

AEQUITAS ENGINE

YIELD ORCHESTRATION ENGINE

FUND WHITEPAPER

Systematic Stablecoin *Yield*

Institutional DeFi yield orchestration — a systematic, code-driven strategy delivering risk-managed, dollar-denominated returns across established blockchain protocols. Monitored by intelligence; verified and executed by people.

MINIMUM
\$1,000,000

CLASSIFICATION
CONFIDENTIAL

AUDIENCE
VERIFIED ACCREDITED INVESTORS

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This document is confidential and is furnished solely for the information of the recipient. It is a summary for discussion purposes and does **not** constitute an offer to sell or a solicitation of an offer to buy any security. Any offering is made only to verified accredited investors, and only by means of the fund's Private Placement Memorandum and definitive legal documents, which control in all respects. The interests are **not** a bank deposit, are **not** insured, and returns are **not** guaranteed; investment involves risk, including possible loss of principal.

01 — Executive Summary

The Opportunity

The global stablecoin market has grown past **\$300 billion** in aggregate supply. Yet the vast majority of that capital sits idle — parked in wallets or earning sub-inflationary rates through traditional banking products.

Traditional institutional cash management, constrained by legacy infrastructure, typically earns **4–5%** on dollar reserves through money-market funds and Treasury instruments. Meanwhile, decentralized-finance protocols consistently generate **8–20%+** yields on the *same* underlying dollar-pegged assets — through lending spreads, liquidity-provision fees, basis differentials, and structured products. This is not speculation: these yields are produced by real economic activity — borrowing, trading, and hedging — across a market that operates around the clock. The differential persists not because the returns are illusory, but because the barriers to capturing them safely are formidable for an institution acting alone.

What Aequitas Engine Is

Aequitas Engine, LP is a systematic *stablecoin yield orchestration engine* that bridges institutional dollar liquidity to the decentralized-finance economy. It replaces the discretionary overhead of traditional asset management with a rules-based, code-driven process: opportunities are continuously monitored and scored by an intelligence layer, and every allocation is **verified and executed by people**. Capital is held in multi-signature cold-storage custody with hardware-backed signers and distributed (MPC/threshold) key generation, and the fund reports its certified book of record daily.

10–20%

TARGET NET RETURN

Per annum, net of fees — a target, not a guarantee

USD

DOLLAR-DENOMINATED

Stablecoins and USD-denominated yield tokens

Daily

CERTIFIED BOOK OF RECORD

Reconciled to the cent · automatically re-checked

FUND AT A GLANCE

FUND	Aequitas Engine, LP — Delaware Limited Partnership
GENERAL PARTNER	Steady State Management, LLC
MANAGEMENT COMPANY	Steady State Engines, Inc. (Delaware C-Corp)
STRATEGY	Systematic stablecoin yield optimization across DeFi protocols
NETWORKS	Solana · Ethereum · Base · Arbitrum · Sui · Avalanche · and more
OFFERING	Reg D Rule 506(c) · Section 3(c)(1) · verified accredited investors only
MINIMUM SUBSCRIPTION	\$1,000,000

Why This Approach

The fund is deliberately engineered around three principles that distinguish it from both traditional funds and unmanaged onchain yield:

- **Dollar-denominated.** All capital is held in USD stablecoins and USD-denominated yield tokens. The strategy is predominantly delta-neutral; any directional exposure is disclosed position-by-position in the certified book of record, never buried.
- **Human-in-the-loop.** The intelligence layer *proposes*; authorized principals *decide and execute*. No system can move fund capital autonomously — the intelligence layer never touches a private key.
- **Verifiable by construction.** A GP-certified book of record is published on a fixed cycle and re-checked every publication by a battery of automated integrity assertions, reconciled chain-true to the cent.

A Live, Verified Track Record

The strategy has run live since April 24, 2026 on the proprietary capital of an affiliate of the General Partner, under the same certified book of record the fund reports — real capital in real positions, marked and reconciled chain-true to the cent and automatically re-checked every publication cycle. Nothing in it is simulated, back-tested, or illustrative. Against a target of **10–20% net per annum**, capital is compounded through disciplined, dollar-denominated deployment while a liquid reserve is held for redemptions and tactical flexibility. Current certified performance is furnished to verified accredited investors on request, under confidentiality, alongside the underlying book of record.

"A managed path to institutional stablecoin yield — with the transparency, custody discipline, and risk controls that an institution requires, and none of the operational burden it cannot carry alone."

WHO THIS IS FOR

Banks, family offices, endowments, asset allocators, and corporate treasuries seeking enhanced, risk-managed yield on dollar-denominated reserves — investors who value a transparent, systematic process and institutional-grade controls over discretionary bets.

THE YIELD GAP, AT A GLANCE

U.S. 3-mo. Treasury bills		~4–5%
Investment-grade credit		~5–6%
DeFi stablecoin yield		~8–20%+

Illustrative annualized yield ranges on dollar-denominated capital. DeFi range reflects gross protocol yields across the fund's opportunity set; realized fund returns are net of fees and risk controls. Not a projection.

02 — Market Opportunity

The Yield Gap

Decentralized-finance protocols consistently generate 8–20%+ on dollar-pegged stablecoins through durable, structural mechanisms — not token giveaways.

