



## February 2025 Investor Update

ProChain Capital decreased in value **-17.80%** in February.

**Year-to-date**, ProChain has declined **-10.79%**.

Attached is ProChain's month-end summary sheet.

*Cryptocurrency investment is a MUST in every portfolio. The current price pullback makes for an excellent entry-point.*

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

[Market 'doesn't know what to make yet' of Trump, this presidency: Expert](#); **Fox Business**; Feb. 12

[Global Business: Anticipating U.S. Reciprocal Tariffs](#); **CGTN**; Feb. 13

[Bitcoin experiencing volatility as memecoin controversies emerge](#); **FintechTV**; Feb. 20

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

### 1. **Adoption**

#### *Investment.*

- *ProChain*- The past week has seen the most radically positive change by the White House toward the crypto industry. Until Trump's election in November, these actions were unimaginable. The United States has NEVER taken such a supportive stance toward cryptocurrency. Beside the direct investment by the US and States into cryptocurrency, never before have developers and innovators found such a warm environment in the U.S. Moreover, TradFi (traditional finance) has never before been invited and encouraged to participate in cryptocurrency as it is now. We expect that this will lead to much greater adoption and investment in cryptocurrency over the long term.
  - On March 2, POTUS Trump [announced that he would be creating a cryptocurrency reserve](#) for the United States.
  - On March 6, the day before the Crypto Summit at the White House, POTUS Trump [signed Executive Orders establishing \(i\) a Strategic Bitcoin Reserve for the U.S. and \(ii\) a crypto stockpile for the U.S.](#) [Here](#) are the EOs.
  - At the Crypto Summit on March 7, more than a dozen leading crypto executives met with Trump and related regulators and lawmakers.
  - The success of [the crypto industry's amazing POTUS election push](#) is amazing and undeniable.
- Sen. Cynthia Lummis, the champion of the U.S. Strategic Bitcoin Reserve, expects that [one of the multitude of States considering a Strategic Bitcoin Reserve is likely to achieve Congressional approval](#) of the reserve prior to the federal government.

- A number of States, including [Texas](#) and [Utah](#), have already had their Bitcoin reserve bills pass one house of Congress.
- Recent 13F filings revealed that institutional ownership of outstanding spot BTC ETF shares increased from 24.9% to 28.6%, while ETH ETFs experienced a sharper rise from 13.7% to 23.0%. Notably, **Mubadala**, the sovereign wealth fund of **Abu Dhabi**, also [disclosed \\$437mm in spot BTC ETF shares](#), reflecting growing interest in the asset class by sovereigns.
- **BlackRock** has added [1-2% allocation of its Bitcoin ETF](#) (IBIT) to its target allocations for portfolios that it manages that allow for alternative assets.
- **Citadel**, one of the world's largest market-makers, has reversed a previous cautious stance on crypto and announced that [it will become a liquidity provider for cryptocurrencies](#), possibly taking on Coinbase (COIN), Binance and Crypto.com (the world's largest crypto market-makers).

#### *Currency and Use.*

- [The biggest crypto hack in history](#) (by value) occurred in mid-February, when **Bybit**, the world's second-largest crypto exchange was hacked by a group in North Korea for \$1.46B. Bybit was able to replenish its reserves in time and cover all customer withdrawals.
  - *ProChain*- Although the occurrence of the hack and the size of the hack are distressing, the near-flawless recovery by the exchange and the absence of a "run on the bank" is an incredible feat, considering previous hacks in the crypto market. And again, like all previous cryptocurrency failures, the hack was successful due to human error; the blockchain and technology were never compromised.

## 2. **Regulation and Legal**

- The **Office of the Comptroller of the Currency** (OCC) has amended its guidelines allowing [national banks to offer crypto custody services](#).
- The most numerous and impactful activity has come from [the SEC dropping a raft of crypto-related cases](#), from Binance to [Coinbase](#) (COIN) to [Robinhood](#) (HOOD) to [Gemini](#).
- Trump has selected crypto expert, **Brian Quintenz**, previously of venture-capital firm Andreessen Horowitz' crypto unit, a16z, [to head the CFTC](#).
- As expected, Congress has taken up **stablecoin legislation** as its legal first initiative related to cryptocurrency. Currently, there are competing bills working through [the Senate](#) and the House.

## 3. **Public Companies**

- Michael Saylor, head of **Strategy** (previously MicroStrategy; **MSTR**) is among the most outspoken proponents of establishing a growing U.S. Bitcoin Strategic Reserve to combat weakness in the US Dollar, inflation, and [the national debt](#).



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