

# CV CB Digital Alpha Portfolio (USD)

## Report Q2 2025



Crossbow Partners  
Experience & Discipline



### Target

Generate alpha in the digital asset space. Typically, this alpha is higher in young, inefficient markets. Directional exposure (beta) is limited.



### Concept

The portfolio invests primarily in funds that are mainly active in various arbitrage and market-neutral strategies in the area of liquid digital investments. The strategies have a low correlation to digital currencies.



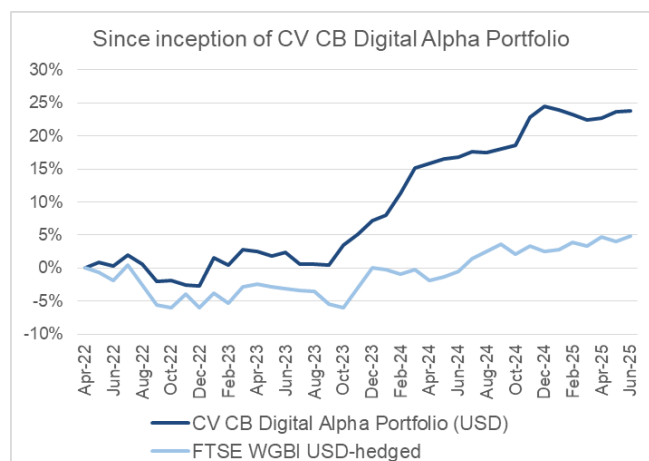
### Mission

For investors who wish to profit from the alpha in a relatively new market. The alpha in such new markets should be higher than in traditional markets. However, the markets may also prove to be riskier.

## How this has worked so far

	Return				Risk: Volatility		Risk: Max. loss	
	Q2 2025	YTD 2025	3 years	5 years	3 years	5 years	3 years	5 years
<b>CV CB Digital Alpha Portfolio (USD)</b>	1.20%	-0.51%	7.27%	18.20%	5.36%	10.32%	-4.67%	-6.65%
USD 3M SOFR + 300bps (USD)	1.84%	3.73%	7.72%	5.90%	0.32%	0.66%	0.00%	0.00%
FTSE WGBI USD-hedged	1.44%	2.34%	2.24%	-0.84%	5.57%	5.01%	-6.37%	-14.89%

## Attractive alternative to fixed income



## Low correlation to fixed income and equities

	1	2	3	4
1 CV CB Digital Alpha Portfolio (USD)	1.00	0.69	0.18	0.19
2 Bitcoin (USD)	0.69	1.00	0.18	0.37
3 FTSE WGBI USD-hedged	0.18	0.18	1.00	0.33
4 MSCI World TR Index (USD)	0.19	0.37	0.33	1.00

The high correlation (dependence) of the portfolio to Bitcoin means that both have a tendency to move up and down at the same time (but the magnitude of the movements can be very different).

## Comment second quarter 2025

During Q2, financial markets continued to be dominated by uncertainty over US trade tariffs and geopolitical tensions. Notable events in crypto included the Senate vote in favor of the GENIUS Act (regulatory framework for stablecoins), pro-crypto Paul Atkins confirmed as SEC Chair, and the increasing number of public companies investing into Bitcoin. Bitcoin was up +30.6% in Q2 (+14.8% YTD), despite a plunge in early April when US tariffs were announced. BTC benefited from strong inflows into spot ETFs and from corporates investing directly into BTC. After deep losses in Q1, several altcoins rebounded somewhat in Q2. Ethereum surged in May and was +38% in Q2 (but still -25% YTD) on the back of its Pectra upgrade. Other large altcoins such as Solana, Chainlink, Cardano, Polkadot, were positive in Q2, but still negative YTD.

The Portfolio was positive in Q2. All market neutral funds delivered positive contributions during Q2. Returns were however muted, as funding rates reached a low level in April, and remained modest for the remainder of Q2. Returns came from relative value trades across perpetual funding rates and term futures, and from DeFi and lending strategies. The only negative contribution came from the systematic trend following fund, with incurred losses mostly in Ethereum due to trend reversals during the period.