

CIO Monthly Review

January 2026 serves as a clear reminder that volatility spares no asset class. While equity indices post moderate gains over the month, such as the DAX at +1.4%, Bitcoin falls -11.1% and Ethereum drops -18.4%. Despite its high altcoin exposure, the fund achieves -11.6%, again an outperformance of 2% over its benchmark, the CCI30 at -13.5%. Through exposure to small coins, the fund preserves its higher upside potential.



Paul Otto
Chief Investment Officer

Market Assessment

The most dramatic development occurs in precious metals: gold reaches an all-time high of over 5,600 USD per ounce on January 28th, recording a gain of +29.5% in January alone. Silver rises even more spectacularly, +68.5% to 121 USD per ounce.

Then comes the crash: on January 30th and 31st, gold plunges -12%, silver -31% in the largest single-day decline in precious metals since 1980.

The triggers were multifaceted: President Trump's nomination of Kevin Warsh as Federal Reserve Chair strengthens the dollar; the CME raises margin requirements by up to 50% on precious-metal futures. Margin calls and thin liquidity amplifying moves are typical of crypto markets. Yet there is no longer any distinction between "volatile crypto" and "stable TradFi"; heavily leveraged markets share similar risk profiles.

January also brings a geopolitical shock with far-reaching implications for prediction markets. On January 3rd, US forces abduct Venezuelan head of state Nicolás Maduro in a nighttime surprise raid. Hours before the announcement, a newly created account on Polymarket places bets worth 32,000 USD on Maduro's removal and earns over 400,000 USD in profit.

Allegations of insider trading immediately emerge; Congressman Ritchie Torres promptly introduces the *Public Integrity in Financial Prediction Markets Act*. The incident illustrates that prediction markets enable the direct monetisation of private information and alter its economic value, regardless of whether that knowledge stems from legitimate analysis or privileged access.

Industry Overview

The crypto market closes lower in January. The CCI30 Index, our primary benchmark, falls -12.3% in USD, corresponding to -13.5% in EUR.

Bitcoin currently trades approximately 40% below its all-time high of 126,080 USD from October 2025. Ethereum stands even weaker, 53% below its peak of 4,953 USD in August 2025. These declines indicate that a bull market is no longer present. The ongoing risk-off consolidation contrasts with strong fundamentals such as all-time highs in stablecoin volumes and growing on-chain activity. We believe the price trend will reverse in the foreseeable future.

Key price-influencing developments include: the Federal Reserve keeping rates at 3.5-3.8% at its January meeting, dampening rate-cut expectations; the nomination of Kevin Warsh as Fed Chair, strengthening the dollar and pressuring risk assets; and massive liquidations of over 2 bn USD within 24 hours on January 31st.

Market Assessment

We open a new position in **Hyperliquid (HYPE)** at 6% of the portfolio. Hyperliquid embodies our thesis that blockchains are ideally suited for trading: global access, 24/7 availability, and instant settlement mean not just better, but also more trading. The platform's sub-second finality and capacity for 200 k orders per second make it competitive with centralized exchanges while maintaining full on-chain transparency.

Notably, gold and silver perpetuals on Hyperliquid become important trading venues in January. Silver futures alone record over 1 bn USD in 24-hour volume, making them the second-most-traded market on the platform after Bitcoin. This exposure likely contributed to the price rally as speculators entered, as well as to the sharp correction when leveraged positions were liquidated, with 142 m USD forcibly closed in tokenised silver futures alone.

Hyperliquid's tokenomics are exceptional. The protocol generates 62 m USD in fees in January, with annualised revenue exceeding 800 m USD. Crucially, 93–99% of these fees flow into the Assistance Fund, which buys back and burns HYPE tokens. There is no company extracting value; everything accrues to token holders. With a circulating market capitalisation of approximately 10 bn USD, the protocol trades at roughly 12× revenue – attractive for a category leader with 75–80% market share in decentralised perpetuals.

We also use the market weakness to increase po-

sitions in **Jupiter (JUP)** and **Jito (JTO)**, which now each represent 4% of the portfolio. Both are leading Solana protocols. Jupiter generates approximately 254 k USD in daily protocol revenue, with 50% of revenue indirectly benefiting JUP token holders through buybacks. Jito records approximately 315 k USD in daily fees, with a DAO treasury of over 100 m USD following the passage of JIP-24, which places 100% of protocol fees under community control. Both protocols offer compelling revenue-to-valuation multiples at current prices.

Portfolio Performance: The best performer in January was **HYPE**, rising +20.9%, driven by commodity trading volume on the platform. The weakest performer was **ETH** at –18.4%.

The fund remains positioned for the next phase of the cycle by focusing on revenue-generating protocols. The current market phase rewards protocols with realised revenue and sustainable tokenomics over speculative narratives. Accordingly, we plan to concentrate even more on the highest-quality positions going forward.

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