



CHANDLER
INVESTMENT CONSULTANCIES

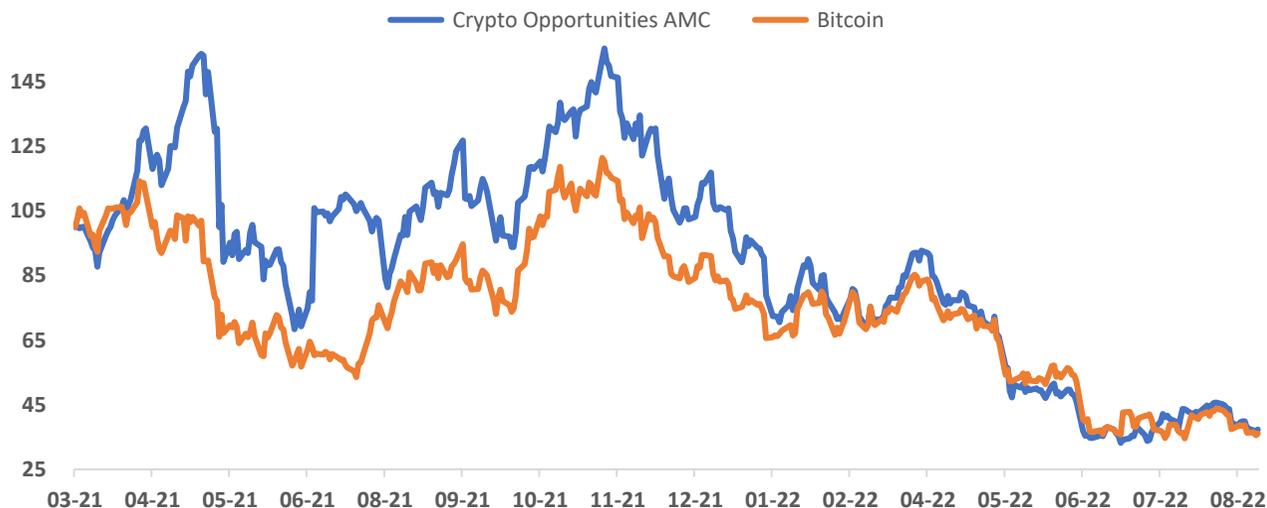
EFG Chandler Crypto Opportunities AMC

August 2022 Factsheet

Investment Approach

The purpose of the Crypto Opportunities Index is to enable investors to build their direct exposure to Crypto currencies, Altcoins and tokens and a select number of high growth-related stocks through a convenient Swiss security, managed as a diversified portfolio of cash, crypto currencies, tokens, Altcoins, equities, derivatives and trackers. Its main components will consist of the largest and most liquid cryptocurrencies, Altcoins and tokens such as Bitcoin, Ethereum, Altcoin, Binance Coin, Cardano, UNISWAP, Solana, Lido, and more. It will enable investors to gain easy access to the world of crypto currencies without having to open a crypto specific account, and whilst benefitting from a diversified and liquid exposure. The investment objective of the Index is to achieve capital appreciation through a diversified strategy with a special focus on cryptocurrencies, Altcoins and Tokens. The Index Components will mainly be: Cryptocurrencies, Altcoins, Tokens, listed equities, listed ETFs and structured products.

Crypto Opportunities



Fund Facts

Issuer	Leonteq Securities AG, Switzerland
Advisor	Chandler Investment Consultancies FZE
Currency	USD
ISIN	CH0587307031
Latest NAV (31 August 2022)	37.35%

Charges

Ongoing Charges	3.00%
Performance Fees	10.00%

Fund Statistics

Average Yearly Return	-48.01%
Volatility p.a	66.72%
Max Drawdown	-80.22%
Return Since Inception	-62.65%

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
2021	-	-	↓ -0.05%	↑ 30.93%	↓ -29.04%	↓ -16.88%	↑ 5.18%	↑ 35.19%	↓ -11.89%	↑ 36.42%	↓ -2.71%	↓ -21.38%	↑ 2.55%
2022	↓ -26.59%	↑ 3.33%	↑ 15.11%	↓ -21.42%	↓ -26.68%	↓ -35.54%	↑ 31.75%	↓ -14.75%					↓ -63.58%

Past performance is not a reliable indicator of future results.

