AUGMENTA SICAV

DIGITAL ASSET MOMENTUM

Milan, April 15, 2024

DIAMAN PARTNERS

Summary

- Why invest with **Diaman**?

- Why invest in **Digital Assets**?

- Why invest through a **Fund**?

- Why invest in **Augmenta Sicav**?

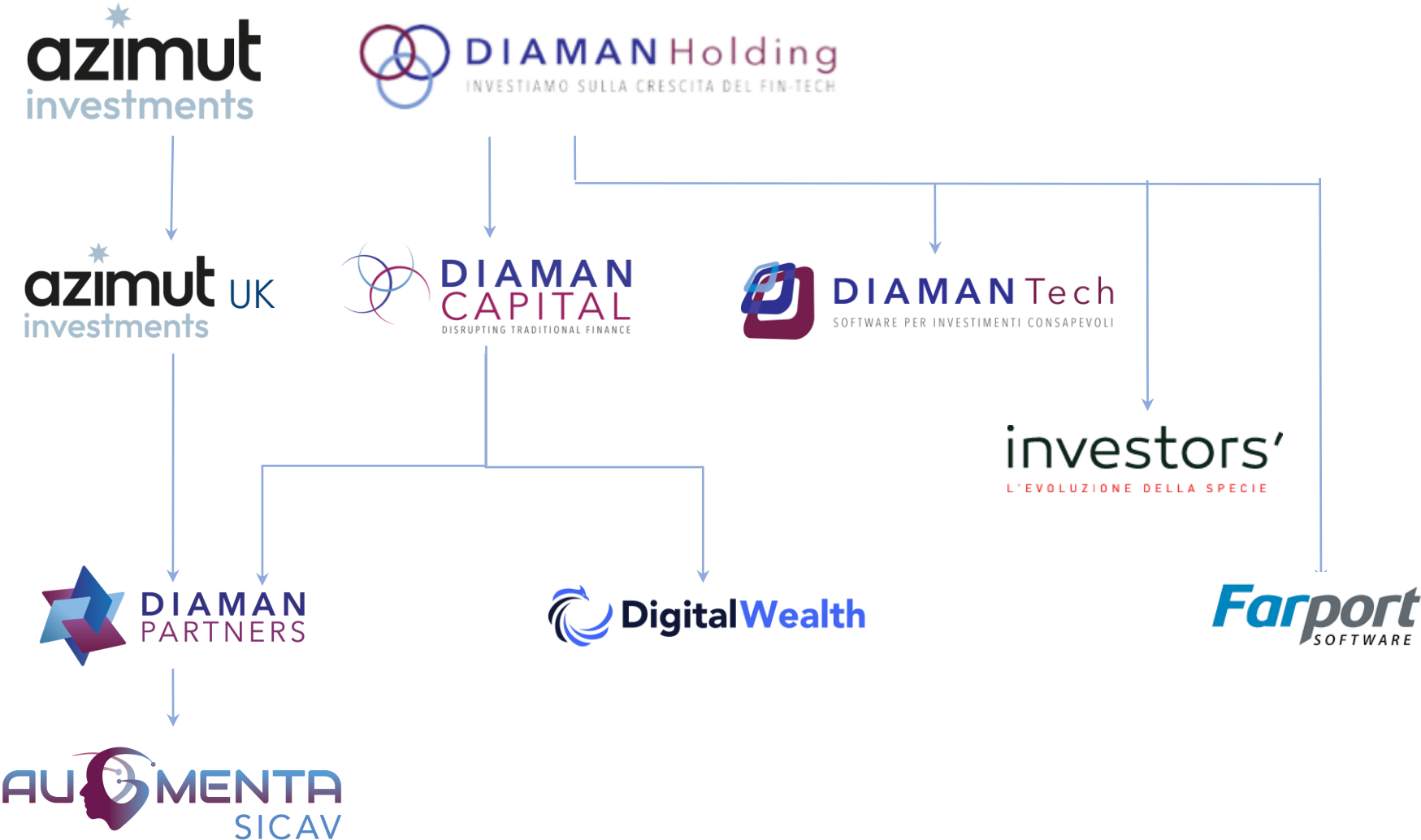# Diaman Partners at a glance

Our Values

Our Mission
To innovate finance with passion

Our Vision
To become the European Leader in Digital Assets funds industry

E EXCELLENCE

T TRANSPARENCY

H HONESTY

I INNOVATION

C COLLABORATION

S SHARING

Diaman Partners belongs to a group of companies with AUM of over 90 billion €

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

Daniele Bernardi

Entrepreneur, 23 years of experience in Quantitative Finance

Francesco Canella

Director, 17 years of experience in Quantitative Finance

Nicola Bubola

Portfolio Manager, 16 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

Investing in digital assets is becoming mainstream

Adoption

it is still very "early"
market cap Bitcoin = 5% gold
FTX collapse > DeFi growth e
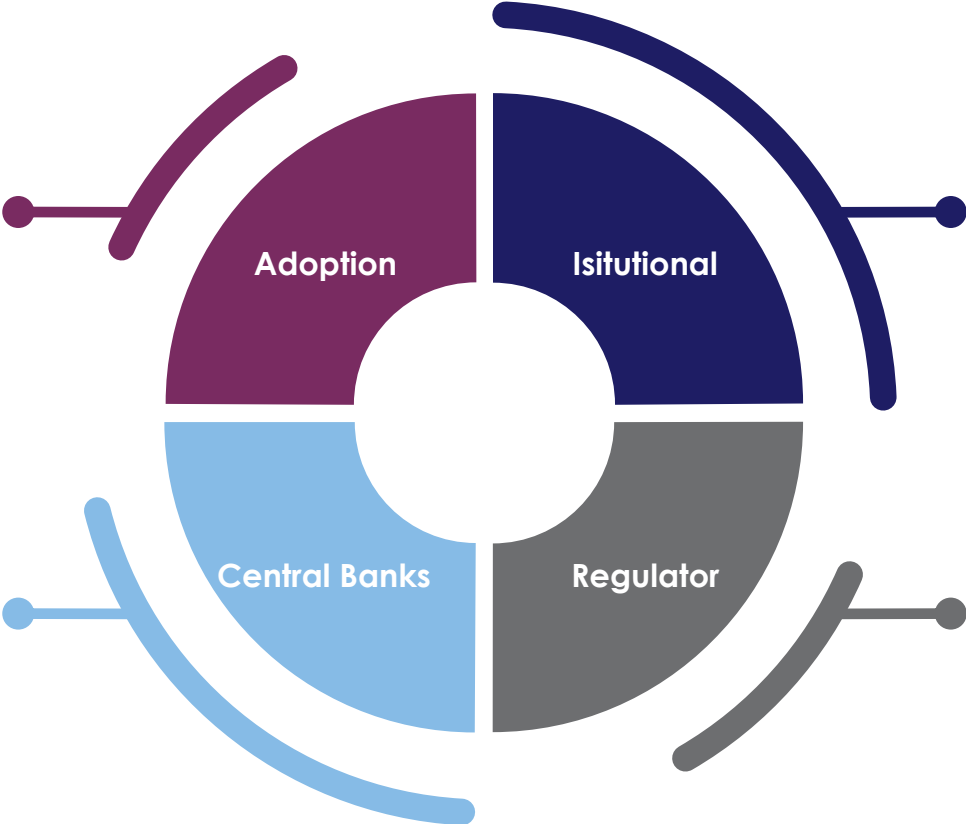flight to quality

