



# Demand Derivatives

## Corporate Info

Founded: Aug 2017  
Industry: Financial Technology  
Sub-Industry: Markets  
Structure: C-Corp.

## Funding Required

Stage: Series A  
Amount: \$6m  
Goal of Funds: Launch Exchange  
Use of Funds: Regulatory, IP, Tech, and Marketing  
Prior Rounds: \$4m  
Valuation: \$35m Pre-Money  
Projected ROI: 5<sub>yr</sub> → 200x, 10<sub>yr</sub> → 2,000x

## Market Size (exchange revenues)

TAM: \$94b  
SAM: \$23b  
SOM: \$13b

## Directors

Richard Heckinger — Former FED Official and CEO of Hong Kong Exchange

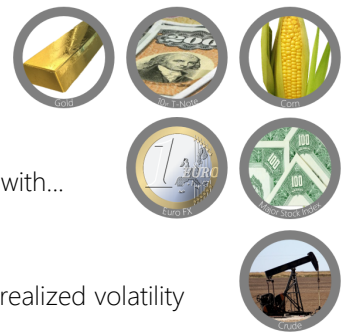
Jeromee Johnson — Former executive at BATS and MIAX exchanges

## Adviser

Andrew Kumiega — Professor and consultant for many hedge funds, market makers, and clearing organizations

## Description

Revolutionary Futures Exchange and Clearing House to Trade the World's Major Assets in a Creative New Way\*



## Problems

Current exchanges using 175-year-old instrument designs with...

- Unlimited risk
- Slow (overnight) clearing
- No global equity index solutions; no daily options; no realized volatility

## Solutions

Proprietary, IP-protected designs...

- **RealLimit™** — Limited risk on all exchange positions (but with large potential upside)
- **RealClear™** — Instant clearing (eliminates overnight clearing risks)
- **RealGlobe™** — World index exchange (unifying country equity index derivatives)
- **RealDay™** — Delayed strike daily options (perfect for event risk and vol positions)
- **RealVol™** — Realized volatility products (indices, futures, and options)

## Competitors

- **CME Group®** — They have no limited risk futures (we plan to)
- **occ®** — They are a pure monopoly (we plan to be their sole competitor)
- **Cboe®** — They have only implied volatility products (we plan to list realized vol)
- Global options exchanges — They have no delayed strike options (we plan to)
- Global exchanges — They mostly list a single country equity index per exchange (we plan to list them all together with massive cost savings and better execution)

## Our Advantages

- 97% less costly to build a world-class exchange (\$1b est. → \$25m est.)
- 80% less costly to operate (\$0.67/contract CME actual → \$0.14 internal estimate)
- Much less risky for traders (no default risk)
- Much less risky for the exchange (no credit extended)
- Eliminates systemic risks in the global financial system (when caused by derivatives)
- Embraces the FCM model (whereas exchanges are now exploring direct to customer)
- High leverage (as much as double the leverage of existing exchange products)

## Early Traction

- Partnered with **GMEX GROUP®** for exchange and clearing house systems
- LOI with options exchange for clearing (our first large-scale customer)
- Agreements in place with **Bloomberg®** and **Nasdaq®** for index distribution
- Licensing agreement with **BOX™** for **RealVol** and **RealDay** on securities
- Custodial account with **usbancorp Asset Management, Inc.®** housing traders' collateral
- Agreement with **ICE DATA SERVICES®** to distribute market data

## Forced Traction

- Fiduciaries, such as asset managers, hedge funds, and pension funds (with trillions AUM) are required by law to seek out our low-risk, low-cost solutions.

## Team

All team members have over 25 years' experience in derivatives and markets



Robert Krause, CEO — CME, Morgan Stanley, Event Capital



Donald Schlesinger, President — Morgan Stanley



Wendy Robinson, General Counsel — CFTC, NASD, EF Hutton, PaineWebber

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\*Upon CFTC and SEC approval

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