

Bright Oryzon Fund PCC Ltd – Digital Assets Diversified Fund

Fact Sheet – March 2024

Fund Key Facts:

Fund Type: Class B redeemable preference participation shares

Fund Jurisdiction: Gibraltar

Asset Class(es): Bitcoin and Ethereum; alternative coins, stablecoins, public and private companies related to crypto industry

Fund Objectives:

The investment objective of the Cell is to achieve positive absolute returns to its shareholders via investments primarily in Crypto Assets and also equity in Crypto Assets related businesses. The cell will be broadly composed of four categories, with proportion of investor funds in each varying over time: Bitcoin and Ethereum, alternative coins, stablecoins, public/private companies directly related to crypto industry.

Investment Strategy: Digital Asset Diversification

Geographical Focus: Global

Fund Term: Unlimited

Fund Investment Type: Gibraltar Regulated Protected Cell Company

Valuation & Reporting: Quarterly

Eligible investors: Experienced Investor, in accordance with the Financial Services (Experienced Investor Funds) Regulations 2020

Alternative Investment Fund Manager: Self-managed by Fund Directors

Fund Reference Currency: USD

ISIN Codes:

Class B USD: **A3C808 - GI000A3C8080**

Fees & Charges:

Annual Management Fees:

Class B: 2.0% per annum of the Cell's AUM. Accrued and paid quarterly in arrears

Subscription Fee:

- 2% of the Subscription Amount (where the subscription has not come about through the direct involvement of an introducing party); or
- Up to 4% of the Subscription Amount (where the subscription has come about through the direct involvement of an introducing party)

Performance Fee: 20% of the increase of the Net Asset Value per Participation Share above the High Water Mark. Accrued and paid quarterly in arrears

Minimum Investment:

Class B USD: USD equivalent of EUR 100,000

Class B USD (Subsequent): USD equivalent of EUR 10,000

Bright Oryzon Fund PCC Limited

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Holdings:

Gross Holdings	% Assets
BTC	71.33%
ETH	19.30%
USD	5.56%
Prepayments	0.14%
Receivable	0.70%
ETHW	0.03%

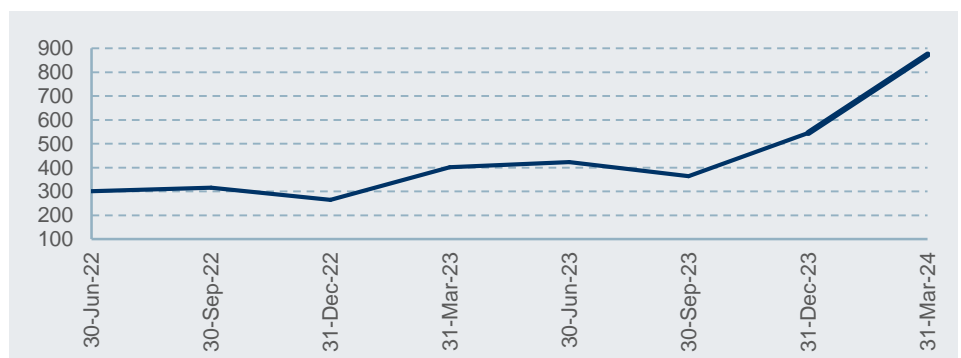
Source: Fidux Fund Services Limited.
Data as at 31.03.2024

Allocation by Asset:



Source: Fidux Fund Services Limited. Data as at 31.03.2024
*Total Investments are not adjusted for expenses payable

Fund Performance:



Period	Return	Standard Deviation (Annualized)	Yearly	Return
3 month	60.22%	33.90%	2022	(11.69%)
6 month	139.68%	33.00%	2023	105.49%
YTD	60.22%	33.90%		
1 year	117.70%	32.34%		

Source: Fidux Fund Services Limited
Data as at 31.03.2024 Return calculated using quarterly data
Standard Deviation calculated on a rolling 4 quarter basis, averaged over respective periods

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Fund Commentary¹:

In Q1 2024, cryptocurrency experienced phenomenal surge, driven by a mix of legislative developments, technological advancements and adoption milestones. Trading volume on centralized cryptocurrency exchanges nearly doubled, reaching a record-breaking \$9.1 trillion in March.

Bitcoin has recently concluded its third-strongest quarter in the last three years, achieving an impressive 68% gain and reaching an all-time high of \$73,803, highlighting investors' confidence in the growing digital assets sector. The approval of the Bitcoin ETF and the upcoming Bitcoin halving in April 2024 also contributed to the market's momentum. Ethereum, the second-largest cryptocurrency, witnessed a more modest increase of ~30% in Q1 2024.

