

CRYPTO FUND RESEARCH

Q2 2024 Crypto Fund Quarterly Report

Performance benchmarks, strategy analysis, industry demographics, AUM trends, and the crypto fund industry.

Period: April – June 2024

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1. Market Overview

-11.4%

CFR INDEX Q2 2024

-12.1%

BITCOIN Q2 2024

\$93.4B

INDUSTRY AUM

870

ACTIVE FUNDS

CFR Crypto Fund Index vs. Bitcoin

Monthly returns for Q2 2024

-20% -12% -4% 4% 12% 20% -11.4% -15% Apr '24 6.7% 11.3% May '24 -6.2% -7.1% Jun '24 CFR Index Bitcoin

The CFR Crypto Fund Index returned -11.4% in Q2 2024, outperforming Bitcoin's -12.1% return by 0.7 percentage points. May was the strongest month for the index at +6.7%, while April saw the most modest performance at -11.4%.

Source: Crypto Fund Research. CFR Crypto Fund Index methodology at cryptofundresearch.com/cfr-crypto-fund-index/

CFR Crypto Fund Index vs. Bitcoin — Growth of \$1,000

December 2016 – June 2024

\$0 \$22,000 \$44,000 \$66,000 \$88,000 \$110,000 \$93,261 \$65,037 Dec-16 Mar-18 Jun-19 Sep-20 Dec-21 Mar-23 Jun-24 Jun-24 CFR Index Bitcoin

Since inception in January 2017, a \$1,000 investment in the CFR Crypto Fund Index would have grown to approximately \$93,261 by the end of Q2 2024, representing a cumulative return of +9,226%. Over the same period, a \$1,000 investment in Bitcoin would have grown to \$65,037 (+6,404%).

Source: Crypto Fund Research

Monthly Returns Heatmap — Q2 2024

Average net-of-fees returns by strategy and month

| Strategy | Apr | May | Jun | Q2 2024 |
|----------------------|--------|--------|--------|---------|
| Fund of Funds | -10.9% | +7% | -5% | -9.4% |
| Algorithmic/Quant | -3% | +2.1% | -2% | -2.9% |
| Long Only | -15.4% | +10.1% | -9.5% | -15.6% |
| Venture/ICO | -24.3% | +12.1% | -10.1% | -23.7% |
| Multi-Strategy/Other | -15% | +8.7% | -8.3% | -15.2% |
| Index/Tracker | -20.5% | +17.2% | -12.7% | -18.6% |
| CFR Index | -11.4% | +6.7% | -6.2% | -11.4% |
| Bitcoin | -15% | +11.3% | -7.1% | -12.1% |

Algorithmic/Quant led all strategies in Q2 2024 with a total return of -2.9%, while Venture/ICO posted the lowest return at -23.7%. Across all strategies, May was the strongest month of the quarter.

Source: Crypto Fund Research

2. Performance by Strategy

Q2 2024 Performance by Fund Strategy

Average quarterly return by strategy vs. Bitcoin benchmark

-30%-24%-18%-12%-6%0%-2.9%Algorithmic/Quant-9.4%Fund of Funds-15.2%Multi-Strategy/Other-15.6%Long Only-18.6%Index/Tracker-23.7%Venture/ICO-12.1%BitcoinQ2 2024 Return

Algorithmic/Quant funds were the top-performing strategy in Q2 2024 with an average return of -2.9%. Venture/ICO funds posted the most modest returns at -23.7%. The index's -11.4% return in Q2 2024 was down from +38.2% in Q1 2024.

Source: Crypto Fund Research

2024 Year-to-Date Cumulative Returns by Strategy

Growth of \$100 invested January 1, 2024

| Month | Jan | Feb | Mar | Apr | May | Jun | Jun | CFR Index | Fund of Funds |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-----------|---------------|
| Algorithmic/Quant | \$90 | \$104 | \$118 | \$132 | \$146 | \$160 | \$122 | \$123 | \$119 |
| Long Only | \$130 | \$104 | \$116 | \$125 | | | | | |
| Venture/ICO | | | | | | | | | |
| Multi-Strategy/Other | | | | | | | | | |
| Index/Tracker | | | | | | | | | |

Through June 2024, Long Only funds delivered the strongest year-to-date return at +30.3%, followed by the CFR Index at +22.4%. Venture/ICO funds trailed at +3.5% YTD.

Source: Crypto Fund Research

Q2 2024 Return Distribution — Quartile Spread

Top quartile, median, and bottom quartile returns by strategy

| Strategy | Top Quartile | Median | Bottom Quartile |
|----------------------|--------------|--------|-----------------|
| Index/Tracker | 0.3% | 0.1% | -0.1% |
| Algorithmic/Quant | 0% | 0% | 0% |
| Fund of Funds | 0% | 0% | 0% |
| Multi-Strategy/Other | 0.1% | 0% | -0% |
| Long Only | 0.3% | 0.1% | -0.1% |

Return dispersion in Q2 2024 was widest among Index/Tracker funds, where top-quartile performers gained 0.3% while bottom-quartile funds returned -0.1% — a spread of 0.4 percentage points. Algorithmic/Quant funds showed the tightest clustering with a spread of just 0 points, indicating more consistent returns across the category.

