

# AUGMENTA SICAV

**DIGITAL ASSET MOMENTUM**

November 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

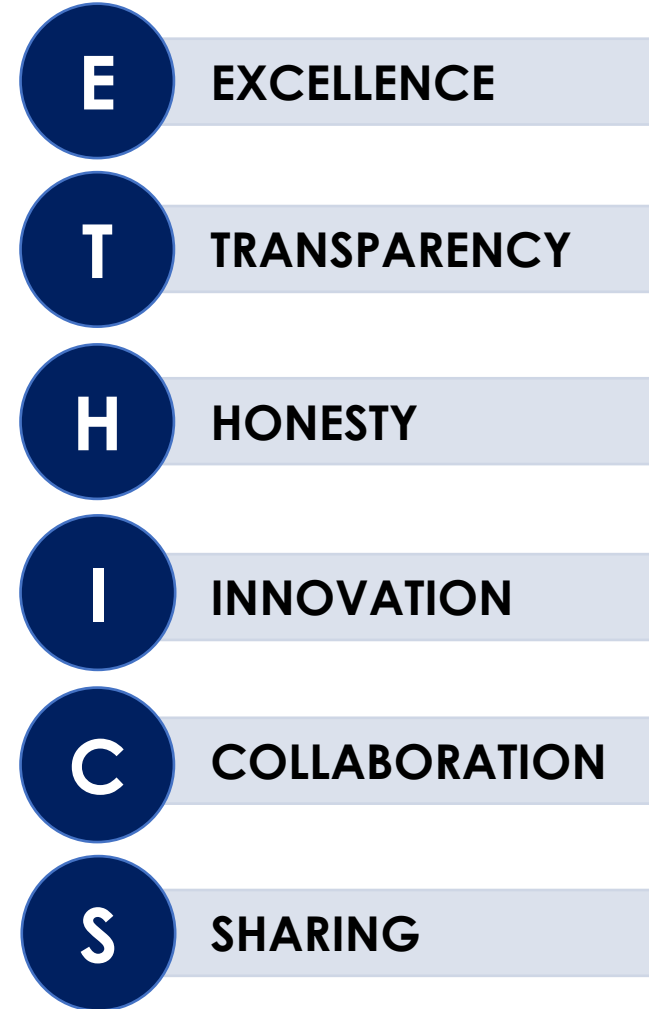
## Our Values

## Our Mission

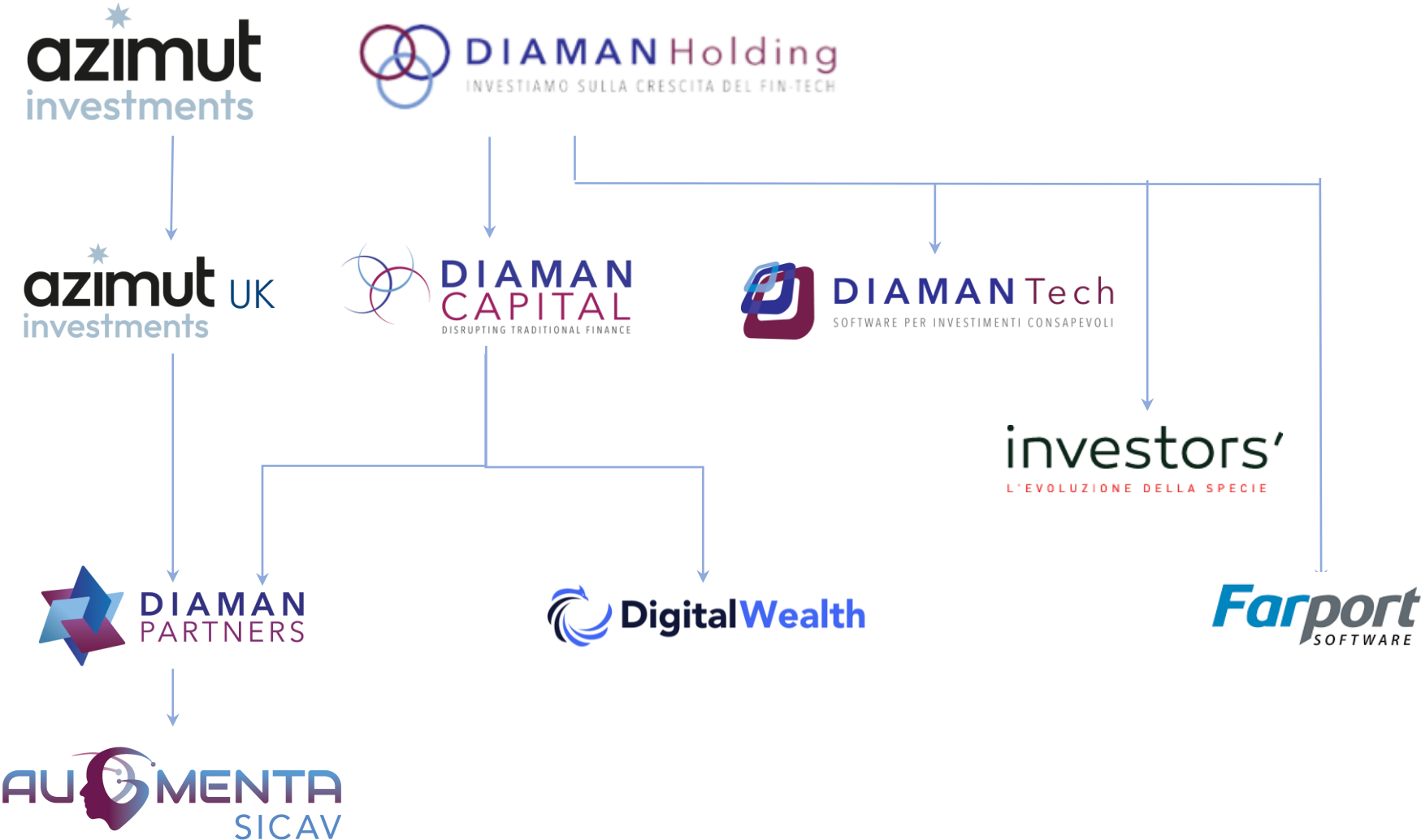
To innovate finance with passion

## 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**

CEO, 25 years of experience in Quantitative Finance



**Francesco Canella**

Head of Research, 20 years of experience in Quantitative Finance



**Nicola Bubola**

CIO, 19 years of experience in Quantitative Finance



**Massimo Ciarla**

PM, 19 years of experience in Asset Management

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



**January 2018**  
launch of  
Diaman  
Partners with  
headquarters in  
Malta

**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

**February 2025**  
Bitcoin & Gold  
Index Launch

# Why Malta



## European Economic Hub

- ✓ Member of the European Union, the Commonwealth and the Schengen Area
- ✓ Located at the center of the Mediterranean sea, 3 hours direct flight from European financial centers
- ✓ Sound public finance and political stability
- ✓ Cross-cultural location

