



Small Managers - BIG ALPHA - Report 90



Crypto fund manager: digital assets are “a transformative technology”

B. G., Opalesque Geneva:

The [cryptocurrency](#) market has been on a significant upswing and investor sentiment is the highest since the 2021 bull run. The latest market rally, which saw Bitcoin - the first cryptocurrency, launched in 2009 - rise to almost \$63,000

last week, is likely due to increased inflows into spot Bitcoin ETF products, which the US SEC approved in January. Some of the beneficiaries of the rally are hedge funds investing in blockchain digital currency and distributed ledger technologies: the [HFR](#) Blockchain Composite Index is up 30% YTD (as of end-February).

For those who don't want to miss out on the value of cryptocurrencies in their portfolio but prefer to steer clear of the complexity involved, investment houses such as Anbruggen Capital can take care of that.

Anbruggen Capital's investment strategy, which started in 2013, centres on fundamental analysis, identifying and investing in the most valuable blockchain technologies.

In this interview, [Thomas Bleimuth](#), chief asset management officer at Anbruggen, and once an account strategist at Google Dublin, explains the firm's investments, its journey and outlook to Opalesque. Bleimuth will present at the upcoming webinar, [Small Managers - BIG ALPHA Episode 14](#), on March 26 (details below).

Opalesque: Anbruggen has invested in digital assets for more than 10 years. Can you tell us about the journey?

Thomas Bleimuth: Over the past decade, we've witnessed significant evolution and transformation in the crypto markets and the blockchain industry. In the earlier days, acquiring Bitcoin (BTC) wasn't as straightforward as it is today.

The advent of exchanges and the rise of altcoins (*alternative cryptocurrencies to Bitcoin*) during the ICO (*initial coin offering*) boom changed the landscape. Back then, participating in an ICO involved meticulous due diligence on whitepapers and the development team's background. The ICO boom injected substantial capital into the space, leading to the dominance of exchanges and Altcoin/BTC trading.

While “stacking sats” through altcoin trading became a viable strategy, our Fund took a more sophisticated approach. We implemented proprietary and algorithmic trading to leverage this evolving opportunity.

In late 2019, our attention shifted to the emerging DeFi (*decentralised finance*) subsector, particularly the innovative design of the Synthetix Protocol. Recognizing the correlation between protocol revenue and token price performance, akin to the traditional market dynamics of earnings driving stock prices, we delved into a comprehensive study. This laid the foundation for our Fundamentals-Based Investment Strategy, a methodology we actively deploy today.

Our strategy allowed us early entry into the DeFi realm, along with the dynamic landscape of crypto gaming, which shares economic designs with DeFi. Continuously optimized for new protocols and blockchain layers, our approach efficiently evaluates the value capture potential of a coin/token. This informed strategy relies on both quantitative and qualitative data, enabling well-informed and timely investment decisions based on revenue mechanics.

Opalesque: Do you invest in anything besides cryptocurrencies, blockchain technologies, DeFi and blockchain gaming?

Thomas Bleimuth: No, we're purely focused on crypto. We not only believe that this is a transformative technology for the world but also, we believe that the best returns will be generated in this market in the next 5-10 years (vs. other asset classes).

Opalesque: Do you invest in digital assets to store value and as a hedge?

Thomas Bleimuth: Digital Assets can both be an SoV (*store of value*) and serve as the best hedge against monetary debasement caused by irresponsible monetary policy from global central banks.

We also invest in Digital Assets because, as mentioned before, we believe that it will be the best-performing asset class in the next 5-10 years. Both macro (monetary policy) and micro (fundamentals, protocol usage, users, earnings growth, blockchain tech becoming mainstream tech) factors are expected to contribute to making this a reality.

Opalesque: What is your outlook on the digital asset industry?

Thomas Bleimuth: Very bullish, especially long term.

We believe that this is a transformative technology that will have a great societal impact on the world, and we've seen in past technology hype cycles, technologies with great societal impact also generate the best returns as an investment (e.g. Social Networks, AI, E-Commerce, etc.).

We also think that the industry is entering its maturity stage, the BTC Spot ETF is just the start, and the world will have more and more regulated products that are easy to invest in for everyone. The world will figure out how to regulate without preventing innovation (like it did so in past new technologies).

Speaking of innovation, we're seeing a lot of amazing new things in both the economic and technological landscape of crypto, in almost all its subsectors, even the new ones such as crypto-ai, RWAs, and DePin. We're very excited to deploy capital in these verticals, and we're glad to say we're very equipped to do so.

[Anbruggen Capital](#) is registered in BVI. The team is mostly based in the Philippines, with some support from Dubai and Austria.

Upcoming webinar

Small Managers - BIG ALPHA Episode 14

Episode 14 of this groundbreaking interactive webinar series presents you with another carefully screened panel of investment managers worth looking into.

Who:

- o Christian D'Urso, TradeWinds Asset Management
- o David Nazar, Ironshield Capital Management
- o Eric Chan, Aura Group
- o Thomas Bleimuth, Anbruggen Capital

When: Tuesday, March 26th, 2024, at 11 am ET (3 pm GMT, 4 pm CET, 6 pm Riyadh, 7 pm Dubai)

Free registration here: <https://www.opalesque.com/webinar/>