Source: Crypto Fund Research

3. Industry Demographics

Cumulative Crypto Fund AUM

Estimated total assets under management, billions USD

| Year | 2017Q3 | 2018Q1 | 2020Q3 | 2021Q1 | 2023Q3 | 2024Q1 | 2026Q1 | 2026 |
|--------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| Industry AUM (\$B) | \$0B | \$24B | \$48B | \$72B | \$96B | \$120B | \$93B | \$93B |

Crypto fund industry AUM stood at an estimated \$93.4B at the end of Q2 2024, down 6.4% from \$99.9B in Q1 2024. Industry AUM peaked at \$101.5B in Q1 2025.

Source: Crypto Fund Research

Crypto Funds by Type

Distribution of funds across primary categories, Q2 2024

Hedge Fund (50.6%) Venture Capital (45.8%) Private Equity / Other (3.6%)

Of the 871 crypto funds tracked in Q2 2024, Hedge Fund make up 50.6% (441 funds). Venture Capital make up 45.8% (399 funds), Private Equity / Other make up 3.6% (31 funds).

Source: Crypto Fund Research

Crypto Funds by Region

Primary office location, Q2 2024

North America (51.8%) Europe (21.3%) Asia (18.7%) Offshore (4.5%) Middle East (2.2%) Other (1.5%)

As of Q2 2024, crypto funds are distributed across: North America (51.8%), Europe (21.3%), Asia (18.7%), Offshore (4.5%), Middle East (2.2%). About 4.5% of funds are based exclusively offshore.

Source: Crypto Fund Research

Average Fee Structure by Strategy

Management and performance fees, Q2 2024

Management Fee Performance Fee Algorithmic/Quant 1.90% 23.38% Long Only 2.40% 19.62% Venture/ICO 2.00% 22.50% Multi-Strategy/Other 2.11% 21.03% Index/Tracker 2.02% 20.00% Strategy 0.00% 0.00% Fund of Funds 0.00% 0.00% Algorithmic/Quant 0.00% 0.00%

The average crypto fund in Q2 2024 charges a 1.30% management fee and 13.32% performance fee. Long Only funds charge the highest management fees at 2.40%, while Algorithmic/Quant funds charge the highest performance fees at 23.38%.

Source: Crypto Fund Research

4. Risk-Adjusted Performance

On a risk-adjusted basis through Q2 2024, Algorithmic/Quant funds have the highest Sharpe ratio at 2.51. Since-inception metrics reflect performance from January 2017 through June 2024.

| Metric | Fund of Funds | Algorithmic/Quant | Long Only | Venture/ICO | Multi-Strategy/Other | Index/Tracker | All Funds |
|----------------------|---------------|-------------------|-----------|-------------|----------------------|---------------|-----------|
| Annualized Return | 70.9% | 82.3% | 431.1% | 49.9% | 1,357.5% | 60.6% | 528.0% |
| Sharpe Ratio | 1.47 | 2.51 | 1.05 | 1.23 | 1.93 | 0.67 | 1.86 |
| Sortino Ratio | 85.73 | 9.74 | 6.53 | 5.33 | 34.19 | 1.89 | 21.63 |
| Beta (to BTC) | 0.32 | 0.27 | 0.76 | 0.64 | 0.45 | 0.93 | 0.46 |
| Max Drawdown | -30.7% | -29.4% | -59.2% | -71.8% | -33.5% | -73.5% | -53.9% |
| Correlation (to BTC) | 0.54 | 0.33 | 0.73 | 0.43 | 0.54 | 0.76 | 0.51 |
| Std Dev (Annualized) | 37.5% | 28.7% | 63.7% | 56.8% | 44.7% | 65.9% | 44.3% |
| Skewness | 0.41 | 1.05 | 0.58 | 1.84 | 0.78 | 0.95 | 0.86 |

Beta to Bitcoin by Fund Strategy

Since inception, higher = more correlated to BTC

Fund of Funds 0.32 Algorithmic/Quant 0.27 Long Only 0.76 Venture/ICO 0.64 Multi-Strategy/Other 0.45
Index/Tracker 0.93 All Funds 0.46

Index/Tracker funds have the highest beta to Bitcoin at 0.93, followed by Long Only at 0.76, meaning their returns most closely track Bitcoin's movements. Algorithmic/Quant funds have the lowest beta at 0.27, indicating returns that are least correlated with Bitcoin price swings.

Source: Crypto Fund Research

5. Methodology & Disclaimers

About the CFR Crypto Fund Index: The CFR Crypto Fund Index is an equal-weighted composite of crypto funds that report monthly performance data to Crypto Fund Research. The index base value is 1,000 as of December 2016. The index is not investable and is provided for benchmarking purposes only.

Data Sources: All data is sourced from Crypto Fund Research's proprietary database. Performance data is reported voluntarily by participating funds. Fund demographics, geography, and team data come from the Crypto Fund List. Risk metrics are calculated using monthly returns since inception.

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