## Digital Asset Regulatory Landscape

- ✓ The world's first holistic regulatory framework for cryptocurrencies and Distributed Ledger Technologies (DLTs)
- ✓ The 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 strength 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

To know more: <https://financemalta.org/why-malta/>

# 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 12<sup>th</sup> 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...](https://bitcoinmagazine.com/culture/tr...)

**June 12<sup>th</sup> 2024**

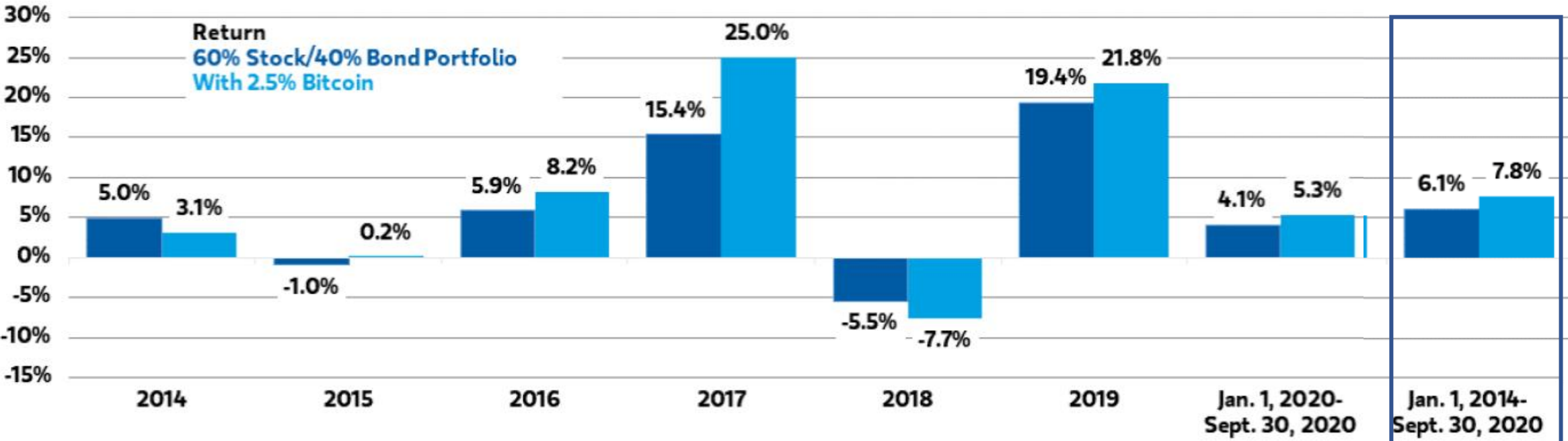
Source:

<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 <sup>o</sup> century	Private property rights originating in ancient Greece	Earliest known bond was issued by the city of Venice in the 12 <sup>th</sup> century	Origins trace back to 17 <sup>o</sup> century with the establishment of Amsterdam Stock Exchange	Created <b>in 2009</b> 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	<b>Highly liquid:</b> - 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	<b>Low correlation</b> 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 <b>store of value, decentralized apps, p2p transactions</b> , 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

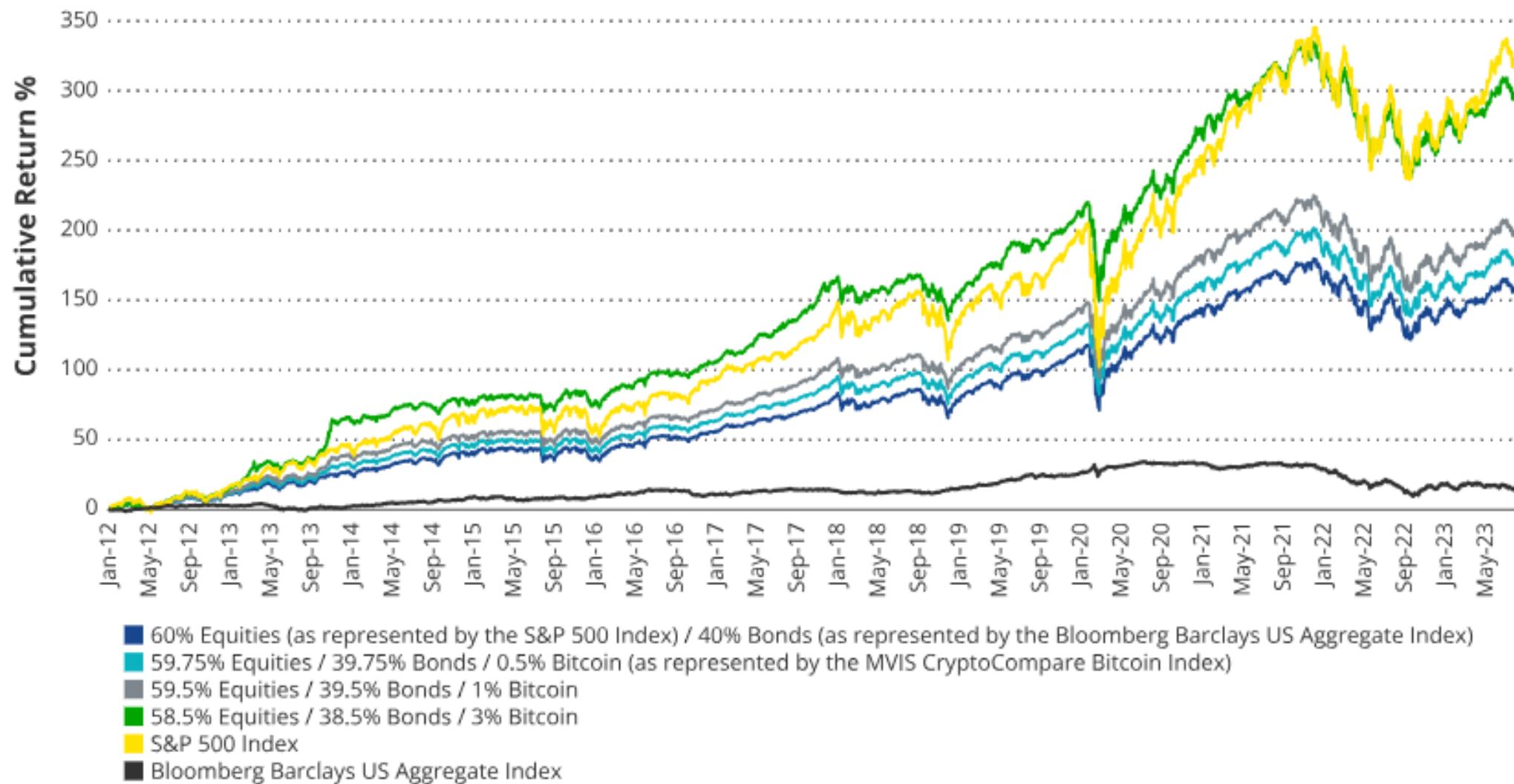
# ...increasing the risk-adjusted expected return



