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Digital Assets - Comments

November 12, 2026

FIGR POSTS ANOTHER "RULE OF 140" QUARTER, NVDA RISK WEIGHS ON MINERS, WHILE CRYPTO BREADTH REACHES WASHED-OUT LEVELS (PORTFOLIO REBALANCE)



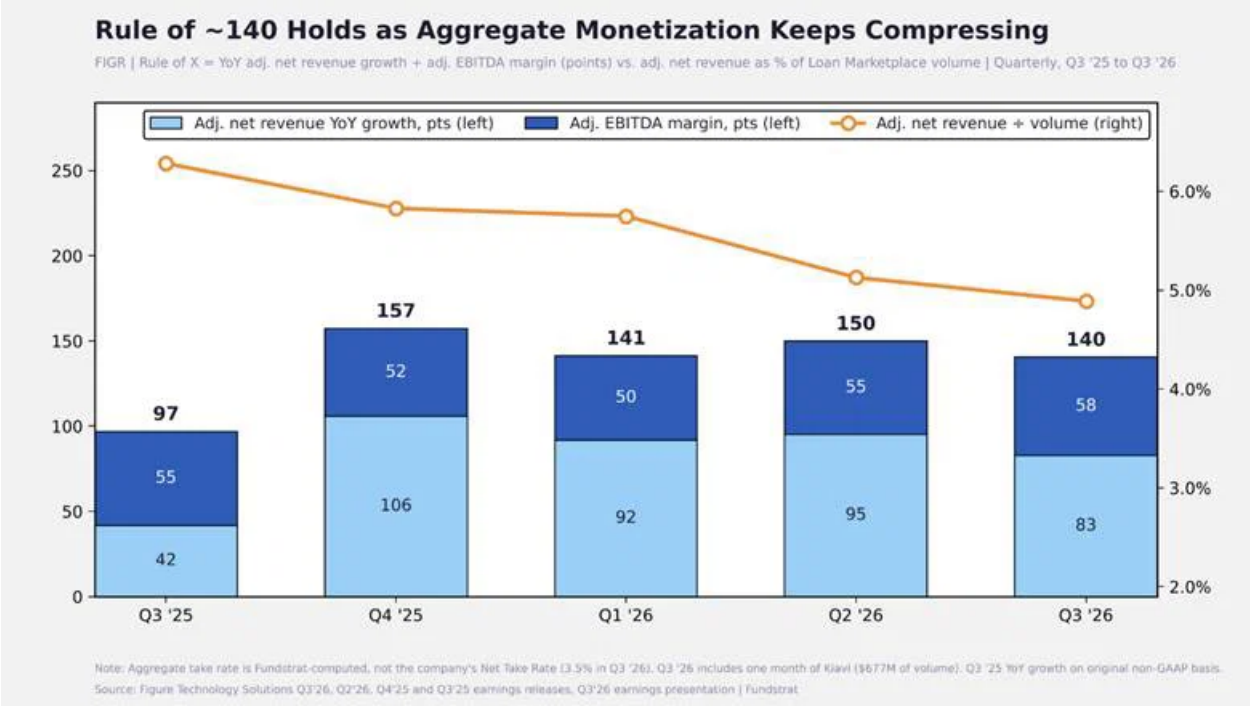
Sean Farrell AC

HEAD OF DIGITAL ASSET STRATEGY

