

DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO
DIGITAL ASSET MARKETETS

June 2021 Newsletter

Digital asset markets capped off a very volatile quarter with all major cryptocurrencies ending down for the month of June. Bitcoin ended down -40.4% for the quarter, its second worst quarter since inception. The crypto sell-off has been attributed to regulatory crackdowns, concerns about tighter monetary policy and environmental issues. Please see page 2 for a list of recent articles of interest.

Key market observations from the trading desk

- Trading volumes were significantly lower in both the spot and derivatives markets. According to a [report](#) by cryptocompare, derivatives volumes were down 40.7% in June to US\$3.2tn while spot volumes decreased by 42.7% to \$2.7tn
- While volatile by any other measure, June volatility dropped by half from the peaks seen in May
- Yield arbitrage opportunities, such as the "cash and carry" trade, were limited, with perpetual contract yields negative for the majority of the month
- Futures markets implied yields dropped significantly from highs of 40% APR in May down to 3% at the time of publication
- Leverage and futures open interest have reduced materially (<https://www.theblockcrypto.com/data/crypto-markets/futures>)

The above points can be attributed to the large retracements during April and May. We believe digital assets are the most inefficient asset class in the world and our aim is to capitalise on the vast opportunity this provides. We are continually working on enhancements to existing strategies, as well as researching new ones, in order to maintain and improve our performance in all market conditions.

Performance overview



Style : Market-Neutral/Arbitrage

1 month	+0.83%
3 months	-
6 months	-
Since inception	+28.99%

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2021	-	-	-	-	+28.16	+0.83							+28.99%



Style: Long only Bitcoin Tracker

1 month	-2.55%
3 months	-
6 months	-
Since inception	-39.73%

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2021	-	-	-	-	-37.18	-2.55							-39.73%

All performance figures are net of fees and relate to the Lead series. Investors will receive an emailed statement directly from Ascent Fund Services with their unit holdings and valuations



DAFM

DIGITAL ASSET
FUNDS MANAGEMENT

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Investment Manager and Trustee

Digital Asset Funds Management Pty Ltd
Corporate Authorised Representative
(No. 001285765) of Quay Wholesale Fund
services Pty Ltd (AFSL No. 528526)

Fund Administrator and Registry

ASCENT Fund Services (Singapore) Pte. Ltd
www.ascentfundservices.com

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Articles we found interesting

[Point72 Seeks Crypto Head While Soros Starts Bitcoin Trading](#)
[Morgan Stanley Buys Over 28,000 Shares of Grayscale Bitcoin Trust](#)
[Billionaire Salinas Says He's Working for His Bank to Be First in Mexico to Take Bitcoin](#)
[Cathie Wood's ARK Invest, 21Shares Team Up to Enter Bitcoin ETF Race](#)
[SoftBank Invests \\$200 million in Brazilian Crypto Exchange Mercado Bitcoin](#)
[Debunking 10 Digital Asset Bear Market Theses](#)
[Most wealth managers look the other way as clients bet on cryptos](#)
[Bitcoin is worth zero and there is no evidence that blockchain is a useful technology, Black Swan author Nassim Taleb says](#)
[El Salvador makes bitcoin legal tender](#)

FUND TERMS

	Digital Opportunities Class	Bitcoin Index Class	Digital Index Class
Minimum	AUD 100,000	AUD 100,000	AUD 100,000
Applications	Monthly	Monthly	Monthly
Redemptions	Monthly (45 days notice)	Monthly	Monthly
Lock up period	90 Days	None	None
Management Fee	2% plus GST	2% plus GST	2% plus GST
Performance Fee	25% plus GST	None	None
Highwater mark	Yes	N/A	N/A

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