CROSSGATE CAPITAL EST. 2019
specialist crypto investor

Quarterly Report September 2025

Email: info@crossgatecapital.co.nz
Phone: 0800 378489
Website: www.crossgatecapital.co.nz

Table Of Contents

Executive Summary

The third quarter of 2025 (Q3) marked a pivotal moment with the confirmed arrival of Altcoin Season. This was far more than a simple market bounce; it was a shift in capital from Bitcoin's dominance into the dynamic, high-growth arena of altcoins. Our strategy is tailored to capture the rewards of this Great Crypto Rotation, which saw institutional money and corporate treasuries begin to diversify their holdings, moving beyond the traditional anchors of the sector.

The evidence for this rotation is compelling and rooted in clear metrics. Throughout Q3, Bitcoin's dominance (its share of the total crypto market) steadily declined. This sustained drop signaled that vast amounts of capital were being redeployed. Critically, this cycle was distinguished by institutional validation, as major corporate treasuries made significant moves to add assets like Ethereum, proving that the big money is actively seeking growth beyond pure Bitcoin exposure.

We consider the strategic rationale for investing in altcoins remains robust. These assets are the engines of future growth and we believe they offer significantly higher upside potential. We view this sector as the cutting edge of innovation, focusing on projects that are building the core infrastructure for the next financial era, specifically in areas like Real-World Assets (RWAs), Layer-2 scaling solutions, and decentralized finance (DeFi).

While Altcoin season at time of writing has ended, even during periods when Bitcoin dominance rises, specific altcoin ecosystems can experience localised "mini-seasons" driven by key developments, underscoring the continuous nature of innovation and opportunity across the entire sector.

Our portfolio is anchored by foundational digital assets like Bitcoin and Ethereum. These holdings are then paired with a carefully selected and diversified group of 12 other altcoins chosen for their strong fundamentals and proven utility. This strategy contributed to our Share price (net of tax) increasing from $4.64 as at 25 June 2025 (last allotment before the end of the quarter) to $5.21 as at 22 October 2025.

We believe that Altcoins, particularly those with smaller market capitalisations, offer the potential for strong returns. The crypto market is defined by continuous innovation, and altcoins represent the cutting edge of this development. Projects focused on Layer-2 scaling solutions, and decentralised finance (DeFi) infrastructure are building the "pipes" for the next generation of finance. Investing in just Bitcoin does not provide exposure to sectors which we consider have the potential to grow significantly.

While altcoins carry higher individual risk, a diversified altcoin portfolio mitigates the risk of missing out on the strong growth in other sectors of the crypto market. We don't just invest in the well-known names. Our strategy is to find carefully selected altcoins that are building the next generation of real-world value.

One example is our recent investment in the Artificial Superintelligence Alliance (ASI) which has placed us at the forefront of two of the world's most powerful technologies: AI and blockchain.

By investing in such assets we aim to capture high-growth returns as innovative projects translate technological potential into real-world applications and gain institutional acceptance.

When you invest with Crossgate Capital you invest alongside our team. We have a strong focus on delivering returns - our objective is your objective.

The Power of Diversification. Investing In A Crypto Portfolio.

As noted in the Executive Summary, the third quarter of 2025 saw the arrival of Altcoin Season.

The "season" may be over, but we consider the underlying rationale for holding altcoins are strong. Since 2019, our New Zealand-based team has been actively investing in a crypto portfolio, with the objective of delivering strong returns to our investor.

We see the crypto market as a complex ecosystem. Different narratives drive value at different times. Our strategy is therefore designed to benefit from both established growth and cutting-edge innovation by providing exposure to;

Foundational Assets: Core crypto assets like Bitcoin and Ethereum.

Strategic Altcoins: A curated selection of innovative projects that tap into the sector's growth potential.

The Triple Catalyst: What Drove the Rotation

1. **Institutional Rotation: The Smart Money Shift**

We believe that Bitcoin is no longer the sole institutional asset. Q3 proved that sophisticated capital is now actively seeking growth beyond the dominant asset. During the quarter, we witnessed Bitcoin's market dominance (its share of the total crypto market) fall. This decline was a signal that institutional funds were also rotating to other assets like Ethereum to maximize returns. This move confirms their appetite for the technological upside offered by the wider market.

2. Macroeconomic Tailwinds: Liquidity is Key

Risk appetite across all global financial markets received a significant boost from the Federal Reserve's actions. The widely anticipated interest rate cut in September acted as a crucial macroeconomic tailwind. When central banks signal cheaper capital, that liquidity typically flows into higher-risk, higher-reward assets, and altcoins fit that bill. This external monetary policy change accelerated the flow of funds into the digital asset class, benefitting altcoins.

