Digital Assets - Comments

July 6, 2026

# STRONG REVERSAL ON STRATEGY NEWS INCREASES ODDS THIS BOUNCE EXTENDS, ADDING RISK TO BOTH PORTFOLIOS (PORTFOLIO REBALANCE)

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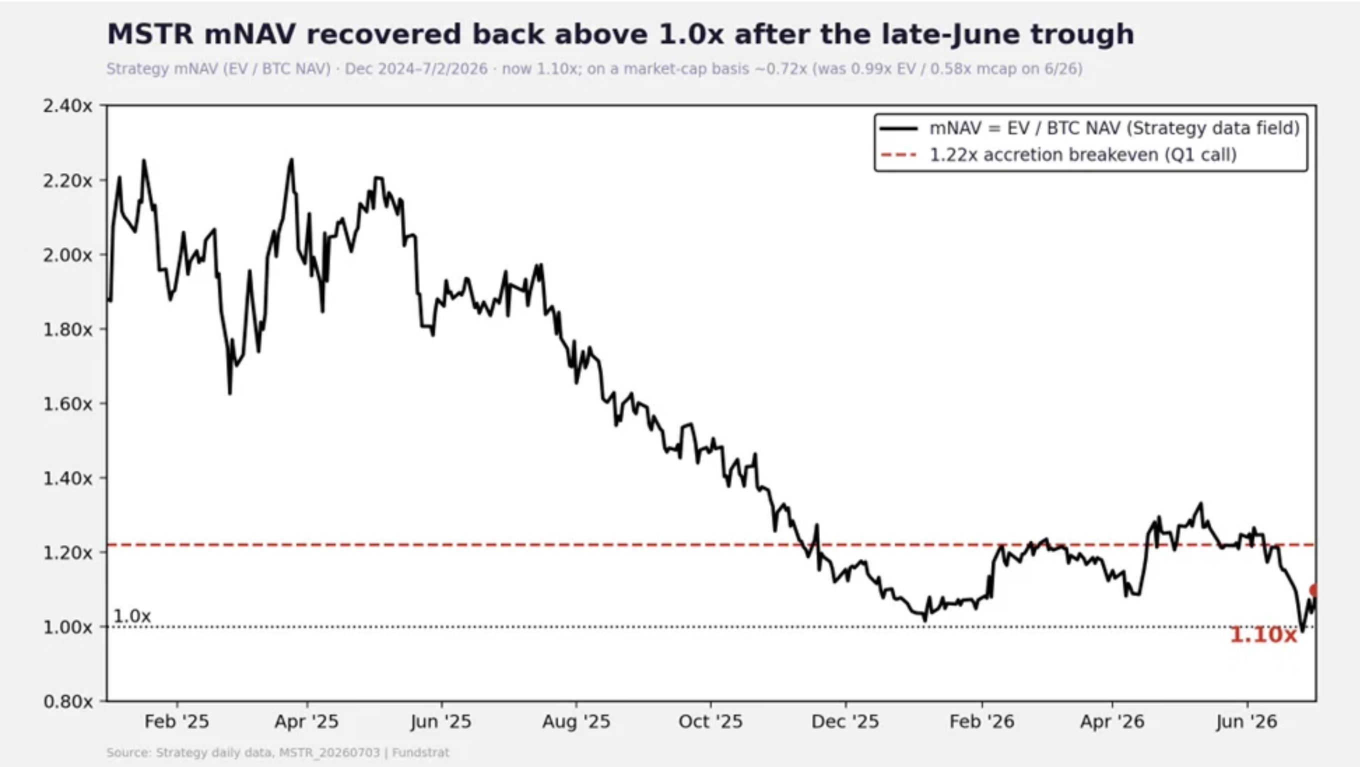
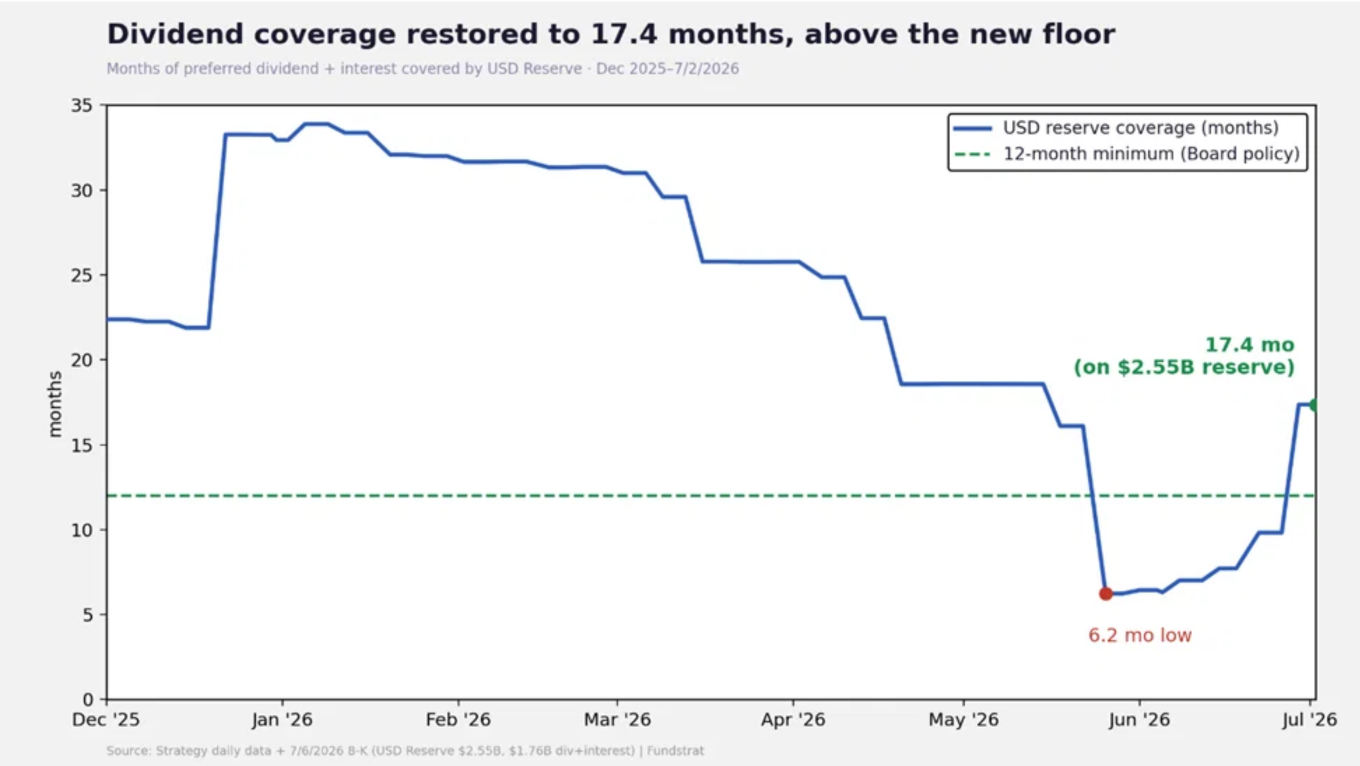
**Strategy's 8-K Was Mixed, But Price Action Was More Important Than the Headlines:** The biggest news today was Strategy's latest 8-K, which confirmed the company sold roughly $216M of BTC last week to fund STRC dividends. The initial market reaction was understandably negative. Strategy was once viewed as a perpetual buyer of BTC, and today's filing further reinforces that BTC has become a funding source within the capital structure. In addition, many investors (including myself) expected the company to lean more heavily on common stock issuance following last week's rebound in MSTR rather than immediately selling BTC, given MSTR traded well above mNAV last week.