Institutions

SEC approves 11 ETF Bitcoin Spot
(BlackRock, Fidelity and Invesco
among them)
SOGEN launches EUR stablecoin

CBDCs

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

Regulation

MICA Regulation approved
SEC squeeze on Binance and
Stablecoin

Adoption

Isitutional

Central Banks

Regulator

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 partecipant» of Bitcoin ETF

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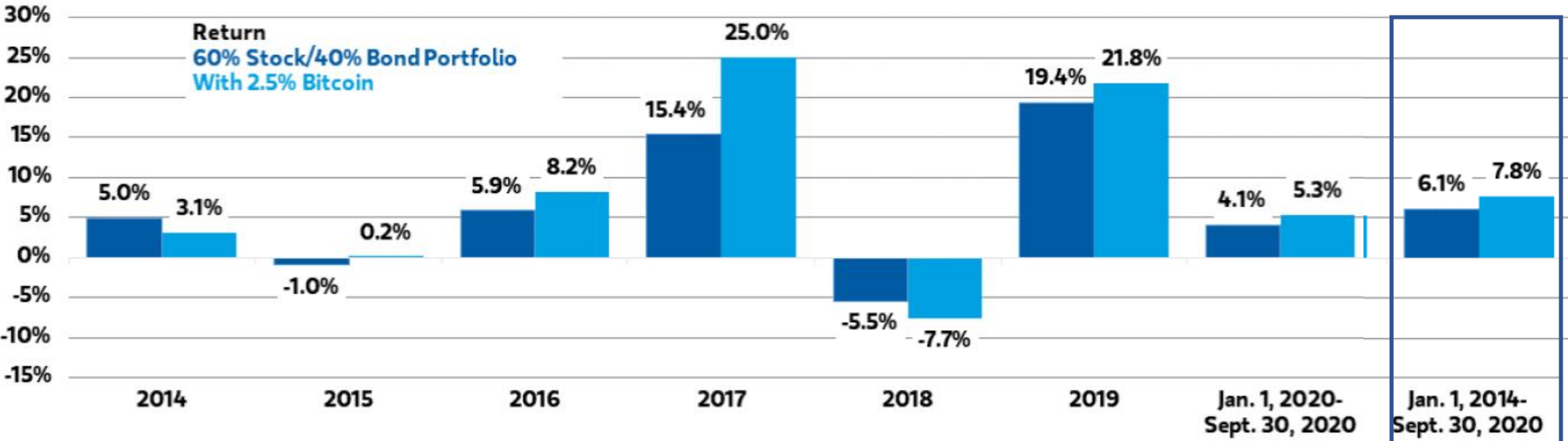
«Bitcoin is the very definition of a Bubble»

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

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° century	Private property rights originating in ancient Greece	Earliest known bond was issued by the city of Venice in the 12th century	Origins trace back to 17° 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…

Return
60% Stock/40% Bond Portfolio
With 2.5% Bitcoin

Chart values by year:

- 2014: 5.0% / 3.1%
- 2015: -1.0% / 0.2%
- 2016: 5.9% / 8.2%
- 2017: 15.4% / 25.0%
- 2018: -5.5% / -7.7%
- 2019: 19.4% / 21.8%
- Jan. 1, 2020–Sept. 30, 2020: 4.1% / 5.3%
- Jan. 1, 2014–Sept. 30, 2020: 6.1% / 7.8%

	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

…increasing the risk-adjusted expected return

PRUDENT

BALANCED

AGGRESSIVE

BOND
EQUITY

Expected return	Expected Volatility
5.0%	**5.1%**

Expected return	Expected Volatility
5.7%	**8.5%**

Expected return	Expected Volatility
7.7%	**13.6%**

BOND
EQUITY
CRYPTO

2%

5%

10%

Expected return	Expected Volatility
6.5%	**5.2%**

Expected return	Expected Volatility
9.5%	**8.6%**

Expected return	Expected Volatility
14.7%	**13.6%**

Historical data

Historical data

Historical data

8.3%	4.6%

15.0%	7.4%

25.6%	12.7%

Several studies confirm this result
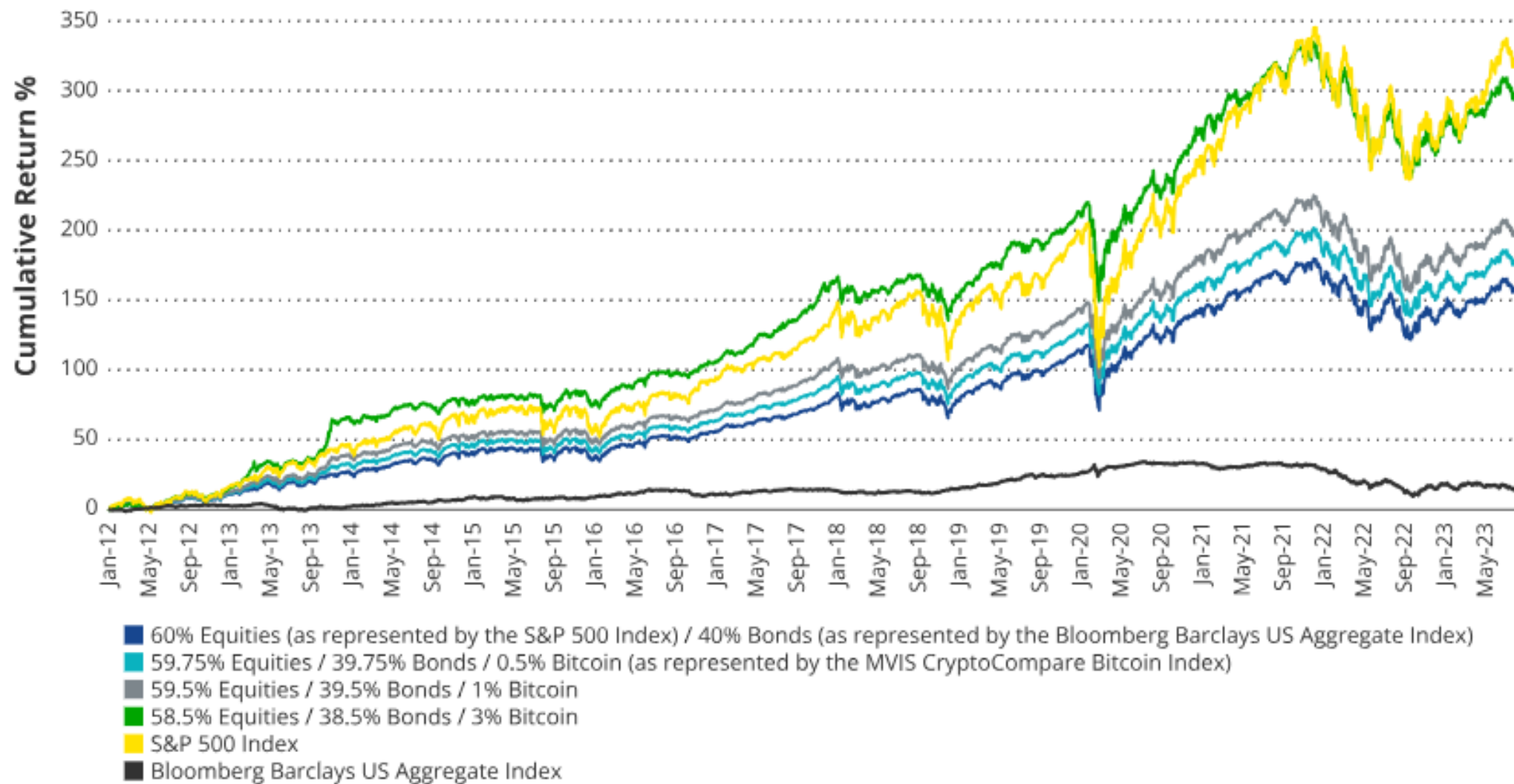
Link 👉 https://www.vaneck.com/us/en/blogs/digital-assets/the-investment-case-for-bitcoin/

