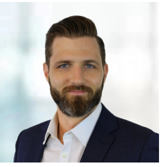
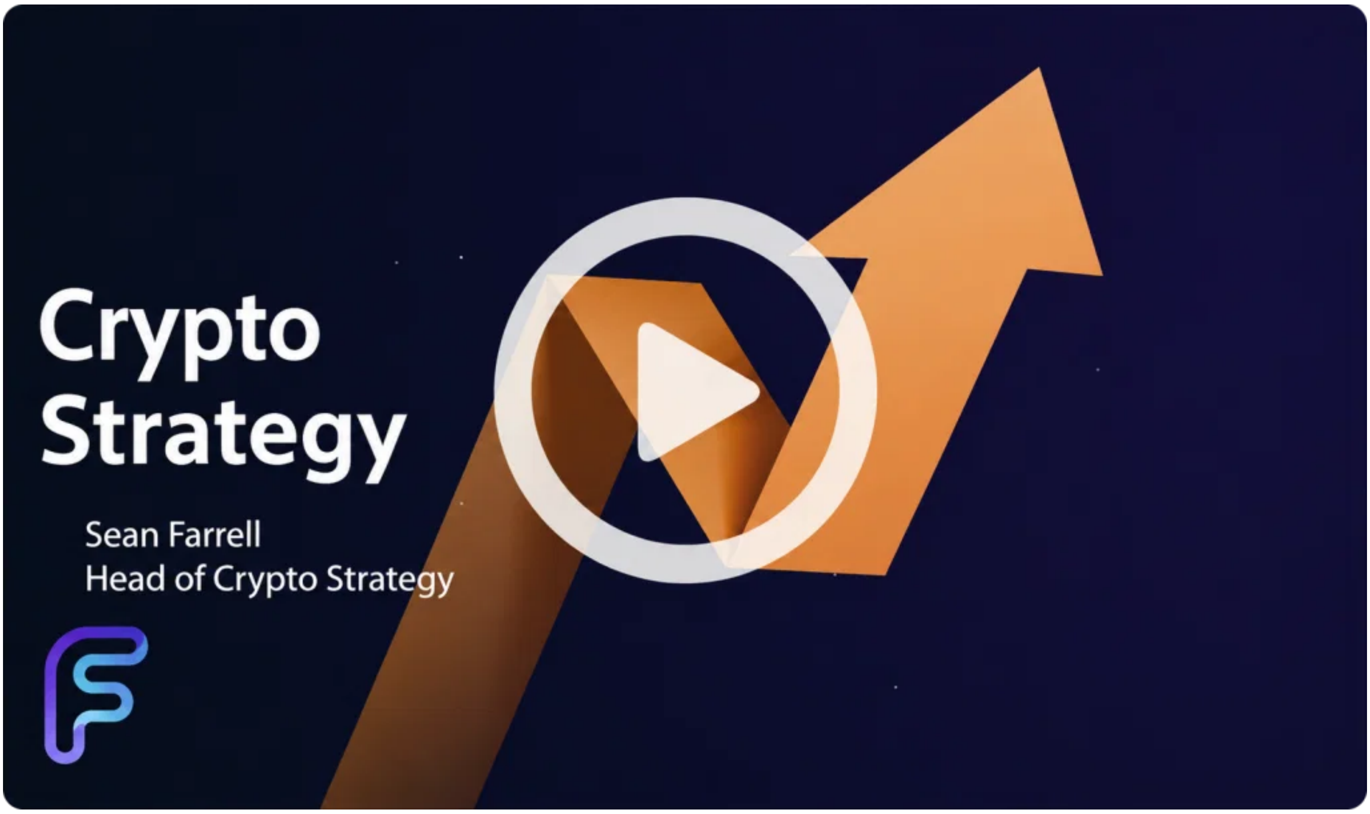
Digital Assets - Comments

June 30, 2026

CRYPTO FAILS TO PARTICIPATE AS STRATEGY SUPPLY OVERHANG PERSISTS, CIRCLE'S GROWTH ASSUMPTIONS DESERVE A RESET (PORTFOLIO REBALANCE)



Sean Farrell AC
HEAD OF DIGITAL ASSET STRATEGY



- **Crypto Reverses Despite Strength in Tech:** Crypto gave back most of yesterday's gains today, with the selloff beginning overnight and continuing into the U.S. session. The inability for the market to stage a rebound on a day when QQQ and SPX were both higher, suggests the Strategy-related supply overhang remains a meaningful drag on both sentiment and flows.

