

AUGMENTA SICAV

DIGITAL ASSET MOMENTUM

September 2024



Summary

- ★ Why invest with **Diaman**?
- ★ Why invest in **Digital Assets**?
- ★ Why invest through a **Fund**?
- ★ Why invest in **Augmenta Sicav**?

Diaman Partners at a glance

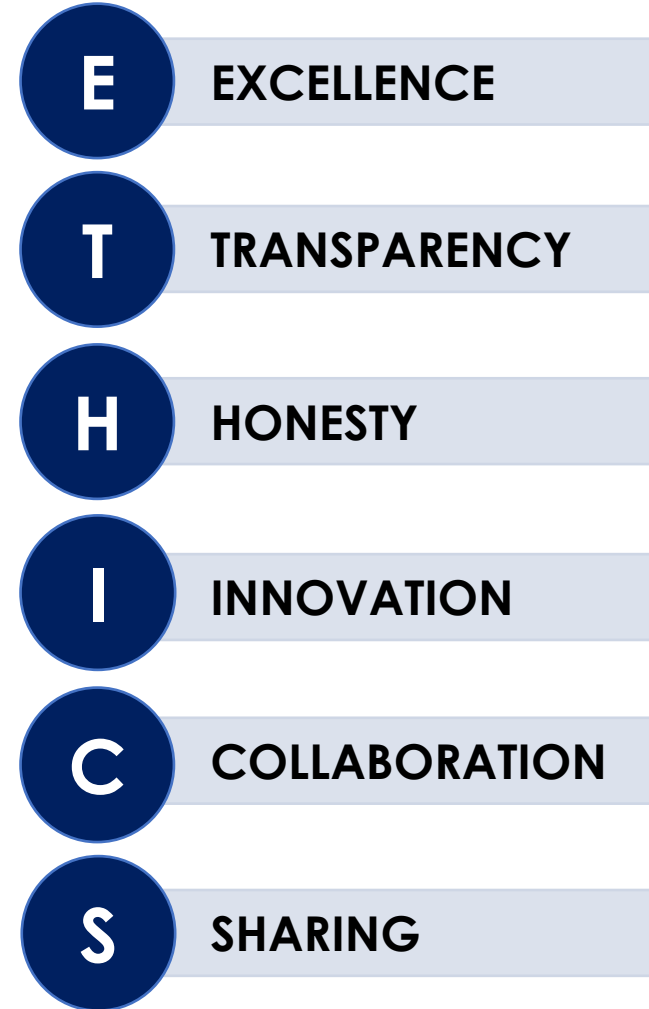
Our Values

Our Mission

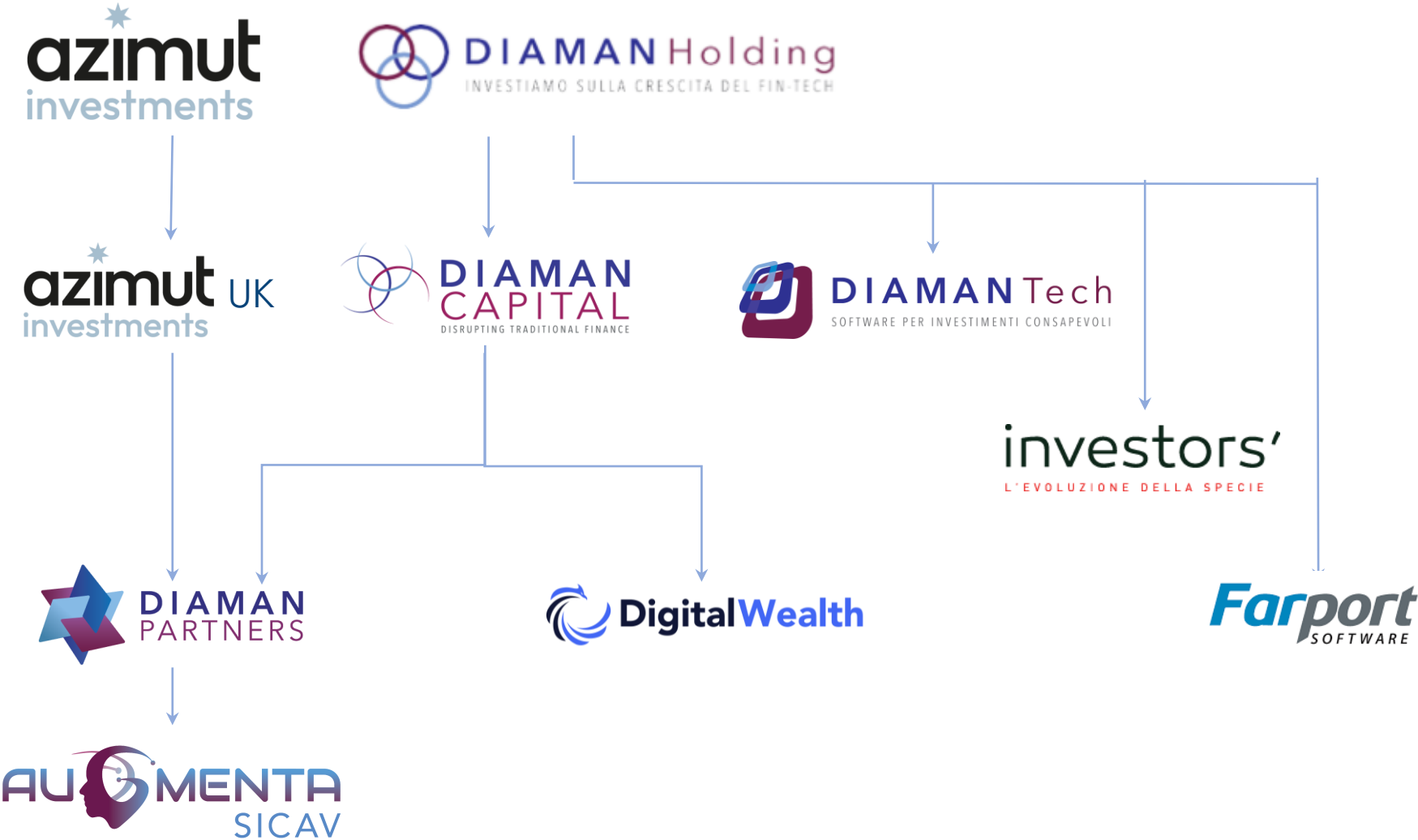
To innovate finance with passion

Our Vision

To become the European Leader
in Digital Assets funds industry



Diaman Partners belongs to a group of companies with AUM of over 100 billion €



The management team boasts a consolidated experience in quantitative finance and augmented intelligence applied to investments



Daniele Bernardi

Entrepreneur, 25 years of experience in Quantitative Finance



Francesco Canella

Director, 18 years of experience in Quantitative Finance



Nicola Bubola

Portfolio Manager, 18 years of experience in Quantitative Finance

Diaman Group is a pioneer in R&D in investment in digital assets



January 2018
launch of
Diaman
Partners with
headquarters in
Malta

March 2018
ERC-20 utility
token

Sept. 2019
publication of
a book on
investments in
digital assets

January 2020
hedge fund
launch in
digital assets
(+160% since
inception)

July 2022
management
mandate for
the fund AZ
RAIF II Digital
Assets

March 2023
Augmenta
Sicav
presentation

Why Malta

Located at the center of the Mediterranean Sea,
it is **a member of the European Union and the Commonwealth**



European Economic Hub

- ✓ Sound public finance and political stability
- ✓ Parte dell'Area Schengen, a 3 ore di volo diretto dai centri finanziari europei
- ✓ Cross-cultural location

Digital Asset Regulatory Landscape

- ✓ the world's first holistic regulatory framework for cryptocurrencies and Distributed Ledger Technologies (DLTs)
- ✓ first EU state to enact a domestic regime designed to regulate issuers of virtual financial assets (VFAs) and VFA service providers (VFASPs)