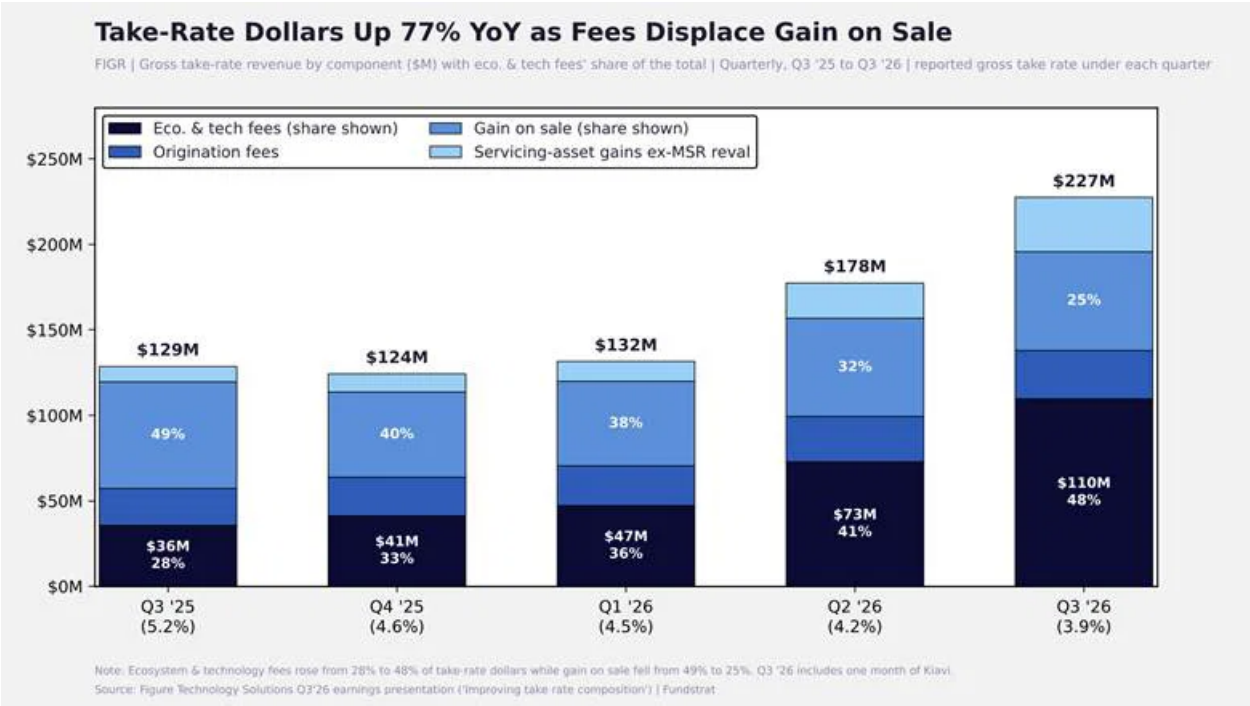


- Let’s start with the good news. Figure (FIGR) reported another strong quarter and, in my view, remains one of the most compelling tokenization stories in the market. Net revenue came in at $287M versus $255M consensus, while adjusted EBITDA reached $164M versus $130M expected. That equates to a record 58% adjusted