3. Performance Outperformance: Altcoins Lead the Charge

The data shows altcoins outperformed Bitcoin throughout the quarter. By mid-September, 75% of the top 50 cryp tocurrencies (excluding stablecoins) had surpassed Bitcoin's performance over the preceding 90 days.

Our investment strategy is designed specifically to capture this altcoin growth. While Bitcoin provides stability and institutional acceptance, it's the carefully selected altcoins that also can deliver upside potential. Diversification is not just about mitigating risk, it's about ensuring you don't miss out on the potential returns this asset class offers. The market has matured, favoring projects with real-world utility and strong fundamentals. We don't just invest broadly; we make targeted altcoin investments to gain exposure to the true engines of innovation.

We currently maintain a robust core holding in Bitcoin and Ethereum, paired with what we consider are a diversified selection of high-potential altcoins. Although altcoins carry higher individual risk, this disciplined approach mitigates the wipeout risk of relying on a single asset with then objective of maximizing returns from the maturation of the digital asset ecosystem.

We have a longer term investment horizon. While large-cap assets like Bitcoin and Ethereum provide a solid foundation, we consider that the high-risk, high-reward nature of altcoins means they need time to mature and prove their utility. These earlier stage crypto assets we believe have the potential for significant growth.

Annual Shareholder Meeting

We appreciate all those who managed to attend our recent Annual Shareholder Meeting. For those shareholders who were unable to attend, one of our core areas of focus was an in-depth analysis of the impact of institutional demand on the crypto sector, which we view as a key structural change in today's market.

This institutional adoption, driven by regulatory clarity (like the approval of new ETFs) is fundamentally reshaping the the entire digital asset ecosystem. To ensure you don't miss out on these critical insights, provided below is a press release covering the meeting.

Crossgate Capital Limited, New Zealand's specialist cryptocurrency investment company, highlighted the maturing of the crypto industry, driven by regulatory approvals for Bitcoin and Ethereum exchange-traded funds (ETFs), growing institutional interest, and innovation in decentralised technologies.

Chairman and Independent Director, Nigel Brereton, said the ASM reinforced Crossgate Capital's long-term strategy of combining established digital assets such as Bitcoin and Ethereum with carefully selected altcoins that demonstrate real-world use cases and innovation. "We are now six years established as specialist crypto investors, which is a relatively long time in this sector".

Our longevity and hands-on experience give us a deep understanding. "Institutional demand, especially following the approval of Bitcoin and Ethereum ETFs, we consider is providing a new level of credibility to the market. We believe our diversified approach, focusing on both established assets and innovative projects, assist us in on our objective of delivering value for our investors," said Mr Brereton.

Portfolio Looks Beyond Bitcoin

Crossgate Capital's portfolio has grown to 14 digital assets, with the recent inclusion of Artificial Superintelligence (ASI), formed from the merger of Fetch.ai, SingularityNET and Ocean Protocol. The portfolio remains diversified across categories, including cryptocurrencies, smart contract platforms, decentralised finance (DeFi), payments, oracles, and sector-specific projects such as blockchain-enabled sports engagement.

Shareholder experience Mr Brereton said Crossgate's focus extended beyond returns. "We place a strong emphasis on the investor experience and are focused on transparency, accessibility, and creating long-term value. Our objective is not only to capture returns but also to manage risk responsibly in what is a highly volatile, high risk sector" he said.

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 asset 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 Decentralised 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 whist 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 visit **www.crossgatecapital.co.nz/invest-now**

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 MUFG Pension & Market Services on (09) 375 5998 or email crossgatecapital@cm.mpms.mufg.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.

Email: **info@crossgatecapital.co.nz**
Freephone: 0800 378489 (EQUITY)

Disclaimer:

This report does not constitute investment, financial, legal, tax or other advice and is supplied for information purposes only. It does not take into account your investment needs, objectives, financial situation or personal circumstances. Before making any financial decisions, consider whether the investment is suitable for your circumstances and whether you wish to seek independent financial advice. The information, data, analyses, and opinions presented herein are provided as of the date written and are subject to change without notice. Crossgate Capital undertakes no obligation to publicly release any update or revisions to these forward-looking statements to reflect events or circumstances after their time of publication. Every effort has been made to ensure the accuracy of the information provided, but Crossgate Capital makes no warranty, express or implied, regarding such information. There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The readers are cautioned that forward-looking statements or information are not guarantees of future performance and, accordingly, expressly cautioned not to place any reliance on forward-looking statements or information due to the inherent uncertainty therein. The information presented herein will be deemed to be superseded by any subsequent versions of this commentary. Past performance is not a guide to future returns. No reproduction of any material either in part or in full is permitted without prior permission. Crossgate Capital Limited is the issuer of the products. The Product Disclosure Statement for the offer is available and can be obtained on our website at www.crossgatecapital.co.nz or at https://disclose-register.companiesoffice.govt.nz/ under Crossgate Capital's offer number (OFR12554).