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.
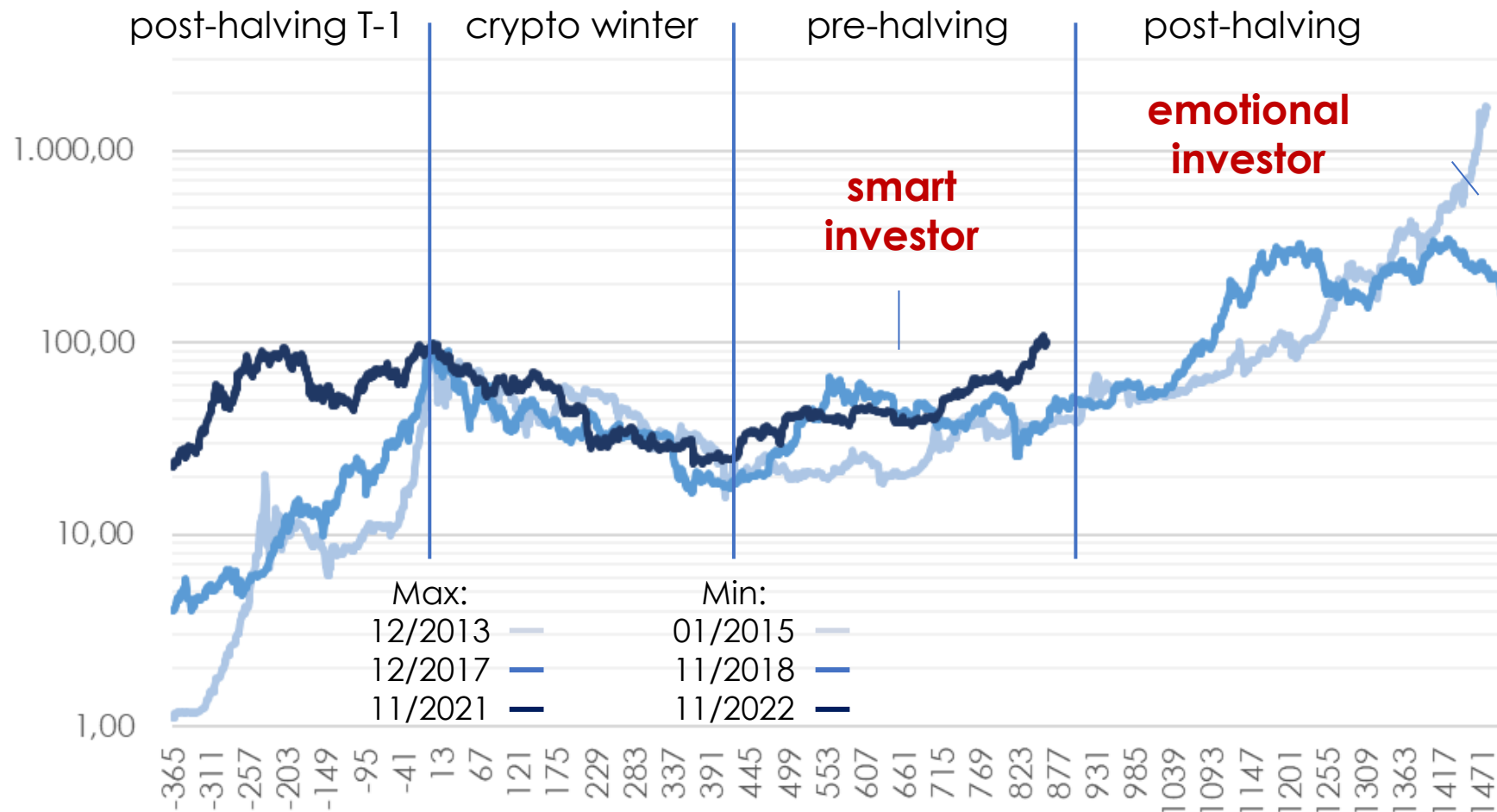
Price movements exhibit a strong cyclicality
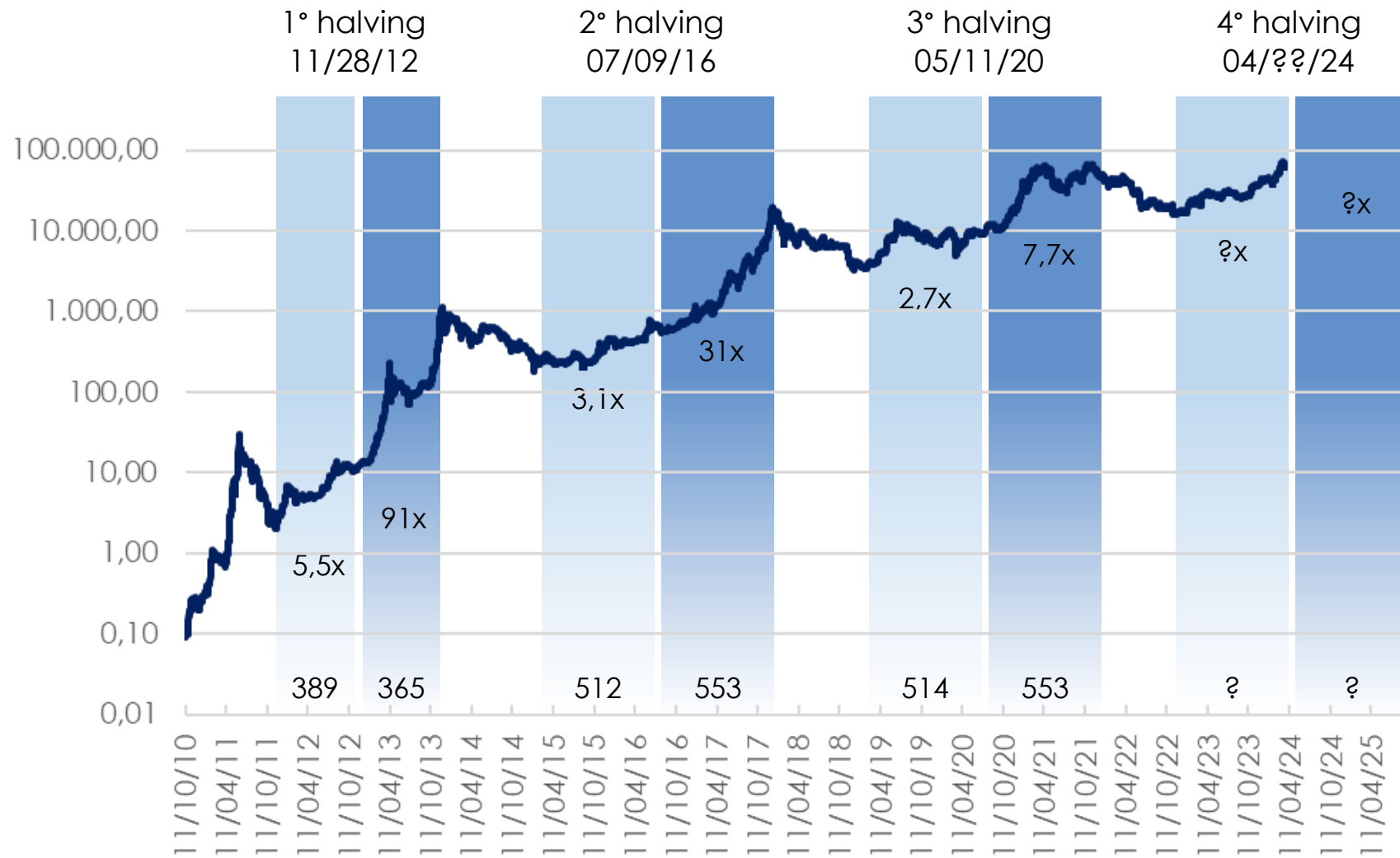
Fonte: analyzer4crypto.com and Diaman Partners LTD, data as of 11/1/23