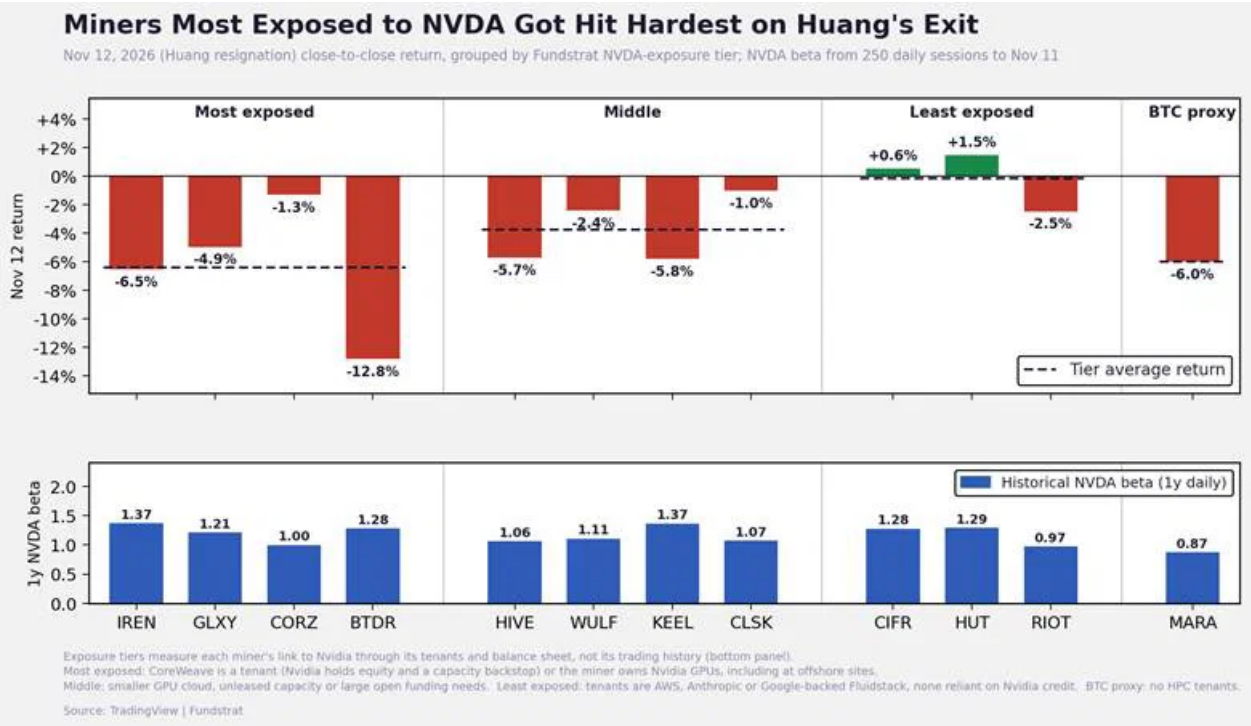
EBITDA margin alongside 83% year-over-year revenue growth. Add those two figures together and Figure has now sustained what we have been calling a “Rule of 140” for four consecutive quarters.



- The combination of growth and profitability is what stands out. If you compare Figure’s margin and growth profile with broader software companies, the company screens exceptionally well. More importantly, the earnings profile continues to validate Figure’s transition from a capital-intensive loan originator toward a more capital-light, blockchain-enabled financial marketplace.
- That transition is increasingly visible in the revenue mix. Ecosystem and technology fees more than tripled from a year ago and now account for roughly 48% of Figure’s take-rate revenue, while gain-on-sale revenue tied more directly to the company’s own originations declined. That matters because the long-term thesis is not simply that Figure can originate loans more efficiently. It is that the company can use blockchain infrastructure to lower origination costs and processing times for itself and third-party participants, then extend that marketplace model into additional categories of credit.