Source: 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

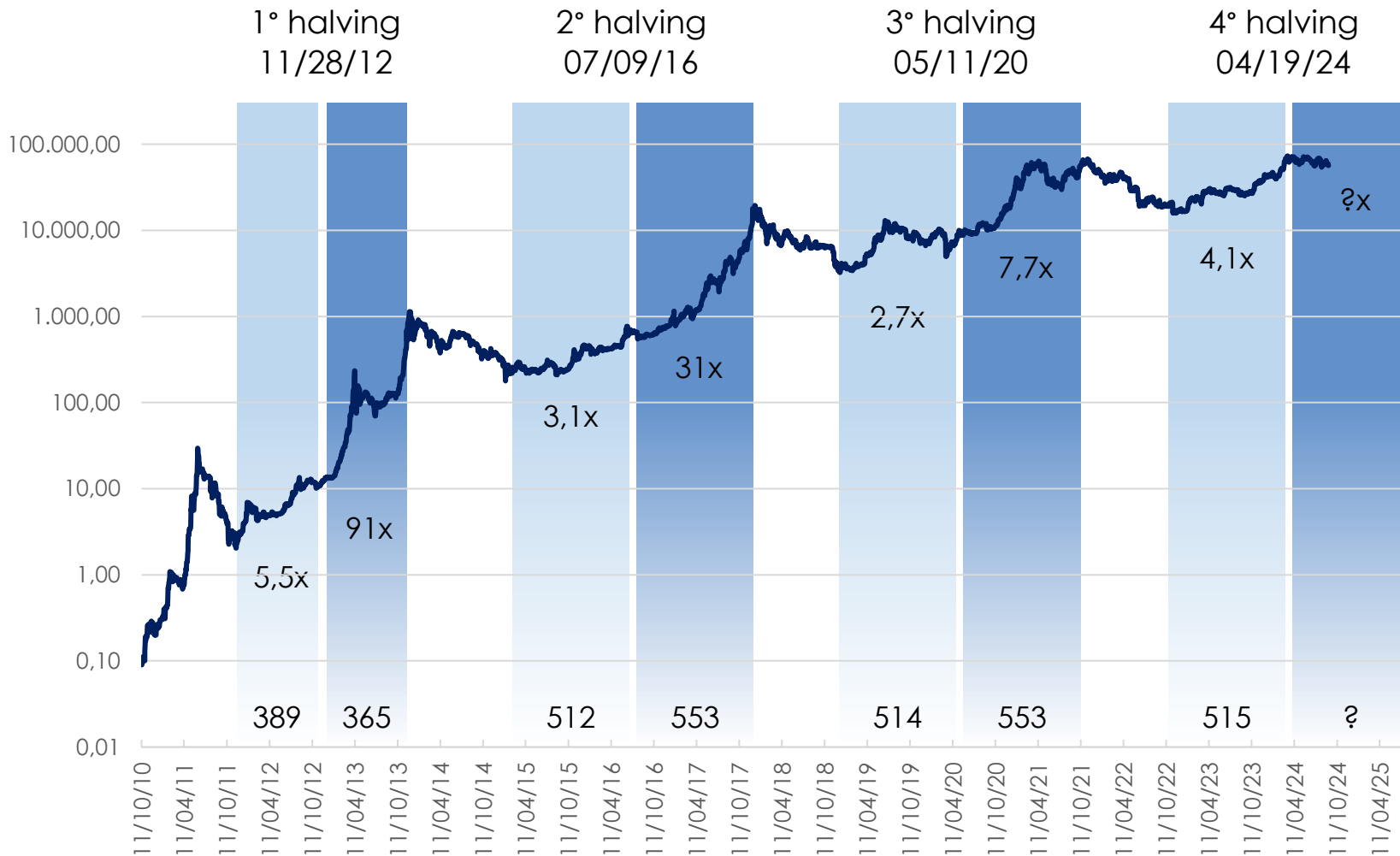


**VanEck**<sup>®</sup>

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.*

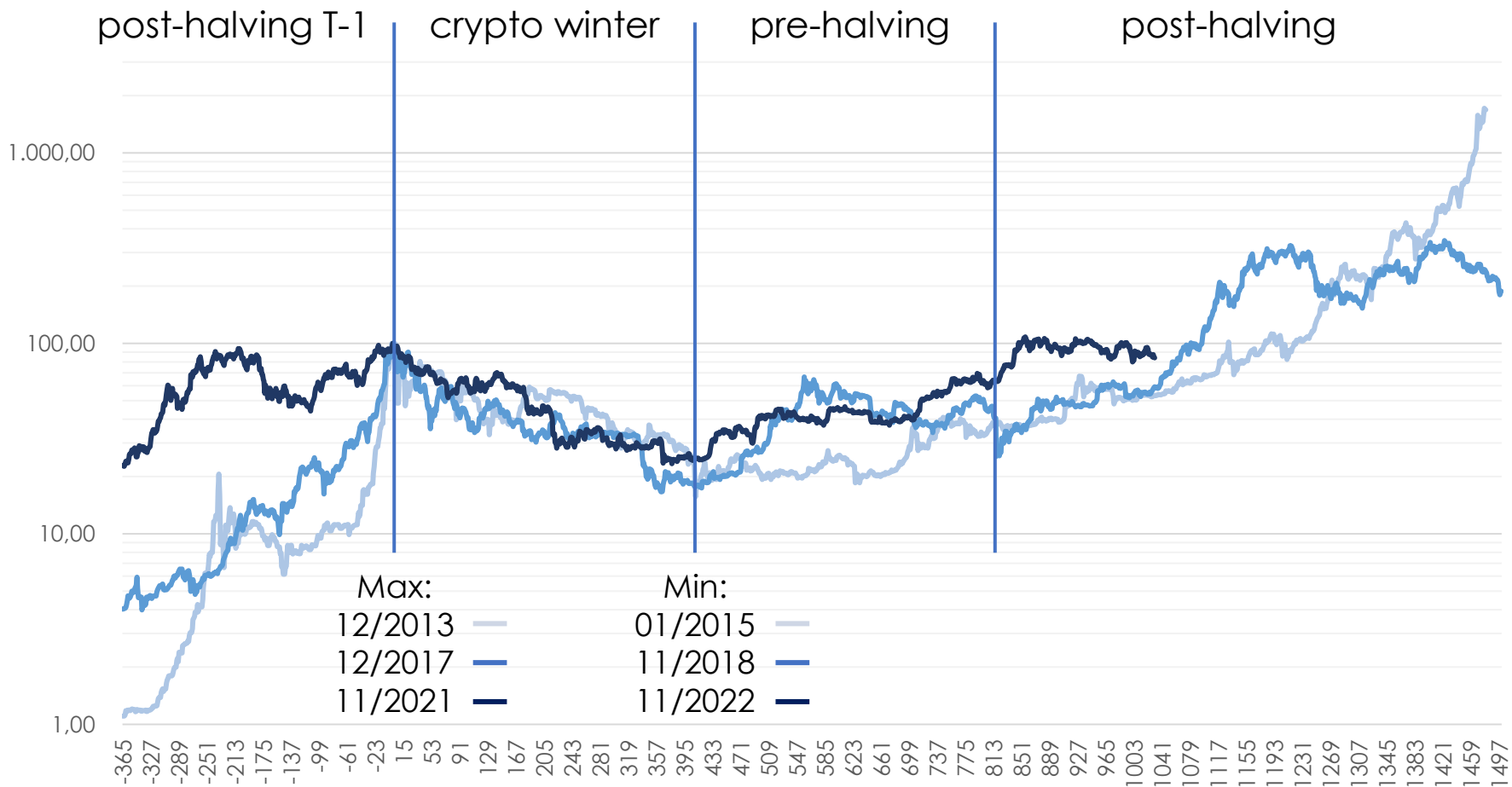
# Price movements exhibit a strong cyclicity



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

Disclaimer: past performance is not indicative of future results


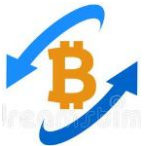


# ...and keeping it into consideration is a key factor



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	✓	✓	✓	✓	✓	✓	✓



# An active allocation takes advantage of the variability of returns

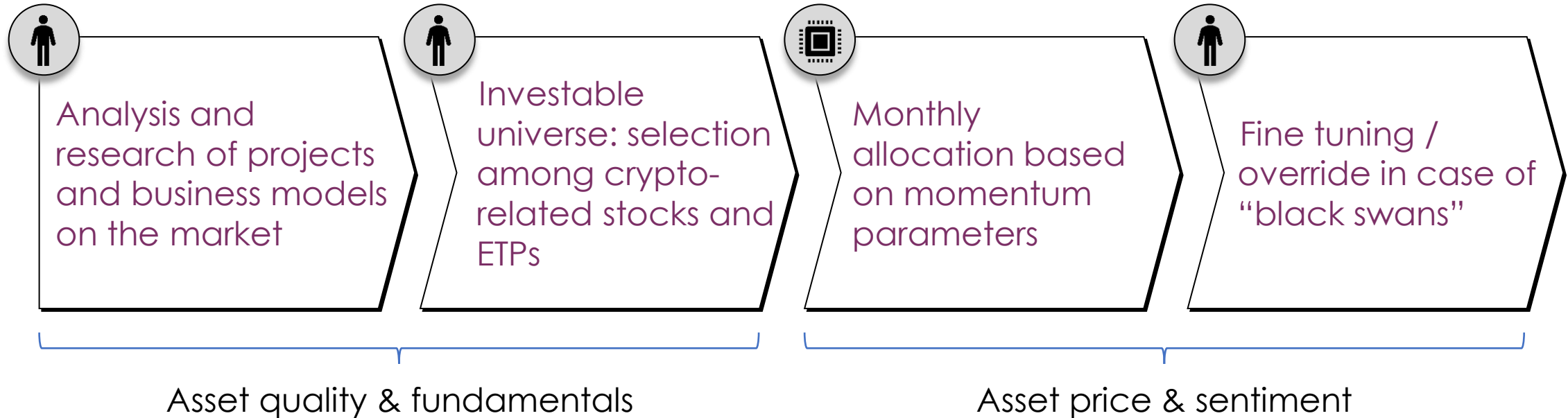
2018	2019	2020	2021	2022	2023	2024
USD 0%	LINK 503%	LINK 557%	MATIC 14355%	USD 0%	SOL 917%	DOGE 246%
