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Digital Assets - Comments

August 31, 2026

HYPE REGULATORY UPSIDE BUILDS, PURR/HYPERLIQUID FLYWHEEL REMAINS INTACT, HOOD L2 ACTIVITY STARTS TO MATTER

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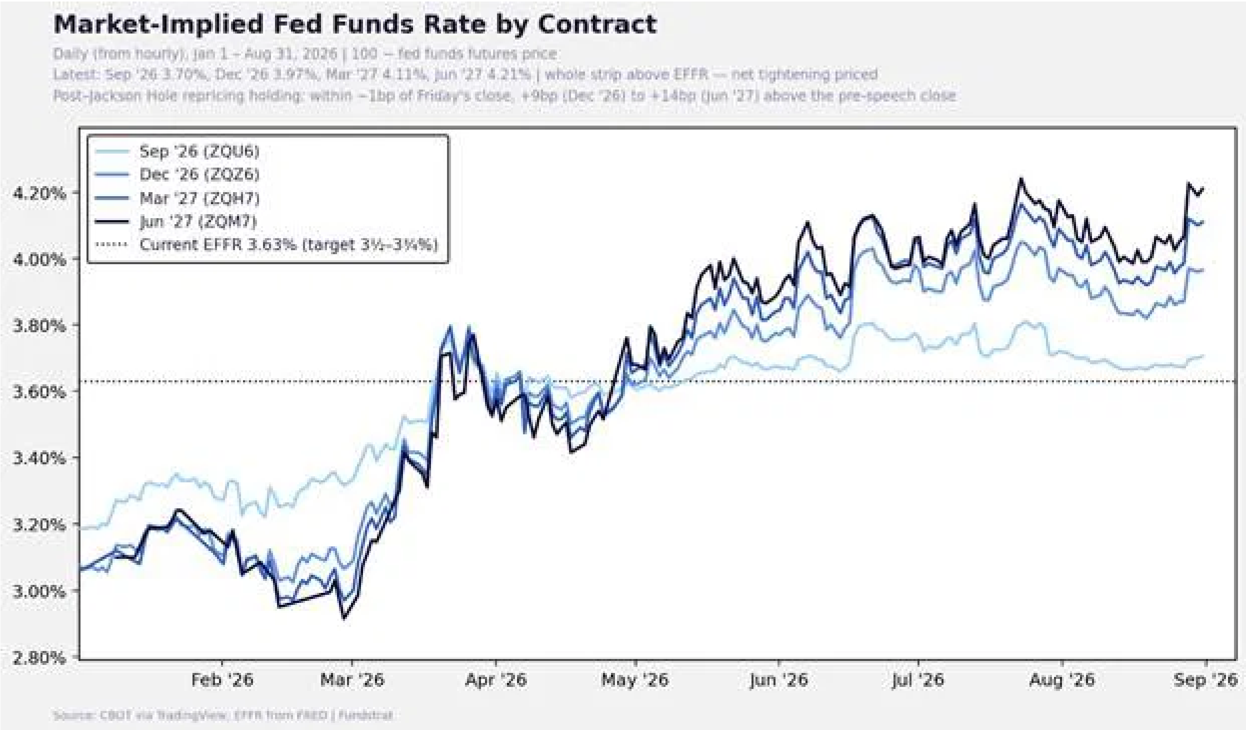
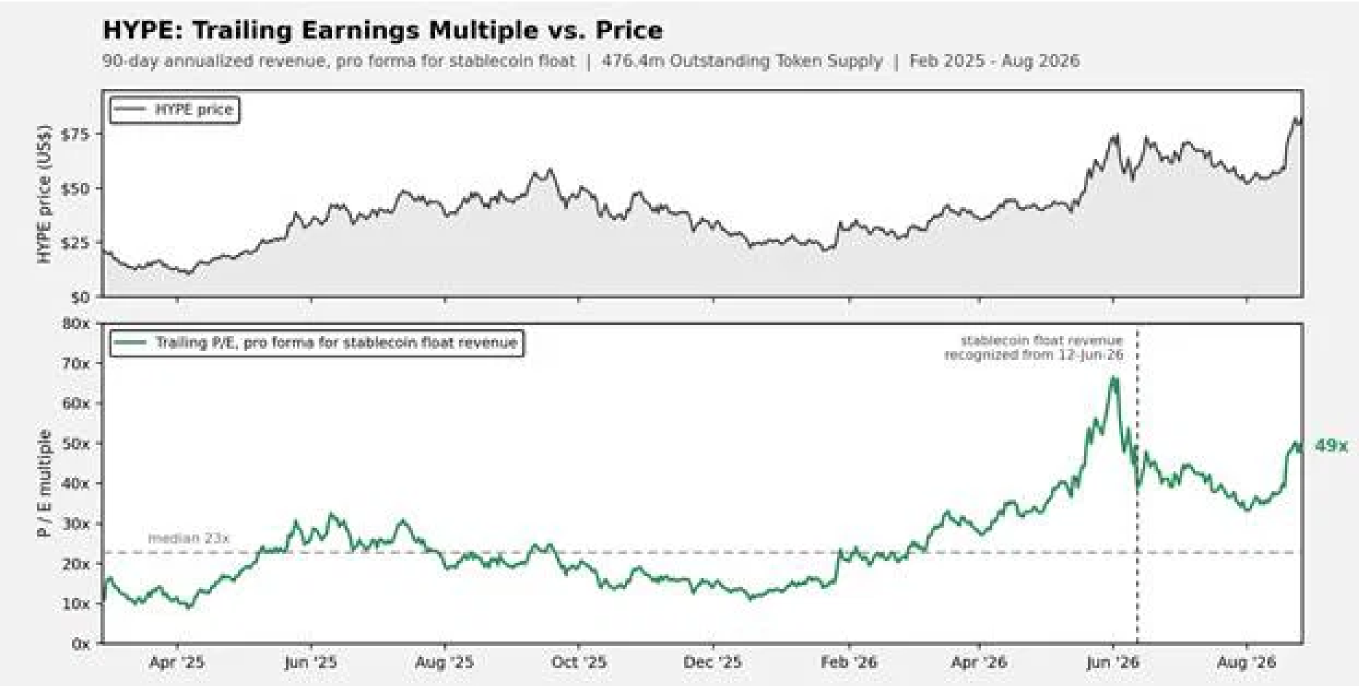
HEAD OF DIGITAL ASSET STRATEGY

