

Dear Limited Partners,

Summer greetings. The crypto market is back in rally mode as the market prices in an increased chance of a Republican party victory in November. The crypto industry just concluded its annual conference (Bitcoin2024),



held this year in Nashville, TN, where senator Cynthia Lummis (R-WY), and presidential candidates Bobby Kennedy Jr. and Donald Trump each spoke about easing banking restrictions on crypto companies, establishing and maintaining a strategic bitcoin reserve for the Federal Government, and creating a streamlined regulatory environment in the United States with the intention of making the United States the crypto capital of the world. The message was clear. The parties challenging the incumbency were making a commitment to the crypto

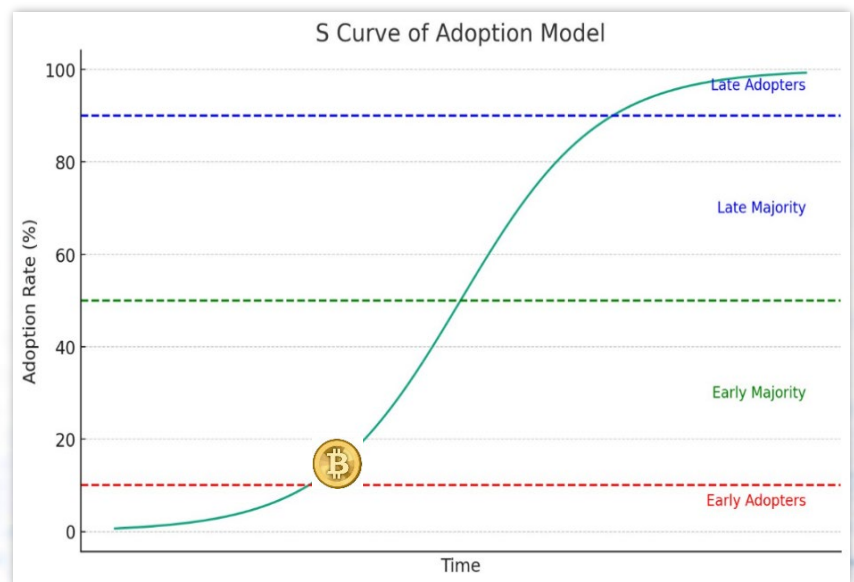
industry and saw crypto as a major future engine of growth for the United States economy. You can read more about the conference in [this article](#) by Zero Hedge and [this article](#) by Lou Kerner, head of the Crypto Oracle Syndicate and a Sarson Funds strategic partner.


Global Adoption: Where are we?

According to a recent study by [Crypto.com](#) it is estimated that 580 million people worldwide own cryptocurrency. The 2023 year-over-year growth rate for the crypto industry was estimated to be 34%. This number gives us a jumping off point to do some critical thinking about where we may be in the crypto adoption “s-curve”. Technology adoption often follows an “s-curve” with predictable tipping points for major segments of consumers. This was the case with the telephone, the internet, cell phones, and computers. You can read more about s-curves and technological adoption trends at www.digital-adoption.com/.

Because we believe that at some point over the next 5 to 10 years nearly all the internet and smartphone users worldwide will be transferring value and data utilizing

blockchain technology, we theorize that the total amount of cryptocurrency users will eventually match the currently estimated 5.5 billion smartphone users. This gives us a sense that crypto as a new and enduring technology is around 10-12% of the way into its ultimate global adoption. As you can see from the graphic, it is right around this time that things start to get exciting.



 We are here in crypto's adoption curve

Investment Strategy Focus: Small Coin Strategy

This strategy focuses on identifying and investing in disruptive early-stage crypto projects. With a team managed, top down, bottom-up approach to portfolio construction, the strategy seeks to identify best-of-breed projects. We are investing in emerging trends in web3, AI, RWAs (Real World Assets) gaming and DePIN (Decentralized infrastructure). We have a rigorous selection process in place to ensure that we capture the most promising opportunities while managing risk effectively. The [Small Coin Strategy](#) has been in existence for over 5 years and offers investors exposure to venture stage crypto projects that can't be purchased on exchanges.

Portfolio Company Highlight: Credentialing Standards Institute (CSI)

As the newest investment for our Small Coin Strategy portfolio, CSI represents a 2.5% weighting within the strategy. CSI offers existing web2 businesses a solution for upgrading existing business processes to web3 empowered processes that can unlock immediate value for the business and its customer. CSI is at the forefront of developing and standardizing blockchain credentials and industry data standards. Businesses can use NFT certificates issued through the CSI platform to modernize their existing certificate processes and chose to incorporate the certificates as part of their existing checkout processes to identify their users' digital wallets and start to engage with their customers in web3 ways. We believe that as more companies start to understand the marketing and customer engagement advantages associated with web3 communities, there will be massive demand from existing businesses to develop a plan for making this migration in a way that is seamless and that unlocks new value for both the company and the user. We are equity investors in this offering and hold token warrants for the expected launch of CSI's platform governance token \$DVT on Solana later this fall. CSI's platform creates a seamless process for businesses to define and manage their online communities and web3 customer experience.

Looking Forward:

As we quickly approach the presidential election, we are seeing a lot of reasons to keep capital invested in the cryptocurrency markets. We expect that uncertainty around US elections will introduce volatility into crypto prices, but we feel that dips are to be bought and prefer bitcoin over Ethereum for the rest of 2024. We expect that we will see a rally in bitcoin's price around the election that may push its price near or above \$100k by year end. We are also carefully watching Saudia Arabia, who, we think, having recently opted out of renewing a 50-year agreement with the US to trade oil only in dollars, may consider using bitcoin as a component of its foreign currency strategy, or may float the idea of accepting bitcoin as a way to gain negotiation leverage over the US.

A reminder of a new initiative at Sarson Funds: No-Fee Crypto Currency IRAs. IRAs are a great place to allow crypto investments to grow tax free, we can help convert an existing IRA to crypto for free.

If you have questions about a specific portfolio, or the markets generally, please do not hesitate to reach out over email or phone to schedule a time to talk to us.

Warm regards,



John Sarson and the team at Sarson Funds

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Real. Clear. Crypto.

o. +1 317.663.8084 | m. +1 317.941-0908

info@SarsonFunds.com



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