



## Monthly Performance Report | November 2024 Digital Income Fund

December 19, 2024

### Digital Income Class

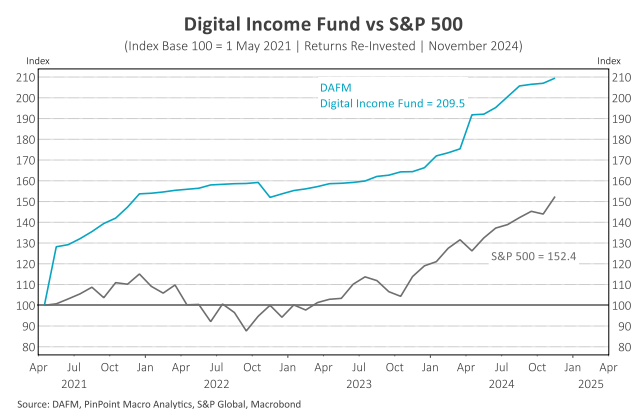
#### Fund Performance

- **The Digital Income Class** rose 1.19% net of fees over the month of November, to lift the year-to-date return over the last eleven months to 25.94%.
- Monthly performance in the Digital Income Class fund benefited from the additional market volatility surrounding the 5<sup>th</sup> November U.S. Presidential election.
- November’s performance marked seven separate monthly returns above 1.0% this calendar year.
- Over the last twelve months, the Digital Income Class is up 27.4% net of fees.
- Since inception in May 2021, the Digital Income Class is up 109.47% net of fees.
- November marked 42 months of positive monthly returns, over the Digital Income Class’s 43-month history.

#### Market Commentary

November was a strong month for digital assets. The November 5<sup>th</sup> U.S. Presidential election resulted in a resounding victory for Donald Trump, providing fresh impetus to crypto markets. Bitcoin surged from \$67,000 on the eve of the Presidential election, to a high of just below \$100,000 a few weeks later, equating to a monthly gain of 49%.

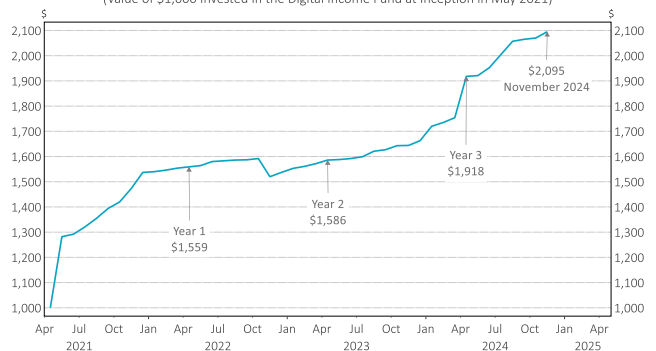
There was a widespread lift in cryptocurrencies, with many altcoins more than doubling in value. XRP had a particularly strong lift because of the litigation that has marred its recent history, looks likely to be dismissed.



Source: DAFM, PinPoint Macro Analytics, S&P Global, Macrobond

#### DAFM - Digital Income Fund

(Value of \$1,000 Invested in the Digital Income Fund at Inception in May 2021)



Source: DAFM, PinPoint Macro Analytics, Macrobond

#### Digital Income Class - Net Performance

1 Month	1.19%
3 Months	1.85%
6 Months	9.07%
Year to Date	25.94%
12 Months	27.40%
<b>Annualised Return Since May 2021</b>	<b>22.92%</b>
<b>Total Return Since Inception in May 2021</b>	<b>109.47%</b>

We remain very positive on the outlook for digital assets, and Bitcoin in particular. A number of pro-crypto friendly individuals have been nominated to key Cabinet Secretary positions in the Trump 2.0 Administration. The market is viewing this as a sea change towards a wider U.S. adoption of digital assets.

#### Key Observations from the Trading Desk

November was a busy month of trading activity. There were good volumes in the futures spread across both the Deribit and Okx exchanges.

Futures basis found a steady bid, in line with a strong bid in spot. The market was relatively well behaved. However, we would expect it to become more chaotic, and conducive to the volatility strategy, if \$100k convincingly breaks to the upside.