The yields available in decentralized markets are the product of genuine economic demand. Four mechanisms recur across the fund's opportunity set:

Lending spreads. Borrowers seeking leverage pay to borrow stablecoins; that demand sets persistent supply-side interest rates on institutional-grade lending protocols.

Liquidity-provision fees. Decentralized exchanges pay trading-fee revenue to those who supply stablecoin liquidity — revenue drawn from billions in daily volume.

Basis & funding. Differentials between spot and perpetual-futures markets create funding-rate income that can be captured with disciplined, market-neutral structure.

Structured yield. Fixed-rate instruments and tokenized future yield let the fund lock in predictable, engineered returns on a portion of capital. Because these returns are paid out of real activity, they persist across market cycles — unlike the unsustainable token emissions of the previous DeFi era.

Why Institutions Cannot Capture It Alone

Despite the opportunity, direct institutional participation remains negligible — for reasons that are operational, not conceptual:

01 TECHNICAL COMPLEXITY

Multi-chain wallet management, smart-contract interaction, gas optimization, and secure bridging across disparate networks.

02 CONTINUOUS MONITORING

DeFi markets never close. A position yielding 15% today may yield 3% next week; opportunities shift in real time, around the clock.

03 PROTOCOL RISK ASSESSMENT

Evaluating smart-contract security, team credibility, TVL dynamics, governance, and economic attack vectors demands deep, specialized expertise.

04 OPERATIONAL OVERHEAD

Onchain accounting, NAV calculation, multi-signature custody, tax and regulatory reporting — a full institutional operations stack.

05 REGULATORY NAVIGATION

Operating within an evolving compliance landscape without established institutional frameworks or precedent.

Aequitas Engine exists to remove these barriers — providing the infrastructure, risk management, and custody discipline institutions require, delivered through a familiar fund structure.

02 — Market Opportunity

The Stablecoin Ecosystem

A market that has matured from a trading instrument into genuine, institutional-scale dollar infrastructure.

The aggregate stablecoin supply has surpassed **\$300 billion**, dominated by regulated, fully-reserved issuers with deep liquidity across every major chain. This scale is what makes the fund’s strategy feasible: it provides the depth to deploy and unwind institutional size without material slippage.

PILLAR	WHAT IT PROVIDES
Regulated issuers	Leading dollar stablecoins are issued by regulated entities against cash-and-Treasury reserves, with growing institutional adoption and compliance frameworks.
Deep liquidity	The dominant issuers represent the large majority of supply and serve as the base currency for onchain lending and trading.
Cross-chain reach	Mature native-issuance and bridging infrastructure allows dollar liquidity to move across Ethereum, Solana, and Base with institutional-grade security.
Organic yield	Current yields are driven predominantly by protocol revenue — real borrowing and trading demand — rather than unsustainable emissions.

From Speculation to Money Markets

The maturation of this ecosystem is the thesis behind the fund. Where onchain dollars were once a vehicle for speculation, they now function as genuine money markets — with the liquidity, issuer quality, and organic yield that institutional capital requires. The fund is built to intermediate that market: to translate its returns into a form an institution can hold, with the reporting, custody, and risk framework of a conventional fund.

The fund does not take a directional view on digital assets. Its objective is to harvest the yield the ecosystem produces on dollar-denominated capital — systematically, with disclosed risk, and with capital preservation as the first constraint.

03 — The Aequitas Engine

A Three-Layer Architecture

Aequitas Engine is not a discretionary trading desk. It is a systematic orchestration engine built on three architecturally-separated layers.

LAYER 1

The Brain

Intelligence & monitoring. An orchestrated system of quantitative models and agents continuously scans yield opportunities across supported networks, scores each on risk-adjusted return, and proposes optimal allocations — at a speed and scale no human team can match. *It is advisory only: it never holds a private key and never executes a transaction.*

LAYER 2

The Vault

Custody & execution. Fund assets are held in multi-signature cold-storage custody with hardware-backed signers and distributed (MPC/threshold) key generation; any movement of capital requires multiple authorized signers. The intelligence layer and the custody layer are deliberately separated — there is no pathway from the Brain to fund assets.

LAYER 3

The Dashboard

Transparency. A secure investor portal and a daily certified book of record provide real-time visibility into allocations, performance, and risk metrics. Investors can see where capital is deployed and how it is marked, at all times.

The critical separation: intelligence proposes, humans approve, custody executes. This is the structural safeguard at the heart of the fund — automation earns its speed advantage on analysis, while the authority to move capital remains with people, behind a multi-signature wall.

03 — The Aequitas Engine

Systematic Yield Rotation

A disciplined, rules-based cycle repeated continuously — the operating loop that turns a live opportunity set into a risk-managed portfolio.

01 SCAN

Continuously monitor the yield opportunity set across supported networks — protocol rates, liquidity, and market conditions, refreshed on a fixed cycle.

02 SCORE

Evaluate each opportunity on proprietary risk-adjusted criteria: security-audit status, TVL stability, yield sustainability, protocol maturity, and chain risk. Only rates read and verified at source set venue rank.

03 ALLOCATE

Deploy capital to the highest-scoring opportunities within strict risk and concentration limits. Every allocation is a *proposal* that an authorized principal approves and executes.

