

## 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

November was a month in the red for digital assets as we saw concerns from the traditional markets spill over into the digital space. Inflation and potential tightening by the fed continue to play high on global investors' agendas. To us it looks like the biggest headwind to digital assets at the moment could come on the back of global macro events. A "monetary tightening tantrum" in the US similar to 2018 is not off the cards and this would surely effect crypto, which is regarded as a risk-on asset by many.

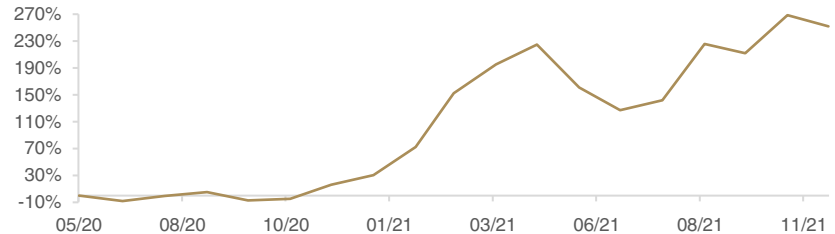
Our portfolio held up relatively well losing slightly less than BTC. Our increased allocation to Ethereum, which was also the best performing asset for the month returning more than 10%, acted as tail wind for fund performance. Another good performer was Kusama, adding nearly 8% for the month. In November we held our investment committee at which a number of portfolio changes were decided. We will look to exit from our positions in XTZ, DASH and SNX which the fund has held since inception. New allocations include NEAR and ONE as well as a number of positions in the DeFi space, where we remain bullish long-term.

Heading into December our outlook for the year end is not as positive as a couple of months ago. We consider the potential for profit taking going into year end as rather likely while at the same time crypto markets traditionally perform well during holiday periods. We thus believe the likelihood of finishing the year around current levels as quite high. We will continue to use market volatility for opportunistic entries into positions approved by the IC.

## 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



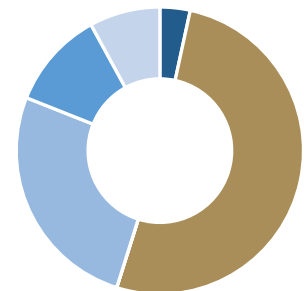
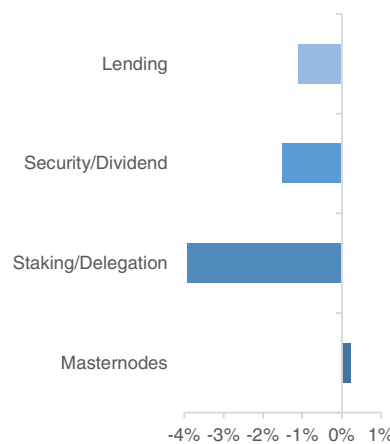
Total Return (including distributed dividends which are not re-invested)

## Monthly total 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	21.89	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	33.31	47.17	17.38	10.12	-19.94	-13.11	7.08	36.84	-4.40	19.10	-4.83	<b>169.7</b>
	Bitcoin	15.62	36.83	33.68	-4.09	-36.53	-2.90	18.32	14.06	-5.12	40.30	-5.29	<b>112.7</b>
				<b>Annualized (%)</b>				<b>Cumulative (%)</b>					
	1Y	2Y	3Y	ITD	1Y	2Y	3Y	ITD					
DAIG	202.27	n/a	n/a	121.27	202.27	n/a	n/a	251.67					
Bitcoin	206.23	n/a	n/a	204.43	206.23	n/a	n/a	482.79					

## P/L CONTRIBUTION BY STRATEGY

## CORE STRATEGY ALLOCATION



- Masternodes
- Staking/Delegation
- Security/Dividend
- Lending
- DeFi
- Cash

## STATISTICS

## 29.05.2020 - 30.11.2021

	DAIG	Bitcoin
Sharpe Ratio	2.08	2.72
Annualized Volatility	58.35%	75.08%
Current Dividend Yield (annualized)	6.66%	n/a
Maximum Drawdown (MDD)	30.09%	40.89%
Correlation Strategy vs Bitcoin	0.74	

## 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](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.

