

01 // ANNUAL INVESTMENT REPORT

# Digital Hedge Capital 2020 Annual Report

Multi-Strategy Crypto Hedge Fund

JANUARY 2020 – DECEMBER 2020

2020 was a spectacular year for Digital Hedge Capital and the cryptocurrency market in general. Investors who chose to include this asset class in their portfolios witnessed growth in market capitalization of over 300% as the price of Bitcoin soared to above \$29,000 for the first time since 2017, closing the year as the **best-performing asset class** across all major markets.

The organization improved its systems and developed new algorithmic strategies that follow trends, filter high volatility, and diversify across uncorrelated currencies to reduce risk without sacrificing performance. The fund's returns outperformed those of the S&P 500 and the Nasdaq 100, while the global hedge fund industry reported an average loss of **-4.61%** due to the COVID-19 pandemic and the March 2020 market collapse.

Although the March selloff severely affected cryptocurrency prices – Bitcoin reaching a low of **\$3,998 on March 13th** – the team reduced exposure throughout the event and subsequently repositioned into event-driven positions around the DeFi boom and the launch of Ethereum 2.0. Digital Hedge Capital generated a **net return of +65.93%** after all success and management fees, significantly outperforming both traditional and digital market benchmarks.

**+65.93%**NET RETURN (AFTER ALL  
FEES)**+306.90%**BTC BUY-&-HOLD SAME  
PERIOD**+52.38%**

OUTPERFORMANCE VS S&amp;P 500

**+23.69%**OUTPERFORMANCE VS NASDAQ  
100

## MANDATE ATTRIBUTION – JARE INVESTMENTS CONTEXT

José Andrés Ruiz Elizondo served as **founding Partner and Algorithmic Strategy Architect** at Digital Hedge Capital, co-designing the quantitative trading framework that underpinned the fund's systematic approach to cryptocurrency markets. The multi-strategy algorithmic engine – encompassing trend-following, event-driven allocation, and volatility filtering – was built collaboratively with the fund's partners. This report is a condensed summary of the original DHC 2020 Annual Report. Digital Hedge Capital was an independent fund with multiple partners.

## 02 // PERFORMANCE ANALYSIS

Digital Hedge Capital generated a net return of **+65.93%** after success and management fees, successfully outperforming the S&P 500 (+13.55%) and the Nasdaq 100 (+42.24%) over the same period. The fund's multi-strategic approach, combining algorithmic allocation across BTC, ETH, and correlated alt-coins with DeFi event-driven positioning, delivered strong risk-adjusted returns relative to passive market exposure. All figures are based on a **\$100,000 reference portfolio**.

INVESTMENT VEHICLE	NET RETURN	US DOLLAR AMOUNT
 Digital Hedge Capital	+65.93%	\$ 65,930.00
 Bitcoin (BTC) – Buy & Hold	+306.90%	\$ 306,900.00
 Nasdaq 100	+42.24%	\$ 42,240.00
 S&P 500	+13.55%	\$ 13,550.00
 Global Hedge Fund Average	+11.89%	\$ 11,890.00

## 03 // FEE STRUCTURE &amp; NET RETURNS

CONCEPT	NOTE	US DOLLAR AMOUNT
Initial Capital (AUM)	100.00%	\$ 100,000.00
Gross Return	<i>Not separately disclosed</i>	–
Management & Success Fees	<i>Applied per mandate</i>	–
<b>Net Investor Return (after all fees)</b>	<b>+65.93%</b>	<b>\$ 65,930.00</b>
<b>Capital Distribution (Initial + Net)</b>	<b>165.93%</b>	<b>\$ 165,930.00</b>

\* Gross return figures were not separately disclosed in the original 2020 mandate report. Net return of +65.93% reflects all applicable management and success fees. Individual fee terms were established per investor agreement. Taxes are assessed individually per jurisdiction.

**Jorge Ruiz Espín**  
Chief Investment Officer  
Digital Hedge Capital

**José Andrés Ruiz Elizondo**  
Partner & Algorithmic Strategy Architect  
Digital Hedge Capital

**DISCLAIMER:** This document is a condensed summary of the original Digital Hedge Capital 2020 Annual Investment Report, prepared by JARE Investments for archival and track-record documentation purposes. Digital Hedge Capital was an independent fund. Past performance is not indicative of future results. All figures are presented on a \$100,000 reference portfolio basis. Individual investor returns may vary based on entry date, capital amount, and applicable tax jurisdiction. This document does not constitute financial advice or an offer to invest.