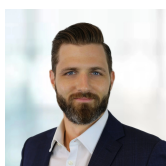


## STRATEGY ADDS TO USD RESERVE, IMMEDIATE TAILSPIN RISK EASES, BUT DEMAND-SIDE CONCERNS PERSIST



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HEAD OF DIGITAL ASSET STRATEGY



- **Short-Covering Rally Drives Weekend Bounce:** Crypto stabilized over the weekend following last week's sharp selloff. Importantly, the bounce appears to have been driven primarily by derivatives positioning rather than compelling spot demand. Roughly \$1.4B of perpetual futures open interest rolled off on Sunday, resulting in an estimated ~\$150M of BTC short liquidations. Funding and open interest data suggest that much of the move was driven by short covering rather

than fresh long positioning. While constructive in the immediate term, this type of rally tends to be less durable than one supported by spot demand.



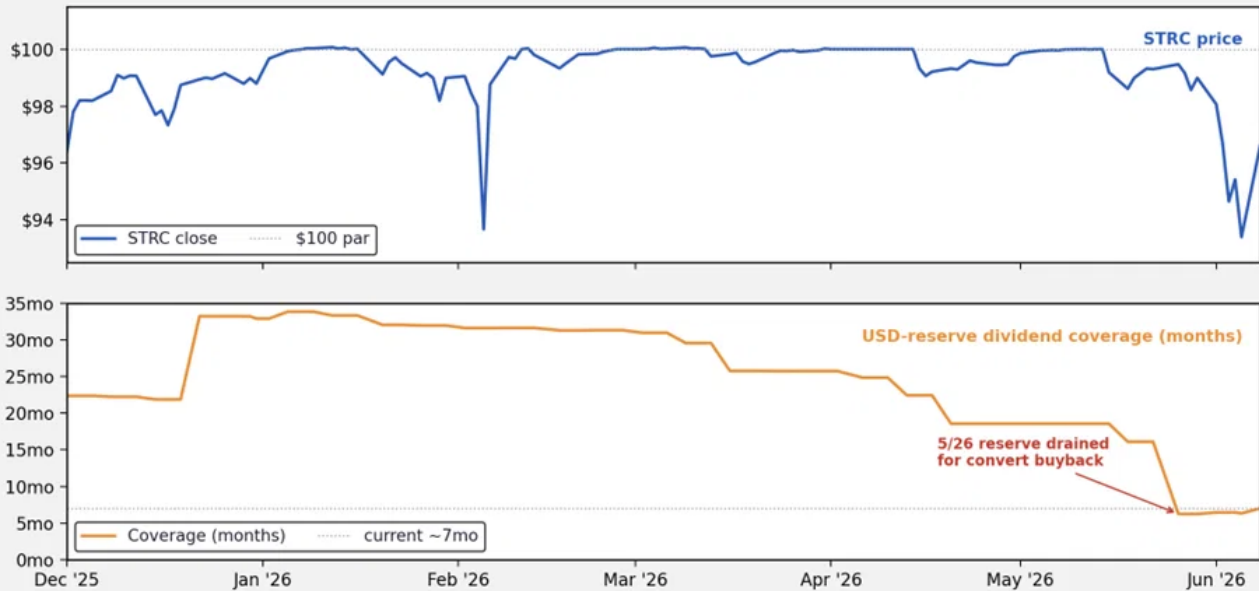
Source: Velo.xyz

- Strategy's Latest 8-K Removes Immediate Tailspin Risk:** The most important development today was Strategy's latest 8-K filing. The company disclosed that it issued approximately \$181M of common stock last week, using roughly \$101M to purchase BTC and approximately \$100M to replenish the USD reserve. While the figures do not reconcile perfectly due to settlement timing, the broader takeaway is that Strategy has resumed rebuilding the reserve while continuing to acquire BTC. In my view, this meaningfully reduces the risk of the recursive tailspin scenario that many investors had become concerned about over the past two weeks.
- Reserve Rebuild Helps, But Coverage Remains Thin:** Despite the reserve replenishment, the broader setup remains less supportive than it was earlier this year. The USD reserve now stands at roughly \$1B, translating to approximately seven months of dividend coverage. While this is an improvement from last week's levels, it remains well below the ~12-month threshold that I believe would restore investor confidence in the preferred structure. As a result, it remains difficult to

envision a substantial acceleration in STRC-driven BTC demand over the immediate term.

