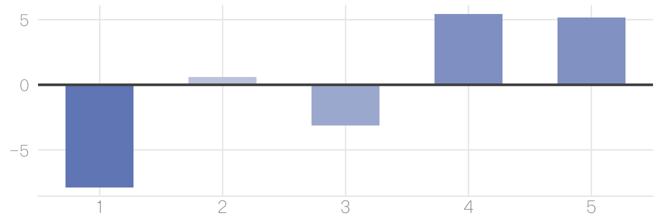
Margin Risk



Crowded, highly-leveraged long positions get washed out by cascading liquidations – a structural drag that the factor systematically shorts.

The factor capitalises on the tendency of assets with higher at-risk-of-liquidation positions to underperform less leveraged assets.

Margin Risk predicts positions vulnerable to forced closure at 1%, 2%, 5% and 10% deviations from the current price. Data is aggregated from the top 10 most reputable exchanges.

The asset universe consists of the most liquid and actively traded assets, identified on a rolling basis – various techniques employed to keep it both stable and relevant, as well as survivorship-bias free.

To balance each asset's risk contribution, positions are scaled according to the inverse of their rolling volatility.

The factor is available (point-in-time) with hourly updates, 5 minutes past the hour (UTC).

EXAMPLE TOP 40 CROSS-SECTIONAL PORTFOLIO

Download Returns (CSV) →

Top 40 market-cap universe • 200% gross exposure (100% long / 100% short). Long and short the dynamic, point-in-time universe, sized by the factor's cross-sectional strength; rebalanced daily.

PERFORMANCE

Report Period Start Date Jan 2021 · End Date Jul 2026

Cumulative Returns

MTD	Last Month	1M	3M	YTD
−2.3%	−6.9%	−2.9%	−2.0%	−2.8%

Annualised Returns (CAGR)

1Y	3Y	5Y	SI
18.7%	35.6%	37.8%	58.4%

RISK PROFILE

Realised Volatility (annualised)

1M	3M	1Y	3Y	5Y	SI
16.2%	22.8%	23.3%	27.7%	26.4%	29.3%

Max Drawdown

%	Date
−23.2%	2024-01-12

CUMULATIVE RETURN

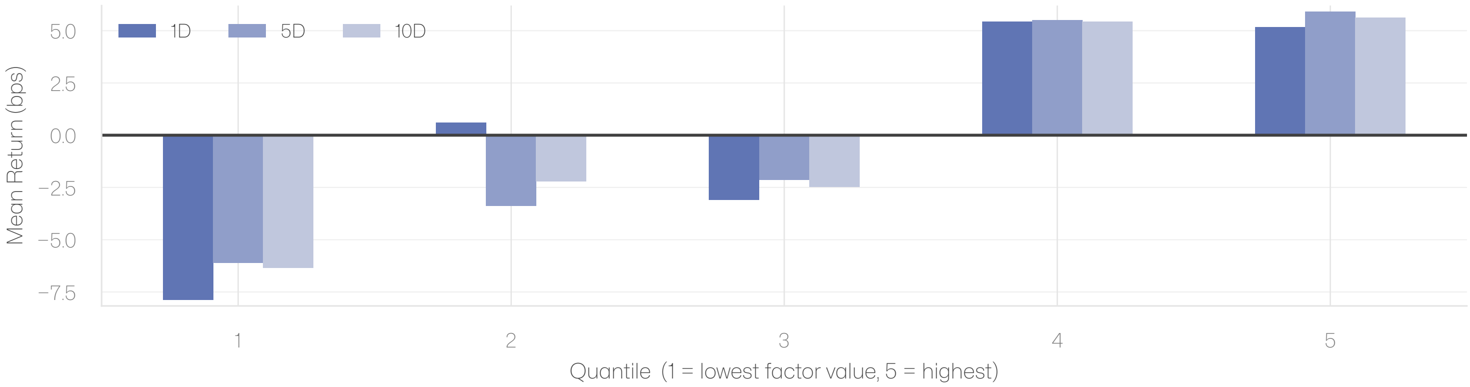
Note – Performance is for an illustrative single-factor portfolio (positions sized proportionally to the factor signal across the Top 40 universe, rebalanced daily); demonstrative only, not a tradable product. Past performance is not indicative of future results.

