



Crypto Hedge Fund Performance Update

MAY 2024

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Crypto markets bounced back in May from an April pullback. The VisionTrack Crypto Hedge Fund Composite Index gained +9.02% in May based on early reported estimates. The VisionTrack Fundamental Index grew +15.43%, the VisionTrack Quant Directional Index added +2.57%, and the VisionTrack Market Neutral Index gained +2.20%. In our May distribution, the VisionTrack Market Neutral Index reported a monthly estimate of -0.72% in April, the first drawdown in 15 months. This figure has since been revised as of June 20th with more data collected, continuing a streak of Market Neutral performance.

Through May and year-to-date, the VisionTrack Fundamental Index gained +38.21% trailing Bitcoin's +57.56% yearly gain. Including early reported estimates, the VisionTrack Quant Index added +38.68% and the Market Neutral Index grew +12.73% through May. Considering performance only for Q2, Bitcoin was down -5.22% through April and May. The Fundamental Index was down -9.48%, the Quant Directional Index lost -5.22%, but the Market Neutral Index gained +2.25%.

Since December 2023, the total count of active crypto-dedicated firms has grown from roughly 1,631 to 1,659 total firms including platforms, venture firms, and hedge fund investor types. While there have been several new firms established in the previous six months, raising a crypto-dedicated fund strategy can be challenging and visibility into the entire crypto fund market remains a difficulty from an institutional perspective. For net-new firms in the market, it has been more common to see firms with extensive track-records raise funds as opposed to new firms altogether. However, several new entities have appeared in recent months as interest in actively managed strategies has increased.

As reported by VisionTrack, there are roughly 580 crypto-dedicated hedge fund firms actively trading/investing in the market. This figure does not include investment platforms which operate both a venture fund and a hedge fund structure.

An objective for VisionTrack is to “close the gap” between the total investable fund universe with collected and reported performance of fund constituents. The VisionTrack constituent set has grown ~19% since December 2023 and ~46% since June of 2023 considering total fund listings. Through most of 2022 and 2023, it was common to see 2-3 new strategy listings a month on VisionTrack. In the previous two months, VisionTrack has added roughly 10-15 new strategies each month. In short, more funds have been seen listing after years of building their investment programs and successful track records.

Separately, a portion of the VisionTrack dataset monitors the total value of the liquid crypto funds. The total dataset of monthly asset under management figures has increased by 21.7% since December 2023. In 2021, there was limited visibility into the total market sizing of all liquid crypto fund strategies with accuracy. VisionTrack as a dataset has grown in terms of performance detail and strategy listings, but also in terms of consistent accuracy for fund sizing overtime across several hundred fund strategies.

Inbound demand for the VisionTrack constituent set has also increased in recent months as various allocator types seek active fund strategies tailored to liquid assets. As first mentioned in October 2023, a popular trend for fund managers was the growth of cryptocurrency-denominated share classes, notably in BTC and ETH, accepting subscriptions in cryptocurrencies. This trend has continued from crypto-native allocators including High-Net Worth Individuals, Crypto Foundations, SMA programs, and Crypto-Dedicated Fund-of-Funds for the purpose of stacking more crypto. According to VisionTrack, BTC-denominated strategies have gained +8.55% YTD through May. ETH-denominated strategies have gained +11.53% YTD. For quant directional and market neutral managers, it's our assumption this method of subscription fundraising will grow overtime as firms continue to demonstrate outperformance.

CRYPTO HEDGE FUND VisionTrack Composite Index	MAY 2024 9.02%	LATEST VALUE 932.51	YTD 33.85%
CRYPTO HEDGE FUND VisionTrack Fundamental Index	MAY 2024 15.43%	LATEST VALUE 1182.61	YTD 38.21%
CRYPTO HEDGE FUND VisionTrack Quantitative Index	MAY 2024 2.57%	LATEST VALUE 1024.46	YTD 38.68%
CRYPTO HEDGE FUND VisionTrack Market Neutral Index	MAY 2024 2.20%	LATEST VALUE 341.56	YTD 12.73%
Bitcoin	MAY 2024 12.96%	LATEST VALUE 654.55	YTD 57.56%

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Full criteria for inclusion in the VisionTrack Indices is available by viewing our [Index Methodology](#). If you are a crypto or digital asset fund manager and would like to contribute your performance results to VisionTrack to be included in our VisionTrack Indices, please reach out to us at visiontrack@galaxy.com.

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