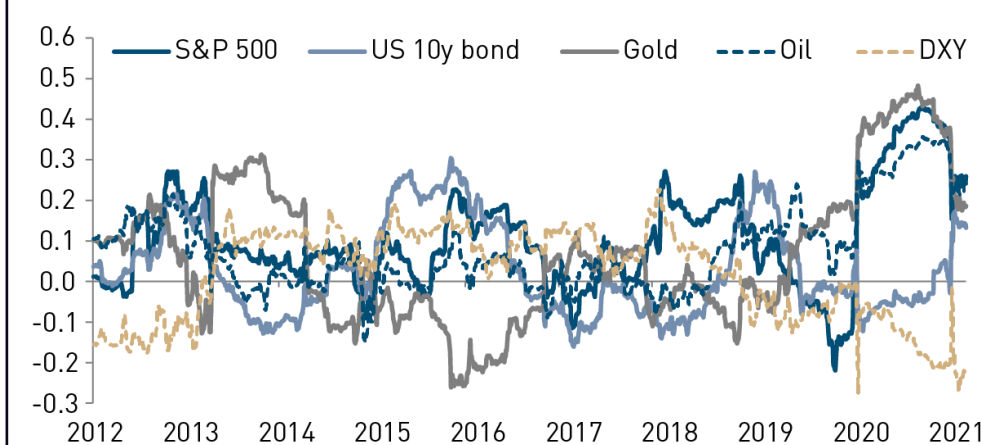
Adding BTC into Traditional 60/40 Portfolio

5% crypto allocation would boost the cumulative return of the portfolio to 365%



Low and unstable correlations between other assets

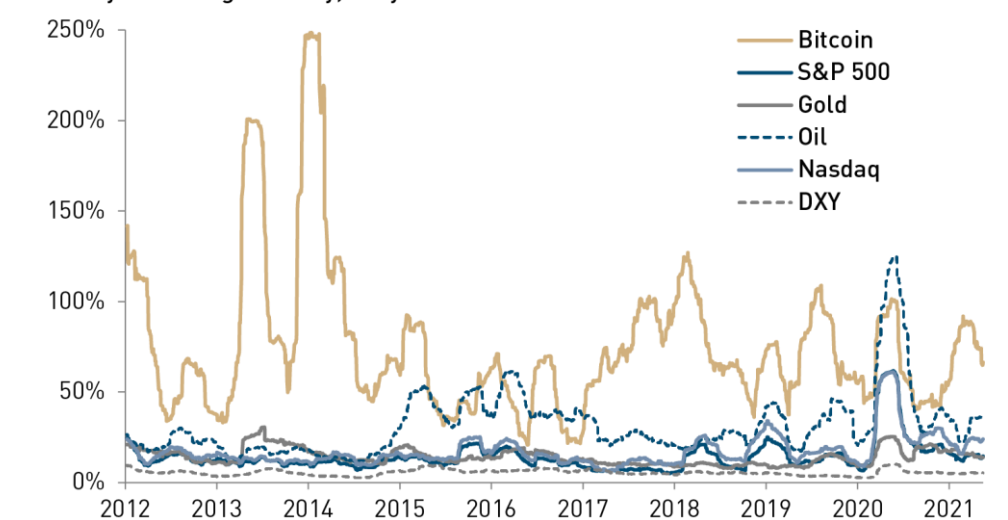
One-year rolling correlation, weekly changes



Source: Bloomberg, Goldman Sachs GIR

Overall decreasing volatility with interim spikes

One-year rolling volatility, daily returns



Source: Bloomberg, Goldman Sachs GIR

PART

02

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Babel Finance – Established Global Crypto Network with Excelling Business Lines to Lead the Industry at Scale



Key Figures ⁽¹⁾

Monthly Derivatives Volume
Worldwide Top 2

\$9,000M

Outstanding Crypto Financing
Asia's Top 1

\$2,800M

Crypto Asset Management
Asia's Top 5

\$1,500M

Institutional and HNWI
Clients⁽²⁾

#500+

Average Account Size
Pure Institution-focused

\$15M

Key Business

Babel Lend TM
Largest Crypto Lender in Asia Driven by Best Industry Practices

Babel Invest TM
Innovative Asset Management Products from Largest Crypto Options Trading Volume

