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# WARLOCK PROTOCOL

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## Business Plan v3.0

Institutional Investor Edition

A Business Thesis on the Next Generation  
of Asset Management Infrastructure

February 2026

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# EXECUTIVE SUMMARY

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Against the backdrop of the global market entering an era of "The Great Uncoupling," the traditional asset management model is facing a profound crisis of trust and structural failure. A series of events, from the Madoff Ponzi scheme to the collapse of FTX and the demise of Three Arrows Capital, has repeatedly demonstrated that the old paradigm, built on "brand trust" and the "custodial model," is no longer sustainable. While seeking excess returns (Alpha), investors are forced to bear escalating counterparty risks, opaque operational models, and fragile risk management frameworks.

Warlock Protocol is not just another quantitative fund. It is a next-generation asset management infrastructure designed to solve these fundamental pain points. It is an AI-driven, non-custodial, and fully transparent distributed network, aiming to provide institutional and high-net-worth investors with a new paradigm that is structurally safer, operationally more transparent, and more resilient in risk mitigation.

## Our Three Core Pillars:

### 1 **Structural Security (Non-Custodial Model)**

Client assets always remain in their own accounts. **We only trade, we don't touch the money, fundamentally eliminating the risk of asset misappropriation.**

### 2 **Radical Transparency ("Glass Box" Operation)**

All transactions are clearly visible in the client's account, and the protocol's economic model is verifiable on-chain, completely abandoning the "black box" operations of traditional funds.

### 3 **Engineered Resilience (Funded Safety)**

We have established a "Resilience Buffer" composed of real capital, rather than relying on theoretical models. This is real, unencumbered capital set aside for "black swan" events, forming the bedrock of the system's antifragility.

**Market Traction:** \$87M trading volume (2025) → \$300M (2026) → \$500M (2027)

**Team:** Former OpenAI Senior Researcher | Goldman Sachs Asia-Pacific Quant Risk Head | Google Cloud Distinguished Engineer

# 02 MARKET OPPORTUNITY

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## Structural Cracks in an Era of Trust Deficit

We are at a historical turning point. The relatively stable and predictable world order, shaped by decades of globalization, is unraveling. Geopolitical conflicts, global liquidity fragmentation, and informational asymmetry are eroding the value stability of all asset classes in an unprecedented manner. For asset managers and investors, this means the old risk maps are obsolete, and a vast, structurally-flawed trust-deficit market is emerging.

The core pain points of the traditional asset management model are being dramatically amplified in the current environment.

### **Counterparty Risk Has Become a Systemic Threat**

Whether it's Bernard Madoff's \$65 billion Ponzi scheme or the collapse of FTX caused by the misappropriation of \$8 billion in client funds, the root cause lies in the transfer of actual asset control to an opaque, centralized entity. This custodial model is the foundation of traditional finance, but it is also its "original sin" that cannot be eradicated.

### **Conflicts of Interest Under "Black Box" Operations**

Traditional hedge funds are notorious for their "black box" operations. Investors typically only receive a monthly or quarterly performance report, with no visibility into their capital's specific flows, trading logic, or risk exposure. This information asymmetry is the basis for the exorbitant "2+20" fee structure.

## **The Fragility of Risk Models Is Exposed in Extreme Events**

Every quantitative firm claims to have advanced risk models. However, from the collapse of Long-Term Capital Management (LTCM) to the “quant quake” of January 2026, history has repeatedly shown that models built on historical data often fail in the face of true “black swan” events. When the market experiences extreme, unpredictable volatility, theoretical models can break down, leading to catastrophic losses.

## **A Fundamental Contradiction Between Liquidity and Returns**

Investors seeking high returns (e.g., in private equity) must accept lock-up periods of 7-10 years. Conversely, when pursuing high liquidity (e.g., in mutual funds), they often have to settle for mediocre market-average returns. In a rapidly changing market, this contradiction becomes increasingly acute.

This multi-trillion-dollar asset management market is in urgent need of a new infrastructure that can simultaneously solve for security, transparency, resilience, and efficiency. This is precisely the structural opportunity that Warlock Protocol aims to capture.

## 03 | SOLUTION: THREE CORE PILLARS

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### 3.1 Pillar I: Structural Security

#### The Non-Custodial Paradigm Shift

The core flaw of traditional asset management lies in its **custodial model**. Investors must transfer their funds completely to a fund manager, thereby shouldering immense and difficult-to-monitor counterparty risk. Warlock resolves this issue at its root. Our operating model is Non-Custodial:

**Participants' funds remain in their own accounts at licensed exchanges (e.g., Coinbase, Binance) or qualified custodians from start to finish. Participants only authorize the Warlock protocol to execute trades via an API interface. These API keys are strictly configured with trading-only permissions and absolutely no withdrawal rights. This means the protocol can manage assets for clients, but can never transfer or misappropriate them.**

**"We only trade, we don't touch the money."**

This model returns the ultimate control over asset security to the investors themselves, reducing transactional counterparty risk to structurally zero. This is not just a technological implementation but a business commitment: Warlock's commercial success does not depend on the physical control of client assets, but purely on the excellence of its strategies.

