

# Iconic Monthly Commentary

November 30, 2021



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## Market Overview – November

The past month has been somewhat of a roller coaster for crypto investors, with Bitcoin (BTC) and Ethereum (ETH) hitting new all-time highs of \$68,622 and \$4,843, respectively, on November 11, which was followed by a steep price correction two weeks later as fears of the latest COVID-19 variant, Omicron, rattled global markets.

Despite November's up's and down's for Bitcoin, El Salvador's "Bitcoin Week" was a success, with the announcement of the development of a tax-free Bitcoin City and the world's first Bitcoin bond as the main highlights.

El Salvador's pro-Bitcoin president, Nayib Bukele, plans to issue a \$1 billion, 10-year government bond backed by Bitcoin on Blockstream's Liquid Network in 2022 to fund the development of his Bitcoin City and to purchase more BTC for the nation's treasury.

Ethereum continues to benefit from dominating the NFT and DeFi markets, despite struggling with high gas fees and slow confirmation times. Fortunately, new layer-two scaling solutions are experiencing increased uptake, helping to take the fee burden off Ethereum users.

For example, the off-chain scaling protocol Arbitrum has been implemented by Binance Exchange and several leading DeFi protocols to reduce transaction fees for Ethereum users.

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# Crypto Asset Performance Review

In November, the crypto markets saw numerous new all-time highs, with the likes of Bitcoin (BTC), Ethereum (ETH), Solana (SOL), Avalanche (AVAX), and Crypto.com (CRO) all reaching new highs.

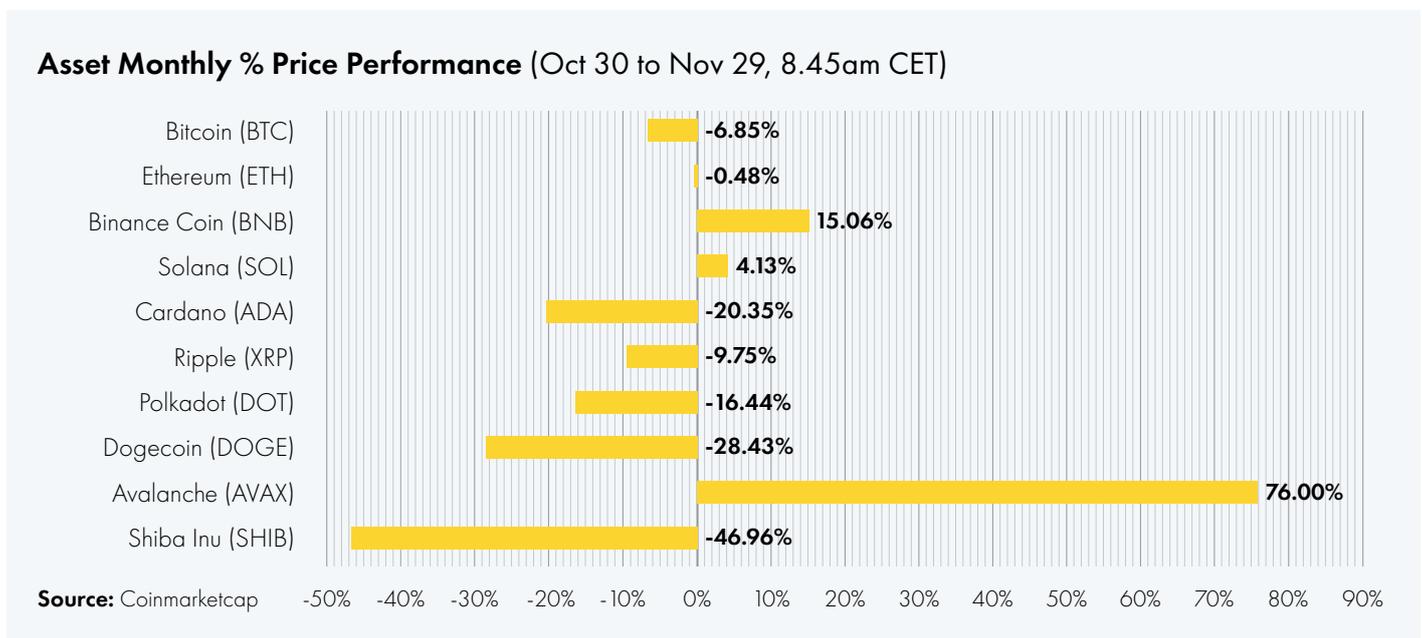
Bitcoin was boosted by recent inflation figures out of the US, where investors now need to generate above 6% ROI just to beat inflation. As the majority of fixed income securities fail to do that, more investors are diversifying into Bitcoin as a hedge against inflation and to potentially add alpha to their returns.