In January, the US introduced the first US-listed ETFs to track the spot price of Bitcoin, attracting ~\$12 billion in net inflows. Bitcoin is poised to undergo its highly anticipated "halving" around April 20th. This event, considered one of the most eagerly awaited in cryptocurrency market, has recently driven up the price of the digital asset. The most recent 'halving' took place on May 11, 2020, leading to a 12% price increase during the following week.

Venture capital investment in cryptocurrency startups reached \$2.5 billion in Q1 2024, marking a 32% increase from the previous quarter and roughly matching the figures from the same period last year. There has been strong interest from hedge funds, family offices, retail investors, and traditional financial institutions, all increasing their allocations to digital assets. This trend demonstrates a wider acknowledgment of cryptocurrencies as a legitimate asset class and a valuable component of diversified investment portfolios.

Global markets continued their upward trajectory in the March quarter, with a 7.8% increase following a robust 10.7% growth in Q4 2023. Equity investors were encouraged by strong economic data and expectations of interest rate cuts further boosted shares, although the pace of cuts is expected to be slower than initially hoped for at the beginning of the year. Developed markets (8.5%) surpassed emerging markets (1.9%) as investors remained concerned about China's growth prospects without significant fiscal stimulus. In commodity markets, the broad Bloomberg Commodity Index saw a slight 2.2% increase as a decline in gas prices was outweighed by a rise in oil prices due to ongoing supply cuts and geopolitical tensions. A rally in gold prices also contributed to market gains.

The US market reported a 10.0% increase during the quarter supported by stronger-than-expected economic growth in Q4 2023. Survey data from the composite PMI remained solidly in expansionary territory at 52.1 in March, boosting investor confidence. In February, the annual inflation rate unexpectedly rose to 3.2% from 3.1% in January. The Fed kept its target rate range steady at 5.25%-5.50% for the fifth consecutive meeting with its latest interest rate projections indicating three rate cuts in 2024. US GDP expanded at a 3.4% annualized rate in Q4 2023, driven by consumer spending and robust exports.

The UK saw a 1.9% increase over the quarter, driven by expectations of an earlier-than-expected first interest rate cut in the UK as inflation fell below the Bank of England's (BoE) forecasts. However, the UK market underperformed compared to its counterparts due to the weak performance of the UK economy which entered a technical recession in the last six months of 2023. The BoE kept interest rates unchanged at a 15-year high of 5.25%, as policymakers awaited clearer signals that the country's persistent inflationary pressures had eased. In February, UK headline and core inflation stood at 3.4% and 4.5%, respectively.

European markets experienced a 4.6% increase during the quarter, supported by increasing consumer confidence which was attributed to the mild winter and rising real wages resulting from declining inflation and a robust labor market. The European Central Bank (ECB) kept the interest rate at a record high of 4.0% and hinted that the easing cycle might commence in June. Economic growth in the Eurozone remained flat in Q4 2023, narrowly avoiding a technical recession. Eurozone inflation continued to decrease, registering at 2.6% in February compared to 2.8% in January. The Eurozone PMI rose to 49.9 in March, compared to 49.2 in February.

Bright Oryzon Fund PCC Ltd (Cell B) reported a return of 60.2% for the quarter.

Disclaimer:

The Bright Oryzon Fund PCC Ltd is a protected cell company incorporated in Gibraltar, regulated as an Experienced Investor Fund pursuant to the Financial Services (Experienced Investor Funds) Regulations 2020, managed by the Board of Directors. As a protected cell company under the Protected Cell Companies Act 2001 (the "PCC Act"), the Directors may create separate classes of shares (each, a "cell") with differing investment objectives and investment strategies and to which specific assets and liabilities are attributed and statutorily segregated. Cell B: Digital Asset Diversification is a segregated cell of the Fund, and provided certain conditions laid down in the PCC Act are complied with, assets attributable to the Cell shall only be available to creditors in respect of that cell and shall be protected from creditors of the Fund who are not creditors in respect of that cell. By accessing this information, you shall be deemed to accept and agree to be bound by the terms of this notice. This communication is directed only at those who fall within the definition of "Experienced Investor" contained in the Financial Services (Experienced Investor Funds) Regulations 2020. It should not be distributed to, or relied on by, any other type of investors. The Fund cannot be promoted to investors for whom it has not been deemed appropriate. If you do not fall into this category do not read this document. The information contained herein is confidential and is intended only for the persons to whom it is transmitted by the company or authorized distributors. This information is not directed at you if we are prohibited by any law of any jurisdiction from making the information in this document available to you and is not intended for any use that would be contrary to local law and/or regulation. This document and its contents are only intended to provide general information about the Bright Oryzon Fund PCC Ltd.

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