



Security Token Offering

A FUNDAMENTAL SYSTEMATIC APPROACH



DISCLOSURE

This document is distributed solely for information purposes on a confidential basis by Cayler Capital LLC to the recipient(s). The document contains proprietary information and should not be distributed, reproduced, transmitted, disseminated or otherwise used in whole or in part by such person(s) without the prior written consent of Cayler Capital LLC. The document does not constitute an offer to sell or provide, or a solicitation of an offer to buy or provide, interests in any pooled investment vehicle managed or advised by Cayler Capital LLC, any investment advisory services, or any other securities. The document contains information that we believe to be accurate; however, no representation or warranty is made, whether expressed or implied, regarding the accuracy or completeness of such information.

This document is a summary and does not contain all the information necessary to evaluate any transaction or investment and the recipient(s) should not rely on the contents of this document for those purposes. Any investment decision should be based solely upon appropriate due diligence and, if applicable, upon receipt and careful review of the information brochure or prospectus. To the extent that statements made in this document summarize provisions of the information brochure ("IB") or governing documents for an investment program (collectively, the "Program Documents"), they are qualified in their entirety by the terms of such Documents. In the event that information included herein is inconsistent or contrary to descriptions in or terms of the Documents, the Documents will control. The information set forth herein is current only as of the date set forth on the cover page. An investment in any security, including the securities described herein, involves a high degree of risk (including the risk of loss of any capital invested). Past performance is not indicative of future performance. Any investor who subscribes, or proposes to subscribe, for an investment in a program must: 1) Be able to bear the risks involved and 2) must meet the program's suitability requirements. Investments in a program may not be suitable for certain investors. There is no assurance that the investment objective discussed herein will be achieved and investment results may vary substantially on a monthly, quarterly, annual or other periodic basis.

This document includes forward-looking statements that represent our opinions, expectations, beliefs, intentions, estimates or strategies regarding the future, which may not be realized. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "will," "should," "seek," "think," and similar expressions. The forward-looking statements reflect our views and assumptions with respect to future events as of the date of this document and are subject to risks and uncertainties. Such risks and uncertainties include, but are not limited to, loss of capital, limited liquidity and lack of investment history. Additional information regarding these and other risk factors are available in the program's information brochure. Actual and future results and trends could differ materially from those described by such statements due to various factors, including those beyond our ability to control or predict. Given these uncertainties, you should not place undue reliance on the forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Information provided herein, including without limitation, the investment strategy, process and parameters may be changed, modified, terminated or supplemented at any time without notice. Recipients of this document should neither treat nor rely on the contents of this document as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers.

Past performance is not indicative of future performance. Any investor who subscribes, or proposes to subscribe, for an investment in a program must: 1) Be able to bear the risks involved and 2) must meet the program's suitability requirements. Investments in a program may not be suitable for certain investors. There is no assurance that the investment objective discussed herein will be achieved and investment results may vary substantially on a monthly, quarterly, annual or other periodic basis.

The following page contains a monthly breakdown of returns by the Relative Value and Oil Directional components of the main program. These are not compounded and only represent a month by month breakdown of the returns. These monthly returns take into account fees and all related charges. For every month the two results will always equal the verified returns of Systematic Energy Diversified. Annual returns for these components are the total sum of the monthly returns and may deviate from the actual verified returns of the Systematic Energy Diversified program.

[CAYLER CAPITAL ENERGY PROGRAM IS ONLY AVAILABLE TO QUALIFIED ELIGIBLE PERSONS \("QEP"\), AS THAT TERM IS DEFINED BY CFTC REGULATION 4.7](#)



EXECUTIVE SUMMARY

Cayler Capital LLC is selling 20% of the company for \$5 million via security tokens

Token Name: CAYCAP

Minimum Investment: \$25,000 (\$1 initial token value)

Blockchain Utilized: Algorand

Investable via Securitize Markets

www.securitizemarkets.io

Secondary trading in the token will be offered following a one year holding period.

Cash distributions will be made annually from the following revenue verticals:

- Management Fees – Blended rate of 0.75%
- Incentive Fees – Blended rate of 20.6%
- Levered Investment in Investment Program - \$4m of total proceeds will be re-invested at a levered rate. All profits generated off this will be treated as a 0/0 fee program and distributed annually
- Consulting Fees - \$430,000 in fees generated from oil consulting in 2021.
- Partnerships – Launched offshore Cayman fund (SPC) with Arion Investment that Cayler Capital has a 50% fee share

REVENUE STREAMS

Management Fees

- Average Management Fee is 0.75% on assets
 - \$500m Target Fund = \$3.5m
- All management fees received cover overhead of roughly \$65k
- Portfolio Manager receives \$0 salary, only paid on equity distributions

