24 CAPITAL

24 CAPITAL PARTNERS LP

Q2 2025 Quarterly Investment Letter

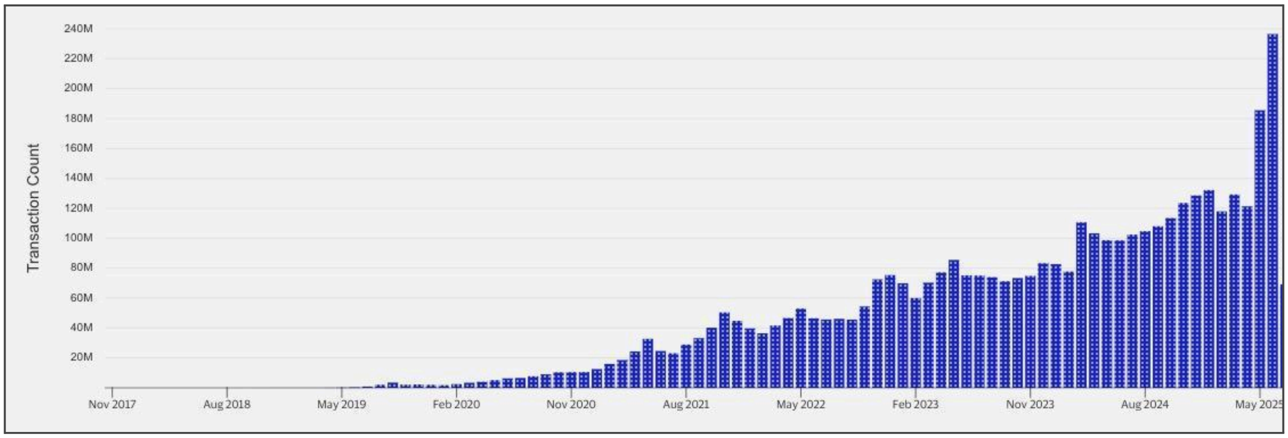
Dear Limited Partners,

Welcome to our first quarterly letter. Your early commitment allows us to build 24 Capital Partners on long-term, patient capital. We appreciate the confidence you have shown in our process and our team. This letter outlines our Q2 positioning and early performance.

A quarter shaped by policy headlines

The period from April through June was driven less by price swings and more by policy announcements. Markets digested expanded tariffs on Mexico, Canada, and China, setting a volatile tone that persisted all quarter. Markets then grappled with shifting Federal Reserve guidance and a late-June Iran/Israel flashpoint that briefly raised the possibility of a wider conflict. While uncertainty dominated the headlines, adoption metrics inside the digital-asset ecosystem continued to climb.

