Investment Strategy Monthly

June 2026

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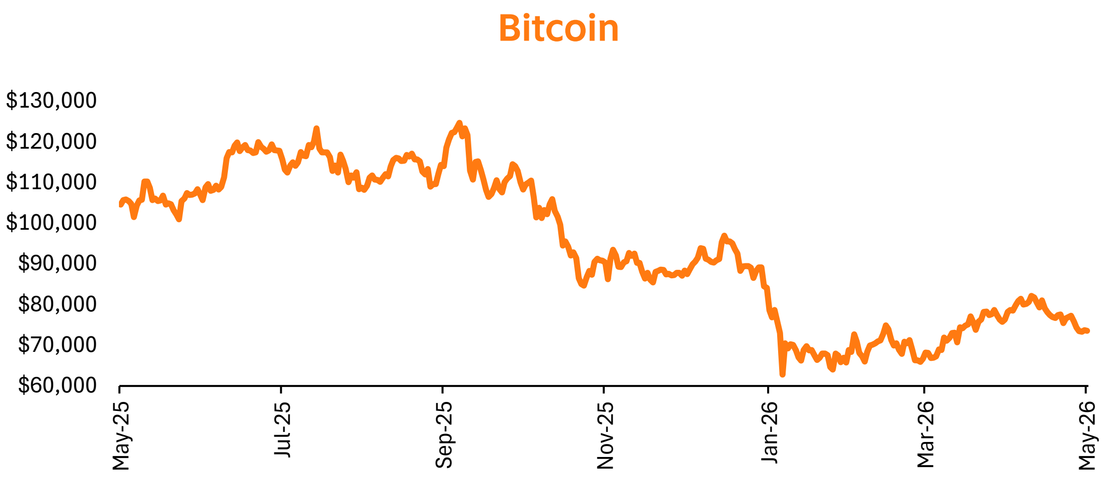
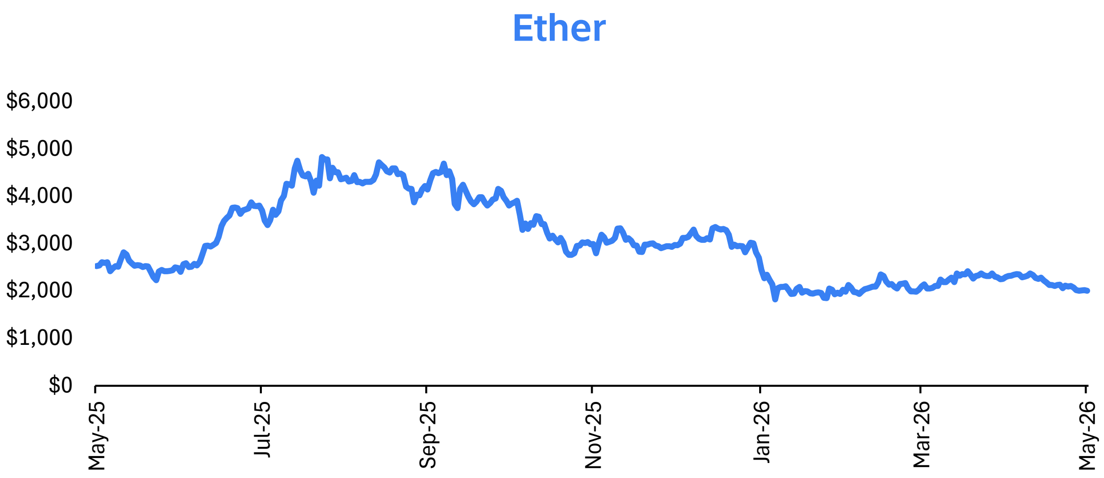
Performance