04 ROTATE

Rebalance dynamically as yields decay, risks change, or superior opportunities emerge — preserving target risk posture while capturing tactical upside.

05 REPORT

Publish the certified book of record — every position, mark, and return metric — reconciled and automatically re-checked each cycle.

Networks

NETWORK	RATIONALE
Solana	High throughput, low transaction cost, and deep stablecoin liquidity for active rotation.
Ethereum	Maximum security and liquidity; home to the most battle-tested, institutional-grade protocols.
Base	An Ethereum layer-2 with strong security assurances and growing institutional adoption.
Arbitrum	An Ethereum layer-2 with low transaction cost and native USDC issuance.
Sui	A high-throughput layer-1 with native USDC issuance and a growing lending ecosystem.
Avalanche	A layer-1 with native USDC issuance and established lending markets.

Multi-chain by design: capital goes wherever the best risk-adjusted opportunities are, and the list is open — a network joins as its venues clear the selection framework. Cross-chain deployment uses native stablecoin issuance rather than bridging fund assets. Where the fund is deployed at any time is reported in the certified book of record.

03 — The Aequitas Engine

Discipline of the Intelligence Layer

The engine's analytical authority is bounded by explicit governance — the Brain informs, but it cannot decide.

Two-Level Ranking

Opportunity selection runs on a two-level ranking. First, only rates that are **read and verified at their source** — protocol APIs or direct onchain contract reads — are eligible to set a venue's rank. Unverified conviction, however promising, is routed to a research queue rather than the live menu. Second, the fund's own qualitative worldview may tilt the ranking of already-verified venues within a bounded band — it can refine among vetted options, but it cannot conjure an allocation the data has not earned.

Proposal, Not Execution

Every output of the intelligence layer is a **proposal**. Nothing auto-allocates. An authorized principal reviews each proposal against the fund's mandate and risk limits and executes it through the custody layer — multi-signature, so no single signer can move capital. This preserves the speed advantage of automation on the analytical work — where machines excel — while keeping the irreversible act of moving capital firmly in human hands.

PROVENANCE DISCIPLINE	
RATE PROVENANCE	Five-field contract; a verified rate expires to "stale" after 24h
RANKING AUTHORITY	Verified-at-source data sets rank; worldview tilts within a bound
EXECUTION	Proposal only — a principal approves and signs; custody is multi-signature
UNVERIFIED CONVICTION	Routed to research queue, never to the live allocation menu

The effect is a system that is fast where speed is safe — scanning, scoring, monitoring — and deliberate where deliberation matters: the commitment of capital.

04 — Investment Strategy

Yield Sources

Capital is deployed across complementary, dollar-denominated yield categories — diversified by mechanism, not merely by venue.

CATEGORY	MECHANISM	INDICATIVE APY
Savings & lending	Supply-driven interest on institutional-grade lending markets and onchain savings rates.	3–8%
Liquidity provision	Trading-fee revenue from concentrated stablecoin pools, with active management of impermanent loss.	8–18%
Structured yield	Fixed-rate instruments and tokenized future yield for predictable, engineered returns.	6–14%
Basis & tactical	Funding-rate and cross-venue differentials captured with market-neutral structure.	10–30%

Indicative gross ranges observed across the fund's opportunity set; not a forecast of fund returns. Realized returns are net of fees, risk limits, and the blend actually held.

Protocol Selection Methodology

Only protocols that clear an institutional-grade due-diligence framework are eligible for capital. Five dimensions are assessed before any allocation:

- **Technical assessment** — completed smart-contract audits by reputable firms, formal verification where available, and active bug-bounty programs.
- **Economic analysis** — revenue sustainability, token economics, and the composition and stability of total value locked.
- **Governance review** — decentralization, decision-making processes, and the maturity of the protocol's community and stewardship.
- **Risk evaluation** — historical performance, stress behavior, and correlation with the rest of the portfolio.
- **Operational due diligence** — team background, development activity, and depth of ecosystem integration.

04 — Investment Strategy

Risk Tiering Framework

Every eligible opportunity is classified into a risk tier, and each tier carries a strict ceiling on how much of the fund it may represent — so return-seeking never overrides capital preservation.

TIER	MAX ALLOCATION	CRITERIA
S-Tier	10%	New-protocol incentives and time-limited campaigns. High reward, elevated smart-contract risk; requires at least one professional audit.
A-Tier	25%	Established protocols, moderate risk. Audited, 6+ months of operating history, meaningful TVL.
B-Tier	40%	Blue-chip DeFi. Multiple audits, large TVL, 12+ months of operating history.
C-Tier	100%	Maximum safety. Top-tier lending protocols and the liquidity reserve; minimal smart-contract risk.

Tier ceilings are portfolio-construction guidelines that govern how much of the fund a class of risk may represent. Leverage, where employed, is capped at 4.0× per position (see Risk Management).

The framework is intentionally asymmetric: the highest-yielding, highest-risk opportunities are capped tightly, while the safest positions may hold the largest share of the fund — including a liquidity reserve that can absorb the entire portfolio in a defensive posture.

