

Series 12.  
**Unit Price \$1.15**

Unit price is calculated in Australian dollars using net asset value per unit and does not reflect buy/sell spread that investors incur when buying and selling units.

## About the Strategy

The Investment Strategy is to obtain and hold Bitcoin in a secure and regulated custodian, with exposure to the underlying asset issued as units in the Fund.

The Fund will not engage in derivatives, leverage, or short selling, and has adopted a strictly passive 'buy and hold' strategy.

## Performance

Fund Performance	Monochrome Bitcoin Fund (MBF) <sup>1</sup>	Bitcoin Reference Rate <sup>2</sup>
1 month	-11.61%	-11.44%
3 months <sup>3</sup>	1.28%	2.35%
6 months <sup>4</sup>	-33.33%	-32.59%
1 year		-23.97%
3 years p.a.		94.34%
Volatility <sup>5</sup>	59.55%	68.88%
Since Inception p.a.	14.71%	15.23%

<sup>1</sup> Based on NAV per unit.

<sup>2</sup> CME Bitcoin Reference Rate (BRR), WMR as supplied by the Reserve Bank of Australia (RBA).

<sup>3</sup> 3 month NAV calculated based on 1 July price. Months subsequent to July 2021 are calculated based on last business day price.

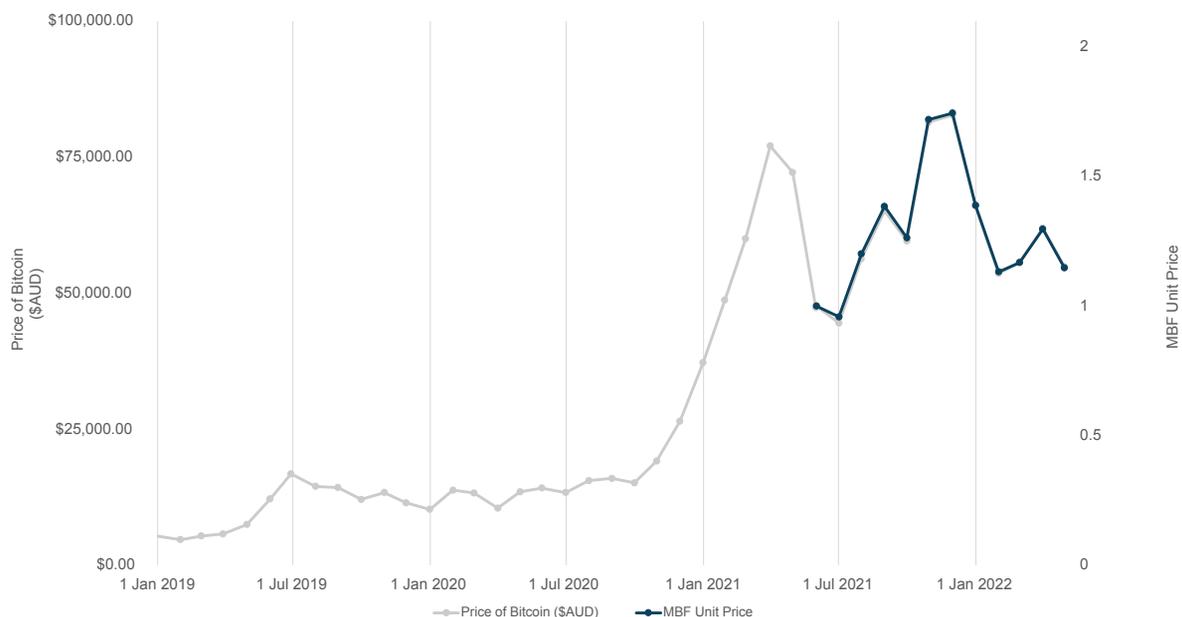
<sup>4</sup> 6 month NAV calculated based on 1 July price. Months subsequent to July 2021 are calculated based on last business day price.

<sup>5</sup> Annualised volatility.

## Fund Details

APIR	NCC7833AU
Benchmark	BRR/WMR
Management Fee	1.5% P.A.
Performance Fee	N/A
Min. Investment	AUD\$25,000
Additional Contributions	AUD\$5,000
Applications/Redemptions Hard close	25th of each month
Unit Price	Monthly
NAV	Monthly
Buy/Sell Spread	0.19% / 0.29%
Entry/Exit Fee	0% entry / 1.94% exit fee within 12 months of application / 0% exit after 12 months
Inception Date	1 June 2021

## Growth of Bitcoin vs Growth of MBF Units<sup>1</sup>



<sup>1</sup> Bitcoin price based on WMR (AUD/USD) and CME BRR Benchmarks since 1/11/18. From 1/6/21, the chart represents change in NAV of MBF Units.

### Service Providers



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## Market Commentary

Bitcoin's April 2022 was characterised by developments in its regulatory landscape, retail adoption and mining industry.