Babel Prime TM
Deepest Liquidity and Optimal Pricing for Prime Financing Solutions

Babel Trade TM
Catering to Crypto Affluents' Needs for Trading Valuable Assets

Selected Partners

100+

Exchanges /
Trading Firms

50+

Wallets /
Custodians

150+

Mining Pools /
Mining Farms /
Mining Funds

50+

Lending Desks
/ Brokers

Notes:
(1) As of September 2021
(2) As of June 2021

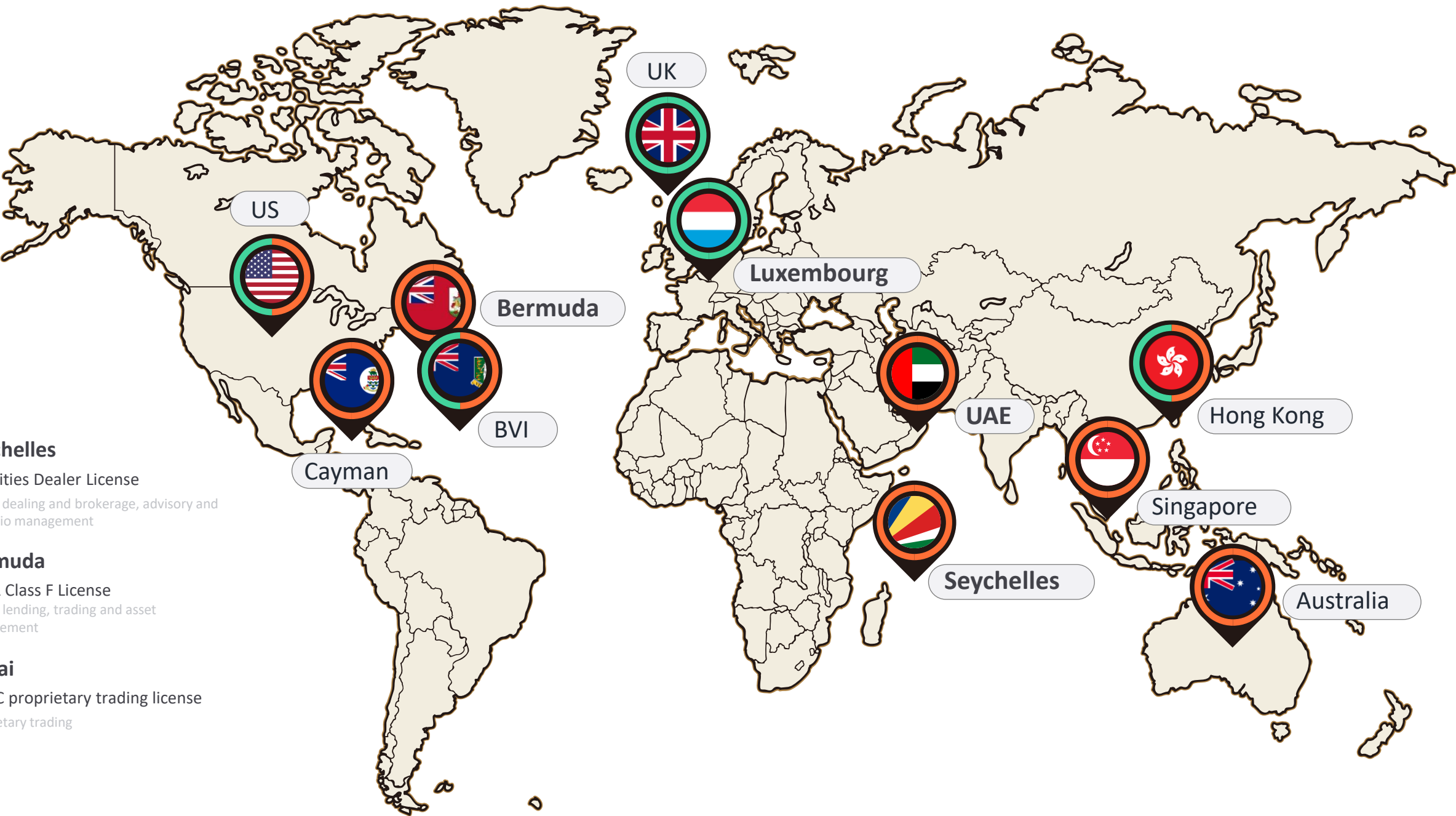
As we continuously focus on compliance excellence, we have been obtaining licenses of strategic importance to our businesses globally