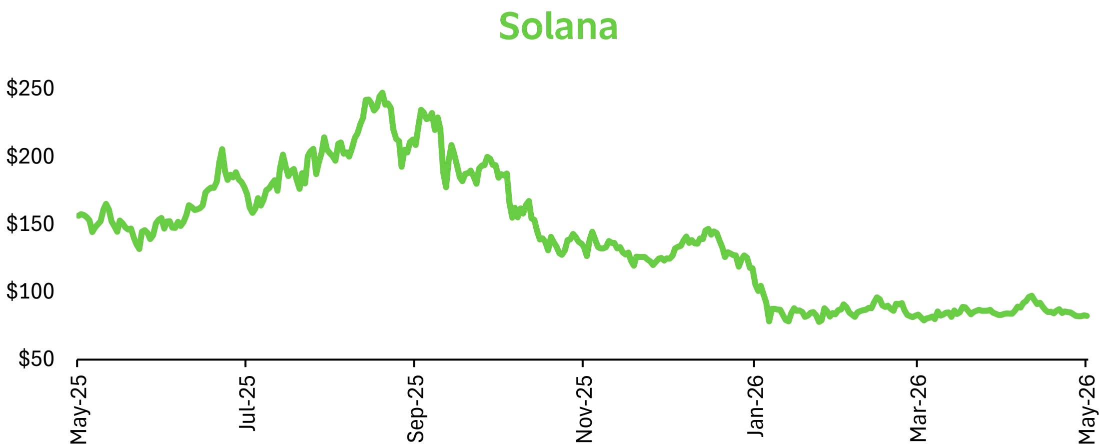
Investment Strategy Monthly, June 2026, as of 5/31/2026





Historical Asset Performance

Asset	1-Month	3-Month	YTD	1-year	2025	Closing Price May 2026	Closing Price April 2026
Bitcoin	-3.59%	9.83%	-15.92%	-29.70%	-6.27%	$73,568	$76,306
Ether	-11.19%	1.99%	-32.46%	-20.76%	-10.91%	$2,004	$2,257
Solana	-0.78%	-2.28%	-33.86%	-47.31%	-34.09%	$82	$83



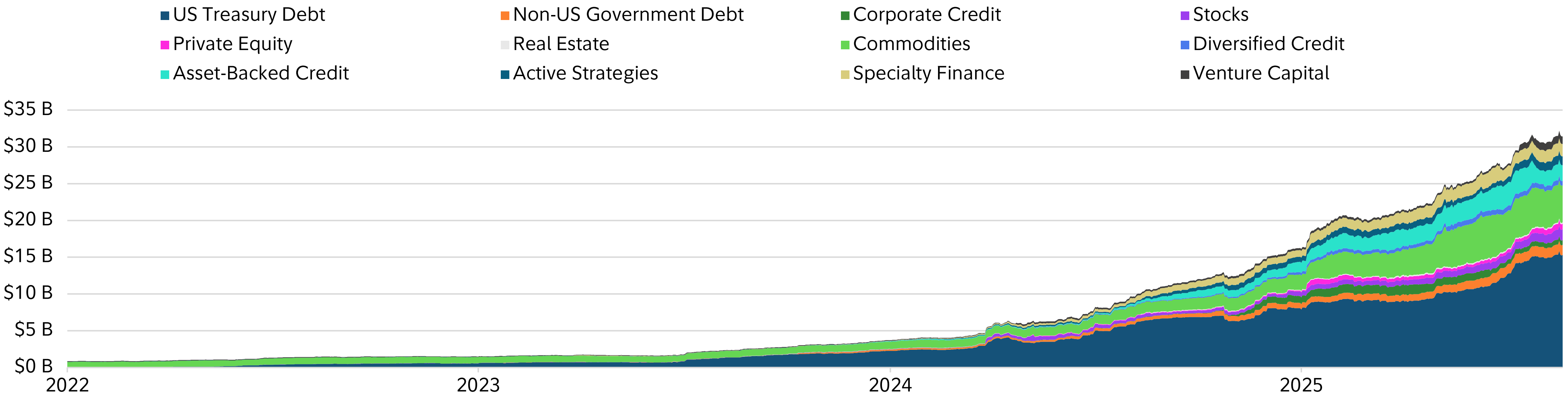
Source: Coin Metrics, as of 5/31/2026. • **Past performance is no guarantee of future results.**

 Intended for investment professionals.

Market commentary

Investment Strategy Monthly, June 2026, as of 5/14/2026

Total Real World Asset Value – On-Chain



- One of the major themes in digital assets over the last few years has been the concept of tokenization of real-world assets. This involves taking what an investor would call a "traditional" asset and bringing it into a blockchain environment for record keeping and settlement.
- We believe that blockchain-based markets may allow assets managers to build upon the utilities introduced by existing product structures while also enabling 24/7 liquidity, programmability, global distribution, and a reduction of intermediation, risk, and costs.
- There are many nuances to how an asset becomes tokenized by the issuer or another intermediary. We are still waiting on more regulatory clarity on how these assets will be treated, and if there are any preferred standardized practices of bringing them to market.
- To date, there has been a wide variety of assets tokenized by both traditional institutions and crypto native corporations. Despite the breadth of asset types, the majority's share of tokenized assets sit within tokenized money market products today. These products have demonstrated the clearest product market fit to date other than U.S. dollar stablecoins.
- As discussed in prior iterations of this report, much of this tokenization activity occurs on public blockchains such as Ethereum and Solana (amongst others). Investors should note that while there is a growing consensus on the importance and staying power of tokenization, there has yet to be a clear economic benefit of value accrual to the respective tokens of those networks.