## 3.2 Pillar II: Radical Transparency

### The “Glass Box” Operation to Build Absolute Trust

Traditional hedge funds are known for their “black box” operations. Investors often only receive a monthly or quarterly performance report, unable to know the specific flow of their funds, trading logic, or risk exposure. Warlock is committed to being a “glass box,” completely abandoning the “black box” approach:

#### Trade-Level Transparency

Since all trades are executed within the participants’ own accounts, every single buy/sell operation is clearly visible and auditable, providing an unparalleled level of granularity. Participants can monitor their account activity in real-time to verify that the protocol’s execution aligns with its stated strategy.

#### Economic Model Transparency

The protocol’s value distribution mechanism (75% to node operators, 14% for network growth, 7% to core contributors, 4% into the Resilience Buffer) is written into smart contracts, publicly available and automatically executed on-chain. Anyone can verify the total value generated by the protocol and its allocation, eliminating any ambiguity regarding fees or profit sharing.

This radical transparency transforms the implicit trust based on “brand and reputation” in traditional funds into explicit trust based on “verifiable data.” In the digital age, the best way to win institutional trust is not with a more polished PPT, but with more thorough openness.

## 3.3 Pillar III: Engineered Resilience

### From “Risk Theory” to “Funded Safety”

Every quantitative firm claims to have advanced risk models. However, history has repeatedly shown that models built on historical data often fail in the face of true “black swan” events. Warlock's distinction lies in our acknowledgment of the limitations of models and our establishment of a practical, beyond-model safeguard – the Resilience Buffer.

This is not a risk provision on an accounting ledger; it is a real, independent, programmatically-governed pool of capital. The protocol deterministically injects 4% of all generated resources into this fully transparent, on-chain fund. Its sole mission is to provide liquidity support and loss-absorption capacity for the entire network when the protocol encounters extreme technical failures, market structure shocks, or other unforeseen crises.

**“Others use models to talk about safety;  
we use hard cash to back it up.”**

The existence of this buffer sends a clear signal to all participants: we are not only prepared for known risks, but we have also prepared real capital for unknown risks. This is an engineered, antifragile financial design, and it is our most solid business promise to our partners in a market full of uncertainty.

## 4.1 Versus Traditional Investment Models

Model	Custody Risk	Transparency	Risk Buffer	Warlock Advantage
Bank Wealth Management	Full custodial, opaque allocation	Quarterly reports, no trade-level data	Regulatory capital (not client-facing)	Non-custodial; real-time trade visibility
Mutual / Hedge Funds	Pooled assets, manager discretion	NAV-based, delayed	Varies; often theoretical	API-only access; 4% funded Resilience Buffer
Private Equity	Locked capital, GP control	Annual reports	Illiquidity as implicit buffer	Liquid, verifiable, AI-driven
ETFs / Index Funds	Custodian-held, low counterparty risk	Daily NAV	Market-based	Active AI alpha + structural safety

The ¥360B (~\$50B) Zhongzhi scandal and the \$8B FTX collapse demonstrate that custodial risk is not theoretical – it is the single largest destroyer of investor capital in modern finance. Warlock structurally mitigates this risk through its non-custodial architecture.

## 4.2 Versus Traditional Investment Institutions

### From “Brand Trust” to “Structural Trust”

The trust model of traditional investment institutions is built on brand, history, and personal connections. This model has proven to be fragile in the face of systemic risks.

Institution	Core Pain Point	Warlock’s Solution
Traditional Hedge Funds (e.g., Bridgewater)	<p><b>“Black Box” Operation &amp; High Barrier:</b> Strategies opaque, investors rely on trust in founder and brand.</p> <p>“All Weather” strategy positions remain a black box.</p> <p>Extremely high investment minimums.</p>	<p><b>“Glass Box” Operation &amp; Accessibility:</b> Trade-level transparency and on-chain verifiable economic model.</p> <p>Trust based on verifiable data.</p> <p>“Pioneer Node Program” progressively lowers barrier to entry.</p>
Large Asset Managers (e.g., BlackRock)	<p><b>The Paradox of Scale and Agility:</b></p> <p>Managing over \$10 trillion makes flexible strategy adjustment difficult.</p> <p>Scale becomes enemy of returns — “elephant can’t dance.”</p> <p>Returns trend towards mediocrity.</p>	<p><b>Networked &amp; Adaptive:</b></p> <p>Distributed node network offers high flexibility.</p> <p>AI engine learns in real-time from entire network data.</p> <p>Larger network means more “parallel paths” for AI learning, enhancing robustness.</p>

Institution	Core Pain Point	Warlock's Solution
Investment Bank Asset Mgmt (e.g., Goldman Sachs)	<p><b>Conflicts of Interest &amp; Information Asymmetry:</b> As part of a massive financial conglomerate, asset management may conflict - conflict with other business lines (investment banking, proprietary trading). Hard for investors to know if funds serve bank's own interests.</p>	<p><b>Neutral Infrastructure:</b> Warlock's sole focus is technology and infrastructure provider. No business-related conflicts of interest. We don't compete with clients for Alpha; we provide tools to capture it.</p>
Failure Cases (Madoff, FTX)	<p><b>Systemic Flaw of the Custodial Model:</b> Madoff ran Ponzi scheme for decades, FTX misappropriated \$8 billion in client funds. Core of fraud was complete control and abuse of client assets. This is the "original sin" all custodial models cannot escape.</p>	<p><b>Structural Immunity:</b> Non-custodial model eliminates possibility of asset misappropriation at institutional level. API keys with only trading permissions and no withdrawal rights makes Madoff- or FTX-style fraud "impossible" within Warlock framework. This is not a promise; it is structure.</p>

