

Investor Report

October 2024

Digital Asset Fund Unit Price \$1.9466 (6.92%)	Market Neutral Fund Unit Price \$1.3682 (-2.54%)
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	Since Inception	6 months	3 months	1 month
Digital Asset Fund	94.66%	0.38%	(2.00%)	6.92%
Market Neutral Fund	36.82%	(5.43%)	(3.13%)	(2.54%)
Bitcoin	62.27%	13.56%	6.77%	15.81%
S&P Large Cap Crypto Index	34.43%	7.65%	1.20%	14.11%

Commentary & Performance

As we have been predicting for a long time now, following the volatility of the northern summer, the final quarter of 2024 started strong, with significant gains in October. We view this as the initial phase of what is likely to be a strong 6 to 12 months for the crypto market. The pro-crypto stance of a Trump victory in the US elections has further bolstered market momentum, strengthening our price outlook through to the end of 2025.

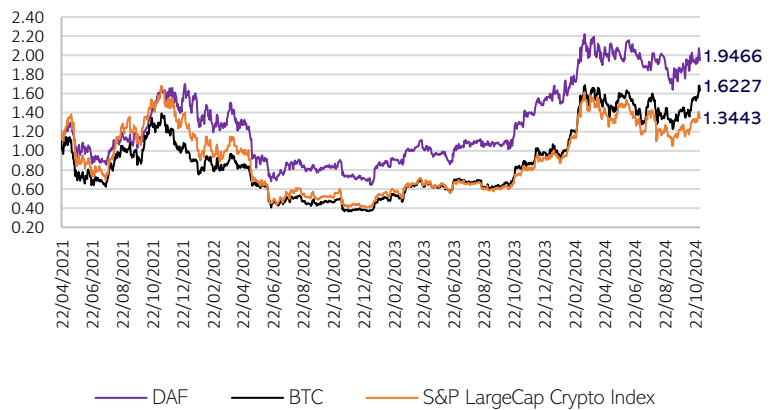
The Digital Asset Fund was up 6.92% and The Digital Market Neutral Fund was down 2.54% respectively. Bitcoin was the main beneficiary of the rally with gains of 10.12%, while Ethereum lost 3.47%. These moves were particularly impressive following the decline in the first week of October as a result of escalation of tensions in the Middle East.

While we generally prefer to avoid focusing on political developments, the Trump victory represents a pivotal shift for the crypto industry. Trump's campaign has made his support for crypto abundantly clear, in stark contrast to the Biden Administration's aggressive regulatory stance against the sector.

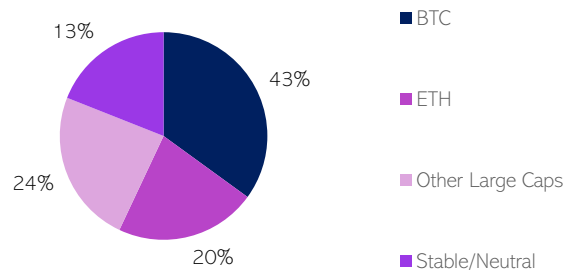
In the lead up to the election, Trump stated that he would:

- Make the USA the Bitcoin capital of the world.
- Add Bitcoin to the strategic reserves of USA: Though the size of this reserve may not be large, it signals support for states and other nations to do follow suit and legitimizes the asset class for institutional investors who have been sidelined to date.

Digital Asset Fund* & Industry Returns (Indexed)



Fund Allocations - October 2024



- Replace Garry Gensler, the anti-crypto head of the SEC: Gensler has been aggressive in his pursuit of regulation by enforcement during his tenure, which has constrained the industry significantly.
- Provide regulatory clarity to the industry: Although Bitcoin has shown significant strength relative to the rest of the market this year, we expect ETH and altcoins to be the biggest beneficiaries of the Trump victory, as regulatory clarity expands beyond Bitcoin alone. The regulatory uncertainty from the USA has been a significant headwind for the market – a headwind that should turn into a tailwind over the term of this administration.

Trump's election has added risk appetite to the entire market as his policies are expected to be expansionary from a fiscal point of view. Added to that, with stimulus coming out of China at the same time, we expect global money supply to increase, significantly bolstering markets. Crypto returns are highly correlated with the global money supply, and we expect this increase to have a far greater impact on valuations than any already priced in expected reduction in interest rates globally.

Overall, our bullish outlook for the final quarter of 2024 and the entirety of 2025 has been further reinforced by the Trump victory. Regardless of personal views, his win marks a significant turning point for the crypto industry, which we anticipate will drive substantial asset price appreciation throughout the coming year. While valuations have risen since the election results were announced, the significance of the Republicans winning both houses is underestimated. A majority in the House would enable them to advance their agenda much more vigorously. Although the House race is not yet confirmed, a Republican majority appears very likely.

In summary, while valuations have risen since the election announcement, we believe they do not yet fully reflect the long-term significance of this event for the market. We are still early in the cycle, but the risk return profile has moved significantly in our favor over the last month, reinforcing our conviction for 2025.

Regards,

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