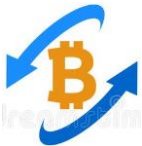Disclaimer: past performance is not indicative of future results

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

Source: BTC daily closing price, analyser4crypto.com and Diaman Partners LTD, data as of 11/1/23

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

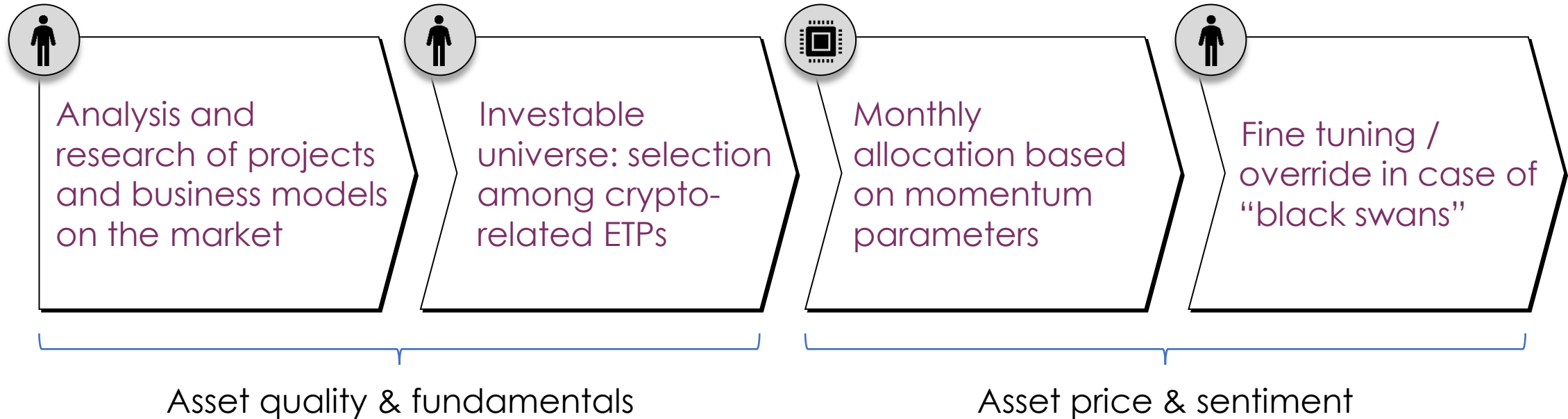| 2018	2019	2020	2021	2022	2023
USD 0%	LINK 503%	LINK 557%	MATIC 14355%	USD 0%	SOL 917%
BNB -28%	BNB 125%	ETH 458%	SOL 9591%	TRX -28%	LINK 166%
LINK -59%	BTC 87%	ADA 424%	DOGE 2944%	UNI -30%	BTC 154%
TRX -62%	LTC 31%	BTC 308%	BNB 1291%	LTC -53%	ADA 138%
BTC -72%	USD 0%	LTC 200%	ADA 685%	BNB -54%	TRX 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

| Analysis and research of projects and business models on the market | Investable universe: selection among crypto-related ETPs | Monthly allocation based on momentum parameters | Fine tuning / override in case of "black swans" |

Asset quality & fundamentals

Asset price & sentiment

- 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

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

Each month digital assets are compared based on momentum indicators

Momentum strategy

The assets with the **best momentum indicator** are overweighted

The more capitalized digital assets (Bitcoin, Ethereum and Solana) enjoy a higher strategic exposure in the portfolio

