

DIGITAL ASSET TREASURY | HYPE | UPDATE

Hyperliquid Strategies (PURR): October Update

NAV, dilution and the buyback, re-marked to the October HYPE report

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Rating	12-mo target (weighted)	5-yr target (weighted)	PURR (27 Oct)	12-mo upside
BUY	\$12.79 (base \$8.73)	\$20.34	\$9.74	+31.4%

Holdings	NAV	Shares	Multiples
HYPE held 38.8m	Gross NAV \$3,367m	Basic 278.3m	mNAV, adjusted FD 0.95x
HYPE value \$3,112m	Adjusted NAV \$3,095m	Fully diluted 301.1m	mNAV, gross basic 0.80x
Cash \$255m; debt none	Adjusted NAV / FD share \$10.28	Market cap \$2.71bn	HYPE per basic share 0.139
HYPE price \$80.21	Gross NAV / basic share \$12.10	Buyback left \$72m	Cost of equity 12.22%

Thesis. I keep PURR at BUY on a 12-month weighted target of \$12.79, 31% above the \$9.74 price, against a HOLD on HYPE itself, because the stock trades at a discount. PURR is at 0.95 times NAV after the company's tax adjustment and 0.80 times gross NAV per basic share, and the board has \$72m of buyback authority left. Each scenario takes the HYPE values from my October HYPE report, adds staking and the buyback, and applies an exit multiple that rises and falls with HYPE.

The base case is \$8.73, 10% below spot, and 70% of the weight sits below spot. The rating also depends on the NAV multiple widening in the bull cases: held at today's 0.95 times, the weighted target is \$11.02 and the rating is HOLD. PURR gives more exposure than HYPE to the large HYPE outcomes, and the buyback supports the stock while it trades below NAV. I am watching issuance most closely, since the share sales through September cost holders HYPE per share.

Change log. May report (20 May 2026): BUY; 12-month \$13–17; five-year base \$40–70; PURR \$8.25; HYPE \$52.13; 20.0m HYPE on 150.6m FD shares; mNAV 1.08x. **This update (27 Oct 2026):** BUY; 12-month weighted \$12.79, base \$8.73; five-year weighted \$20.34; PURR \$9.74; HYPE \$80.21; 38.8m HYPE on 301.1m FD shares; adjusted mNAV 0.95x. HYPE scenario inputs now come from the October HYPE report, where the HYPE rating moved to HOLD.

1. What Changed Since May

Item	May report	Now (27 Oct)	Change
PURR price	\$8.25	\$9.74	+18%
HYPE price	\$52.13	\$80.21	+54%
HYPE held (m)	20.0	38.8	+94%
Shares, fully diluted (m)	150.6	301.1	+100%
HYPE per FD share	0.1328	0.1289	(2.9%)
Cash (\$m)	103	255	+148%
mNAV	1.08x (gross)	0.95x adjusted, 0.80x gross basic	Discount opened
Buyback authority	\$30m	\$100m (\$72m left, to Oct 2027)	Expanded 23 Oct

Exhibit 1: May report against today. Source: May 2026 model, company dashboard, 8-K (23 Oct 2026), 10-K FY2026, yfinance.

PURR rose 18% while HYPE rose 54% over the same dates. The multiple fell from a 1.08 times premium in May, through a 1.35 times peak in late August, to a discount today, and the share count doubled. The company issued stock through its Chardan equity line, amended on 14 September so that sales after the first 160m shares price at 98.5% of VWAP, and bought HYPE with the proceeds. Holdings rose from 29.4m HYPE on 23 August to 38.8m, but basic shares rose faster, from 197.8m to 278.3m. HYPE per basic share fell 6.2% over those two months. Some of that issuance happened at or below NAV, which moved value from existing holders to new ones.

The board responded on 23 October by raising the buyback to \$100m and extending it to October 2027. At today's discount, each share bought back adds HYPE per remaining share. The company also stakes substantially all of its HYPE, about 72% through its own validator and the rest through Anchorage, at a net rate near 2.2%.

2. NAV

NAV bridge	Value	Note
HYPE held (m)	38.8	Dashboard, 22 Oct
HYPE value at \$80.21 (\$m)	3,112	
Cash (\$m)	255	Dashboard, 15 Oct
Debt (\$m)	-	None
Gross NAV (\$m)	3,367	
Estimated deferred tax (\$m)	(273)	Author inference, see below
Adjusted NAV (\$m)	3,095	
Adjusted NAV per FD share	\$10.28	301.1m shares incl. warrants
Gross NAV per basic share	\$12.10	278.3m shares
PURR price	\$9.74	
mNAV, adjusted FD	0.95x	Headline
mNAV, gross basic	0.80x	

Exhibit 2: NAV bridge. Source: company dashboard, yfinance, Hyperliquid API, author model.

The company publishes an adjusted NAV of \$9.92 per fully diluted share at a HYPE price of \$76.69, about \$244m below gross NAV on that date. Public summaries don't say what the adjustment is. I treat it as deferred tax on unrealized gains and roll it with the HYPE price at 21%, which gives \$273m at today's price. If the adjustment is something else, gross NAV is the right base and PURR is cheaper than the headline suggests.

mNAV / HYPE	\$40	\$60	\$80	\$100	\$120	\$150	\$200
0.60x	\$3.60	\$4.93	\$6.15	\$7.38	\$8.60	\$10.43	\$13.48
0.75x	\$4.50	\$6.17	\$7.69	\$9.22	\$10.75	\$13.04	\$16.86
0.90x	\$5.40	\$7.40	\$9.23	\$11.06	\$12.90	\$15.65	\$20.23

mNAV / HYPE	\$40	\$60	\$80	\$100	\$120	\$150	\$200
1.00x	\$6.00	\$8.22	\$10.26	\$12.29	\$14.33	\$17.38	\$22.47
1.15x	\$6.90	\$9.45	\$11.80	\$14.14	\$16.48	\$19.99	\$25.84
1.35x	\$8.10	\$11.10	\$13.85	\$16.60	\$19.34	\$23.47	\$30.34

Exhibit 3: PURR price implied by HYPE price and adjusted mNAV, on current holdings and shares. Amber: below today's \$9.74. Source: author model.

