

A SECURE HIGH-YIELD DIGITAL ASSET PRODUCT

# MARKET NEUTRAL STAKING

Northstake's Market Neutral Staking Strategy unlocks double-digit yields by pairing Ethereum staking rewards with returns from a delta-neutral basis trade on regulated futures.

15.6%

APR in 2024

## THE STRATEGY

The Market Neutral Staking Strategy generates yield by capturing the price difference between spot Ethereum and futures contracts. This is achieved by staking ETH to earn native staking rewards while simultaneously taking a short position in ETH futures. The short hedge neutralizes price fluctuations, allowing investors to lock in the basis premium – the difference between spot and futures prices. As a result, the strategy provides consistent, yield-like returns without being exposed to ETH's price volatility, making it comparable to a fixed-income investment.

## HOW IT WORKS

### Step 1: Deposit Fiat/Crypto

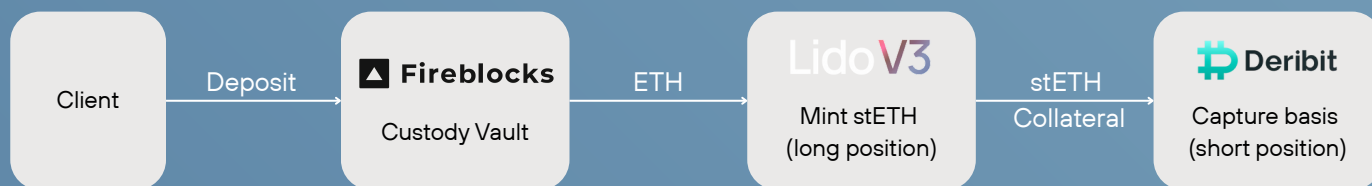
Fiat/crypto is deposited in a dedicated vault with Fireblocks

### Step 2: Mint stETH

stETH is minted to accrue rewards. stETH is used as collateral.

### Step 3: Short ETH futures

Short ETH using dated futures trading at a premium to spot.



## INVESTMENT STRUCTURE

### Product Structure

- Structured loan note via bankruptcy-remote SPV
- Fixed interest rate set at entry, payout upon maturity
- 6-12 months investment horizon

### Capital Structure

- Credit risk is on the Ethereum blockchain
- Principal is not exposed to ETH price swings
- No margin calls or collateral top-ups



Market-neutral  
exposure



High-yield  
alternative to bonds



Regulated, Secure,  
Compliant

## ABOUT NORTHSTAKE

Northstake A/S is a regulated, EU-based virtual asset service provider offering compliant staking products to institutions. Northstake has demonstrated a new staking model allowing institutional investors to optimise staking strategies with industry-leading service providers. To learn more visit [www.northstake.dk](http://www.northstake.dk)

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