Source: RWA.xyz as of 5/14/2026. • **Past performance is no guarantee of future results.**

Market commentary

Investment Strategy Monthly, June 2026, as of 6/07/2026

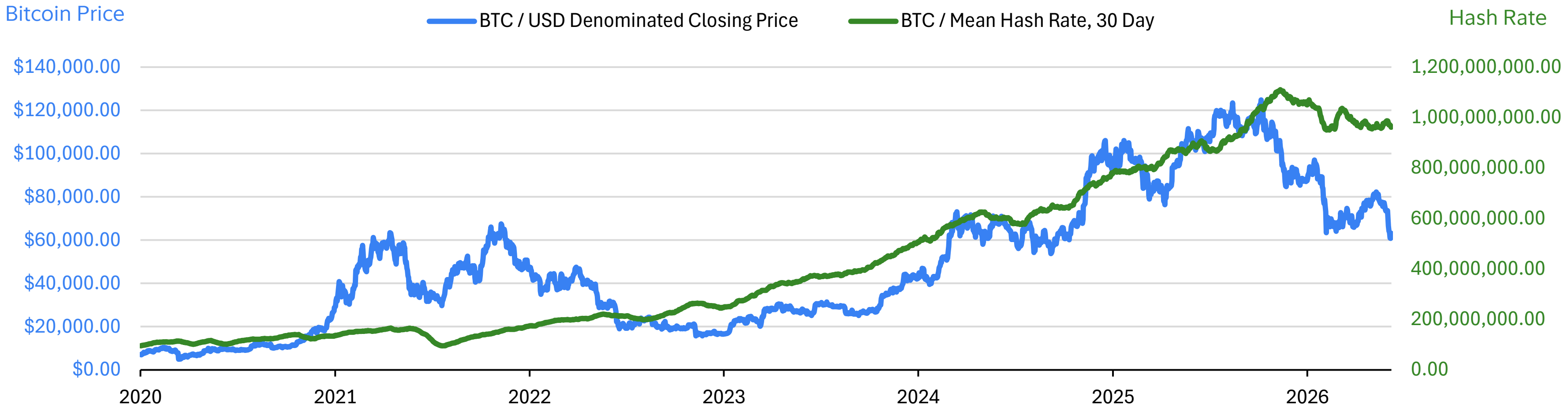
ASICs

Application specific integrated circuits. This is the hardware used by bitcoin miners.

Difficulty Adjustment

The measure of how difficult it is for miners to mine a block. The difficulty adjustment takes place about every two weeks (or 2016 blocks) and increases or decreases based upon the speed at which miners are adding new blocks to the bitcoin blockchain.

The Decline in Bitcoin's Hash Rate



- The Bitcoin network utilizes a proof of work consensus mechanism where entities known as bitcoin miners engage in an energy intensive process to add new blocks of bitcoin transactions to the Bitcoin blockchain or ledger. These miners are rewarded for doing so with newly issued bitcoins and transactions fees paid by Bitcoin network users to inscribe transactions on the Bitcoin blockchain or ledger.
- The Bitcoin network hash rate measures the cumulative amount of proof of work activity or compute power which requires electricity being undertaken by bitcoin miners used to secure the blockchain or ledger.
- As seen in the chart, the Bitcoin network hash rate has declined in tandem with the price of bitcoin since the fall of 2025 when the price of bitcoin most recently peaked.
- In 2022, the Bitcoin network hash rate continued to increase despite the price of bitcoin declining by more than 60% in the year.
- The divergence noted above may be driven by several idiosyncratic factors, including the continued decline in the bitcoin block subsidy rewarded to miners and reduced access to capital markets. This has limited bitcoin miners' ability to forward deploy hash rate compared to the conditions available in 2020 and 2021.
- Additionally, many bitcoin miners have been reallocating their electricity assets towards AI datacenters. This trend is particularly noticeable amongst the largest bitcoin miners who have improved their access to capital markets. A reversal in this trend may be driven by several factors, including a potential recovery in bitcoin's price momentum, a continued decline in the price of ASICs used by bitcoin miners, and downward adjustments in bitcoin mining difficulty.