3. Targets

12-month	Deep bear	Bear	Base	Bull	Transformative
HYPE value (October HYPE report)	\$7.08	\$21.52	\$68.26	\$133.63	\$328.10
Buyback used (\$m)	72	72	72	-	-
End adjusted NAV per share	\$1.53	\$3.48	\$9.19	\$16.04	\$36.37
Exit mNAV	0.60x	0.75x	0.95x	1.15x	1.35x
12-month PURR value	\$0.92	\$2.61	\$8.73	\$18.44	\$49.10
vs spot	(90.6%)	(73.2%)	(10.3%)	+89.4%	+404.4%
Weight	5%	15%	50%	22%	8%

Exhibit 4: 12-month scenarios. Holdings grow by staking; corporate costs assumed at \$15m a year; buyback executed near today's price where the stock trades below NAV. Source: author model.

Summary	Value	Read
Probability-weighted 12-month target	\$12.79	+31.4% vs spot
Excess over 12.22% cost of equity	+19.1 points	BUY under the house rule
Target with exit mNAV held at 0.95x	\$11.02	+13.1%: HOLD
Probability of a 12-month value below spot	70%	Base case is below spot
Rating stays BUY at spot below	\$10.46	
PURR weighted return / HYPE weighted return	1.9x	Levered to HYPE through the multiple

Exhibit 5: Rating summary. Source: author model.

The cost of equity is the HYPE rate of 11.22% plus one point for the vehicle: board discretion over issuance, the advisor's warrant and equity rights, and custody. Under the house rule the weighted target clears it by 19 points, which makes PURR a BUY. Most of that comes from the bull and transformative cases, where HYPE rises and the NAV multiple moves back above 1.0, as it did in late August at 1.35 times. With the exit multiple held flat at today's 0.95 times, the weighted target falls to \$11.02 and the rating would be HOLD. PURR outperforms HYPE when HYPE rises sharply and underperforms when it falls, and the expected return is better here because the stock starts at a discount and the buyback is working.

Five-year view

Five-year (Oct 2031)	Deep bear	Bear	Base	Bull	Transformative
HYPE value	\$10.83	\$32.92	\$104.44	\$204.45	\$501.98
End adjusted NAV per share	\$1.96	\$5.21	\$14.11	\$25.63	\$60.22
Five-year PURR value	\$1.18	\$3.90	\$13.41	\$29.48	\$81.30
CAGR	(34.5%)	(16.7%)	6.6%	24.8%	52.9%

Exhibit 6: Five-year scenarios, same exit multiples, five years of staking and costs, no further issuance. Weighted value \$20.34, 15.9% a year. Source: author model.

I model no further issuance. If management issues above NAV in a bull market, NAV per share rises faster than shown. If it issues at or below NAV, as it did in September and October, it falls. I would give issuance discipline more weight than any single input in the table.

4. Key Risks

Risk	Severity	Probability	Assessment and mitigant
HYPE price	High	Medium	PURR is a HYPE vehicle. Every HYPE risk in the October HYPE report carries through, and the multiple tends to fall with the token.
Issuance at or below NAV	High	Medium	HYPE per basic share fell 6.2% from August to October. The \$1bn equity line has room left. The expanded buyback offsets some of it while the stock trades below NAV.
Discount widens	Medium	Medium	Treasury vehicles across crypto traded at discounts through 2026. The bear and deep bear cases assume 0.75x and 0.60x.
Adjusted NAV methodology	Medium	Medium	The \$244m adjustment is my inference. If it isn't tax, gross NAV applies and the discount is wider.
Advisor economics	Medium	Low	Rorschach Advisors holds 7.8m shares and warrants for up to 27.4m, with equity rights on future financings it has waived for now and can revoke.
Corporate costs	Low	High	I assume \$15m a year. Custody (11–13bp) and validator economics are disclosed; the total is not.

Exhibit 7: Key risks.

5. Conclusion

Rating: BUY. 12-month weighted target \$12.79 (+31.4%), base case \$8.73. Five-year weighted \$20.34 (15.9% a year).

PURR is a cheaper way than HYPE to own the upside cases in my HYPE report. It starts below NAV, it is buying its own stock, and its multiple has historically expanded when HYPE runs. The same features make it worse than HYPE in a drawdown, and the base case sits below today's price. A reader who doesn't expect the premium to come back should treat this as a HOLD at \$11.02.

Further issuance below NAV, or the buyback sitting unused while the discount persists, would move it to HOLD. A sustained return to a premium with issuance above NAV would raise the targets.

Sources and Method

Primary data: Hyperliquid Strategies 10-K for FY2026 (holdings at 23 August, shares, staking, advisor terms), 8-K of 14 September 2026 (equity line amendment) and 8-K of 23 October 2026 (buyback); company dashboard via DefiLlama, PANews, TechFlow and HokaNews (holdings, cash, fully diluted shares, adjusted NAV); yfinance (price, basic shares); Hyperliquid API (HYPE price). HYPE scenario values come from my October HYPE report. The author modeled the data in Python and Excel. Prior report: Hyperliquid Strategies (PURR), 20 May 2026.

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Author position: long PURR and HYPE. Ryan Mahaffy may hold positions in assets discussed and may trade them without notice.