



DeFi Income
Strategy ETI

Monthly Update

- The DeFi Income Strategy ETI represents a smart and unique investment, delivering very steady returns with almost no volatility
- DeFi Income Strategy ETI ends its first quarter up 0.4%
- Crypto DeFi market size stays around 250 billion USD despite lower crypto prices
- Daily trading volumes on decentralized exchanges now stands at around 5 billion USD
- Our custodian Fireblocks now supporting many more blockchains, expanding our possible investment universe
- Goldman Sachs, and other Wall Street banks exploring how to use Bitcoins as collateral for cash loans
- Coinbase has announced that customers in over 70 countries are able to earn high yield with their crypto holdings through the world of DeFi

Belvoir Capital has issued the [DeFi Income Strategy](#) ETI in October, which aims to deliver very steady double-digit yearly returns at almost no volatility and has no correlation or any price exposure to Bitcoin or overall crypto market at all. The strategy is securitised in form of an Actively-Managed-Certificate (AMC), and has a dual listing on the Stuttgart and Vienna Stock Exchange with daily liquidity.

Our DeFi Income Strategy ETI ended its first quarter with a gain of 0.40% and we expect to see monthly gains between 65 to 120 bps going forward.

In December, the crypto market came under pressure, because talks of a more persistent inflation lead to rising interest rate fears ahead of the Federal Reserve's final 2021 meeting. Furthermore, the fast spreading of the Omicron variant added fuel to the fire as talks of a possible lockdown or other strong measures against the disease spreading could threaten the economy once again. December 4th marked an interim climax of the sell-off as massive stop orders have been triggered and led to fast market and choppy trading with Bitcoin losing more than 10.000 USD in only one hour and pulling the broad market down with even higher percentage losses for Altcoins. At the same time, trading volumes in DeFi have increased, allowing the strategy to deploy coin assets in a broader range of attractive smart contract protocols. Also, we could add more blockchains to our investment universe and going forward are able to use Avalanche and Fantom, amongst others. This should help to optimize the yield of investments.

Meanwhile, we observed below and more specific Decentralized Finance (DeFi) news as follows:

- The total-value-locked (TVL) consolidated at around 250 billion USD, according to the website defillama.com. This is a sign of growth as the overall valuation of crypto came off in December. Bitcoin e.g. lost about 20% in the last month and this was compensated in the DeFi market by growth. TVL is value of coins that are “locked” and available for liquidity in the decentralized market. Usually, “locked” coins can be retrieved instantly.
- The DeFi growth is also reflected in rising volume numbers across the DeFi market. The daily trading value now stands at around 5 billion USD, according to CoinGecko.com. The share of trading volume via DeFi now is around 5% of overall global crypto volume. Dominating Decentralized Exchange platforms (DEX) are Uniswap, PancakeSwap and Spookyswap.
- Our custodian Fireblocks is constantly adding more available blockchains, which helps increase our diversification and yield generation. The sector shows a high level of dynamic and it is important to participate in a wide range of trading protocols. Fireblocks has recently added the blockchains Avalanche, Fantom and others. Fireblocks delivers a high level of security regarding the storage of crypto. Security often stands in contrast to flexibility, but Fireblocks is keeping up fast with market developments.
- Goldman Sachs is among a handful of tier-one US banks figuring out how to use bitcoin as collateral for cash loans to institutions, according to CoinDesk.com. Finding a lending and borrowing solution for crypto is necessary to establish prime brokerage services for institutional clients.
- Crypto exchange Coinbase has announced that customers in over 70 countries are able to earn yield with their crypto holdings through the world of decentralized finance (DeFi). The backbone of the lending functionality is Compound.finance, which is specialized in DeFi. Coinbase will provide the service including a margin, leading to lower yields (currently between 3% and 5% p.a. for stablecoin DAI) for clients than can be achieved by directly participating in DeFi. However, clients have a higher level of comfort and the service contributes to crypto and DeFi adoption in general.

More information about the product can be found on our [website](#) or at imaps-capital.com.

We are happy to answer questions about the product via the contact details below and are always grateful for feedback.

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The prospectus for the issuance programme of Exchange Traded Instruments in the form of derivative securities got approved by FMA Liechtenstein and can be downloaded free of charge from the website www.imaps-capital.com/etis

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