24 CAPITAL

24 CAPITAL PARTNERS LP

Q3 2025 Quarterly Investment Letter

Dear Limited Partners,

First, I'd like to welcome our new investors who joined us this quarter. We're grateful for your trust and look forward to building on the foundation we've established.

We entered the third quarter doubling our capital under management following these new partner subscriptions. Rather than chase momentum, we built positions methodically into weakness and reserved cash for forced selling. On September 22, approximately $1.6 billion of leveraged positions were liquidated, the biggest since December 9, 2024, creating temporary gaps between price and fundamentals in high-quality infrastructure. We added where liquidity dislocated value.

Policy clarity and the structural bid

Q3 was the quarter the United States drew usable lines for digital assets. In July, the GENIUS Act created a national framework for payment stablecoins—reserve, disclosure, and supervisory standards for dollar-backed tokens now totaling ~$280 billion. The House also passed the CLARITY Act, delineating agency jurisdictions and routes to compliant participation; the bill now sits with the Senate. In September, the House passed the CBDC Anti-Surveillance State Act, signaling a preference for privately issued dollar tokens over a retail CBDC. In twelve weeks, policy uncertainty became a compliance path; investment committees now have a defensible framework for ETF allocations, custody, and balance-sheet programs.

The macro backdrop supported risk assets. The FOMC lowered the policy rate 25 basis points on September 17, the money supply turned positive year-over-year during Q3, and real long rates eased into late September. Liquidity improved without excess, conditions under which fundamentals can reprice.

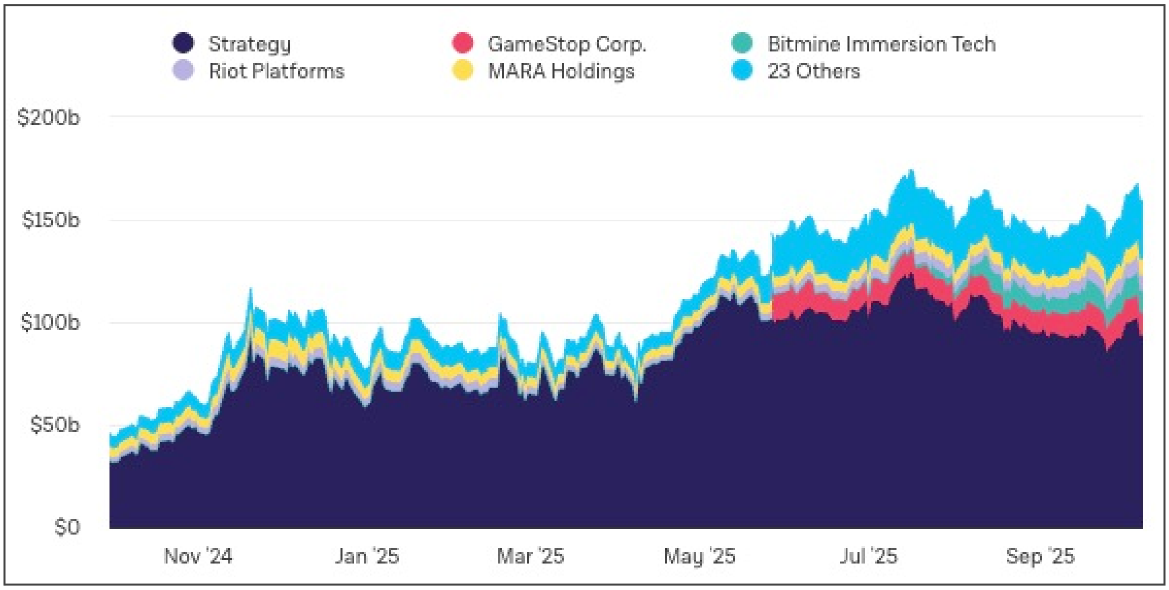
Digital Asset Treasuries: The new structural bid

A distinct buyer class emerged as the market's center of gravity: public companies adding Bitcoin and Ethereum as permanent balance-sheet reserves.

