

NORRIO CAPITAL PARTNERS (NCP)

Multi-Strategy, Systematic Hedge Fund

MAY 2025

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Overview

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POSTING CONSISTENT RETURNS DESPITE MARKET UNCERTAINTY

- NCP Fund returned **+3.5%** in April bringing our rolling 12-month return to **+48.1%** and our 2025 (YTD) cumulative return to **+20.7%** (net of fees and expenses) compared to **+3.7%** for Bitcoin (BTC) in the same period. U.S. stocks mostly ended lower for April as the S&P 500 declined **-0.8%**, Russell 2000 decreased **-2.4%** and Nasdaq rose **+0.9%**.
- 2025 started off on a positive note, as the political climate shift toward crypto increased prices from the election through January. However, after BTC and Solana (SOL) set new highs in January, the election turned into a classic “buy the rumor, sell the news”. BTC and most other digital assets recovered earlier losses to post YTD gains. However, equity markets remained under pressure while Gold increased by over **+20%** YTD. For April, BTC increased **+14.1%**, Ethereum (ETH) declined **-1.6%** and SOL increased **+18.4%**.
- In April, large macro forces created a risk-off market as the largest overhang continues to be the tariff uncertainty and impact on the global economy. We’ve got volatility until visibility around tariffs starts to improve. Investors should not ignore the wealth effect of stock market corrections. Keep in mind, the growing worries of both economic and corporate earnings recessions are most often priced well in advance in stock prices. The market, above all else, can be one brutal discount. ***NCP Fund is well positioned in this environment based on our long/short, trend-following strategies focused on generating consistent, superior, uncorrelated returns irrespective of the market trend.***
- Favorable rates and liquidity conditions are supportive of risk assets. The 10yr treasury yield has been steadily declining after hitting highs in 2023, and more so in April. After this tariff-driven volatility, we believe investors will start to appreciate the positive tailwinds and strong fundamentals, and we expect another good year for digital assets.
- The Austin Technology Council announced that NCP’s Managing Partner, **Bob Fabbio**, has been selected and inducted in the “Austin Tech Hall of Fame” to honor the people whose vision, leadership, and determination helped lay the foundation for Austin’s rise as a top technology hub and innovation center. Join us for the celebration on Wednesday, May 7th between 5:30–7:30pm. For more information and if interested, you can go to <https://lnkd.in/gdHkNgb9>.

NCP FUND PERFORMANCE (NET OF FEES) VERSUS MARKET INDICES

January 2024 – April 2025

Q1 2024	Q2 2024	Q3 2024	Q4 2024	CY 2024	Q1 2025	April 2025
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NORRIO CAPITAL PARTNERS FUND

Monthly/Quarterly Net Rate of Return (RoR)	6.86%	-5.58%	21.77%	11.38%		15.73%	3.54%
Cumulative Net RoR (YTD - 2024 + 2025)	6.84%	0.02%	23.26%	37.81%	37.81%	16.57%	20.70%
Rolling 12-Month Cumulative Net RoR							48.12%

MARKET INDICES

S&P 500	9.86%	4.11%	5.43%	2.24%	21.64%	-4.55%	-0.76%
Russell 2000	4.98%	-3.88%	9.02%	0.95%	11.65%	-9.75%	-2.38%
NASDAQ Composite Index	8.93%	8.43%	2.48%	6.17%	26.01%	-10.41%	0.85%

NAV Fund Administrator calculated Fund Performance between Jan 2024 - April 2025 (unaudited). Fund returns may differ from LP returns based on a number of factors.

Source: Bloomberg, FactSet, S&P 500, Nasdaq, and benchmark data for Crypto Market PnL is from CryptoCompare.

Commodity trading involves a substantial risk of loss. An investment in the Fund is speculative, involves a high degree of risk and past performance is no guarantee of future results.