BNB -28%	BNB 125%	ETH 458%	SOL 9591%	TRX -28%	LINK 166%	XRP 233%
LINK -59%	BTC 87%	ADA 424%	DOGE 2944%	UNI -30%	BTC 154%	XLM 152%
TRX -62%	LTC 31%	BTC 308%	BNB 1291%	LTC -53%	ADA 138%	TRX 136%
BTC -72%	USD 0%	LTC 200%	ADA 685%	BNB -54%	TRX 96%	BNB 124%
DOGE -73%	ETH -7%	XLM 191%	ATOM 516%	DOGE -59%	ETH 90%	BTC 115%
XLM -76%	DOGE -15%	DOGE 180%	ETH 416%	XRP -60%	XRP 82%	SOL 78%
ETH -82%	ADA -21%	BNB 177%	ALGO 337%	BTC -65%	XLM 78%	UNI 78%
XRP -85%	TRX -32%	TRX 103%	XRP 258%	ETH -68%	UNI 40%	ETH 43%
LTC -86%	XRP -47%	ALGO 81%	TRX 184%	MATIC -70%	BNB 28%	ALGO 40%
ADA -94%	XLM -61%	ATOM 34%	XLM 109%	LINK -73%	MATIC 28%	LTC 40%
		XRP 23%	LINK 74%	XLM -74%	DOGE 27%	ADA 38%
		MATIC 19%	UNI 63%	ATOM -74%	ALGO 26%	LINK 30%
		USD 0%	BTC 62%	ADA -82%	ATOM 12%	USD 0%
			LTC 19%	ALGO -90%	LTC 3%	ATOM -45%
			USD 0%	SOL -94%	USD 0%	MATIC -55%