## 4.3 Versus Quantitative Products

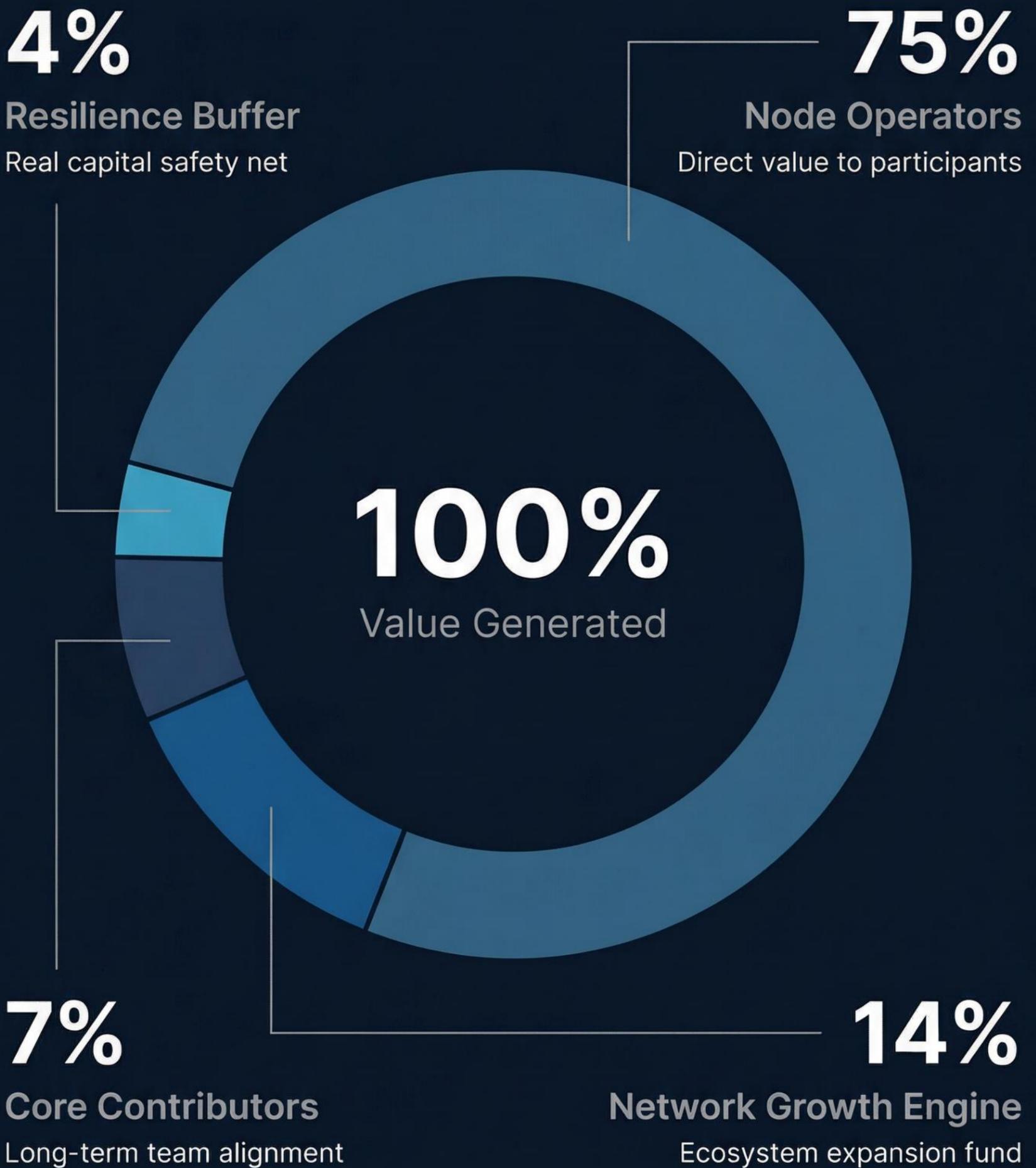
From “Model Worship” to “Structural Resilience”