In effect

- **Hong Kong**
Money Lender License
Lending services
Trust Service Provider (TCSP) License
Crypto custody services
Type 4 and Type 9 Licenses
Asset management with crypto allocation
- **U.S.**
MSB Registration
Lending and trading services
- **BVI**
Approved Manager License
Asset management
- **Luxembourg**
AIFM
Asset management
- **United Kingdom**
API License
Fiat-related payments and transactions

In progress

- **Hong Kong**
Type 4 and Type 9 (VASP) Licenses
Crypto asset management
MSO License
Fiat-related payments and transactions
- **Singapore**
PSA License
Crypto payment services
LFMC License
Asset management
- **U.S.**
Money Transmitter License
Payments and crypto-fiat exchange
- **Australia**
DCE registration and AUSTRAC enrolment
Crypto exchange activities
AFSL
Crypto dealing and market making
ACL
Crypto credit lending activities
- **BVI**
Cat 1 and Cat 2 SIBA license
Dealing in investments and Arranging deals in investments
- **Cayman**
VASP License
Crypto custody services
- **Seychelles**
Securities Dealer License
Crypto dealing and brokerage, advisory and portfolio management
- **Bermuda**
DABA Class F License
Crypto lending, trading and asset management
- **Dubai**
DMCC proprietary trading license
Proprietary trading



Stringent Custody Model to Safeguard Clients' Assets with Comprehensive Coverage



Self Custody	Top Tier Exchanges	3 rd Party Custody Provider
<ul style="list-style-type: none">Multi-sig custody solution with maximum security conduct; 0 case of incidents since establishment in 2018	<ul style="list-style-type: none">Babel is a global top derivative taker since Dec 2019, representing 10% flow on Deribit and 50% flow on Bit.com among others	<ul style="list-style-type: none">Using Fireblocks as our main custody provider (More details below)

Babel uses Fireblocks for wallet management security

Insurance Coverage

\$45M

- Provided by leading insurance companies that are A.M. Bests rates “A” (excellent)
- A broad scope of coverage for Technology, Cyber and Professional Liability

Applicable events that could lead to a theft of cryptocurrency or cryptographic information ⁽¹⁾
Cyber Breach including the theft or unauthorized disclosure of Protected Information
Malicious or criminal acts of employees (exception for the executives – CEO/COO/CTO)
Cyber Extortion
Loss of Data Assets
Failure of any of our third-party providers
Technology Errors
Technology Products Failure
Technology Professional Liability
Professional Liability

About Fireblocks

Fireblocks

Fireblocks is an all-in-one platform to store, transfer, and issue digital assets across your entire ecosystem.

Transacted Volume

\$1 TRILLION IN DIGITAL ASSETS SECURELY TRANSFERRED

Wide Adoption by Industry Leaders

BlockFills

GALAXY DIGITAL

akuna capital

Ledger Prime

Genesis

WOORTON LIQUIDITY PROVIDER

PARAFI CAPITAL

ENIGMA

B2C2

Notes:
(1) The following coverage could be excluded if the loss is a result of an intentional misrepresentation to the insurance companies in procuring the coverage or for fraud committed by the executive officers of Fireblocks.

