



Target

Generate alpha in the digital asset space. Typically, this alpha is higher in young, inefficient markets. Directional exposure (beta) is largely avoided.



Concept

The portfolio invests in funds that are mainly active in various arbitrage and market-neutral strategies in the area of liquid digital investments. The strategies have a low correlation to digital currencies.



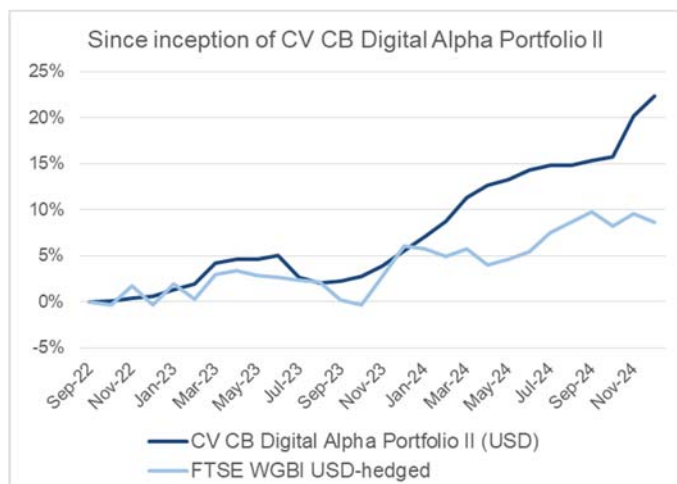
Mission

For investors who wish to profit from the alpha in a relatively new market. The alpha in such new markets should be higher than in traditional markets. However, the markets may also prove to be riskier.

How this has worked so far

	Return				Risk: Volatility		Risk: Max. loss	
	Q4 2024	YTD 2024	3 years	5 years	3 years	5 years	3 years	5 years
CV CB Digital Alpha Portfolio II (USD)	6.10%	15.84%	6.93%	19.37%	4.12%	9.25%	-2.80%	-3.97%
USD 3M SOFR + 300bps (USD)	1.98%	8.52%	6.99%	5.54%	0.56%	0.66%	0.00%	0.00%
FTSE WGBI USD-hedged	-1.09%	2.38%	-1.72%	-0.32%	5.99%	5.11%	-12.88%	-14.89%

Attractive alternative to fixed income



Low correlation to fixed income and equities

	1	2	3	4
1 CV CB Digital Alpha Portfolio II (USD)	1.00	0.67	0.16	0.12
2 Bitcoin (USD)	0.67	1.00	0.28	0.43
3 FTSE WGBI USD-hedged	0.16	0.28	1.00	0.41
4 MSCI World TR Index (USD)	0.12	0.43	0.41	1.00

The high correlation (dependence) of the portfolio to Bitcoin means that both have a tendency to move up and down at the same time (but the magnitude of the movements can be very different).

Comment fourth quarter 2024

Q4 2024 was a milestone quarter for Bitcoin and digital assets from both regulatory and price evolution perspectives. In October, Bitcoin advanced almost +10% on strong inflows into BTC ETFs. The breakthrough came in November, amid the re-election of Donald Trump after his pro-crypto presidential campaign. Moreover, both the Senate and House of Representatives clearly turned pro-crypto, which should create a much more favorable legislative environment for crypto businesses in the US. Bitcoin surged +38.5% in November and altcoins rallied even more (CCi30 Index +68.9%). In December, Bitcoin reached a new all-time-high above USD 107'000, before declining into month-end, finishing December at -3.2% and 2024 at +120.5%.

The Portfolio was +6.1% in Q4, which was below the performance of crypto assets given its large overweight in market neutral strategies. The best contribution for the quarter came from the systematic trend-following fund, which benefited from generally rising prices. The market neutral funds were positive every month during the quarter, with the largest contributions from basis trading, where funding rates were attractive, stablecoin arbitrage, and lending strategies.