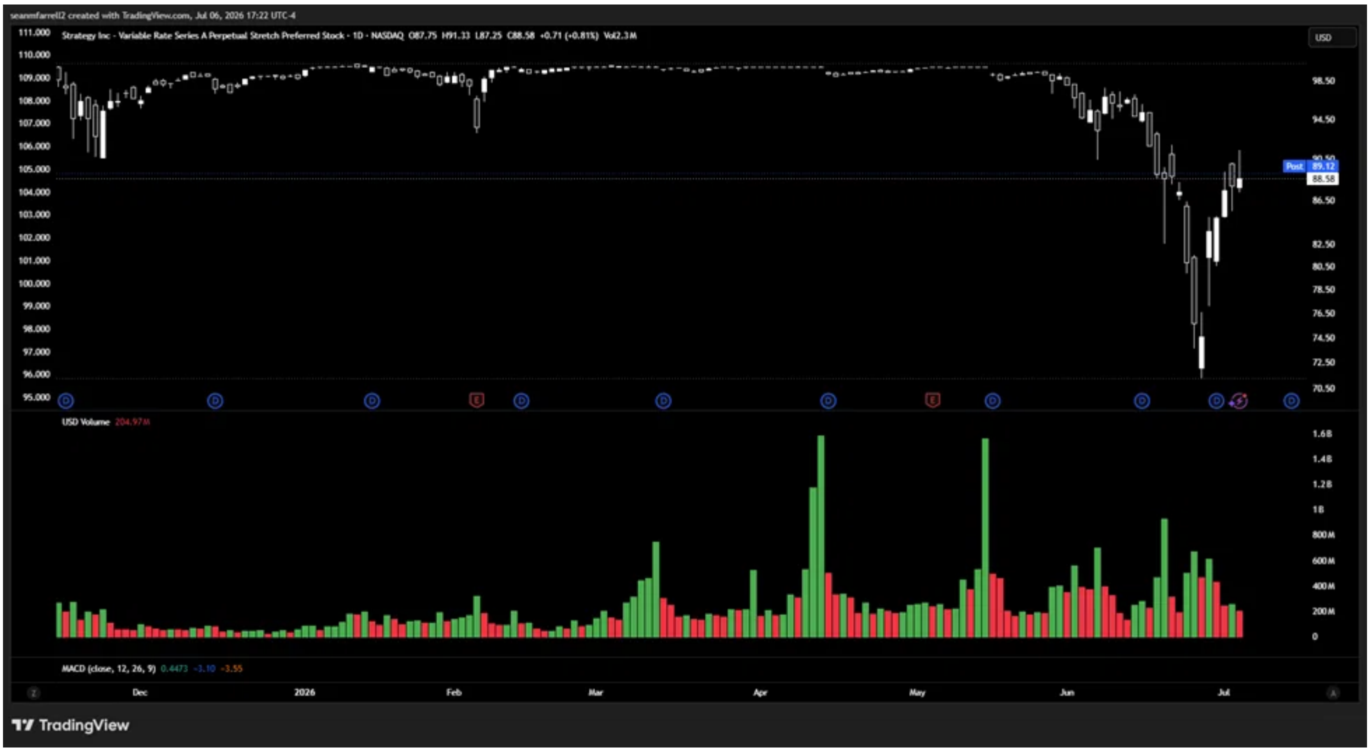

Source: MSTR Filings, TradingView, Fundstrat

That said, I think the more important takeaway was the market's response. BTC initially sold off nearly 4% before recovering throughout the U.S. session and ultimately reclaiming the entire decline. Seeing the market absorb what many viewed as unfavorable news and finish higher is, in my view, an encouraging development.