Spurred on by Bitcoin's new all-time high in early November, numerous crypto assets followed suit, with Ethereum competitors who can offer fast transactions at lower costs leading the way.

The top outperformers in the past 30 days among the largest crypto assets by market capitalization were Binance Coin (BNB) and Avalanche (AVAX), which both benefit from developers and users exploring Ethereum alternatives that provide higher throughput and affordable fees.

Conversely, meme coins had a terrible month, with Dogecoin (DOGE) dropping by almost 29% and Shiba Inu (SHIB) losing almost half of its value, closing the month -46% lower.

Here are the performances of this month's top crypto assets (from October 30 to November 29, 2021).



The Omicron variant didn't only rattle the crypto markets. Global equities took a hit towards month-end. Despite hitting a new all-time high at the start of the month, the S&P 500 closed November -0.23% lower, after dropping sharply following the news of the new COVID-19 variant.

The value of gold (XAU) increased by 0.57% in November, while the S&P US Government Bond Index nudged 0.5% higher as spooked equity investors moved money into treasuries at the end of the month.





## Institutional Interest in Crypto

Wall Street giant Morgan Stanley has revealed in recent SEC filings that several of its funds have added Bitcoin exposure in Q3/2021 through the purchase of shares in the Grayscale Bitcoin Trust (GBTC). Additionally, the bank's CEO James Gorman stated last month that he doesn't think crypto is a fad, suggesting that the bank may continue its openness towards digital assets.

Citigroup has reportedly promoted its Head of Blockchain and Digital Assets, Puneet Singhvi, to lead the bank's Institutional Client Group (ICG), where he will "outline a distinct strategy on where and how ICG should pursue digital asset opportunities." The bank also plans to hire an additional 100 employees to expand its digital asset efforts.

## Bitcoin on Balance Sheets

The "Bitcoin nation" El Salvador, which made Bitcoin legal tender in September, has made yet another bitcoin purchase, adding 100 BTC to its national treasury, according to a tweet by President Nayib Bukele. The Central American nation now owns a total of 1,220 BTC.

Major Australian Baseball League club, Perth Heat, announced that it now holds Bitcoin on its balance sheets and provides players with the option to get paid in Bitcoin, thanks to a new partnership with Bitcoin payments company OpenNode. The sports club will also accept Bitcoin payments for merchandise, sponsorships, and game day concessions, according to the Heat's new Chief Bitcoin Officer, Patrick O'Sullivan.





## About Iconic Funds

# YOUR PARTNER IN CRYPTO ASSET MANAGEMENT

Iconic Funds is the bridge to passive and actively-managed exposure to crypto. Iconic Funds, via its subsidiaries, offers crypto asset ETP's, diversified index funds and alpha-seeking strategies for investors.

Iconic Funds' mission is driving the adoption of crypto assets. As the bridge for investors to gain exposure to crypto assets, Iconic's licensed and regulated vehicles offer investors a menu of investment choices ranging from passive index exposure to actively-managed strategies. Iconic Funds removes the technical risks of crypto investing by offering investors trusted and familiar means to invest in crypto at industry-leading low costs.

The marriage of state-of-the-art technology, innovative investment products and uncompromising professionalism places Iconic at the vanguard of crypto asset management.