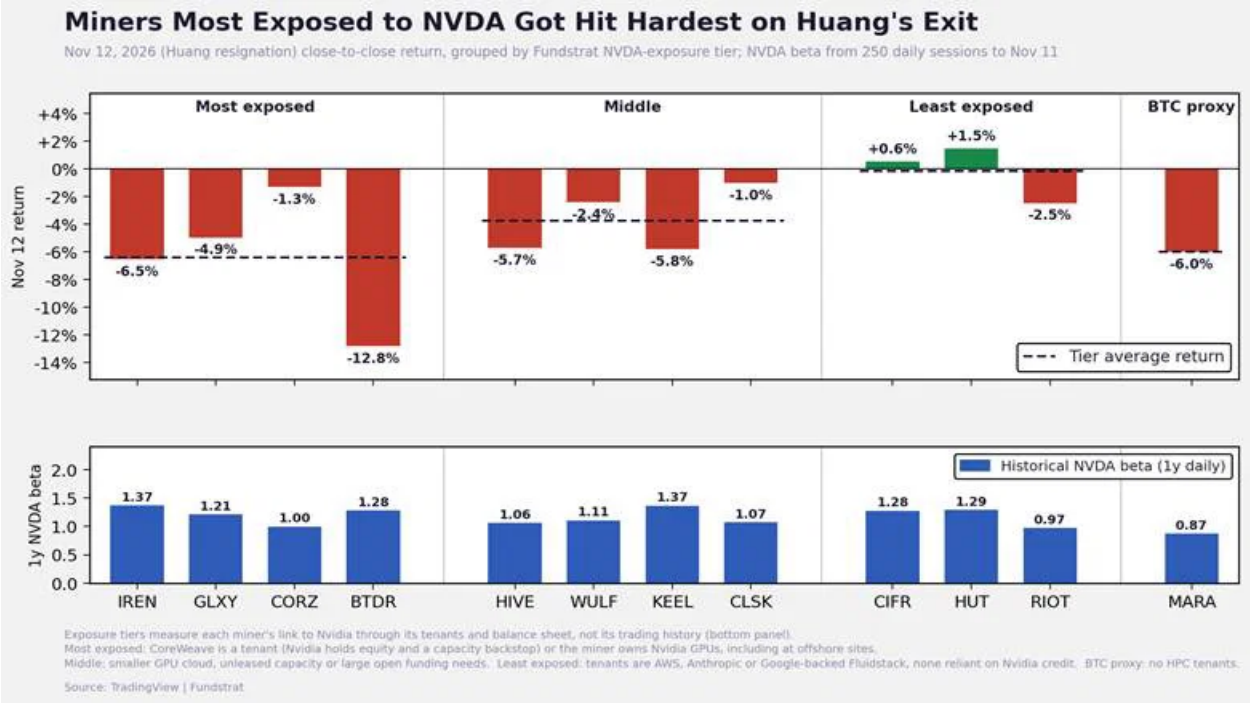
- At roughly ~10x forward EBITDA by my estimates, I still think the valuation leaves room for both earnings upside and multiple expansion. Lower yields would likely help on both fronts. Given the quarter and the continued evolution toward a higher-margin marketplace model, we are increasing Figure's weight in the Crypto Equities portfolio from 2% to 3%.
- The more complicated story today is NVIDIA and the implications for the AI infrastructure complex. Jensen Huang's resignation introduced a new source of uncertainty around NVIDIA, export controls, China exposure, and the broader supply chain around AI compute. For crypto, the most direct read-through is to the miners and neoclouds with meaningful GPU or AI infrastructure exposure.



- There are several ways that risk could transmit. If tighter export controls or reduced China-related demand leave more GPUs available domestically, resale and collateral values for existing GPUs could come under pressure. That matters for miners that own GPUs directly, and also for lenders that rely on those GPUs as collateral. There is also some indirect deal risk if a new NVIDIA leadership team takes a more conservative approach toward strategic investments or support for companies such as CoreWeave, which in turn has relationships with several AI infrastructure operators.
- I would not overstate the near-term downside. NVIDIA recovered much of an early 14% drop today to close down ~4%, which suggests some of these risks may already be reflected in the price. But I do think there is meaningful tail risk for companies whose growth plans depend more heavily on international AI cloud operations or jurisdictions that could face additional scrutiny under tighter export-control enforcement.
- That is why we are removing Bitdeer from the portfolio. Bitcoin mining still drives most of BTDR's current revenue, but a meaningful part of the growth thesis rests on its AI cloud business in Southeast Asia. I am not making any allegation that the company has done anything improper. The issue is simply that a business with meaningful exposure to Southeast Asian AI infrastructure sits closer to the

potential path of tighter export enforcement and scrutiny in the region. For a relatively small portfolio position, I do not think that incremental tail risk is worth carrying. We are reallocating BTDR's 2% weight equally into Figure and BTC (via BITB).