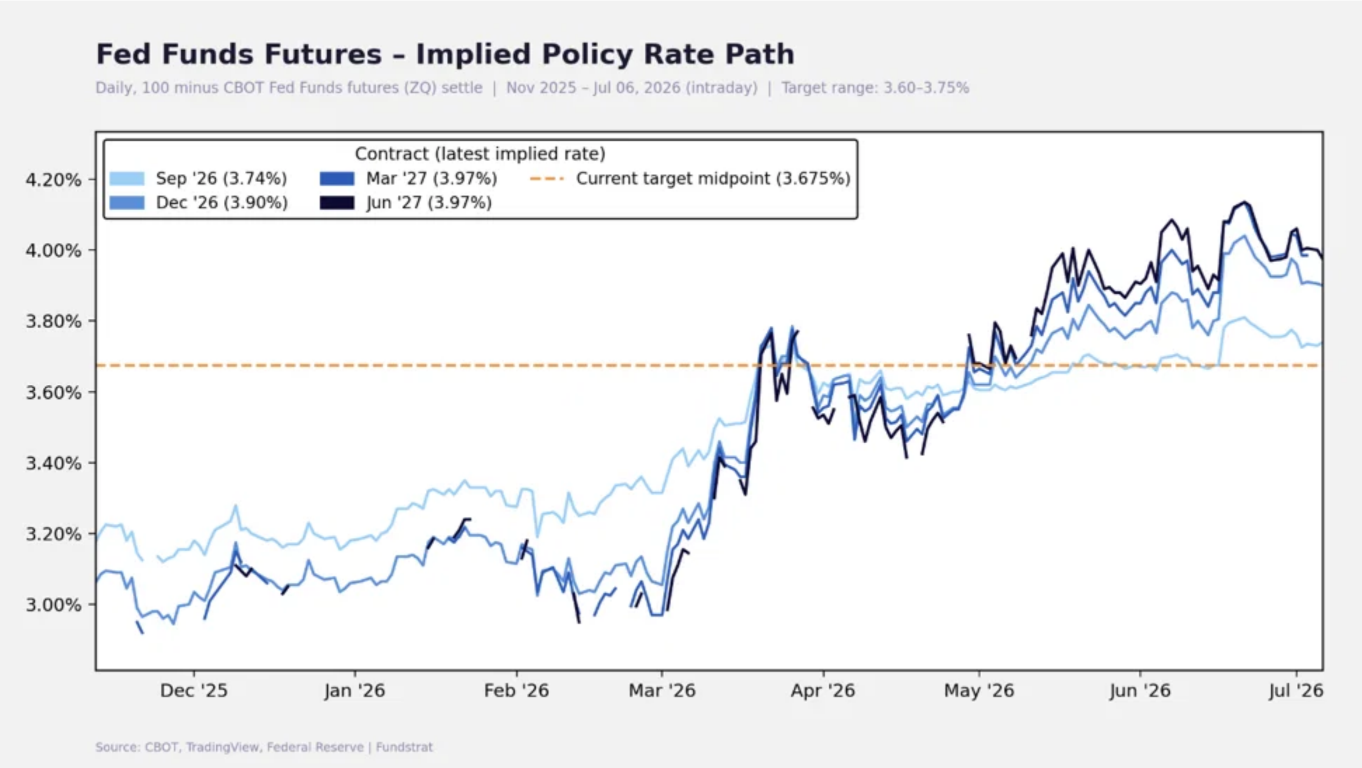

**The Strategy Overhang Appears Increasingly Contained For Now:** Importantly, the broader picture surrounding Strategy continues to improve. STRC has now recovered from below 72 to the high-80s in less than two weeks, suggesting investors are gradually rebuilding confidence in the preferred structure. While the preferred remains well below par and I would hesitate to declare the issue fully resolved, today's price action suggests the market is becoming increasingly comfortable with Strategy's revised capital allocation framework.To me, STRC remains the single best barometer for gauging the market's confidence in Strategy's balance sheet. As long as it continues moving toward par, the perceived need for future BTC sales should continue to diminish.