The Blend in Practice

In normal conditions, the portfolio is weighted toward the lower-risk tiers, with tactical exposure to higher-yielding opportunities held within their ceilings. As market conditions or protocol risk change, the systematic rotation process shifts weight between tiers to hold the fund's target risk posture — de-risking toward C-Tier when signals warrant and adding measured exposure when they support it.

04 — Investment Strategy

Yield Sustainability

A durable strategy depends on durable yield. The fund is built to harvest returns that come from economic activity, not from incentives that expire.

An important distinction separates the current DeFi landscape from its earlier, emissions-driven era. In the previous cycle, much of the headline yield was paid in newly-minted protocol tokens — a subsidy that could not persist and frequently collapsed. Today, the yields the fund targets are drawn predominantly from **organic protocol revenue**: interest paid by real borrowers, fees paid by real traders, and funding paid by real hedgers.

This matters for two reasons. First, revenue-based yield is far more stable than incentive-based yield; it tracks genuine demand rather than a marketing budget. Second, it is measurable and attributable — the fund can

trace a position’s return to its economic source and assess whether that source is durable.

The selection framework encodes this preference directly. Sustainability of revenue is one of the five assessment dimensions, and a rate that cannot be read and verified at its source cannot set a venue’s rank. The result is a portfolio tilted, by design, toward yield that persists.

Institutional participation reinforces the effect. As family offices, treasuries, and allocators supply capital to these markets, liquidity deepens and volatility moderates — the same maturation that makes institutional deployment feasible in the first place.

WHAT SETS RANK	
ELIGIBLE TO RANK	Rates read & verified at source (protocol API / onchain read)
REVENUE BASIS	Organic protocol revenue preferred over token emissions
FRESHNESS	Verified marks expire to "stale" at 24h and must be renewed
NOT ELIGIBLE	Unverified or emissions-only yield — routed to research

05 — Capital Allocation

How Capital Is Positioned

The fund maintains a working balance between deployed, yield-bearing capital and a liquid reserve for redemptions and tactical flexibility.

Diversified

PROTOCOLS · CHAINS · ISSUERS

No single position is permitted to dominate the book

Reserved

LIQUIDITY FLOOR

Instant-liquidity capital is held at all times

Tiered

RISK-GRADED

Positioned by risk tier and concentration discipline

At all times the fund holds a working balance between deployed, yield-bearing capital and a liquid reserve, and the reserve is never permitted to fall below the fund's liquidity floor — so redemptions and defensive rotations are met without disturbing performing positions. The balance shifts continuously as opportunity and risk conditions move; the current certified split is published in the daily book of record and furnished to investors on request.

Concentration & Rebalancing

Allocation is governed by the risk-tier ceilings and by concentration discipline that prevents any single point of failure from dominating the fund. Positions are diversified across protocols, chains, and stablecoin issuers, and the systematic rotation process continuously optimizes the mix against yield-curve analysis, protocol risk scoring, and market conditions.

- **Diversification.** Exposure is spread across multiple protocols, networks, and stablecoins; no single position is permitted to dominate the book.
- **Liquidity reserve.** A minimum share of the fund is held in instant-liquidity positions at all times to meet redemptions and enable defensive moves.
- **Continuous optimization.** Rebalancing is systematic rather than calendar-bound — capital moves as the opportunity and risk landscape moves.

Preservation first. The allocation process treats capital preservation as its binding constraint. Yield is pursued only within the tier ceilings, concentration limits, and liquidity floor that protect principal.

06 — Risk Management

A Multi-Layered Framework

Risk management is not a constraint bolted onto the strategy — it is the strategy's operating system. Every allocation passes through it.

DIVERSIFICATION

- **Protocol.** Exposure is spread across protocols so that no single smart-contract system can imperil the fund.
- **Chain.** Capital is distributed across networks to contain any single-chain event.
- **Stablecoin.** Dollar exposure is diversified across qualifying issuers to mitigate the impact of a single depeg.

SECURITY STANDARDS

- **Audits.** Only protocols audited by reputable firms are eligible for core allocations; higher tiers require multiple audits and longer track records.
- **TVL thresholds.** Minimum total-value-locked requirements screen out thin, fragile venues.
- **Age requirements.** Protocols must demonstrate sustained mainnet operating history before qualifying for larger allocations.

DRAWDOWN PROTECTION

- **Systematic de-risking.** When risk signals deteriorate, the rotation process shifts weight toward maximum-safety positions.
- **Rapid exit.** The strategy favors positions that can be unwound quickly, preserving the ability to move to safety under stress.
- **Liquidity floor.** A minimum share of the fund is always held in instant-liquidity positions.

06 — Risk Management

Leverage & Discipline

The fund discloses its use of leverage plainly, and defines its discipline as much by what it will not do as by what it will.

Disclosed Leverage

The strategy employs **looped and levered positions** on selected institutional-grade venues to enhance yield on dollar-denominated collateral. Per-position leverage is capped at **4.0×**. Because levered positions carry **liquidation risk**, each is monitored continuously through its onchain health factor, and the fund maintains the liquidity to de-lever as conditions require. Leverage is a disclosed, bounded tool — not a hidden feature and not an unlimited one.