Incentive Fees

- Average Incentive Fee of 20.6% on assets
- \$500m Target Fund with 15% = \$15m revenue
- Compounded Annual Rate of Return +14.84%

Partnerships

- Launched offshore Cayman Fund this year with Arion Investment Management that will trade pari passu to Cayler Energy Program
- 50/50 fee share with Arion Investment Management on assets in this fund

Consulting Fees

- Advise high net worth clients on oil trading strategies
- Generated over \$400k in revenue the first year we began offering this service

Levered Investment

- \$4m of the \$5m raised will be re-invested back into the Cayler Energy Program
- Margin to Equity Average is less than 6% since inception
- Leverage ratio will vary between 1x and 4x

New Programs

- Plans to launch a relative value systematic oil program in the Fourth Quarter 2021
- BTC/ETH algorithmic fund with target launch of late 2022

THE MANAGER - BRENT BELOTE

JP MORGAN – VICE PRESIDENT

Oil Product Derivatives Trader – 2012 to 2016

- Ran the Oil Product Derivatives book for North America
- Traded a macro prop portfolio comprised of currencies, metals, grains, and energy futures & options
- Spearheaded sales growth by identifying lost market share, building a plan to suit each company, and re-engaging them with JPM Business
- Created and executed complex refinery margin hedging strategies using swaps and options including Jet 3-Ways, Collars, Extendables, and Margin options
- Managed a complex risk portfolio of oil derivatives in the Heating Oil, Gasoline, WTI, and Brent Markets

Crude Oil Derivatives Trader – 2009 to 2012

- Ran the WTI and Brent flow trading book for North America
- Traded volatility and flat price across the WTI, Brent, and Dated Brent curves
- Made markets on forward curve prices for consumers and producers on the Brent and WTI Crude forward curve
- Identified macro trading strategies and opportunities in the crude complex and volatility markets

NEW YORK UNIVERSITY – Leonard N. Stern School of Business

Masters of Business Administration, May 2009 with specialization in Quantitative Finance, Strategy, and Entrepreneurship

UNIVERSITY OF SOUTHERN CALIFORNIA – Leventhal School of Accounting

Bachelor of Science in Accounting, May 2005

DIVIDEND FORECAST

	2019	2020	2021	2022	2023	2024	2025	Target Fund	Max Fund Size
AUM	\$1,250,000	\$3,750,000	\$6,500,000	\$25,000,000	\$65,000,000	\$100,000,000	\$125,000,000	\$500,000,000	\$1,000,000,000
Management Fees (0.75%)	\$5,599	\$11,263	\$5,047	\$187,500	\$487,500	\$750,000	\$937,500	\$3,750,000	\$7,500,000
Incentive Fees (20.6%)*	\$1,198	\$121,600	\$5,344	\$764,260	\$1,987,076	\$3,057,040	\$3,821,300	\$15,285,200	\$30,570,400
Consulting			\$415,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Investment Returns**	\$52,110	\$223,493	\$127,575	\$2,374,400	\$2,374,400	\$2,374,400	\$2,374,400	\$2,374,400	\$2,374,400
Net Revenue	\$58,907	\$356,356	\$552,966	\$3,576,160	\$5,098,976	\$6,431,440	\$7,383,200	\$21,659,600	\$40,694,800
Expenses	(\$65,000)	(\$65,000)	(\$65,000)	(\$195,000)	(\$195,000)	(\$195,000)	(\$195,000)	(\$195,000)	(\$195,000)
EBITDA	(\$6,093)	\$291,356	\$487,966	\$3,381,160	\$4,903,976	\$6,236,440	\$7,188,200	\$21,464,600	\$40,499,800
Distributions (20%)				\$676,232	\$980,795	\$1,247,288	\$1,437,640	\$4,292,920	\$8,099,960
Annual Dividend				14%	20%	25%	29%	86%	162%

*Incentive Fees Calculated off 3 year CAROR of Cayler Capital at 14.84% through July 2021

**Investment returns calculated off CAROR of Cayler Capital and assuming a leverage rate of 4x

***2021 Investment return figures forecasted for full year

SYSTEMATIC ENERGY DIVERSIFIED - PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	(3.67)	+2.64	(0.92)	+6.47	+6.37	(1.11)	(1.02)	(5.59)	+3.99	+3.54	(0.77)	(2.38)	+6.97
2020	+7.15	(3.60)	+14.94	+10.39	+3.55	+1.03	(1.82)	(1.08)	+1.72	(8.81)	+0.22	(0.28)	+23.44
2021	+3.15	+7.02	(2.67)	(7.51)	+1.68	+3.75	+3.27						+8.26