Source: MSTR Filings, Fundstrat



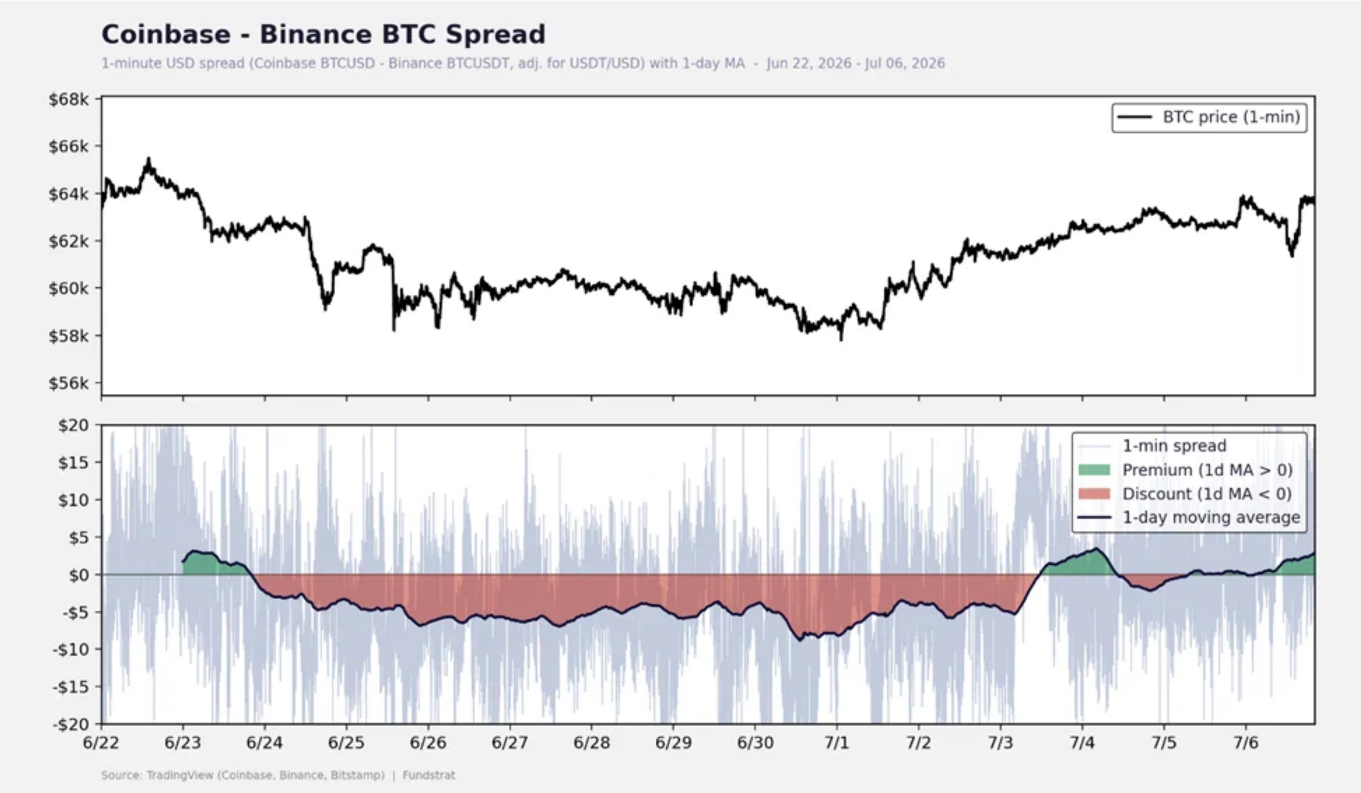

**Liquidity Conditions Are Quietly Improving:** The macro backdrop also continues to evolve in a more constructive direction. Following last week's labor market data, Fed Funds futures have continued repricing toward a more accommodative policy path, while the yield curve has begun steepening after several months of flattening. That combination generally reflects sound growth expectations alongside easing policy expectations, a backdrop that has historically been supportive for liquidity-sensitive assets.




Source: TradingView, Fundstrat

**US10Y-US02Y:**


At the same time, Coinbase's BTC premium has quietly improved over the past week after spending much of May and June in persistent discount territory. While still early, this suggests U.S. spot demand may finally be stabilizing after several months of sustained selling pressure.




Source: TradingView, Fundstrat

**Medium-Term Conviction Remains Limited:** Despite these encouraging developments, I do not think the broader medium-term picture has changed dramatically. Strategy's revised capital structure still introduces a potential source of BTC supply that did not previously exist, and I continue to think the balance of upside and downside risks over the next couple of months remains relatively balanced.For that reason, I am reluctant to characterize today's move as the beginning of a new bull leg. Rather, I view it as evidence that the tactical setup has improved meaningfully following several weeks of persistent pessimism.

**Adding Risk, But Primarily Outside of BTC:** Given the improving tactical backdrop, I added modest risk back to both the crypto token and crypto equity portfolios today.Within the token portfolio, I increased exposure to ETH and SOL rather than BTC. Both assets have demonstrated notable relative resilience over recent weeks despite heightened volatility surrounding Strategy and broader macro. If BTC is able to continue its recovery I would expect these higher-beta majors to outperform.Within the crypto equity portfolio, I added exposure to Galaxy and Robinhood. Galaxy remains leveraged to both crypto prices and continued execution within its data center business, while Robinhood should benefit from improving crypto activity as well as continued momentum within prediction markets, an area management highlighted as an important growth driver during the most recent earnings call, and a potential beneficiary from the ongoing World Cup.

**Bottom Line:** Today's 8-K reinforced that Strategy's relationship with BTC has fundamentally changed. BTC is now a funding source alongside common equity, and that likely caps some of the incremental demand investors had become accustomed to earlier this year. However, today's price action suggests the market is beginning to look through that dynamic. The combination of improving STRC pricing, a recovering Coinbase premium, and a more constructive rates backdrop increases my confidence that the path of least resistance in the immediate term is higher. While I am not prepared to become aggressively bullish over a multi-month horizon, I do think the probability of a tactical rally has increased enough to justify selectively adding risk back into both portfolios.