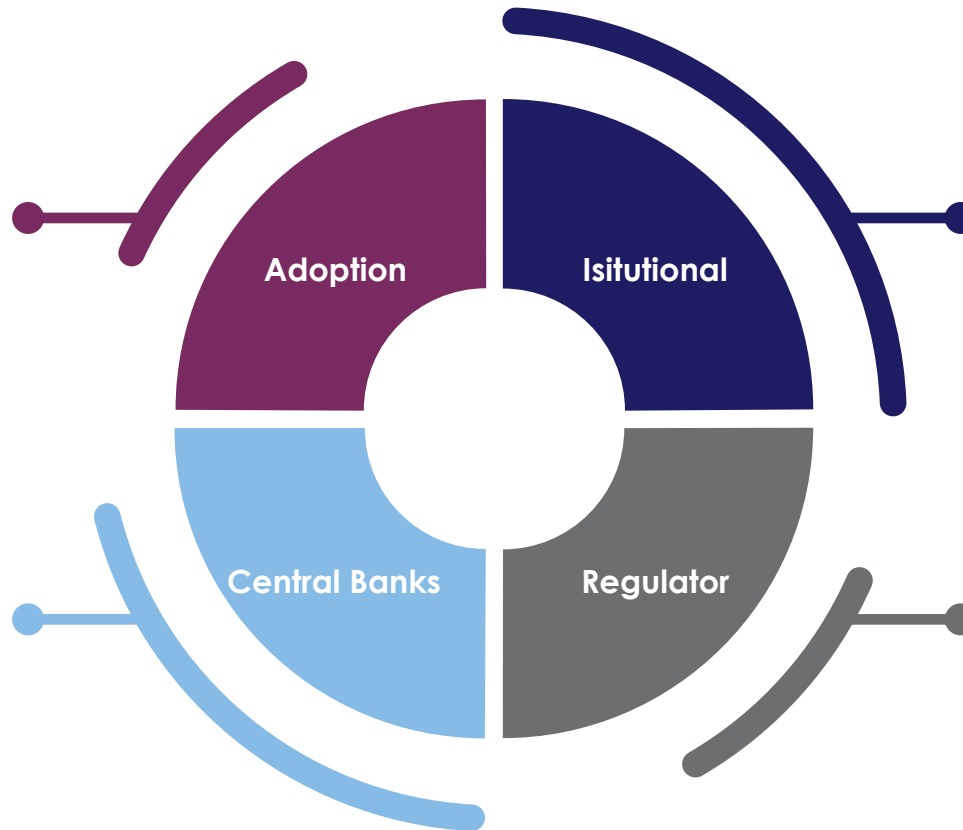
Sustainable Investment Fund Industry

- ✓ Key strenght on agility and appetite for technology and product innovation
- ✓ Home to 20 Fund Administrator and 518 Investment Funds (15,4 billion € AUM)
- ✓ Access the EU's massive single market of over 500 million people

Investing in digital assets is becoming mainstream

Adoption

it is still very "early"
market cap Bitcoin = 5% gold
Bitcoin Ownership 3,7%*



Institutions

SEC approves 11 ETF Bitcoin Spot
(BlackRock, Fidelity and Invesco among them)
SOGEN launches EUR stablecoin
State of Wisconsin invests in Bitcoin

CBDCs

BritCoin, the digital pound,
announced (Digital Euro,
Digital Yuan, e-Krona)

Regulation

MICA Regulation approved
SEC squeeze on Binance, Stablecoin
and unregulated services

(*) <https://crypto.com/research/2023-crypto-market-sizing-report>

Big financial institutions are changing their approach



2017: Larry Fink, BlackRock CEO
«Bitcoin is an index of money laundering»

2024: «I'm a big believer in Bitcoin, it's like digital gold»



2017: Ray Dalio, Bridgewater founder
«Bitcoin is a bubble»

2024: «I'm holding a little bit of Bitcoin, but I still prefer gold»



2017: Jamie Dimon, JP Morgan CEO
«if I caught JPMorgan traders buying or selling crypto, I would fire them in a second»

2024: JPMorgan is an «authorized participant» of Bitcoin ETF



2017: Tidjane Thiam, Credit Suisse CEO
«Bitcoin is the very definition of a Bubble»

**2024: Bitcoin +800%
Credit Suisse -100%**

...and also politicians!



Donald J. Trump ✓

@realDonaldTrump

I am not a fan of Bitcoin and other Cryptocurrencies, which are not money, and whose value is highly volatile and based on thin air. Unregulated Crypto Assets can facilitate unlawful behavior, including drug trade and other illegal activity....

[Traduci post](#)

2:15 AM · 12 lug 2019

July 12th 2019

Source:

<https://x.com/realDonaldTrump/status/1149472282584072192>



Donald J. Trump ✓

@realDonaldTrump

VOTE FOR TRUMP! Bitcoin mining may be our last line of defense against a CBDC. Biden's hatred of Bitcoin only helps China, Russia, and the Radical Communist Left. We want all the remaining Bitcoin to be MADE IN THE USA!!! It will help us be ENERGY DOMINANT!!!

bitcoinmagazine.com/culture/tr...

June 12th 2024

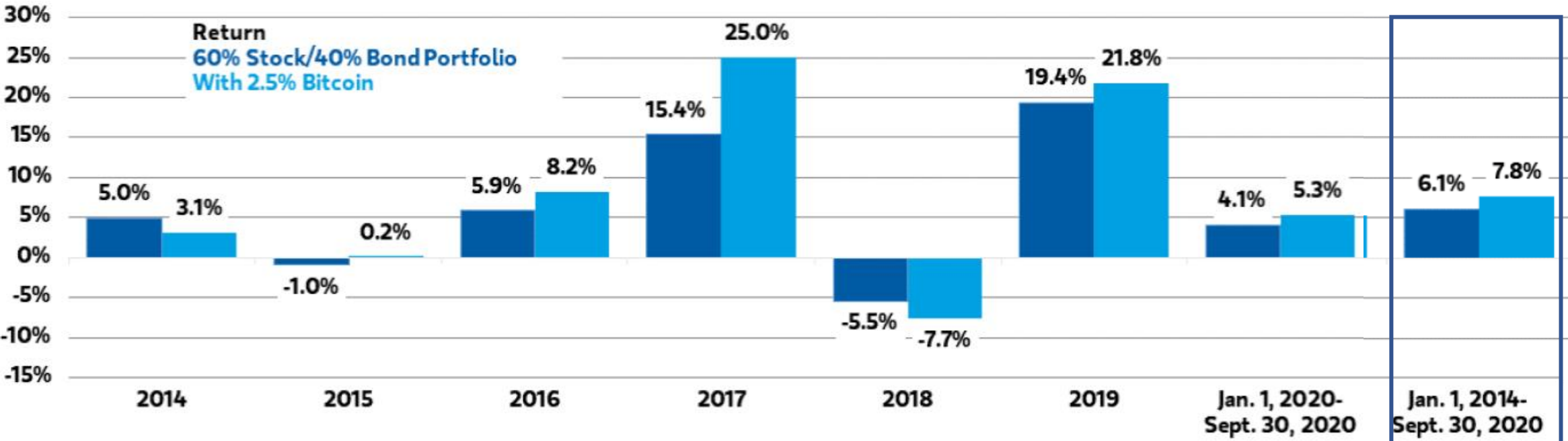
Source:

<https://truthsocial.com/@realDonaldTrump/posts/112601639679885930>

Digital Assets is a new asset class with specific features

	Gold	Commodities	Cash	Real Estate	Bonds	Equities	Digital Asset
History	Created in neutron star collisions and used as a store of value	Origins go back thousands of years	First paper money (backed by copper) trace back to China 7 ^o century	Private property rights originating in ancient Greece	Earliest known bond was issued by the city of Venice in the 12 th century	Origins trace back to 17 ^o century with the establishment of Amsterdam Stock Exchange	Created in 2009 by Satoshi Nakamoto
Liquidity	Fairly liquid: -ETCs -IRAs -futures	Fairly liquid: -futures -ETCs	Highly liquid	Illiquid, purchased only through REITs	Highly liquid and accessible through bond markets	Highly liquid and accessible through stock exchanges	Highly liquid: - exchanges - ETPs
Correlation of Returns	Low correlation to other asset classes and considered to be a safe-haven in times of crises	Similar to gold, however, thought to be slightly more correlated with other asset classes	Low correlation to other asset classes	Low to moderate correlation with stocks and bonds	In recent times inversely correlated with equities	Correlated with the health of global economy and market sentiment	Low correlation with traditional asset classes
Use	Store of value, safe heaven assets	Industrial use, wealth preservation, hedging	Temporary parking during crisis or to manage operativity	Residence and rental income	Fixed income investment	Company ownership, voting rights, dividends	Digital store of value, decentralized apps, p2p transactions , logic embedded into money (smart contract)

Modelling your portfolio including a small allocation in Bitcoin would have improved the results...



