

# DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO  
DIGITAL ASSET MARKETS

January 2024 Newsletter



# DAFM

DIGITAL ASSET  
FUNDS MANAGEMENT  
[WWW.DAFM.IO](http://WWW.DAFM.IO)

## Market Commentary

The Crypto market news was dominated by the approval of the BTC Spot ETFs on January 10th. This had been a long time coming with the first application by VanEck in March 2017. After some bruising legal losses the SEC finally had no other realistic alternative than to approve them. It was very much a case of “sell the fact” with BTC making a new cycle high of \$49k on the first trading day, and then in a straight line down to \$38.5k over the next few weeks, finishing the month where it began around \$43k.

ETH initially benefited significantly from the BTC Spot ETF approval as the market now sought to front-run the potential ETH Spot ETF later in the year increasing over 20% relative to BTC in just 2 days. This reversed subsequently with ETH also virtually unchanged over the month.

The BTC Spot ETFs themselves have proved to be popular and we expect over time that the institutional flow into them will enormously benefit the market.

Subscribe to the market neutral Digital Opportunities fund [here](#).

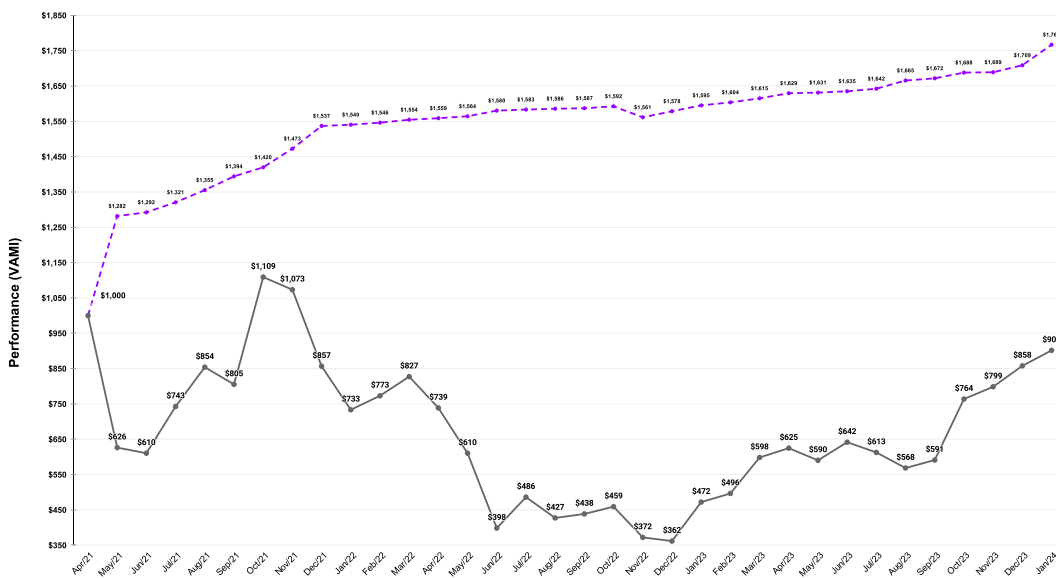
## Key market observations from the trading desk

January proved to be the best month for the strategy since the heady days of 2021. This was due to a combination of factors: multi year highs in long dated futures yields, significant sustained volatility, liquidation events, consistently high trading volumes and the popularity of the BTC ETFs.

With implied yields remaining favourable, the impact of the BTC and potentially ETH ETFs in the market and the BTC halving in April, we expect to see a continuation of the friendly trading environment. Additionally, on the trading system side we expect to go live with a suite of new instruments across the bulk of exchanges we trade on, leading to more opportunities.

Applications can be made electronically [here](#).

## Performance Chart



• Digital Opportunities Class • Bitcoin Index Class

## Performance overview

Style: Market-Neutral/Arbitrage

Funds under Management: \$15.40m

1 month	+3.41%	Ave monthly return	+1.84%
3 months	+4.67%	% positive months	97%
6 months	+7.59%	Best month	+28.17%
Since inception	+76.68%	Sharpe Ratio(32 mths)	2.78



	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	+0.06	+1.16	+8.24
2024	+3.41												+3.41

**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.

## 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

[CLICK TO APPLY TO EITHER CLASS](#)



## 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)



**Style: Long only Bitcoin Tracker**

**Funds under Management: \$0.88m**

1 month +5.11%  
 3 months +18.04%  
 6 months +47.15%  
 Since inception -9.85%

	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	-4.51	-7.20	+3.98	+29.20	+4.55	+7.41	+137.15
2024	+5.11												+5.11



### 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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