KEY REASONS TO INVEST

- Niche strategy – under invested opportunity for most investors
- Uncorrelated to S&P 500 – (0.20) and HFR Macro CTA Index 0.01
- Daily liquidity – No lockup period and high water mark
- Low margin requirements – Average margin usage is under 10%
- Strong alignment of interests – Significant capital invested by the principal
- Six siloed algorithms offer diversification and uncorrelated investing within the portfolio
- Diversification – 70% of VaR is relative value based with gasoline and heating oil cracks
- Commodity investing offers an inflationary hedge

CAROR	14.84
ANNUALIZED VOLATILITY	17.51
SHARPE (0%)	0.82
MAXIMUM DRAW DOWN	-10.35%
MARGIN/EQUITY	6.50%
HIGHWATER MARK	YES
AVERAGE HOLDING PERIOD	7 DAYS
TRADER PER \$1M	5,500
CORREL. TO S&P 500	(0.11)
AUM (in M)	\$5.75
MINIMUM INVESTMENT	\$250,000
FEE STRUCTURE	1 & 20
NFA ID	0497673

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. TRADING COMMODITY FUTURES AND OPTIONS IS SPECULATIVE, INVOLVES RISK, AND IS NOT SUITABLE FOR ALL INVESTORS. CAYLER CAPITAL ENERGY PROGRAM IS ONLY AVAILABLE TO QUALIFIED ELIGIBLE PERSONS (“QEP”), AS THAT TERM IS DEFINED BY CFTC REGULATION 4.7

SYSTEMATIC STRATEGY

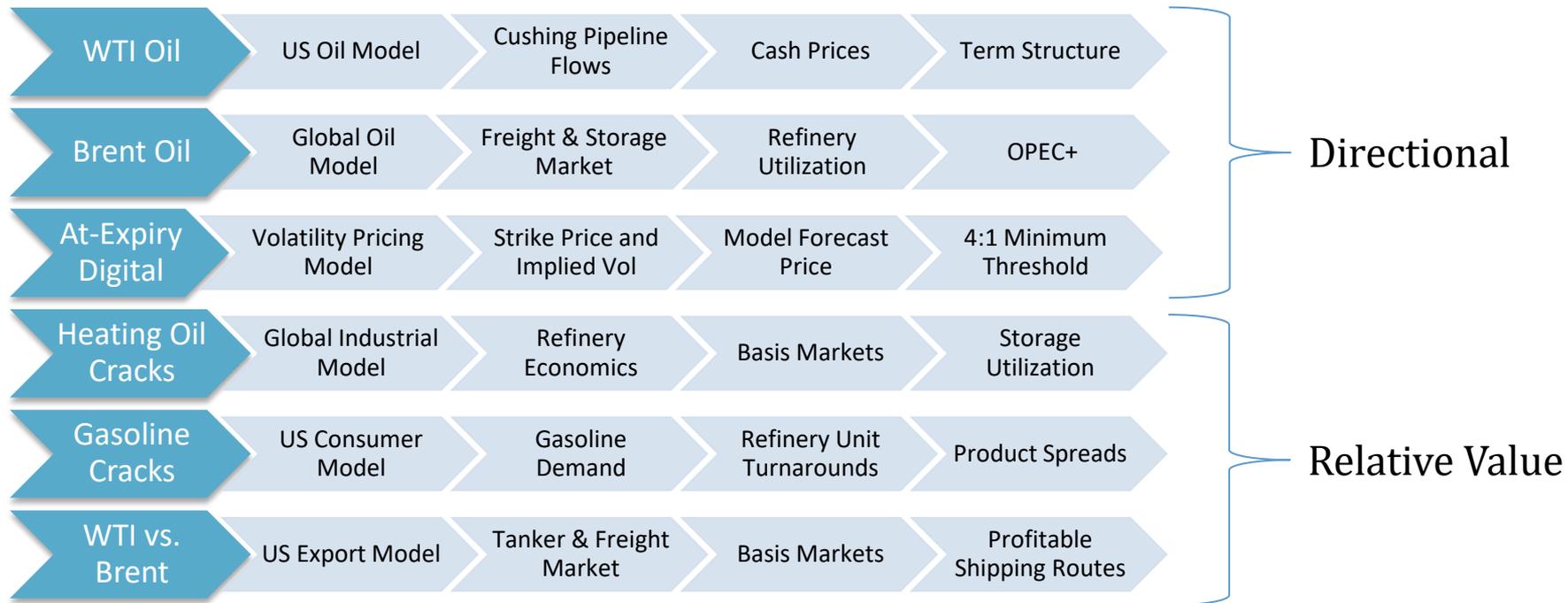
Fundamental Data Algorithms

- Fundamental data inputs create a truly one of a kind portfolio.
- Six Algorithms Focus on Global Fundamentals of Energy Market
 - WTI, Brent, Heating Oil Cracks, RBOB Cracks, WTI/BRT Differential, and WTI volatility
- Inputs pull from EIA, IEA, Genscape, DOE, Commitment of Trader reports, JODI, and Bloomberg
- Inputs include refinery production models, physical oil movements around the world, field level oil production and forecasts, demand forecasts, refinery turnarounds, and the term structure of the market