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

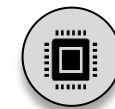
Source: analyzer4crypto.com  
and Diaman Partners

Disclaimer: past performance is not indicative of future returns

# Digital Asset Momentum investment strategy



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

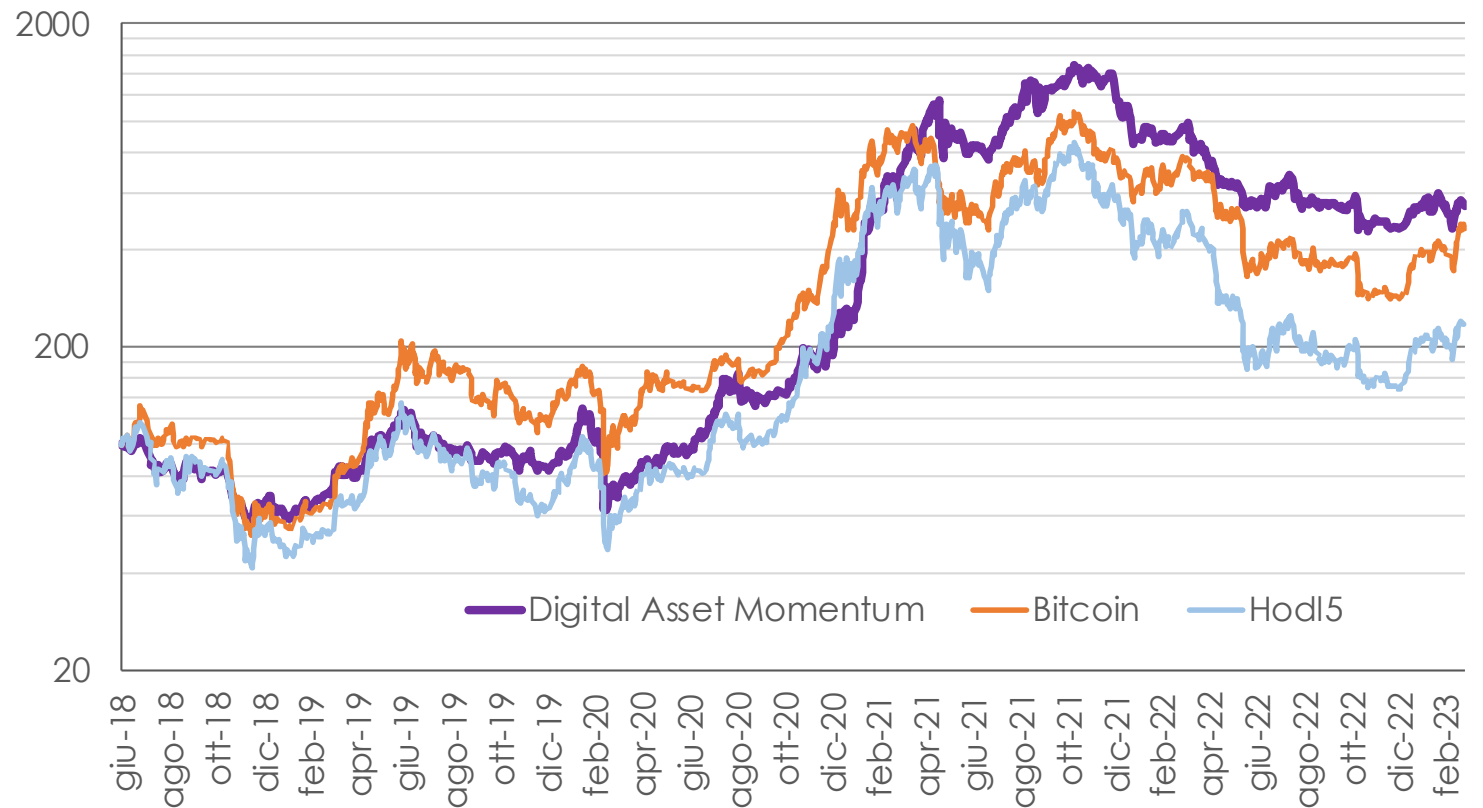


Augmented Intelligence is the approach that combines the best of human and artificial intelligence

# 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
- ★ Indirect exposure through stocks and segregated custody guaranteed by ETPs (**no exposure to CEX** - Centralized Exchanges)
- ★ Management team with **+4 years of real track record**
- ★ **High diversification** (~25 stocks & ETPs)
- ★ Minimum investment of **€1,000**
- ★ **Momentum indicators** 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
<b>A</b> EUR	MT7000033916	1.000€	max 3%	no
<b>B</b> USD	MT7000033924	1.000\$	(waivable)	
<b>C</b> EUR	MT7000033932	1.000€	no	3% decreasing for
<b>D</b> USD	MT7000033940	1.000\$		the first 3 years*
<b>Q</b> 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