- August wrapped up on an encouraging note for crypto despite continued pressure across broader risk assets. The crypto complex performed well despite crude bouncing, yields rising, and broader risk struggling today.
- Following Fed Chair Warsh's hawkish Jackson Hole message, markets now price roughly 60% odds of a September hike alongside additional tightening further out the curve. With Warsh explicitly trying to move away from forward guidance, I think

there is a risk investors are reading too much into his rhetoric as a definitive signal of what the Fed will ultimately do. From a near-term positioning perspective, a meaningful amount of monetary-policy hawkishness now appears priced in.



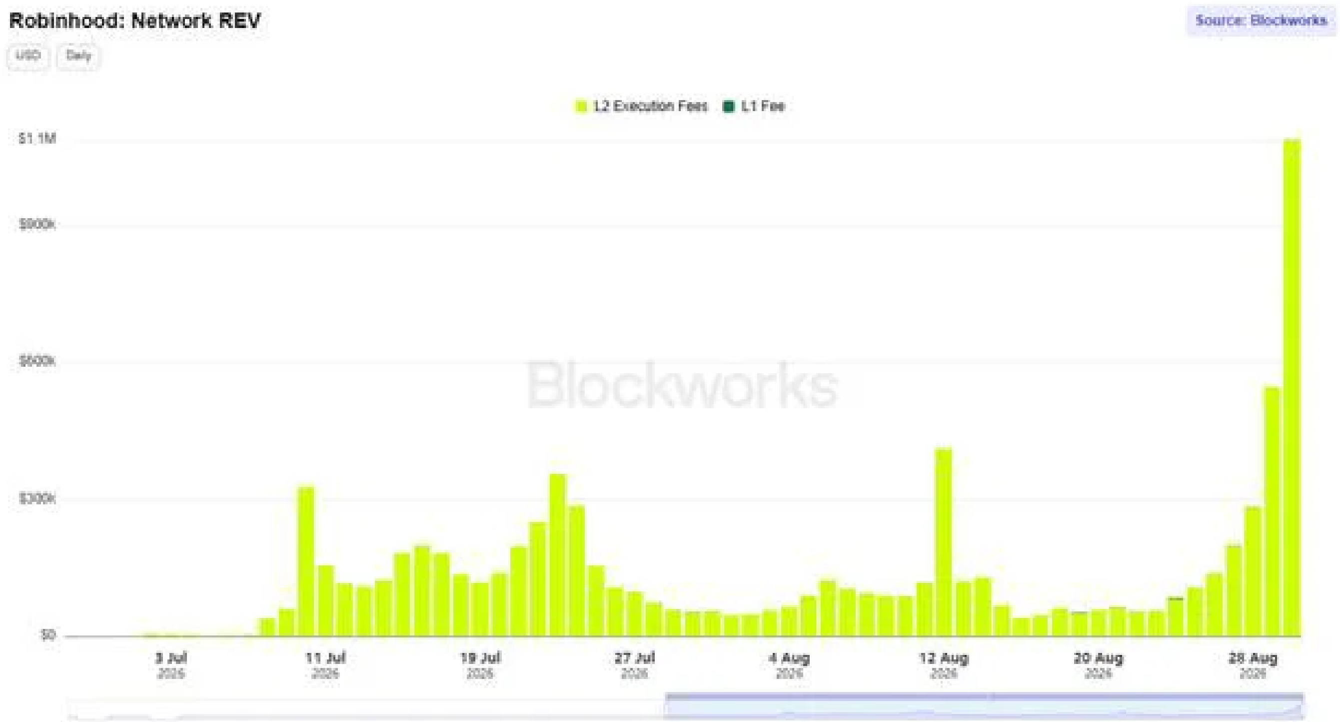
- More importantly, I continue to think the Treasury, rather than the Fed, increasingly sits in the driver's seat regarding forward-looking liquidity conditions. The 10-year has pushed toward 4.75% despite Treasury's recent efforts to support the long end. Secretary Bessent attempted to walk back some of his recent comments around active yield management today, but simultaneously discussed the counterfactual of where yields might be absent Treasury's bond-market interventions. To me, that still sounds a lot like YCC-Lite (or “Activist Duration Management”). BTC's resilience despite rising yields, higher crude, and weakness across other risk assets may reflect the market beginning to look through near-term Fed policy noise toward a broader shift in the liquidity regime catalyzed by the ongoing “Treasury Twist.”
- HYPE was once again a standout today, gaining ~5%. On trailing fundamentals, valuation is undeniably getting richer, with HYPE trading at 49x annualized 90-day earnings even after incorporating roughly $200M of incremental stablecoin float revenue.