	2014		2015		2016		2017		2018		2019		Jan. 1, 2020 - Sept. 30, 2020		Jan. 1, 2014 - Sept. 30, 2020	
Volatility (%)	5.0	5.1	7.5	7.5	7.5	7.3	3.4	4.4	7.3	7.5	5.5	5.5	17.9	18.3	8.4	8.5
Sharpe Ratio	1.0	0.6	-0.1	0.0	0.8	1.1	4.3	5.6	-1.0	-1.3	3.1	3.6	0.2	0.3	0.6	0.8
Max Drawdown (%)	-5.2	-5.7	-9.2	-8.8	-6.1	-6.2	-1.0	-1.4	-11.6	-12.9	-2.9	-3.1	-21.4	-21.8	-21.4	-21.8

Source: Bloomberg and Morgan Stanley Wealth Management Global Investment Office
 Disclaimer: past performance is not indicative of future results

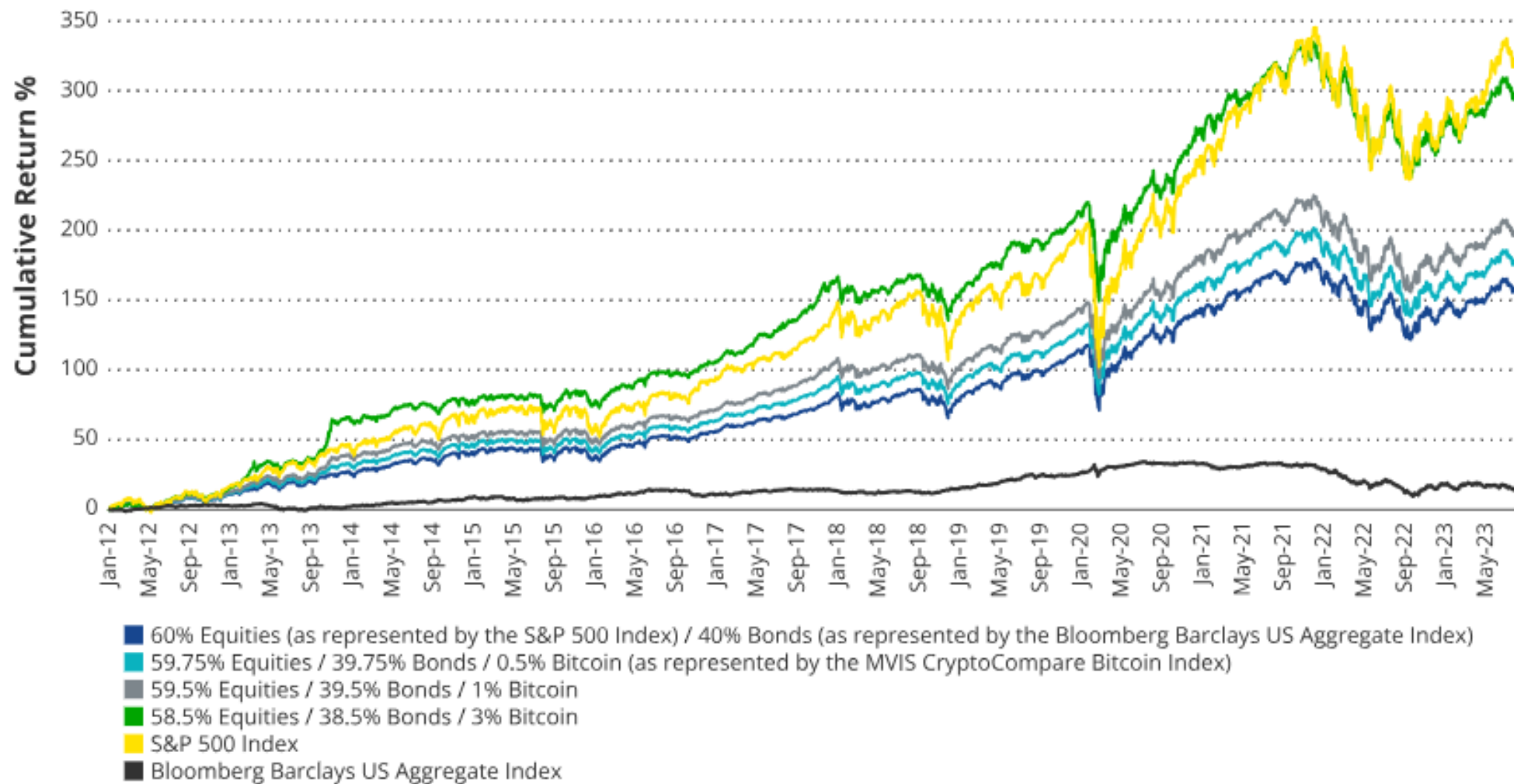
...increasing the risk-adjusted expected return



Fonte: Analyser4crypto.com, and proprietary historical price series Diaman Partners LTD from 1/1/15 to 5/30//23

Disclaimer: past performance is not indicative of future results

Several studies confirm this result

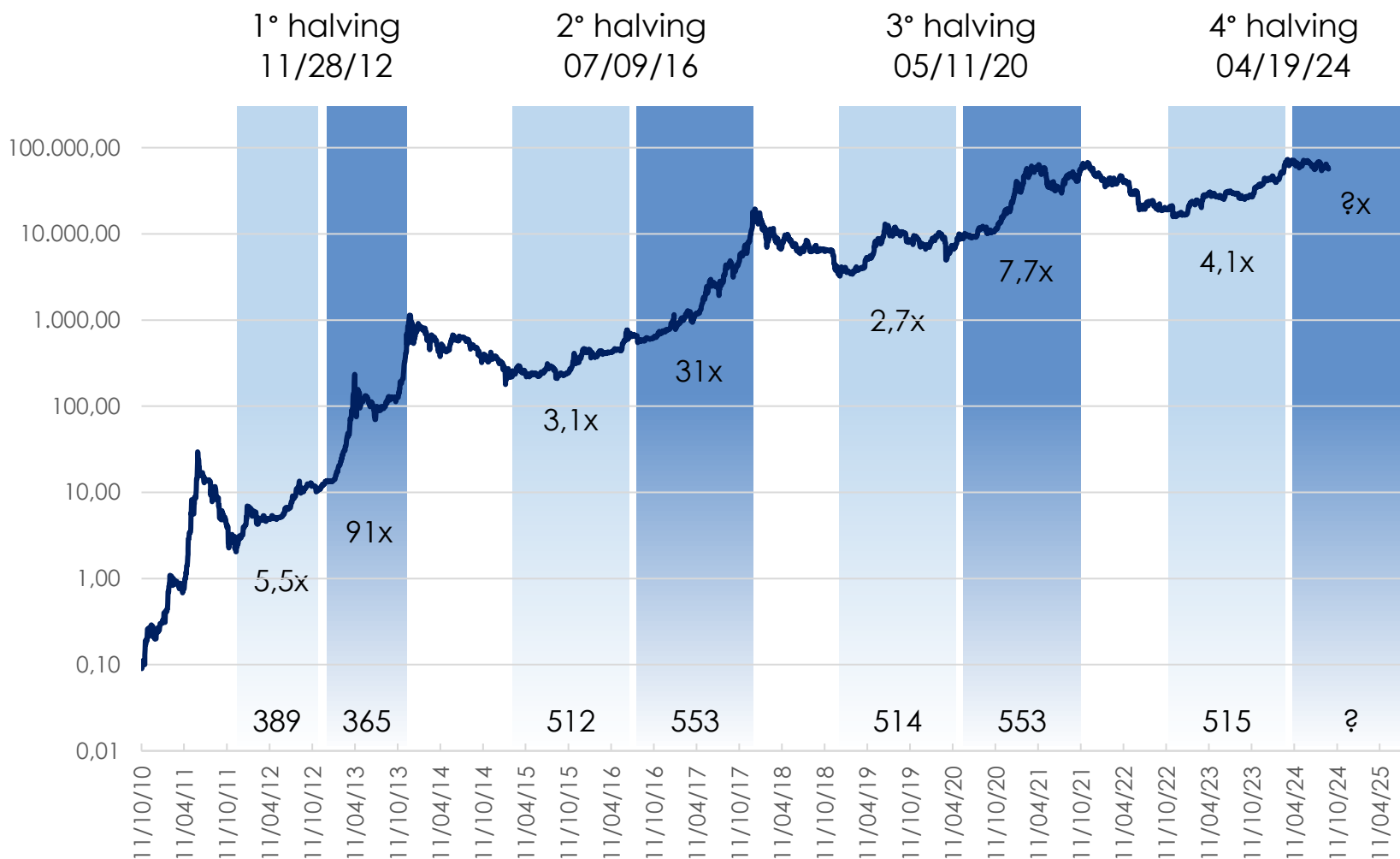


VanEck[®]