LEVERAGE POLICY	
INSTRUMENTS	Looped / levered positions on institutional-grade venues
PER-POSITION CAP	4.0×
MONITORING	Continuous, via onchain health factors
LIQUIDATION RISK	Present and managed; positions de-levered as needed

What the Fund Does Not Do

- **No speculative directional bets.** The strategy is predominantly delta-neutral; it does not take a view on the price of any volatile cryptocurrency. Any directional position is disclosed, position-by-position, in the certified book.
- **No unaudited core exposure.** Newer-protocol allocations are capped tightly and require at minimum one professional audit.
- **No bridged custody.** Cross-chain deployment uses native stablecoin issuance on each network, not bridge transfers of fund assets.
- **No custody by the intelligence layer.** No automated system can move capital; execution requires human, multi-signature authorization.

07 — Capital Mechanics

Dollar-Denominated by Design

The fund's structure is chosen to keep the investor's exposure to what it is meant to be: dollars earning yield, not a bet on crypto prices.

Predominantly Delta-Neutral

All fund capital is dollar-denominated — USD stablecoins and USD-denominated yield tokens. This gives the strategy an inherently dollar-centric risk profile — capital is not exposed to the price of Bitcoin, Ether, or any volatile token as a matter of course. The neutrality is **structural** rather than hedged, which avoids the ongoing cost of maintaining offsetting positions. Where the certified book carries a disclosed directional position, it is marked and reported as such — the fund does not claim an absolute that its book does not support.

Leverage & Liquidation

Because the strategy uses looped and levered positions to enhance yield, liquidation risk exists and is actively managed through continuous health-factor monitoring and a standing liquidity reserve, as described in Risk Management.

Settlement & Liquidity

PROPERTY	DETAIL
Settlement	Onchain settlement is near-instant (T+0), versus T+1 / T+2 in traditional finance.
Operation	Monitoring and rebalancing capability runs continuously, 24 hours a day.
Redemption capacity	A liquid reserve supports near-term redemptions; the balance is met within the fund's stated notice period and gate.

Residual Risks, Actively Managed

Structural dollar-denomination removes conventional market-volatility risk, but residual risks remain and are managed explicitly: **stablecoin depeg** (mitigated by issuer diversification and peg monitoring), **smart-contract failure** (mitigated by audit requirements and concentration limits), **protocol insolvency** (mitigated by TVL monitoring and tiered exposure), and **liquidation** on levered positions (mitigated by health-factor monitoring and reserves). The full risk factors are set out in Appendix C.

08 — Track Record

A Verifiable Track Record

The fund reports a live, certified book of record — reconciled chain-true to the cent and automatically re-checked every publication cycle. It is an actual record of real capital in live positions, not a simulation, back-test, or illustration. This section describes how that record is produced, proven, and made available to investors.

Real

NOT SIMULATED

Actual capital in live positions — never back-tested or modeled

Certified

GP-GATED PIPELINE

Each book of record is certified before it is published

Recomputable

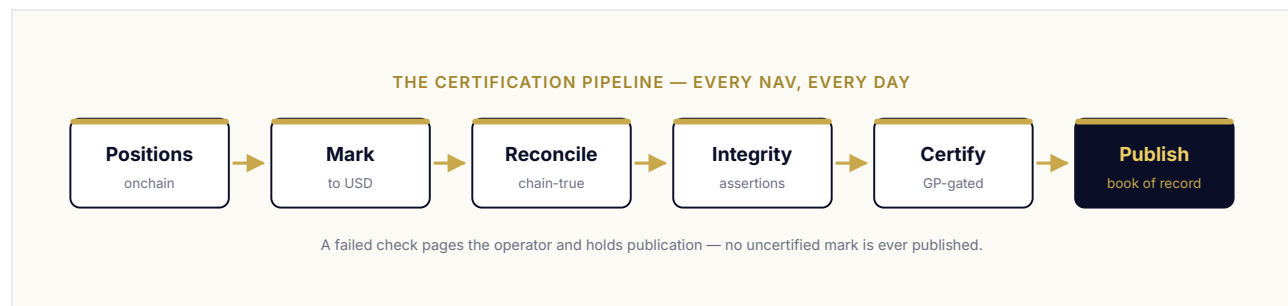
BY ANYONE

Returns re-derivable from the published ledger — not taken on faith

HOW PERFORMANCE IS REPORTED

CADENCE	Daily certified book of record; NAV struck each business day
BASIS	NAV per unit, marked and reconciled chain-true to the cent
VERIFICATION	Independent re-check every publication; a failure holds the book
RETURN MEASURE	Coverage-weighted blended yield; annualized figures withheld below the data floor
ACCESS	Current certified figures furnished to verified accredited investors on request

From Position to Certified NAV



Every published NAV passes through the same gated pipeline before it is certified. Because each mark is reconciled to onchain value and tied to the ledger, the fund's returns are recomputable from the published record rather than taken on faith.

08 — Track Record

How the Numbers Are Made

A performance figure is only as good as the process that produces it. The fund's differentiator is not merely the return — it is the verifiability of the return.

A certified book of record. The fund's net asset value is produced by a GP-certified, gated pipeline on a fixed cycle, with a daily book date. Every position, mark, and reconciliation is captured — the book is the single source of truth for what the fund holds and what it is worth.

