

Crypto Hedge Fund Performance Update

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Based on early reporting estimates, The VisionTrack Crypto Hedge Fund Composite Index added +12.88% in March. The VisionTrack Fundamental Index added +16.83%, the VisionTrack Quant Directional Index grew +14.51%, and the VisionTrack Market Neutral Index added +5.13%, the highest monthly gain since April 2021. As additional reported performance is tracked, VisionTrack will revise these figures.

Through the end of March, the fundamental index gained +51.30% trailing Bitcoin's +66.23% return. The quant directional index added +45.58% in the first quarter and the market neutral index grew +10.70%. For market neutral strategies, many funds saw impressive returns as funding rates spiked several times throughout March while continuing their 15-month streak of positive performance. Considering all Hedge Funds and SMAs included in the VisionTrack database with performance reported net of fees, denominated in USDs, only 13 constituents are outperforming Bitcoin through the first three quarters.

Bitcoin recorded its seventh month of positive performance, its longest month-to-month streak in over a decade. At the time of writing, the iShares Bitcoin Trust (\$IBIT) recorded its 69th consecutive day of inflows, establishing itself as one of the most successful ETF launches in history. Fidelity's inflow streak paused on April 12th recording 63 days, finalizing the ETF as a top-20 streaker by historical standards.

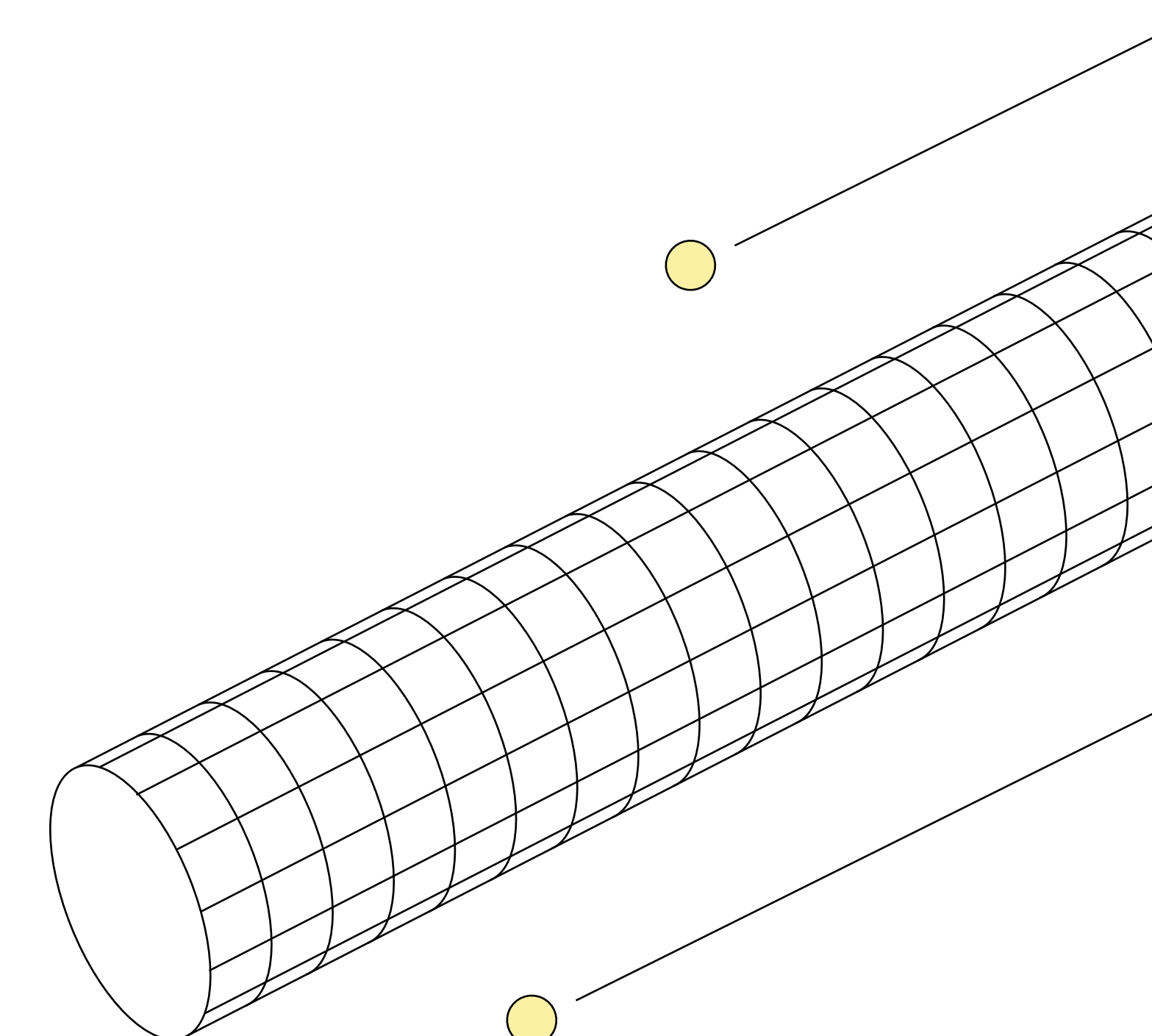
As liquidity rushed back to the market in February and March so did the "leveraged beta trade" through speculative memecoins. The total market capitalization of memecoins exceeded \$70b in value in an impressive time frame, though short of heights seen in 2021. Dogecoin alone reached market capitalization of \$90b in May 2021. As venture capitalists around the globe have pivoted from "points" to "pepe" crypto enthusiasts have referred to the growing sub-categorization as a memecoin supercycle.

Even with early April pullbacks several memecoins with tokens with >\$1b in market capitalization are still the best performing tokens to start the year. By early March, exuberance caught up with the meme market as participants quickly cycled attention from \$100m-\$250m market cap tokens to \$1m-\$10m ranges to whitelisting addresses to Pre-Sale tokens to indexed memecoin portfolios. The Solana memecoin index is down -14.37% since inception and at the time of writing.

In late March, traditional financial institutions and crypto-native firms provided commentary on memecoins and their network effects for blockchain participants. This commentary may signify sub-sector exuberance and greed from participants that were late to the early innings of developments and aim to capitalize on "the current thing" as both Bonk and Pepe launched over a year ago, two leading memecoins.

Dogecoin is commonly recognized as the original memecoin, however an argument may be made that Bitcoin pre-dates all crypto assets as an internet-native cryptocurrency with no token pre-sale, no pre-mine, and no venture fundraising. Regardless of how one might attempt to categorize tokenized memetic assets, each follow a framework of no reason for momentum on a given month, as they are all preordained to higher levels. Put differently, crypto assets which fail to conceptually fit in typical fundamental analyses are best positioned for momentum-driven opportunities.

For many crypto hedge funds, participation in memecoins is rare. However, in times of exuberant speculation, memecoins can drive traffic and interest towards the industry. Should crypto assets continue to rally post-halving, this subcategorization might be impossible to ignore.



CRYPTO HEDGE FUND	MARCH 2024	LATEST VALUE	YTD
VisionTrack Composite Index	12.88%	972.65	39.61%
VisionTrack Fundamental Index	16.83%	1294.62	51.30%
VisionTrack Quantitative Index	14.51%	1075.37	45.58%
VisionTrack Market Neutral Index	5.17%	335.42	10.70%
Bitcoin	13.94%	690.56	66.23%

* VisionTrack Indices (January 2018 Inception) | Estimates Included, Final Fixings T+60 | [Historical Returns](#) | [Index Methodology](#)

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