Link 
<https://www.vaneck.com/us/en/blogs/digital-assets/the-investment-case-for-bitcoin/>

Source: Morningstar. Data as of 08/31/2023. Past performance is no guarantee of future results. Not intended as a recommendation to buy or sell any securities mentioned herein, to adopt any investment strategy, or as any call to action. Index performance is not representative of fund performance. It is not possible to invest directly in an index. Please see important disclosures at the end of this commentary regarding hypothetical performance.

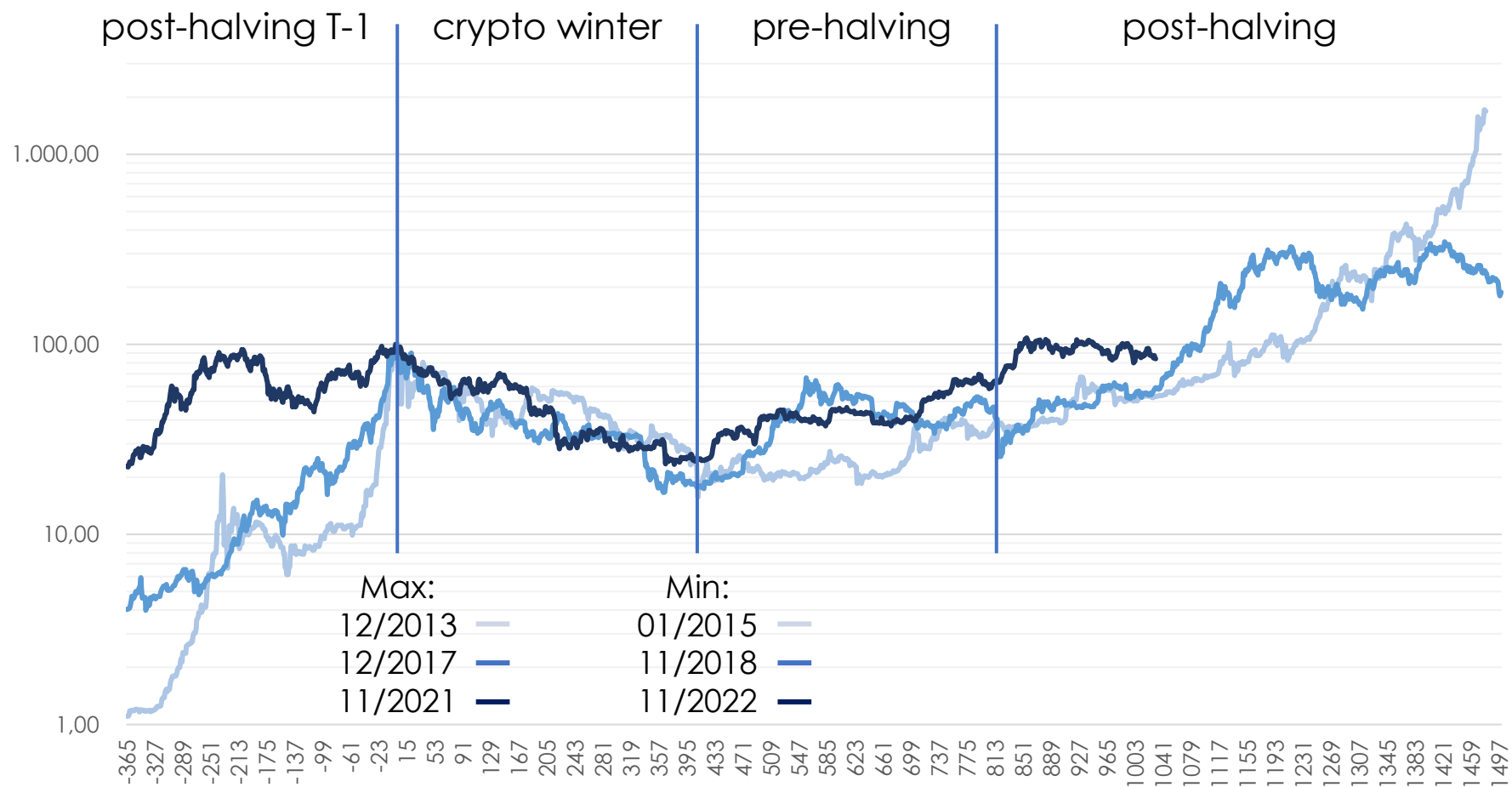
Price movements exhibit a strong cyclicity



Fonte: analyzer4crypto.com and Diaman Partners LTD, data as of 9/4/24

Disclaimer: past performance is not indicative of future results





...and keeping it into consideration is a key factor



Source: BTC daily closing price, analyser4crypto.com and Diaman Partners LTD, data as of 9/4/24

Disclaimer: past performance is not indicative of future results

Which solutions are offered when taking a position in Digital Assets (for a careful investor)?

		Ease of access	Inheritance	Security	Tax mngmnt	Diversification	Active mngmnt	Risk control
	Self custody	✗	✗	✓	✗	✗	✗	✗
	Exchange	✓	✓	✗	✗	✗	✗	✗
	ETP	✓	✓	✓	✓	✗	✗	✗
	Digital Asset Momentum	✓	✓	✓	✓	✓	✓	✓

A static allocation is not taking advantage of the variability of returns

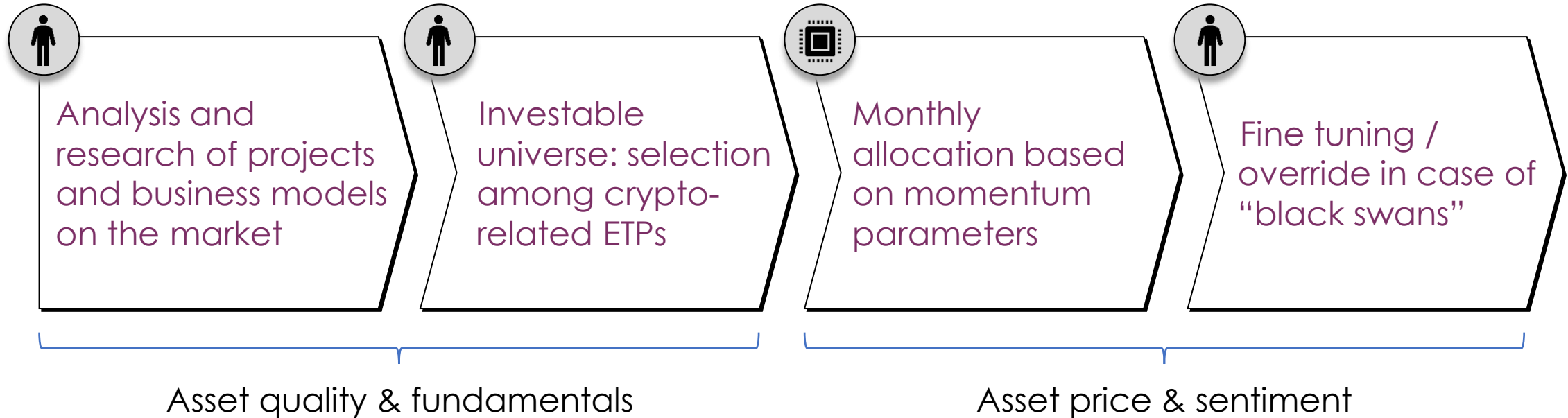
2018	2019	2020	2021	2022	2023
USD 0%	LINK 503%	LINK 557%	MATIC 14355%	USD 0%	SOL 917%
BNB -28%	BNB 125%	ETH 458%	SOL 9591%	TRX -28%	LINK 166%
LINK -59%	BTC 87%	ADA 424%	DOGE 2944%	UNI -30%	BTC 154%
TRX -62%	LTC 31%	BTC 308%	BNB 1291%	LTC -53%	ADA 138%
BTC -72%	USD 0%	LTC 200%	ADA 685%	BNB -54%	TRX 96%
DOGE -73%	ETH -7%	XLM 191%	ATOM 516%	DOGE -59%	ETH 90%
XLM -76%	DOGE -15%	DOGE 180%	ETH 416%	XRP -60%	XRP 82%
ETH -82%	ADA -21%	BNB 177%	ALGO 337%	BTC -65%	XLM 78%
XRP -85%	TRX -32%	TRX 103%	XRP 258%	ETH -68%	UNI 40%
LTC -86%	XRP -47%	ALGO 81%	TRX 184%	MATIC -70%	BNB 28%
ADA -94%	XLM -61%	ATOM 34%	XLM 109%	LINK -73%	MATIC 28%
		XRP 23%	LINK 74%	XLM -74%	DOGE 27%
		MATIC 19%	UNI 63%	ATOM -74%	ALGO 26%
		USD 0%	BTC 62%	ADA -82%	ATOM 12%
			LTC 19%	ALGO -90%	LTC 3%
			USD 0%	SOL -94%	USD 0%