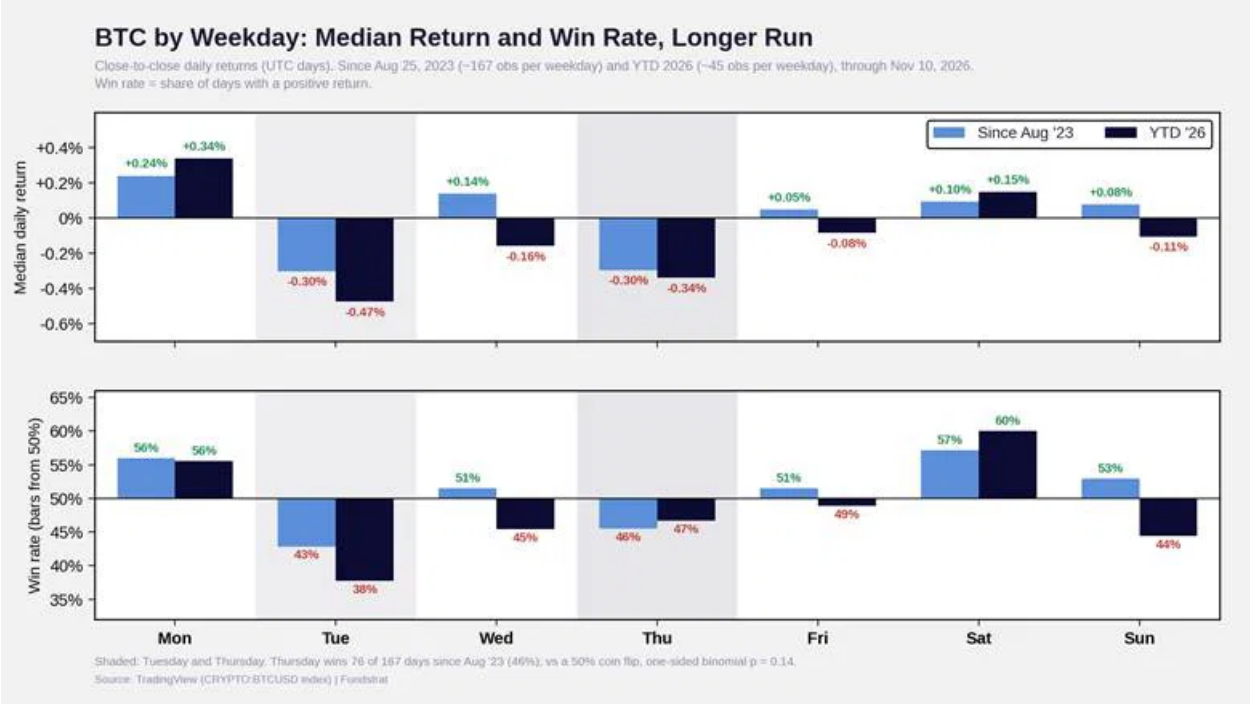
- Stepping back to the broader crypto market, positioning now looks much cleaner than it did a month ago. Only about 5% of the tokens in the observed universe (top 300 tokens by market cap) are currently trading above their 50D moving average, down from roughly 95% a month ago. That is a dramatic breadth washout and suggests that a meaningful amount of speculative positioning has already been cleared.



- On its own, though, a washout like this has not been a reliable buy signal for BTC. In our work, the better setup has come when BTC reclaims its 50D moving average while breadth is still depressed. We are not there yet, with BTC still well below its 50D. But I do think the current breadth reading is enough to respect the possibility that the market is becoming increasingly vulnerable to a sharp countertrend rally.
- The question now is what catalyzes seller exhaustion. PPI tomorrow is one obvious test. We are coming off a hot CPI print, so another strong inflation reading would normally be viewed negatively. If crypto can absorb that kind of news without

making a meaningful new low, or even rally in response, that would be a constructive sign that the market has reached a level where marginal sellers are becoming exhausted and buyers are beginning to step in.

- One final market observation. BTC has displayed an unusually persistent weekday effect. Tuesdays and Thursdays have been the only days of the week with negative average returns since August 2023. I do not have a high-conviction explanation for why. One possibility is that these are simply more news-heavy days for macro data and earnings. Another is that systematic post-ETF flow patterns may be contributing. What is notable is that the effect has been persistent enough that it is difficult to dismiss as pure randomness. That said, I would treat that weekday effect as interesting context rather than a standalone trading signal.



