

## April 2024 Investor Update

ProChain Capital decreased in value **-15.19%** in April.

**Year-to-date**, ProChain has gained **+23.87%**.

Attached is ProChain's month-end summary sheet.

*Cryptocurrency investment is a MUST in every portfolio.*

ProChain's ordinary investor class has just a **\$100,000** initial investment minimum.

To schedule a discussion, please reply at your convenience.

### ProChain in the News

[Bitcoin returns "too significant to ignore" for world's retirement plans](#); *Cointelegraph*, April 12

You can hear David Tawil (@DavidDTawil) on **X (Twitter)** daily at **8am ET**.

He is the co-host of **#FinanceDaily**, the most listened-to live daily finance program on **X**.

You can find **#FinanceDaily** on **X Spaces** on a mobile device and **Live on X** on a desktop.

### 1. Adoption

*Investment.*

- **Hong Kong** has joined the U.S. in [approving Bitcoin ETFs and has also approved Ethereum ETFs](#).
  - [Investors from mainland China are currently banned](#) from investing in the ETFs, giving the ETFs [a severely limited audience](#).
- **Australia's** securities' regulator [is expected to approve spot Bitcoin ETFs before year-end](#).
- Finally, on May 1, after almost 4 months of consecutive days of inflows, BlackRock's Bitcoin ETF (**IBIT**) [saw its first day of net outflows](#).
- As we've previously mentioned, adoption of Bitcoin ETFs by U.S. wealth management platforms is a process and will not occur immediately, giving significant long-term upside to Bitcoin. Case in point, recent reports confirm that **Morgan Stanley** may be one of the first (and one of the largest) platforms [to allow brokers to pitch Bitcoin ETFs](#).
  - **ProChain**- Sharp independent financial advisors will use the lag at large firms to get out in-front of the inevitable tidal wave.
- **BlackRock's** head of digital assets, Robert Mitchnick, recently stated that the world's largest asset manager and the administrator of the largest Bitcoin ETF, **IBIT**, sees [the world's largest investors, sovereign wealth funds and pension funds, coming into Bitcoin ETFs](#).
- **BNP Paribas**, Europe's second largest bank, [has invested in IBIT](#).

*Currency and Use.*

- **BlackRock**, which recently launched a tokenized money-market fund (BUIDL) utilizing the **Ethereum** blockchain, has seemingly doubled-down on its commitment to tokenization of financial products with a round-leading investment into **Securitize**, the tokenization firm that led BlackRock's BUIDL effort.
- **Germany's** largest federal bank, **LBBW**, will offer crypto custody services.
  - *ProChain*- It is important to see a State-regulated and a State-invested bank (TradFi) from a leading economic power offering crypto-related services. This trend will continue and will lead to broad acceptance of and investment in cryptocurrencies.
- In more asset-tokenization news, **Homium**, a real-estate equity mortgage lender [has launched home equity loans on the Avalanche \(AVAX\) blockchain](#). The tokenized loans can be invested in and traded by third-parties.
- Further, accounting giant, **Ernst & Young**, is using the **Ethereum** blockchain to develop a tool to manage complex agreements and self-execute smart contracts while securing confidential information and validating identities with zero-knowledge proofs.
  - *ProChain*- We are not expecting major traction initially from Homium's and EY's efforts, but it is clearly the direction of all financial assets. Public blockchains make all asset ownership and transfer safer, cheaper, and quicker, including, equity, debt, options/derivatives; real property, personal property, contract rights.

## 2. Regulation and Legal

- The "softball" of crypto regulation is being taken up by the Senate once again. Sens. Lummis and Gillibrand [introduced a bill to regulate stablecoins](#), such as, **USDC** and **UST**.
- The crypto industry's war with the **SEC** is getting broader and more intense.
  - **Consensys**, an Ethereum development company, [sued the SEC to declare Ethereum to be a commodity and not a security and to be not regulated by the SEC](#).
  - Seemingly, [the SEC is planning to sue Uniswap](#), a DeFi protocol.
    - *ProChain*- This is notable because a decentralized protocol, like Uniswap, is not controlled or managed by anyone (that's the point of "decentralized"); Uniswap is simply the developer of the software. It is quite chilling to hear that the SEC thinks that it has a legal claim against a software developer. An analogous instance is holding criminally liable gun manufacturers for murders.
  - The SEC lawyers that were lambasted by a federal judge for a "gross abuse" of power and for presenting a case with "false statements and misrepresentations" relating to the crypto platform, Debt Box, [have resigned](#).

## 3. Public Companies

- **Block (SQ)** has recently made good on [previous verbal support for Bitcoin](#)
  - The firm [has developed a Bitcoin mining chip](#) and is planning to build a Bitcoin mining system utilizing its chip, which will allow Bitcoin mining quickly and easily to become ubiquitous.
  - In addition to the company's ~\$500mm Bitcoin holdings, Block [will invest 10% of its Bitcoin-related profits into purchasing additional Bitcoin](#).
    - *ProChain*- Block's Bitcoin investment is notable because it is the first public company, outside of **MicroStrategy (MSTR)**, to consider Bitcoin as a treasury asset.
- **Coinbase (COIN)**, the only U.S.-listed crypto exchange, [reported strong Q1 earnings and received stock-price upgrades](#).

- Notably, Coinbase [adopted the updated FASB accounting standard](#), which allows companies to recognize gains from the rise in the value of the Bitcoin owned; interestingly, MicroStrategy has not yet voluntarily adopted the new accounting standard, for which it lobbied (possibly because of uncertainty regarding the tax implications).
- **MicroStrategy (MSTR)** [now owns 1% of all Bitcoin](#), valued at ~\$13.6B.



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