every cycle was driven by several high beta **rising stars**, which alternated at the top of the return ranking

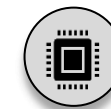
Source: analyzer4crypto.com
and Diaman Partners

Disclaimer: past performance is not indicative of future returns

Digital Asset Momentum investment strategy



- ★ Daily NAV
- ★ Exposure to single ETPs from 0.25% to 9.75% (long positions only)
- ★ Trading of primary ETPs at advantageous spread conditions
- ★ USD liquidity range of the fund from 3% to 50% (remunerated cash)
- ★ Monthly reallocation ensures effective portfolio rotation without excessive impact on trading costs



Augmented Intelligence is the approach that combines the best of human and artificial intelligence

The investable universe is broad and diversified

21SHARES

- Short Bitcoin
- Avalanche
- Bitcoin
- Ethereum
- Polkadot
- Cosmos
- Solana Stacking
- Cardano
- Algorand
- Polygon
- Avalanche
- Ripple
- Binance Coin
- Bitcoin Suisse
- Bitcoin Cash
- Stellar
- Bitcoin Core
- Tezos Stacking
- Fantom
- The Sandbox
- Stacks Staking

 **ETC Group**

- Physical Bitcoin
- Physical Ether
- Physical Solana
- Physical Litecoin
- Physical Cardano
- Physical Polkadot
- Physical XRP

VanEck

- Solana
- Bitcoin
- Ethereum
- Polkadot
- Chainlink
- Polygon
- Solana
- Tron
- Algorand

CoinShares

- Physical Bitcoin
- Physical Staked
- Polkadot
- Physical Staked Tezos
- Physical Ethereum
- Physical XRP
- Physical Litecoin

GLOBAL X

- Bitcoin
- Ethereum

PANDO ASSET

- Bitcoin
- Ethereum

VALOUR

- Solana

 **XBT PROVIDER**
A CoinShares Company

- Ether Tracker One
- Bitcoin Tracker One
- Ether Tracker Euro
- Bitcoin Tracker Euro

 **WISDOMTREE**

- Bitcoin
- Ethereum
- Polkadot
- Cardano
- Solana

 **SEBA**

- Bitcoin
- Ethereum
- Bitcoin CHF Hdg
- Polkadot

 **Invesco**

- Physical Bitcoin

 **DDA**

- Physical Bitcoin

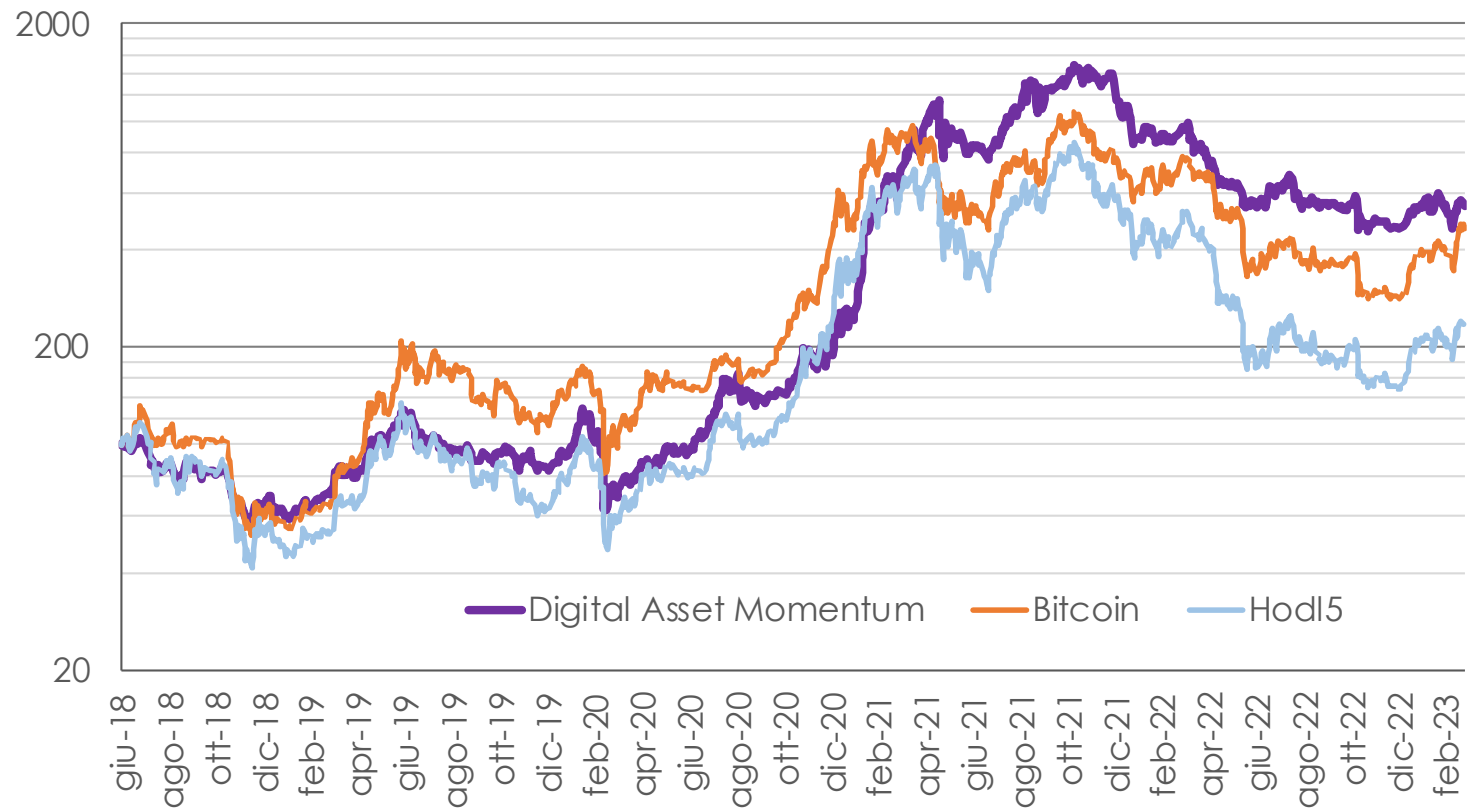
daily average trading volume

★ +60 ETP of 12 providers

Back test

Methodological approach

- ✦ Back tests **including costs** based on Diaman Ratio
- ✦ rotation every first day of the month
- ✦ trading costs 0.05%
- ✦ slippage 0.25%
- ✦ inclusive of costs and commissions based on the prospectus
- ✦ basket of crypto assets currently available in ETPs
- ✦ historical series of crypto assets (proprietary database)