In stress scenarios exposure can be cut in half, and 50% of the portfolio invested in cash (short term government bonds)
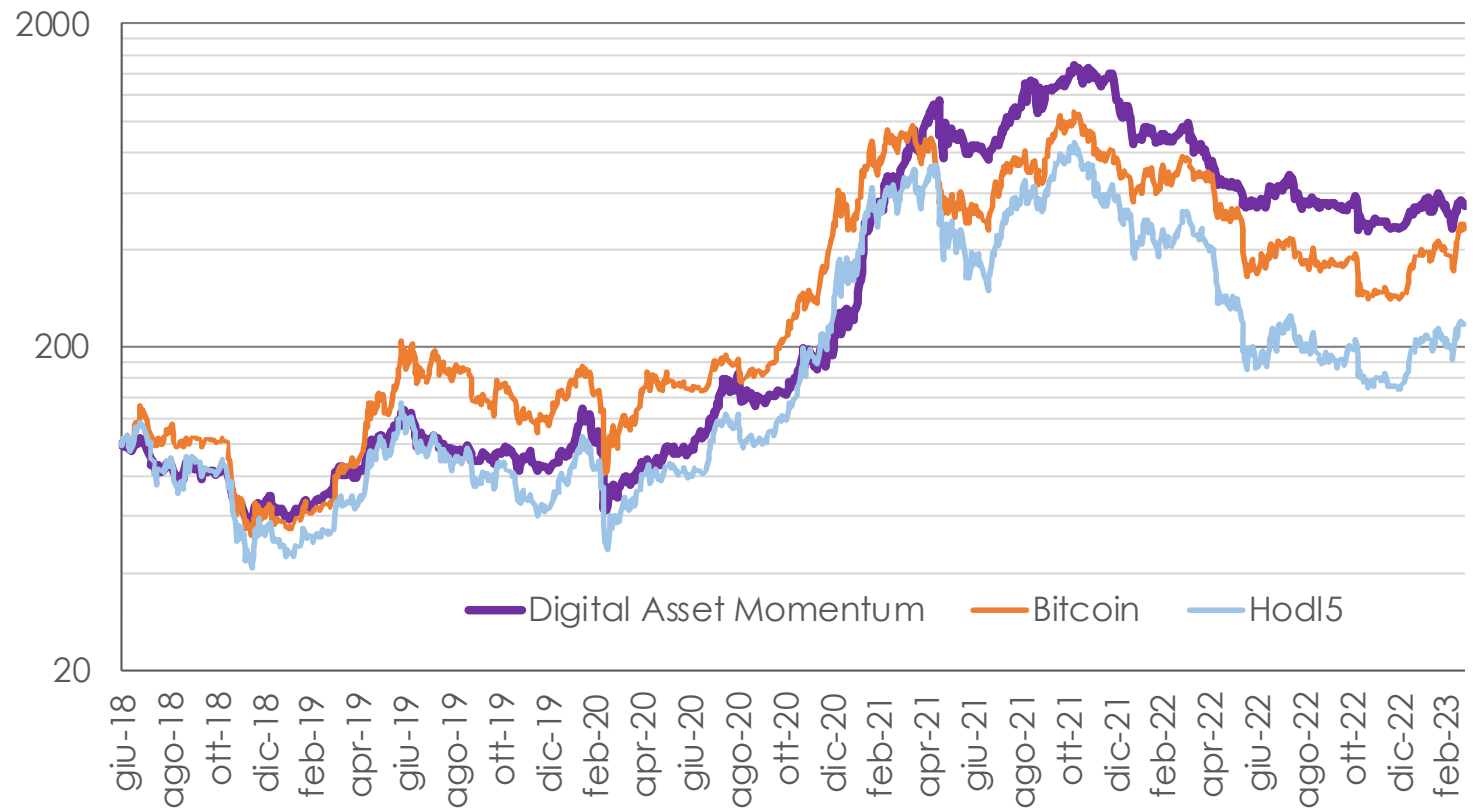
Bitcoin	15-35%
Ethereum	5-25%
Solana	0-15%
Altcoins	0 - 50% (5% max each)
Cash	3-50%
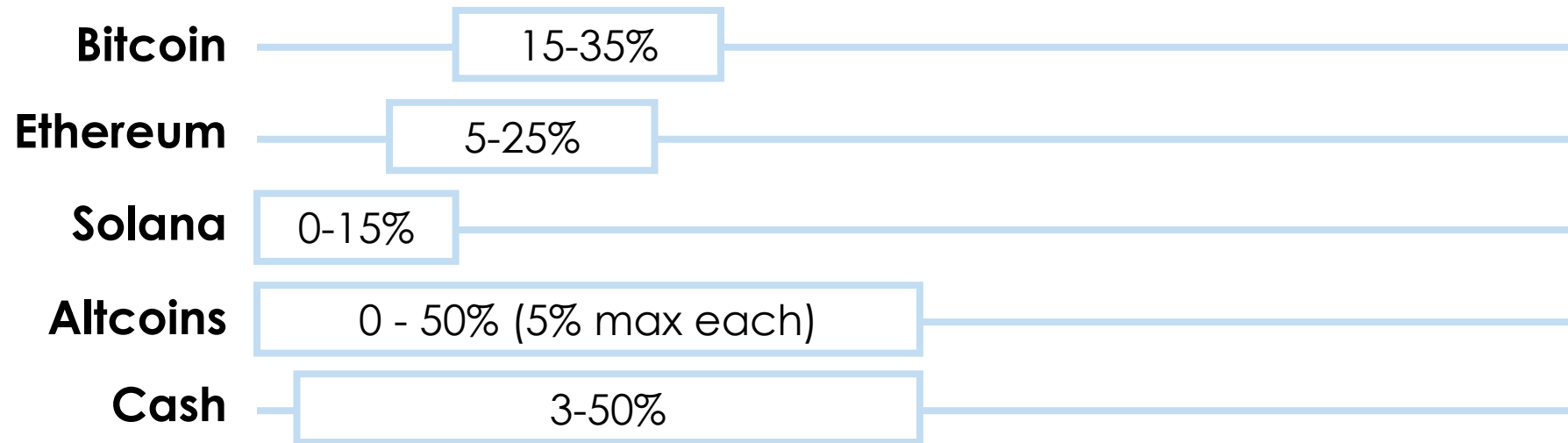
The added value of Digital Asset Momentum at a glance

- 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**

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
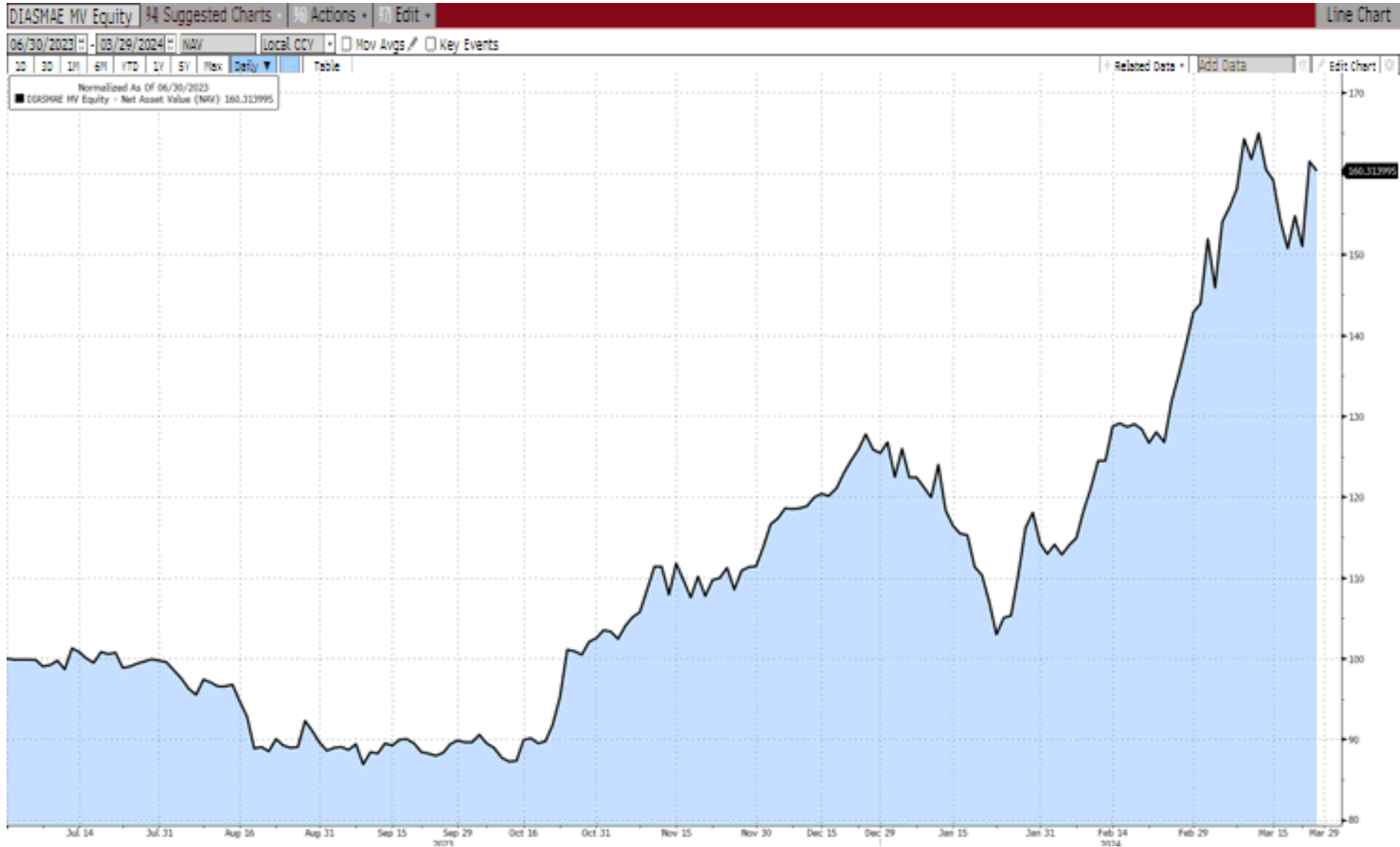- historical series of crypto assets (proprietary database)

