

DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO
DIGITAL ASSET MARKETS

October 2023 Newsletter



DAFM

DIGITAL ASSET
FUNDS MANAGEMENT

WWW.DAFM.IO

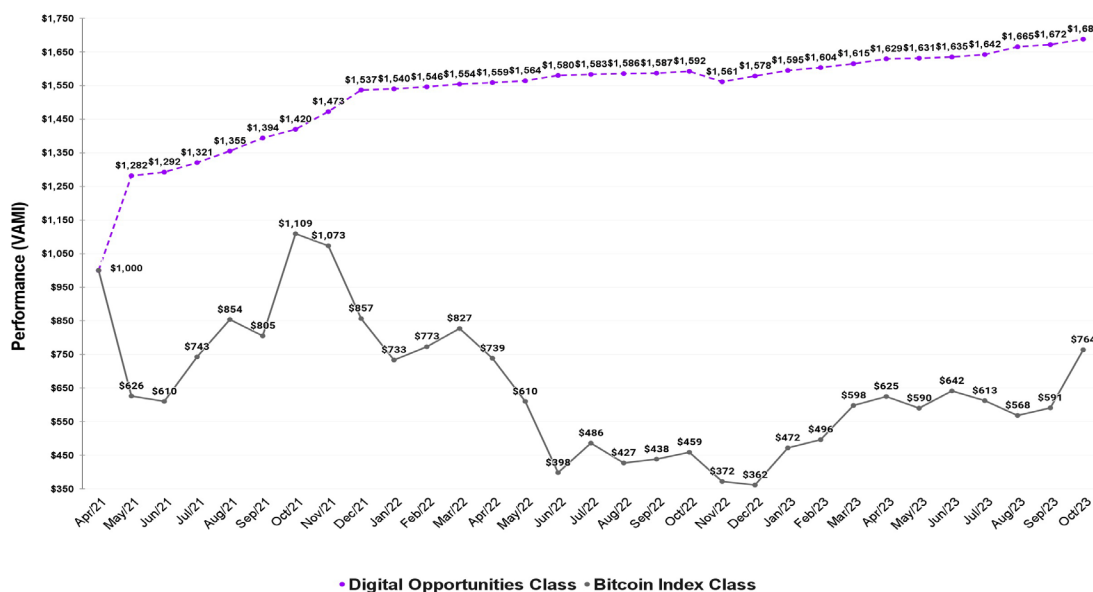
Continued strong performance in the Crypto space with the narrative dominated by ongoing speculation that the Spot Bitcoin ETFs in the US will be approved in the near future. Bitcoin led the way, which isn't surprising given it's the focus of the ETF applications so far, with a 27% return, against Ethereum with a more modest 7.5% return.

Crypto markets became less correlated to more traditional "risk" markets during the month, something that we see as a positive development as investors take a renewed interest. Even the gyrations in the US Treasury market, which have played a part in sentiment towards crypto assets in recent times, seem to have less of an impact.

Key market observations from the trading desk

Leverage started to return to the market for the first time since prior to the FTX collapse, a full year ago, all the way back in November 2022. This was evidenced by the widening basis in the futures, particularly Bitcoin, and specifically in the Chicago Mercantile Exchange (CME) where we see institutional interest piquing. The CME continues to take market share from the incumbent crypto native exchanges. This provided a decent trading environment and with the widening basis our trading positions have the potential for larger windfall profits should the market become more volatile, particularly on sharp moves lower where liquidations will be a significant factor.

Performance Chart



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

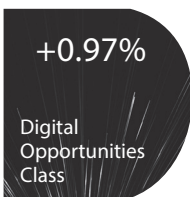
Ascent Fund Services (Singapore) Pte. Ltd
www.ascentfundservices.com

Performance overview

Style: Market-Neutral/Arbitrage

Funds under Management: \$16.60m

1 month	+0.97%	Ave monthly return	+1.87%
3 months	+2.78%	% positive months	97%
6 months	+3.59%	Best month	+28.16%
Since inception	+68.79%	Sharpe	1.18



	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	+0.44	+1.42	+0.37	+0.97			+6.94

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: \$0.75m

1 month	+29.20%
3 months	+24.67%
6 months	+22.24%
Since inception	-23.63%

	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	-4.51	-7.20	+3.98	+29.20			+111.18

APPLY



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Fund Terms

	Digital Opportunities Class	Bitcoin Index Class
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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Things you should know:

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