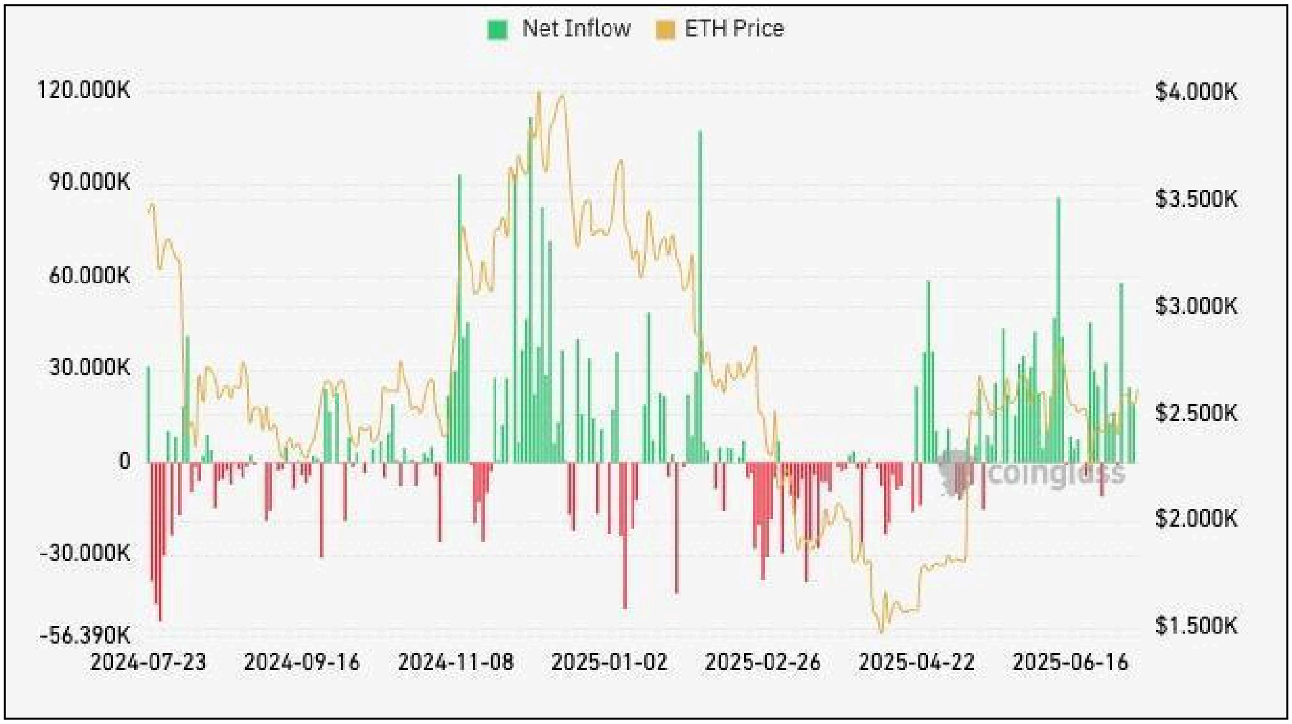
Stablecoins provide the clearest example. Circulating supply reached above $254 billion at quarter-end. If that pool of tokens were counted as a foreign holder of United States Treasuries, it would rank fourteenth globally, just behind India and ahead of Brazil. Stablecoins have become a friction-free wrapper for sovereign debt, offering instant, borderless settlement to institutions and individuals alike. Their growth reflects real product-market fit, not retail speculation.



Stablecoins had their most active month with over 236 million transactions.

Institutional capital is flowing into the space. IBIT, now the largest spot-Bitcoin exchange-traded fund, crossed $50 billion in assets under management within its first twelve months, a scale most mutual funds need a decade to reach. Net inflows into spot-Bitcoin ETFs peaked near $300 million in the week ending June 28, while net flows into Ethereum products turned positive after a period of

March selling pressure. Retail participation remains subdued, which in our view creates an attractive entry point for allocators willing to position ahead of the next adoption wave.



Significant inflows ($4.7B) for Spot ETH after March outflows.

Fund launch & disciplined deployment

24 Capital Partners began onboarding external limited partners on June 1. Rather than chase beta, we adopted a structured, systematic buying program that accelerates during market dips. As of June 30th, roughly 50% of fund assets are deployed into a concentrated basket of high-conviction infrastructure and data protocols. The remaining 50% sits in cash reserves that can be redirected when catalysts emerge.

June performance snapshot

With outside capital active for only one month, performance data are preliminary. The fund posted a net return of –2.02% in June, lagging the primary crypto benchmarks. The shortfall was consistent with our methodical deployment schedule, which favors capital preservation over capturing every short-term rally. Historically, this approach lags during steady advances and outperforms during corrections.

Performance vs Benchmarks

	BTC	ETH	SOL	SPY	QQQ	24 Capital LP
June 2025	+2.5%	-1.5%	-1.1%	+5.4%	+4.1%	-2.02%

**Unaudited. Performance from LP inception (June 1, 2025).*

DeFi strength helped drive returns during our first quarter. SYRUP led all positions at +17.37%, validated by Maple's record $1.3 million in monthly protocol revenue. AAVE added +7.36% as institutional capital discovered on-chain yield. Core holdings BTC (+6.07%) and ETH (+7.16%) provided stability. Infrastructure positions detracted despite improving fundamentals: HNT (-24.67%) saw mobile subscribers double to 304,073, PYTH (-19.07%) served 2.8 million price updates in June, while AKT (-18.85%) grew daily compute spend 36%.

Thin liquidity drove the disconnect—forced sellers overwhelmed fundamental progress.