Independent re-checking. Each publication runs a battery of integrity assertions — trial balance, balance-sheet balance, operations-to-capital tie-out, and NAV reconciliation among them. A failure pages the operator and holds publication until it is resolved; an uncertified book is never released.

Chain-true to the cent. The book NAV is reconciled against onchain value; contributed capital ties to the certified ledger exactly. The annualized return is recomputable by anyone from the fund's published capital schedule and ledger — it is not a number the fund asks investors to take on faith.

Coverage discipline. The fund deliberately withholds annualized-return figures until its data coverage meets a defined floor, and publishes a coverage-weighted blended yield in the interim. This is a conservative reporting posture: it declines to annualize a short record into a headline it cannot yet stand behind.

THE INTEGRITY BATTERY — RUN ON EVERY PUBLICATION

TRIAL BALANCE	Debits equal credits across the ledger
BALANCE-SHEET BALANCE	Assets equal liabilities plus partners' capital
OPERATIONS-TO-CAPITAL TIE-OUT	Every flow traced to a capital movement
NAV RECONCILIATION	Book NAV equals chain NAV — reconciled to the cent
PUBLICATION GATE	Any failure holds the book until it is resolved

Important. Performance figures are drawn from the fund's certified book of record as of the date furnished and reflect a limited operating history. Past performance is not indicative of future results. The 10–20% net target is an objective, not a forecast or guarantee; actual results may differ materially. The interests are not a bank deposit, are not insured, and returns are not guaranteed. Investment involves risk, including possible loss of principal. See Appendix C.

09 — Governance & Verification

Transparency as Infrastructure

The fund is built so that its claims can be checked — by its principals, and by its investors.

FUNCTION	HOW IT WORKS
Book of record	A GP-certified, gated pipeline publishes the fund's positions and NAV on a fixed cycle with a daily book date — reconciled and ledger-tied.
Automated verification	Every published cycle runs an integrity battery and halts on first failure, so a defective book cannot silently reach investors.
Recomputable returns	The published capital schedule lets the annualized return be recomputed from artifacts alone — verification does not depend on trusting the fund's arithmetic.
Investor portal	A secure, login-gated portal provides the daily GP-certified NAV, statements, and fund documents.
Reporting calendar	Daily NAV and book of record · monthly statements · quarterly investor reports · annual audited financial statements, with annualized figures withheld below the coverage floor.

Service Providers

An independent third-party fund administrator calculates NAV and prepares investor reporting, alongside the fund's certified pipeline and chain-true reconciliation. An independent certified public accounting firm audits the fund's annual financial statements, delivered to investors within 120 days after each December 31 year-end. Custody is multi-signature cold storage with hardware-backed signers and distributed (MPC/threshold) key generation.

A single governing principle underlies every surface: a defined source of truth, propagated by construction. Marketing, legal, portal, and reporting all derive from the same ratified record — a document that disagrees with it is defective by definition.

10 — Fund Terms

Terms of the Offering

The following summarizes the fund's principal terms. It is a summary only; the definitive Private Placement Memorandum and Limited Partnership Agreement control in all respects.

Structure	Aequitas Engine, LP — Delaware limited partnership
General Partner	Steady State Management, LLC
Management Company	Steady State Engines, Inc. (Delaware C-Corporation)
Offering	Reg D Rule 506(c); Section 3(c)(1); verified accredited investors only
Target net return	10–20% net annually (10–16% gross) — a target, not a guarantee
Minimum subscription	\$1,000,000 (early-investor exceptions at the GP's sole discretion); additional subscriptions \$100,000 minimum
Management fee	Graduated on NAV: 2.0% (first \$10M) · 1.5% (\$10M–\$25M) · 1.0% (\$25M–\$100M) · 0.75% (above \$100M). Accrued daily; billed quarterly in arrears.
Performance fee	20% of net profits above <i>both</i> the Benchmark Hurdle and the investor's individual High-Water Mark
Benchmark hurdle	3-month U.S. T-bill + 100 bps, fixed at 5.5% per annum for the initial term; non-compounding
High-water mark	Per-investor, per-unit; initial = subscription price; ratchets up only
Crystallization	Annually, at the certified year-end book of record; also on redemption for the redeemed portion
Lockup	90 days from settlement · no early-redemption fee
Redemptions	Quarterly, on 30 days' written notice · proceeds paid within 30 days after the Redemption Date
Redemption gate	25% of aggregate NAV per redemption date, pro rata · \$100,000 minimum remaining balance after a partial redemption
Units & NAV	Units issued at certified NAV per unit on the settlement date; NAV struck daily
Reporting	Monthly statements · quarterly investor reports · annual audited financial statements
Service providers	Independent fund administrator · independent auditor · multi-signature cold-storage custody

10 — Fund Terms

Fees & Investor Protections

Management Fee — Graduated Tiers

The management fee is applied as graduated, marginal tiers on NAV — like tax brackets — not a flat rate on total assets. Tier transitions are automatic and apply prospectively.