PART

03

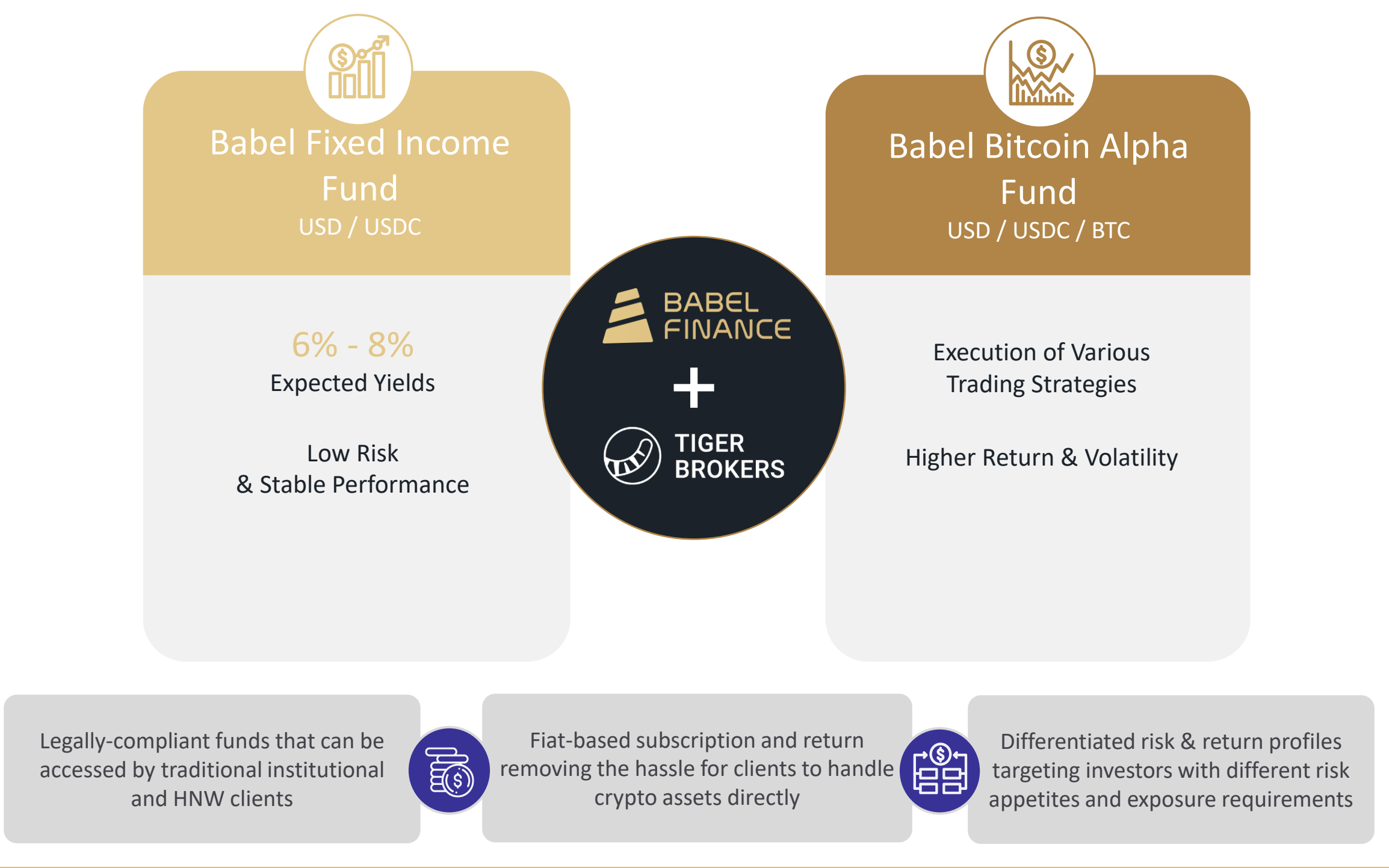
- 01. Crypto Primer: A New Asset Class
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Babel Fixed Income Fund & Bitcoin Alpha Fund

Bridging Crypto World to Traditional Investors by Offering Fiat-based Subscription and Return



Teaming up with Tiger Brokers to bringing yields and returns only available in the crypto world to more traditional investors



Team Information

Investment Team

- Allen Wang, Head of Trading, over 10 years of experience in the traditional financial industry with in-depth understanding of asset management, derivative trading, and quantitative analysis. Prior to joining the industry, Allen managed over 2 billion USD in assets.
- Babel's trading team - consisting of experienced former Wall Street traders and quant analysts from industry leaders of JP Morgan and Deutsche Bank - are widely recognized as one of the most influential trading teams on the street. Collectively, the team is responsible for more than 10% of global total option volume.