Source: Artemis, Fundstrat. Market cap = price x 476,445,302 HYPE - Outstanding Token Supply, being genesis supply less unissued emissions, foundation and grant allocations, retired Assistance Fund holdings and fee burns - held constant across history. Multiple is market cap divided by the trailing 90-day protocol revenue sum annualized at 365/90, plus annualized stablecoin float revenue at EFFR less 10bps. The float series is only available from 12-Jun-26; left of the dashed line the multiple rests on protocol revenue alone. OTS is a live measure; holding it constant is a simplification of earlier history.

- However, recent regulatory developments provide a legitimate reason for investors to re-underwrite forward growth. Reports today suggested Hyperliquid is in discussions with Kraken around potentially distributing siloed, KYC-compliant markets to U.S. investors through a CFTC-licensed intermediary. If realized, that could create a compliant pathway for Hyperliquid to monetize an entirely new pool of U.S. perpetuals demand without requiring the broader permissionless platform to adopt KYC.
- The Hyperliquid Strategies (PURR) capital-markets flywheel also remains intact. The equity continues to trade above NAV, volumes approached $500M again today, and I suspect the company may have been able to issue additional common through its ATM and recycle those proceeds into HYPE. Combined with the improving regulatory pathway, I don't think "the price has gone up a lot" is by itself a compelling reason to take chips off the table here.

- Finally, animal spirits are beginning to reappear beneath the surface even as funding and leverage across the majors remain relatively contained. One interesting beneficiary is Robinhood (HOOD), where activity on its L2 has accelerated sharply over the past several weeks. Execution fees have generated roughly $7.3M of revenue through Q3 to date, including more than $1M today alone. That remains small relative to Robinhood's overall revenue base, and I would be cautious about annualizing a short observation window, but it is increasingly non-negligible incremental revenue and could become another narrative tailwind for HOOD if activity persists.



