



ALGEBRA DIGITAL STRATEGY
FUND SLP

Monthly news and bulletin updates

Issue
#39
January
2026

Fund objective

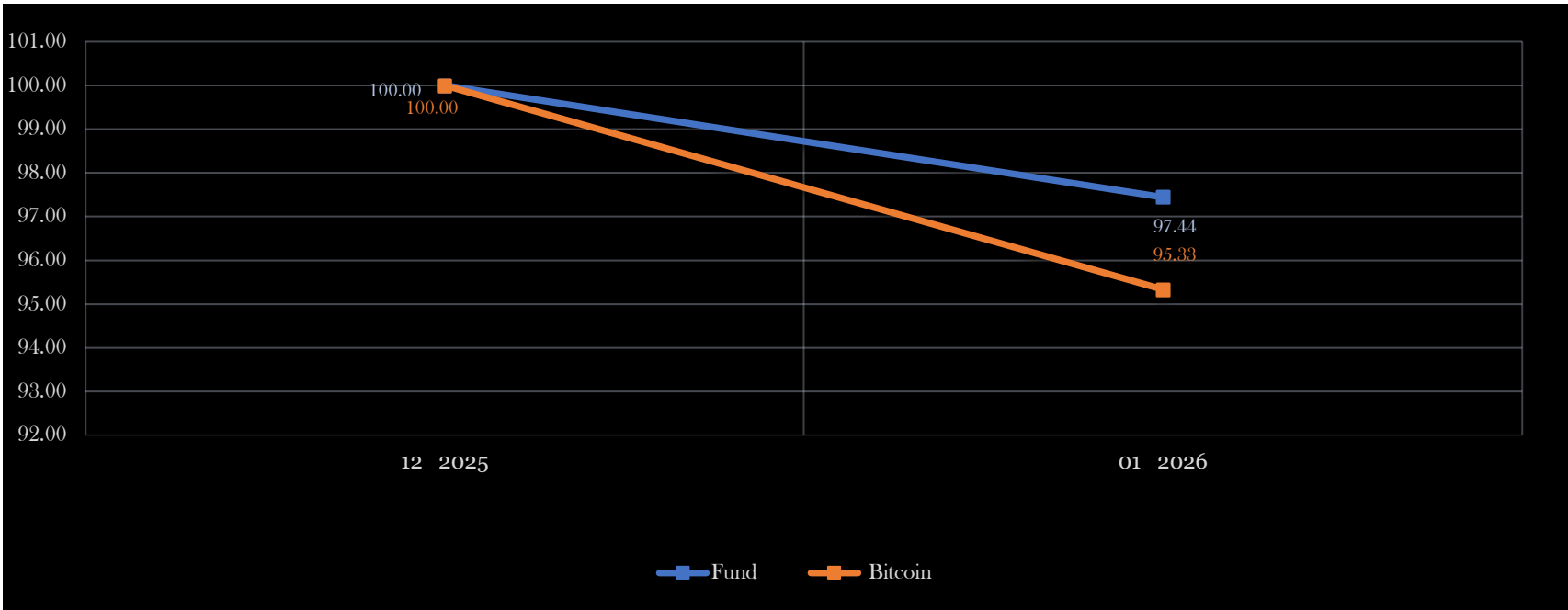
The Fund’s investment objective is to provide capital growth, to outperform and decrease in volatility with respect the crypto currency Bitcoin over the medium to long term. The strategy is based on an in & out trading activity that operates rigorously following the signals that arrive from a trading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

Fund performance

2026	Fund Performance	Bitcoin Performance	Extra Performance	Fund NAV	Bitcoin Eur	Fund Net Equity
January	-2.56%	-4.67%	2.11%	1758.64	71'053.25	1'762'162.07