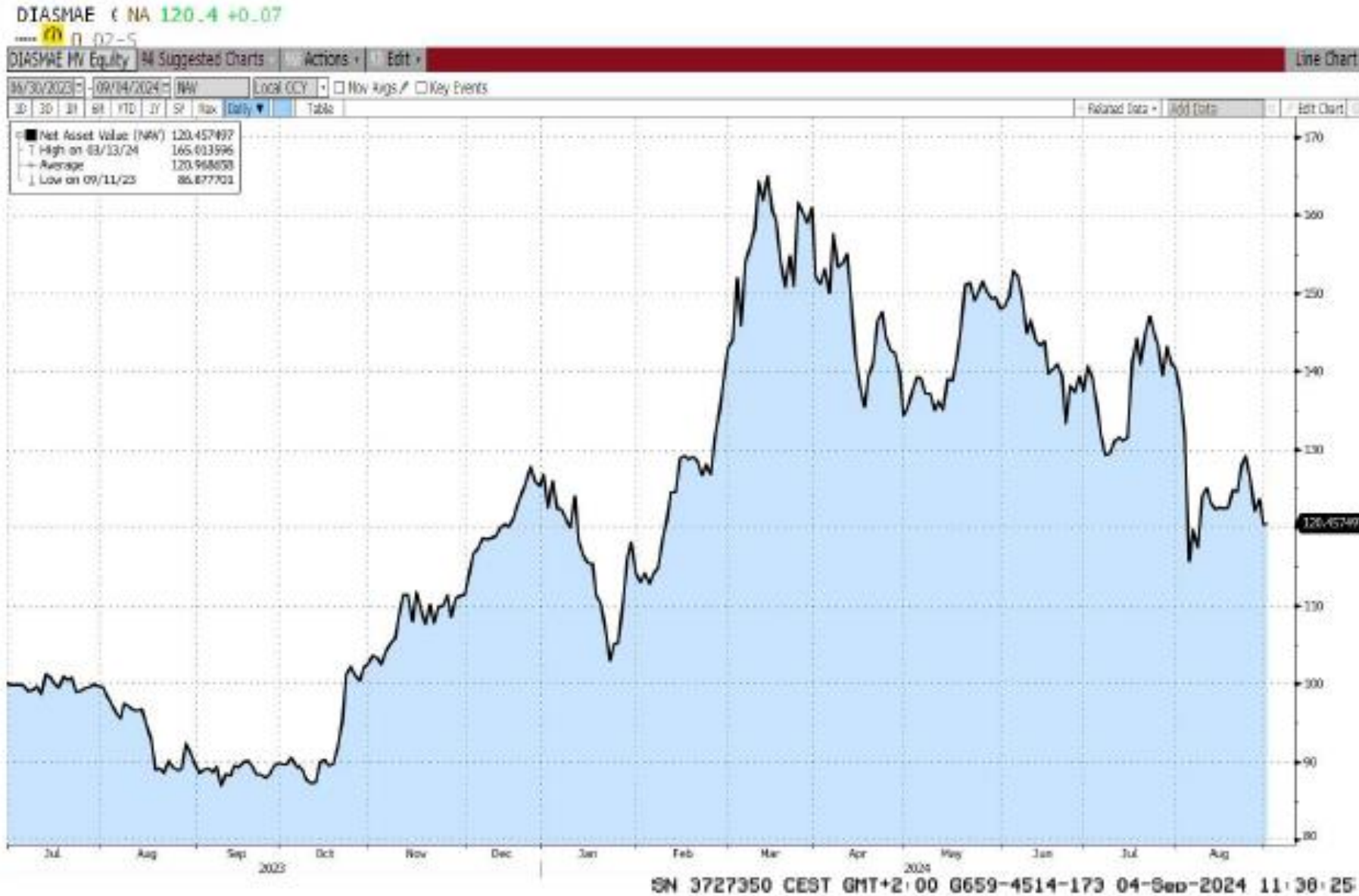
	Strategy	Bitcoin	HODL5
Total return	452.54%	337.14%	133.81%
Average performance	42.72%	35.93%	19.33%
Volatility	57.68%	69.58%	74.57%
Max drawdown	-69.24%	-76.63%	-82.90%
Sharpe Ratio (0 rfr)	0.741	0.516	0.259
Ulcer Index	0.349	0.411	0.378
Diaman Ratio	40.01%	21.46%	15.35%

Disclaimer: past performance is not indicative of future results

Source: Analyser4Crypto.com; and Diaman Partners Ltd

HODL5 is an index by 21Shares representing a diversified basket of the main 5 cryptocurrencies according to capitalization

Real track record



Disclaimer: past performance is not indicative of future results
Source: Bloomberg

The added value of Digital Asset Momentum at a glance

- ★ First **UCITS fund harmonized** on Crypto Related Securities
- ★ Segregated custody guaranteed by ETPs (**no exposure to CEX** - Centralized Exchanges)
- ★ Management team with **+4 years of real track record**
- ★ **High diversification** (~25 ETPs)
- ★ Minimum investment of **€1,000**
- ★ **Pair trading** to determine portfolio allocation
- ★ **Simple** and clear strategy with **solid backtesting**

Organizational structure and actors involved

★ Sicav under Maltese law



★ Management Company



★ Sub Investment Manager



★ Auditing firm



★ Custodian Bank



★ Fund Administrator



★ Distributor platforms



Investment classes

Class	ISIN	Minimum	Entry fee	Exit fee
A EUR	MT7000033916	1.000€	max 3%	no
B USD	MT7000033924	1.000\$	(waivable)	
C EUR	MT7000033932	1.000€	no	3% decreasing for
D USD	MT7000033940	1.000\$		the first 3 years*
Q CHF	MT7000034401	10.000Fr	no	no

(*) at the end of the 3rd year an automatic switch to class A or B will be made, and an exit fee will no longer be due in the event of disinvestment

October 2nd
we will be
in Lugano

Save the date!



ETC Group

CoinShares

21shares



FinanceMalta

28
MAGGIO
ROMA

29
MAGGIO
MALTA

2
OTTOBRE
LUGANO

3
OTTOBRE
MILANO

Organizzato da:



DIAMAN
PARTNERS

DIGITAL ASSET
APERI TOUR 2024



Registrati online:
diamanpartners.com/aperitour

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Thanks for your kind attention



ANNEX

Efficient Frontier and Digital Assets



Efficient Frontier and Digital Assets

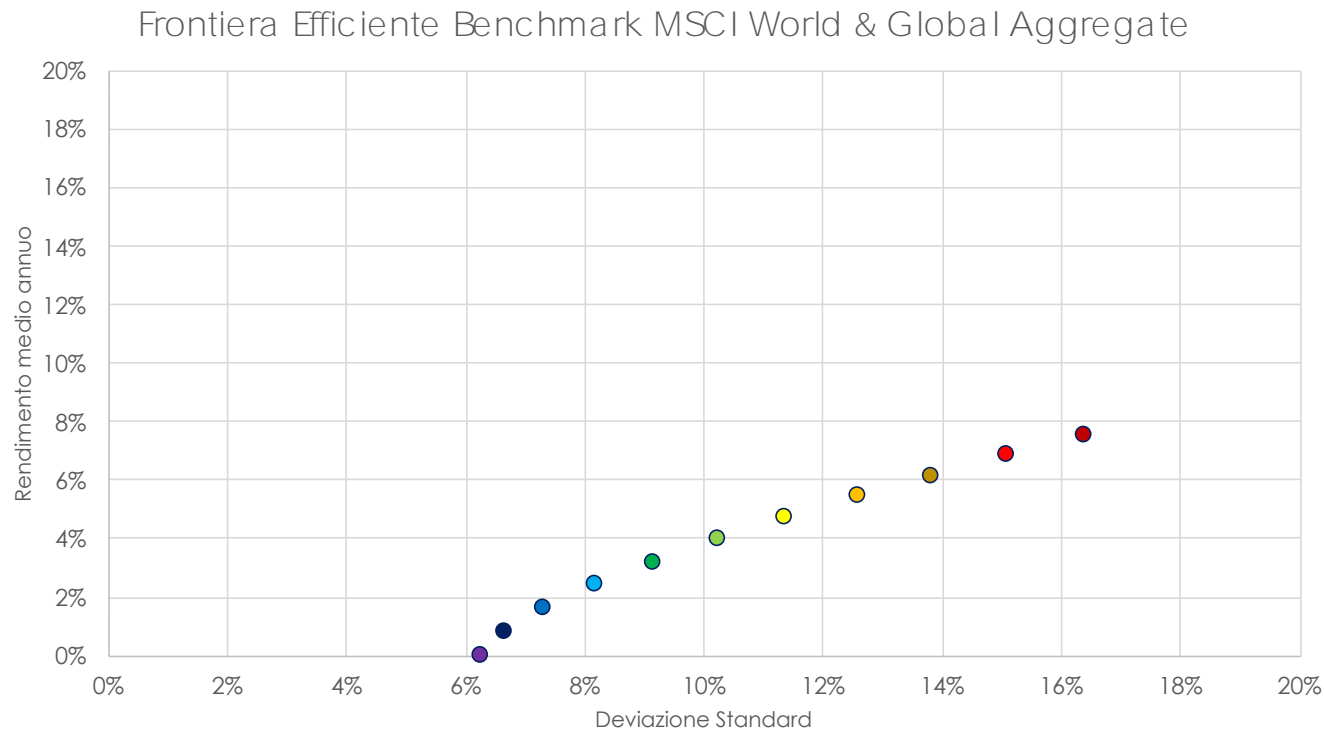
We have simulated a series of portfolios composed of MSCI World and Global Aggregate Bonds at different percentages.