**STRC Price vs. USD-Reserve Dividend Coverage**

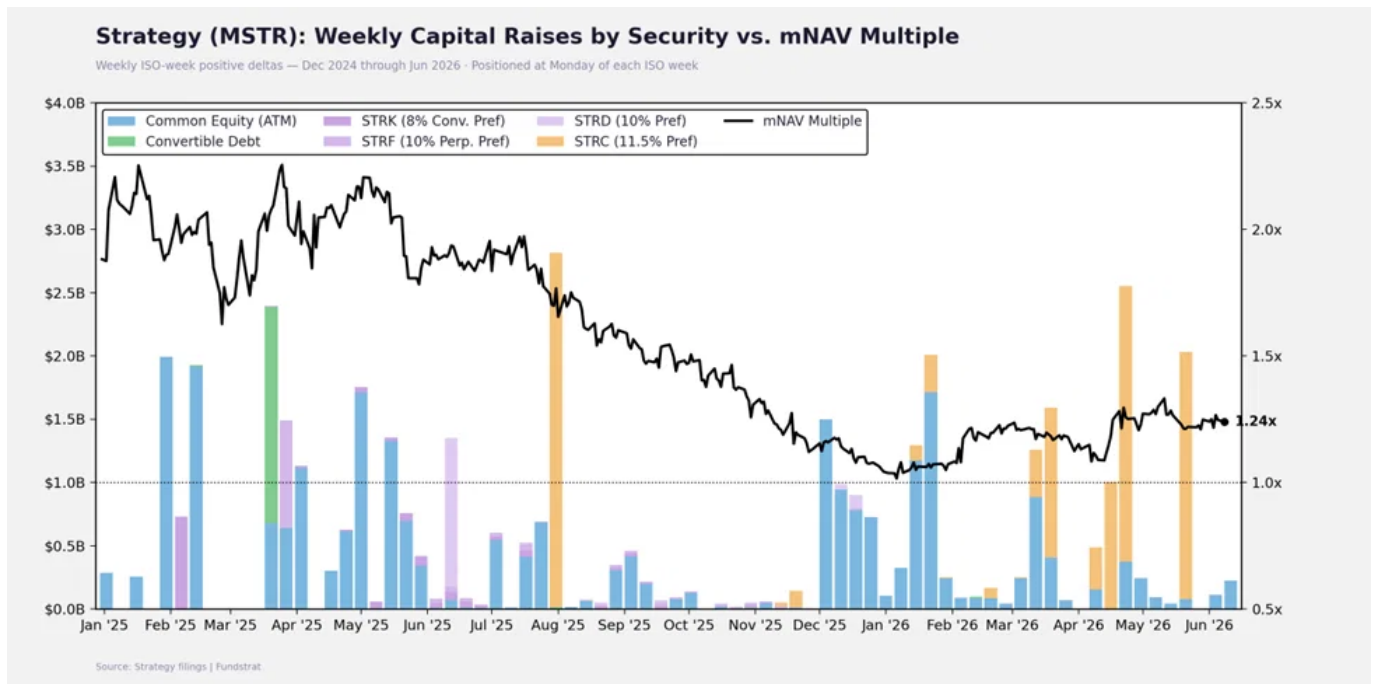
Daily, Dec 2025 - Jun 8 2026 | STRC held par while coverage fell ~33mo -> 7mo | daily-change r=0.04 (no relationship)



Source: STRC (BATS) & Strategy credit dashboard | Fundstrat

Source: MSTR Filings, Fundstrat

- **MSTR's NAV Premium Creates an Important Watch Level:** One nuance worth highlighting is that Strategy's ability to issue accretive common stock is no longer simply a function of trading above 1.0x NAV. Based on management's framework and the current capital structure, common issuance becomes meaningfully less attractive as MSTR approaches roughly 1.22x NAV. While the stock currently remains above that threshold, investors should monitor it closely, as a sustained move below that level could create renewed concerns around the durability of the Strategy flywheel.



Source: MSTR Filings, Fundstrat

- Semi-Monthly Dividends Are Incrementally Positive:** Strategy's board also approved moving STRC dividend payments from monthly to semi-monthly. While this change is unlikely to materially impact demand in the immediate term, it should improve the product's flexibility over time. More frequent dividend adjustments allow management to respond faster to market conditions and may ultimately contribute to a steadier flow profile if demand recovers later this year.
- CPI Represents the Next Major Catalyst:** Looking ahead, Wednesday's CPI report is likely the next significant macro catalyst. Consensus expectations call for a relatively firm headline print but a cooler month-over-month core reading than last month's 0.38% increase. Given how hawkish rate expectations have become in recent weeks, there may be some downside risk to markets if core inflation comes in hotter than expected.
- Bottom Line:** Today's filing meaningfully reduces the immediate risk of a Strategy-related tailspin and helps stabilize one of the market's largest sources of uncertainty. However, reserve coverage remains below levels that would likely reignite substantial STRC demand, and it remains difficult to identify a meaningful near-term source of BTC buying pressure. As a result, I continue to favor patience

on the majors while looking to Wednesday's CPI report as the next major catalyst for crypto markets.