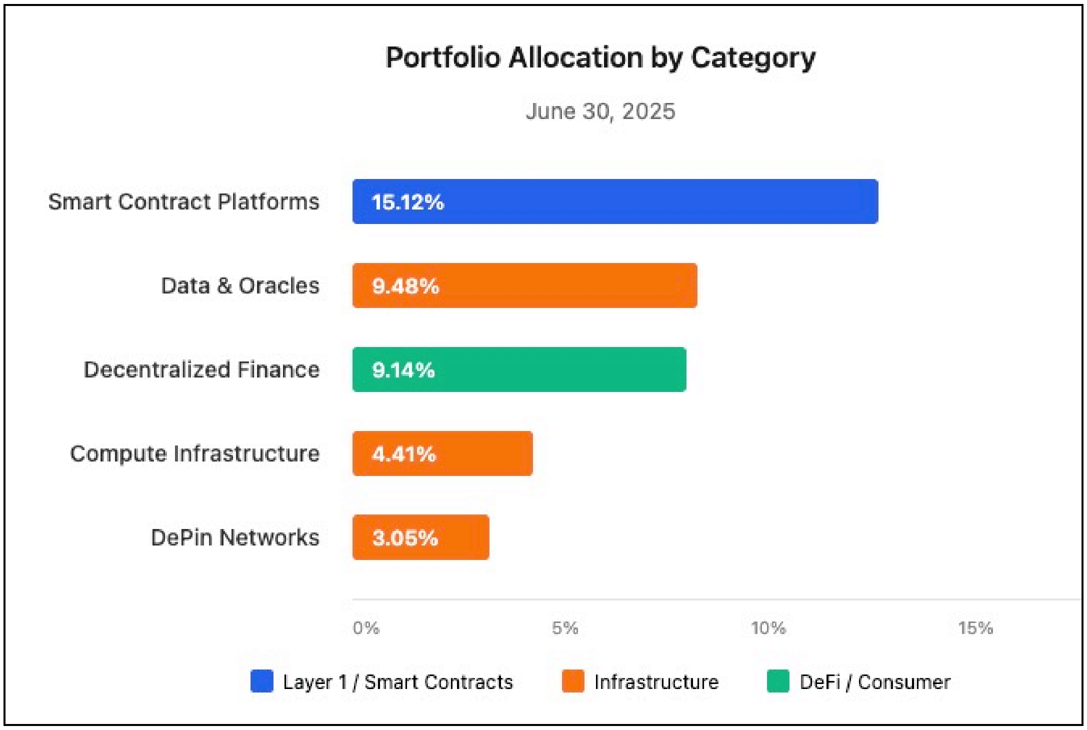
Top Contributors:	*PnL Attribution ($) 2Q25*	*PnL Attribution (%) 2Q25*
SYRUP	5,732	17.37%
AAVE	3,883	7.36%
ETH	4,416	7.16%
BTC	3,569	6.07%

**Unaudited*

	PnL Attribution ($) 2Q25	*PnL Attribution (%) 2Q25*
Top Detractors:		
HNT	-12,493	-24.67%
PYTH	-7,718	-19.07%
AKT	-7,229	-18.85%
RENDER	-3,779	-7.94%

**Unaudited*

Mid-month we rotated proceeds from two AI-infrastructure holdings into decentralized-finance exposure without noticeable market impact. Maple Finance's SYRUP token, added during that rotation, finished June as our leading contributor. A fuller attribution and risk analysis will appear in the Q3 letter, once we have a complete quarter of external performance.



Smart contract platforms and infrastructure assets remain the largest portfolio weights.

Risk management - putting liquidity first

Our approach to risk management centers on what we call "disciplined opportunism." We maintain over 75% of holdings in assets with sufficient daily trading volume for same-day liquidation if required. This liquidity focus enabled our minor Q2 sector rotation, from AI to DeFi, with minimal disturbances to the portfolio.

The key insight: this approach allows us to use market volatility as an advantage rather than a hindrance, capturing dislocations while maintaining tactical flexibility. When panic selling creates opportunities in quality protocols, we can act quickly rather than being forced sellers ourselves.

We currently utilize Gemini Custody while recently onboarding Fireblocks and Coinbase Custody for different asset types. Multi-custody architecture reduces counterparty risk while preserving execution agility. Security infrastructure is critical, leading us to build the fund to institutional-grade levels.