Monthly Performance

Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024
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NORRIO CAPITAL PARTNERS FUND

Monthly Net Rate of Return (RoR)	1.45%	6.88%	-1.47%	5.11%	-13.01%	2.40%	11.69%	5.90%	4.18%	4.07%	4.48%	2.83%
Year To Date Net Rate of Return (cumulative)	1.45%	8.43%	6.84%	12.30%	-2.32%	0.02%	11.72%	18.31%	23.26%	28.27%	34.01%	37.81%

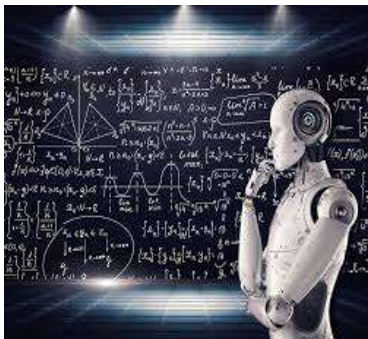
Jan 2025	Feb 2025	Mar 2025	Apr 2025
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Monthly Net Rate of Return (RoR)	4.63%	5.70%	5.40%	3.54%
Year To Date Net Rate of Return (cumulative)	4.63%	10.60%	16.57%	20.70%

NAV Fund Administrator calculated Fund Performance between Jan 2024 - Apr 2025 (unaudited). Fund returns may differ from LP returns based on a number of factors.

Source: Bloomberg, FactSet, S&P 500, Nasdaq, and benchmark data for Crypto Market PnL is from CryptoCompare.

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NCP Fund Strategy and Mission

STRATEGY

- A long/short hedge fund that leverages the volatility of the most liquid digital assets
- Deploy systematic trend-following trading strategies in perpetual futures to generate positive returns in bull and bear markets

OUR MISSION

- To lower the risk for investors seeking to invest in digital assets
- Focused on generating consistent, superior, uncorrelated monthly returns, irrespective of the market trend

FUND RETURNS

- +3.5% in April 2025, +20.7% YTD and rolling 12-month return of +48.1% (net of fees and expenses)
- 88% positive months
- Low volatility

Fund performance calculated by independent Fund Administrator



DIGITAL ASSETS MARKET UPDATE

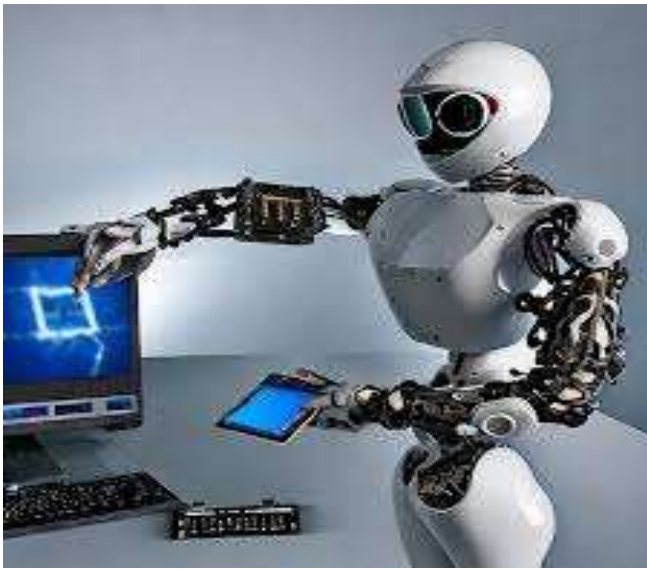
Bitcoin (BTC), Ethereum (ETH), Solana (SOL) and ETFs



