

March 2024 Investor Update

ProChain Capital increased in value **+13.27%** in March.

Year-to-date, ProChain has gained **+46.06%**.

ProChain in the News

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.

ProChain in the News

[Market's 1Q performance was 'incredible'](#); *Fox Business News*, Mar 28

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1. Adoption

Investment.

- Some of the most significant crypto news continues to relate to **Bitcoin** and the related **ETFs**.
 - **Japan's** national pension fund (GPIF), the largest pension fund in the world (\$1.4T), is evaluating the diversification dynamic of investment in Bitcoin.
 - The **Arizona** State Senate is [considering including Bitcoin ETFs into the retirement portfolios](#) of the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS), which service approximately 700,000 active members.
 - **BlackRock**, the world's largest asset manager and the sponsor of the world's largest Bitcoin ETF (**IBIT**), [may purchase Bitcoin ETFs in its Global Allocation Fund \(MALOX; \\$17B AUM\)](#).
 - The 10 U.S. Bitcoin ETFs, which currently own 4% of the total Bitcoin supply are expected to continue to grow and [hold >10% by 3Q24](#).
 - Some are expecting [up to \\$220B of inflows over 3 years](#) (currently, holding ~\$50B).
 - In mid-March, [Bitcoin surpassed Silver as the worlds' 8th most valuable asset](#).

- The ETFs have experienced substantial net inflows overall [but have experienced days of outflows](#).
 - **ProChain**- We are encouraged by the few days of outflows, which are evidence of a healthy growth pattern and provide a better base of constant holdings. A streak of constant in-flows would be unsustainable and would lead to concern of swift capital flight in a down-market.
- **JPMorgan's** CEO **Jamie Dimon** has stated that he will never buy Bitcoin, [though JPMorgan will support other's right to buy](#).
- With regard to broader retail investment in Bitcoin ETFs and overall investment allocation to Bitcoin, the opinions are diverse.
 - According to **Bitwise**, investors generally are [targeting a 3% allocation to Bitcoin](#).
 - **JPMorgan** believes that Bitcoin allocation [will never reach the level of the allocation to gold](#).
 - Traditional financial advisors (RIAs) are still evaluating Bitcoin ETFs, and to-date, [retail investment in Bitcoin ETFs has largely been by direct participation](#).
- The **SEC** has delayed a decision on [approval of Bitcoin ETF options](#).
- **Ethereum's** most recent software upgrade (**Dencun**) has been [implemented successfully](#). The update is aimed toward [lowering transaction costs and raising efficiency](#) of the network.
- Although [efforts toward a Ether ETF continue](#), including expanding the ETFs mandate to [include staking of assets](#), it is seemingly [less likely that the SEC will approve the ETF in the near-term](#).
- Multi-strategy hedge fund, **GoldenTree Asset Management**, has [sold its cryptocurrency subsidiary](#), effectively exiting the asset-class.

Currency and Use.

- **BlackRock** has [created and launched a tokenized money-market fund \(BUIDL\)](#) utilizing the **Ethereum** blockchain, and has already amassed [\\$245 million under management](#) (within one week of launch).
 - **ProChain**- This is a MAJOR breakthrough. BlackRock's initiative recognizes an important use-case for Ethereum, a public blockchain. Clearly, the effort, if successful, could lead to additional tokenization of financial assets. Moreover, the effort validates the value proposition of tokenization; cryptocurrencies are a cheaper and safer way to do business.
- Similarly, **HSBC** has [tokenized investments in Gold](#) for investors in Hong Kong.
- [Stablecoin flows are continuing unabated](#), evidencing continued cryptocurrency investment inflows, despite recent crypto price pullbacks.

2. Regulation and Legal

- U.S. regulators are explicitly at-war over the status of **Ether**, with the **CFTC** maintaining that [ETH is a commodity](#) and the **SEC** refusing to say that [ETH is not a security](#).
- The **SEC's** war with **Coinbase (COIN)** is [ongoing](#) and [widening](#).
- **Custodia Bank**, the Wyoming-based upstart crypto bank, [lost its argument in federal court](#) that the Federal Reserve inappropriately rejected its application for a Fed master account and Fed membership.

3. Public Companies

- Similar to the efforts of BlackRock and HSBC, **Mastercard (MA)** is working with **MetaMask** on a [cryptocurrency-supported and blockchain-powered payment card](#). The card will allow users to spend their cryptocurrency everywhere credit cards are accepted.



David D. Tawil

President

+1-646-479-9387

david@prochaincap.com