Product Type	Core Pain Point	Warlock’s Solution
Traditional Quant Funds (Two Sigma, D.E. Shaw)	<b>Model Fragility &amp; Crowding Risk:</b> Strategies converge, creating systemic risk. The January 2026 quant quake saw multiple top funds suffer simultaneous losses.	<b>AI Self-Learning &amp; Differentiated Execution:</b> Warlock’s AI engine continuously learns from diverse network data. Differentiated execution paths across nodes prevent crowding.
Crypto Quant Funds (e.g., Three Arrows Capital)	<b>Leverage Abuse &amp; Custodial Risk:</b> Excessive leverage and opaque fund management. Three Arrows Capital’s collapse destroyed billions in client assets.	<b>Non-Custodial &amp; Funded Safety:</b> No leverage abuse possible within protocol. 4% Resilience Buffer provides real capital protection against extreme events.
DeFi Liquidity Mining	<b>Smart Contract Risk &amp; Impermanent Loss:</b> Vulnerable to hacks, exploits, and impermanent loss. Yields are often unsustainable and subsidized.	<b>Audited Contracts &amp; Real Alpha:</b> Core contracts undergo rigorous third-party audits. Returns generated from real market alpha, not unsustainable subsidies.
Crypto Copy-Trading (e.g., eToro)	<b>Single Point of Failure &amp; Signal Decay:</b> Dependent on a single trader. Signal replication creates market impact and degrades returns as followers increase.	<b>AI-Driven Probability Space:</b> No single trader dependency. AI identifies broad opportunity space and allocates differentiated execution paths. More nodes enhance AI learning.

# 05 BUSINESS & ECONOMIC MODEL

## 5.1 Value Allocation Framework

On-Chain Verifiable | Smart Contract Enforced



*“No management fees. No performance fees.  
Value flows to those who create it.”*

## 5.2 Core Advantages of the Economic Model

### **Interest Alignment**

Unlike traditional funds that profit from management fees regardless of performance, Warlock's economic model is entirely performance-driven. The protocol earns only when participants earn. This creates a structural alignment of interests that traditional asset management cannot replicate.

### **Verifiability**

Every trade, every allocation, every fee is recorded on-chain and independently verifiable. This is not a promise of transparency – it is programmatic enforcement through audited smart contracts. Participants do not need to trust; they can verify.

### **Antifragility**

The Resilience Buffer is not a theoretical risk model. It is a funded capital reserve that grows with the network. In traditional finance, risk buffers exist on paper. In Warlock, they exist in real capital – verifiable, liquid, and automatically deployed.

# 07 | FINANCIAL PROJECTIONS

## 7.1 Revenue Model & Key Assumptions

### Revenue Sources

Source	Mechanism	% of Protocol Value
Performance Spread	Execution optimization and spread capture on trading volume	~2-3% of volume
Network Growth Allocation	14% of protocol-generated value reinvested in network expansion	14%
Core Team Reward	7% of protocol-generated value for team compensation	7%
Resilience Buffer	4% of all resources allocated to funded capital reserve	4%

### Key Growth Assumptions

Metric	2026E	2027E	2028E
Pioneer Node Operators (avg)	200	600	1,000
Avg AUM per Node	\$1.5M	\$833K	\$1.0M
Total Trading Volume	\$300M	\$500M	\$1.0B
Protocol Revenue Rate	2.5%	2.5%	2.5%
Estimated Protocol Revenue	\$7.5M	\$12.5M	\$25.0M

*Projections are management estimates based on current growth trajectory and market conditions. Actual results may vary materially.*

## 7.2 Three-Year P&L Summary

Item	2026E	2027E	2028E
<b>REVENUE</b>			
Protocol Revenue	\$7.5M	\$12.5M	\$25.0M
<b>OPERATING EXPENSES</b>			
Technology & Infrastructure	\$2.0M	\$2.8M	\$4.5M
Regulatory & Compliance	\$1.2M	\$1.5M	\$2.0M
Regulatory	\$1.5M	\$1.5M	\$3.5M
Team & Operations	\$1.5M	\$2.5M	\$3.5M
Market Expansion	\$0.5M	\$1.0M	\$2.0M
<b>Total Operating Expenses</b>	<b>\$5.2M</b>	<b>\$7.8M</b>	<b>\$12.0M</b>
<b>EBITDA</b>	<b>\$2.3M</b>	<b>\$4.7M</b>	<b>\$13.0M</b>
EBITDA Margin	30.7%	37.6%	52.0%

### Break-Even Point: Expected Q3 2026

Based on current burn rate and projected node operator growth

**Path to Profitability:**  
Structural cost advantages from non-custodial model and automated operations enable high operating leverage

*Financial projections are forward-looking estimates. They do not constitute guarantees of future performance.*

# 06 GROWTH ENGINE

## Institutional Fission-Invitation Mechanism

### 6.1 Not a "Referral Program"

The Warlock growth engine is fundamentally different from consumer-grade referral programs. It is a trust-based network expansion mechanism designed specifically for institutional and high-net-worth participants. Each existing node operator can invite qualified peers into the network, creating organic, trust-verified growth.

### 6.2 Triple Commercial Value

#### Scalable Trust

Each new participant enters through a trusted relationship, not a marketing funnel. This creates a network where every node has been vouched for by an existing participant, dramatically reducing onboarding risk and building institutional-grade trust at scale.

#### Incentive Alignment

Inviting participants are rewarded through the network growth allocation (14%), creating a self-sustaining expansion mechanism. The inviter's returns are tied to the invitee's success, ensuring quality over quantity in network growth.

#### Built-in Quality Filter

Because existing participants stake their reputation on each invitation, the mechanism naturally filters for qualified, serious investors. This is the opposite of mass-market acquisition, it is curated, institutional-grade network building.

