

Investor Report

March 2025



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Executive Summary

The initial weeks of the quarter saw a degree of optimism, potentially fueled by the aftermath of the US presidential election and anticipation of more favorable regulatory environments for digital assets. However, this positive sentiment was increasingly overshadowed by macroeconomic concerns, primarily the re-emergence of trade tensions instigated by new tariff announcements from the Trump administration.



These geopolitical developments introduced a wave of uncertainty and risk aversion across global financial markets. This increased risk aversion across traditional financial markets inevitably spilled over into the cryptocurrency market, which is often considered as a higher-risk asset class.

This cautious sentiment carried into April 2025, with the market continuing to navigate the implications of these tariffs and the broader macroeconomic environment. Consequently, we observed periods of significant downward pressure on cryptocurrency prices as investors adopted a more cautious stance. This impacted our Share price which is currently \$4.06 as at the 16 April 2025 allotment.

Our investment strategy is grounded in a long-term perspective focused on the fundamental value and disruptive potential of the underlying technologies. While short-term market fluctuations driven by macroeconomic events are to be expected, we believe that the core value propositions of the cryptocurrencies in our portfolio remain strong. We view periods of market volatility as opportunities to potentially strengthen our holdings in projects with robust long-term fundamentals and compelling use cases.



Artificial
SuperIntelligence
Alliance

Despite the challenging macroeconomic environment, the first quarter of 2025 witnessed several significant positive developments, strategic partnerships, and other noteworthy highlights across our portfolio companies and the broader cryptocurrency ecosystem. We were also pleased to invest in a new project, Artificial SuperIntelligence (Fet), which we will look at in more detail in this quarterly report.

Looking ahead, we maintain a long-term confidence on the cryptocurrency market and the specific sectors in which we are strategically invested. While macroeconomic uncertainties, particularly those related to global trade, may continue to influence market sentiment in the short term, we firmly believe in the long-term growth potential of cryptocurrencies.

We consider that as the world gets more digital - digital assets will increase in relevance.

Artificial Superintelligence Alliance (ASI)

The cryptocurrency landscape recently witnessed a significant consolidation in the decentralized Artificial Intelligence (AI) sector with the merger of now three prominent entities: Fetch.ai, SingularityNET and Ocean Protocol. In a subsequent expansion, the Artificial Superintelligence Alliance welcomed CUDOS as a network member.

This strategic alliance formed the Artificial Superintelligence Alliance, and its unified cryptocurrency now trades under the ticker symbol ASI, although the transition from the previous tickers, including FET, is still underway. Understanding the individual contributions of these entities provides crucial insight into this ambitious project.



Fetch.ai (formerly FET) has been building a decentralized machine learning platform. Its core technology revolves around Autonomous Economic Agents (AEAs), which are AI-powered software agents capable of acting independently to perform tasks, negotiate, and transact on behalf of users or devices. Fetch.ai's infrastructure aims to create a smart infrastructure for a decentralized digital economy, with applications spanning areas like DeFi trading, supply chain optimization, and smart cities. The FET token was the native utility token of the Fetch.ai network, used to pay for services, deploy and train AEAs, and participate in network governance through staking.

SingularityNET (AGIX) is a decentralized AI marketplace focused on creating a globally accessible platform for AI services. Their goal is to democratize access to AI, allowing developers to build, share, and monetize AI algorithms and services at scale. SingularityNET's platform supports a wide range of AI capabilities, from natural language processing to computer vision. The AGIX token is the utility token used for transactions within the marketplace, governance, and staking.

Ocean Protocol (OCEAN) focuses on unlocking the value of data by providing a decentralized data exchange protocol. It enables data owners to monetize their data while maintaining privacy and control. Ocean Protocol's technology allows for the tokenization of data assets, making them tradable and accessible within a secure and transparent environment. The OCEAN token is used for staking, governance, and as a medium of exchange for data and related services on the Ocean marketplace.

Cudos (CUDOS) primary contribution to the Artificial Superintelligence Alliance (ASI) crypto ecosystem lies in providing decentralized high-performance computing power. AI and machine learning tasks, especially those required for Artificial General Intelligence (AGI) and Artificial Superintelligence (ASI), demand significant computational resources. Cudos offers a distributed network of computing power, potentially making these resources more accessible and cost-effective for the ASI Alliance. The decentralized nature of Cudos' network allows for greater scalability of computing resources compared to traditional centralized cloud providers. Cudos brings a vital layer of decentralized and scalable computing infrastructure to the ASI Alliance, which is essential for advancing AI research, development, and deployment within a decentralized framework. Its integration aims to enhance the capabilities, efficiency, and overall decentralization of the ASI ecosystem.