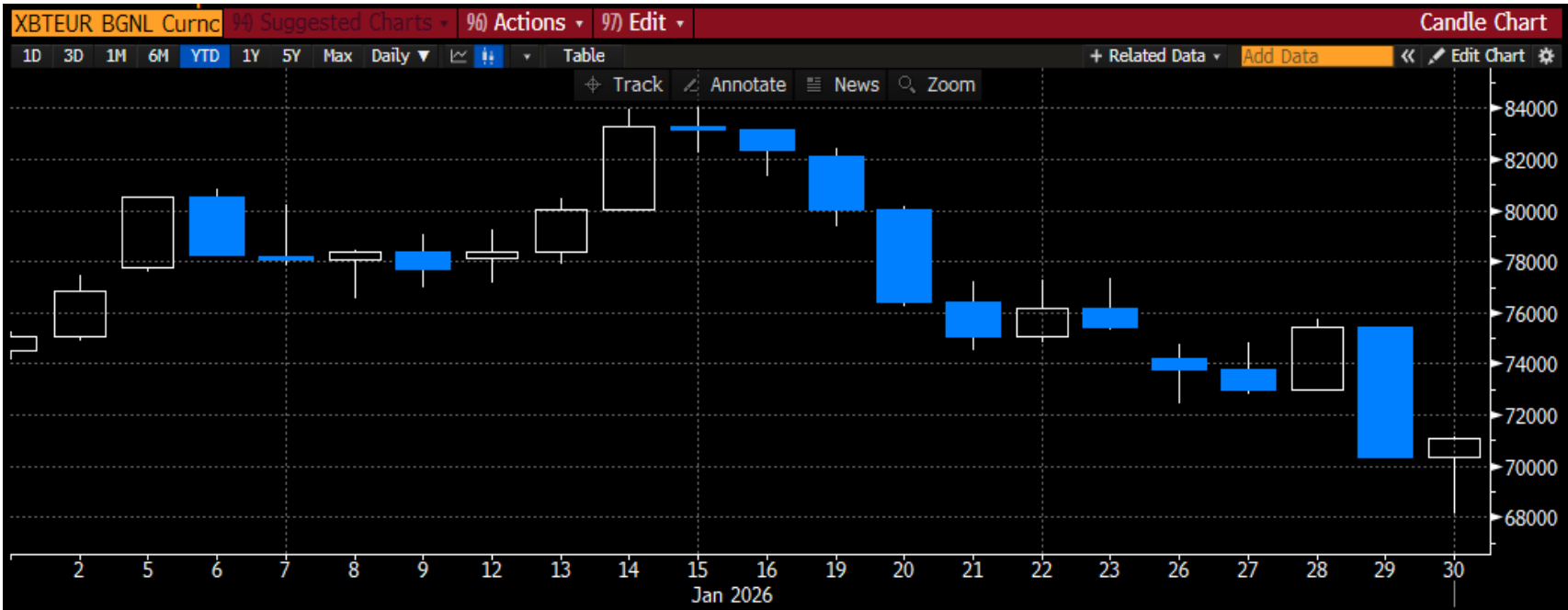
	Fund Performance	Bitcoin Performance	Extra Performance	Fund Ann.Volatility	Bitcoin Ann.Volatility	Volatility Delta
2026	-2.56%	-4.67%	2.11%	-	-	-
2025	-17.91%	-17.93%	0.02%	30.67%	36.55%	-5.88%
2024	27.90%	138.71%	-110.80%	56.94%	61.79%	-4.84%
2023	94.16%	145.48%	-51.32%	45.32%	47.27%	-1.96%
2022 (2 Months Only)	-11.47%	-24.81%	13.34%	-	-	-

Fund performance vs Bitcoin Eur



Fund Performance vs Bitcoin. Source: Internal elaboration

Bitcoin daily bars



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

Fund moves

January 2026 opened with optimism as Bitcoin traded around 87'000-94'000 Usd in early January. However, the month witnessed steady deterioration, with Bitcoin dropping below 85'000 Usd by late January and breaking 80'000 Usd support. Monthly performance reflected a decline vs Eur as well.

Federal Reserve Policy Impact

The Federal Reserve's January 28 policy decision proved pivotal for Bitcoin's trajectory. The FOMC voted 10-2 to maintain interest rates at 3.5%-3.75%, pausing the rate-cutting cycle that began in September 2025. This hawkish stance, combined with inflation at 2.8% and Fed Chair Powell's cautious commentary, reinforced risk-off sentiment across markets. Bitcoin, trading increasingly as a risk asset, suffered as investors rotated toward defensive assets. The decision signaled fewer rate cuts in 2026 than anticipated, removing a key tailwind for crypto valuations.

Geopolitical Turbulence

Geopolitical developments significantly impacted Bitcoin's January performance. Iran experienced widespread protests beginning December 28, 2025, triggered by economic distress, continuing into mid-January. The violent crackdown resulted in thousands of casualties and complete internet blackouts, creating regional instability. Simultaneously, US-Iran tensions escalated dramatically, with President Trump deploying naval forces and

threatening military action. These developments triggered risk aversion, with Bitcoin falling 6.6% during peak tensions.

Crypto Market Dynamics

The Bitcoin network hashrate declined approximately 15% from October peaks, falling from 1.1 zetahashes per second to roughly 977 exahashes per second. This indicated miner capitulation as profitability deteriorated, with seven negative difficulty adjustments in eight periods. While miner stress historically precedes recovery, immediate impact added selling pressure. Bitcoin ETF flows recorded approximately 1.6 billion Usd in net outflows, including a record 818 million Usd single-day outflow on January 29. These outflows reflected institutional risk reduction and portfolio rebalancing amid macro uncertainty.

Fund Performance

After the rise of the first five days of the month, the fund decided to switch to risk free position estimating a possible correction. This was indeed the case. After the drop started in the middle of the month the fund went back long Bitcoin. This move let the fund mitigate Bitcoin's monthly correction with a performance of - 2.56% vs Bitcoin's drop of - 4.67%.

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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