

CIO Monthly Review: January 2025

+69% in 2023, +53% in 2024, net of all fees – those are the last two years' returns we achieved for our investors. We are confident that in 2025 we will continue to deliver best-in-class returns.

Bitcoin started 2025 with energetic +9.5%, ETH stood flat at -1.1%. Our fund gains +6.8%, a strong result amid heightened token volatilities: XRP up another +45.8%, RUNE down -52.7%.



Paul Otto
Chief Investment Officer

Fund Activities

Ripple's upward trend continues, leading us to take profit two more times. We view the XRP token, similar to many crypto natives, as still in search of a sensible application – almost 12 years after its launch.

XRP buyers are mostly crypto outsiders who believe collaborations with traditional payment services and potential SWIFT integration hold merit. Meanwhile, the company behind Ripple continues to sell tokens from a zero-cost basis and to hold meetings in Washington. Both are antithetical to decentralised protocols.

THORchain, a medium fund position, halted its lending product, thereby triggering panic selling and crashing its token price.

Lending allowed users to deposit BTC and earn yield from the trading fees in the BTC/RUNE liquidity pool. Accepting single-side liquidity (i.e., only one asset of a trading pair rather than both) was an innovative feature going beyond the tested model employed by giants like Uniswap and Jupiter – but it proved too risky. Despite limits on lending positions, the risk transfer to LPs and RUNE holders grew too large; restructuring lending positions is now a priority.

Most importantly, THORChain's core cross-chain swap product remains totally unaffected and continues to generate its sizable profits from trading fees. We are considering to step up the RUNE position.

Market Assessment

Bitcoin's ascent from abstract idea to global reserve currency is progressing to the next stage:

nations are beginning to move. [Czechia has hinted](#) at plans to set a target of 5% for the Bitcoin portion of their reserves. Promptly, Christine Lagarde stated on behalf of the ECB that Bitcoin would not be a suitable reserve asset, citing repeatedly debunked non-factual critiques.

Stablecoin giant Tether, possibly the business of the decade earning an interest rate spread of almost 5% on more than 120b USD circulating coins, announced [moving its headquarters](#) to the small nation of El Salvador, where Bitcoin is legal tender. This marks a vote of confidence for the first openly Bitcoin-friendly nation.

Industry Overview

In the US, Donald Trump caused waves already before becoming the 47th president: Just prior to his inauguration, a new "official" [Trump Memecoin](#) was launched. Sadly, much like XRP, the setup is starkly at odds with crypto values: 80% of the tokens are held by insiders at zero cost.

Liberty Finance, a DeFi project closely linked to the Trump family, [purchased tokens](#), including BTC, ETH and fund position AAVE.

The sanctions against the open-source protocol Tornado Cash [have been overturned](#) in federal court. OFAC placed Tornado Cash's blockchain addresses on its sanctions list, making anyone interacting with them liable for sanction evasion. We agree that open-source software should not be sanctioned.

We look forward to 11 more promising months. Positive crypto regulation, a pro-crypto US president, and the idea of Bitcoin reversing gaining popularity, all point in one direction: more crypto growth.

About F5 CRYPTO

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