



The strategy of the M11 Credit USDC Pool is to lend to a diversified set of cash-generative, premier low-latency trading firms with market-neutral strategies (no directional exposure to price movements). These trading firms have a strong and established track record and performed well during times of increased market volatility which makes them a suitable lending partner for investors looking for uncorrelated market exposure.

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## Market Commentary

In September, the cryptocurrency market failed to reverse the losses seen in August. With inflation far above target the U.S. Federal Reserve continued their trend with the fastest and most aggressive hiking cycle in more than three decades to curb it with another 75 bps interest rate hike which pushed the 10yr treasury yield above 3.5%. Meanwhile, global (macro) economic uncertainty is expected to continue to weigh on cryptocurrencies and other risk assets.

Consequently, we observed overall demand for USDC to be still relatively slow during September, as we understood most of the market-neutral trading firms had been de-leveraging their books into the Ethereum Merge mid-month. Throughout September, the risk-free rate, which is represented by the safe yields from Compound (USDC), Aave (USDC), and Curve (3-pool), hovered around 0.70%, which is comparable to August.

On the positive side, September's trading volumes saw the first notable increase since May of this year with exchange trading volumes jumping 16% month-over-month to \$733 billion\*.

We expect that the spike in trading volumes could translate into high demand for USDC and thus higher rates than currently observed. However, we believe that the path of crypto market recovery heavily depends on macro conditions coupled with the effects of global monetary policies.

\* Source: [cryptocompare.com](https://cryptocompare.com)



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## Pool Performance

In a sign of investor confidence we do witness the first meaningful deposits enter our pool again and we are pleased that five new loans were approved in September, breaking a dry spell that had persisted since early June. These new loans, all with interest rates well above 11%, helped to boost the overall APY to lenders.

All scheduled interest and principal (re)payments were made on time in September, and the financial statements we received from the borrowers this month indicate comfortable leverage levels similar to August. And despite the somewhat subdued trading environment the various market-neutral trading strategies used by our borrowers continued to generate respectable returns and hence, positive cash flows.

In a very serious and unfortunate event however, one of our larger borrowers Wintermute experienced a hack on September 20, which resulted in the loss of ~\$160m in their DeFi prop trading operations.

We took proactive steps and immediately hosted several conversations with Wintermute leadership and received confirmation that their post-hack financials remain solid. The balance sheet is highly liquid, and liquid assets continue to exceed all financial liabilities. Key financial ratios are still within historic boundaries despite the reported loss. For instance, the debt/equity ratio is still lower than in April 2022 hence we will maintain the lending relationship. We do not expect any impact on Lenders in Maple pools and anticipate a normal schedule of full repayment of all outstanding loans.



<b>\$547,750,000.00</b>	<b>\$105,000,000.00</b>	<b>9.35%</b>	<b>140 days</b>	<b>0.00%</b>
total value of loans originated since pool inception (July 2021)	total value of loans outstanding spread across <b>8 Loans</b>	gross weighted average yield since pool inception, resulting in <b>\$13,570,367.00</b> in interest paid out to lenders	average loan tenor since pool inception (July 2021)	losses incurred shown as a percentage of loans originated
<b>\$731,309.59</b>	<b>10.76%</b>	<b>100%</b>	<b>\$52,219,224.49</b>	<b>\$6,884,272.54</b>
interest returned to lenders this month	average interest rate on outstanding loans	current utilization rate	amount of capital withdrawn from the pool	Amount of capital deposited into the pool