	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%

Real track record

DIASMAE MV Equity | Suggested Charts | Actions | Edit | Line Chart

06/30/2023 - 03/29/2024 | NAV | Local CCY | □ Mov Avgs □ Key Events

1D | 3D | 1M | 6M | YTD | 1Y | 5Y | Max | Daily ▼ | | Table | Related Data | Add Data | Edit Chart

Normalized As Of 06/30/2023
■ DIASMAE MV Equity - Net Asset Value (NAV) 160.313995

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		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

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DIAMAN PARTNERS

Thanks for your kind attention

ALLEGATO

ANALISI FRONTIERA EFFICIENTE
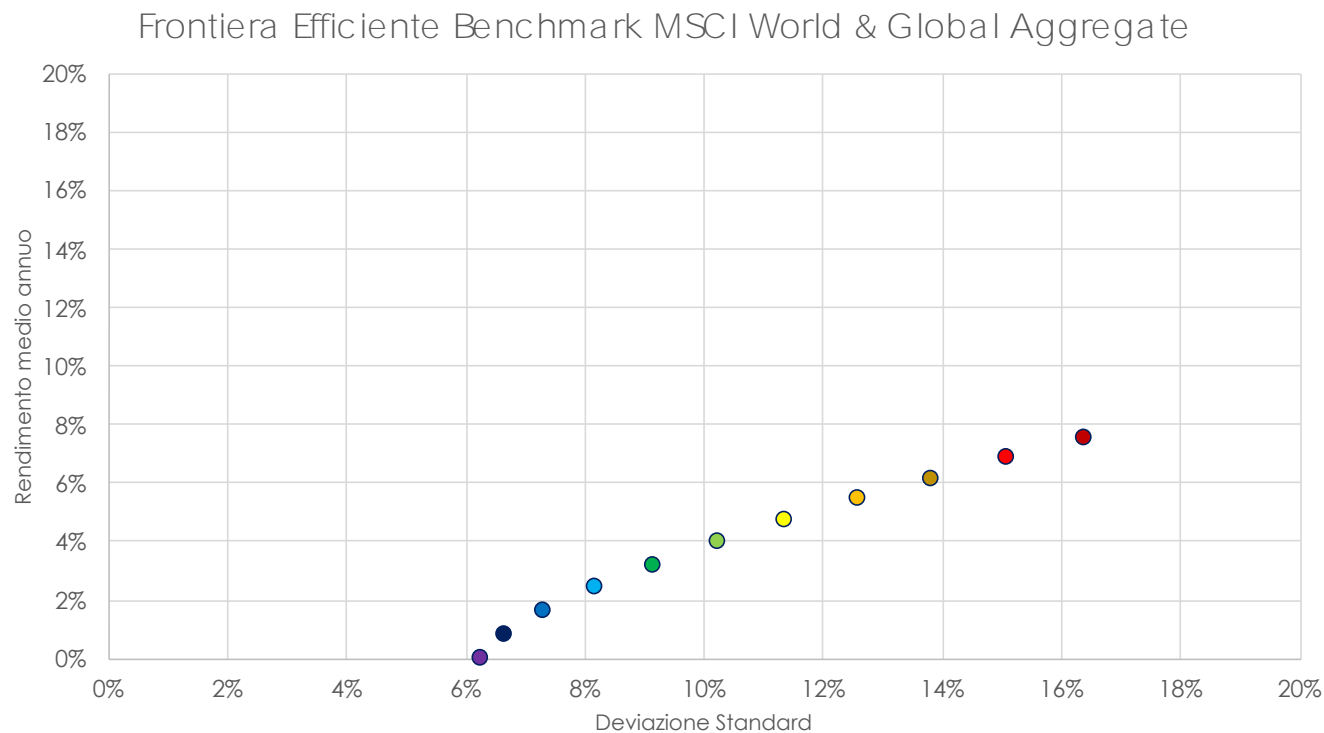
Frontiera Efficiente e Digital Assets

Abbiamo ipotizzato una serie di portafogli composti da MSCI World e Global Aggregate Bond a percentuali variabili.

Obbiettivo è verificare come cambia il rapporto rendimento/rischio con l'introduzione di una percentuale di Digital Assets.

Si scoprono molte cose interessanti che rendono opportuno l'inserimento di questa nuova asset class in un portafoglio di investimento tradizionale.

