



ALGEBRA DIGITAL STRATEGY FUND SLP

Monthly news and bulletin updates

Issue
#13
November
2023

Fund objective

The Fund's investment objective is to provide capital growth, to outperform and decrease in volatility with respect the crypto currency Bitcoin over the medium to long term. The strategy is based on an in & out trading activity that operates rigorously following the signals that arrive from a trading algorithm. The strategy itself is the result of an empirical analysis of the underlying observation over a period of 5 years. The fund is Euro based currency, it will not use derivatives, and it will not perform leveraged investments.

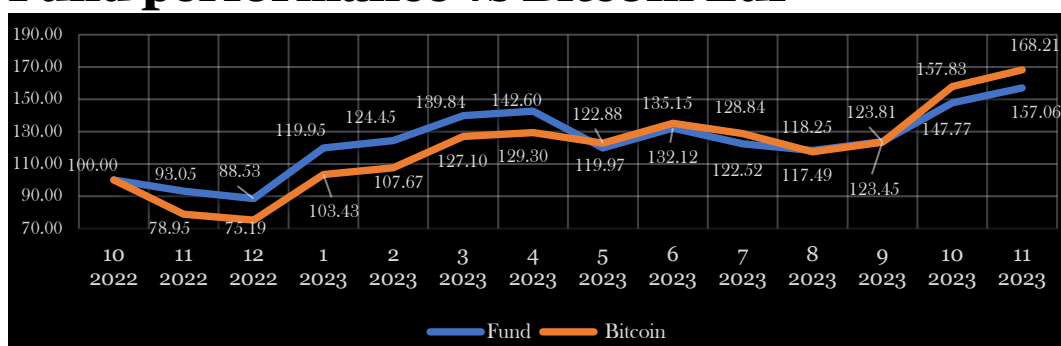
Fund performance

	Fund Performance	Bitcoin Performance	Extra Performance	Fund Annualized Volatility	Bitcoin Annualized Volatility	Volatility Delta
Since Inception (31/10/ 2022)	57.06%	68.21%	-11.16%	46.04%	54.30%	-8.26%

Fund monthly performance

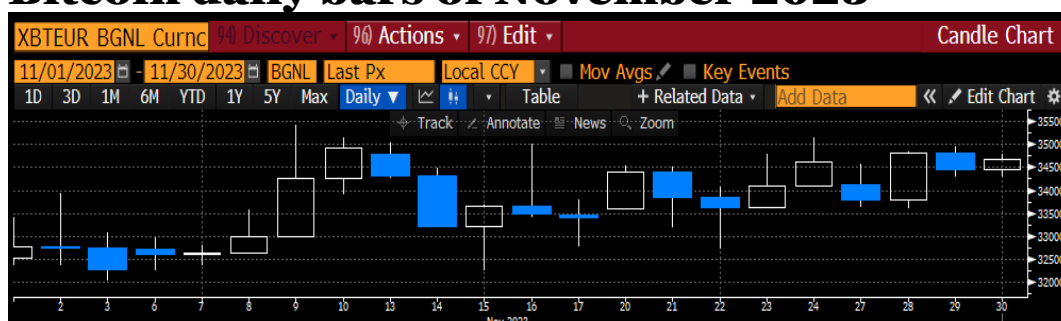
	Fund Performance	Bitcoin Performance	Extra Performance	Fund NAV	Bitcoin Eur	Fund Net Equity
November 2023	6.28%	6.58%	-0.29%	1'570.55	34'671.73	1'573'690.95
October 2023	19.35%	27.85%	-8.50%	1'477.71	32'532.56	1'480'668.37
September 2023	4.70%	5.08%	-0.37%	1'238.11	25'445.72	1'240'588.84
August 2023	-3.48%	-8.81%	5.33%	1'182.53	24'216.71	1'184'892.15
July 2023	-7.27%	-4.66%	-2.61%	1'225.20	26'557.32	1'227'651.57
June 2023	10.13%	9.98%	0.15%	1'321.24	27'856.46	1'323'884.66
May 2023	-15.87%	-4.97%	-10.90%	1'199.67	25'327.75	1'202'071.92
April 2023	1.98%	1.73%	0.246%	1'425.98	26'651.12	1'428'833.98
March 2023	12.37%	18.05%	-5.682%	1'398.36	26'198.09	1'401'157.40
February 2023	3.75%	4.10%	-0.35%	1'244.45	22'192.34	1'246'941.95
January 2023	35.49%	37.56%	-2.07%	1'199.49	21'318.57	1'201'890.35
December 2022	-4.85%	-4.76%	-0.09%	885.33	15'498.18	887'099.19
November 2022	-6.96%	-21.05%	14.10%	930.45	16'272.13	932'312.26
October 2022	-	-	-	1'000.00	20'611.90	1'002'000.00

Fund performance vs Bitcoin Eur



Fund Performance vs Bitcoin. Source: Internal elaboration

Bitcoin daily bars of November 2023



Source: Bloomberg graph of Bitcoin/Eur BGNL daily data.