Professional Background



Service Providers

Gemini Trust Company LLC Custodian	Deltec / Silvergate Bank
Simmons & Simmons Hong Kong Council	Maples Group Offshore Council
Ascent Fund Services Administrator	Cohen & Co International ⁽⁴⁾ Auditor

Babel Bitcoin Alpha Fund

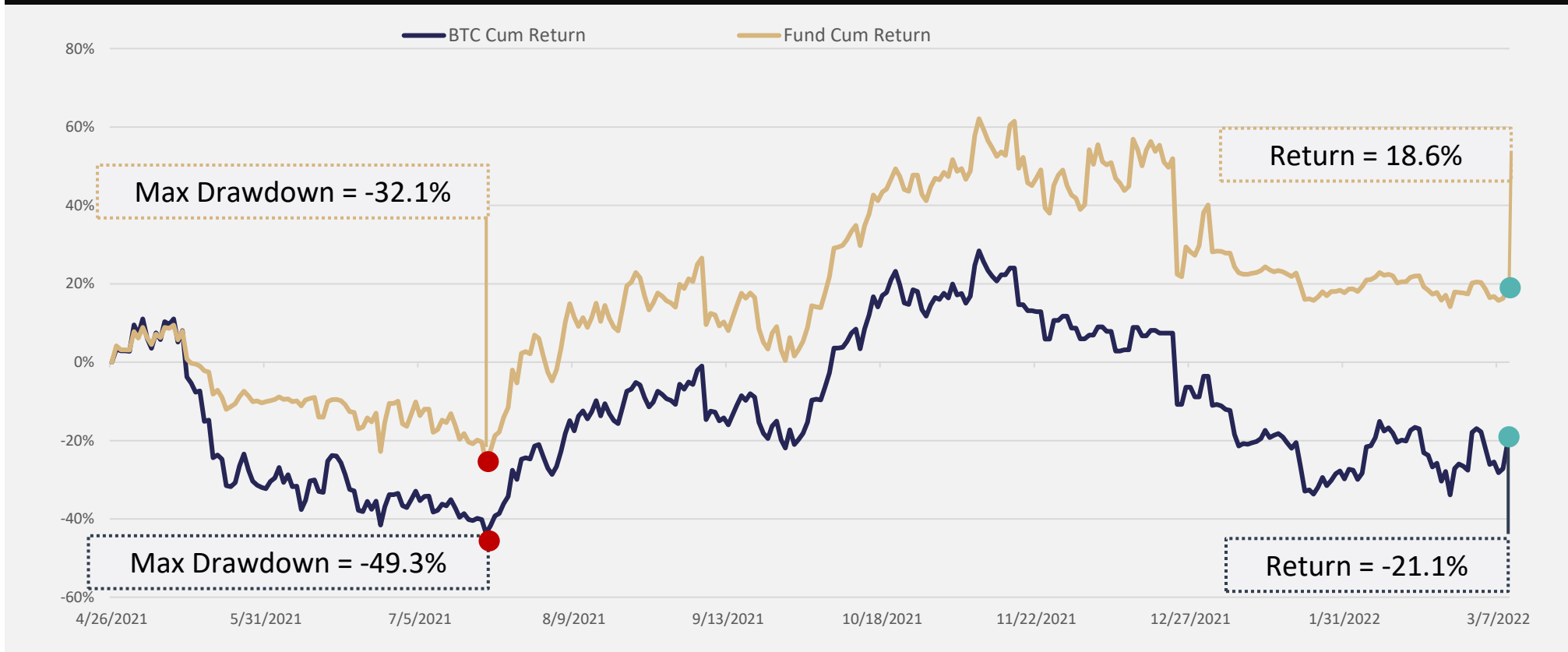
Consistent Alpha Through Nimble Discretionary Strategies



