



Asset Management SA

# TRACKER ON WAVE BITCOIN INCOME & GROWTH OVERVIEW

The tracker managed by Cripitonite Asset Management, providing Bitcoin exposure and income through Covered Call strategy, holding BTC while selling Call options monthly. Targeting 1% monthly dividend (12% pa), while capturing most of the upside of Bitcoin.

ISIN Number: **CH1100420673**

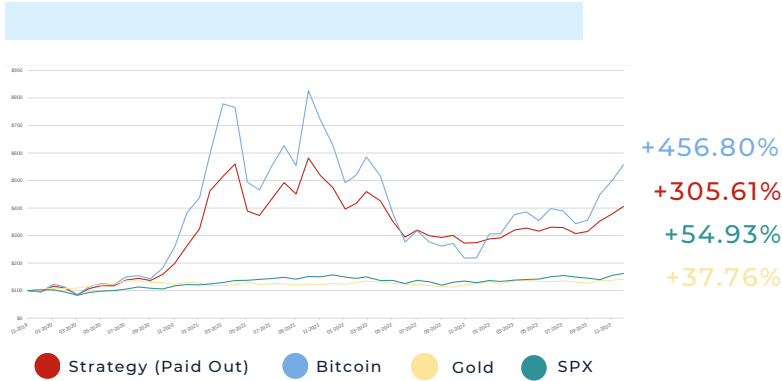
## PRICE INFORMATION

N.A.V \$ (as of 29.12.23) **637.48**

## KEY FIGURES

Sharpe Ratio 0.59  
Sortino 3.34  
Max Drawdown -46.14%

## PERFORMANCE (SINCE 01.12.19)



## PERFORMANCE OF STRATEGY(01.12.19)\*\*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG. DIV.	YTD	LTD	
2020	Income (Dividend)	1.51%	1.59%	1.61%	1.65%	1.38%	1.51%	1.50%	1.51%	1.49%	1.52%	1.53%	1.81%	1.54%	<b>23.44%</b>	-
	Total Performance (Div Paid)	21.49%	-7.90%	-25.15%	27.46%	9.21%	-1.93%	17.95%	3.45%	-7.59%	17.07%	27.01%	34.40%	-	+181.02%	-
	Bitcoin	29.37%	-8.11%	-24.92%	34.09%	9.94%	-3.35%	23.78%	3.06%	-7.72%	27.92%	42.32%	48.00%	-	+303.36%	-
2021	Income (Dividend)	1.92%	2.59%	1.81%	1.69%	1.68%	1.62%	1.71%	1.43%	1.53%	2.15%	1.16%	1.61%	1.74%	<b>32.91%</b>	-
	Total Performance (Div Paid)	23.13%	44.06%	10.57%	7.88%	-35.35%	-6.46%	17.82%	14.95%	-11.34%	33.12%	-14.19%	-11.92%	-	+87.51%	-
	Bitcoin	13.93%	36.00%	30.79%	-1.68%	-35.43%	-5.81%	18.72%	13.37%	-11.48%	49.05%	-13.00%	-12.57%	-	+63.67%	-
2022	Income (Dividend)	1.50%	1.50%	1.55%	1.53%	1.53%	1.54%	1.76%	1.78%	1.73%	1.74%	1.75%	1.70%	1.63%	<b>12.00%*</b>	-
	Total Performance (Div Paid)	-22.40%	5.80%	12.37%	-11.42%	-25.83%	-27.38%	14.12%	-13.13%	-5.36%	3.19%	-19.42%	-0.30%	-	-53.77%	-
	Bitcoin	-21.85%	6.01%	12.45%	-11.84%	-26.12%	-27.49%	14.83%	-13.28%	-4.93%	3.53%	-19.55%	0.39%	-	-65.17%	-
2023	Income (Dividend)	1.10%	1.72%	1.62%	1.56%	1.51%	1.54%	1.53%	-	1.00%	-	1.24%	1.47%	1.20%	<b>18.19%*</b>	-
	Total Performance (Div Paid)	+9.46%	+0.94%	+18.68%	+2.67%	-7.98%	7.76%	-2.41%	-13.35%	4.70%	24.95%	12.22%	11.64%	-	+103.23%	+305.64%**
	Bitcoin	+39.79%	+0.39%	+22.60%	+2.41%	-8.18%	12.37%	-2.31%	-11.78%	3.73%	26.41%	11.02%	11.53%	-	+154.31%	+456.80%

