



## July 2024 Investor Update

ProChain Capital increased in value **+3.25%** in July.

**Year-to-date**, ProChain has gained **+32.43%**.

**Since inception**, on average, ProChain has returned **>35% annually (net of fees)**.

*Cryptocurrency investment is a MUST in every portfolio.*

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

Attached is ProChain's month-end summary sheet. To schedule a discussion, please reply at your convenience.

### ProChain in the News

[Bitcoin soars on predictions of Trump victory after assassination attempt](#); *Cointelegraph*, July 16

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**.

### 1. Adoption

#### *Investment.*

- Following in the footsteps of the State of Wisconsin pension fund, the [Employees' Retirement System of Jersey City](#) (NJ) and the [State of Michigan Retirement System](#) have purchased positions in **Bitcoin ETFs**.
  - *ProChain*- We expect that the world's largest investors, such as, nation-states, pension funds, university endowments and foundations, will continue to evaluate and invest in Bitcoin and Ether ETFs. This will create increasing demand for years to come, which may end of up being the greatest force for the asset-class over the long-term.
- **Morgan Stanley** has advised its 15,000 wealth managers that [they can solicit clients to invest in Bitcoin ETFs](#).
- Van Eck's Bitcoin ETF (FBTC) became [the third Bitcoin ETF to reach \\$10B of total value](#).
- Meanwhile, [BlackRock's IBIT](#) Bitcoin ETF recently [recorded its largest single-day inflow in 4 months](#); >\$500mm.
- The launch of **Ether ETFs** on July 23 got off to a rocky start due to macro volatility coming from geopolitical shocks (Trump assassination attempt, Biden dropping out of POTUS race, Kamala Harris becoming presumptive Democratic nominee, September Fed rate cut speculation, Iran/Israel war prospects) and outflows from **GBTC's** ETH trust (**ETHE**).
  - The ETFs (there are 8 ETFs, in addition to the GBTC trust converting to an ETF) [recorded \\$107mm of net inflows and \\$1B of total volume of trading on the first day](#). It was expected that the ETH ETFs would garner about 20% of the capital that the Bitcoin ETFs attracted over similar time frames.

- Four of the nine ETH ETFs have posted at least \$200mm of net inflows (BlackRock, Bitwise, Fidelity and Grayscale's "Mini" trust) after eight days of trading. While **BlackRock's ETHA** is solidly in the lead with positive flows totaling \$713mm, the higher-cost **Grayscale** Ethereum Trust (**ETHE**) has watched more than \$2B of capital exit the product.
- Germany dumped \$2.9B of Bitcoin** (50k BTC) during the last week of June and first 3 weeks of July. The Bitcoin was sold on an "emergency" basis and was obtained through a seizure in a criminal proceeding.

#### *Currency and Use.*

- The **Dept of Motor Vehicles** of the **State of California** has [digitized 42 million automobile titles using the \*\*Avalanche \(AVAX\)\*\* blockchain](#).
- Appropriately, **Lloyd's of London**-backed [cryptocurrency insurance policies are being issued on \*\*Ethereum\*\* blockchain and can be paid for in cryptocurrency](#).
- As a follow-up to **BlackRock's** Ethereum-based money-market fund, **BUIDL**, which has accumulated \$500mm of assets, **Coinbase (COIN)** announced [plans to offer a tokenized money-market fund](#).
- Polymarket**, a platform for decentralized predictions that allows users to bet on sports, geopolitics, and pop culture, which has drawn massive attention and bet volume surrounding Biden's dropping out of the Presidential race and Kamala Harris' nomination and is based the Polygon Layer-2 blockchain, [has seen daily volume and number of new active traders hit all-time highs of \\$20mm and 30,000, respectively](#). Open wagers on US elections, including President, [have reached \\$1B](#), and US-based customers have devised workarounds for Polymarket's exclusion from the US market.
  - ProChain*- The foregoing puts on full display that **use cases** for public blockchains and, therefore, their related cryptocurrencies have cash-flow justified value. THIS IS BIG and it's just the start.

## 2. Regulation and Legal

- ProChain*- The entry of Kamala Harris into the Presidential election has thrown crypto policy into the spotlight, with both parties courting the crypto-community. That can only be a good thing.
- Donald Trump** spoke at **Bitcoin 2024** in Nashville. [He pledged to:](#)
  - fire **Gary Gensler** and appoint a new **SEC** Chair
  - ensure that the U.S. will be the crypto capital of the planet and the Bitcoin super power of the world"
  - take ownership of the 210,000 Bitcoin seized by the government, using them to set up a fund that would act as the nation's strategic reserve
  - end Operation Choke Point 2.0, an effort to shut down banks that serviced crypto companies or to keep crypto companies from being able to bank at all
  - ensure the U.S. emerges as the bitcoin mining capital of the world
  - abolish any plans of implementing a central bank digital currency (**CBDC**)
  - establish effective stablecoin legislation
  - defend the right to self-custody
- Beyond Trump himself, Trump's VP pick, **JD Vance** (R-OH) [has been pro-crypto](#) and, in 2022, he disclosed that he owned between \$100,000 and \$250,000 worth of Bitcoin.
- After also speaking at Bitcoin 2024, **Sen Cynthia Lummis** (R-WY) [introduced a bill to direct the US Treasury to establish a strategic reserve fund for Bitcoin](#), with a goal of accumulating 1mm Bitcoin over time, or roughly 5% of Bitcoin's total supply.

- The **SEC**, which hasn't been in the crypto headlines for a hot minute, recently dropped a case against Paxos, indicating that [stablecoins pegged the US Dollar are unlikely to be considered "securities."](#)
  - Additionally, the **SEC** seems to be [softening its stance on the onerous capital charges that traditional banks and brokerages need to take by holding customer cryptocurrency.](#)
    - The revised policy would require banks ensure that their customers' assets would be protected in the event of a bankruptcy or failure.
    - The SEC's stance could expand the range of companies that U.S. crypto holders could choose among to stow their growing portfolios. Lenders have argued the current accounting treatment effectively barred them from offering crypto services because bigger balance sheets would trigger capital requirements set by banking regulators.
  - The SEC rival, **CFTC**, Chair, Rostin Behnam testified before the Senate Agricultural Committee in July, making the case for [the CFTC to be primary digital asset regulator, since 70-80% of cryptocurrencies are NOT "securities".](#)
3. **Public Companies**
- Although **Coinbase (COIN)** reported an 11% drop in revenue, [it reported another profitable quarter.](#)
    - Coinbase is [the custodian for eight of the ETH ETFs](#) (other than Fidelity's).
    - Crypto.com is competing fiercely with Coinbase for [the title of the biggest U.S. crypto exchange.](#) Worldwide, Binance [still has a big lead.](#)
  - Unbeknownst to many, **PayPal (PYPL)** is [a major crypto TradFi crypto supporter](#), with its users now holding \$2.85B of crypto (up from \$600mm in 2Q22). PayPal only offers a small selection of crypto investments; Bitcoin, Ether, Litecoin, and bitcoin cash.



**David D. Tawil**  
 President  
 +1-646-479-9387  
[david@prochaincap.com](mailto:david@prochaincap.com)