

DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO
DIGITAL ASSET MARKETS

October 2021 Newsletter

Bitcoin turned in its best monthly performance since December 2020, with a 37% increase during October. The main highlight of the month was the launch of ProShares futures-based Bitcoin Strategy ETF, which debuted on October 19th and set a record for the highest first day trading volume in US ETF history. Proshares' underlying contracts trade exclusively with the CME, and thus Bitcoin futures volumes on the CME rose 121% to \$70.3bn, an all-time high for the exchange.

Ethereum had a similarly strong 43% return during the month. There were a number of highlights for the network but of most importance, Ethereum Foundation community manager Tim Beiko commented during the month that he believes the eagerly anticipated ETH 2.0 code could be completed by February. Other items likely contributing to Ethereum's strong performance are the potential for an Ethereum ETF in the US and a rising TVL (total value locked) in Ethereum based protocols. Simply put, TVL represents the amount of assets that are currently being staked in a specific protocol. ETH futures volumes rose 13.6% to a record \$21.0bn, breaking the previous all-time high of \$18.7bn in May 2021. Ethereum open-interest on the CME grew 40.2% to 950mn, also an all-time high.

Please see page 2 for a list of interesting articles we read in October

Key market observations from the trading desk

With the broad based coin rally we observed rising yields. Generally this results in short term challenges for the strategy however strong intra day trading opportunities offset the negative mark to market of the spreads, placing the fund in a strong position for November.

Performance overview

Style: Market-Neutral/Arbitrage

1 month +1.85%
3 months +7.51%
6 months
Since inception +41.98%



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	+28.16	+0.83	+2.19	+2.62	+2.86	+1.85			+41.98

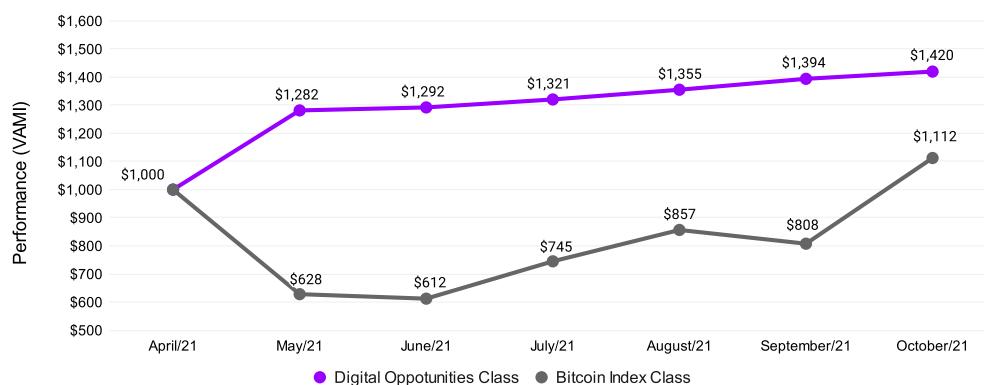
Style: Long only Bitcoin Tracker

1 month +37.73%
3 months +49.32%
6 months
Since inception +11.24%



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-37.18	-2.55	+21.69	+14.98	-5.71	+37.73			+11.24

Performance Chart



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

Trustee



DAFM

DIGITAL ASSET
FUNDS MANAGEMENT

WWW.DAFM.IO

Fund Characteristics

- Australian based Investment manager
- Australian unit trust
- Australian Dollar denominated units
- Three separate unit classes

Digital Opportunities Class

- > Uncorrelated to traditional markets
- > Market neutral approach
- > Absolute return focused

Bitcoin Index Class

- > Bitcoin tracker
- > Enhanced yield
- > Directional, long only exposure

Digital Index Class (not open)

- > Digital Index tracker
- > Enhanced yield
- > Directional, long only exposure

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



Articles we found interesting

- > [Facebook Goes All In on Metaverse With New Company Name Meta, NFT Push](#)
- > [BlockFi, Neuberger Berman form new business to build crypto ETFs](#)
- > [Coinbase hits number 1 spot on Apple's US App Store](#)
- > [Visa Launching NFT Program to Support Digital Artists](#)
- > [Asset Manager Pimco to Extend Crypto Involvement: Report](#)

APPLY



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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

CONTACT

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