



JAN  
2024

INVESTMENT REPORT

# DC REPORT

## Agenda:

- Market update

## Summary:

The cryptocurrency market experienced a roller coaster ride last week, with a historic milestone, a major setback, and a surprising twist.

U.S. Securities and Exchange Commission (SEC) approving 11 spot Bitcoin ETFs, a major victory for the cryptocurrency industry. Trading volumes soared to \$4 billion on the first day, with Grayscale and BlackRock's ETFs leading the charge.

However, the excitement was short-lived. A day before the ETF approvals, a fake tweet from a hacked SEC account caused chaos. The tweet falsely claimed all Bitcoin ETFs were approved, leading to \$90 million in Bitcoin liquidations before being exposed as a fraud.

On a more positive note, Circle, the company behind the popular USDC stablecoin, filed for an initial public offering. This move could further legitimize stablecoins and their role in the crypto ecosystem.

Overall, the week was a microcosm of the cryptocurrency market: exciting developments, unexpected twists, and constant evolution. It's clear that the industry is still maturing, and we can expect more surprises in the months and years to come.

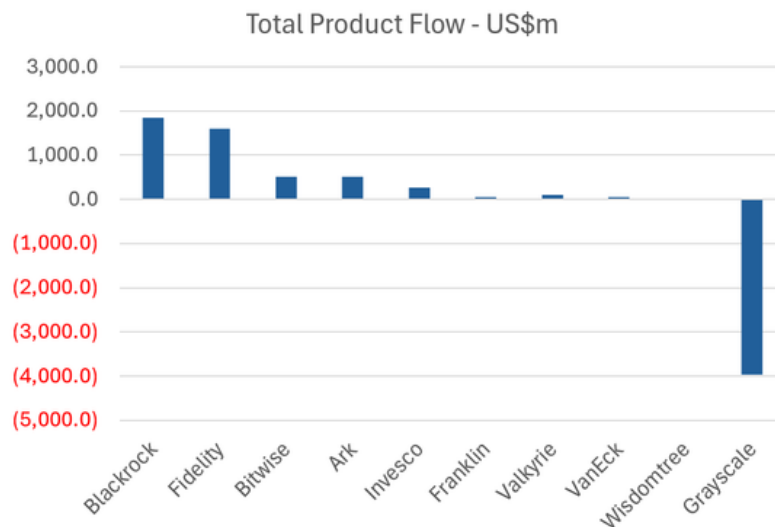
# MARKET UPDATE

JAN  
2024

DigitalCompass

# MARKET UPDATE

- **Bitcoin ETFs have been trading for 2 weeks.** Price performance has been on the downside with a 20% fall from pre ETF approval highs. Grayscale has been pointed out by many analysts as the cause for this crash, the entity has been sending bitcoin to Coinbase with the total amount already being over 3.5 billion dollars.
- **Many ETF providers wallets have been pinpointed** by the on-chain intelligence platform called Arkham. Blackrock already accumulated 44K BTC only in the past 15 days, if this pace continues or accelerates they could end holding more BTC than Grayscale in around 7 months.
- **Bitwise became the first US Bitcoin ETF to disclose the holding addresses** of its underlying BTC. This enhances transparency and potentially attracts security-conscious investors.



- **SEC has delayed its decision on BlackRock's proposed spot ETH ETF decision.** The SEC has delayed its decision on BlackRock's proposed spot Ether (ETH) exchange-traded fund (ETF), citing the need for more time to review the proposed rule change. The delay, announced one day ahead of the January 25 deadline, marks the first of several delays the SEC can exercise across a 240-day period.
- **Solana releases a token extension that aims to empower developers to build customize token experiences on the network.** This released new token extension offering will increase customization for developers. This could attract more projects and fuel further growth on the network.

SEC spot ETH ETF decision.: <https://coinmarketcap.com/academy/article/sec-delays-blackrocks-spot-ethereum-etf-decision>

Solana token extension: <http://tinyurl.com/43dpyfrh> <https://www.prnewswire.com/news-releases/solana-network-unveils-token-extensions-empowering-financial-institutions-and-enterprise-grade-businesses-to-enter-web3-302042625.html>

Bitwise BTC ETF holdings: <https://bitbetf.com/>

Blackrock wallet: <https://platform.arkhamintelligence.com/explorer/entity/blackrock>

Grayscale wallet: <https://platform.arkhamintelligence.com/explorer/entity/grayscale>

# ACKNOWLEDGEMENTS & DISCLAIMER

*This letter is an informational document that primarily provides educational content and general market commentary. No statements included herein relate specifically to investment advisory services provided by DIGITAL COMPASS LP or its affiliates, nor does any content herein reflect or contain any offer of new or additional investment advisory services. Nothing contained herein constitutes an investment recommendation, investment advice, an offer to sell, or a solicitation to purchase any securities in Funds managed by DIGITAL COMPASS (the "Funds") or any entity organized, controlled, or managed by DIGITAL COMPASS and therefore may not be relied upon in connection with any offer or sale of securities. Any offer or solicitation may only be made pursuant to a confidential private offering memorandum (or similar document) which will only be provided to qualified offerees and should be carefully reviewed by any such offerees prior to investing.*

*This letter aims to summarize certain developments, articles, and/or media mentions with respect to bitcoin and other cryptocurrencies that DIGITAL COMPASS believes may be of interest. The views expressed in this letter are the subjective views of DIGITAL COMPASS personnel, based on information that is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of the information and opinions. The information contained in this letter is current as of the date indicated at the front of the letter. DIGITAL COMPASS does not undertake to update the information contained herein.*

*This document is not intended to provide, and should not be relied on for accounting, legal, or tax advice, or investment recommendations. DIGITAL COMPASS and its principals have made investments in some of the instruments discussed in this communication and may in the future make additional investments, including taking both long and short positions, in connection with such instruments without further notice.*

*Certain information contained in this letter constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue", "believe", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures, and processes of DIGITAL COMPASS and the performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements, and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as DIGITAL COMPASS' representation that the Fund will achieve any strategy, objectives, or other plans. Past performance is not necessarily indicative of or a guarantee of future results.*

*It is strongly suggested that any prospective investor obtain independent advice in relation to any investment, financial, legal, tax, accounting, or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate, or other market or economic measure.*

*This document is confidential, is intended only for the person to whom it has been provided, and under no circumstance may a copy be shown, copied, transmitted, or otherwise given to any person other than the authorized recipient.*

# ACKNOWLEDGEMENTS & DISCLAIMER

Digital Compass Ventures reports conclude with a page acknowledging the contributions of the people who worked tirelessly on the projects mentioned within. Below, list down the names of those committed to these projects, such as:

Mateo Alcocer, **Subject Mastery**

Jose M. Ancona, **Subject Mastery**

Lorenzo Cue **Investment Expertise** behind the DCV Portfolio

## Digital Compass Ventures

500 Terry Francois Street  
San Francisco, CA 94158  
[www.digitalcompass.io](http://www.digitalcompass.io)  
[info@digitalcompass.io](mailto:info@digitalcompass.io)

BLOCKCHAIN IS  
CHANGING THE  
WORLD FOR THE  
GOOD