Source: Blockworks

Portfolios

Crypto Equities Portfolio - August 31, 2026								
Ticker	Date of Latest Rebalance	Weight at Latest Rebalance	Subsector/Theme	Subsector/Theme	Current Price	30-Day Return	90-Day Return	YTD Return
MSTR	8/26/26	1.0%	DAT	BTC	132.94	43%	-2%	-13%
PURR	8/26/26	6.0%	DAT	HYPE	12.25	97%	12%	244%
CYPH	8/26/26	2.0%	DAT	ZEC	1.83	12%	12%	12%
COIN	8/26/26	1.0%	Financial Services	Super App	188.12	29%	8%	-17%
HOOD	8/26/26	2.5%	Financial Services	Super App	104.81	21%	19%	-7%
BTGO	8/26/26	1.0%	Financial Services	Infrastructure	7.12	47%	22%	-51%
GLXY	8/26/26	3.5%	Financial Services	AI Compute	24.60	17%	-15%	10%
FIGR	8/26/26	2.0%	Crypto-Enabled Services	Tokenization	36.69	47%	47%	21%
CLSK	8/26/26	1.5%	BTC Mining	AI Compute	11.62	-16%	-34%	15%
WULF	8/26/26	1.5%	BTC Mining	AI Compute	15.13	-14%	-43%	32%
IREN	8/26/26	1.5%	BTC Mining	AI Compute	37.12	1%	-44%	-2%
BTDR	8/26/26	1.5%	BTC Mining	AI Compute	10.85	3%	-42%	-3%
HUT	8/26/26	1.5%	BTC Mining	AI Compute	78.64	-27%	-41%	71%
HIVE	8/26/26	1.5%	BTC Mining	AI Compute	2.78	-2%	-39%	8%
KEEL	8/26/26	1.5%	BTC Mining	AI Compute	3.15	-21%	-49%	34%
CORZ	8/26/26	1.5%	BTC Mining	AI Compute	16.30	-21%	-44%	12%
CIFR	8/26/26	1.5%	BTC Mining	AI Compute	15.50	-31%	-41%	5%
RIOT	8/26/26	1.5%	BTC Mining	AI Compute	19.00	-6%	-30%	50%
MARA	8/26/26	1.5%	BTC Mining	AI Compute	10.77	-5%	-25%	20%
GSOL	8/26/26	4.5%	Spot Token	SOL	7.86	43%	39%	-14%
ETHA	8/26/26	8.0%	Spot Token	ETH	18.72	33%	30%	-17%
BITB	8/26/26	17.0%	Spot Token	BTC	42.81	25%	17%	-10%
Cash	8/26/26	35.0%	Cash	Cash	1.00	0%	0%	0%

Returns	Since Portfolio Inception (6/22/23)	YTD
BTC	163%	-10%
ETH	32%	-17%
S&P 500	75%	12%
Crypto Equities Portfolio	**271%**	**11%**

Source: Artemis, Bloomberg, Fundstrat

Core Strategy Portfolio - August 31, 2026								
Ticker	**Latest Rebalance**	**Last Rebalance Weight**	**Token Class**	**Sector**	**Current Price**	**30-Day Return**	**90-Day Return**	**YTD Return**
BTC	8/26/26	*41.0%*	*BTC*	*Currency*	78,675	*25%*	*18%*	*-10%*
ETH	8/26/26	*9.0%*	*Alt. Major*	*SCP*	2,469	*34%*	*33%*	*-17%*
SOL	8/26/26	*6.0%*	*Alt. Major*	*SCP*	103	*44%*	*39%*	*-17%*
HYPE	8/26/26	*7.0%*	*Altcoin*	*DeFi*	85	*62%*	*21%*	*233%*
ZEC	8/26/26	*2.0%*	*Altcoin*	*Currency*	850.10	*84%*	*40%*	*66%*
USDC	8/26/26	*35.0%*	*Stablecoin*	*Cash*	1.00	*0%*	*0%*	*0%*

Returns		
	ITD (1/16/2023)	**YTD**
BTC	*277%*	*-10%*
ETH	*59%*	*-17%*
S&P 500	*92%*	*12%*
Core Strategy Portfolio	***232%***	***7%***

Source: Artemis, Bloomberg, Fundstrat

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