The objective is to verify how the overall return/risk ratio changes with the introduction of a percentage of Digital Assets.

Many interesting insights emerge that make it appropriate to include this new asset class in a traditional investment portfolio.

Efficient Frontier and Digital Assets

The return/risk profile of these portfolios follows the classic shape of the efficient frontier

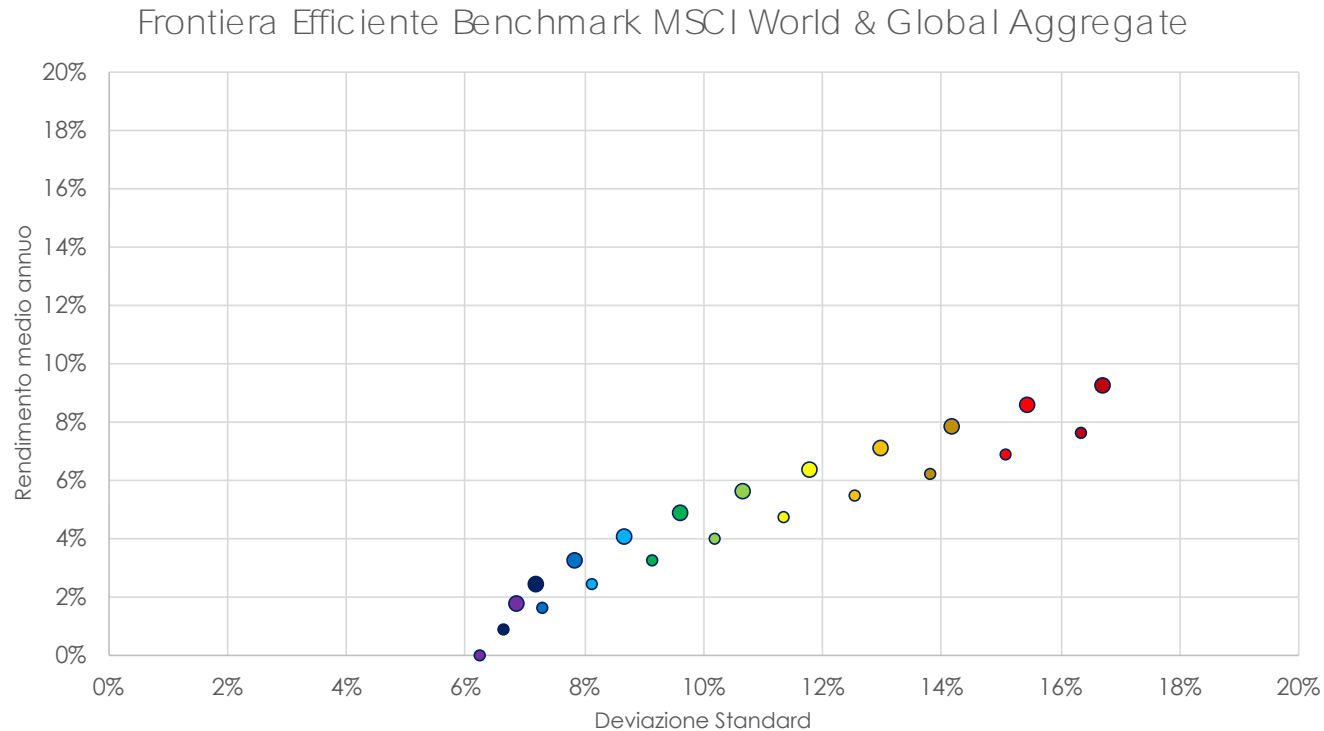


	Bond	Equity
●	100%	0%
●	90%	10%
●	80%	20%
●	70%	30%
●	60%	40%
●	50%	50%
●	40%	60%
●	30%	70%
●	20%	80%
●	10%	90%
●	0%	100%

Period from 12/31/2016
to 05/31/2023

Efficient Frontier and Digital Assets

By allocating 2% to Digital Assets into the portfolio, the return grows without changing the risk profile very much

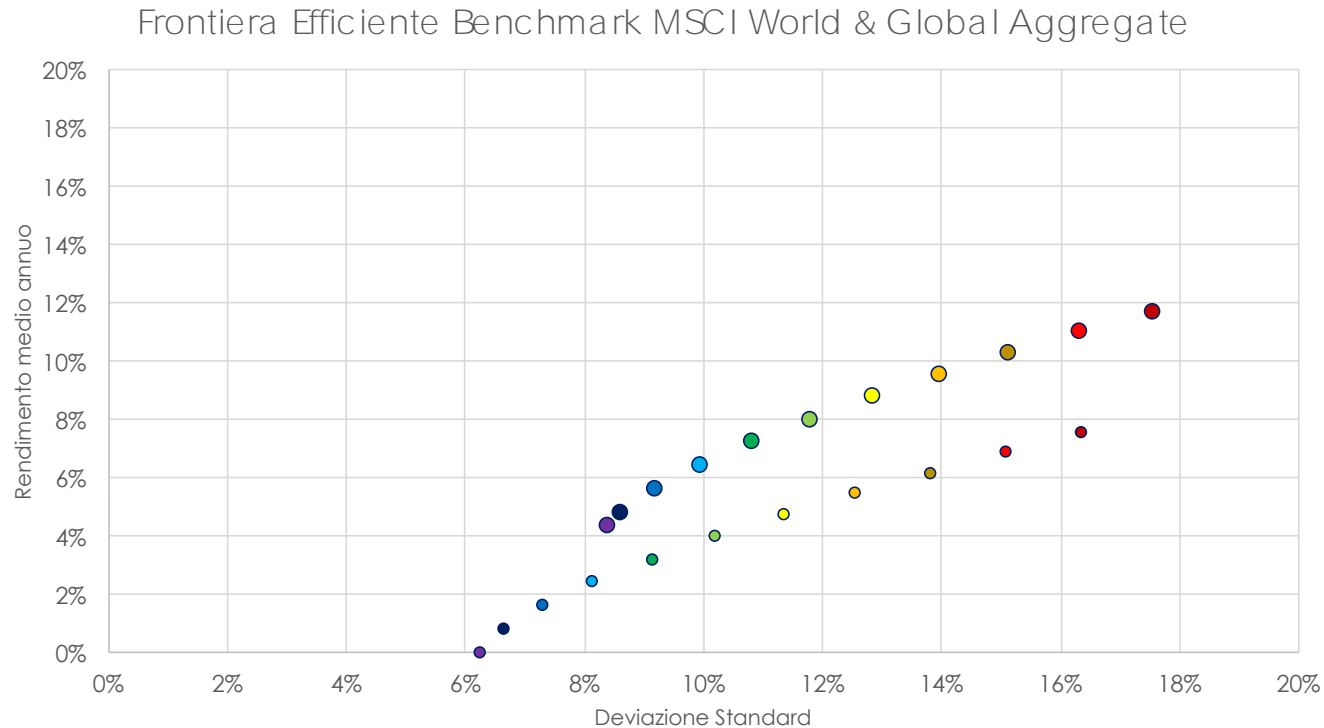


	Bond	Equity	Crypto
●	98%	0%	2%
●	90%	8%	2%
●	80%	18%	2%
●	70%	28%	2%
●	60%	38%	2%
●	50%	48%	2%
●	40%	58%	2%
●	30%	68%	2%
●	20%	78%	2%
●	10%	88%	2%
●	0%	98%	2%