- Macroeconomic conditions and tariffs were depressing the price of BTC and other digital assets to start April as the market was long spot but defensively hedged via perpetual futures contracts (perps), reflecting risk-off sentiment. BTC's price action confirmed this, with lower highs, failed rallies, and a rejection below \$85K. However, a rally ensued in mid-April and BTC ended up +14.1% for the month.
- We are starting to see signs that digital assets are performing better and have shown relative outperformance versus equities and the U.S. dollar. As an example, BTC and SOL are up while equities have been down YTD. From all-time highs, the price of BTC has yet to cross the 30% drawdown threshold, suggesting that the bull market may technically still be intact.
- The price of ETH, the second-largest cryptocurrency based on market cap, ended another month at a loss. It ended April, down -1.58%. This loss makes it the 5th successive month ETH has ended in a loss. The latest loss means that ETH has lost 36.7% of its value over the past 12 months. However, it started its trend of decline in 2H 2024. After recording gains of 3.2% in July 2024, ETH has recorded losses in eight of the nine months that followed. Analysts believe that upcoming developments in the ETH network and adoption trends will play an important role in the ETH's price direction moving forward.
- Despite broader market uncertainty, SOL demonstrated remarkable resilience by climbing from April lows to establish new support levels above \$150 with an increase of +18.4% in April. Geopolitical tensions and evolving trade policies continue to shape cryptocurrency markets, with SOL emerging as a focal point amid global economic uncertainty.
- The tokenization of real-world assets (RWAs) has been one of the rising use cases for blockchain technology in April. ETH may be leading the way, with the value of the RWA tokenization on the network increasing to \$6.2 billion. This marks a 20% increase over the month of April.
- Stablecoins have seen steady growth in 2025, and April was no exception. The total market capitalization of stablecoins grew \$4 billion in April, according to CoinGlass.

Industry News

- Cantor Fitzgerald is launching a crypto venture with Tether and SoftBank to buy BTC based on growing interest in the digital currency. The deal has blank-check vehicle Cantor Equity Partners (CEP.O) merging into newly formed Twenty-One Capital. The combined vehicle was valued at ~\$3.6 billion when announced and Twenty-One Capital launched with more than



42K BTC, which will make it the world's third-largest BTC treasury. Twenty-One will be majority-owned by Tether (the world's largest stablecoin issuer) and Bitfinex, with significant minority ownership by SoftBank. The combined company is set to have ~371 million shares outstanding at a ~\$18 billion market cap for Twenty-One Capital at current BTC prices.

- On April 9, the U.S. Senate confirmed Paul Atkins as the next Chairman for the Securities and Exchange Commission (SEC). Atkins has extensive experience in financial regulation including his former seat as SEC Commissioner. Upon Atkins' confirmation, the Senate Banking Committee Chairman Tim Scott (R-SC) emphasized the Senate's excitement to have an SEC chairman who will provide regulatory clarity for digital assets.
- On April 8, Ripple announced that it had acquired prime broker Hidden Road for \$1.3 billion, representing one of the largest deals in the crypto sector YTD. Ripple's acquisition of Hidden Road will allow it to become the first crypto company to operate a global prime broker. Hidden Road clears \$3 trillion annually across markets with top-tier institutional customers. Ripple's acquisition of Hidden Road also reinforces Ripple USD's (RLUSD) position as an enterprise-grade USD-backed stablecoin as Hidden Road leverages RLUSD across its prime brokerage products.
- On April 10, President Trump signed into law a bill that overturns the IRS's rule, commonly known as the DeFi Broker Rule, under the Congressional Review Act of Disapproval. According to U.S. Rep. Mike Carey (R-Ohio), the DeFi Broker Rule "needlessly hindered American innovation, infringed on the privacy of everyday Americans, and was set to overwhelm the IRS with an overflow of new filings."
- On April 28, Mastercard announced that it has partnered with several digital asset exchanges and wallet providers to allow customers to use their digital asset wallets that hold stablecoins via traditional cards at merchant locations. Regarding settlement of payments, Mastercard further stated that its partnerships with Circle and Nuvei will give merchants the option to receive stablecoins as payment regardless of how a customer pays. Additionally, Mastercard is partnering with OKX to offer customers the opportunity to open an "OKX Card" to provide easier access to funds.
- Tesla (Nasdaq: TSLA) has not sold its BTC holdings worth \$1.1 billion, the company announced in its earnings report for Q1 2025 on April 22. As of this date, Tesla holds 11,509 BTC worth \$1.1 billion on its balance sheet.
- The cryptocurrency industry is moving boldly into the spotlight of traditional finance, with a wave of initial public offerings (IPOs) signaling a maturing yet growing market. Circle filed for an IPO on April 1, 2025, following closely on the heels of Amber Premium's historic Nasdaq listing on March 13, 2025. These milestones mark a pivotal shift and potentially leading to a