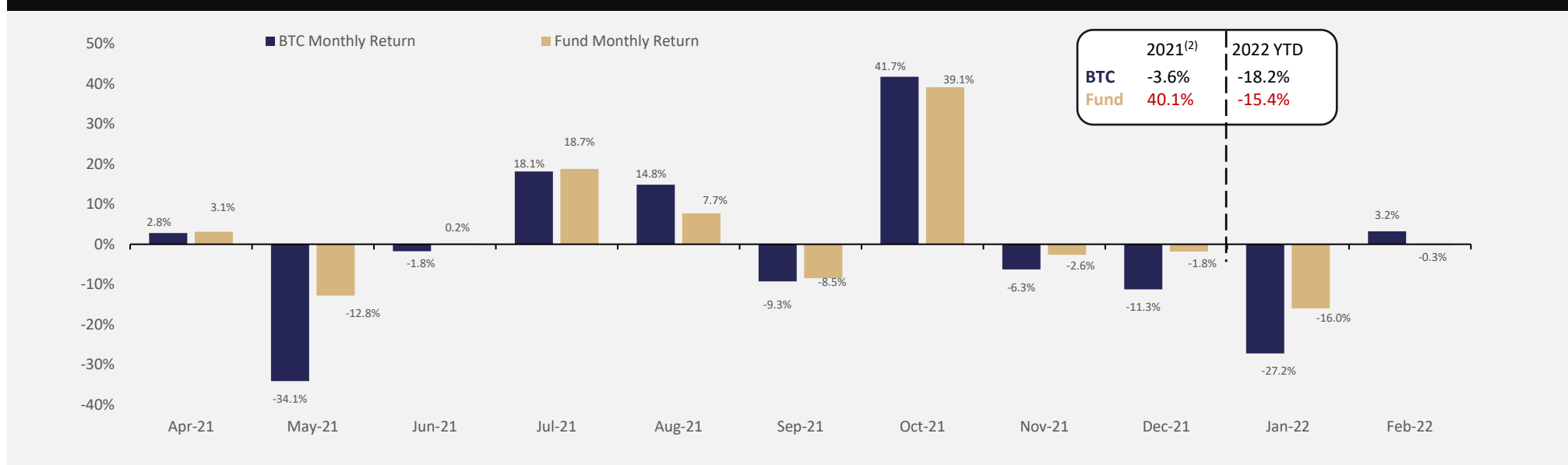
Investment Objective

The investment objective of Babel Bitcoin Alpha Fund is to generate consistent alpha in BTC terms by utilizing multiple positions of BTC spot, options, and futures.

Babel Bitcoin Alpha Fund cumulative performance vs. BTC



Effective Downside Protection to Enhance Risk-Return



Fund Information

Investment Strategy

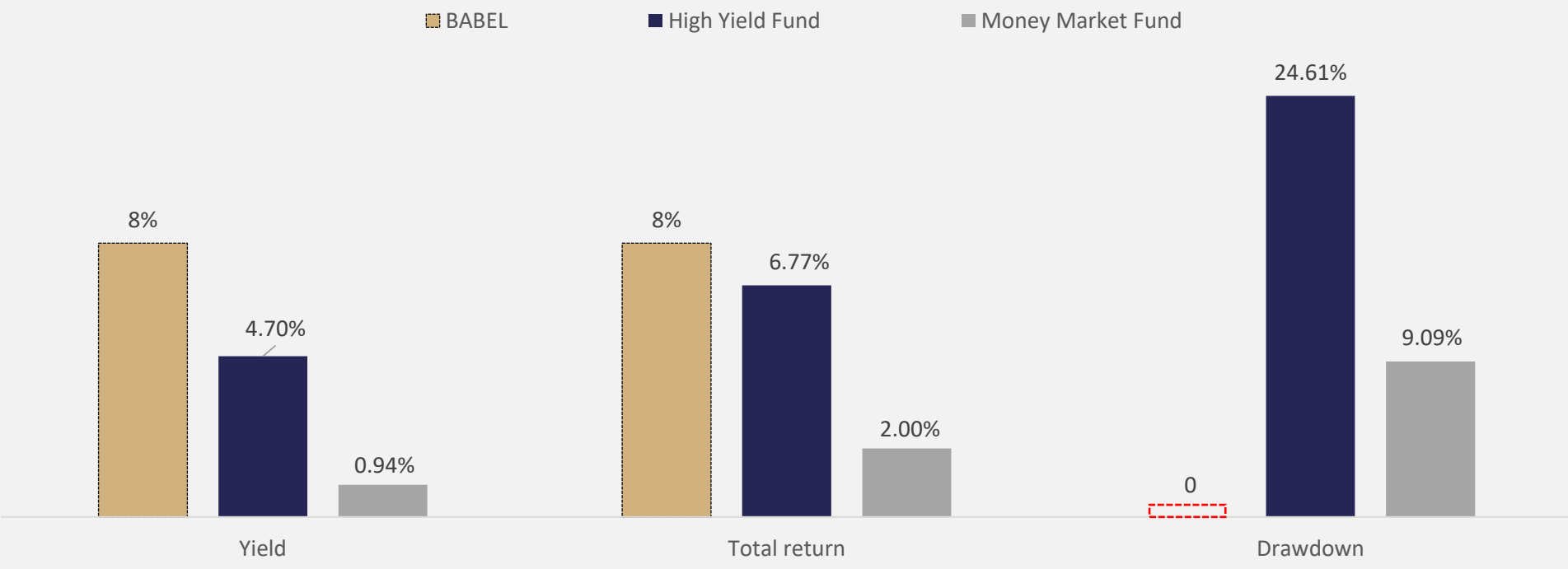
- Alpha is generated from BTC derivatives market through systematic strategies including volatility trading, DDH and calendar spread arbitrage.

