

MAY 2021 PERFORMANCE

For the month of May, digital assets had their third worst monthly performance since inception. Most digital assets experienced peak to trough price decreases in the range of 50-75%. The Fort Stable Fund demonstrated its resilience to such outsized market moves by producing a return of +0.45% for May, with the YTD total at +6.57%. The return reiterates the ethos of the stability of the fund, the integrity of the digital asset ecosystem and the robustness of the underlying technology that is decentralised finance.

The performance of the Fund was driven by two factors this month.

1. Reduced Yields – due to the downward price pressure on digital assets, market participants moved their holdings to the safety of stablecoins. Increased demand for stablecoins resulted in lower yields on offer. Yields have reduced to 4%-12%, a reduction of approximately 5%.
2. Tech upgrades – the fund undertook a one-off portfolio reallocation this month incurring significant network gas fees. This migration was performed to enhance portfolio security and to accommodate technology upgrades to the borrow/lend protocols we invest in. There was a cost of approximately 0.30% to fund performance as a result.

TOTAL NET RETURN

Post management, performance and entry fees

PERIOD	FUND RETURN
1 Month	+0.45%
YTD 2021	+6.57%

We want to highlight and reiterate the standout performance of the DeFi ecosystem during such a period of heightened market volatility and stress.

Stablecoins – weathered the market volatility very well. All stablecoin prices remained at the 1:1 USD peg during the sell off. Record daily trading volume was recorded at over USD\$100bn during that time.

Protocols - the underlying exchange and borrow/lend protocol technology withstood the market volatility and performed as programmed. There was USD\$700million of market liquidations from borrow/lend protocols as collateral levels dropped. All executed as programmed with no system outages.

The growth of DeFi continues at a ferocious pace with DEX trading volumes for May at an all-time high of USD\$170bn. In May 2020 DEX trading volume stood at USD\$1.1bn. Total Value Locked (TVL) or the amount of collateral in DeFi has exploded from \$1bn to \$64bnn in the past 12months.

We expect yields to rise in the coming weeks as market volatility subsides and market participants move from stablecoins back into digital assets.

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