

Digital Asset Income & Growth Fund (EUR)



INVESTMENT RATIONALE



**EURO
DENOMINATED**



**DIVIDEND
INCOME**



**COMPLIANT
STRUCTURE**



**MONTHLY
LIQUIDITY**



**ASSET
SECURITY**

STRATEGY

The fund seeks a non-traditional return profile by utilizing a diversified range of income generating strategies, while at the same time aiming to capitalize on each digital asset's potential to reach the investment managers' assessment of its intrinsic value. Quarterly review and rebalancing policies are in place and governed by an investment committee. The strategy allows to move portions of assets into cash and stablecoins depending on levels of market drawdown, capped at a limit of 25% per asset. The income generating nature of the strategy aims to decrease overall investment drawdown risk via regular reallocations of digital asset risk back into the reference currency.

MANAGER COMMENT

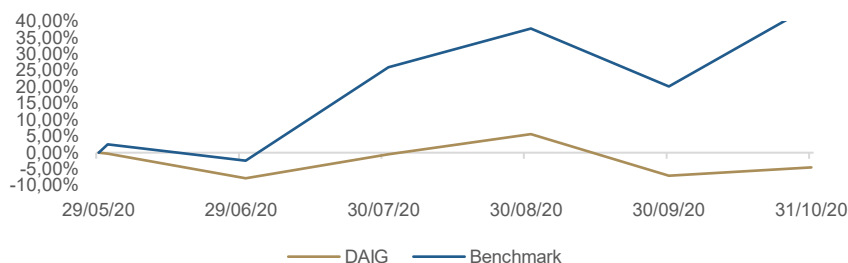
October was a classic month for digital assets in terms of price action. We witnessed a strong move upwards for Bitcoin, away from the support levels established the previous month at the \$10,300 level. Bitcoin was happy to shrug off the uncertainty and volatility that was evident in the traditional markets in the lead up to the US elections. Unfortunately, what all of this meant for the fund was a month of underperformance as the move up in Bitcoin led to liquidity being sucked out of other digital assets with most of them staying flat and some even declining. Additionally, we continued to see a correction in the DeFi space following the end of the summer hype.

In terms of our portfolio Bitcoin was the natural outperformer, however despite already having in place the maximum allowed per asset allocation of 25% its effect on the overall performance of the portfolio was muted. Algorand was last month the laggard of the portfolio and registered the biggest drop. As outlined in our previous monthly commentary we continued with our plan to build portfolio exposure opportunistically adding to both our Polkadot and Ethereum positions throughout the month. Our belief is that this should result to us being in a strong position to capitalize when the Bitcoin rally runs out of steam and attention is switched back to the alternatives space. We remain fundamentally committed to all our current positions apart from Nexo, which we will be looking to reduce once price levels reach our intrinsic value expectations.

FUND FACTS

ISIN Number:	KYG8409A1004
Listing & Regulation:	Cayman Islands
Name of Fund:	Digital Asset Income & Growth SP
Investment Manager:	St. Gotthard Fund Management AG
Inception Date:	29.05.2020
Currency:	Euro
Min. Initial Investment:	€100,000
Recommended Investment Horizon:	3 yrs +
Benchmark:	Bitwise 100 TM Crypto Index
Distributions:	Semi-annual
Redemptions:	Monthly
Administrator:	Mainstream Fund Services (IE)
Depository:	Bank Frick (Liechtenstein)
Management Fee:	2% p.a.
Performance Fee:	20% with High Water Mark
Hurdle Rate:	5% over 6-m Performance Period

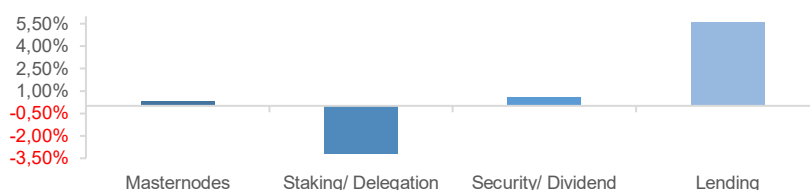
PERFORMANCE



Monthly returns (%)

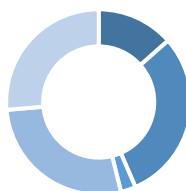
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	DAIG					-0.37	-7.51	7.96	6.11	-11.99	2.74		-4.55
	BMRK					2.54	-4.87	29.15	9.34	-12.80	20.46		44.71
				Annualised (%)				Cumulative (%)					
	1Y	2Y	3Y	ITD	1Y	2Y	3Y	ITD					
DAIG	n/a	n/a	n/a	-8.90	n/a	n/a	n/a	-4.55					
BMRK	n/a	n/a	n/a	109.40	n/a	n/a	n/a	44.71					