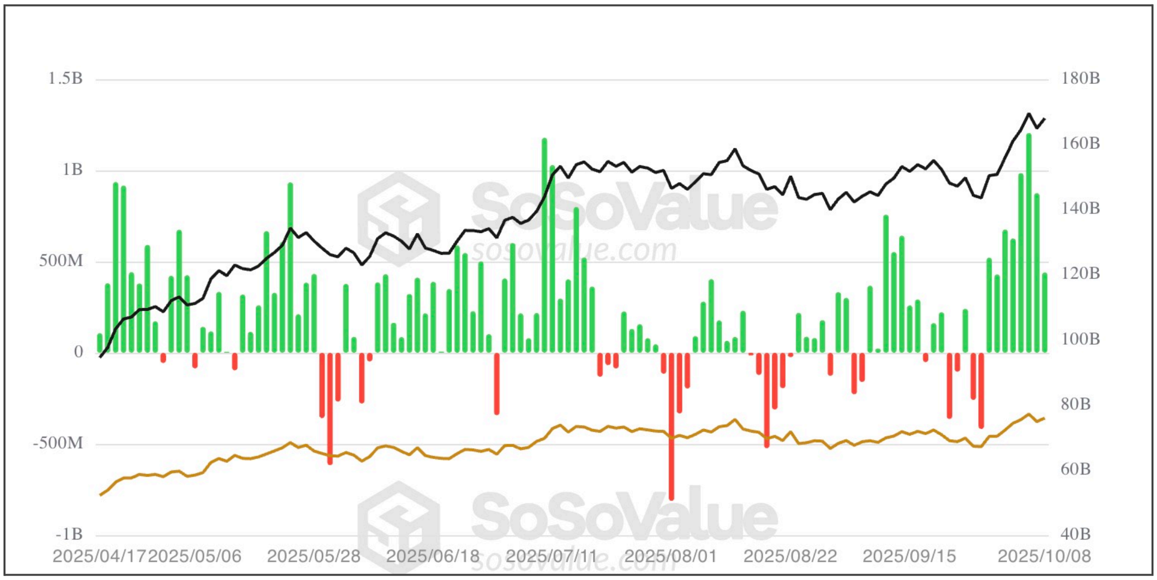
Strategy Inc. (formerly MicroStrategy) remained the bellwether corporate holder of Bitcoin, reporting materially higher holdings and additional financing during the quarter. Their financial structure is a clear directional bet on appreciation over multi-year horizons.

The model is spreading globally. Metaplanet, often called "Asia's MicroStrategy," accelerated purchases through September, reaching 1,018 BTC. Marathon Digital pivoted from pure mining to treasury accumulation, holding 26,200 BTC. Tesla maintains its $778 million position. Block holds $216 million.

By quarter-end, over 60 public companies held Bitcoin as treasury reserves, collective holdings exceeding $80 billion. These entities use three accumulation channels: direct custody for permanent holdings, ETF allocations written into investment policies, and liability-funded programs using convertible or secured facilities. They add systematically on weakness and measure success in years, not quarters. When September's deleveraging cascade hit, this structural bid absorbed the selling. Where previous cycles saw 30-50% drawdowns from leverage unwinds, this time, Bitcoin found support 20% from highs. The difference is clear: a persistent buyer base that views volatility as opportunity rather than risk.



Digital-asset treasuries. Stacked Market Cap of Digital Asset Treasury Companies (DATs) Holding Crypto.



U.S. Spot Bitcoin ETFs. Daily net flows (green/red) with total AUM (black) and BTC price (gold). AUM rose from ~$131B to ~$150B in Q3 despite September weakness, indicating steady, non-momentum allocations.

Q3 performance snapshot

The fund delivered a +8.71% net return for Q3 2025, bringing performance since LP inception (June 1, 2025) to +6.31%.

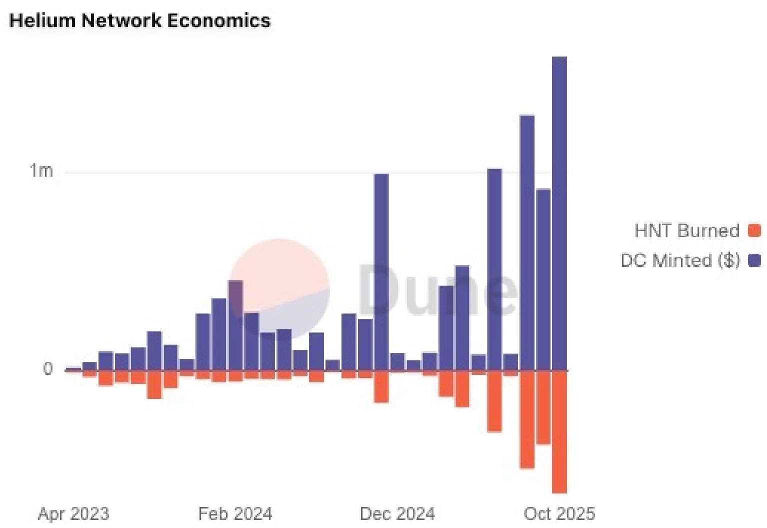
Q3 2025 Performance vs Benchmarks

	BTC	ETH	SOL	SPY	24 Capital LP
July 2025	8.1%	48.8%	11.3%	2.2%	5.31%
August 2025	(6.5%)	18.8%	16.7%	2.1%	7.94%
September 2025	5.2%	(5.7%)	3.9%	4.0%	(4.35%)
Q3 Total	6.4%	66.7%	34.9%	8.5%	8.71%

