

# DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO  
DIGITAL ASSET MARKETS

## July 2022 Newsletter

A consistent theme for the year has been how beholden digital assets have been to traditional asset market movements. July saw this trend continue as digital asset markets partook in the global risk-on rally and broke their string of consecutive down months with Bitcoin gaining 18% and Ethereum a staggering 58%. Perhaps the most interesting headline for Bitcoin was Tesla's announcement that they had sold around 75%, or approximately US\$1 billion worth, of their total holdings. Elon Musk clarified that the sale was intended to improve Tesla's cash position amidst Covid-19 restrictions in China and should not be interpreted as a "verdict on Bitcoin". A new European Central Bank report has questioned whether climate risk is priced into crypto assets such as Bitcoin and hinted that a proof-of-work mining ban is "probable". For Ethereum it was all about the progress towards the highly anticipated Merge. Developers have confirmed their expectation for this to happen around the week of September 19th which has spurred demand for call options and pushed Ethereum option open interest to a record high.

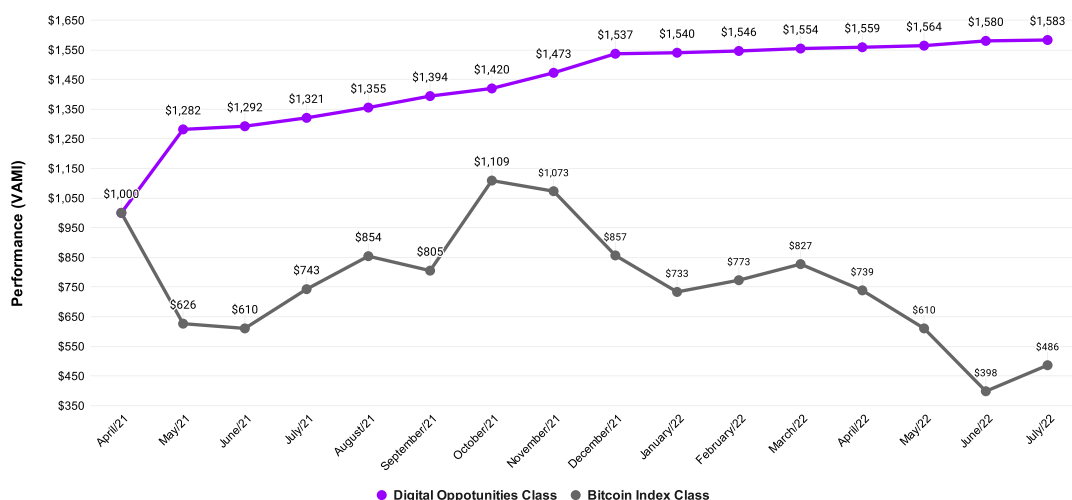
### Key market observations from the trading desk

It was a month where the Crypto markets seemed to take a breath after the tumultuous events of June. Crypto Markets rallied overall but there was little conviction in most participants and that kept leverage/yields muted, and thus trading opportunities limited. The announcement of the Ethereum Merge date came into focus and the staking rewards on offer in ETH 2.0 has been another factor depressing yields.

### BarclayHedge Rankings

We are proud to report that in the latest BarclayHedge Global Cryptocurrency Fund rankings, our flagship Digital Opportunities Class ranked 3rd for compound annual return (+22.28%) and ranked 2nd for Sharpe Ratio (4.55%) for the 12 months of July 2021 - June 2022. Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for the volatility of its return stream.

### Performance Chart



### Performance overview

**Style: Market-Neutral/Arbitrage**

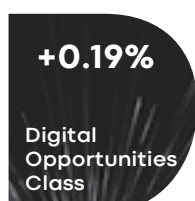
**Funds under Management: \$69m**

1 month +0.19%

3 months +1.57%

6 months +2.79%

Since inception +58.32%



	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	+3.72	+4.36	+53.68
2022	+0.23	+0.38	+0.53	+0.28	+0.35	+1.03	+0.19						+3.02

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

[WWW.DAFM.IO](http://WWW.DAFM.IO)

### Fund Characteristics

- Australian based Investment manager
- Australian unit trust
- Australian Dollar denominated units
- Two 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

### 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](http://www.ascentfundservices.com)



**+22.04%**Bitcoin  
Index  
Class**Style: Long only Bitcoin Tracker****Funds under Management: \$0.48m**

1 month	+22.04%
3 months	-34.18%
6 months	-33.71%
Since inception	-51.39%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-37.37	-2.55	+21.69	+14.98	-5.71	+37.73	-3.23	-20.19	-14.34
2022	-14.39	+5.41	+7.02	-10.71	-17.37	-34.73	+22.04						-43.25

**APPLY**[CLICK TO APPLY](#)

## Articles we found interesting

- > [Three Successes of Blockchain](#)
- > [EU to clean up crypto 'Wild West'](#)
- > [Three Arrows Capital creditor list emerges](#)

## Fund Terms

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

## CONTACT

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