golden era for crypto capital markets under a more favorable U.S. administration.

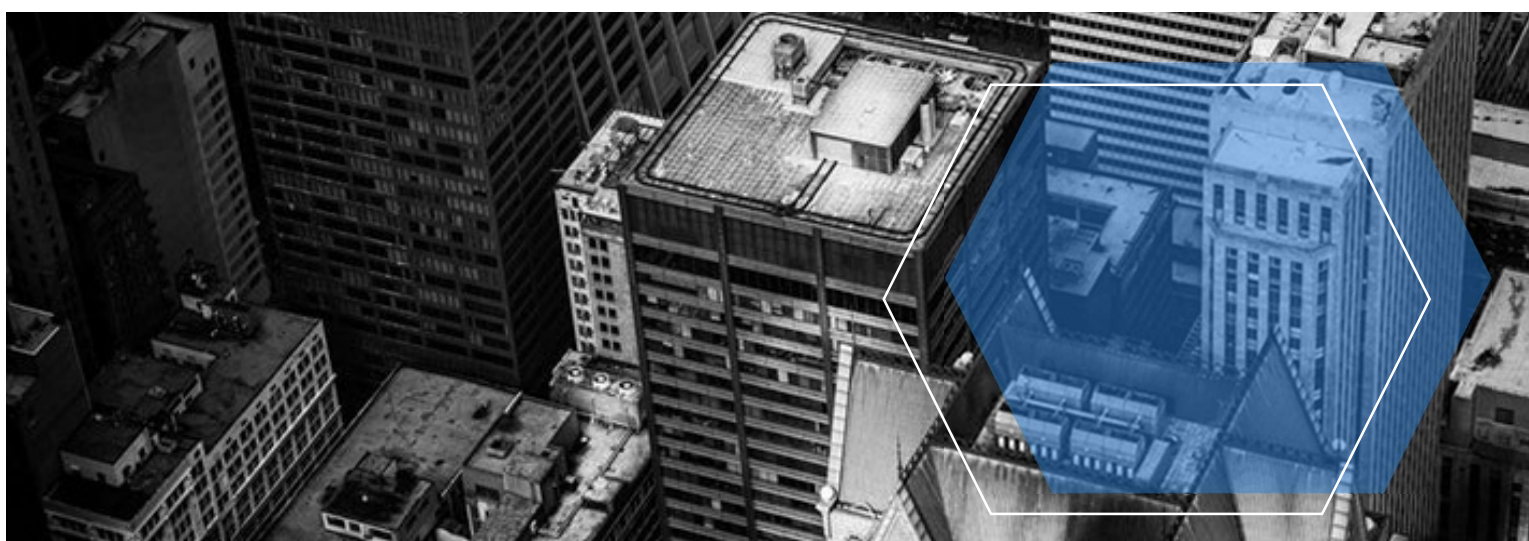
Market Outlook

- The stablecoin market in April 2025 is experiencing a remarkable surge with the total market capitalization reaching ~\$235 billion, an increase of over 75% from \$134 billion in January 2024. This growth trajectory continued from a \$200 billion market cap in December 2024 or a ~20% rise YTD. Transaction volumes tell an equally compelling story as stablecoins recorded \$27.6 trillion in transfers, surpassing the combined volumes of Visa and Mastercard. By February 2025, this figure climbed to \$35 trillion, which is approximately a 27% increase.
- The Financial Times reported that Binance, the world's largest crypto exchange, has been advising numerous countries and sovereign wealth funds on crypto policy and establishing a strategic BTC reserve. It makes sense that countries would reach out to leading companies to ensure they have informed views on policy. This is the investment thesis many BTC investors have been talking about for decades. Once one large nation starts to acquire BTC, all other countries maybe incentivized to compete to acquire BTC.
- New SEC Chairman Atkins will lead the SEC at a pivotal time for securities laws, with technologists and innovators disrupting capital formation and trading around the world. Decentralized, public blockchains have created new asset classes with no barriers to entry beyond an internet connection, upending a status quo in liquid markets that had existed for decades. We believe that regulatory rules must be enforceable and tailored to allow new businesses and technologies to thrive while protecting investors. The prior SEC's approach largely created unenforceable prohibitions that incentivized activity to occur offshore, outside the purview and protections of American regulators. Chair Atkins and Commissioners Peirce and Uyeda have already shown they intend to do the hard work to get the SEC into a place of more progressive, thoughtful engagement with the crypto industry. We applaud this new approach.
- In ARK's recent Big Ideas 2025 report, ARK updated their BTC price targets for 2030, projecting bear, base, and bull cases of ~\$300K, ~\$710K, and ~\$1.5 million per BTC, respectively. BTC has continued to outperform gold, equities, and bonds. ARK highlights strong risk-adjusted returns as BTC has posted a Sharpe ratio of 1.4 and a Sortino of 4.1, indicating solid performance relative to both overall and downside risk. By comparison, gold posted a higher Sharpe at 1.7 but returned only 26.6%, while equities came in at 19.2% with a 1.3 Sharpe. Over five years, BTC's compound growth rate stands at ~+67%, beating other major asset classes.





