

CIO Monthly Review

August held the crown for the best month this year only briefly. Our fund gained even more in September at +25.1 %. Large fund position Jupiter gained almost +51 %. Our fund beat Bitcoin and Ether again, which rose +9.1 % and +11.6 %. Oil climbed back above 100 USD per barrel, up +16.8 %, while the S&P 500 gained +1.7 % and gold lost -3.6 %.



Paul Otto

Chief Investment Officer

Market Assessment

The focus of markets remains bond yields. They kept rising in September. The important 5 % threshold has now been crossed by the US 10-year yield. In Europe, France saw its 10-year bond yield quickly approach the 5 % mark, climbing 60 basis points in just one month to 4.86%. The French Republic now has the highest bond yields across the entire Eurozone. The gap to German bond yields has widened to over one percentage point, indicating the market views France's fiscal position as somewhat isolated.

Interestingly, despite rising rates, stock market indices held up, gold fell only slightly and Bitcoin kept rushing higher. This supports last month's read that investors are seeking shelter from currency debasement rather than being lured by higher bond yields.

One route to such shelter is a digital asset treasury company, DAT for short. A DAT primarily holds crypto assets on its balance sheet and its shares trade publicly. From the middle of 2025 there was a boom in new DATs who focused on smaller tokens. The hype abruptly stopped towards the end of 2025 as crypto prices were cooling off. Some observers predicted a collapse for the most famous DAT of all, Strategy.

I viewed Michael Saylor's Strategy as unlikely to collapse. It simply sells Bitcoin when investor appetite is low, and that is what it did. It has turned into a net buyer of Bitcoin in August and September, adding roughly 5,500 BTC. Strategy now holds over 4 % of all Bitcoin. The second-largest DAT, led by Tom Lee, is BitMine. BitMine has now reached its target of holding almost 5 % of all ETH in circulation.

Strategy and BitMine have achieved product-market fit. These DATs offer investors exposure

to crypto without the self-custody burden, while offering more excitement than a pure ETF-tracker, due to the nature of stock price fluctuations and a charismatic leader to follow.

Industry Overview

The crypto industry had high hopes for the CLARITY Act. The proposed US bill aimed to both define categories of crypto assets and to lay out a regulatory framework for each. For example, it would have created a new category of *digital commodity*, with the important property that anything in that category cannot also be a security. Such regulation would allow regulated entities to start designing crypto tokens with, well, legal clarity.

Unfortunately, the US Senate did not pass the bill. There had been an intense back-and-forth on concrete provisions. A major point was stablecoin rewards. Issuers are already barred from paying interest under last year's GENIUS Act, and the bank lobby wanted exchanges and wallets barred from paying it too, which the crypto lobby strongly opposed. Another was ethics: whether an official may profit from crypto ventures, the TRUMP token being the obvious example. On both fronts, agreements had been reached. Nonetheless, on September 15th, the Senate vote failed.

As it stands, exchanges can continue to pay rewards on stablecoin balances, and presidents can continue to issue memecoins

Without legislation, US regulators are on their own. Since US-president Trump appointed new heads at many agencies, their rulemaking largely aligned with the crypto industry's priorities. CFTC Chair Michael Selig said his agency is locked in. Meanwhile, FinCEN withdrew two potentially stifling proposals.

Fund Activities

Our three largest fund positions remain **Hyperliquid** at 23%, **Jupiter** at 18% and **AAVE** at 17% fund weight. **HYPE** reached a new all-time high of \$97.98, gaining +10%. **AAVE** rose +31%. September's strongest fund token was **JUP**, up +51%.

Jupiter's token had traded above one dollar repeatedly in 2024 and 2025, even as high as \$1.84. Last year's correction across crypto token prices and the flash-crash on October 10th 2025 pushed it as low as 13 cents. For a project with over 1 bn USD in cumulative fees, a market capitalisation of just over 1 bn USD left ample room for a revaluation.

We hold two lending protocols, **AAVE** and **Morpho**. **AAVE** is the long-standing category leader with the largest lending volumes, a fully distributed token and an active value capture mechanism. **Morpho** is the younger, more dynamic protocol. Large privileged token allocations remain and the token has no value capture mechanism yet. The two can be seen as the value and the growth

name in the same segment. Interestingly, both sport almost identical FDVs around 2 bn USD. In June, **AAVE** had around 9.4 bn USD in active loans, compared to **Morpho's** 3.7 bn USD, a factor of 2.5. By the beginning of October, the factor had come down to 2.2. **Morpho** is growing fast.

In our last Monthly Call I explained **Morpho's DeFi Mullet**, showcased its tokenomics and presented a comprehensive **AAVE** comparison. In our next Monthly Call on Tuesday, October 20th, alongside the regular overview of our fund positions, I will present the topic of the month *Crypto is winning*. Favourable regulation, growing adoption and tokens with strong tokenholder rights are creating an environment the industry has never had before.

With back-to-back stellar monthly returns, the bear market in several altcoins is seemingly behind us. Our fund is up +38.4% this year. For the last quarter, our eyes are now on Bitcoin, which is still down -1% year-to-date. If Bitcoin manages to break out, a broad bull market may follow.

Disclaimer

www.f5crypto.com/disclaimer

This promotional communication is neither investment advice, nor brokerage service, nor any other form of advice, and may not be suitable for the recipient. It serves solely informational purposes.

The offer is based solely on the articles of association, the investment conditions, the key information document for semi-professional investors, and the subscription documents (including "Tax Brief" and "Key Risk Factors") of F5 Crypto Fonds 1 InvAG m.v.K. and TGV. Before acquiring investment shares, potential investors should consult their bank, legal advisor, tax advisor, and/or financial advisor, and carefully consider the investment decision in light of these risk factors and their personal situation.

The information contained in this document is selective and does not claim to be comprehensive. This presentation does not provide a complete description of crypto assets, the tax consequences of an investment, or the risks associated with an investment.

Contact

F5 Crypto Management GmbH
Akazienstr. 3a, 10823 Berlin, Germany



ir@f5crypto.com
www.f5crypto.com/en/fund

Commercial register: HRB 226623 B
Registry court: Amtsgericht Berlin

BaFin-ID: 40031947

Managing directors:
Florian Döhnert-Breyer,
Prof. Dr. Hermann Elendner