

## CIO Monthly Review: October 2024

Bitcoin inches higher, setting a new all-time high on October 29<sup>th</sup> at 68,038 €. In USD, it is still slightly short of its ATH in March.

Bitcoin dominance, the metric of BTC's share of total crypto market-cap, reached a multi-year high at over 60%. We believe that once Bitcoin has invigorated the crypto market, smaller coins will, pulled up like an elastic band, jump even higher.



Paul Otto  
Chief Investment Officer

### Fund Activities

The fund has opened a 5% discretionary position in RUNE, the token of the multi-blockchain network THORChain. This highly profitable decentralised exchange offers native-asset liquidity. Users can, for example, trade Bitcoin for Ether without an account at an exchange. Recently, THORChain has been expanding heavily: its liquidity pools offer Aave-style borrowing and lending, while its IBC-compatible chain is venturing into ever more DeFi applications.

In September, our altcoin-heavy portfolio outperformed Bitcoin, Ether and the market. In October, Bitcoin was an outlier, while we again outperformed Ethereum. The fund closed at -1.8%. We continue our strategy of shifting into smaller altcoins and tokens.

One class of crypto tokens has performed particularly well this year: Memecoins. DOGE, SHIB, PEPE, WIF and the new “made by AI” GOAT are just the tip of the iceberg. We profit from their success via our tokens of protocols benefitting from Memecoin trading like Jupiter. We are willing to enter memecoins directly should market conditions turn even more supportive.

### Market Assessment

A massive acquisition serves as wake-up call to VCs worldwide: Payments giant Stripe bought crypto stablecoin processor Bridge for 1.1b USD. Crypto payments are here.

The second-largest US-based crypto exchange Kraken launched, similarly to Coinbase's Base, a new optimistic rollup on Ethereum. The new blockchain called INK will allow users to interact with Ethereum's vast ecosystem easily. We

believe in the layer-2 scaling roadmap and hold an active position in the Optimism token.

Polymarket, the betting platform running on Ethereum's layer-2 Polygon with USDC-based settlement, has made news Over 2.5b USD are waged on the outcome of the US presidential election. Critics claim manipulated odds. Anyone is free to profitably bet on underpriced outcomes. That is the platform's raison d'être.

### Industry Overview

On November 5<sup>th</sup>, the US presidential election will come to a close. A win for career politician Harris would largely mean business as usual for crypto, with positive legislation being adopted slowly. A re-election of the 45<sup>th</sup> president Trump would likely spell an immediate uplift for all things crypto.

Trump wants to fire crypto enemy and SEC chair Gensler, has issued NFTs, started a DeFi project, plans to strengthen US-based Bitcoin mining and wants a strategic Bitcoin reserve. It is hard to imagine a more pro-crypto candidate.

As market odds of a Trump win have moved to him being a 2:1 favorite, Bitcoin has rallied in anticipation. Should Trump win, Bitcoin will likely reach new highs. Should Harris move into the White House, Bitcoin will likely see a temporary setback.

With reality and fiction running closely in the candidacy of Trump, entrepreneur Elon Musk, who vocally supports Trump and aligns with negative views on over-regulation, suggested to cut government spending drastically. How? By forming a task force called Department of Government Efficiency (DOGE).

### About F5 CRYPTO

Since 2018, we have stood as Germany's foremost destination for crypto investment thanks to a team of leading industry specialists.

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