

DIGITAL ASSET FUND

AN INSTITUTIONAL APPROACH TO
DIGITAL ASSET MARKETS

October 2022 Newsletter

Key event post reporting date: DAF was affected by the unfortunate FTX collapse. Investors should refer to the official statement that was emailed on the 14th of November. We expect to release another update later this week.

Bitcoin increased 4.6% in October registering back-to-back gains in AUD terms. Bitcoin tracked a broader relief rally in risk assets as the market speculated about a Fed pivot. The optimism was short-lived and Bitcoin traded in a sideways fashion for the rest of the month. Beyond the macro, McDonald's began accepting Bitcoin in the Swiss city of Lugano. This same city signed a memorandum of understanding with El Salvador aimed at boosting Bitcoin adoption in their own regions.

Ethereum reversed its recent downtrend, rising 18.5% for the month and outperforming Bitcoin. Ethereum traded similarly to Bitcoin for most of the month but notably diverged to the upside at the backend of the month as there were some short positions liquidated on certain exchanges. In a key post merge development, Ethereum realised its first deflationary calendar month, and the total outstanding supply of ETH fell by around 6,700 ETH.

Key market observations from the trading desk

October was a particularly uneventful trading month, in hindsight, the lull before the storm. Spreads to the spot price, and the volatility of those spreads remained in tight ranges, providing a barren landscape of trading opportunities. For the first time in crypto's history there was more volatility in traditional markets than crypto, with USD interest rates the main driver in the traditional markets.

Performance Chart



Performance overview

Style: Market-Neutral/Arbitrage
Funds under Management: \$64.34m
 1 month +0.35%
 3 months +0.58%
 6 months +2.16%
 Since inception +59.24%



	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			+3.62

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

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





Style: Long only Bitcoin Tracker
Funds under Management: \$0.45m

1 month +4.69%
 3 months -5.58%
 6 months -37.86%
 Since inception -54.10%

	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			-46.41

Fundmonitors.com FACTORS Research Report



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

APPLY



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CONTACT

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