### Recent News

- The Case for Bitcoin in a Diversified Portfolio. [Read more](#)
- Bitcoin ETPs: A Beginner's Guide for New Crypto Investors [Read more](#)
- Iconic Funds Launches Carbon Offsetting Initiative for Physical Bitcoin ETP [Read more](#)
- What Would the World Look Like with Bitcoin as a Reserve Currency? [Read more](#)

### Iconic in Press

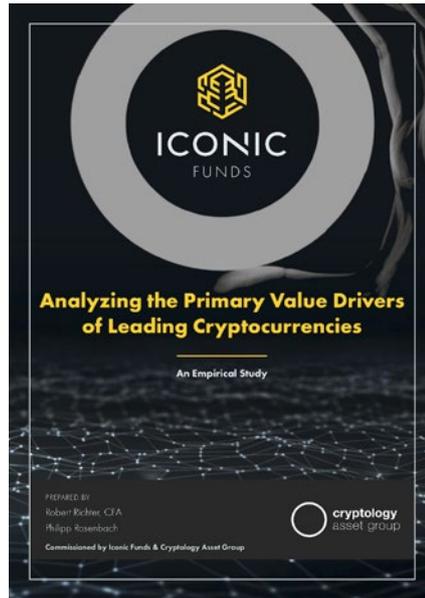
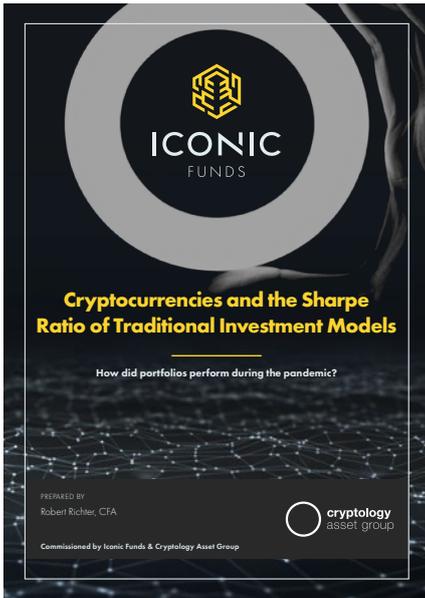
- ETF Magazine, [The primary value drivers of Bitcoin and Ethereum](#), by Michael Geister, Head of Crypto ETPs
- Fundview, [Bitcoin, Ethereum & Co.: Which factors affect the value of cryptocurrencies?](#)
- Der Fonds, [Crypto Roundtable](#), Maximilian Lautenschläger

### Upcoming Webinars and Events

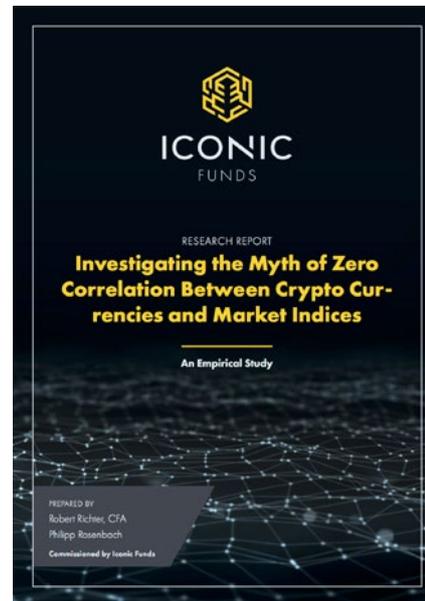
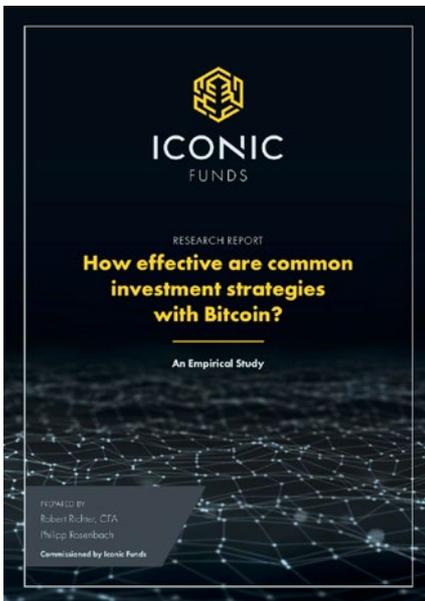
- BLOCKCHANCE EUROPE, Hamburg, December 2-4, 2021



# Recent Research Reports



- How did portfolios perform during the pandemic?  
[▶ Download here](#)
- Analyzing the Primary Value Drivers of Leading Cryptocurrencies  
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- How Effective are Common Investment Strategies with Bitcoin?  
[▶ Download here](#)
- Investigating the Myth of Zero Correlation Between Crypto Currencies and Market Indices  
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