The merger of these entities under the Artificial Superintelligence Alliance aims to create the largest open and decentralized AI ecosystem. The alliance seeks to accelerate the development of Artificial General Intelligence (AGI) and ultimately contribute to the emergence of beneficial Artificial Superintelligence (ASI). Their vision is to provide a decentralized alternative to the AI development currently dominated by large tech corporations.

Initially, following the announcement of the merger, it was decided that FET would serve as the base token for the newly formed alliance and would be rebranded to ASI. This decision was primarily due to Fetch.ai having a larger market capitalization and a more established token infrastructure at the time of the merger announcement. The transition involved migrating the AGIX and OCEAN tokens to FET at a predetermined ratio. However, the ultimate ticker symbol for the unified cryptocurrency is ASI. While the ticker might still be displayed as FET on some exchanges during the transition period, the official ticker for the Artificial Superintelligence Alliance's token is ASI.

This new ticker directly reflects the ambitious goal of the alliance – to drive the development and adoption of decentralized Artificial Superintelligence. The choice of ASI aims to clearly communicate the project's overarching mission and its focus on creating advanced, open, and beneficial AI for the future. The transition to the ASI ticker is a crucial step in establishing the unified brand and vision of this powerful alliance in the cryptocurrency and AI spaces.



Here's a breakdown of why we consider it a good long-term investment.

- **Disruptive Potential of ASI:** If the ASI Alliance or similar projects succeed in creating or significantly contributing to the development of AGI and eventually ASI, the implications across all industries and aspects of life could be revolutionary. The demand for the underlying technology and the native cryptocurrency powering its decentralized infrastructure could increase.
- **First-Mover Advantage:** The Artificial Superintelligence Alliance represents one of the most significant and well-funded efforts in the decentralized AI space focused on this long-term vision. Establishing a strong network effect and a leading position in this nascent field could yield long-term value for its token holders.
- **Convergence of Powerful Technologies:** The alliance merges leaders in decentralized machine learning agents, AI marketplaces, and decentralized data sharing. This convergence aims to create a powerful synergistic effect, potentially accelerating progress towards more advanced AI.
- **Solving Global Challenges:** Proponents argue that ASI has the potential to solve some of humanity's most pressing challenges, from climate change and disease to poverty and resource management. If the alliance contributes meaningfully to such breakthroughs, the value proposition of its underlying technology and cryptocurrency could strengthen.

We note that the development of true ASI is a long and uncertain journey. There is no guarantee that these projects will succeed in their ambitious goals, or that ASI will be achieved in the foreseeable future. Achieving ASI involves overcoming scientific and engineering challenges. Unforeseen roadblocks or the emergence of competing approaches could impact the success of current projects. We note the risk of this project and that investing in crypto has a higher risk profile than other forms of investing.

The potential for transformative impact and positive financial returns exists if the underlying technology progresses successfully and the decentralized AI ecosystem gains traction. However, investors must be aware of the immense technological, ethical, and competitive hurdles involved, as well as the inherent volatility of the cryptocurrency market. However we consider ASI is beneficial for our diversified portfolio and provides us exposure to this category.

Whilst Bitcoin and Ethereum are a core part of our portfolio, the cryptocurrency sector has experienced rapid growth in recent years, driven by technological innovation, the emergence of new use cases and the continuing integration of digital technologies into more aspects of everyday life. For us just investing in one asset in such a dynamic sector does not seem logical. Our objective is to take advantage of the opportunities that present themselves on behalf of our investors.



Our crypto basket provides exposure to both well-established “large cap” assets such as Bitcoin & Ethereum as well as other cryptocurrencies which are at an earlier stage in their potential growth trajectory, such as ASI.

Our Portfolio By Sector And Category

We consider investing in cryptocurrency by portfolio and category is a crucial strategy for several key reasons, which include:

Risk Diversification: The cryptocurrency market is highly volatile. Investing all our capital in one asset could expose us to significant losses if that specific cryptocurrency underperforms or faces negative news. If one category or specific coin experiences a downturn, others might remain stable or even appreciate, cushioning the overall impact on our portfolio.