| Crypto Equities Portfolio - July 6, 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 | 7/6/26 | 1.0% | DAT | BTC | 100.77 | -16% | -19% | -34% | 0.0% |
| PURR | 7/6/26 | 4.0% | DAT | HYPE | 8.82 | 3% | 80% | 101% | 0.4% |
| COIN | 7/6/26 | 1.0% | Financial Services | Super App | 168.87 | 11% | -4% | -25% | 0.0% |
| HOOD | 7/6/26 | 3.0% | Financial Services | Super App | 117.55 | 43% | 69% | 4% | 1.0% |
| BTGO | 7/6/26 | 2.0% | Financial Services | Infrastructure | 5.27 | 12% | -34% | -64% | 0.0% |
| GLXY | 7/6/26 | 4.0% | Financial Services | AI Compute | 25.40 | 1% | 36% | 14% | 1.0% |
| CLSK | 7/6/26 | 1.0% | BTC Mining | AI Compute | 13.51 | -13% | 49% | 33% | 0.0% |
| WULF | 7/6/26 | 1.0% | BTC Mining | AI Compute | 22.21 | -7% | 34% | 93% | 0.0% |
| IREN | 7/6/26 | 1.0% | BTC Mining | AI Compute | 43.91 | -19% | 23% | 16% | 0.0% |
| BTDR | 7/6/26 | 1.0% | BTC Mining | AI Compute | 14.25 | -18% | 51% | 27% | 0.0% |
| HUT | 7/6/26 | 1.0% | BTC Mining | AI Compute | 103.78 | -8% | 97% | 126% | 0.0% |
| HIVE | 7/6/26 | 1.0% | BTC Mining | AI Compute | 3.38 | -10% | 74% | 31% | 0.0% |
| KEEL | 7/6/26 | 1.0% | BTC Mining | AI Compute | 4.84 | -6% | 137% | 106% | 0.0% |
| CORZ | 7/6/26 | 1.0% | BTC Mining | AI Compute | 22.80 | -12% | 35% | 57% | 0.0% |
| CIFR | 7/6/26 | 1.0% | BTC Mining | AI Compute | 21.73 | -3% | 55% | 47% | 0.0% |
| RIOT | 7/6/26 | 1.0% | BTC Mining | AI Compute | 22.87 | -7% | 61% | 81% | 0.0% |
| MARA | 7/6/26 | 1.0% | BTC Mining | AI Compute | 12.95 | 5% | 45% | 44% | 0.0% |
| GSOL | 7/6/26 | 4.0% | Spot Token | SOL | 6.18 | 30% | 2% | -32% | 1.9% |
| ETHA | 7/6/26 | 8.0% | Spot Token | ETH | 13.55 | 14% | -15% | -40% | 3.0% |
| BITB | 7/6/26 | 17.0% | Spot Token | BTC | 34.58 | 6% | -8% | -27% | -1.2% |
| Cash | 7/6/26 | 45.0% | Cash | Cash | 1.00 | 0% | 0% | 0% | -6.1% |

| Returns | Since Portfolio Inception (6/22/23) | YTD |
|---|---|---|
| BTC | 113% | -27% |
| ETH | -4% | -40% |
| S&P 500 | 72% | 10% |
| **Crypto Equities Portfolio** | **242%** | **2%** |

Source: Artemis, Bloomberg, Fundstrat

| Core Strategy Portfolio - July 6, 2026 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Ticker | Latest Rebalance | Last Rebalance Weight | Token Class | Sector | Current Price | 30-Day Return | 90-Day Return | YTD Return | Change |
| BTC | 7/6/26 | 37.0% | BTC | Currency | 64,384 | 6% | -11% | -26% | 0.0% |
| ETH | 7/6/26 | 8.0% | Alt. Major | SCP | 1,816 | 16% | -19% | -39% | 3.0% |
| SOL | 7/6/26 | 5.0% | Alt. Major | SCP | 83 | 33% | -4% | -34% | 2.0% |
| HYPE | 7/6/26 | 5.0% | Altcoin | DeFi | 71 | 26% | 84% | 181% | 0.0% |
| SYRUP | 7/6/26 | 0.0% | Altcoin | DeFi | 0.17 | 30% | -24% | -47% | 0.0% |
| USDC | 7/6/26 | 45.0% | Stablecoin | Cash | 1.00 | 0% | 0% | 0% | -5.0% |

| Returns | ITD (1/16/2023) | YTD |
|---|---|---|
| BTC | 209% | -26% |
| ETH | 17% | -39% |
| S&P 500 | 88% | 10% |
| **Core Strategy Portfolio** | **188%** | **-7%** |

Source: Artemis, Bloomberg, Fundstrat

**Tickers in this video: #BTC #ETH #SOL $STRC $MSTR $GLXY $HOOD $COIN**

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