

## Digital Asset Income &amp; 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

July was another largely quiet month for digital assets until the closing week, which saw BTC rally around 15%. This coincided well with a bottoming of the BTC hashrate in the end of June and its steady recovery throughout July. As mentioned previously this was a key indicator monitored by us for a signal of a market turnaround. As we witnessed this gradual recovery, we felt comfortable to start increasing our exposure and added to our BTC position close to month-end as well as initiating a new position in Kusama. The latter decision was largely driven by our desire to increase the overall yield of the assets within the portfolio.

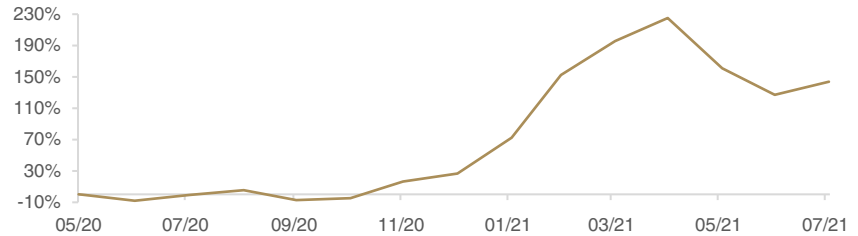
The best performers in the portfolio for the month were BTC, AAVE and DASH, while DOT and XTZ lagged behind. In terms of our option strategy July was a muted month as we felt the risk/reward on offer considering a potential break out in the BTC price was not sufficient to initiate new short call positions.

Moving into the final month of the summer we feel that the market is starting to gather momentum and will position the portfolio to take advantage of this. Ethereum will have its London hard fork in the beginning of August and we expect this to have a positive effect. We retain our view over the next 6-12 months as ETH's market capitalization could close in on BTC's. We will be looking to position the portfolio to take advantage of this. We also expect DeFi to do well in H2 2021, further supporting the ETH price.

## 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)

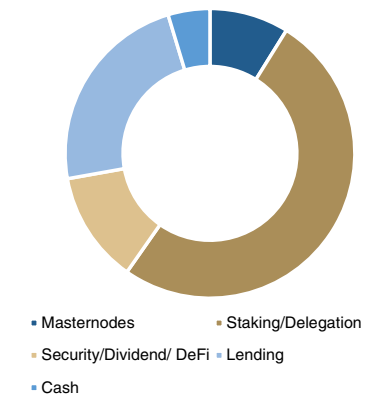
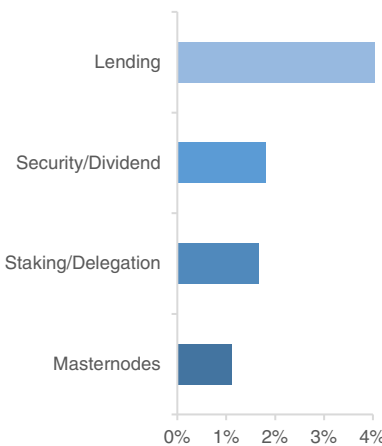
## Monthly returns (%)

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	<b>30.4</b>
	Bitcoin					1.27	-6.91	18.42	1.53	-5.98	28.39	39.10	43.94	<b>173.9</b>
2021	DAIG	36.24	46.15	17.38	10.12	-19.94	-13.11	7.80					<b>92.4</b>	
	Bitcoin	15.62	36.83	33.68	-4.09	-36.53	-2.90	18.32					<b>47.9</b>	

	Annualized (%)				Cumulative (%)			
	1Y	2Y	3Y	ITD	1Y	2Y	3Y	ITD
DAIG	144.93	n/a	n/a	103.90	144.93	n/a	n/a	143.68
Bitcoin	263.00	n/a	n/a	206.30	263.00	n/a	n/a	305.21

## P/L CONTRIBUTION BY STRATEGY

## CORE STRATEGY ALLOCATION



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## STATISTICS

## 29.05.2020 - 31.07.2021

	DAIG	Bitcoin
Sharpe Ratio	1.71	2.74
Annualized Volatility	60.90%	75.27%
Annualized Dividend Yield	9.87%	n/a
Maximum Drawdown (MDD)	30.09%	40.89%
Correlation Strategy vs Bitcoin	0.71	

## RISK CATEGORY SRRI

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



# Digital Asset Income & Growth Fund (EUR)



## 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](http://TokenSuisse.com), [Leonteq](http://Leonteq.com) and [UBS](http://UBS.com).

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

**Matthew Dibb** – CIO & Founder at [Astronaut Capital](http://AstronautCapital.com) hedge fund. Founder of [picoloresearch.com](http://picoloresearch.com).

**Stefan Bollhalder**, CFA – CEO & Co-Founder at [St. Gotthard Fund Management AG](http://St.GotthardFundManagement.com). Previously CIO at [Falcon Private Bank](http://FalconPrivateBank.com).

**Vladimir Vishnevskiy** – Director & Co-Founder at [St. Gotthard Fund Management AG](http://St.GotthardFundManagement.com). Partner at [Quonota Investments Ltd.](http://QuonotaInvestments.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.

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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.

