

# YieldBridge SPV – Business Model & Financial Forecasting Assumptions

## Overview

YieldBridge is a private digital asset income vehicle designed to generate ongoing income through long-term ownership of blockchain-based protocols.

The vehicle pools capital from accredited investors and deploys that capital into selected digital asset protocols that generate recurring yield through:

- Governance participation
- Voting incentives
- Protocol fee participation
- Staking rewards
- Liquidity incentives
- Other approved digital asset income strategies

The strategy is intentionally long duration.

Positions are generally intended to be permanent holdings and may remain locked indefinitely in order to maximize income generation.

The primary objective of the vehicle is:

**Generate recurring income from protocol participation while maintaining long-term exposure to the underlying digital assets.**

Asset appreciation is considered a secondary source of return.

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## Portfolio Construction

The portfolio is expected to consist primarily of:

- Aerodrome (AERO)
- Hydrex

Management maintains discretion regarding allocation percentages based on:

- Risk
- Expected yield
- Protocol fundamentals
- Governance opportunities
- Market conditions

The model should assume allocations can change over time.

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## Investor Experience

Investors:

- Invest into the pooled vehicle
- Subscribe at current NAV
- Participate in future income generation
- Participate in future NAV appreciation
- Receive regular income distributions

Yield is **not reinvested**.

Yield is distributed regularly (currently modeled monthly).

There are:

- No accrued rewards
- No undistributed emissions
- No retained yield balances

This simplifies accounting and equalization.

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## Yield Assumptions

The vehicle's primary source of return is protocol-generated yield.

For forecasting purposes:

### **Conservative Scenario**

20% APY

## Base Case

27.5% APY

## Aggressive Scenario

35% APY

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The APY assumptions should be modeled as:

- Gross yield generated by the protocols
  - Before management participation
  - Before management and technology fees
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# Revenue Model

YieldBridge generates revenue through four separate streams.

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## 1. Yield Participation

Management receives:

**25% of all generated yield**

This is the largest expected revenue source.

Example:

If:

AUM = \$10,000,000

Gross Yield = 30%

Total Yield Generated:

\$3,000,000

Management Yield Participation:

25%

Management Revenue:

\$750,000

Investor Yield:

\$2,250,000

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## 2. Management Fee

Management receives:

**1% annually based on AUM**

Purpose:

- Portfolio management
  - Operations
  - Governance participation
  - Compliance
  - Administration
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Example:

AUM:

\$10,000,000

Management Fee:

1%

Revenue:

\$100,000 annually

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### 3. Technology & Infrastructure Fee

Management receives:

**1% annually based on AUM**

Purpose:

- Infrastructure
  - Analytics
  - Monitoring
  - Security
  - Reporting
  - Protocol operations
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Example:

AUM:

\$10,000,000

Technology Fee:

1%

Revenue:

\$100,000 annually

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### 4. Capital Appreciation Participation

Management receives:

**10% of net realized capital appreciation**

Important:

This only applies if gains are realized.

Management receives:

- No participation in unrealized gains

- No participation in principal
  - No participation in losses
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This revenue stream should be treated as:

- Event-driven
- Irregular
- Highly variable

and should probably be modeled separately from recurring operating revenue.

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## Investor Economics

Investors participate in two separate return streams.

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### Income

Generated by protocol participation.

Distribution:

- 75% Investors
- 25% Management

Distributed regularly.

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### Asset Appreciation

Investors participate in:

- 90% of realized gains

Management participates in:

- 10% of realized gains

Only upon realization.

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## NAV Mechanics

Investors subscribe:

- Monthly
- At current NAV

New investor capital:

- Enters the vehicle
- Is deployed into additional protocol positions
- Participates only in future income generation

Investors do not receive:

- Prior yield
- Prior distributions
- Prior appreciation

Yield is distributed monthly and does not accumulate inside the vehicle.

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## Financial Forecasting Scenarios Requested

Please model the following:

### AUM Levels

- \$5M
- \$10M
- \$25M
- \$50M
- \$100M
- \$250M
- \$500M

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## Gross Yield Scenarios

- 20%
- 27.5%
- 35%

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## Revenue Breakout

For each scenario calculate:

### Revenue Stream 1

Yield Participation

$25\% \times \text{Gross Yield Generated}$

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### Revenue Stream 2

Management Fee

$1\% \times \text{AUM}$

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### Revenue Stream 3

Technology Fee

$1\% \times \text{AUM}$

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### Revenue Stream 4

Capital Appreciation Participation

$10\% \times \text{Realized Gains}$

Modeled separately.

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## Output Requested

For each AUM and APY scenario provide:

1. Gross Yield Generated
  2. Investor Yield
  3. Management Yield Participation
  4. Management Fee Revenue
  5. Technology Fee Revenue
  6. Total Recurring Annual Revenue
  7. Investor Net Yield %
  8. Sensitivity analysis across APY ranges
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## Strategic Objective

The objective of YieldBridge is to build:

1. A scalable digital asset income platform
2. Predictable recurring fee revenue
3. Alignment with investor performance through yield participation
4. Long-term exposure to appreciation of the underlying protocol ecosystem

The business is designed to resemble a hybrid of:

- Private credit
- Infrastructure investing
- Royalty income vehicles
- Long-duration digital asset ownership

with recurring cash flow as the primary economic driver.