Provided for illustrative purposes; past performance is not an assurance of future returns. 2019 - 2020 returns figures presented are audited. Performance (exclude Div Paid) numbers are on a net basis for the offshore entity; Total Performance(Reinvest) numbers are on a net of fee basis for the onshore entity; performance represents share class without upfront fee. The reinvestment of dividends are included in annual and since inception Total Performance (reinvest). From Nov 19 - Aug 21, BTC prices are quoted by Coinmarketcap using month-end close prices; from Sep 2021 - Jul 2022, BTC prices are assessed by Wave internally using 9 AM PST BTC price. \*Annual dividend is calculated based on the dollar amount of the cumulative dividend (as the numerator) and the year beginning NAV (as the denominator) \*\*Dividends are included, with no reinvestment of cash nor interest paid on cash, as prepared by Wave Financial.

Q3 was a tough quarter to manage this fund. Volatility dropped to historical lows of early 30's, and we were concerned with a repeat of January, where the market spikes upward significantly, while we cap the upside. This problem is especially tricky as volatility continues to drop to historical lows to not receive a worthy premium for the risk taken. We decided to not sell the call options for the month August (and again for October) with volatility in the early thirties.

As we write this update on October 24th, BTC rallied over 20% in the past week, and basically up from \$26,884 to over \$35,000 in the past month (roughly +30%). This means that not writing options and capping the return at 10% was the right choice, as we would have given up another 20% of upside. Of course, this is not the end of the month, so we will have to see if BTC holds at this level or not.

This rally has also driven up the volatility significantly. Over the past week, the DVOL, the volatility index as published by Deribit, the exchange we typically trade on, has moved from 35% to 55% vol, which is a significant move of 20%. (See the chart on the following page.) This volatility will allow us to write options with higher strikes and/or higher premiums compared to the lower volatility environment.

Fundamentally, we believed that the historically low volatility is a temporary phenomenon, and we are glad that to see that playing out as expected, and the rise in the price of Bitcoin comes from a number of positive factors in the market.

The biggest news overnight is that DTCC, the entity that registers and manages all US securities ownership. has added a ticker (IBTC). This is a usual step before the availability of such an ETF, and has given hope to the market that the ETF is imminent. The ticker was pulled for a few hours but then returned to DTCC again.

The SEC has decided not to appeal the Grayscale decision lost in August with regards to the Bitcoin Trust. Grayscale has since re-filed for the spot ETF, and the SEC has until January 10, 2024 to respond. Overall, the sentiments have spilled into the whole market and other coins are also rallying. This may mark the end of the crypto winter, and we look forward to a more vibrant market going forward.

## MASTER DATA

• Name of Certificate	Wave BTC Income & Growth
• Target Dividend Rate	1% of NAV per month (12% p.a.), paid out monthly
• Management Fees	1% per annum of NAV and 5 % of option premium traded
• Minimum investment	USD \$50,000
• Subscription / Redemption	Monthly subscription, monthly buybacks at managers' discretion. Subscriptions need to be done at the latest on the 15th of each month.
• Custody	Copper.co/Fidelity Digital Assets (crypto), Silicon Valley Bank (USD)
• Tracker based on Wave Bitcoin Income & Growth.	

## SERVICE PROVIDERS

- Issuer: CRI-ptonite Limited (Guernsey)
- Paying Agent: ISP Securities AG (Switzerland)
- Strategy Manager: Wave Financial (US)
- Depositary & Crypto Asset storage Provider: Copper Technologies (UK) Ltd; Fidelity Assets (US)
- Clearance Institution / Clearing Code: SIX SIS AG / ISP 116441
- NAV Calculation: GenTwo Digital AG (Switzerland)

## CRIPTONITE ASSET MANAGEMENT SA

19, rue de la Corraterie,  
1204 Geneva  
+ 41 (0) 22 310 52 81  
teamwc@criptoniteam.com  
www.criptoniteam.com

### Disclaimer

This is an advertising document that only outlines certain features of the certificate and has been prepared by Cripitonite Asset Management SA for informational purposes only for the sole use of the intended recipient. It does not seek to make any recommendation to buy or sell any particular security or investment (including units in the Certificate) or to adopt any specific investment strategy. Neither Cripitonite Asset Management SA nor any of its affiliates, or their directors, officers or employees, accepts any liability for any loss arising from the use of the information in this document. Data herein should not be relied upon as such information is subject to change, without notice, at the discretion of CRIptonite Asset Management SA at any time. Investors in crypto assets are subject to the risk of total loss of the amount invested. All numbers are based on the fact sheet of the underlying fund. This document may only be provided to qualified investors.