## 6.3 Network Effects: More Isn't Crowded, Synchronized Is

A common concern with any networked trading system is whether more participants will crowd out returns. Warlock's architecture fundamentally addresses this through a "probability space" model rather than a "signal replication" model.

### The "Probability Space" Model

Traditional copy-trading platforms replicate a single trader's signals across all followers, creating direct market impact and signal decay. Warlock's AI engine operates differently: it identifies a broad probability space of profitable opportunities and allocates differentiated execution paths across the network. Each node may execute a different subset of the opportunity set, based on its specific characteristics (capital size, exchange, risk tolerance).

This means that as the network grows, it doesn't create more competition for the same trades. Instead, it creates more "parallel paths" through the probability space, each generating unique execution data.

### Differentiated Execution Fuels AI Self-Learning

The diversity of execution samples across the network becomes the AI engine's most valuable training data. Each node's unique execution outcome, whether successful or not, provides a data point that enriches the model's understanding of market microstructure. The larger the network, the faster the AI learns, and the better it becomes at identifying and allocating opportunities. This creates a powerful positive feedback loop: more nodes lead to better AI, which leads to better returns, which attracts more nodes.

# 07 MARKET ENTRY & GROWTH PATH

## 7.1 Validated Market Traction (2025)

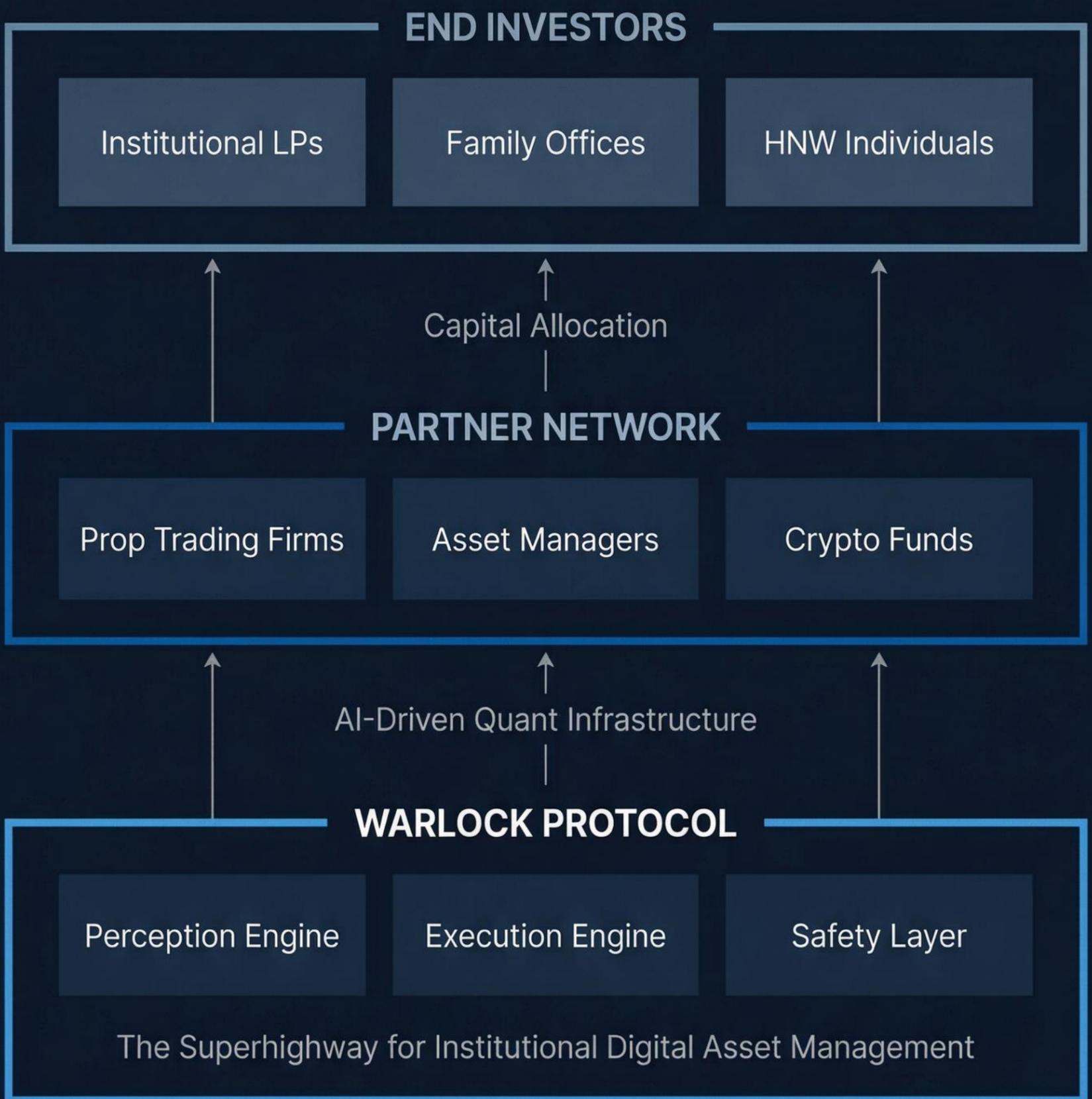
In 2025, the v2 version of the protocol, in limited early partnerships, successfully executed \$87 million in real-world quantitative trading volume, validating the effectiveness of the core engine.

