

SEPTEMBER 2021 PERFORMANCE

The Fort Stable Fund generated a positive return of 0.1% for September with the YTD total at 7.85%. This month's weaker than expected returns were driven by two factors:

1. Higher network gas costs - Within broader digital asset market there was significant re-allocation of tokens/coins during September driven by increased trading activity from Chinese domiciled accounts in response to the Chinese Government crackdown on cryptocurrency ownership. This increased trading activity drove up the cost of network gas fees as market participants choose to trade through DEX's rather than centralised exchanges to avoid regulatory scrutiny from Chinese regulators. The higher gas costs materially impacted our transaction costs incurred during the month.
2. Poor market returns - digital assets continued their seasonal pattern of poor performance in September. This resulted in limited demand for USD borrowing as trading volumes dropped putting downward pressure on USD yields.

The increased level of regulatory scrutiny of the digital asset ecosystem has resulted in heightened media attention for digital assets. Reviewing some of the ill-informed and somewhat lazy reporting of the sector we get back to basics this month to explain why the digital asset revolution is such a game changer for the commercial world and particularly finance.

The invention and evolution of digital assets

needs to be looked at in the broader context of computing, software, and the internet. We argue that "cryptocurrencies" are not a new asset class, it's the dawn of a new system for trading and financing that uses new technology to remove transactional friction through reduced intermediation.

It is important to keep in mind what the end game is for this new system - zero cost peer to peer financial transactions. This tag line is borrowed heavily from Web 2.0, with the word "communication" being replaced by "financial transactions". We examine the evolution of the internet and what it has done for the advancement of communication, media, and commerce to date. We break down and examine the key game changing factors that digital asset technology brings to the world of finance:

- a. Bearer Assets
- b. Decentralised Networks
- c. Disintermediation
- d. Unique Identification
- e. Open-Source Code

The Fort Stable Fund has added an additional strategy to the portfolio by taking direct exposure to the Ethereum network via the ETH token. The additional strategy will be implemented during the month of October and will be managed using traditional finance techniques to enhance the returns of the Fund. We believe this additional strategy has the potential to add significantly higher returns to the Fund over the longer term.

TOTAL NET RETURN

Post management, performance and entry fees

PERIOD	FUND RETURN
1 Month	+0.10%
YTD 2021	+7.85%

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