Source: Coin Metrics as of 6/07/2026. • **Past performance is no guarantee of future results.**

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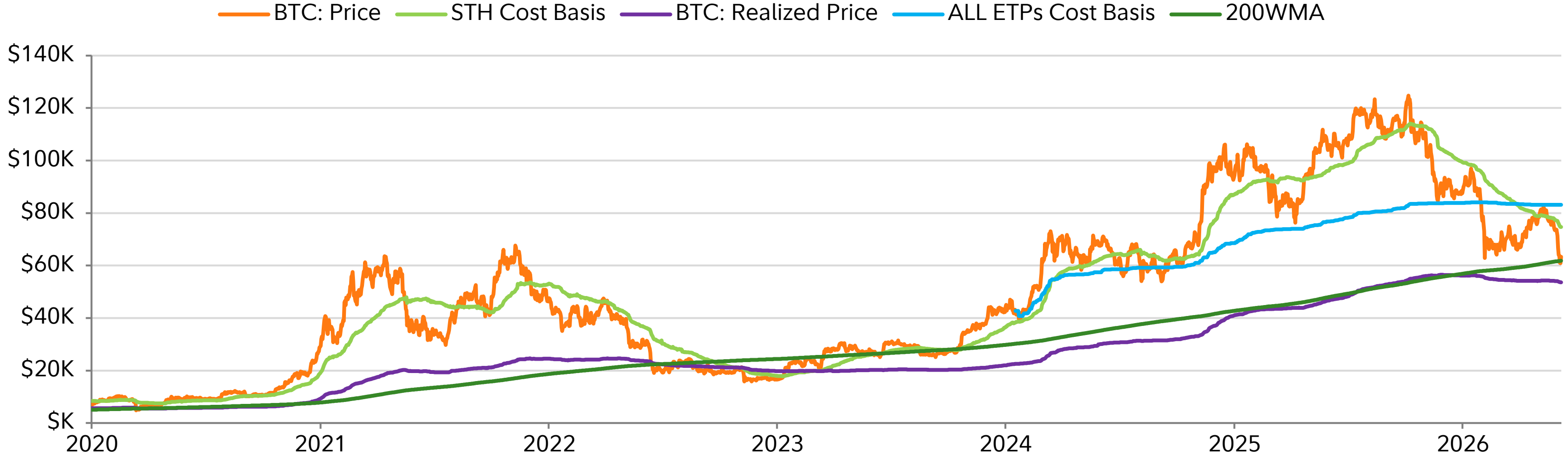
STH Cost Basis

This measurement represents the average price at which short-term holders, often less than 155 days, acquired their bitcoin, as measured by the movement of bitcoin between addresses on chain.

Realized Price

Reflects the average on-chain acquisition price for the entire coin supply.

Bitcoin's Setup in June 2026



- In May of 2026, bitcoin briefly traded above $82k but ultimately struggled to sustain a rally through the STH cost basis level for the second time this year.
- In reaction to stronger than expected unemployment data on June 5th, financial markets experienced broad selling across both equities and fixed income. The U.S. Dollar Index (DXY) rallied in response to the data. Digital assets, including bitcoin, were not immune to this reaction.
- Bitcoin experienced another liquidation event on June 5th. This was similar in nature to the price action observed in October 2025 and February 2026 when bitcoin's price first traded below the All ETPs Cost Basis level. Bitcoin has now traded below its 200-week moving average level for the first time since late 2023.
- Key themes underpinning this sustained period of weakness in bitcoin include unprecedented long-term holder selling throughout 2024 and 2025, bitcoin's inability to attract new capital at the same pace as AI-related investments, and bitcoin's correlation with the DXY index reverting to a more consistent regime.
- Investors may be disappointed by bitcoin's challenges to rally beyond the STH Cost Basis. However, this outcome aligns with expectations that it may take time for bitcoin to break out of this market regime, requiring investors to remain patient.
- Looking ahead to the summer, investors will likely want to monitor how bitcoin's price responds when reaching 200 WMA or potentially even the realized price, which sits around the $53k level. Through 2026, bitcoin's realized price has declined, indicating a period of sustained poor price performance.