TIER	AUM RANGE	MANAGEMENT FEE (P.A. ON NAV)
Tier 1	First \$10M	2.00%
Tier 2	\$10M – \$25M	1.50%
Tier 3	\$25M – \$100M	1.00%
Tier 4	Above \$100M	0.75%

Cost Ceilings — Borne by the GP Above the Cap

- **Total fee cap.** Management and performance fees together capped at **5.0% of NAV** per year; excess borne by the GP.
- **Operating expense cap.** Ordinary operating expenses capped at **0.50% of NAV** per year (excluding protocol, transaction, and network costs).
- **Organizational / offering cap.** Capped at **1.5% of commitments**, amortizable over 60 months.
- **No clawback / escrow / fee-offset mechanics.** PE-style mechanics are deliberately absent; the per-investor high-water mark is the protection.

WORKED CARRY EXAMPLE

An investor commits **\$5,000,000** (Tier 1, 2.0% management). Assume a gross year of 12%.

GROSS PROFIT	\$600,000
MANAGEMENT FEE	–\$100,000
PRE-CARRY NET	\$500,000 (10.0%)
HURDLE (5.5% OF \$5.0M)	\$275,000
EXCESS ABOVE HURDLE & HWM	\$225,000
PERFORMANCE FEE (20%)	–\$45,000
INVESTOR NET	\$455,000 (9.1%)

If pre-carry net is at or below the 5.5% hurdle, or below the high-water mark, the performance fee is \$0. Illustrative only.

10 — Fund Terms

Subscriptions & Liquidity

Liquidity terms are structured to protect all investors in the fund — matching the redemption cadence to the strategy's ability to unwind in an orderly way.

Subscriptions

Interests are issued as NAV-based units at the certified NAV per unit on the settlement date, so every investor enters at a marked, reconciled value. The minimum subscription is \$1,000,000, with early-investor exceptions at the GP's sole discretion; additional subscriptions are \$100,000 or more. Every investor is admitted on the same terms; founding capital's exemption from the performance fee is the sole exception.

Redemptions

Following an initial 90-day lockup from settlement, interests may be redeemed quarterly on 30 days' written notice. A redemption gate of 25% of aggregate NAV per redemption date, applied pro rata, protects remaining investors from a forced, disorderly unwind under stress — while the fund's liquidity reserve is sized to meet ordinary redemption demand promptly. Proceeds are paid within 30 days after the Redemption Date; a partial redemption leaves a balance of at least \$100,000.

LIQUIDITY SUMMARY

LOCKUP	90 days from settlement
REDEMPTION FREQUENCY	Quarterly
NOTICE	30 days, written
GATE	25% of aggregate NAV per date, pro rata
EARLY-REDEMPTION FEE	None
NAV STRIKE	Daily, from the certified book of record

The design intent is symmetry between the strategy and the terms: a predominantly liquid, dollar-denominated book supports regular redemptions, while the lockup and gate ensure that liquidity is provided in an orderly, equitable way rather than on a first-mover basis.

11 — Legal & Compliance

Structure & Regulatory Framework

The fund is organized as a Delaware limited partnership and offered under established private-placement exemptions to accredited investors.

FUND ENTITIES

FUND	Aequitas Engine, LP (Delaware limited partnership)
GENERAL PARTNER	Steady State Management, LLC
MANAGEMENT COMPANY	Steady State Engines, Inc. (Delaware C-Corporation)
OFFERING EXEMPTION	Reg D Rule 506(c)
INVESTMENT COMPANY ACT	Section 3(c)(1) exclusion
ELIGIBILITY	Verified accredited investors only

Regulatory Framework

The fund is offered under **Regulation D, Rule 506(c)**, which permits general solicitation provided that all investors are verified accredited investors. It relies on the **Section 3(c)(1)** exclusion under the Investment Company Act — fewer than 100 beneficial owners, and investors are not required to be “qualified purchasers.” All investors complete KYC/AML verification and accredited-status verification prior to subscription.

Compliance Infrastructure

- **Investor verification.** Full KYC/AML screening and Rule 506(c) accreditation verification for every investor.
- **Ongoing monitoring.** Continuous transaction monitoring and adaptable compliance procedures as digital-asset regulation evolves.
- **Definitive documentation.** The Private Placement Memorandum, Limited Partnership Agreement, and Subscription Agreement govern the offering and are made available to verified accredited investors in the data room.

This whitepaper is a summary for discussion. It is not an offer to sell or a solicitation to buy any security, and it does not form part of any contract. Any investment is made solely on the basis of the fund’s definitive offering documents, which control in all respects and contain the complete terms and risk factors.

Appendix A

Protocol Universe

A representative sample of the fund's eligible protocol universe — institutional-grade venues that have cleared the selection framework. Eligibility is continuously re-assessed; inclusion is not a current-allocation statement.

CORE ALLOCATIONS — BLUE-CHIP & INSTITUTIONAL

PROTOCOL	NETWORKS	TYPE
Aave	Ethereum, Base	Lending — among the largest DeFi lending markets; multiply-audited.
Compound	Ethereum, Base	Lending — foundational, multiply-audited lending protocol.
Morpho	Ethereum	Lending optimizer — capital-efficient peer-to-peer layer.
Maple	Ethereum	Institutional credit — lending to vetted institutional borrowers.
Sky (Maker)	Ethereum	Stablecoin savings rate — battle-tested since 2017.
Pendle	Ethereum, Base	Yield trading — fixed-rate exposure via tokenized future yield.