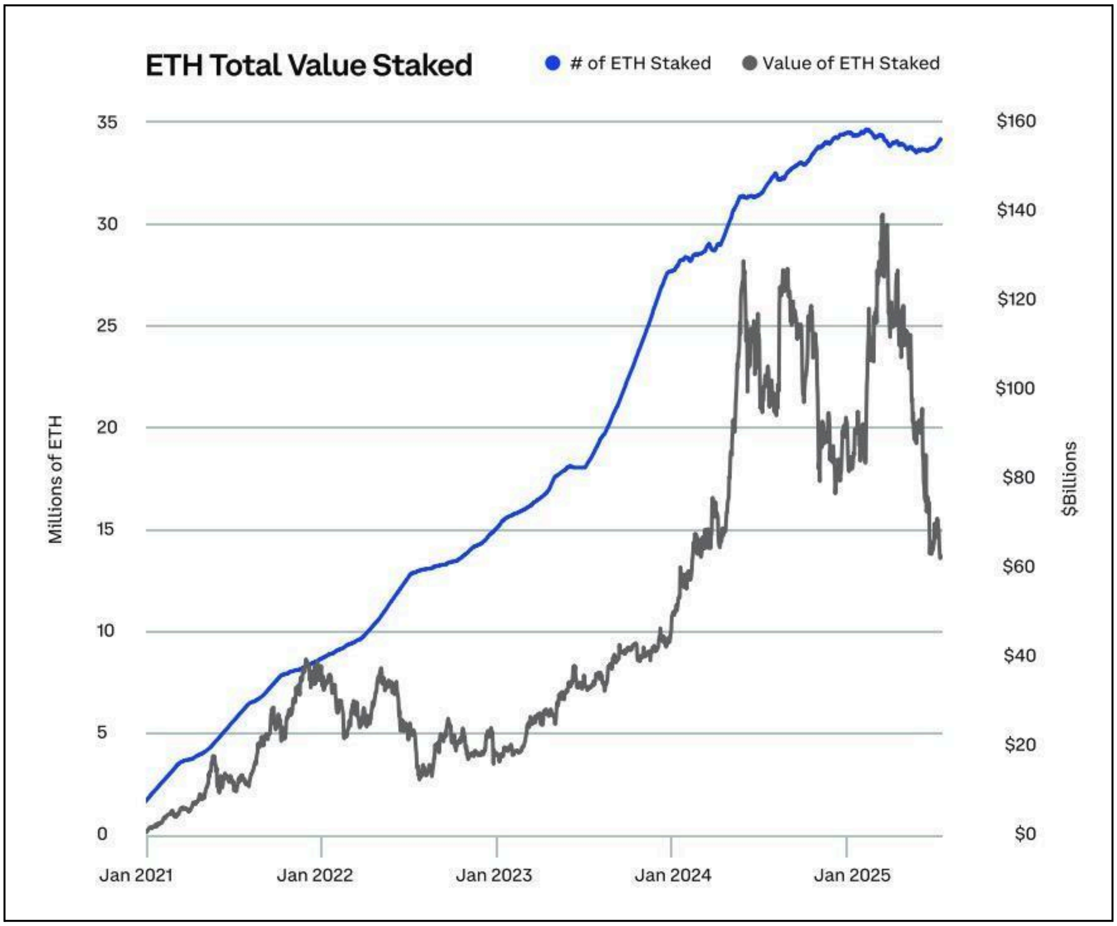
The Macro Setup

The dollar index fell 8.4% in Q2, its weakest quarter since 2020, while M2 turned positive after nine months of contraction. While these shifts typically support risk assets, we remain focused on protocol fundamentals and institutional flows rather than macro predictions.

Ethereum: settlement layer at nation-state scale

Ethereum now clears more than $150 billion in stablecoin value each day, and 90% of USDC's $61 billion float resides on Ethereum. For perspective, Visa processes a similar magnitude over an entire year yet carries a $500 billion equity valuation. Ethereum trades at a fraction of that multiple.

Structural supply dynamics amplify the investment case. About 34 million ETH, 28% of supply, is staked at staking rewards near 3–4%. Another $112 billion is locked across DeFi contracts, and every transaction permanently removes ETH from circulation. Combined, more than 60% of outstanding ETH is effectively illiquid. Equity markets rarely experience that degree of float reduction without sharp repricing.