Product	BABEL BITCOIN ALPHA FUND
Fund Structure	Cayman Islands Segregated Portfolio Company (SPC)
Subscription Currency	USD / USDC / BTC
Status	Open-ended
Redemption Frequency	Monthly
Min Subscription	Initial Investment: \$100,000 Subsequent Investment: \$50,000
NAV Calculation	Monthly NAV Denominated in USD
Risk Level	Mid
Subscription Fee	Waived
Redemption Fee	Within 90 days: 5% Thereafter: Waived
Management Fee	2% p.a.
Performance Fee	20% on Total Performance with High Water Mark
Lock-up Period	90 Days

Investment Objective

To provide competitive fixed income return with flexible tenors through exposure to digital assets


Babel Fund Offers More Attractive Yield than Other Fixed Income Products



Metric	BABEL	High Yield Fund	Money Market Fund
Yield	8%	4.70%	0.94%
Total return	8%	6.77%	2.00%
Drawdown	0	24.61%	9.09%

High Stable Income by Utilizing Digital Assets

- The Fund looks to channels liquidity to crypto institutions in an overcollateralized way with prudent and extensive risk management



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graph TD; Investors --> Babel[BABEL FINANCE]; Babel --> Crypto[Crypto Institutions]; Babel --- Risk1[Leading Crypto Money Market Dealing Capabilities and Track Record]; Babel --- Risk2[Over-collateralization (1) Protection with Stringent In-Advance Due Diligence]; Babel --- Risk3[Unparallel Derivatives Expertise to Hedge against Market and Liquidity Risks]; Risk1 --> Outcome1["$3,400M Asia Top 1 Crypto Loan Book"]; Risk2 --> Outcome2["50-65% Loan-to-Value Ratio"]; Risk3 --> Outcome3["$9,000M Monthly Option Volume Global Top 2"];
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Fund Information	
<ul style="list-style-type: none">Attractive high yield fixed income backed by Babel’s proprietary capital with competitive interest rates at 8% p.a.Stringent risk assessment will involve consistent monitoring counterparties’ risk management procedures including their over-collateralization and margin management policies.	
Product	BABEL FIXED INCOME FUND
Fund Structure	Cayman Islands Segregated Portfolio Company (SPC)
Subscription Currency	USD / USDC
Status	Open-ended
Redemption Frequency	Monthly
Min Subscription	Initial Investment: \$100,000 Subsequent Investment: \$50,000
NAV Calculation	Weekly NAV Denominated in USD
Risk Level	Low
Subscription Fee	Waived
Redemption Fee	Within 1-30 Days: 2% Within 31-60 Days: 1% Thereafter: Waived
Management Fee	1% p.a.
Lock-up Period	60 Days

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