## 7.2 Quantifiable Scaling Roadmap

Year	Version	Phase	Target Volume	Key Milestones
2025	v2	Concept Validation	<b>\$87M</b>	Core engine live, initial partnerships validated, real-world trading volume confirmed <b>ACHIEVED</b>
2026	v4	Network Expansion	<b>\$300M</b>	Cross-chain deployment, 1,000 Pioneer Node operators, institutional partnerships <b>CURRENT PHASE</b>
2027	v5+	Institutional Infrastructure	<b>\$500M</b>	Full institutional compliance, DAO governance framework, global expansion

## 7.3 Strategic Positioning: Infrastructure Provider

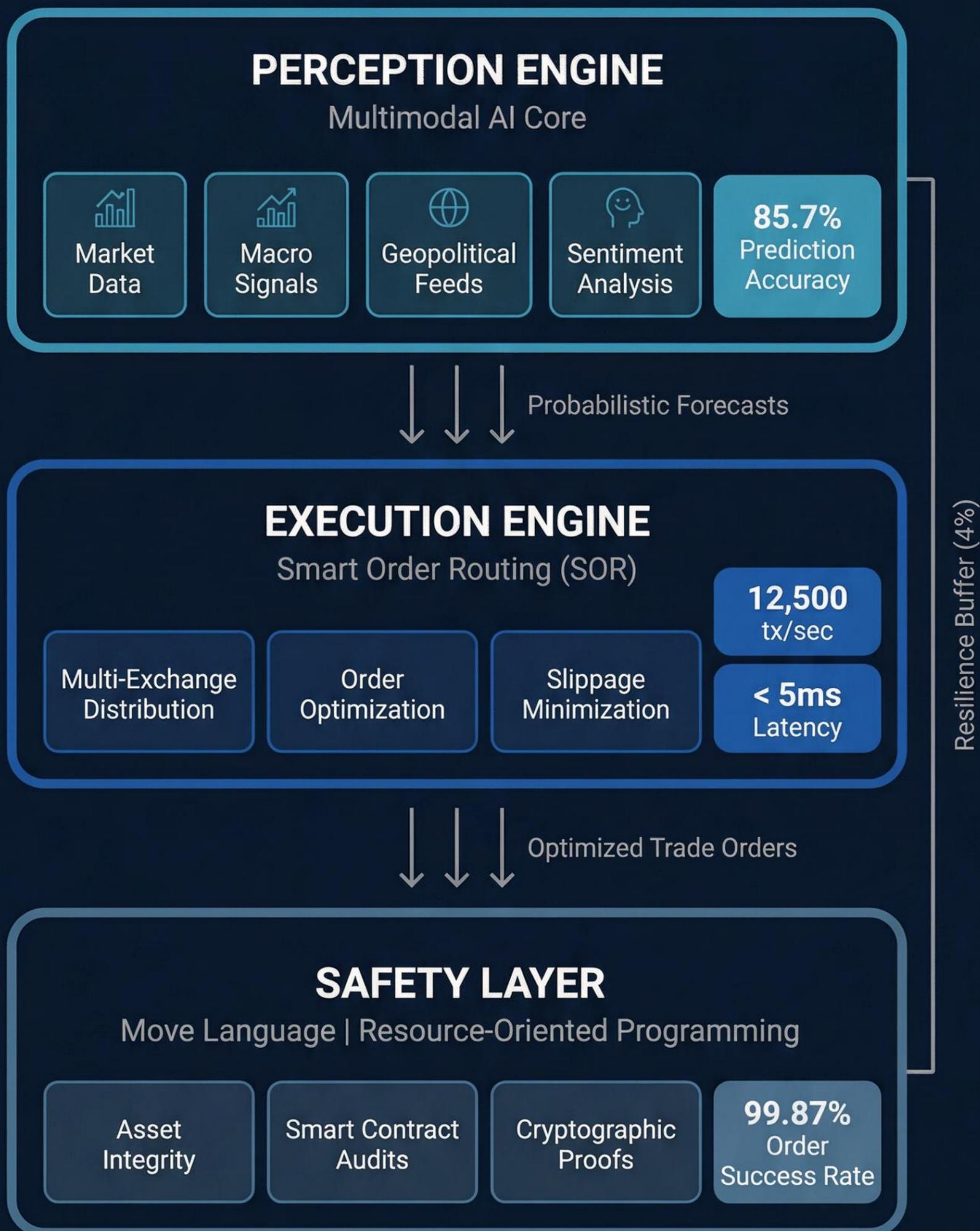
Warlock is not a hedge fund. It is a next-generation asset management infrastructure provider — an “Enabler” that empowers partners to access AI-driven quantitative capabilities.



This “Enabler” positioning means Warlock does not compete with its partners — it empowers them. The goal is to become the foundational infrastructure layer, the “superhighway” for institutions entering the digital asset and AI-driven quantitative space.