Factor Analysis

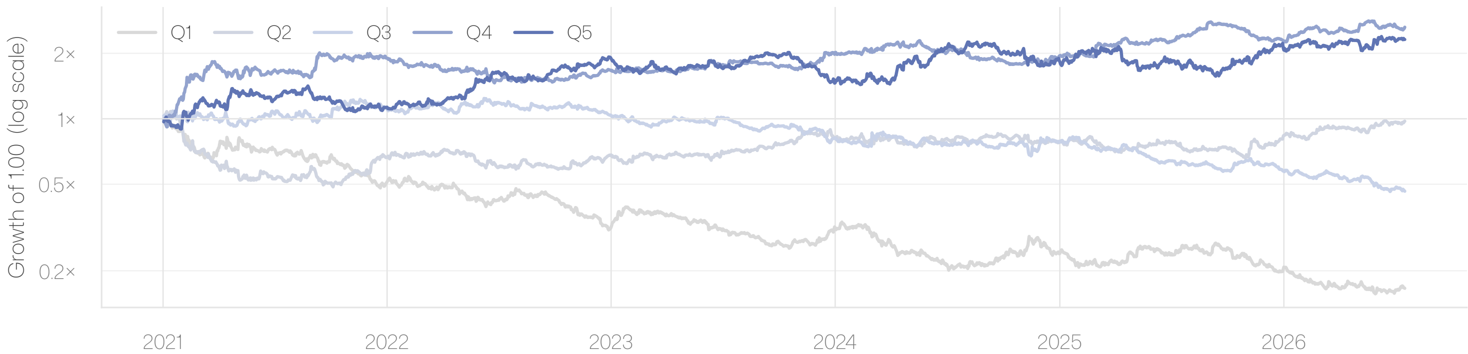
Download Factor Data (CSV) →

Diagnostics on the raw factor values, independent of portfolio construction: the quantile and IC plots show whether the signal cross-sectionally separates out- from under-performers, and how consistently. Computed point-in-time on the rolling Top 40 universe (the live factor spans many more tokens – see the raw factor-data CSV in the data room).

Mean Period Wise Return by Factor Quantile

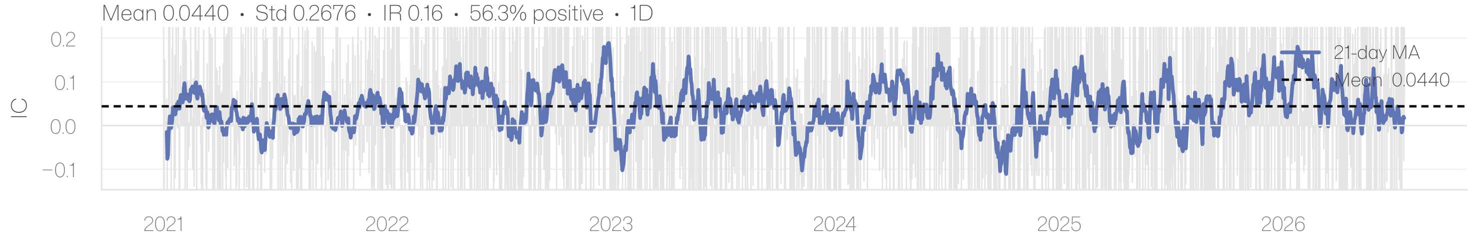


Cumulative Alpha by Quantile · demeaned, 1D



Information Coefficient (Spearman)

Mean 0.0440 · Std 0.2676 · IR 0.16 · 56.3% positive · 1D



ABOUT UNRAVEL

Unravel publishes a catalog of cross-sectional, market-neutral crypto factors – each with point-in-time history and live signals – designed to be combined into multi-factor portfolios that diversify away single-factor risk. Full catalog, methodology and API at unravel.finance; see the materials below.

View this factor on unravel.finance →

Replication notebook – backtest in AlphaLens →

Have further questions? Book a call with our team – unravel.finance/booking