

# DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO  
DIGITAL ASSET MARKETS

## March 2022 Newsletter

Bitcoin recorded back-to-back gains for the first time since August 2021, increasing 7%. The stalwart coin had a weak start to the month as risk asset prices fell across the board due to the escalating war in Ukraine and the yield curve inversion, the latter being what some view as a signal of a recession ahead. However, risk sentiment shifted across the board mid-month and bitcoin posted a steady rally through to month-end. The main crypto specific narrative was centred around Terra's Luna Foundation Guard purchasing significant amounts of bitcoin for its algorithmic stablecoin, UST, bitcoin reserve. For sovereigns, it was another busy month with El Salvador in the news again, this time for postponing its planned bitcoin bond, Russia hinted it could be open to accepting bitcoin payments for energy exports, and Rio de Janeiro and Florida both revealing plans to accept bitcoin for tax payments.

During the month we also saw the CME announce their intention to launch micro bitcoin and ether option contracts, Goldman Sachs became the first major bank to make an OTC bitcoin trade, MicroStrategy continued increasing its bitcoin hoard by taking out a \$205m loan to buy more bitcoin, Grayscale, the largest crypto access product provider, is said to be preparing for a legal battle with the SEC over its proposed bitcoin ETF.

Ethereum outperformed bitcoin, rising 9% for the month. The market appears to be looking ahead to Ethereum's plan to transition its entire network to a different consensus mechanism: proof-of-stake, which promises to use 99% less energy, allow the network to scale, and potentially help it reach 100,000 transactions per second. Also during the month, slowing NFT activity resulted in transaction fees dropping to a six month low. Grayscale launched a fund holding Ethereum competitor layer-1 blockchains.

### Key market observations from the trading desk

Strategy tweaks and some pickup in market activity hint at more favourable conditions.

### Performance overview

**+0.53%**

Digital  
Opportunities  
Class

**Style: Market-Neutral/Arbitrage**

**Funds under Management: \$69.7m**

1 month	+0.53%
3 months	+1.15%
6 months	+11.50%
Since inception	+55.44%

	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										<b>+1.15</b>

**+7.02%**

Bitcoin  
Index  
Class

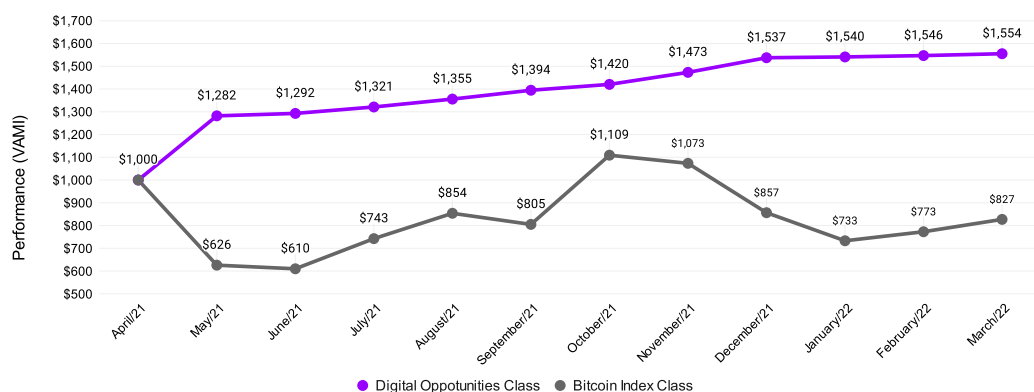
**Style: Long only Bitcoin Tracker**

**Funds under Management: \$0.75m**

1 month	+7.02%
3 months	-3.43%
6 months	+2.73%
Since inception	-17.28%

	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										<b>-3.43</b>

### 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



**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)



## Articles we found interesting

- > [Terra founder plans to obtain \\$10B BTC for reserves](#)
- > [Fireblocks and ANZ Create AUD Stablecoin](#)
- > [Axie Infinity Loses \\$625 Million in Biggest DeFi Hack on Record](#)
- > [Ken Griffin softens his anti-crypto stance: 'I haven't been right on this call'](#)
- > [Janet Yellen says Biden's crypto executive order supports 'responsible innovation'](#)

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## 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

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