- **Strategy Supply Overhang Still Weighing on BTC:** Yesterday's Strategy 8-K formalized BTC as a potential funding source for balance sheet repair, preferred dividends, and repurchases. While the removal of acute recursive tail risk was positive, the market now has to digest the possibility that Strategy becomes a source of BTC supply rather than incremental demand in the near term. This does not mean BTC necessarily needs to move materially lower, but it does help explain why investors may be reluctant to step in aggressively ahead of potential supply. The good news is that STRC traded higher today. The higher this trades the closer MSTR's balanced sheet is to being "repaired."
- **JOLTS Is a Point for the Hawks, But Labor Market Still Mixed:** Today's JOLTS report came in above expectations, which is a good sign for the economy and incrementally hawkish ahead of Thursday's payrolls report. That said, I think the broader labor market picture remains mixed. Hires have not meaningfully accelerated alongside the rebound in openings, layoffs remain subdued, and job openings per unemployed worker remain near 1. Still, for rates markets, the headline JOLTS beat is marginally hawkish.
- **OpenUSD Creates a New Competitive Threat for Circle:** The most important company-specific development today was the launch announcement of Open USD (OUSD), a consortium-backed stablecoin designed for global money movement. The product is built around several features that directly challenge Circle's model: no fees to mint or redeem, distribution of reserve income to participating partners, and governance by the consortium itself. The partner list includes several major technology, fintech, and crypto firms, creating meaningful built-in distribution if execution proves successful.
- **Circle's Growth Assumptions Now Deserve a Reset:** Circle's valuation remains highly sensitive to long-term USDC growth assumptions. Management's implied 40% CAGR target already required a fairly optimistic view of stablecoin adoption and Circle's ability to capture that growth. OpenUSD does not need to win the entire market to matter. It only needs to reduce confidence in Circle's ability to maintain share and economics. That is particularly important because the emergence of a zero-fee, reserve-sharing consortium model calls into question

whether a pure-play stablecoin issuer can sustain attractive public-market economics over time.

- **Execution Risk Exists, But Risk/Reward Has Deteriorated:** To be clear, Open USD has not launched yet, and consortium models carry real execution risk. Circle still has meaningful advantages, including liquidity, distribution, DeFi integration, and brand trust. However, the risk/reward has become less compelling. The stock may retain optionality tied to agentic payments and AI-native settlement, but several OpenUSD consortium members are likely pursuing similar offerings. As a result, I am removing CRCL from the crypto equities portfolio for now while keeping it on the watch list.
- **Portfolio Changes:** Within the crypto equities portfolio, I removed CRCL and raised cash to just over 50%. Given the divergence between the equity portfolio's cash allocation and the token portfolio, as well as the continued flow-related headwinds discussed above, I also reduced BTC exposure by 5% and moved those proceeds into USDC. This brings the token portfolio back to roughly 50% cash and better aligns risk exposure across both portfolios.
- **Bottom Line:** Crypto's failure to participate in today's tech-led rally supports the idea that Strategy-related supply concerns remain a meaningful near-term headwind. OpenUSD also materially complicates Circle's long-term competitive outlook and, in my view, warrants a more conservative stance on the stock until its competitive impact becomes clearer. As we enter a new quarter, I continue to think patience remains the appropriate posture. Maintaining additional dry powder across both portfolios should leave us well positioned to capitalize on opportunities as they arise.