Frontiera Efficiente e Digital Assets

Il profilo rendimento/rischio di questi portafogli segue la classica conformazione della frontiera efficiente

Frontiera Efficiente Benchmark MSCI World & Global Aggregate

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

Periodo 31/12/2016 – 31/05/2023

Frontiera Efficiente e Digital Assets

Inserendo il 2% di Digital Assets all'interno del portafoglio il rendimento cresce senza sconvolgere il profilo di rischio

Frontiera Efficiente Benchmark MSCI World & Global Aggregate
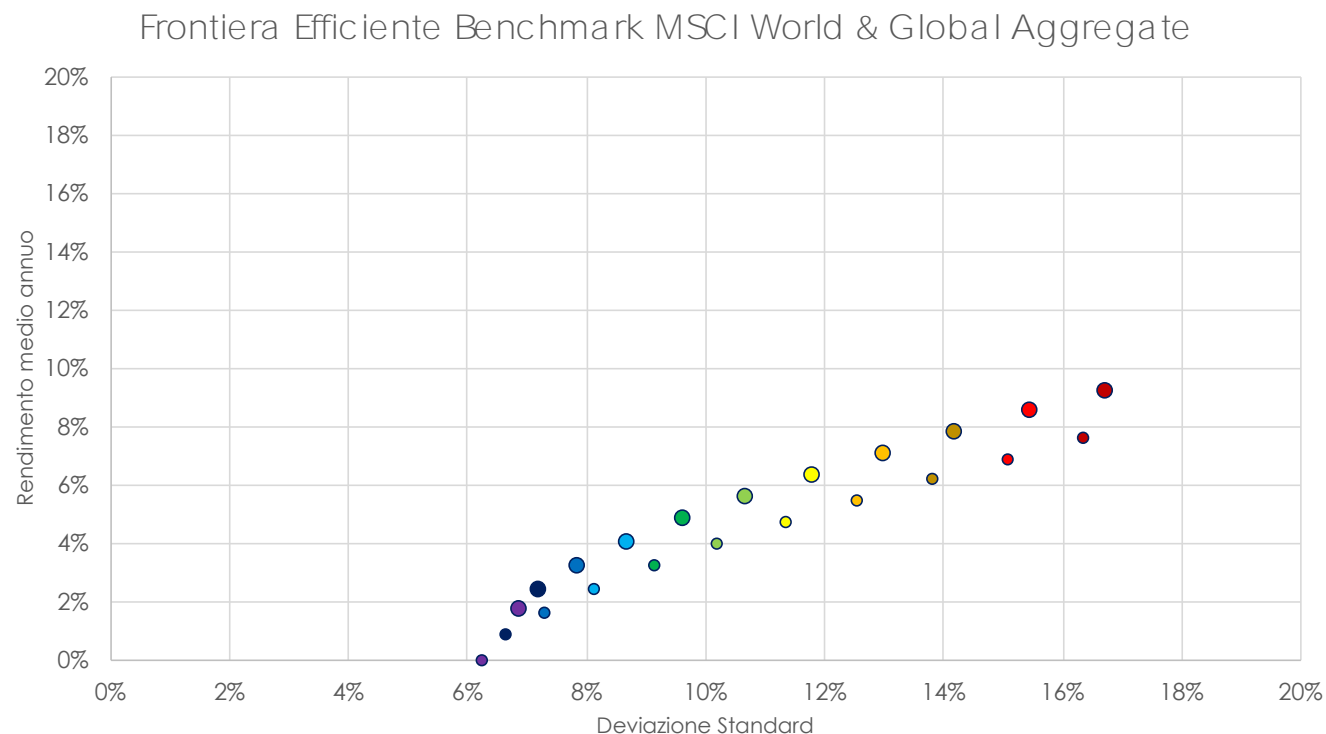
	Bond	Equity	Crypto
	98%	0%	2%
	90%	8%	2%
	80%	18%	2%
	70%	28%	2%
	60%	38%	2%
	50%	48%	2%
	40%	58%	2%
	30%	68%	2%
	20%	78%	2%
	10%	88%	2%
	0%	98%	2%

Periodo 31/12/2016 – 31/05/2023

Frontiera Efficiente e Digital Assets

Acquistando il 5% di digital assets, posso aspettarmi lo stesso rendimento del 100% azionario con il 50% in bond e una volatilità del 12%
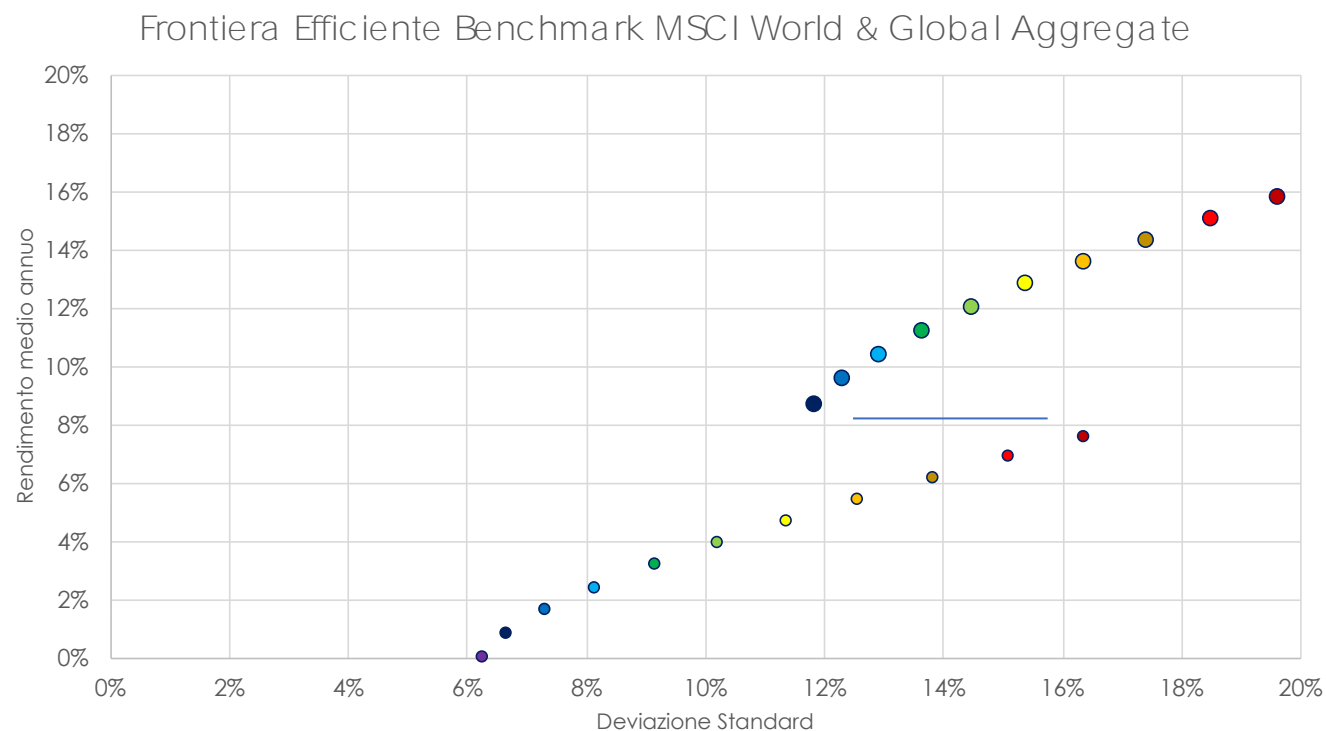
Frontiera Efficiente Benchmark MSCI World & Global Aggregate
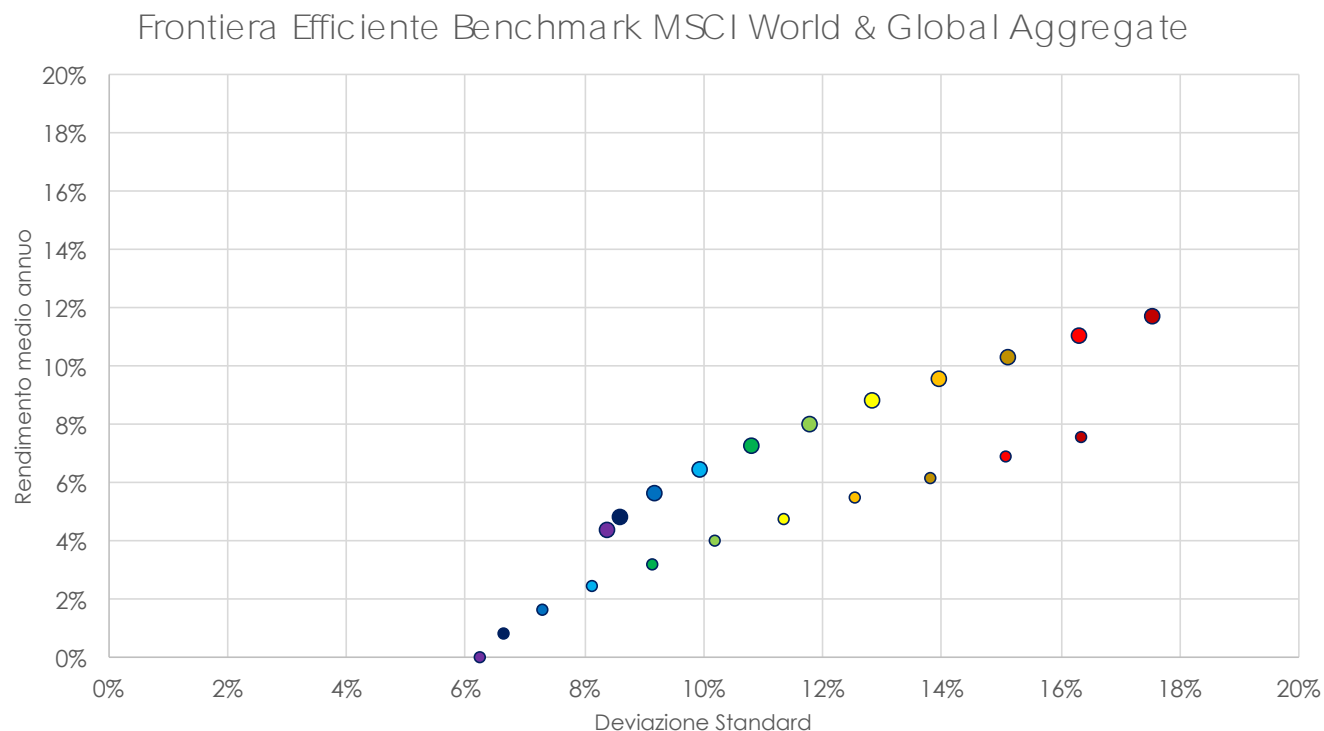
	Bond	Equity	Crypto
	95%	0%	5%
	90%	5%	5%
	80%	15%	5%
	70%	25%	5%
	60%	35%	5%
	50%	45%	5%
	40%	55%	5%
	30%	65%	5%
	20%	75%	5%
	10%	85%	5%
	0%	95%	5%

