

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

The digital asset market started 2021 in buoyant fashion. BTC continued where it left off in 2020 as it reached an all-time high just above \$40,000 in the first ten days of the year. ETH followed suit and nearly doubled from \$730 to as high as \$1280 during the same time period. ETH strength was a dynamic evident throughout the whole of the month. It reached new all-time highs of just above \$1400 later in the month and on a relative to BTC basis returned to levels last seen in 2018.

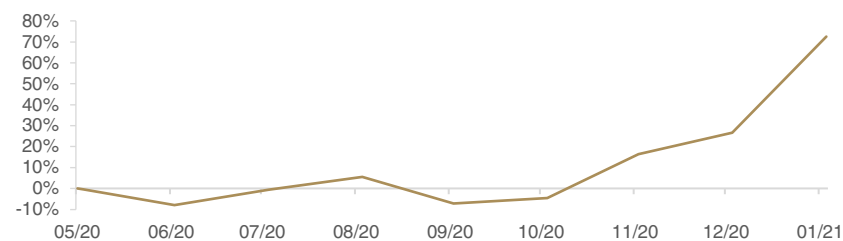
In terms of portfolio performance, the fund had its best month since inception. This was largely driven by positions in ETH and DOT, two positions we had been building in recent months. DeFi additions of UNI and AAVE made following our IC in December also did extremely well. Such significant price changes fueled an increase in market volatility, which we were happy to take advantage of. Our option trades in January in terms of premium generated as much as 75% of the total premium generated by us in the whole H2 of 2020. We continued to build our DeFi exposure throughout the month by adding positions in YFI and SNX.

Going into February our positive outlook remains intact. We regard the launch of ETH futures on CME scheduled for Feb 8th as an overall positive event for the industry. In terms of risks, the approaching Chinese New Year has historically resulted in a seasonal drop for the asset class, however considering the institutional inflows of the past 12 months we expect the effect from this to be muted this year.

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 +
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



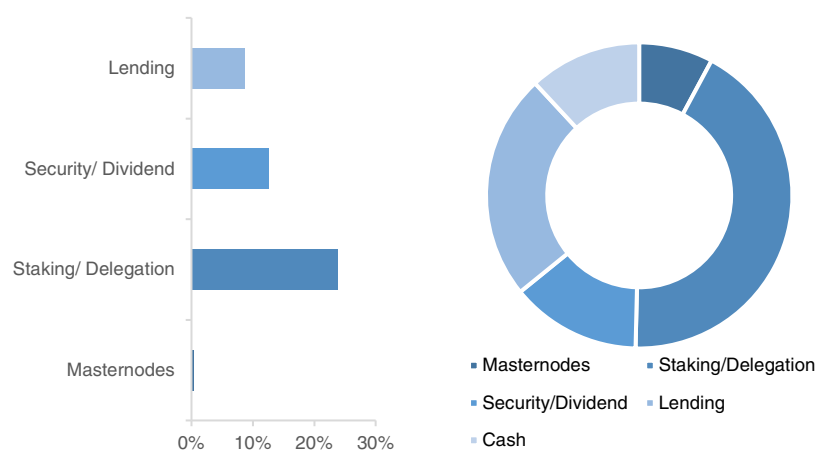
Total Return (including distributed dividends)

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	21.99	12.06	30.38
	Bitcoin				1.27	-6.91	18.42	1.53	-5.98	28.39	39.10	43.94	173.9
2021	DAIG	36.24											36.24
	Bitcoin	15.62											15.62
Annualized (%)													
	1Y	2Y	3Y	ITD									
DAIG	n/a	n/a	n/a	107.00									
Bitcoin	n/a	n/a	n/a	365.15									
Cumulative (%)													
	1Y	2Y	3Y	ITD									
DAIG	n/a	n/a	n/a	72.57									
Bitcoin	n/a	n/a	n/a	216.73									

P/L CONTRIBUTION BY STRATEGY

CORE STRATEGY ALLOCATION



STATISTICS

29.05.2020 - 31.01.2021

	DAIG	Bitcoin
Sharpe Ratio	2.20	5.68
Annualized Volatility	48.59%	64.33%
Annualized Dividend Yield	5.70%	n/a
Maximum Drawdown (MDD)	11.99%	6.91%
Correlation Strategy vs Bitcoin	0.56	

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 – Head Digital Assets Bank Cler. Previous positions include CEO & Founder at TokenSuisse.com, Leonteq and UBS.

Damir Bandalo – Early stage venture capital investor in blockchain. Previously Venture Partner at Columbus Capital.

Matthew Dibb – CIO & Founder at Astronaut Capital hedge fund. Founder of picoloresearch.com.

Stefan Bollhalder, CFA – CEO & Co-Founder at St. Gotthard Fund Management AG. Previously CIO at Falcon Private Bank.

Vladimir Vishnevskiy – Director & Co-Founder at St. Gotthard Fund Management AG. Partner at Quonota Investments Ltd.

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.

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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.

Annualized volatility

Annualized 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 annualized 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.

Annualized dividend yield

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

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.