GROWTH & TACTICAL ALLOCATIONS

PROTOCOL	NETWORKS	TYPE
Kamino	Solana	Concentrated liquidity & leveraged vaults.
Loopscale	Solana	Structured looped-yield strategies.
Aerodrome	Base	Leading Base DEX — concentrated stablecoin liquidity.
Orca / Raydium	Solana	Concentrated-liquidity AMMs and stablecoin pools.

Protocol names are identified for illustration of the eligible universe and its diligence standard; they are not endorsements and do not represent a fixed or current allocation. The universe is reviewed continuously against the selection framework.

Appendix A

Eligibility Standard

The bar a venue must clear before it can hold fund capital — and the tier that then governs how much it may hold.

REQUIREMENT	CORE (B/C-TIER)	GROWTH (A-TIER)	TACTICAL (S-TIER)
Security audits	Multiple, reputable firms	Audited	1+ professional audit
Operating history	12+ months	6+ months	Emerging
TVL	Large	Meaningful	Screened
Max fund allocation	Up to 100% (C) / 40% (B)	25%	10%

Reputable audit firms in the fund's diligence set include established smart-contract security practices; audit status, TVL, and age are re-verified on an ongoing basis and a venue can move between tiers as its profile changes.

The eligibility standard and the tier ceilings work together: the standard decides *whether* a venue can hold capital; the tier decides *how much*. A venue can be excellent and still be capped — reward never buys its way past the concentration discipline.

Appendix B

Glossary

APY	Annual Percentage Yield — the annualized rate of return, including the effect of compounding.
AUM	Assets Under Management — the total value of capital the fund manages.
Basis	The differential between spot and futures prices; funding-rate income arises from it in perpetual-futures markets.
Book of record	The fund's certified, reconciled record of positions and NAV, published on a fixed cycle.
Delta-neutral	A position or portfolio structured to have no directional exposure to the price of a volatile asset.
DeFi	Decentralized Finance — financial services built on public blockchain smart contracts.
Health factor	An onchain measure of a levered position's distance from liquidation; monitored continuously.
High-water mark (HWM)	The highest value an investor's units have reached; performance fees are charged only on gains above it.
Hurdle	A minimum return an investor must receive before the performance fee applies — here, 5.5% per annum.
Impermanent loss	The opportunity cost a liquidity provider can incur when pooled asset prices diverge; actively managed by the fund.
NAV	Net Asset Value — the value of fund assets; NAV per unit is the value of a single unit.
Multi-signature (multi-sig)	A wallet that requires multiple authorized approvals before any transaction can execute.
Stablecoin	A digital asset designed to hold a 1:1 peg to a fiat currency, typically the U.S. dollar.
TVL	Total Value Locked — the amount of capital deposited in a protocol; a measure of scale and trust.
Yield rotation	Systematically moving capital between opportunities to optimize risk-adjusted return as conditions change.

Appendix C

Important Disclosures & Risk Factors

Not an offer. This document is for informational and discussion purposes only. It does not constitute an offer to sell, or a solicitation of an offer to buy, any security or interest, and it does not form part of, or the basis of, any contract. Any offer or solicitation will be made only to verified accredited investors and only by means of the fund's definitive Private Placement Memorandum, Limited Partnership Agreement, and Subscription Agreement (the "Offering Documents"), which contain the complete terms and risk factors and which control in all respects. In the event of any inconsistency, the Offering Documents govern.

No guarantee. The interests are **not** a bank deposit and are **not** insured by the FDIC or any governmental agency. Target returns (10–20% net annually) are objectives, not forecasts or guarantees, and there is no assurance the fund will achieve its objectives or avoid losses. Investment involves significant risk, including the possible loss of all invested capital.

Performance. Performance information reflects the fund's certified book of record as of the date furnished and a limited operating history. Past performance, actual or hypothetical, is not indicative of future results. The fund does not publish annualized-return figures below its defined data-coverage floor.

PRINCIPAL RISK FACTORS

Loss of principal. Although the strategy is designed to protect capital, losses are possible and may be substantial, including from the events below.

Smart-contract risk. DeFi protocols rely on smart contracts that may contain undiscovered vulnerabilities, be exploited, or fail.

Stablecoin / depeg risk. A stablecoin may lose its peg to the U.S. dollar due to issuer insolvency, reserve shortfall, regulatory action, or market stress.

Leverage & liquidation risk. The strategy uses looped/levered positions (capped at 4.0× per position); adverse moves can trigger liquidation despite active health-factor monitoring.

Protocol insolvency risk. A protocol may become insolvent or suffer a loss event that impairs deposited capital.

Liquidity risk. In extreme conditions, the ability to exit positions or meet redemptions may be temporarily impaired; a redemption gate may apply.

Regulatory risk. The regulatory environment for digital assets is evolving and may adversely affect the fund, its counterparties, or its strategy.

Operational & custody risk. Risks relating to key management, multi-signature custody, execution, and infrastructure, including human error.

Technology risk. Blockchain networks may experience outages, congestion, reorganizations, or security incidents.

Directional exposure. While predominantly delta-neutral, the fund may hold disclosed directional positions, which carry market-price risk and are marked in the certified book.

Prospective investors should carefully review the Offering Documents and consult their own legal, tax, and financial advisors before investing. This document may not be reproduced or distributed without the fund's consent.

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