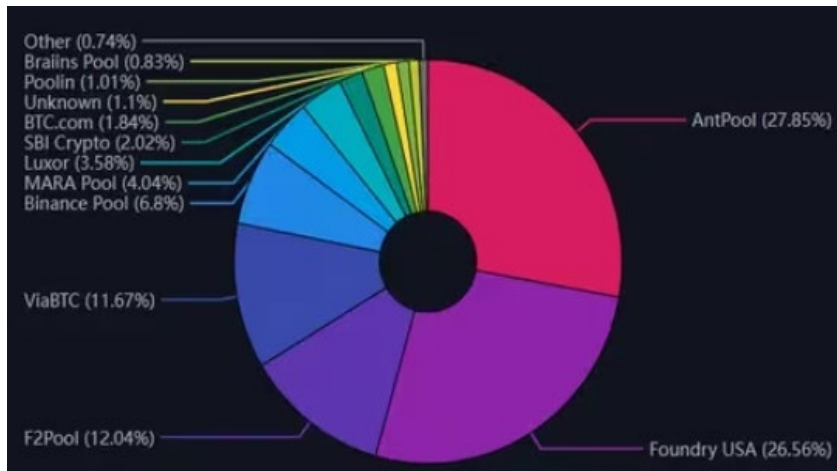
Fund moves

The month starts in long mode. On the very beginning the Fed announces that the rate hike phase is over for the moment. After an initial rise, Bitcoin settled in the 32,700 Eur area. On the evening of November 8th, the news spread that the SEC had opened discussions with Grayscale for the approval of its Spot Bitcoin ETF. The price flies until it reaches the 35,400 Eur area. In the following days there is a correction that brings the price back to the 32,300 Eur area. Then several news about fines and procedures against the main Crypto marketplaces take place. Kraken is sued by SEC over failure to register. It is accused of illegally operating as a security exchange. Binance receives a USD 4 billion fine for serious protocol failures and frequent violation of U. S. Sanctions. Its CEO, the famous Mr. Changpeng Zhao is forced to resign. Nonetheless, the Bitcoin market holds up and the price slowly rises, reaching the 34,600 Eur area at the end of the month. The procedures are in fact seen by the market as an incentive to make the market more solid with a view to the approval of ETFs on physical Bitcoin which now seems imminent. The belief is gaining ground that the SEC will approve all ETFs within a limited time range which will presumably be close to the deadline of 15 January 2024. The fund remains invested and closes the month with a positive performance of 6.28%.

Bitcoin's Hashrate War Between Antpool and Foundry Intensifies as BTC ETF Nears

By Sam Reynolds, Published November 2023, on CoinDesk.com

The Bitcoin hashrate has been climbing steadily all year, and Antpool has edged ahead of Foundry while stockpiling bitcoin.

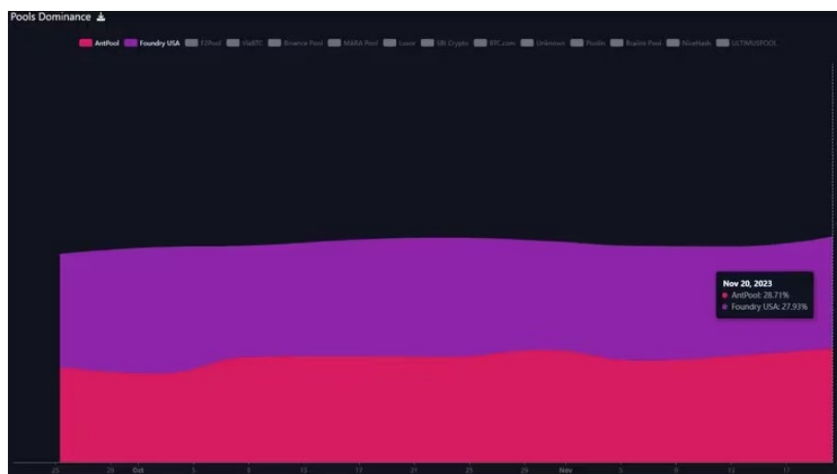


Antpool and Foundry dominate Bitcoin mining, and analysts expect intensified competition between China and the U.S. as next year's reward halving approaches.

