

## CIO Monthly Review: April 2024

**Consolidation:** After an extremely strong first quarter, markets corrected. BTC closed at 60,636 USD, down -15.0%, while the top 100 dropped on average -31.0%. The fund closed at -24.3%.

The biggest losers were new coins. Where optimistic traders were positioned long, small corrections in low-liquidity markets then caused cascading liquidations. Aptos closed at -48.5%, Worldcoin and Sui were down -44.0% and -39.7%, respectively.



**Paul Otto**  
Chief Investment Officer

### Fund Activity

We opened a new position in MultiverseX (previously Elrond, EGLD). The project stands out with its operational sharding design and increasing adoption. Particularly positive are the fully distributed tokens with no privileged team or investor allocations remaining.

With the halving behind us, both Bitcoin copies LTC and BCH are no longer part of the fund.

The fund's exposure to the big three: BTC, ETH and SOL stands at 58%. We are happy to have maintained this throughout the correction. Following the cool-off in April we are planning to acquire smaller tokens at favourable prices.

The best fund performers in April were TRON (-1.8%) and BNB (-3.6%), while the worst performer was new token PYTH (-47.7%).

### Market Assessment

Bitcoin's fourth halving completed, its token inflation rate is now below 1% – lower than gold, whose supply grows more than 1% annually.

Launched at the halving, the new token protocol *Runes* started on Bitcoin. It may ignite memecoin action on Bitcoin, although higher transactions fees are going to dampen excesses.

Ethena's new derivatives-based stablecoin pegs its price to 1 USD by going long staked ETH and short ETH futures. When futures are in contango (for perpetuals: positive funding rate), as they currently are, Ethena earns yield on both positions. The yield frenzy caused their not-stable token ENA fast gains after its airdrop.

Decentralised stablecoin Maker has introduced Ethena's sUSDe into its DAI backing. Aave has in response discussed shedding DAI, citing increased risks. With Aave sporting their own stablecoin GHO, allegations of ulterior motives are flying. We are following the developments closely as AAVE is a key fund position and MKR, the Maker token, is on our watchlist.

Crypto exchange OKX launched its own ETH L2, aiming to mimick Coinbase's success *Base*. The blockchain is called *X Layer*, running a zkEVM using Polygon's technology. We see this vindicating our strongly positive outlook for layer 2s.

### Industry Overview

Asset-manager giant Blackrock has put a money-market fund onchain. The fund called BUIDL issues stablecoin-like tokens on Ethereum, paying out their yield monthly to investors' addresses. Token holders must be whitelisted and purchase a minimum of 5m USD. This marks the beginning of traditional finance moving onchain. In typical crypto fashion, some jesters sent funny tokens to Blackrock's smart contract address.

Law enforcement have arrested the founders of Bitcoin anonymity software *Samourai Wallet* and **seized the domain**. The charge: conspiracy to commit money laundering. Laundering illicit proceeds is a crime. Releasing privacy-preserving software is, one would hope, legal.

Industry giant Uniswap received an enforcement notice from the SEC, indicating a suit may follow. Uniswap **strongly responded**, leaving services up and disputing the SEC's authority over DeFi.

#### About F5 CRYPTO

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