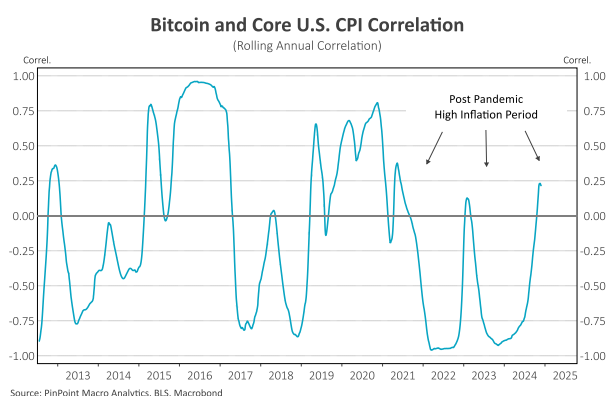
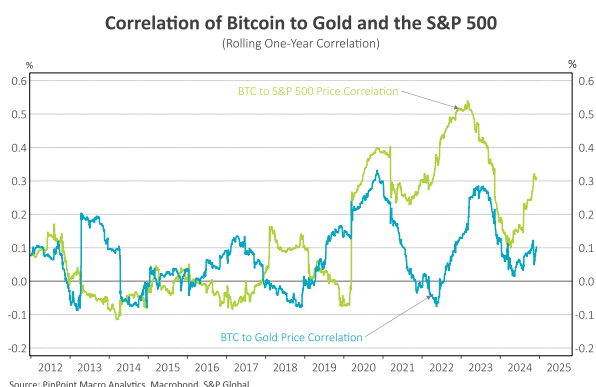
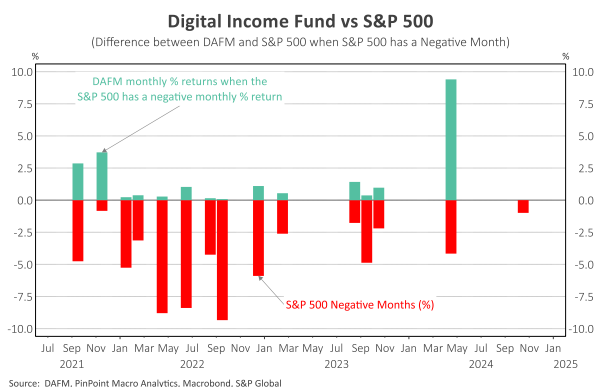
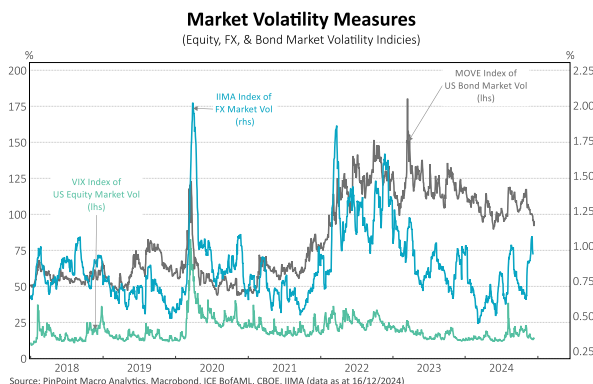
We're starting to see the benefits of our engineers' development work undertaken earlier this year, on DAFM's algorithm.



## Key Advantages of the Digital Income Class

The Digital Income Class fund is a market neutral fund. Every single transaction is fully hedged.

- Bitcoin (BTC) and Ethereum (ETH) are held as collateral. Income returns are made from volatility in the BTC and ETH futures markets.
- The greater the market volatility over a particular month, the more income the fund makes.
- Income distributions are delivered quarterly with the option of reinvestment.
- Since inception in May 2021, the Digital Income Class has generated a positive monthly return whenever the S&P 500 has had a negative monthly return. This makes the Digital Income Class an attractive uncorrelated hedge in investor's portfolios.
- Since inception in May 2021, the Digital Income Class has outperformed the S&P 500 total return index and every single major fixed income benchmark index.
- The Digital Income Class is not reliant on interest rate cycles and central bank decisions.
- The Digital Income Class is not directly influenced by inflation. In that sense, it acts as a hedge against inflation. Over the 2021-2024 high inflation period, BTC had a negative correlation to the lift in U.S. inflation.
- U.S. inflation outcomes may generate market volatility in U.S. treasuries, the S&P 500, and by extension, in crypto market volatility. The Digital Income Class will generate positive income from the subsequent volatility in crypto.
- The Digital Income Class is an investment in the category of Alternative Assets.
- The Digital Income Fund and its trustee are recognized as legal entities, operate under an Australian Financial Service License (AFSL), and are regulated by the Australian Securities Exchange Commission (ASIC).
- Investment in the Digital Income Class is available by a regulated Australian Unit Investment Structure or via a USD Cayman Islands Segregated Portfolio (SP).



## Monthly Performance (%) – Digital Income Class

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2021	-	-	-	-	28.17	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	-4.56*	1.10	-0.01
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	0.89	1.06	9.38	0.12	1.69	2.67	2.57	0.40	0.26	1.19		25.94

Source: DAFM. All Returns in % and Net of Fees  
\* Please see page 4 for an explanation.

