

# DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO  
DIGITAL ASSET MARKETS

## June 2023 Newsletter



# 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)



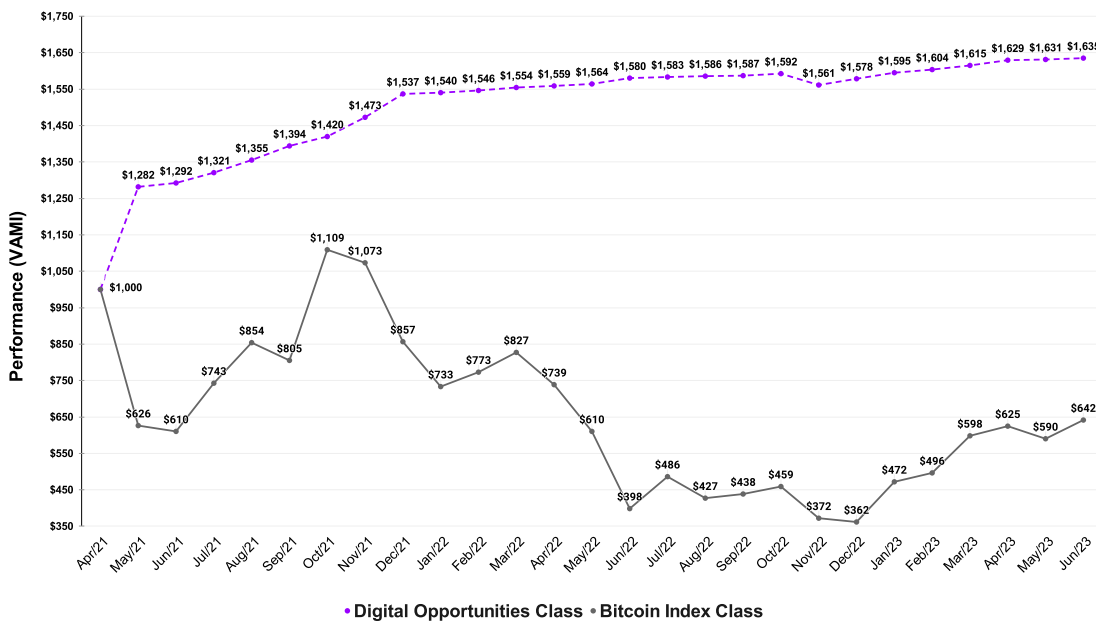
After experiencing its first negative month of the year, Bitcoin rebounded in June, recording an 8% increase. Despite facing negative factors such as SEC lawsuits against Binance and Coinbase, a sell-off led by altcoins, and a hawkish Fed meeting, Bitcoin demonstrated resilience. Enthusiasm for the leading cryptocurrency returned when BlackRock, the world's largest asset manager, filed for a spot Bitcoin ETF, inspiring other asset managers to follow suit. Bitcoin also benefited from increased regulatory clarity relative to other tokens following recent SEC actions. Other noteworthy events included the narrowing of the GBTC discount to a nearly one-year low, the launch of the Volatility Shares 2x Bitcoin Strategy ETF (the first leveraged Bitcoin futures ETF in the US), the beta launch of Block's Bitcoin wallet Bitkey and Microstrategy's announcement of purchasing 12,333 BTC over the past two months for approximately US\$347 million.

While Ethereum did not match Bitcoin's performance, it still achieved a positive return of 1% in June. Ethereum followed a similar trajectory as Bitcoin throughout the month but experienced a less significant rally in the latter half, possibly due to the spot Bitcoin ETF applications. Activity on the largest blockchain, ranked by TVL, declined slightly after the frenzy surrounding memecoins in the previous month, but its supply still decreased by around 12,500 ETH.

### Key market observations from the trading desk

CME yields continued to be bid over centralised exchanges over the course of June, with short date yields printing as high as 30%. We expect the CME to continue being indicative of institutional positioning after the implicit endorsement from BlackRock's ETF application - the June23 BTC roll market was the most active we have ever seen into expiry along with open interest approaching all-time highs in the active contract. We have the infrastructure available to take advantage of these opportunities and continue to explore options to reduce the friction required to capture them.

### Performance Chart



### Performance overview

Style: Market-Neutral/Arbitrage

Funds under Management: \$21.40m

|                 |         |                    |         |
|-----------------|---------|--------------------|---------|
| 1 month         | +0.23%  | Ave monthly return | +2.03%  |
| 3 months        | +1.24%  | % positive months  | 96%     |
| 6 months        | +3.59%  | Best month         | +28.16% |
| Since inception | +63.50% | Sharpe             | 1.22    |



|      | 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 | +0.15 | +0.08 | +0.35 | -1.96 | +1.10 | +2.71  |
| 2023 | +1.05 | +0.54 | +0.71 | +0.90 | +0.11  | +0.23 |       |       |       |       |       |       | +3.59  |

**Please Note:** All performance figures are net of fees and relate to the Lead series. Investors who held units in the Digital Opportunities Class as at the 1st of November 2022 had exposure to FTX. As a result, 12.96% of assets in the Digital Opportunities Class were segregated and placed in a separate unit class. As these assets are frozen and their realisation is uncertain in both amount and time, no impairment is reflected in the performance figures above. It should be noted that performance fees are still being charged by the manager with respect to the Digital Opportunities class. Investors will receive an emailed statement directly from Ascent Fund Services with their unit holdings and valuations.

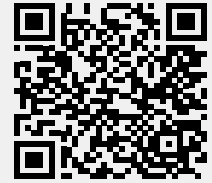


**Style: Long only Bitcoin Tracker**  
**Funds under Management: \$0.63m**

1 month +8.70%  
 3 months +7.24%  
 6 months +77.38%  
 Since inception -35.85%

|      | 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 | -12.14 | +2.65 | +4.69  | -18.94 | -2.80  | -57.78 |
| 2023 | +30.49 | +5.19 | +20.51 | +4.44  | -5.54% | +8.70  |        |        |       |        |        |        | +77.38 |

**APPLY**



[CLICK TO APPLY](#)

**Fund Terms**

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

**CONTACT**

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