



## June 2024 Investor Update

ProChain Capital decreased in value **-7.31%** in June.

**Year-to-date**, ProChain has gained **+32.48%**.

**Since inception**, on average, ProChain has returned **>38% annually (net of fees)**.

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

[Why VanEck's solana ETF application is a win for crypto — even if it's not approved](#); *MarketWatch*, June 27

[Bitcoin treasury strategies proliferate in a high-inflation world](#); *Blockworks*, June 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**.

Yesterday's show recording is available [here](#).

### State of Play

In our opinion, the market is currently offering an incredible investment opportunity into cryptoassets generally.

As detailed in our recent investor updates and below, the crypto industry has notched major substantive wins in the US federal legislative and judiciary branches and has achieved the sustained and increasing support of important financial market participants. The SEC continues to remain as a thorn in the side of the industry, but the SEC is now in a small and shrinking minority and has been dealt numerous important judicial setbacks. And, the SEC will almost certainly refresh its agenda after the exit of the current Chair, Gary Gensler, after the Presidential election.

In the face of the substantive gains, the prices of cryptocurrencies have been hit hard in recent days due to the quadruple-whammy of Bitcoin selling coming from [the U.S. government](#) (holding \$13.8B; poised to sell \$250mm), [the government of Germany](#) (holding \$2.8B; poised to sell >\$220mm), [claimants from the Mt. Gox liquidation](#) (\$9B total Bitcoin distributions) and [Bitcoin miners](#) (\$2B).

This technical selling pressure will end, the supply will be absorbed, and the market will get back to its strong fundamentals.

#### 1. Adoption

*Investment.*

- The industry focus continues to be on the approval and start of trading for the **Ether ETFs**.

- Currently, [the best guess is mid-July](#). **SEC Chair Gensler** has been a bit more amorphous, but [has indicated during the summer](#). More importantly and inappropriately elusively, Gensler [still refuses to definitively state that the ETH is a commodity](#) (rather than a security).
- Initial in-flow estimates range from [\\$5B](#) (6 months) to [\\$15B](#) (18 months). For reference, **Bitcoin ETFs** pulled in [\\$12B in less than 3 months](#), so the ETH ETF estimates don't seem particularly aggressive.
- During the month of June, US **Bitcoin ETFs** experienced their [longest streak of outflow](#), 7 days.
- In additional crypto ETF news, two firms, Van Eck and 21Shares, have filed to offer a **Solana (SOL) ETF**.
  - Van Eck has confirmed that its filing is [predicated on a Trump Presidential victory](#). A SOL ETF is unlikely to be approved under Pres. Biden/Chair Gensler.

#### *Currency and Use.*

- **Securitize**, the firm that **BlackRock** has used for its tokenized money-market fund (BUIDL) and in which BlackRock has invested, has announced [a partnership agreement with Investcorp](#), to develop fund tokenization.
- Private blockchains, like JPMorgan's Onyx, [process >\\$1.5T of securities' transactions](#). It is possible that, as traditional financial institutions get more familiar and comfortable with private blockchains, they will migrate to public blockchains, which will offer commonality and additional cost efficiencies.

#### 2. **Regulation and Legal**

- Taking an offensive posture, and seemingly emboldened by recent pro-crypto legislative activity and judicial decisions, [Coinbase sued the SEC and the FDIC](#), with poignant allegations of a conspiracy to cut-off the crypto industry from accessing banking services at traditional and regulated financial institutions and for failing to disclose historic crypto probes.
  - In the **SEC's** ongoing case for "trading in unregistered securities" against Coinbase, [Coinbase called out a recent decision in the SEC's case against Binance](#), highlighting the inconsistent application by federal trial (District) courts of legal precedent relating to "securities" to crypto assets.
- The **SEC** [had to drop its allegations against Consensys](#), relating to Ethereum as an unregistered security, because that would be absolutely contradictory and laughable, in light of the recent approval of the ETH ETFs.
  - But, [the SEC still had to sue Consensys](#) for its MetaMask Swaps service.
- More systemically and broadly, the **US Supreme Court** [struck down the "Chevron doctrine,"](#) which gave federal agencies like the SEC substantial room to interpret their powers and purviews themselves.
- And, in another important Supreme Court case, SCOTUS ruled that [defendants accused of fraud by the SEC have the right to a jury trial](#) and, since SEC resources are finite, practically, they're going to have fewer resources to bring enforcement actions.

#### 3. **Public Companies**

- **MicroStrategy (MSTR)** [continues to raise capital at a blistering pace](#) to purchase additional Bitcoin.
- **Robinhood (HOOD)** now [offers its crypto trading services in all 50 U.S. States](#).
- Crypto mining firms are in-play and in-flux. The general sentiment is "eat or be eaten."

- **Riot Platforms (RIOT)** [has been in a hostile takeover mode in relation to Bitfarms \(BITF\)](#).
- **Iris Energy (IREN)** has [raised \\$400mm+ to expand](#).
- **Tether**, the stablecoin issuer, [invested \\$150mm into Bitdeer \(BTDR\)](#).
- **Sony** has explicitly entered the crypto market by [purchasing a Japanese crypto exchange](#).



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