Source: Glassnode

Regulation has begun to catch up with economics. In May the Securities and Exchange Commission clarified that native Ether staking does not constitute a securities offering. The decision removes the most significant institutional hurdle. Should the Commission approve staking functionality inside pending Ether ETF products ahead of its late-October deadline, investors would gain the first mainstream vehicle combining protocol yield with price exposure.

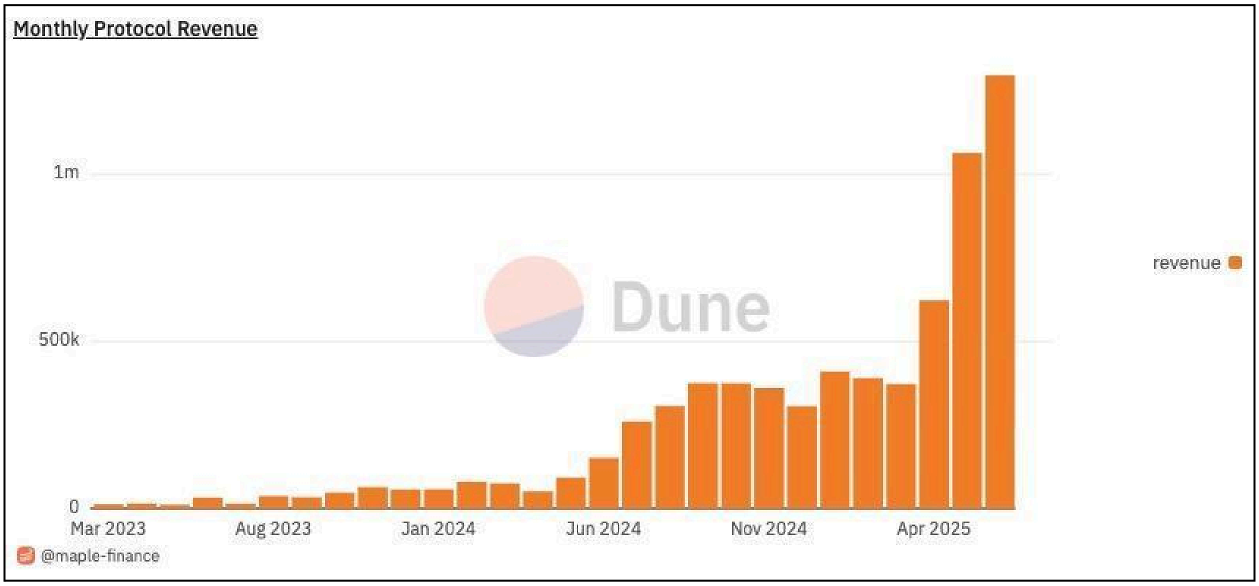
Capital is already moving in that direction. After net outflows in March, Ethereum ETFs recorded seven consecutive weeks of net inflows, totaling $1.17 billion in June alone. Aggregate assets across issuers now exceed $11 billion, and combined daily turnover averages $380 million. The product is becoming part of core portfolio construction rather than a niche allocation.

Maple Finance: credit rails for institutions

Maple Finance is emerging as the institutional gateway to on-chain credit. In Q2, it solidified this role through a surge in loan originations, growing monthly revenue to over $600K—a near 100% MoM increase—while active loans grew from $250M to over $690M YTD.

What sets Maple apart is its credit underwriting infrastructure and focus on institutional borrowers (hedge funds, market makers, etc.), allowing them to gain access to transparent, collateralized credit. The recent launch of the SYRUP token in 2024 upgraded its governance and utility mechanics while aligning incentives across the ecosystem.

We initiated a position as Maple captured surging institutional credit demand. Monthly protocol revenue hit $1.3 million—up 107% from April—validating our thesis on regulated on-chain lending. Against the backdrop of stablecoin legislation progress, Maple is well-positioned to capture credit demand from asset managers and corporate treasuries seeking regulated yield



Maple Finance had their best month ever in June.

Total value locked surged from $300 million to $1.7 billion (5x growth) during Q2. Their overcollateralized loan products yielded 20%+ when traditional basis trades paid 10%, attracting both crypto treasuries and traditional allocators seeking digital exposure. SYRUP rallied 512% from its January low and contributed +28.7% in June alone. But this wasn't retail speculation—it was driven by institutional discovery.