- Inspired by the success of MicroStrategy's BTC purchases since 2020, other companies are integrating BTC into their corporate strategies. By end of 2024, 74 public companies held ~\$55 billion in BTC on their balance sheets. 79 public companies now hold BTC with 12 of them acquiring BTC for the first time in Q1 2025. This signals solid institutional BTC adoption which is bullish.
- Per VanEck, "As de-dollarization accelerates, central banks move from Treasuries to gold. Rising corporate adoption suggests BTC may be next, offering a programmable, censorship-resistant alternative for treasuries. Most financial data still ignore BTC holdings, distorting how miner solvency and risk are assessed. Active management is essential, as balance sheets shift quickly across BTC, energy, and AI. While BTC is too volatile to be treated exactly like cash, ignoring it entirely, as many data providers still do, is equally flawed. Macro forces like diminishing USD FX reserves, persistent fiat inflation, and uncontrolled national deficits are driving corporations and sovereign nations into hard assets like gold and BTC. Due to BTC's superior returns and transactability, we think corporations will continue to front-run nations' accelerating BTC adoption, underscoring the need for improved BTC balance sheet data and analytics."
- Per Sapphire Ventures, "venture investment activity jumped. March alone saw global VC investment climb to \$41 billion. We also witnessed the first major tech IPO of the year with CoreWeave. In addition, it was a strong quarter for M&A: Google Cloud's \$32 billion acquisition of Wiz (largest VC-backed M&A exit in history), ServiceNow's acquisition of Moveworks, and CoreWeave's acquisition of Weights & Biases ahead of its public debut. While we are paying close attention to tariff implications, we believe the investment appetite to back innovative and exciting companies in 2025 and beyond will continue full speed ahead. Furthermore, we know that unusual times often create space for category-defining companies to emerge, building through uncertainty and breaking out because of it." At NCP, we believe crypto is a category-defining category.
- In April, market rotation towards more defensive assets kept rolling out early in the month with fears around U.S. policies and tariffs leading to increasing macroeconomic uncertainty. Market participants have been aggressively punishing growth equities with short interest at levels unseen since 2020. In the meantime, progress on digital assets regulatory and legislative frameworks and blockchain adoption kept advancing at good pace. Many economists forecast a recession extending into 2026 although there may have been a rolling recession that has been in place for the past three years. Regardless, NCP plans to take advantage of this market uncertainty with a focus on certainty of net returns for our LPs.