**Crypto Equities Portfolio - June 8, 2026**

Ticker	Date of Latest Rebalance	Weight at Latest Rebalance	Subsector/Theme	Subsector/Theme	Date Added	Current Price	30-Day Return	90-Day Return	YTD Return
MSTR	6/4/26	1%	DAT	BTC	5/2/24	127.20	-32%	-8%	-16%
PURR	6/4/26	4%	DAT	HYPE	9/12/25	8.92	33%	67%	104%
COIN	6/4/26	1%	Financial Services	Super App	6/30/23	162.11	-19%	-18%	-28%
HOOD	6/4/26	2%	Financial Services	Super App	6/6/24	85.04	10%	8%	-25%
BTGO	6/4/26	2%	Financial Services	Infrastructure	1/23/26	5.48	-56%	-54%	-62%
CRCL	6/4/26	2%	Financial Services	Stablecoins	6/5/25	82.53	-27%	-30%	4%
GLXY	6/4/26	3%	Financial Services	AI Compute	1/14/25	30.51	1%	40%	36%
CLSK	6/4/26	1%	BTC Mining	AI Compute	4/5/24	16.52	16%	72%	63%
WULF	6/4/26	1%	BTC Mining	AI Compute	6/6/24	25.86	11%	80%	125%
IREN	6/4/26	1%	BTC Mining	AI Compute	6/6/24	59.19	-3%	55%	57%
BTDR	6/4/26	1%	BTC Mining	AI Compute	6/6/24	18.49	37%	143%	65%
HUT	6/4/26	1%	BTC Mining	AI Compute	6/6/24	119.60	21%	143%	160%
HIVE	6/4/26	1%	BTC Mining	AI Compute	6/6/24	3.96	40%	91%	53%
KEEL	6/4/26	1%	BTC Mining	AI Compute	1/14/25	5.66	43%	162%	141%
CORZ	6/4/26	1%	BTC Mining	AI Compute	11/19/25	27.15	18%	76%	86%
CIFR	6/4/26	1%	BTC Mining	AI Compute	1/14/25	24.29	18%	74%	65%
RIOT	6/4/26	1%	BTC Mining	AI Compute	6/30/23	25.69	7%	75%	103%
MARA	6/4/26	1%	BTC Mining	AI Compute	6/30/23	13.78	6%	61%	53%
GSOL	6/4/26	2%	Spot Token	SOL	11/19/25	5.06	-27%	-21%	-44%
ETHA	6/4/26	5%	Spot Token	ETH	8/8/25	12.72	-27%	-17%	-43%
BITB	6/4/26	18%	Spot Token	BTC	8/1/25	34.40	-21%	-10%	-28%
Cash	6/4/26	49%	Cash	Cash	11/12/25	1.00	0%	0%	0%

**Returns**

	Since Portfolio Inception (6/22/23)	YTD
BTC	112%	-28%
ETH	-10%	-43%
S&P 500	69%	8%
<b>Crypto Equities Portfolio</b>	<b>246%</b>	<b>3%</b>

Source: Artemis, Bloomberg, Fundstrat

**Core Strategy Portfolio - June 8, 2026**

Ticker	Latest Rebalance	Last Rebalance Weight	Token Class	Sector	Current Price	30-Day Return	90-Day Return	YTD Return
BTC	6/4/26	40.0%	BTC	Currency	63,357	-21%	-9%	-28%
ETH	6/4/26	7.0%	Alt. Major	SCP	1,687	-27%	-17%	-43%
SOL	6/4/26	3.0%	Alt. Major	SCP	67	-28%	-22%	-46%
HYPE	6/4/26	5.0%	Altcoin	DeFi	64	48%	87%	150%
USDC	6/4/26	45.0%	Stablecoin	Cash	1.00	0%	0%	0%

**Returns**

	ITD (1/16/2023)	YTD
BTC	204%	-28%
ETH	9%	-43%
S&P 500	85%	8%
<b>Core Strategy Portfolio</b>	<b>182%</b>	<b>-9%</b>

Source: Artemis, Bloomberg, Fundstrat

Tickers in this video: #BTC \$STRC \$MSTR

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