Risks include governance concentration, about 45% of tokens reside in the top wallets, and borrower diversification, but the protocol's zero-default record stands out in a sector where credit events are common.

Why DeFi suddenly matters to institutions

DeFi outperformed the broader crypto market by 10.9% in June, and the move was rooted in improved infrastructure rather than short-term speculation. The sector now holds more than $180 billion in total value locked, capital actively deployed in lending, trading, and settlement, not just headline numbers on a dashboard.

Think of DeFi protocols as digital REITs: instead of collecting rent from tenants, they collect transaction fees from users. Both generate predictable cash flows, both return capital to holders, but DeFi operates 24/7 without property managers or maintenance crews. The numbers support this comparison: DeFi protocols now generate between $5 billion and $10 billion in annualized transaction revenue.

The catalyst was clearer regulation. The SEC's May 2025 guidance confirmed that Ethereum staking is not a securities offering, removing a major compliance roadblock. Washington's broader shift from litigation to collaboration gives institutions room to explore revenue generating features.

That income stream is what attracts long-horizon capital. Just as important, the legal and operational rails are in place: custodians like BNY Mellon, asset managers such as BlackRock, and exchanges including Coinbase have integrated workflows that pass both audit and regulatory checks. The result is a market that combines blockchain transparency with the safeguards traditional finance requires.

June delivered a watershed moment when the Senate passed the GENIUS Act 68-30, establishing the first federal framework for stablecoins. The legislation mandates reserve backing, monthly audits, and AML compliance; essentially blessing the market we've been positioning for. Treasury Secretary Bessent projects this could grow to $2 trillion. Our early stablecoin infrastructure plays, particularly Maple Finance's institutional credit rails, stand to capture significant flow as traditional finance enters through this newly legitimized gateway.

July Update

Early Q3 trends validate our positioning. Infrastructure tokens are catching bids as liquidity returns. The GENIUS Act progresses toward House passage. While it's early, the setup looks increasingly constructive for patient capital.

Looking ahead

Our first quarter placed 24 Capital Partners squarely at the intersection of growing institutional demand and the real-world build-out of decentralized infrastructure. The Fund commenced during a market consolidation when large allocators were still sizing positions and core protocols kept upgrading in the background. We see that pause as constructive.

Three forces are setting the table for the second half of 2025:

1. **Institutional infrastructure is in place.** More than $7 billion of crypto M&A announced in Q2 shows that well-capitalized incumbents are buying critical rails.

2. **Regulatory clarity is accelerating.** The SEC's staking guidance and the House's GENIUS Act passage (expected as soon as end of July) remove major compliance hurdles, with additional rule-making around tokenization expected to follow.

3. **Liquidity returning to markets.** Fed easing cycle approaching, M2 turning positive, and improving market depth create favorable conditions for quality protocols.

Our systematic deployment framework emphasizes sustainable wealth creation over headline grabs. It keeps dry powder available while letting us scale into positions as catalysts emerge. If institutional participation accelerates alongside clearer rules and easier policy, digital-asset markets can reprice quickly. We believe our current mix of high-conviction tokens and reserve capital offers attractive upside for investors who measure success in years, not months.

We founded 24 Capital Partners on the view that crypto's institutional adoption cycle is still in its early innings. Quality protocols are trading at valuations that do not yet reflect their improving fundamentals or cash-flow potential. Macro conditions will influence the path, but across several scenarios the opportunity set remains favorable.

Thank you for your continued partnership as we navigate this landscape together. Your trust and patience are the foundation of everything we do.

Best regards,

Daniel Wilpon

Managing Partner
24 Capital Partners LP
July 2025

This letter contains forward-looking statements and projections. Past performance does not guarantee future results. Digital assets involve substantial risk including potential total loss of invested capital. Please refer to our Private Placement Memorandum for complete risk disclosures.

Key Data Sources
Federal Reserve Economic Data (FRED) | CoinMetrics | CoinGecko | Glassnode | DeFi Llama | Dune Analytics | Token Terminal | CME FedWatch Tool | SEC Filings | Bureau of Labor Statistics | Bank for International Settlements | International Monetary Fund | DXY Historical Analysis (2016-2025)