NORRIO CAPITAL PARTNERS OVERVIEW

- Norrio Capital Partners (NCP) is a long/short hedge fund that deploys systematic, trend-following strategies with the most liquid digital assets to generate consistent, superior uncorrelated returns for our investors in bear and bull markets with less risk. NCP leverages the power of Artificial Intelligence and Machine Learning via proprietary algorithms for analyzing vast market data, executing trades 24x7, and managing portfolios with precision and speed that human traders cannot match.
- NCP was founded by a successful, cross disciplinary team across the venture capital, hedge fund, equity research and technology industries who are known for radically changing the world for the better and creating more than \$2 billion of shareholder value at the time of exit. Fund strategy is 100% systematic “trend following” strategies that aim at capturing Alpha sources embedded in short to medium term trading horizon (minutes to days) due to the high volatility of digital assets. NCP leverages technology in novel ways to drive the investment process and operations, provides complete transparency for LPs, a multi-faceted approach to risk management, and implements several checks and balances across the business. By leveraging our team’s significant experience and a relentless focus on risk management, we seek to be a preeminent global investment manager by delivering superior risk-adjusted returns.

Fund Highlights:

- Headquarters in Austin, TX with offices in New York
- Regulated in the United States by the CFTC and registered as a CPO with the National Futures Association (ID: 0558855)
- Advisors include NAV (Fund Administration), A&O Shearman (Legal)

Risk Considerations:

This document is not an offer to sell or the solicitation of an offer to purchase an interest in any fund, financial instruments or digital assets mentioned herein. Any such offer or solicitation will only be made by means of the Confidential Private Offering Memorandum of the fund (and any amendment thereto) and only in those jurisdictions were permitted by law. Advisors should refer to the Confidential Private Offering Memorandum for more complete information. The information presented does not involve the rendering of personalized investment, financial, legal, tax advice, or any call to action. Certain statements contained herein may constitute projections, forecasts, and other forward-looking statements, which do not reflect actual results, are for illustrative purposes only, are valid as of the date of this communication, and are subject to change without notice. The actual future performance of any assets or industries mentioned is unknown. The information provided by third party sources are believed to be reliable and has not been independently verified for accuracy or completeness and cannot be guaranteed. Norrio Capital Partners does not guarantee the accuracy of third-party data. The information herein represents the opinion of the author(s), but not necessarily those of NCP or its other members. Investments in digital assets are highly speculative and involve a high degree of risk. These risks include, but are not limited to: the technology is new and many of its uses may be untested; intense competition; the potential for product obsolescence; volatility and limited liquidity, including but not limited to, inability to liquidate a position; loss or destruction of key(s) to access accounts or the blockchain; reliance on unregulated markets and exchanges; reliance on the internet; cybersecurity risks; and the lack of regulation and the potential for new laws and regulation that may be difficult to predict. Moreover, the extent to which digital assets utilize blockchain technology may vary, and it is possible that even widespread adoption of blockchain technology may not result in a material increase in the value of such companies or digital assets. Digital asset prices are highly volatile, and the value of digital assets can rise or fall dramatically and quickly. If their value goes down, there is no guarantee that it will rise again. As a result, there is a significant risk of loss of your entire principal investment. Digital assets are not backed or supported by any government or central bank and are not covered by FDIC or SIPC insurance. Accounts at digital asset custodians and exchanges are not protected by SPIC and are not FDIC insured. Furthermore, markets and exchanges for digital assets are not regulated with the same controls or customer protections available in traditional equity, option, futures, or foreign exchange investments. All investment is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met, and investors may lose money. Past performance is no guarantee of future performance.