

# DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO  
DIGITAL ASSET MARKETS

## April 2022 Newsletter

**Important notice regarding events that occurred after April 30th. The Digital Asset Fund is unaffected by the Terra/Luna collapse, as at publication of this newsletter the Digital Opportunities Class return is positive month to date.**



# 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)



Bitcoin broke its brief winning streak, falling 11% in April, down over 40% from its all-time high. "Don't Fight the Fed" is an age-old adage which clearly applies to the current investing environment and with the Fed in full-blown inflation fighting mode, all risk assets, including crypto, fell in unison over the course of the month. Despite the negative macro driven price action there were some positive developments for bitcoin. Strike, a digital payments platform, revealed partnerships with NCR and Shopify which will give e-commerce vendors the ability to accept USD payments on Lightning Network Rails. The Central African Republic became the second country to recognize bitcoin as legal tender. Investment juggernaut Fidelity Investments, who have assets under management of USD\$4.2 trillion, revealed plans to offer bitcoin exposure to their 401(k) clients. Microstrategy and the Luna Foundation Guard both added to their bitcoin holdings and Grayscale continued in their efforts to convince the SEC to allow them to convert their Bitcoin fund to an ETF.

Ethereum posted a similar return to bitcoin, -12%, and traded in lock step with its big brother and guided by the same macro drivers. The biggest news for the month was that the merge to proof-of-stake was delayed again. Core developer, Tim Beiko, confirmed that the merge will likely happen in the third quarter.

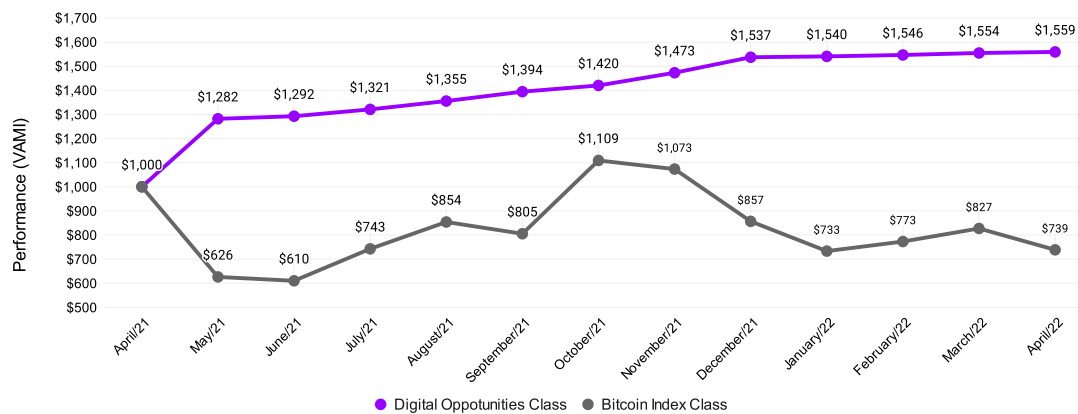
### Key market observations from the trading desk

With the addition of two more exchanges into our trading universe we have even more opportunities to trade against. Furthermore, with the uptick in volatility and collapse of Terra/Luna it is our belief there is less competition in the market. Finally, we are in the process of tweaking the code to add even more contracts into the trading mix.

### Our First 12 Months

April marks the one year anniversary of our fund and we are very happy to have returned 55.87% to investors in the first year without a negative month. We want to thank our investors for trusting us with their capital in the early stages of the fund.

### Performance Chart



### Performance overview

**Style: Market-Neutral/Arbitrage**

**Funds under Management: \$72m**

- 1 month +0.28%
- 3 months +1.20%
- 6 months +9.79%
- Since inception +55.87%

**+0.28%**

Digital  
Opportunities  
Class

	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	<b>+53.68</b>
2022	+0.23	+0.38	+0.53	+0.28									<b>+1.43</b>

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



**Style: Long only Bitcoin Tracker**  
**Funds under Management: \$0.67m**  
 1 month -10.71%  
 3 months +0.72%  
 6 months -33.40%  
 Since inception -26.14%

	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	<b>-14.34</b>
2022	-14.39	+5.41	+7.02	-10.71									<b>-13.77</b>

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**Articles we found interesting**

- > [Bitcoin ETFs to Roll Out in Australia to Test Crypto Demand](#)
- > [Central Banks in Emerging Economies Look to Cbdc's for Payment Efficiency](#)
- > [One in five Americans has dabbled in cryptocurrency, poll finds](#)

**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**

Clint Maddock  
 info@dafm.io

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