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

September's performance reflected infrastructure positions caught in broader deleveraging despite improving fundamentals. Akash Network processed 67% more compute hours while declining 20%.

Helium added 121,000 mobile subscribers, reaching 425,000 total, while falling 14%. Pyth delivered 2.8 million price updates daily, up 47%, while dropping 11%. Thin liquidity meant forced sellers overwhelmed fundamental progress—precisely where patient capital compounds advantage.



Helium network activity accelerated through Q3, with data credits burned (orange) reaching multi-year highs in September as mobile subscriber growth drove real network utilization. Source: Helium Foundation.

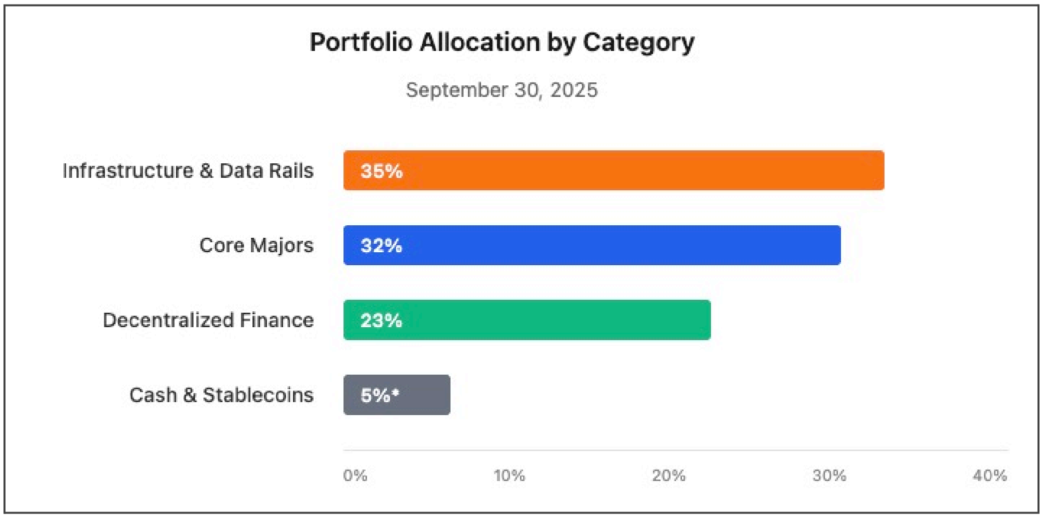
Ethereum led attribution on clearer U.S. rules and steady demand through regulated ETFs. Regulatory posture toward staking improved through mid-year; the near-term question is whether U.S. spot Ether funds can include staked ETH. If allowed, the feature adds a variable network yield (roughly ~3% today) on top of price exposure.

Chainlink and Pyth gained following late-August U.S. data engagement that put official economic series—GDP, PCE, employment figures—onto the blockchain, moving data networks toward public infrastructure for lending, insurance, settlement, and tokenized-asset workflows. SWIFT continues its interoperability work with blockchain networks, exploring how traditional banking infrastructure can connect with tokenized systems. The market still prices these protocols as Decentralized Finance (DeFi) middleware rather than critical financial infrastructure.

	PnL Attribution ($) 3Q25	PnL Attribution (%) 3Q25
Top Detractors:		
AKT	-12,493	-19.84%
HNT	-7,718	-14.14%
SYRUP	-7,229	-12.61%
Top Contributors:		
ETH	101,977	38.73%
LINK	63,025	30.08%
SOL	58,291	29.91%

**Unaudited*

We maintain three portfolio pillars: Core blockchain exposure captures ETF flows and treasury demand. Infrastructure holdings benefit as stablecoin circulation expands and institutional usage scales. DeFi positions provide yield and optionality as regulated credit markets mature.



