

## APRIL 2021 PERFORMANCE

Another solid month for the Fort Stable Fund with a return for April of 1.1%. This takes the YTD return to 6.5%.

In this month's note it is worth highlighting the prodigious growth in assets locked in DeFi over the course of Q1. We believe this level of growth is just the beginning as a new global financial system emerges on the internet, built on blockchain technology.

There was an increase of approximately 12% in the number of unique Ethereum addresses during Q1 to total 146million. How many of those addresses are using DeFi protocols? The answer is still not very many. By the end of Q1, still only 1.75m of a potential 146m addresses used at least one DeFi protocol, this is despite DeFi users growing by 50% during the quarter. A 10x increase from over the last 12 months. Given that DeFi users still only represent about 1% of the total Ethereum addresses. We are still very early.

As the number of DeFi users increases so does the total amount of assets invested in the space. The Total Value Locked (TVL) has increased from USD\$15bn to USD\$47bn during Q1.

Decentralised Exchange (DEX) monthly volume

### SUMMARY NET RETURN

(post performance fees)

PERIOD	FUND RETURN
1 Month	+1.1%
YTD 2021	+6.5%

increased from USD\$25bn to USD\$63bn in the quarter, an increase of 250%. Ethereum based DeFi loan volumes increased by 300% from USD\$3.6bn to USD\$10.8bn. As noted in last month's note, this explosion in trading volume has created problems for the network. Transaction costs (ETH gas) rose by 420% during the quarter.

Stablecoins, another key feature of the space, saw total supply on the Ethereum blockchain increase from USD\$19.5 billion to USD\$37.4 billion during Q1, an increase of close to 200%. This trend is even more dramatic when examining the data year over year, as stablecoin supply increased from \$5.5 billion at the end of Q1 2020 to \$37.4 billion by the end of Q1 2021, an increase of almost 700%.

What is becoming very clear to us is the exponential growth in DeFi is not slowing down. There are more signs of the market maturing with established finance companies starting to explore the technology. With more sophisticated users comes more liquidity and a better customer experience. This adoption is reinforcing the foundations allowing DeFi to continue to grow. Whilst only early May, the Q2 stats are looking equally as impressive as those for Q1. 2021 is setting up to be a breakout year for Decentralised Finance.

**WE THANK YOU FOR THE OPPORTUNITY TO STEWARD YOUR CAPITAL INTO THE FUTURE OF FINANCE**