BATONICS' FIVE PILLARS

M A G D A

Multi-asset
The investment product should not be focused on a singular asset or limited to several asset classes that - all in all - are expected to exhibit the same reactionary dynamics in response to macro stimuli.

Agility
The investment product should not dictate a fixed weighting in asset classes that cannot be adjusted periodically to adapt to the shifting landscape. It can however have a fixed weighting in the liquid / illiquid taxonomy

Geo-bridging
The investment product should not dictate a geographic region, as that invites the same entrenchment jeopardy. But furthermore, it should focus on underinvested 'geo-bridging products' i.e., products that provide otherwise less accessible asset pipelines to and from certain geographies.

Deeptech
The investment product should leverage the founder's deeptech and engineering background. Possible leverages can include:

- Marketing: Branding the fund/product, this will appeal to FO and HNWs with a tech tilt

- Content level - Having the capacity to judge on early-stage tech companies within the team

- Decision making level - Using deeptech in investment decision-making, not necessarily a quant model, but employing STEM more than traditional investment houses

- Changing VC dynamics - Success has for the past 10 years been defined in a very forward looking way, in the terms of what the next fundraise will value the asset at. This - in a tightened money supply ecosystem - is not set to stay. While early stages will never be able to value itself according to revenues solely, it'll be a valuation based on the path to profitability rather than pure growth.

Macro-Asymmetry
The investment product should not base its strategy or its allocation decisions (on an instrument or macro level) to research, statistics, or back testing where the sample size is more than 50% comprised of the last 10 years. This is directly derived from the philosophical thesis betting on an anomalous asymmetry in the coming decade.

Structural Flexibility*
This is the most lenient pillar. The investment product should not have a legal structure that is highly restrictive.

**This paper includes a sixth pillar, but since it is not as prioritized as the others, it is usually left out in the acronym*