Capturing Growth in Different Sectors: Exposure to Innovation: The cryptocurrency space is constantly evolving, with new technologies and use cases emerging, such as ASI. By investing across different categories, you gain exposure to various innovative sectors like Decentralized Finance (DeFi), Layer-1 protocols, Oracles, ASI etc. This allows us to potentially benefit from the growth of these emerging trends.

We consider that different categories of cryptocurrencies carry varying levels of risk. For example, established cryptocurrencies like Bitcoin and Ethereum are generally considered less risky (even though they are still high risk) than smaller-cap altcoins. Conservative investors might allocate more to established coins while high-risk investors might include a larger proportion of emerging altcoins. We have exposure to both well-established “large cap” assets such as Bitcoin & Ethereum as well as other cryptocurrencies which are at an earlier stage in their potential growth trajectory.



We consider investing in cryptocurrency by portfolio and category enables us to capture growth opportunities across different sectors.

Watchlist

Crossgate Capital, an established company in New Zealand, is a regulated offer of shares (OFR12554) and is a registered financial service provider (FSP649949). Our objective is to navigate the complex world of cryptocurrencies on your behalf and deliver returns by investing in cryptocurrencies where we consider there is a significant opportunity for growth.

We have a number of other crypto assets on our watchlist. As detailed above Artificial Superintelligence made it off the watchlist and now forms part of our diversified portfolio. We review our portfolio mix by category and sector (which indicates the specific solution(s) provided by a crypto asset network). We also consider a range of other factors when deciding whether to invest in a new asset. Our approach is to take a considered position in order to deliver on our objective of providing strong returns to investors over time.

While Bitcoin and Ethereum form a core part of our portfolio we have greater breadth by investing across 14 leading cryptocurrencies. Our objective is to deliver returns to investors by investing in cryptocurrencies where we consider there is a significant opportunity for growth.



By investing in individual crypto assets with a market capitalisation of at least NZD \$500million as at the date of purchase, the objective is to build a diverse portfolio whilst mitigating risk. We concentrate on cryptocurrencies that have strong use cases and are focused on real world applications .

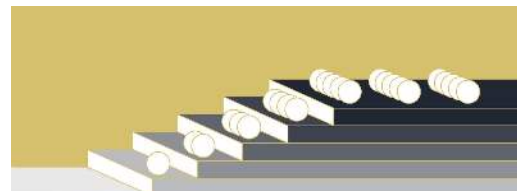
We consider by investing in Bitcoin and Altcoins we have the potential to deliver stronger returns.

2025 Calendar

Crossgate Capital allows you to achieve your investment goals with our automatic reinvestment plan.

With Crossgate Capital you can make one-off investments and you also have the option of setting up a regular investment on a fortnight or monthly basis. Our automatic reinvestment option continues to prove popular as an increasing number of investors elect to use this feature.

Investors have the flexibility to cancel or put on hold their regular investment plan at any time or amend the amount. Regular investing makes it easier to achieve your investment goals with less time and effort and allows you to manage investment risk by dollar-cost averaging into the market.



Dollar-cost averaging is when you choose to invest a certain amount regardless of what the price is. When you invest for the short term, it becomes more important to 'buy the dips and sell the rips' at precisely the right time. If you have a longer term horizon, the objective is that the value of the investment grows over the long term even when the value goes up and down in the short term.

Dollar-cost averaging (DCA) allows you to invest at regular intervals, this potentially could reduce the impact of short-term volatility. To implement this strategy, all an investor needs to do is [click here](#)



Click on the calendar to see the 2025 recurring investment plan dates.

Keeping Track Of Your Investment

Crossgate Capital makes it very easy to keep track of your investment. Simply visit the Investor Centre to check the value of their holding. Please have the following information to hand;

- 1) CSN/Holder Number - which is located on your investor documentation.
- 2) Authorisation Code (FIN)

If you do not know your CSN or FIN, please contact MUFU Pension & Market Services on (09) 375 5998 or email crossgatecapital@cm.mpms.mufu.com.

As an investor you can visit the investor portal which allows you to easily keep track of how many Shares you hold and the current value of your investment.

Latest News



We encourage all our investors to follow us on Facebook. Our posts provide a simple way to keep informed of the latest news. Click on the Facebook icon to visit the Crossgate Capital page.

Contact Us

If you have any investment questions, please contact our investor relations team.



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