Crypto Equities Portfolio - June 30, 2026

Ticker	Date of Latest Rebalance	Weight at Latest Rebalance	Subsector/Theme	Subsector/Theme	Current Price	30-Day Return	90-Day Return	YTD Return	Change from Prior Rebalance
MSTR	6/30/26	1.0%	DAT	BTC	86.93	-45%	-29%	-43%	0.0%
PURR	6/30/26	3.6%	DAT	HYPE	7.87	-21%	53%	80%	0.0%
COIN	6/30/26	1.0%	Financial Services	Super App	146.19	-23%	-15%	-35%	0.0%
HOOD	6/30/26	2.0%	Financial Services	Super App	100.28	6%	43%	-11%	0.0%
BTGO	6/30/26	2.0%	Financial Services	Infrastructure	5.18	-14%	-38%	-64%	0.0%
CRCL	6/30/26	0.0%	Financial Services	Stablecoins	62.63	-45%	-31%	-21%	-2.0%
GLXY	6/30/26	3.0%	Financial Services	AI Compute	27.34	-8%	57%	22%	0.0%
CLSK	6/30/26	1.0%	BTC Mining	AI Compute	14.55	-20%	69%	44%	0.0%
WULF	6/30/26	1.0%	BTC Mining	AI Compute	24.70	-3%	71%	115%	0.0%
IREN	6/30/26	1.0%	BTC Mining	AI Compute	45.73	-28%	34%	21%	0.0%
BTDR	6/30/26	1.0%	BTC Mining	AI Compute	15.87	-9%	70%	42%	0.0%
HUT	6/30/26	1.0%	BTC Mining	AI Compute	115.45	-8%	144%	151%	0.0%
HIVE	6/30/26	1.0%	BTC Mining	AI Compute	3.64	-19%	93%	41%	0.0%
KEEL	6/30/26	1.0%	BTC Mining	AI Compute	5.74	1%	190%	144%	0.0%
CORZ	6/30/26	1.0%	BTC Mining	AI Compute	25.59	-5%	67%	76%	0.0%
CIFR	6/30/26	1.0%	BTC Mining	AI Compute	24.50	4%	94%	66%	0.0%
RIOT	6/30/26	1.0%	BTC Mining	AI Compute	27.38	1%	118%	116%	0.0%
MARA	6/30/26	1.0%	BTC Mining	AI Compute	13.89	-3%	73%	55%	0.0%
GSOL	6/30/26	2.2%	Spot Token	SOL	5.53	-10%	-11%	-39%	0.0%
ETHA	6/30/26	5.0%	Spot Token	ETH	11.89	-22%	-26%	-47%	0.0%
BITB	6/30/26	18.2%	Spot Token	BTC	31.86	-20%	-14%	-33%	0.0%
Cash	6/30/26	51.1%	Cash	Cash	1.00	0%	0%	0%	2.0%

Returns

	Since Portfolio Inception (6/22/23)	YTD
BTC	120%	-25%
ETH	-4%	-39%
S&P 500	68%	7%
Crypto Equities Portfolio	**234%**	**0%**

Source: Artemis, Bloomberg, Fundstrat

Core Strategy Portfolio - June 30, 2026									
Ticker	Latest Rebalance	Last Rebalance Weight	Token Class	Sector	Current Price	30-Day Return	90-Day Return	YTD Return	Change
BTC	6/30/26	35.0%	BTC	Currency	58,567	-16%	-9%	-29%	-5.0%
ETH	6/30/26	7.0%	Alt. Major	SCP	1,569	-18%	-23%	-45%	0.0%
SOL	6/30/26	3.0%	Alt. Major	SCP	73	-21%	-20%	-48%	0.0%
HYPE	6/30/26	5.0%	Altcoin	DeFi	65	-20%	61%	128%	0.0%
USDC	6/30/26	50.0%	Stablecoin	Cash	1.00	0%	0%	0%	5.0%

Returns	ITD (1/16/2023)	YTD
BTC	196%	-29%
ETH	6%	-45%
S&P 500	84%	7%
Core Strategy Portfolio	**173%**	**-12%**

Source: Artemis, Bloomberg, Fundstrat

Tickers in this video: #BTC #USDC $STRC $MSTR $CRCL $QQQ $SPX

Disclosures

This research is for the clients of Fundstrat Global Advisors only. For additional information, please contact your sales representative or Fundstrat Global Advisors at 150 East 52nd Street, New York, NY, 10022 USA.

Analyst Certification (Reg AC)

Sean Farrell, the research analyst denoted by an “AC” on the cover of this report, hereby certifies that all of the views expressed in this report accurately reflect his personal views, which have not been influenced by considerations of the firm’s business or client relationships. Neither I, nor a member of my household is an officer, director, or advisory board member of the issuer(s) or has another significant affiliation with the issuer(s) that is/are the subject of this research report. There is a possibility that we will from time to time have long or short positions in, and buy or sell, the securities or derivatives, if any, referred to in this research.

Conflicts of Interest

This research contains the views, opinions and recommendations of Fundstrat. At the time of publication of this report, Fundstrat does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

Fundstrat Global Advisors is an independent research company and is not a registered investment advisor and is not acting as a broker-dealer under any federal or state securities laws.

Fundstrat Global Advisors is a member of IRC Securities’ Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of Fundstrat (i.e., Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by Fundstrat clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of Fundstrat, which is available to select institutional clients that have engaged Fundstrat.

As registered representatives of IRC Securities, our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

Fundstrat does not have the same conflicts that traditional sell-side research organizations have because Fundstrat (1) does not conduct any investment banking activities, (2) does not manage any investment funds, and (3) our clients are only institutional investors.

This research is for the clients of Fundstrat Global Advisors only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but Fundstrat Global Advisors does not warrant its completeness or accuracy except with respect to any disclosures relative to Fundstrat and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies.

The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein.

Except in circumstances where Fundstrat expressly agrees otherwise in writing, Fundstrat is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, fundstrat.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.