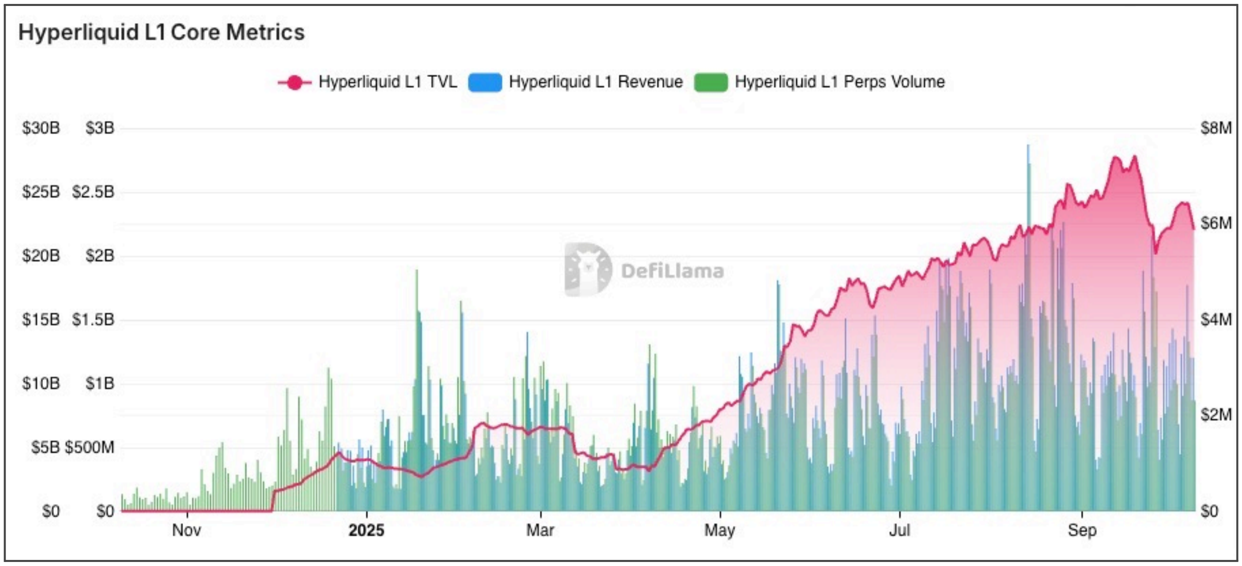
Portfolio allocation by category as of September 30, 2025.

Notable addition - Hyperliquid (HYPE)

Hyperliquid is quietly becoming one of crypto's largest trading venues. The protocol generated $290 million in Q3 fees, over $1 billion annualized, and used $84 million of that for token buybacks in September alone. With just fifteen people supporting the infrastructure, it processes volumes that rival major exchanges while expanding from derivatives into spot markets. The model inverts traditional exchange economics: minimal overhead, programmatic value return, and growth without dilution.

The team ships weekly improvements without fanfare. Order matching rivals centralized venues at institutional speeds. Their community proposal enabling spot trading passed with 94% approval, broadening beyond perpetuals. The project raised no venture capital, distributing tokens entirely to users and contributors—rare alignment in a space dominated by VC unlocks.

The no-KYC, non-custodial model creates regulatory uncertainty. Transparent fee distribution and on-chain settlement align with frameworks regulators have indicated could support compliant venues. A U.S.-integrated version capturing even modest CME share would be material. We initiated exposure via OTC given limited domestic access.



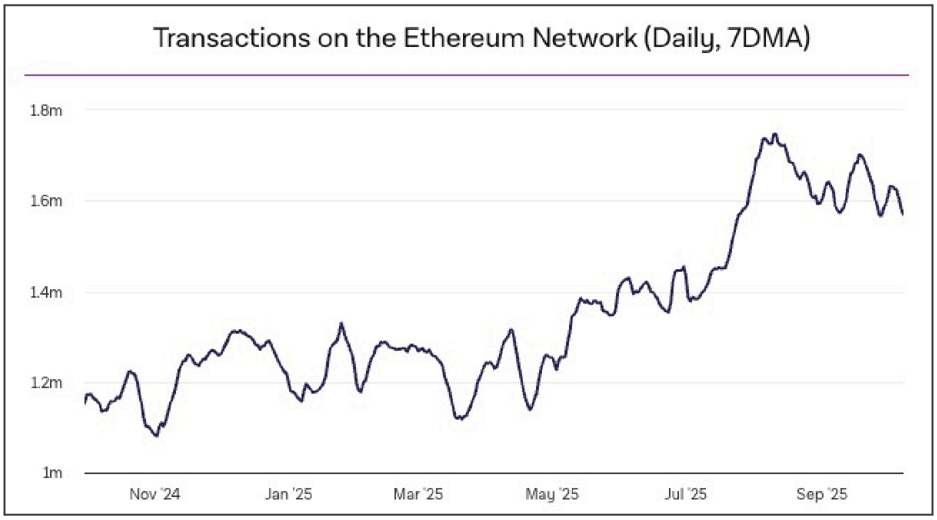
Core activity across Hyperliquid's ecosystem—trading volume, TVL (aka deposits), and protocol revenue—all expanded through Q3 2025, underscoring sustained usage and cash-flow generation. Source: DefiLlama.