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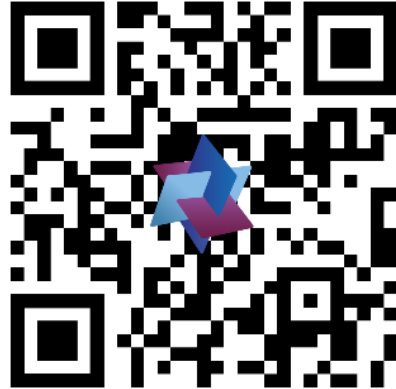




# Contacts



**Daniele Bernardi**  
CEO



**Damiano Bonazzi**  
CMO



**Paolo Lubrano**  
Sales Specialist



**Valentina Marzoni**  
Marketing Specialist



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**DIAMAN Partners Ltd**  
**259 St. Paul Street, VLT 1213 Valletta, Malta**  
**Via Lombardi 14/4 Marcon VE, Italy**



**Thanks for your kind attention**



**ANNEX**

# **Efficient Frontier and Digital Assets**

# Efficient Frontier and Digital Assets

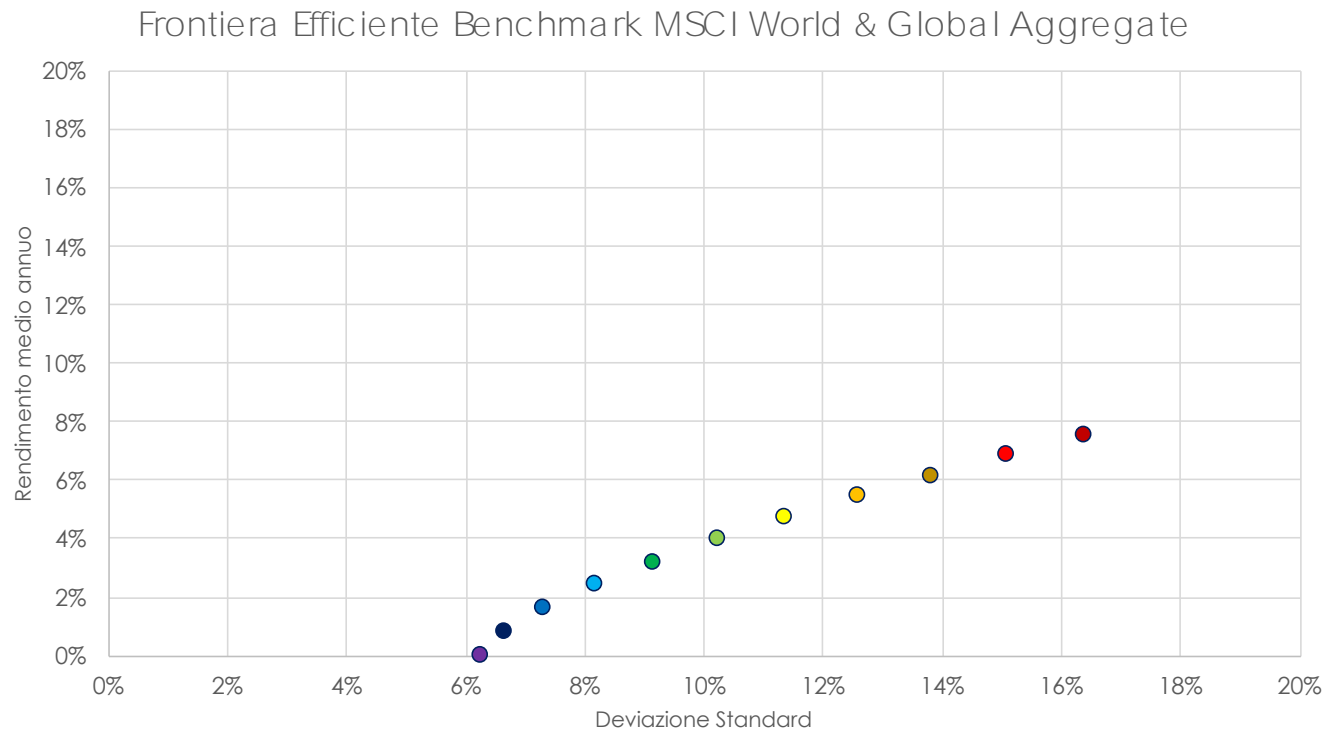
We have simulated a series of portfolios composed of MSCI World and Global Aggregate Bonds at different percentages.

