

CIO Monthly Review: February 2025

Corrections: BTC dropped -17.7%, ETH -32.3%, many popular tokens lost more than -40%, e.g. Solana-based memecoin [Bonk](#) -45.3%. Our fund, however, holds winners, including large position in [Maker](#) returning +37.4%. In total, the fund closed ahead of Ether and ahead of most altcoins at -26.2%.



Paul Otto
Chief Investment Officer

Fund Activities

Our fund is well positioned; we made no trades this month. Conviction is important in volatile markets.

Two assets we hold strong convictions about fare differently: [AAVE](#) relinquishes some prior gains, [MKR](#) is among the best performers, highlighting the benefits of diversification.

We are closely monitoring [THORChain](#), which suffers a major setback in late January, dropping out of the top 100. However, volumes have exploded in late February, generating high fees, partly due to stolen ETH (see [ByBit](#) below) being converted to Bitcoin using the trustless exchange.

Market Assessment

Fantom, a prior fund position and L1, has rebranded to [Sonic](#): The old token FTM is no longer, the new token is simply called “S”. The new project reneges on Fantom’s promised tokenomics, a common issue with new coins. Nonetheless, the relaunch is a massive hit, with TVL temporarily eclipsing Polygon at rank 12 with over 700m USD, driven not only by speculators’ hopes for future airdrops.

An actual new launch is [BERA](#), straight to rank 6 in TVL ahead of [BASE](#) with 3.3b USD locked. Berachain brings a new twist on staking: locked tokens don’t sit idly but offer liquidity, e.g. in AMM pools. The EVM-compatible blockchain has amassed quite a following since its first public testnet in January 2024.

L1 revival [Sonic](#), L1 newcomers [Berachain](#) and [Monad](#), as well as new L2s like [Taiko](#) and [Soneium](#), are all battling for market share. The crypto market is offering unprecedented choice and volume of blockspace and functionality.

New largest crypto hack ever: Exchange [ByBit](#) fell victim to a sophisticated attack, presumably sponsored by North Korea: over 400,000 ETH, valued over 1.5b USD, were stolen. The complex operation involved infiltrating wallet software and getting signers of [ByBit](#)’s cold storage solution to use it simultaneously. [ByBit](#) seems to be able to stomach the loss. Some proceeds from the hack have been converted to BTC using [THORChain](#). Our F5 Crypto Fund is storing crypto assets with licensed custodians, making hacks of any kind virtually impossible.

Industry Overview

President [Milei](#) of Argentina publicly promoted token [\\$LIBRA](#). He was tricked by fraudsters who profited an estimated 100m USD by selling worthless tokens to eager speculators. The price crashed in under an hour after the announcement. A bad look for both [Milei](#) and crypto.

The SEC had been overeager under the previous US administration. Now a refreshing new wind is blowing: [Consensus](#), investigated for their popular [MetaMask](#) wallet, is no longer under investigation. Largest decentralised exchange [Uniswap](#), accused of operating and unlicensed security exchange, has seen its investigation closed. Public company [Coinbase](#), sued in 2023 for allegedly offering illegal trading of securities, saw its suit withdrawn, too. Similarly, neo-broker [Robinhood](#), also accused of offering unlicensed securities, saw its case dropped.

Legitimate US crypto businesses are no longer harrassed by a rogue regulator and can instead focus on what they do best: building products. In such an environment, it comes as no surprise that crypto asset manager [Bitwise](#) raised 70m USD. Our outlook for the coming years remains as positive as ever.

About F5 CRYPTO

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

Invest in digital assets with F5 Crypto: *as solid as stocks, as trustworthy as government bonds and as simple as ETFs.*