# 08 TECHNICAL CAPABILITY

## 8.1 Three-Layer Architecture



*All metrics based on v2.8 backtesting (2023-2024, 8 asset classes).  
Past performance is not indicative of future results.*

## 8.2 Validated Performance Metrics

Backtesting Period: 2023-2024 | 8 Asset Classes | Engine v2.8

Category	Metric	Result
<b>PERCEPTION</b>	Short-Term Trend Prediction Accuracy	85.7%
	Anomaly Signal Recognition Rate	99.2%
<b>EXECUTION</b>	Peak Throughput	12,500 tx/sec
	Average Execution Latency	< 5 ms
	Order Success Rate	99.87%
<b>OVERALL</b>	Simulated Sharpe Ratio	2.15
	Simulated Max Drawdown	< 8.3%
<b>RISK ENGINEERING</b>	Simulated Slippage Reduction	> 60%
	Resilience Buffer Effectiveness	Reduced Max Drawdown by 52%

*Important: All metrics are derived from backtested simulations using historical data from 2023-2024. Simulated performance is not indicative of future results. Actual trading conditions may produce materially different outcomes.*

## 8.3 Performance Case Studies

Simulated Scenarios Based on Historical Market Events

### CASE 1

#### BTC Volatility Event — March 2025 (Simulated)

<b>Market Context:</b>	BTC dropped 18% in 48 hours during systematic deleveraging
<b>Protocol Response:</b>	AI perception engine detected anomaly signals 4.2 hours before cascade event
<b>Result:</b>	Reduced exposure by 73%, limiting simulated portfolio drawdown to -2.1% vs market -18%
<b>Resilience Buffer:</b>	Not triggered (drawdown within normal parameters)

### CASE 2

#### Multi-Asset Basis Arbitrage — Q4 2025 (Simulated)

<b>Strategy:</b>	Cross-exchange ETH/BTC basis arbitrage over 90-day period
<b>Result:</b>	12.3% annualized return, Sharpe Ratio 2.8, max drawdown -1.2%
<b>Key Factor:</b>	Smart Order Routing optimized execution across 4 exchanges simultaneously

### CASE 3

#### Systematic Stress Test — January 2026 (Simulated)

<b>Market Context:</b>	Broad deleveraging across crypto quant strategies
<b>Protocol Response:</b>	Circuit breakers activated, positions hedged within 340ms
<b>Result:</b>	Portfolio drawdown -3.7% vs peer average -12.4%

*All case studies are based on backtested simulations using historical data. Past simulated performance is not indicative of future results. Actual trading conditions may produce materially different outcomes.*

# 09 CORE TEAM & INSTITUTIONAL FOUNDATION

## 9.1 Core Contributors

### **Alec Radford**

#### Chief Scientist

Former Senior Researcher, OpenAI

Led research on GPT-4 multimodal perception systems. Brings deep expertise in transformer architectures, large language models, and AI-driven signal processing. Responsible for the design and evolution of Warlock's Perception Engine.

### **Mark Giancola**

#### Chief Risk Officer

Former Head of Quantitative Risk Management, Asia-Pacific, Goldman Sachs

Over 15 years of experience in institutional risk management across global markets. Designed and implemented risk frameworks for multi-billion dollar portfolios. Architects Warlock's risk control systems and the Resilience Buffer mechanism.

### **Kelsey Hightower**

#### Chief Architect

Former Distinguished Engineer, Google Cloud

Pioneer in Kubernetes and cloud-native infrastructure. Led the design of distributed systems serving billions of requests. Responsible for Warlock's distributed node architecture, execution engine, and system scalability.

## 9.2 Global Institutional Foundation

### Legal Entities & Regulatory Framework

Jurisdiction	Entity	Regulatory Status
United States	Warlock Digital Services LLC	FinCEN MSB Registration #31000318691775
United States	Warlock Capital Management LP	SEC Registered Investment Adviser SEC#802-135343, CRD#340437
Singapore	Warlock Technologies Pte. Ltd.	Operating under MAS Payment Services Act (PSA) framework
Hong Kong	Warlock (Hong Kong) Limited	Companies Registry #79696822-000-01-26-0
Cayman Islands	Warlock Global Fund SPC	CIMA Registered Segregated Portfolio Company #289030387

This multi-jurisdictional structure provides comprehensive regulatory coverage across major financial centers, enabling compliant operations for institutional participants globally.

# 10 EVOLUTION ROADMAP

## Stage 1: The Awakening

COMPLETED

2025 Q3 - Q4

Core engine live and operational. \$87 million in real-world trading volume validated. Initial partnerships established. Proof of concept confirmed across multiple asset classes.

## Stage 2: Symbiosis

CURRENT PHASE

2026 Q1 - Q2

Cross-chain deployment and multi-exchange integration. Target: \$300 million trading volume. Onboarding 1,000 Pioneer Node operators. Institutional partnership framework established.

## Stage 3: Immunity

2026 Q3 - 2027 Q2

Institutional-grade infrastructure complete. Target: \$500 million trading volume. Full regulatory compliance across all jurisdictions. Advanced risk management systems deployed.

## Stage 4: Sovereignty

2027 Q3+

DAO governance framework implemented. AI self-iteration and autonomous strategy evolution. Global institutional adoption. Protocol becomes self-sustaining ecosystem.