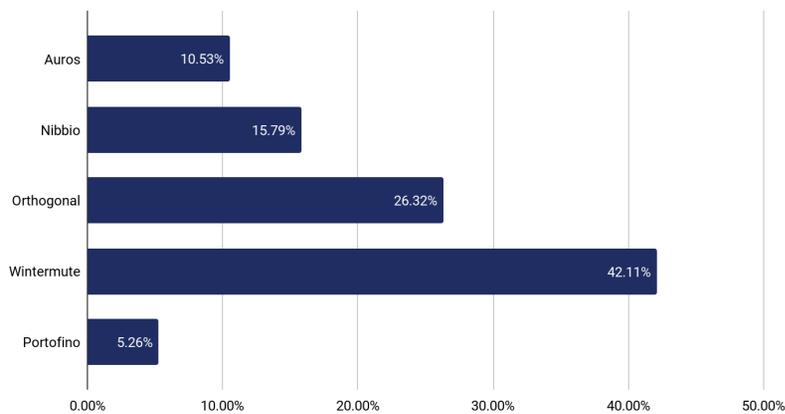


## Loans issued this month

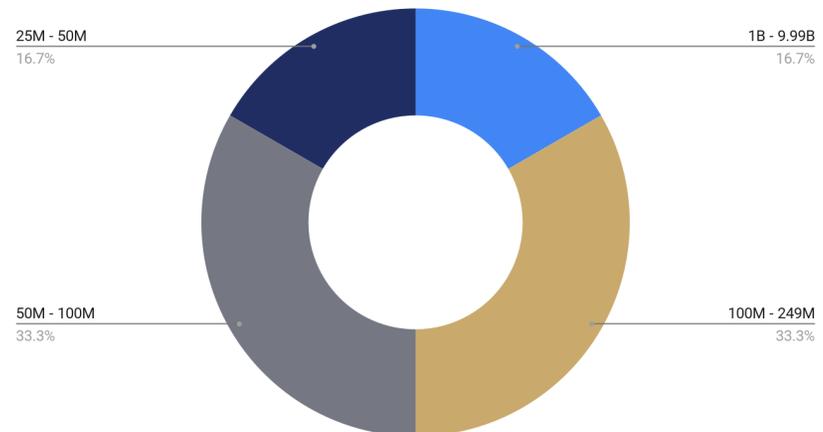
Issue date	Company	Loan amount	Term	Interest rate
01/09/2022	Orthogonal	\$10,000,000	60 days	12%
08/09/2022	Auros	\$10,000,000	60 days	10.75%
09/09/2022	Wintermute	\$40,000,000	60 days	10.75%
16/09/2022	Portofino	\$5,000,000	60 days	11.50%
21/09/2022	Orthogonal	\$15,000,000	90 days	12.00%

## Pool Deep Dive

### Current Pool Concentration

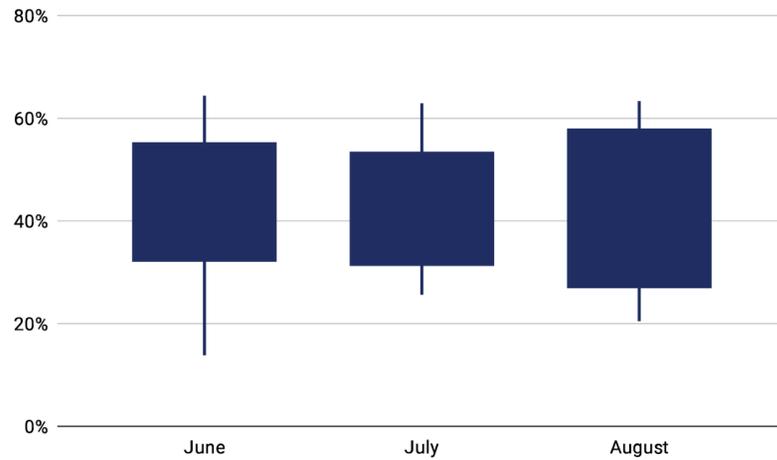


### Borrower's AUM Distribution

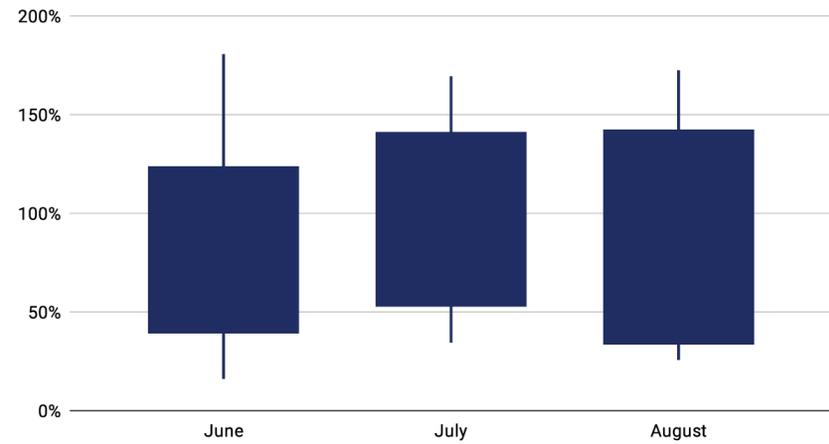




Aggregated D/Assets



Aggregated D/E



\* We don't observe material changes in the leverage levels of our borrowers. After the Luna/UST and subsequent contraction of CeFi lending, our borrowers efficiently managed their debt balances. As a result, we currently see healthy and robust balances with potential room for additional leverage. \*\* Inc. Wintermute post-hack financials



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