Periodo 31/12/2016 – 31/05/2023

Frontiera Efficiente e Digital Assets

Con il 90% in bond ed il 10% in Digital Asset posso aspettarmi un rendimento pari al 100% azionario con una vola del 12%
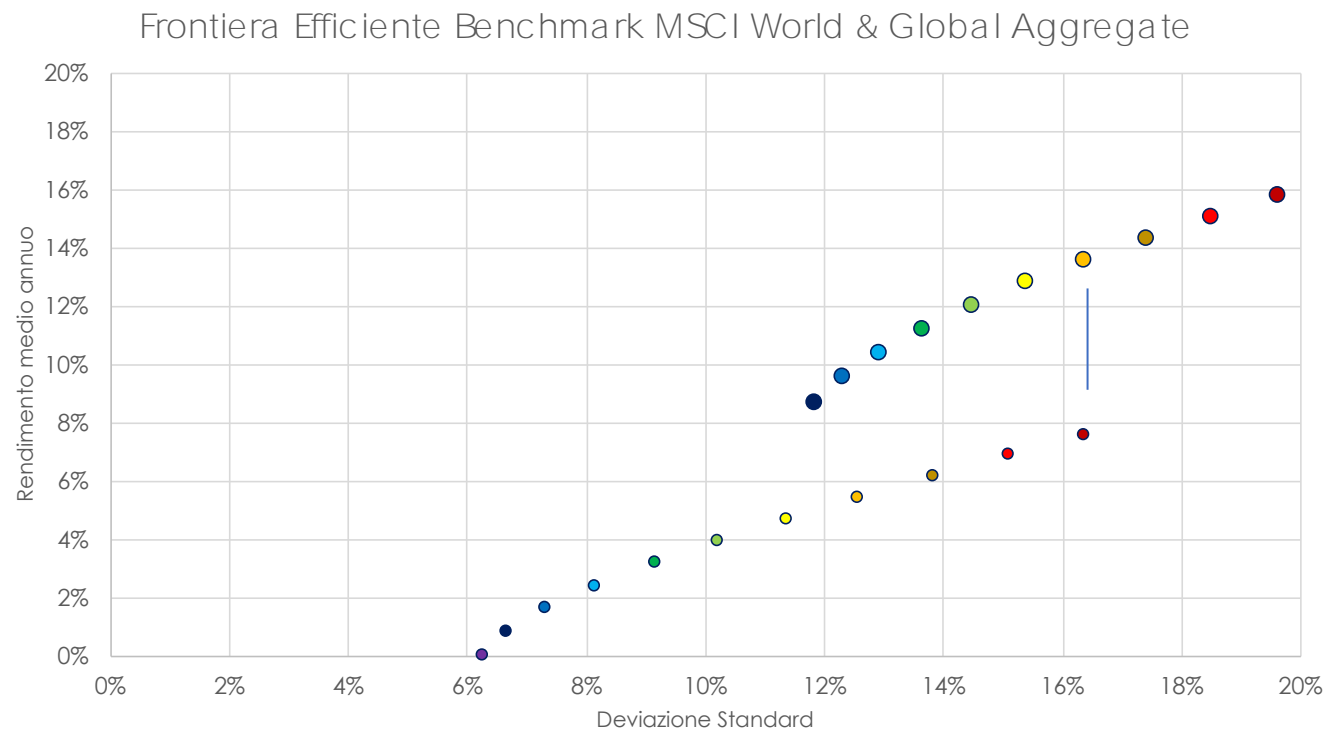
Frontiera Efficiente Benchmark MSCI World & Global Aggregate

	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%

Periodo 31/12/2016 – 31/05/2023

Frontiera Efficiente e Digital Assets

Con il 70% in equity ed il 10% in Digital Asset posso aspettarmi un rischio pari al 100% azionario ma con un rendimento atteso doppio.

Frontiera Efficiente Benchmark MSCI World & Global Aggregate

	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%

Periodo 31/12/2016 – 31/05/2023