- **On 31 March, European Parliament lawmakers voted to outlaw anonymous cryptocurrency transactions**, by requiring individuals to verify their identities when transacting more than EUR €1,000 with an unhosted cryptocurrency wallet. The European Union (EU) hopes this legislation will promote the traceability of cryptocurrency transfers and block suspicious transactions.<sup>2</sup> However, discussions have begun surrounding how the new legislation undermines the differentiating factor of cryptocurrency; its decentralised and anonymous nature.
- **On 7 April, Bitcoin payments platform, Strike, announced major partnerships with Shopify, NCR, and the Blackhawk Network.**<sup>3</sup> This partnership will allow 400,000 outlets to accept Bitcoin as a form of payment through the Lightning Network, and for merchants and retailers to avoid the complexity of holding bitcoin on their balance sheet, as Strike converts the bitcoin payment into fiat currency upon receipt.<sup>4</sup> Strike's partnerships mark a major step toward bitcoin's adoption, particularly for in-person transactions which make up 85% of all sales in the U.S.<sup>5</sup>

Following Strike's announcement, Morgan Stanley released a research report on 21 April that highlighted the significance of recent developments and the trajectory of bitcoin's adoption.<sup>6</sup> The global bank believes that the Lightning Network allows bitcoin to compete with Visa on transaction fees and settlement time, highlighting that

the increased ease of adoption may lead to a slow down in bitcoin's price volatility.<sup>7</sup> The report signifies the increasing levels of interest from financial institutions into the nascent asset, and offers yet another development toward Bitcoin's adoption as an alternative payment system.

North Dakota's desire to develop their cryptocurrency mining industry was reiterated at the Bitcoin 2022 conference in Miami, where the **North Dakota Commerce Department stated that they are very close to securing an additional \$3 billion worth of cryptocurrency mining projects on top of the \$3 billion worth of investment already secured.**<sup>8</sup> North Dakota presents several incentives for prospective cryptocurrency miners to set up operations in the region, including favourable weather conditions, tax benefits and the availability of renewable energy sources.<sup>9, 10, 11</sup> North Dakota's announcement will help create exposure to renewable cryptocurrency mining, and bolster Bitcoin's use-case as a consumer of stranded energy sources.

<sup>12</sup> <https://www.coindesk.com/policy/2022/03/31/eu-parliament-votes-on-privacy-busting-crypto-rules-industry-rails-against-proposals/>

<sup>3</sup> <https://www.coindesk.com/business/2022/04/07/jack-mallers-strike-announces-shopify-integration-for-bitcoin-lightning-payments/>

<sup>4</sup> <https://thecoin.news/articles/strike-ceo-jack-mallers-announces-shopify-partnership-new-payment-network-1649370828162>

<sup>5</sup> <https://www.coindesk.com/layer2/paymentsweek/2022/04/28/bitcoin-payments-remain-in-their-infancy-but-there-are-green-shoots-everywhere/>

<sup>6,7</sup> <https://www.coindesk.com/business/2022/04/21/morgan-stanley-says-crypto-could-become-more-widely-used-as-currency/>

<sup>8,9,10</sup> <https://cointelegraph.com/news/north-dakota-hopes-to-double-the-3b-of-clean-crypto-mining-in-the-state>

<sup>10</sup> <https://www.inforum.com/news/north-dakota/north-dakota-aims-to-draw-bitcoin-miners-with-promise-of-worlds-cleanest-crypto>

## Fund Performance Table

Year	Jan <sup>3</sup>	Feb	Mar	Apr	May	Jun <sup>1</sup>	Jul	Aug	Sep	Oct	Nov	Dec	Total <sup>2</sup>
<b>2021</b>	-	-	-	-	-	-4.18%	25.23%	15.25%	-8.80%	36.06%	1.42%	-20.41%	38.89%
<b>2022</b>	-18.52%	3.13%	10.93%	-11.61%	-	-	-	-	-	-	-	-	-17.44%

<sup>1</sup> June series NAV calculated based on 1 July price. Months subsequent to July 2021 are calculated based on last business day price.

<sup>2</sup> Based on the NAV per unit.

<sup>3</sup> Returns for January, February and March 2022 have been adjusted for a pricing discrepancy for January 2022 which has been rectified.

## Service Providers



Investment Manager  
Monochrome Asset Management

### NON CORRELATED CAPITAL

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This publication has been prepared by Monochrome Asset Management Pty Ltd ABN 80 647 701 246 (Monochrome) the Investment Manager of the Monochrome Bitcoin Fund (the Fund). Monochrome is a Corporate Authorised Representative No. 1286428 of Non Correlated Capital Pty Ltd ABN 99 143 882 562 AFSL 499882 (NCC). NCC is the Trustee of the Fund. The Fund is open to wholesale investors only as that term is defined in the Corporations Act 2001. This publication has been prepared by Monochrome to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Monochrome, NCC nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. You should obtain professional advice and consider the Information Memorandum before making a decision in relation to this product. Any forecasts and hypothetical examples are subject to uncertainty and are not guaranteed. Past performance is not a reliable indicator of future performance. You can obtain a copy of the Information Memorandum for the Fund by contacting Monochrome at <https://monochrome.co>.