Counterfoil Whitepaper

Institutional discipline for digital assets - issued 2026-08-22 (UTC)

Document:	Counterfoil Whitepaper v2026-08-22 (UTC) - institutional-grade digital asset mandate
Issuer:	Counterfoil desk - Institutional Discipline for Digital Assets
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Section 1 - Mandate:	Counterfoil is a digital-asset desk for institutions, DAOs, and family offices that want institutional-grade crypto exposure without standing up their own trading operation. The mandate is risk-budgeted, the portfolio manager is named, and every position is reconciled daily against a custodian statement that ships in the 16:00 UTC treasury report.BTC long-short bears the directional exposure budget for the desk. Perp-curve, ETF creation and redemption tape (IBIT, FBTC), and miner-flow overlays are sized off realised volatility and the funding term structure so the sleeve stays inside its drawdown and leverage caps while expressing a deliberate, audited view on BTC.ETH long-short carries the alt-L1 directional exposure budget, expressed off the LST-vs-perp basis (stETH/ETH) and validator-flow overlays. Sized off realised volatility and the staking term structure so the sleeve stays inside its drawdown and leverage caps while expressing a deliberate, audited view on ETH.SOL momentum + carry is the desk high-beta alt sleeve. Perp carry, validator-flow overlays, and project-funding reads are sized off realised volatility and the basis term structure so the sleeve stays inside its drawdown and leverage caps while expressing a deliberate, audited view on SOL.The stable and basis basket captures yield off stablecoin funding and basis spreads, sized off realised volatility and the perp-funding term structure. The sleeve stays inside its drawdown and shift caps while expressing a deliberate, audited view on stable funding.
Section 2 - Risk policy:	Portfolio VaR budget: 95% 1-day, 3.0% of NAV. One-day historical VaR computed across the trailing 90-day daily-return distribution, compared each close to the published budget so an allocator sees both the loss magnitude and the headroom against the documented worst-day allowance.Leverage ceiling: 2.5x NAV across the non-stable sleeves (BTC, ETH, SOL), 3.0x on the stable and basis basket. Gross NAV multiple = grossUsd / NAV; the cap is published, not negotiated, and the panel renders gross / cap and the dollar NAV and gross book behind it so the percentage is independently re-derivable from the disclosed book.Sleeve drawdown limits: each of the four sleeves operates inside its own drawdown slot, lever cap, and single-trade VaR. The rows below mirror the four /strategies/<slug> pages. Position sizing tightens the moment venue depth thins, not after.Key-person / continuity policy: every agent operates on a signed mandate (fixed leverage ceiling, drawdown cap, position limit, venue set, and per-sleeve rebalance cadence) reconciled by an independent auditor at every close. A second named principal holds the continuity mandate so trading discipline is never the property of one operator. The full pillars list lives on /risk-policy.High-water mark: the 10% performance fee applies only on net gains above a $20,000 per-account high-water mark. A drawdown

resets the baseline before any new performance fee can crystallise, so allocators never pay a performance fee on a drawdown's recovery.Live consolidation: the same numbers are published at the /risk-policy route on the live site so the figures in this PDF and the figures on /risk-policy reconcile byte-for-byte, by construction.- BTC long-short basis: 1.2x-1.8x gross / -0.2x~0.6x net; max drawdown 8.00% cumulative; leverage cap 2.0x; single-trade VaR 0.75% (1d, 95%); Twice-daily inventory pass. 00:30 and 12:30 UTC, plus an intraday risk pass whenever realised 1-day VaR breaches 60% of the single-trade cap or any sleeve approaches 60% of its drawdown slot.- ETH long-short basis: 1.2x-1.8x gross / 0.0x~0.4x net; max drawdown 6.00% cumulative; leverage cap 2.0x; single-trade VaR 0.60% (1d, 95%); Twice-daily inventory pass. 00:30 and 12:30 UTC, plus an intraday risk pass whenever realised 1-day VaR breaches 60% of the single-trade cap or the alt-L1 sleeve approaches 60% of its drawdown slot.- SOL momentum + carry: 1.0x-1.5x gross / -0.3x~0.5x net; max drawdown 9.00% cumulative; leverage cap 2.0x; single-trade VaR 0.90% (1d, 95%); Daily inventory pass. 00:30 UTC, plus an intraday risk pass whenever realised 1-day VaR breaches 60% of the single-trade cap or the high-beta sleeve approaches 60% of its drawdown slot.- Stable & basis basket: 2.0x-3.0x gross / -0.1x~0.1x net; max drawdown 2.00% cumulative; leverage cap 3.0x; single-trade VaR 0.25% (1d, 95%); Twice-daily inventory pass. 00:30 and 12:30 UTC, plus an intraday risk pass whenever realised 1-day VaR breaches 60% of the single-trade cap or the basis basket approaches 60% of its drawdown slot.

Section 3 - Fee schedule: Management fee: 1% per annum on AUM. Crystallised monthly and reconciled in the 16:00 UTC treasury report.Performance fee: 10% on net gains above a $20,000 per-account high-water mark. Crystallised daily in the treasury report.Minimum ticket: $100,000 minimum ticket across LP sidecar, DAO on-chain, and fund vehicles. Larger tickets on request.Redemption: Terms are being finalised with the qualified custodian. Available on request - email the desk for the current mechanics.

Section 4 - Custody architecture: Qualified custodian. Counterfoil does not custody client capital. Every position sits with a regulated, qualified custodian under a segregated client account. Agents sign signals only - never transactions.Segregated sub-custody by asset class. Client positions are accounted separately from the custodian balance sheet and from any other client; the segregated flag is part of the daily custodian statement the 16:00 UTC report reconciles against.Capital is never agent-controlled. No agent, at any layer, holds positions or signs transactions; this is the published layer-counterfoil-10 baseline so any downstream agent, orchestrator, or downstream code path can be ruled out as a custodian-risk surface.Daily 16:00 UTC reconciliation. Each close the desk publishes a signed treasury report that reconciles custodian balances to on-chain balances - the published NAV, gross / net exposure, stablecoin per-instrument split, accrued fees, and the crystallised performance fee are all reconciled at 16:00 UTC.Independent attestation. A Big-4 firm attests annually over the desk internal controls (12 attestations to date over the operating history); an independent auditor signs each close. The desk does not launch with a one-time attest and then go silent - attestation cadence is part of the mandate.

This document is published, not negotiated. The numbers, sleeves, fees, and custody architecture above are the same figures the desk publishes on the live site - the daily memo, the treasury report, the PnL dashboard, and the per-strategy mandate pages. Email the desk for the latest signed PnL manifest, the genesis methodology note, the per-sleeve rebalance cadence window, and the qualified-custodian attestation pack.