

DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO
DIGITAL ASSET MARKETS

December 2023 Newsletter

December continued where November left off with solid gains for both BTC (+12%) and ETH (+10%). Bitcoin posted its best year since 2020 with a 156% gain (subscribe to our BTC tracker [here](#)). The seemingly inevitable approval of the Bitcoin Spot ETF, by the US SEC, was again the major focus of investors with January deadlines looming. There was a significant move in various alt coins over the month with the most notable Solana, having a 65% gain, to top off a big year.

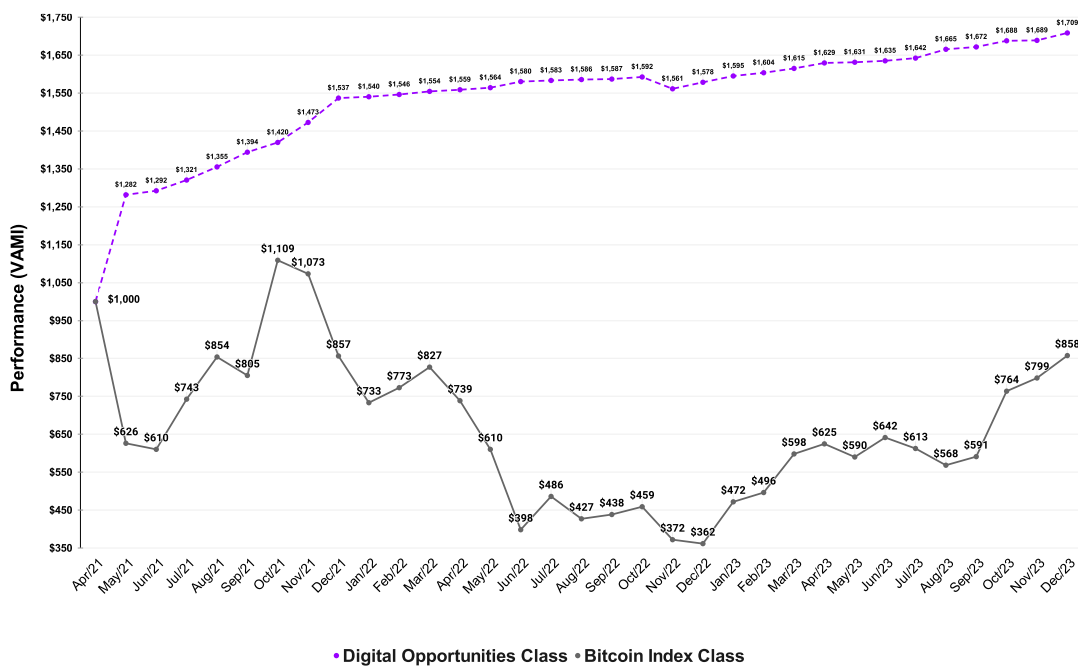
The end of 2023 also marks 32 months of performance **without** a solitary negative month, excluding the month FTX collapsed. Also excluding the incredible +28% in May 2021, the fund exhibits a market leading Sharpe of 2.6. The FTX exposure at the time was just 13%, of which we expect to get back over 75%.

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

Key market observations from the trading desk

Volatility increased and basis (the spread between spot and futures) widened, indicating more leverage being added into the crypto markets, to levels we haven't seen since late 2021. Conventionally this has been a good trading environment for the strategy and December and January to a larger extent have proved this again. CME yields rose sharply early in December as CTA and BTC Futures Funds acquired futures contracts. Over the course of the month crypto native exchanges followed suit bringing their yields inline with the CME. We remain confident the existing trading environment will be conducive to a more profitable return profile in 2024 than we've seen in the last few years.

Performance Chart



• Digital Opportunities Class • Bitcoin Index Class

Performance overview

Style: Market-Neutral/Arbitrage

Funds under Management: \$16.24m

1 month	+1.16%	Ave monthly return	+1.79%
3 months	+2.21%	% positive months	97%
6 months	+4.50%	Best month	+28.17%
Since inception	+70.85%	Sharpe Ratio(30 mths)	2.65

	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

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.



DAFM

DIGITAL ASSET
FUNDS MANAGEMENT

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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

+1.16%

Digital
Opportunities
Class



Style: Long only Bitcoin Tracker
Funds under Management: \$0.84m

1 month +7.41%
 3 months +45.09%
 6 months +33.69%
 Since inception -14.23%

	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



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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