Infrastructure reality check

September tested our infrastructure thesis. Results were mixed but instructive. Most of the bleed was narrative and attention, not fundamentals. Prices drifted on light volume with few natural buyers, while we added only where usage and revenue accelerated.

Ethereum (ETH)

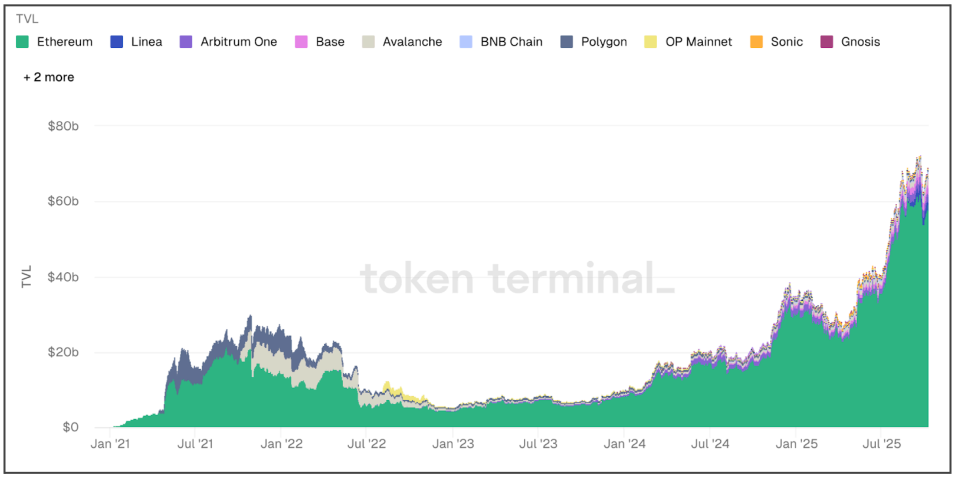
As a result of significant price appreciation during the quarter, our ETH position grew to ~14% of AUM. Daily transactions approached 1.8 million by late September, while staking participation rose to 28% of supply.



Source: The Block

AAVE (AAVE)

Total value locked expanded from $42 billion to $74 billion (+70% QoQ), surpassing $3T in cumulative deposits. AAVE continues to dominate institutional DeFi credit markets, benefiting from the GENIUS Act's stablecoin oversight that improved collateral transparency.



Aave's share of total DeFi liquidity continued to climb through Q3, reflecting renewed on-chain credit formation and the return of institutional capital to regulated lending venues.

Chainlink (LINK) and Pyth (PYTH)

The Department of Commerce collaboration brought official U.S. data on-chain across networks (LINK supported BEA streams; PYTH published historical GDP). Both have moved from middleware to public data infrastructure, anchoring real-world adoption.

DePIN and Compute (Helium, Akash)

Helium's mobile network reached 425,000 subscribers, up from 304,000 in June. T-Mobile pays Helium $5 per gigabyte of offloaded data—real revenue from a Fortune 500 customer. Yet HNT traded down 14%. While the market doesn't distinguish between usage growth and token price, we think this is being overlooked.

Akash Network GPU compute hours rose 67%, active deployments increased to 1,847, and daily network spend exceeded $47,000. But AKT fell 20% on thin volume.

Looking ahead

Q3 affirmed our core thesis: structural demand, real usage, and disciplined liquidity management drive compounding in a maturing asset class. Policy is turning supportive; fundamentals are improving even as macro headwinds persist.

We maintain meaningful reserves not from caution but from experience. Crypto markets offer their best risk-adjusted opportunities during periods of maximum dislocation. September tested our framework. It held. Your patience enabled execution without pressure, our primary advantage in algorithmic markets.

Thank you for your continued partnership.

Best regards,

Daniel Wilpon

Managing Partner
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October 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 | DeFiLlama | Dune Analytics | Artemis Analytics | Token Terminal | SEC Filings | Bureau of Labor Statistics