Period from 12/31/2016
to 05/31/2023

Efficient Frontier and Digital Assets

By allocating 5% to digital assets, I can expect the same return as 100% stocks, with 50% in bonds and 12% volatility

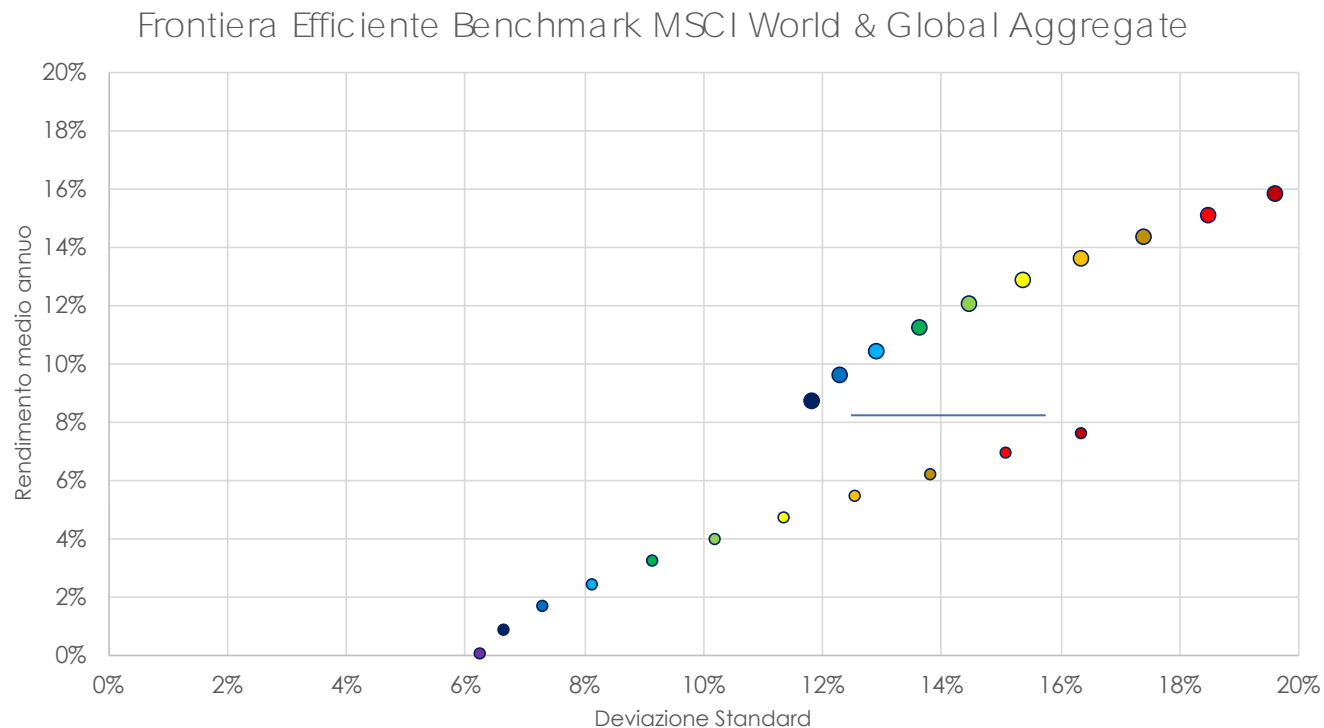


	Bond	Equity	Crypto
●	95%	0%	5%
●	90%	5%	5%
●	80%	15%	5%
●	70%	25%	5%
●	60%	35%	5%
●	50%	45%	5%
●	40%	55%	5%
●	30%	65%	5%
●	20%	75%	5%
●	10%	85%	5%
●	0%	95%	5%

Period from 12/31/2016 to 05/31/2023

Efficient Frontier and Digital Assets

With 90% in bonds and 10% in Digital Assets I can expect a return equal to 100% equity with a volatility of 12%

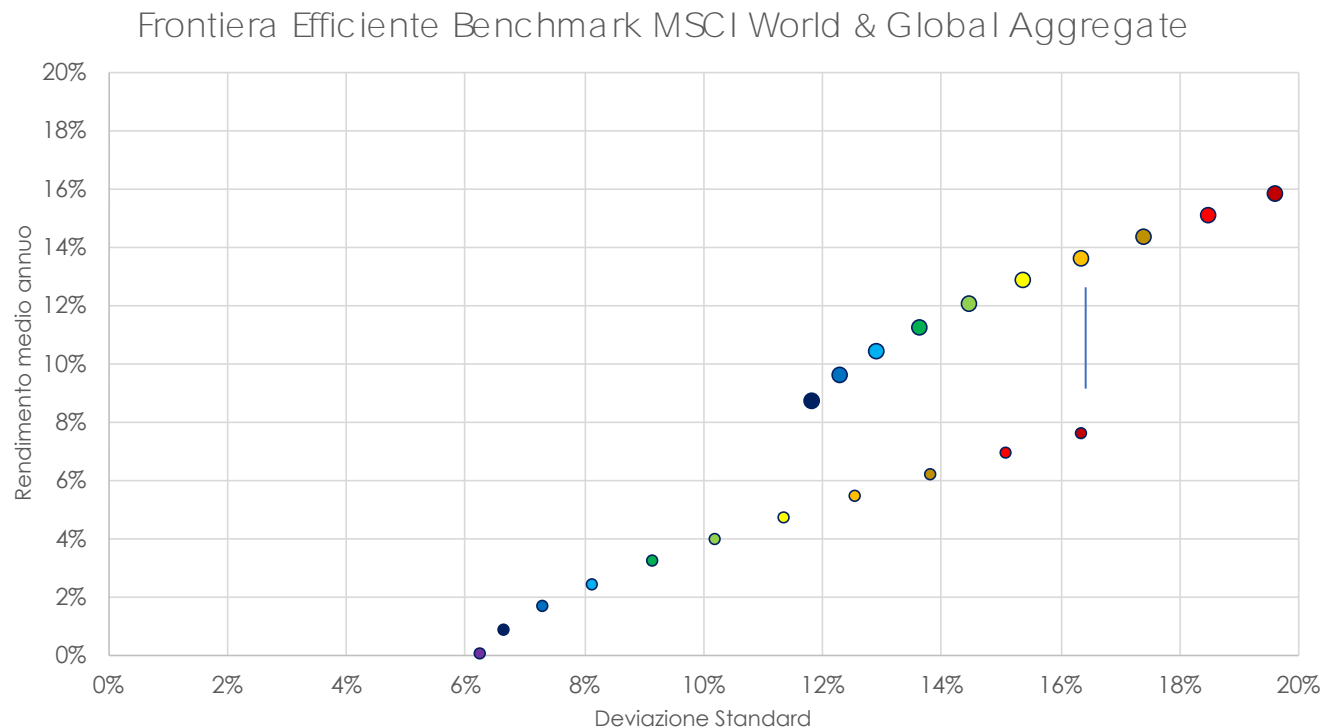


	Bond	Equity	Crypto
●	90%	0%	10%
●	80%	10%	10%
●	70%	20%	10%
●	60%	30%	10%
●	50%	40%	10%
●	40%	50%	10%
●	30%	60%	10%
●	20%	70%	10%
●	10%	80%	10%
●	0%	90%	10%

Period from 12/31/2016 to 05/31/2023

Efficient Frontier and Digital Assets

With 60% in equity and 10% in Digital Asset I can expect a risk equal to 100% equity but with double the expected return



	Bond	Equity	Crypto
●	90%	0%	10%
●	80%	10%	10%
●	70%	20%	10%
●	60%	30%	10%
●	50%	40%	10%
●	40%	50%	10%
●	30%	60%	10%
●	20%	70%	10%
●	10%	80%	10%
●	0%	90%	10%

Period from 12/31/2016 to 05/31/2023