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

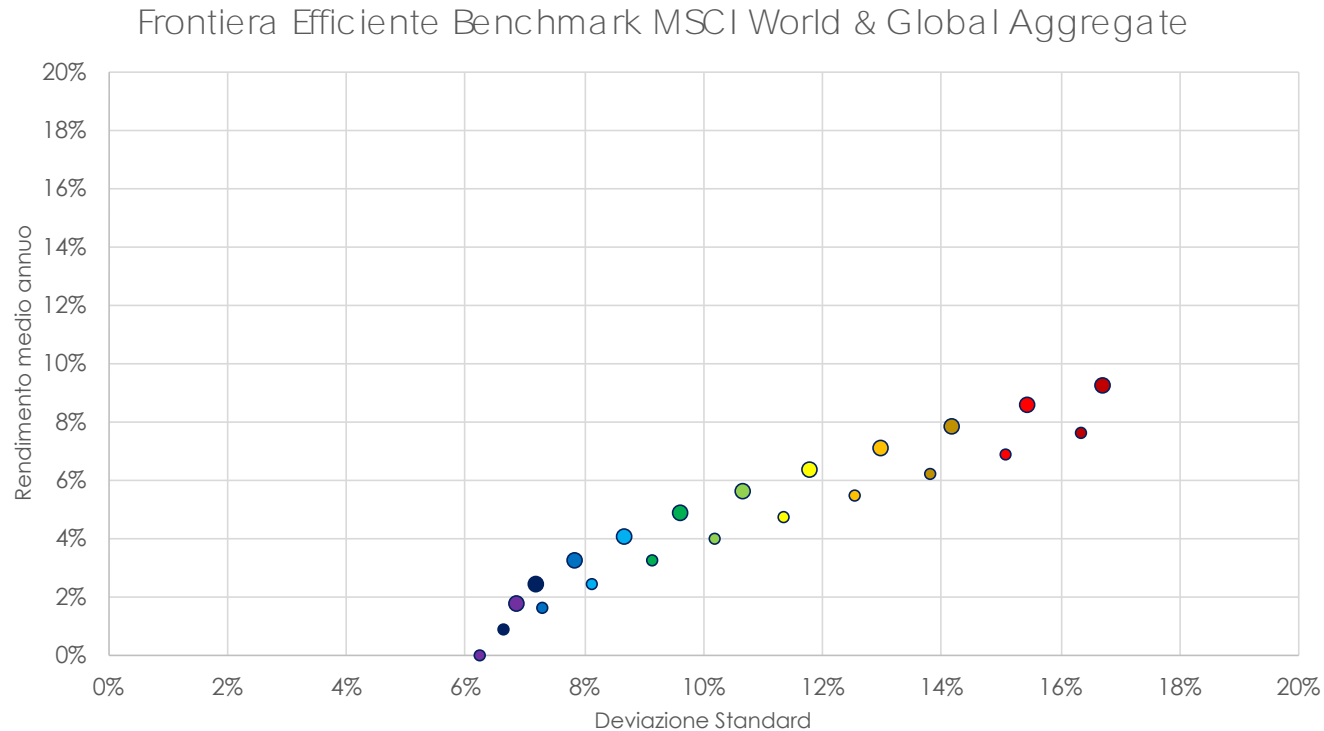


	<b>Bond</b>	<b>Equity</b>
●	100%	0%
●	90%	10%
●	80%	20%
●	70%	30%
●	60%	40%
●	50%	50%
●	40%	60%
●	30%	70%
●	20%	80%
●	10%	90%
●	0%	100%

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

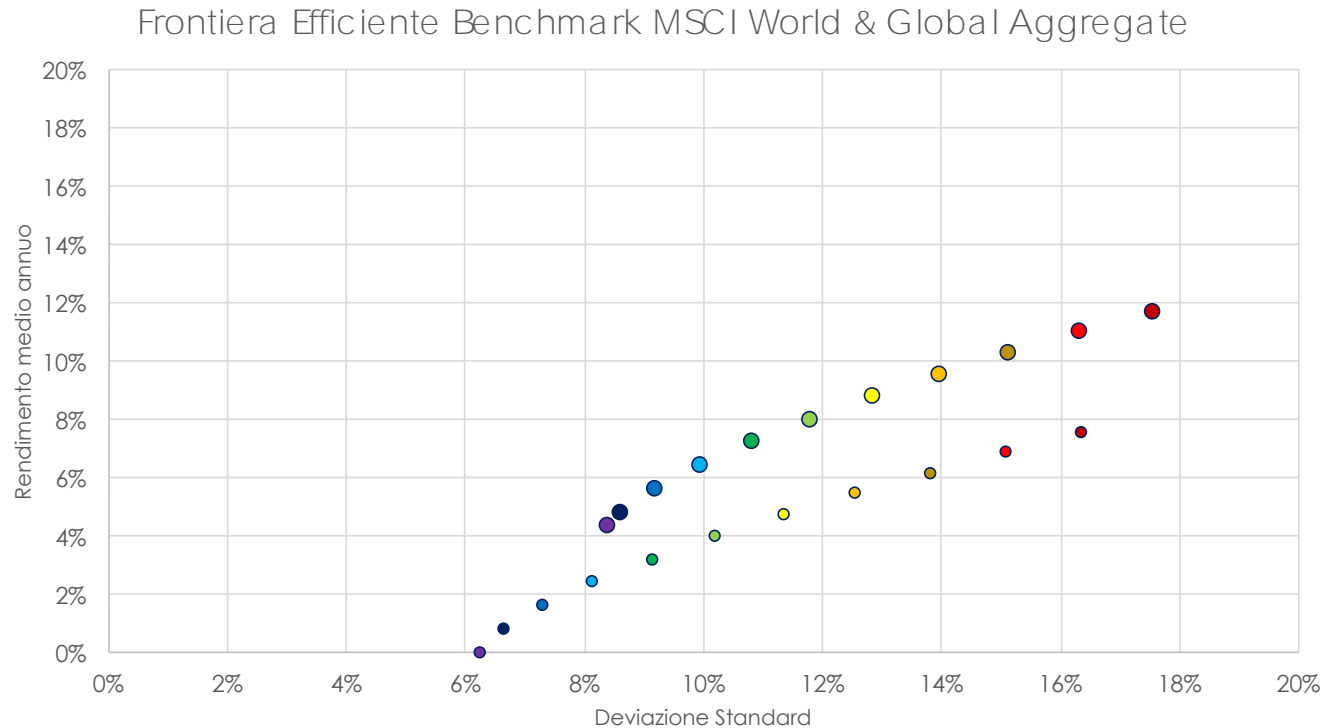


	Bond	Equity	Crypto
●	98%	0%	2%
●	90%	8%	2%
●	80%	18%	2%
●	70%	28%	2%
●	60%	38%	2%
●	50%	48%	2%
●	40%	58%	2%
●	30%	68%	2%
●	20%	78%	2%
●	10%	88%	2%
●	0%	98%	2%