P/L CONTRIBUTION BY STRATEGY



CORE STRATEGY ALLOCATION

ILLUSTRATIVE PORTFOLIO BREAKDOWN



CORE STRATEGY

ALLOCATION

Masternodes	13,48%
Staking/Delegation	30,02%
Security/Dividend	2,62%
Lending	27,52%
Cash	26,35%

STATISTICS

29.05.2020 - 31.10.2020

	DAIG	Benchmark
Sharpe Ratio	-0.36	2.17
Annualised Volatility	24.78%	50.51%
Indicative Dividend Yield	5.77%	n/a
Maximum Drawdown (MDD)	11.99%	12.80%
Correlation Strategy vs Benchmark	0.88	

RISK CATEGORY SRRI

Lower Risk

Higher Risk

1	2	3	4	5	6	7
Typically Lower Reward						Typically Higher Reward



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INVESTMENT TEAM

The fund is operated by a team of professionals with a deep understanding of Digital Assets, investment management and multi-asset portfolio construction. Past areas of expertise include Hedge Funds, Forex, fixed income and equities. The team is composed of alumni from Credit Suisse, Falcon Private Bank and Citigroup and has a combined experience in investment management of over four decades. The investment committee of the fund manages combined digital assets worth more than \$30 million.

INVESTMENT COMMITTEE

Alain Kunz – CEO & Founder at [TokenSuisse.com](https://www.tokensuisse.com). Previous positions include [Leonteq](https://www.leonteq.com) and [UBS](https://www.ubs.com).

Damir Bandalo – Early stage venture capital investor in blockchain. Previously Venture Partner at [Columbus Capital](https://www.columbuscapital.com).

Matthew Dibb – CIO & Founder at [Astronaut Capital](https://www.astronautcapital.com) hedge fund. Founder of [picoloresearch.com](https://www.picoloresearch.com).

Stefan Bollhalder, CFA – CEO & Co-Founder at [St. Gotthard Fund Management AG](https://www.stgotthard.com). Previously CIO at [Falcon Private Bank](https://www.falconprivatebank.com).

Vladimir Vishnevskiy – Director & Co-Founder at [St. Gotthard Fund Management AG](https://www.stgotthard.com). Partner at [Quonota Investments Ltd.](https://www.quonota.com)

RISK CONSIDERATIONS

The fund invests in digital assets and is therefore subject to high volatility. The risk category shown is based on historical data and may not be a reliable indication for the future risk profile of the Share Class. It is not a target or a guarantee and may change over time. The lowest category does not mean a risk-free investment. The strategy offers no capital guarantee or asset protection measures. The strategy may be exposed to the following risks which are not adequately captured by the synthetic risk indicator and may negatively impact its value:

- **Operational risk:** losses resulting from human errors, system failures, incorrect valuation and safekeeping of assets.
- **Counterparty risk:** losses occur when a counterparty does not honour its obligations related to contracts such as over-the-counter derivatives.
- **Financial Derivatives risk:** the leverage resulting from derivatives amplifies losses in certain market conditions.

Further information can be found in the prospectus.

DISCLAIMER

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GLOSSARY

Sharpe ratio

The Sharpe ratio shows the fund's risk-adjusted performance. It is calculated by dividing the excess return (portfolio return minus risk free return) by the volatility.

Correlation

Correlation shows how the fund's return moves in relation to the benchmark. Highly correlated investments tend to move up and down together while this is not true for investments with low correlation.

Annualised volatility

Annualised volatility or commonly known as standard deviation is a measure of historical volatility. It is calculated by comparing the average return with the average variance from that return, on a monthly basis.

Maximum drawdown

A maximum drawdown (MDD) is the maximum observed loss from a peak to a trough of a portfolio, before a new peak is attained. Maximum drawdown is an indicator of downside risk over a specified time period.

Annualised performance

The annualised performance is the geometric average of returns over a given time period from the present to the past, re-scaled to a period of one year.

Inception date

The inception date is the date when the fund was activated in its current legal status.

Annualised dividend yield

The annualised dividend yield here represents a trailing twelve-month dividend yield, annualised.

SRRI

The Synthetic Risk and Reward Indicator is a volatility gauge as defined by the European Securities and Markets Authority (ESMA) in its guidelines CESR/10-673.

Bitwise 100 Total Market Crypto Index

The Bitwise 100 Total Market Crypto Index (BITW100) tracks the total return of the 100 largest crypto-assets, as measured and weighted by free-float and 5-year inflation-adjusted market capitalisation. It is rebalanced and reviewed monthly by Bitwise Asset Management, Inc. More details on methodology can be provided upon request.