The halving could spur demand for advanced mining rigs and affect market prices, with miners likely holding on to bitcoin in anticipation of ETF approvals.

Bitcoin miners Antpool and Foundry dominate Bitcoin mining hashrate. Between them, the two own a total of 53.4% of the world's hashing power.

In the past few weeks, Antpool has been pulling ahead of its biggest competitor, adding significant power to its hashing capabilities.



"China is aggressively mining ahead of the approval of a Bitcoin ETF", Bradley Park, a Web3 analyst at CryptoQuant, wrote to CoinDesk in a note.

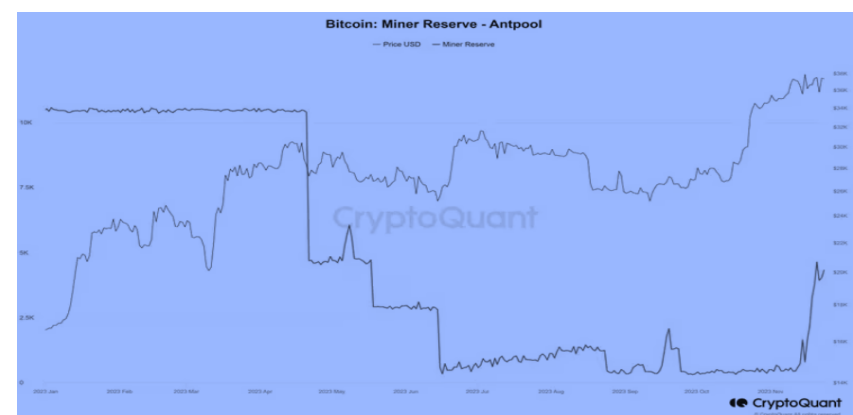
"As the Bitcoin halving nears, I anticipate a competitive surge between China and the US in mining machine productivity," he continued. "This is because the unit cost of mining Bitcoin is likely to escalate due to increasing power expenses and rising mining difficulty."

The Bitcoin halving, a significant event in the cryptocurrency's timeline that occurs roughly every four years, reduces the block rewards for miners by 50%, affecting the currency's supply and, potentially, its price (BTC).

While many argue that the halving is bullish for bitcoin's price, some also say a significant bull run is more likely to depend on major central banks increasing their M2 money supply growth rates, as past trends have shown a correlation between these rates and the price.

Lucy Hu, a senior analyst at Metalpha, told CoinDesk that the new peak in mining difficulty, driven by the recent price surge and the halving's proximity, will lead to the dominance of advanced rigs like the Antminer S21, benefiting firms with the latest equipment.

On-chain data from CryptoQuant shows that miner reserves of bitcoin are nearly back to where they were at the start of the year, around 1.84 million BTC. Antpool is the exception: Its reserve has been climbing significantly for most of November.



"We expect miners would only sell just enough bitcoins to keep the business operating before any bitcoin ETFs are approved or just keep the coins and borrow to pay," Hu said. "The halving event will double the production costs, so it is in the miner's best interest to get the latest model of machine to lower the cost and earn more market share."

According to a recent report from Bernstein, bitcoin's fundamentals are at their strongest, the investment firm argued, with it plotting a timeline for the world's largest digital asset to become a major TradFi asset by 2025.

Risk Considerations

An investment in the Fund involves certain risk factors and considerations relating to the Fund's structure and investment objective that prospective investors should evaluate before making a decision to subscribe for Shares. No assurance can be given that the Fund will succeed in meeting its investment objective. Moreover, past performance is not a guarantee of future results. The risks referred to in the Fund's issuing document are neither specific nor exhaustive, and a financial advisor or other appropriate professional should be consulted for additional advice.

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Class A Share: ISIN LU2507354137

Category: Capitalization of income

Currency: EUR

Minimum initial investment: EUR 125.000,00

Minimum subsequent investment: EUR 1.000,00

Lock-up period: Open-ended fund, no Lock-up period

Class B Share: ISIN LU2507354210

Category: Capitalization of income

Currency: EUR

Minimum initial investment: EUR 125.000,00

Minimum subsequent investment: EUR 1.000,00

Lock-up period: Open-ended fund, no Lock-up period

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