Current data points for the metrics displayed above:	Date	BTC: Price	STH Cost Basis	ALL ETPs Cost Basis	200WMA	Realized Price
	06/07/2026	$63,290	$76,686	$83,082	$61,816	$53,638

Source: Glassnode, as of 6/07/26. • **Past performance is no guarantee of future results.**

Digital Asset Strategist outlook

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Digital Asset Strategist

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Digital Asset Strategist

- The approval of spot bitcoin ETPs in 2024 brought a **reduction in the complexity around "how" to invest in bitcoin** for many investor segments, especially with bitcoin breaking the psychological milestone of $100K. In 2025, investors in digital assets were disappointed by bitcoin's returns compared to other asset classes. **Beneath the surface of price there is growing evidence of a change in cohort of bitcoin ownership, particularly with the approval of bitcoin ETPs across large wealth management platforms.** Simultaneously, these products and their related derivatives are impacting bitcoin's market structure.
- Historically, bitcoin and digital asset markets have followed four-year cycles, which many investors have concluded are predicated by the bitcoin halving events. **As the market cap of this asset class has grown, different factors could impact bitcoin's price going forward.** In 2025, bitcoin experienced the smallest price move in either direction over a calendar year by a significant margin. **Whether 2026 ultimately marks a permanent break from the historically observed four-year cycle remains an open question.**
- **Digital asset markets have shifted their attention to the market structure bill (CLARITY Act) moving through the U.S. Congress. The bill was advanced by the Senate Banking Committee and now awaits a full U.S. Senate vote.** This bill hopes to clarify issues such as regulatory oversight, classification of digital assets, registration rules for businesses and more.
- We will also monitor traditional financial institutions choosing to participate in **tokenization and stablecoin adoption.** These two topics are becoming key initiatives across the traditional finance landscape, with the activity primarily **settling on blockchain networks like Ethereum and Solana**.
- Bitcoin and digital assets broadly experienced a disappointing Q4 2025 following the October 2025 liquidation event. **Bitcoin then subsequently fell below the ETP Holder Cost Basis which served as a key area of support through 2024 and 2025.** In May 2026, bitcoin failed to flip both the **STH Cost Basis and the All ETP Cost Basis** from resistance into support and, in early June, **traded below the 200-Week Moving Average** for the first time since 2023. Looking ahead to the summer months, investors remain focused on macro conditions, while concerns continue to linger in the background over CPI inflation persisting above the Federal Reserve's 2% target.

Long Term Outlook

Aspiring Store of Value & Macro Asset	Digitization of Financial Ecosystem	Generational Adoption Trends
Bitcoin is an emerging asset/technology which possesses a unique set of properties, combining the adoption curve of a disruptive technology with characteristics of a commodity (non-sovereign, fixed supply).	Blockchain networks and technology are enabling more efficient and quicker ways of settling transactions through technologies such as stablecoins and tokenized real-world assets.	Millennial and Gen Z investors report a native preference for interacting with and owning digital assets, according to Bank of America's survey of HNW investors. Cryptocurrency, on average, makes up 14% of portfolios of 21–43 year-old HNW investors.*

*The 2024 Bank of America Private Bank Study of Wealth Americans consisted of an online survey fielded January–February 2024 with 1,007 U.S. high-net-worth respondents**. Past performance is no guarantee of future results**. Views presented are as of 5/31/2026. Statements and opinions are subject to change at any time, based on markets and other conditions.

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Spot crypto ETPs (are for investors with a high risk tolerance and invest in a single cryptocurrency, which are highly volatile and could become illiquid. Investors could lose their entire investment.

Spot crypto ETPs are not investment companies registered under the Investment Company Act of 1940 (the "1940 Act") nor are they commodity pools under the Commodity Exchange Act of 1936 (the "CEA"). As a result, shareholders of spot crypto ETPs do not have the protections associated with ownership of shares in a registered investment company nor are shareholders afforded the protections of investing in an CEA-regulated instrument or commodity pool.

Digital assets are highly volatile, and their market movements are very difficult to predict. Various market forces may impact their value including, but not limited to, supply and demand, investors' faith and their willingness to purchase it using traditional currencies, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates, an evolving legislative and regulatory environment in the U.S. and abroad, and other economic trends. Investors also face other risks, including significant and negative price swings, flash crashes, and fraud and cybersecurity risks. Digital assets may also be more susceptible to market manipulation than securities. Digital assets are not insured by the Federal Deposit Insurance Corporation (FDIC) or protected by the Securities Investor Protection Corporation (SIPC).

The performance of each fund or funds will not reflect the specific return an investor would realize if the investor actually purchased cryptocurrency. Investors in either fund will not have any rights that cryptocurrency holders have and will not have the right to receive any redemption proceeds in the underlying cryptocurrency.

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