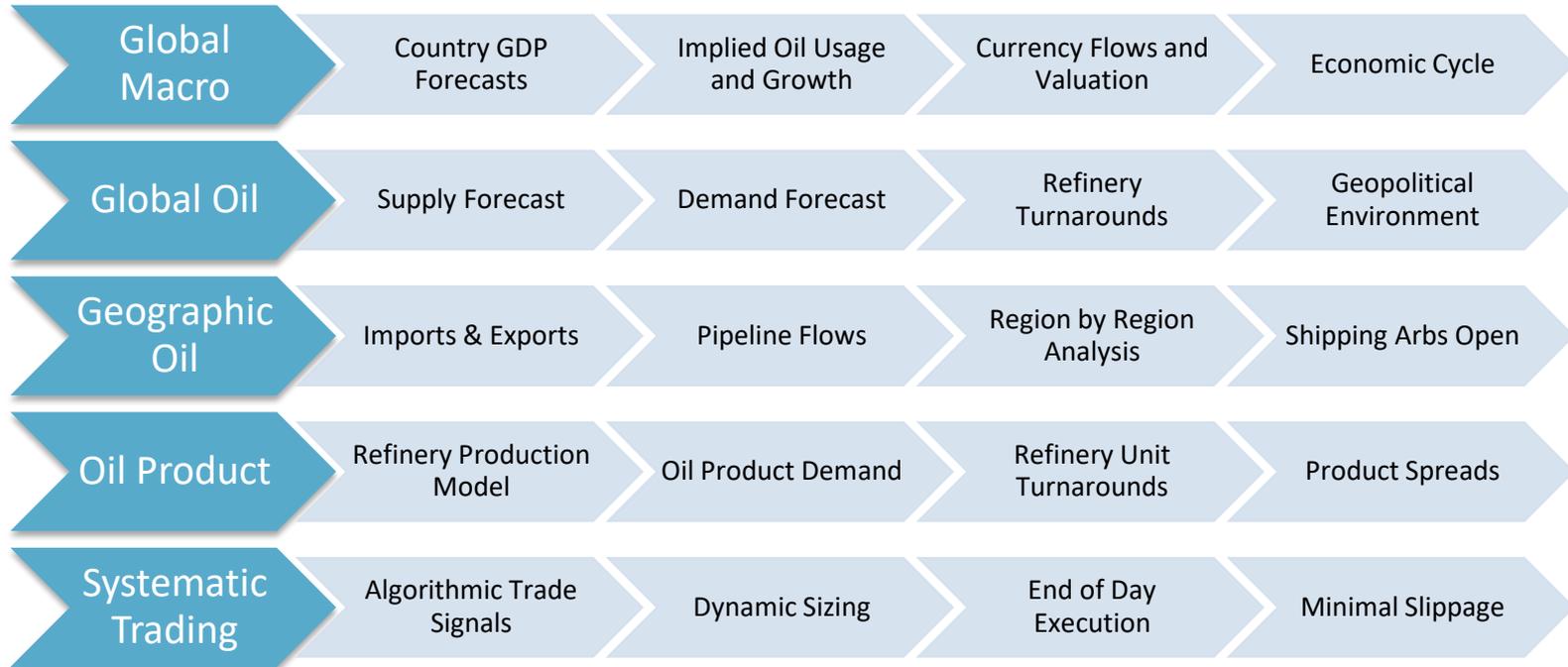
The Difference

- Does not use momentum indicators, RSI, stochastics, MACD, moving averages, or any other backward looking indicators
- Avoids correlation to other systematic strategies because the inputs are completely different
- Each algorithm gives a signal based on the fundamentals of that specific market
- End of day execution, no price slippage
- Program capacity of greater than \$1B based on product volume TAS and closing volume

ALGORITHM INPUTS



TOP DOWN PROCESS



SUMMARY OF TERMS

Structure	Security Token Offering via Securitize Markets
Capital Contributions	Monthly
Liquidity	Daily – Following one year lockup
Fees	No fees, you are an equity partner
Minimum Investment	\$25,000
Reporting	Monthly performance reporting Daily Trade Statements Annual Dividend Reports

CONTACT

Brent Belote
Cayler Capital LLC

PO Box 6428
Jackson, WY 83002

Tel: 323-632-6380

Brent@CaylerCapital.com