## Four-Layer Defense Architecture



### Algorithmic

Real-time AI-driven risk monitoring and automated circuit breakers

### Operational

Non-custodial model structurally mitigates counterparty risk

### Financial

4% Resilience Buffer provides funded safety net for black swan events

### Governance

Multi-jurisdiction compliance with independent audit framework

## 11.2 Risk Factors Disclosure

### Market Risk

Digital asset markets exhibit extreme volatility. Correlation breakdowns, liquidity crises, and black swan events may result in significant losses despite risk mitigation measures.

### Technology Risk

Smart contract vulnerabilities, API dependencies on third-party exchanges, and infrastructure failures could impact protocol operations and fund security.

### Regulatory Risk

Global crypto regulations are evolving rapidly. Changes in licensing requirements, tax treatment, or outright restrictions in key jurisdictions could materially affect operations.

### Operational Risk

Key person dependency on core team members. Third-party exchange counterparty risk remains despite non-custodial architecture.

### Concentration Risk

Exposure to specific exchanges, asset classes, or geographic markets may amplify losses during correlated market events.

### Liquidity Risk

Redemption pressure during market stress could force position unwinding at unfavorable prices, particularly in thin markets.

*Disclaimer: The risks outlined herein are not exhaustive. Investors should conduct their own due diligence and consult with professional advisors before making any investment decisions.*

# 12.1 Investment Terms

## Target Raise

\$15M Series A Equivalent

## Investment Instrument

SAFE with Token Warrant / LP Interest in Warlock Global Fund SPC (Cayman)

## Pre-Money Valuation

\$75M

Based on: \$87M validated trading volume, 5-jurisdiction regulatory framework, proprietary AI engine with 85.7% prediction accuracy

## Minimum Commitment

\$250,000 per Pioneer Node

## GP Commitment

Core team commits 5% of fund capital, aligning interests with investors

## Fee Structure

No management fees. Team compensated through 7% protocol allocation — earned only when the protocol generates value.

## Investor Qualification Criteria

Requirement	Details
Accredited Investor Status	Must meet SEC or equivalent jurisdiction requirements
KYC/AML Compliance	Full identity verification through Sumsub platform
Minimum Holding Period	6-month initial lock-up from date of commitment
Technical Understanding	Familiarity with digital asset markets preferred

# 12.2 Use of Proceeds

## Planned Allocation of \$15M Series A Capital



Category	Allocation	Amount	Key Activities
Technology & Infrastructure	40%	\$6.0M	AI engine v4-/5 development, cross-chain deployment, security infrastructure, exchange integrations
Regulatory & Compliance	20%	\$3.0M	Multi-jurisdiction licensing, ongoing compliance, legal counsel, audit framework
Market Expansion & Partnerships	20%	\$3.0M	Institutional partner onboarding, Pioneer Node program, strategic partnerships
Team & Operations	15%	\$2.25M	Key hires in engineering, compliance, and business development
Strategic Reserve	5%	\$0.75M	Contingency fund for market opportunities and unforeseen requirements

## 12.3 Liquidity & Exit Framework

### Exit Mechanisms

Mechanism	Terms
Redemption Window	Monthly redemption with 30-day advance notice
Lock-Up Period	6-month initial lock-up for all new participants
Early Exit	Available during lock-up with 2% early redemption fee
Secondary Transfer	Permitted with protocol approval and full KYC/AML compliance
Force Majeure	Emergency redemption provisions in case of regulatory or market disruption events

### Service Providers & Institutional Partners

Role	Provider
Legal Counsel (US)	Morrison & Foerster LLP
Legal Counsel (Asia)	Rajah & Tann (Singapore)
Fund Auditor	Deloitte (Cayman Islands)
Smart Contract Audit	Trail of Bits + CertiK (dual audit framework)
On-Chain Compliance	Chainalysis (transaction monitoring)
KYC/AML Provider	Sumsb (identity verification)
Custodian Partners	Coinbase Institutional, Binance Institutional

*\*All partners subject to due diligence and final agreement.*

# 13 | CONCLUSION

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## A Pragmatic Invitation

This business plan has laid out a clear thesis: the traditional asset management model, built on custodial trust, opaque operations, and theoretical risk models, is fundamentally broken. Warlock Protocol offers a structural alternative built on three immovable pillars:

1. **Structural Safety:** Non-custodial architecture that makes asset misappropriation structurally impracticable.
2. **Radical Transparency:** “Glass box” operations where every trade and every value allocation is verifiable.
3. **Funded Resilience:** A real capital buffer, not a theoretical model, protecting against black swan events.
4. **Clear Growth Path:** From \$87M validated traction to \$300M and \$500M targets, with a defined roadmap.
5. **Trust-Driven Network:** An institutional fission mechanism that builds quality over quantity.

We are looking for 1,000 “Pioneer Node” operators who share this vision. Not passive investors, but active participants in building the next generation of asset management infrastructure.

**This is not a public offering. This is not a marketing pitch. This is a pragmatic invitation to peers with a long-term mindset, a structural understanding of risk, and the conviction that the future of asset management must be built on verifiable trust, not brand promises.**

# WARLOCK PROTOCOL

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Business Plan v3.0  
Institutional Investor Edition

February 2026

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References:

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