Manager's Comments

Market Comments

US

US equities fell in the month of August after the FED chairman, Jerome Powell, said that the Central Bank would need to keep monetary policy tight “for some time” in order to tackle soaring inflation. This trampled hopes that further interest rate hikes would be less severe which led to sharp falls in share prices and volatiles trading throughout the month. The S&P 500, the Dow Jones Industrial Average and the Nasdaq Composite Index declined by 4.2%, 4.1% and 4.6% respectively in August. US employment data was surprisingly strong with non-farm payrolls growing 528k jobs created in July compared to market expectations of only 250k. At the same time, inflation seems to have passed its peak as CPI increased 8.5% year on year in July, down from 9.1% in June. Tighter monetary policy can be seen on its impact in housing market activity, with existing and new homes sales falling 5.9% and 12.6% respectively in July as the 30-year fixed mortgage rate reached nearly 6%.

Europe

European shares fell in August amid ongoing worries over inflation, particularly in the form of high gas and electricity prices. The Euro Stoxx 50, the CAC 40, the FTSE 100 and the DAX index fell by 5.2%, 5.0%, 1.9% and 4.8% respectively. The energy crisis across Europe intensified amid worries over supply and high costs. Russia said it would halt the Nord Stream 1 pipeline, which supplies natural gas to Germany, for three days from 31 August. Inflation continued to rise in the eurozone with annual CPI inflation estimated to be up 9.1% in August. Industrial producer prices for June were up 35.8% in the eurozone compared with June 2021. In the UK, the Bank of England raised its policy rate by 0.5% to 1.75% at the start of the month. Even though the UK central bank now expects a recession to start in the fourth quarter, it warned of further tightening to contain inflation, which it expects to rise further to 13%. The August UK CPI report didn't ease the Bank of England's concerns, as inflation reached 10.1% year on year in July, its highest level in 40 years.

Emerging Markets

Emerging market equities posted a marginally positive return in August, significantly outperforming developed markets. Turkey was the best performing market in the EM index, delivering double-digit returns. The central bank issued a surprise interest rate cut during the month, despite inflation near 80%. Brazil outperformed as opinion polls narrowed ahead of October's presidential election. Thailand and Chile also finished ahead of the index, as did India which benefited from improved macroeconomic data releases, including an easing in inflationary pressure. However, Asia ex Japan equities were weaker in August with declines in Hong Kong and South Korea. Hong Kong was the weakest market in the MSCI AC Asia ex Japan index in August amid losses among Chinese carmakers. The CSI 300 and the Hang Seng Index fell by 2.2% and 1.0% respectively.



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Manager's Comments

Fund Comments

Another rough volatile month in the world of Cryptos; our fund ended down 14%, in line with its benchmark , BTC, down 15%.

Traders See Ether Continuing to Outrun Bitcoin

Bitcoin and Ether, the two major cryptocurrencies, have gone through several cycles of euphoria and depression. Since the Covid crisis, the price dynamics have been more favorable for the younger of the two. Traders anticipate Ether's continued outperformance against bitcoin thanks to "The Merge".

The prospect of Ethereum's technological Big Bang - The Merge - on September 15 led to Ether performing better against Bitcoin in the market rebound. Over the past two months, ether has jumped 45%, almost 6 times more than bitcoin (+8%). The first captures all the attention and discussions on social networks and forums. Volumes on ether also exceeded those on bitcoin, according to data aggregated by Kaiko Research across the top 10 platforms.

Traders seem to be anticipating a good performance for ether until the end of September with a price above \$2,200 or even \$5,000 for the most optimistic, against \$1,600 currently, according to analysis by Glassnode. The surge would be followed by a correction and some have already bought put options for the end of the year.

Others bet mainly on the jump in its volatility thanks to derivatives, without taking sides on a given direction (rise or fall in price) given the uncertainties about the evolution of the crypto market. For the first time, options positions on ether are larger than those on bitcoin. Very high volumes were seen on ether call options this summer. Trading firms and hedge funds intend to take advantage of a key event in a year so far very gloomy on the markets.

Today, ether has a weight in the world capitalization twice lower than that of bitcoin, at 19.3% against 40%. The two leaders have seen the arrival of nearly 20,000 cryptos, but the vast majority of them do not have the critical size. The top 20 capture 88% of the market. For a time, it was Solana who emerged as a new competitor for Ethereum, but her issues have since damaged her credibility.

In matters of behavior of their course, the fratricidal divorce did not take place. The two leading cryptos are united as never before. Their correlation is very strong, at 90% this year according to Exante Data. They have rarely evolved in their history in a dissociated way.

Bitcoin, seven years older, retains the edge in performance. Its price has multiplied by 27 million since its debut on the markets (0.0008 cent), against 5,300 times for ether. Since 2020, however, ether has seen its price multiplied by 13 while bitcoin has seen its price multiplied by 3.