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



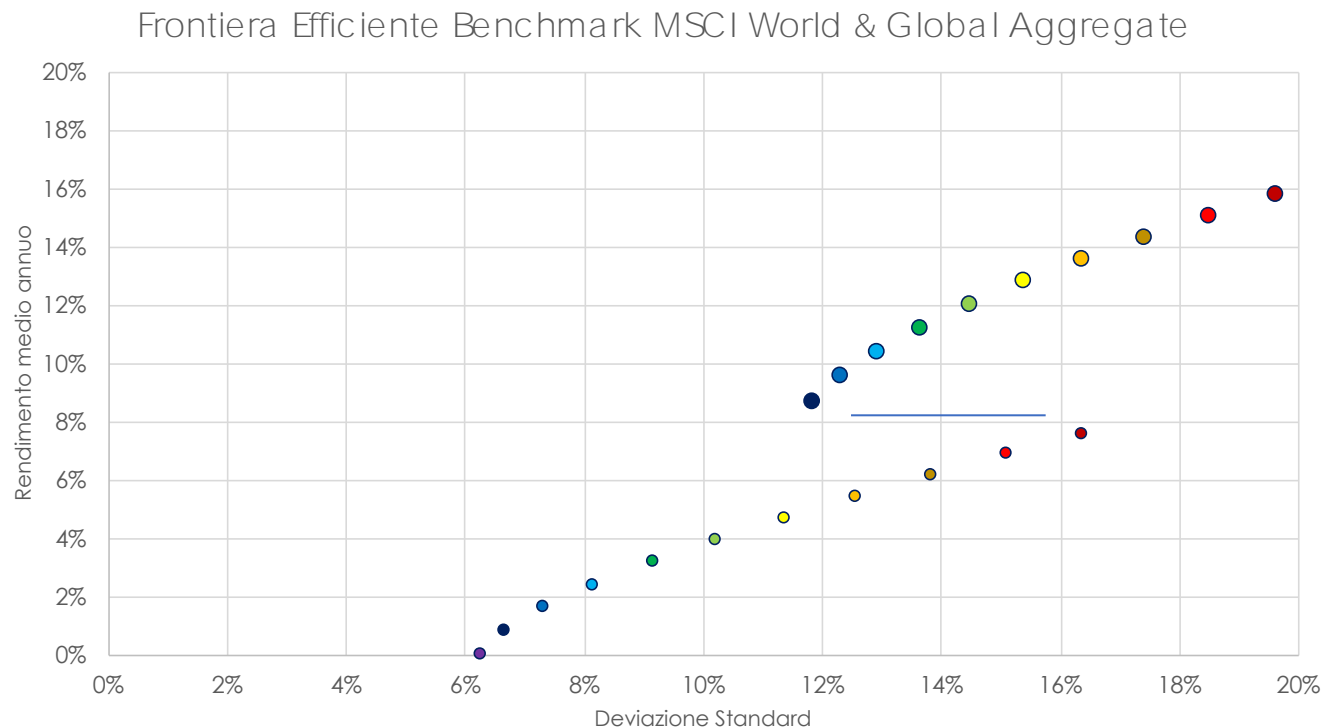
	Bond	Equity	Crypto
●	95%	0%	5%
●	90%	5%	5%
●	80%	15%	5%
●	70%	25%	5%
●	60%	35%	5%
●	50%	45%	5%
●	40%	55%	5%
●	30%	65%	5%
●	20%	75%	5%
●	10%	85%	5%
●	0%	95%	5%

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%



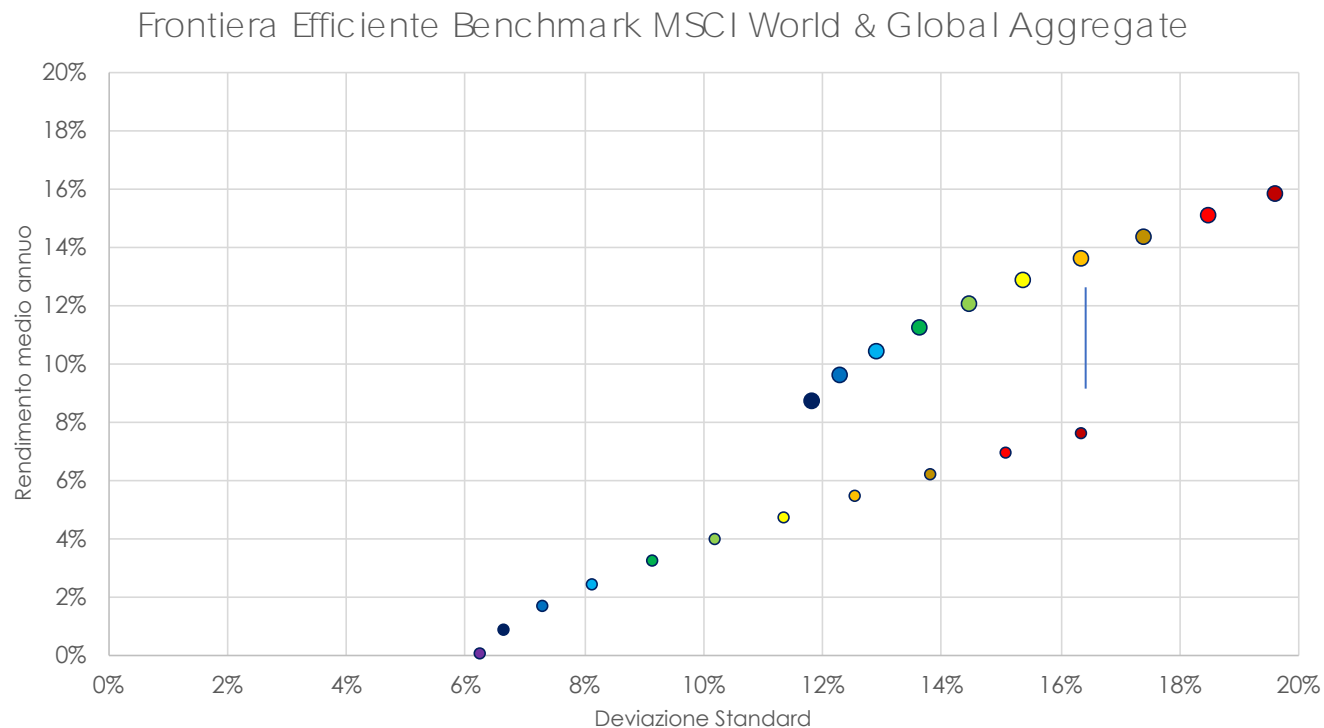
**Bond**      **Equity**      **Crypto**

●	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