- **Bottom Line:** Figure's earnings strengthen my conviction in one of our preferred tokenization exposures, while the NVIDIA situation creates enough incremental tail risk around parts of the AI-infrastructure complex that we are removing BTDR and reallocating the capital to Figure and BTC. At the broader market level, crypto breadth is now deeply washed out on a 50D basis, which clears out a good deal of positioning, though BTC has yet to reclaim its own trend. I am still tactically patient, but I think we are getting closer to the point where seller exhaustion and a positive response to bad news could create an attractive opportunity to add risk.

Portfolios

Crypto Equities Portfolio - November 12, 2026

Ticker	Date of Latest Rebalance	Weight at Latest Rebalance	Current Price	30-Day Return	90-Day Return	YTD Return	Change from Prior Rebalance
MSTR	11/12/26	2.0%	114.41	-25%	23%	-25%	0.0%
PURR	11/12/26	6.0%	8.81	-14%	32%	147%	0.0%
CYPH	11/12/26	2.0%	1.95	-32%	-32%	19%	0.0%
COIN	11/12/26	1.0%	130.67	-28%	-12%	-42%	0.0%
HOOD	11/12/26	2.5%	81.35	-26%	-15%	-28%	0.0%
BTGO	11/12/26	1.0%	4.09	-42%	-29%	-72%	0.0%
GLXY	11/12/26	2.0%	15.18	-23%	-30%	-32%	0.0%
FIGR	11/12/26	3.0%	25.67	-6%	-18%	-16%	1.0%
CLSK	11/12/26	2.0%	6.84	-33%	-43%	-32%	0.0%
WULF	11/12/26	3.0%	13.04	-1%	-25%	13%	0.0%
IREN	11/12/26	0.5%	19.48	-44%	-56%	-48%	0.0%
BTDR	11/12/26	0.0%	6.13	-33%	-33%	-45%	-2.0%
HUT	11/12/26	0.5%	61.98	-26%	-27%	35%	0.0%
HIVE	11/12/26	0.0%	1.65	-30%	-39%	-36%	0.0%
KEEL	11/12/26	0.0%	1.95	-32%	-44%	-17%	0.0%
CORZ	11/12/26	2.5%	14.38	-7%	-29%	-1%	0.0%
CIFR	11/12/26	0.5%	7.15	-37%	-60%	-52%	0.0%
RIOT	11/12/26	1.5%	17.83	7%	-6%	41%	0.0%
MARA	11/12/26	0.5%	7.20	-21%	-22%	-20%	0.0%
GSOL	11/12/26	5.5%	6.14	-25%	8%	-33%	0.0%
ETHA	11/12/26	9.0%	45.54	-20%	7%	-32%	0.0%
BITB	11/12/26	25.0%	38.71	-14%	13%	-19%	1.0%
Cash	11/12/26	30.0%	1.00	0%	0%	0%	0.0%

Returns

	ITD	YTD
BTC	139%	-18%
ETH	8%	-32%
S&P 500	73%	11%
Crypto Equities Portfolio	**225%**	**-4%**

Source: TradingView, Fundstrat

Core Strategy Portfolio - November 12, 2026

Ticker	Latest Rebalance	Last Rebalance Weight	Token Class	Sector	Current Price	30-Day Return	90-Day Return	YTD Return
BTC	9/22/26	44.0%	BTC	Currency	71,439	-14%	13%	-18%
ETH	9/22/26	10.0%	Alt. Major	SCP	2,017	-19%	7%	-32%
SOL	9/22/26	7.0%	Alt. Major	SCP	81	-24%	8%	-35%
HYPE	9/22/26	7.0%	Altcoin	DeFi	72	-12%	28%	183%
ZEC	9/22/26	2.0%	Altcoin	Currency	952.37	-22%	93%	148%
USDC	9/22/26	30.0%	Stablecoin	Cash	1.00	0%	0%	0%

Returns

	ITD	YTD
BTC	243%	-18%
ETH	30%	-32%
S&P 500	90%	11%
Core Strategy Portfolio	**142%**	**-1%**

Source: TradingView, Fundstrat

Tickers in this video: #BTC $FIGR $NVDA $BTDR $CRWV

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