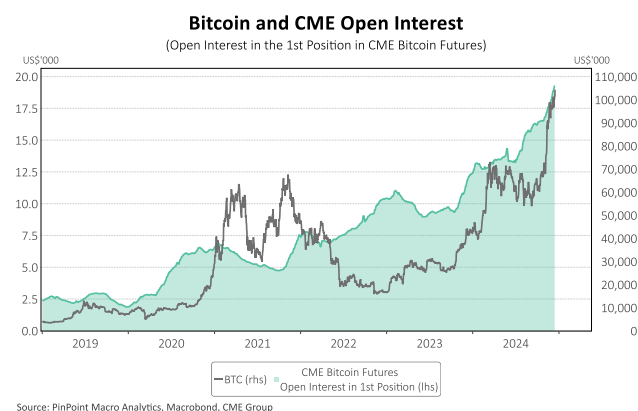
## Bitcoin Index Class

### Fund Performance (Bitcoin Index Class)

- **The Bitcoin Index Class (Bitcoin Tracker Fund)** rose a large 44.12% net of fees over the month of November, to lift the year-to-date return over the last eleven months to 156.82%.
- Monthly performance in the Bitcoin Index Class lifted after the Tuesday 5<sup>th</sup> November U.S. Presidential election. President elect, Donald Trump is pro Digital Assets and has nominated a number of pro-crypto people to key White House Cabinet Secretary positions.
- Over the last twelve months, the Bitcoin Index Class is up 175.85% net of fees.
- The Bitcoin Index Class continues to deliver returns averaging 3% above the actual BTC monthly price change.

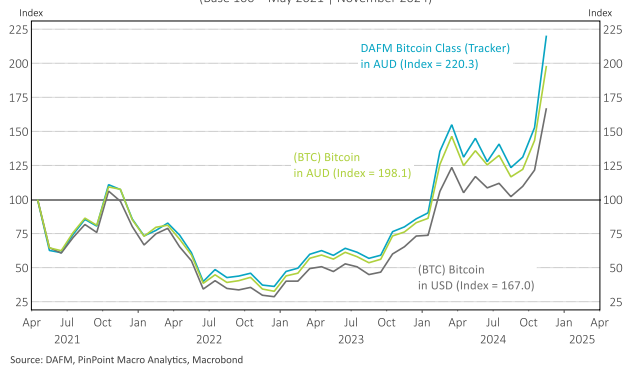
### Key Advantages of the Bitcoin Index Class

- Tracks the path of Bitcoin (BTC).
- Aims to deliver an additional 3% yield (after fees) on top of standard Bitcoin returns.
- Appeals to investors seeking direct exposure to Bitcoin without having to open accounts, set up digital wallets, worry about cold storage, or have their assets sitting in custody at an unregulated crypto exchange.
- Contains an option to “average in’ via additional investments on a monthly basis.



### DAFM - Bitcoin Class

(Base 100 = May 2021 | November 2024)



### Bitcoin Index Class - Net Performance

1 Month	44.12%
3 Months	78.44%
6 Months	52.03%
Year to Date	156.82%
12 Months	175.85%
<b>Annualised Return Since May 2021</b>	<b>24.65%</b>
<b>Total Return Since Inception in May 2021</b>	<b>120.26%</b>

### Market Commentary

Volumes traded in Bitcoin continue to increase. Cryptocurrencies currently have a global market capitalization US\$3.5 trillion, of which, US\$2 trillion is Bitcoin (BTC).

A draft bill from U.S. Senator Cynthia Lummis (Republican Wyoming) is proposing to revalue the Fed’s gold certificates on its balance sheet to finance a U.S. Strategic Bitcoin Reserve.

The Fed currently values the 261.5 million troy ounces of gold at \$42.22 p/oz. At today’s gold price of US\$2,621 p/oz, the Fed’s gold value increases from \$11 billion to US\$685.4 billion.

The Bill proposes the Fed acquire 1 million BTC over five-years (200k per year) at a current cost of around US\$100 billion. 1 million BTC equates to 4.8% of total global BTC supply.

### Monthly Performance (%) – Bitcoin Index Class (Tracker Fund)

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
<b>2021</b>	-	-	-	-	-37.37	-2.55	21.69	14.98	-5.71	37.73	-3.23	-20.19	<b>-14.39</b>
<b>2022</b>	-14.39	5.41	7.02	-10.7	-17.37	-34.73	22.04	-12.14	2.65	4.69	-18.94	-2.80	<b>-57.78</b>
<b>2023</b>	30.49	5.19	20.51	4.44	-5.54	8.70	-4.51	-7.20	3.98	29.20	4.55	7.41	<b>137.15</b>
<b>2024</b>	5.11	50.22	14.38	-15.35	10.50	-11.81	10.14	-12.29	6.21	16.58	44.12		<b>156.82</b>

Source: DAFM. All Returns in % and Net of Fees



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### **\* Digital Opportunities Class 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. The valuation of this unit class has now been updated and the impact on performance has been reflected in November 2022. It is based upon our best assumptions as to the current value of the position and as further information becomes available may be updated again in the future. Investors will receive an emailed statement directly from Ascent Fund Services with their unit holdings and valuations.



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