

December 2024 Investor Update

ProChain Capital decreased in value **-4.99%** in December.

Year-to-date, ProChain has gained **+63.94%**.

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

[Crypto Hedge Funds Had Great 2024, But Failed to Top Bitcoin](#); **Bloomberg**; Jan. 15

[Bitcoin now seen as a 'safe haven' investment, price 'turbo charge' coming](#); **Fox Business News (Cavuto Coast to Coast)**; Dec. 16

[Factor's behind Bitcoin's \\$108K surge](#); **Fintech TV**; Dec. 18

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1. Adoption

Investment.

- The list of **US States** that have proposed bills to consider investing in Bitcoin or creating a **strategic Bitcoin reserve** has grown quickly.
 - [Texas](#), [North Dakota](#), [Alabama](#), [Utah](#), [Massachusetts](#), [Ohio](#), [New Hampshire](#), [Wyoming](#), and [Oklahoma](#)
 - The city of **Vancouver** is examining Bitcoin as [an investment tool and as a payment method](#).
 - Incidentally, **Coinbase** CEO, **Brian Armstrong**, has [suggested 11% as an appropriate allocation by any country with gold reserves](#).
- Although **Microsoft (MSFT)** shareholders previously turned down a proposal to invest Bitcoin, [a similar proposal](#) is being put before **Amazon (AMZN)**.
- Other, [lesser-known public corporations have already started their own Bitcoin buying](#) and investing.
- Australian pension fund, **AMP**, has [established an investment in Bitcoin](#), commenting that "Bitcoin's potential has become too big to ignore."
- It seems that **Morgan Stanley (MS)** is preparing to offer crypto services to customers broadly, from institutional to retail customers.
 - **E*Trade**, which is a subsidiary of Morgan Stanley, is rumored to be considering [adding cryptocurrency services to its investment offerings](#).

- At the World Economic Forum in Davos, Morgan Stanley CEO, **Ted Pick**, said that [the bank will examine whether it can deepen its involvement in cryptocurrency markets](#).
- **BlackRock**, the world's largest asset manager, and its CEO, **Larry Fink**, continue to be some of the strongest forces in the crypto industry.
 - The firm has pronounced a [target 1-2% allocation of Bitcoin in any multi-asset portfolio](#).
 - **Larry Fink**, reflecting on investment in Bitcoin by sovereign-wealth funds, commented that could [drive the price to \\$500,000 to \\$700,000](#).

Currency and Use.

- **Larry Fink** expects that [financial products, from stocks to bonds, will be tokenized](#) and recorded on a public blockchain.
- In the realm of stablecoins, [Circle, the company behind USDC, and Binance are working together](#), which should create a challenge for **UST (Tether)**.

2. **Regulation and Legal**

- In the wake of President Trump's inauguration, Trump signed [an Executive Order](#) on crypto and digital assets. The EO :
 - creates a new group [working toward "potentially developing a national digital asset stockpile."](#)
 - emphasizes the importance of supporting the growth of legitimate, dollar-backed stablecoins globally to strengthen the U.S. dollar.
 - outlines key protections for individuals and companies that use blockchain networks, as well as the developers and miners securing these networks.
 - prohibits creating a "central bank digital currency" (CBDC).
 - promises "fair and open access to banking services" for crypto companies.
- The **SEC**, now operating under Acting Chair **Mark Uyeda**, formed [a crypto-focused task force headed up by Commissioner Hester Peirce](#).
- The **SEC** [rescinded Staff Accounting Bulletin 121 \(SAB 121\)](#), which directed publicly traded companies holding crypto for their clients to mark those holdings on their own balance sheets. SAB 121 was strongly opposed by the crypto industry, which argued that it made it more difficult for banks to provide certain crypto services.
- The **CFTC** is now operating under now operating under Acting Chair **Caroline Pham**. Pham named CFTC Senior Policy Advisor **Harry Jung** as the regulator's lead for crypto industry engagement. U.S. CFTC Chair **Rostin Behnam** [stepped down on Inauguration Day](#).
- Trump [pardoned Silk Road creator Ross Ulbricht](#), saying on Truth Social that he did so "in honor of [Ulbricht's mother] and the Libertarian Movement, which supported me so strongly." Ulbricht was convicted on criminal enterprise, narcotics distribution and various conspiracy charges and sentenced to double life in prison and 40 years with no parole.
- The **Senate Banking Committee** has confirmed the creation of [a subcommittee focused on digital assets](#), led by Sen. **Cynthia Lummis**(R-Wyo.).
- **Coinbase (COIN)** won big in two important courts recently.
 - **SDNY** Judge Polk Failla granted a Coinbase motion for an interlocutory appeal in their lawsuit against the SEC. Judge Failla claimed that the parties seek clarity on an "important legal issue, although they "tussle" over which court has the proper tools to clarify. As a result, Coinbase can now appeal the SEC accusations to the 2nd Circuit Appeals Court. Court proceedings will remain halted until a decision comes out on whether an "investment contract" requires an actual contract.

- The **3rd Circuit Appeals** Court [ordered the SEC to revisit its decision not to write new rules for when digital assets fall under its authority](#). The court firmly rebuked the SEC, calling its decision to deny Coinbase's request, "insufficiently reasoned, and thus arbitrary and capricious." "The SEC repeatedly sues crypto companies for not complying with the law, yet it will not tell them how to comply. That caginess creates a serious constitutional problem," Stephanos Bibas, one of the judges, wrote in a concurring opinion.

3. **Public Companies**

- **MicroStrategy (MSTR)** has [joined the Nasdaq 100](#) and could soon be in the running for inclusion in the S&P 500.
- Every Monday for 3 months, MicroStrategy [has announced additional Bitcoin purchases](#).
- The company has been [issuing multiple forms of securities](#) to continue to fund its Bitcoin buying.



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