

HAPPY NEW YEAR! 2025 MARKET OUTLOOK

As we step into 2025, we are filled with optimism and excitement for the opportunities that lie ahead in the evolving blockchain and cryptocurrency landscape. The first half of the year is shaping up to be particularly promising, with AI, altcoins, and emerging technologies poised for significant growth.

2024 MARKED THE SECOND CONSECUTIVE YEAR OF GROWTH IN THE CRYPTO MARKETS



Year-End 2024

Bitcoin (BTC) Price:	\$93,358
Digital Assets 10 Large-Cap Index:	89.66%
Digital Assets 100 Small-Cap Index:	-3.66%

THE ACCELERATING PACE OF CRYPTOCURRENCY ADOPTION WORLDWIDE

Institutional interest in cryptocurrency continues to grow, with major financial institutions introducing crypto-related products and services. Regulatory clarity in key markets is also improving, potentially setting the stage for greater mainstream adoption and market stability.

“We see 2025 as a pivotal year for the cryptocurrency industry with increasing adoption and real-world use cases driving the technology's relevance and impact. The industry is evolving beyond traditional blockchain technologies toward groundbreaking innovations such as Multi-Party Computation (MPC), Fully Homomorphic Encryption (FHE), and Trusted Execution Environments (TEEs). These advancements, once theoretical, are now practical and efficient creating new possibilities for innovation and value creation.”

- Reed Baum, Director of Research, Sarson Funds

SARSON FUNDS INSTITUTIONAL EXPANSION, NEW LOOK

We are delighted to share with you that we are unveiling a soft re-brand with a more institutional, professional look. This marks a new chapter for our firm with an expansion of our service offerings and the introduction of institutional-grade digital asset solutions. With this evolution, we are increasing our firm's commitment to hiring the very best minds in crypto to provide our clients as well as institutional investors with even more cutting edge investment research, thought leadership, and tailored solutions. Expect to see new faces on our quarterly calls and new voices answering the phone when you call our office. We have also established a new corporate presence in West Palm Beach, FL and look forward to fully staffing that office over the next several months.

SARSON FUNDS AND MANIFEST AI PARTNER TO LAUNCH AI-FOCUSED LIQUID TOKEN STRATEGY

The rapid advancement in the AI sector is another compelling trend to watch. Since the emergence of AI agents in late 2024, the industry has shown remarkable growth. For the past two quarters, Sarson Funds has been highlighting the merger of AI and blockchain and has been including blockchain-based AI projects in several of our investment portfolios. We have partnered with Manifest AI, a blockchain-based provider of decentralized computing power for AI, to augment our ability to identify and evaluate investment candidates in the sector. As of December, despite consecutive quarters of strong growth, decentralized AI has captured only 1.1% of the total crypto market capitalization, which we think still a modest number, especially when compared to DeFi's 6.5% peak in 2021 and the number of industries expecting AI to play important roles in their futures. With decentralized AI continuing to gain users and expand its real-world applications, we believe the sector offers many attractive investment opportunities. Consistent with our mission of delivering targeted Digital Asset investment solutions, we are launching a Decentralized AI-focused investment strategy in the second week of January.

As the crypto ecosystem continues to mature and evolve, we remain committed to identifying and capitalizing on emerging trends to ensure sustained growth and value creation for our investors. Our portfolios continue to favor small cap crypto projects over larger names like Bitcoin, as our research indicates that smaller projects historically start out-performing larger projects at this point in the crypto market cycle. Thank you for your continued trust and support as we embark on another exciting year together. We welcome and appreciate all investor referrals and employee candidates. Thank you for being an integral part of our journey. Wishing you and your loved ones a year ahead filled with warmth, joy, and prosperity.

Warm regards,
John Sarson and Sarson Funds team

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All prices and performance listed are estimated, unaudited as of end of December 2024.

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