

RIVEMONT

Rivemont - Week 344

July 17th, 2024

Rivemont is the portfolio manager responsible for the investment decisions of the Rivemont Crypto Fund.

It was a remarkable rebound week for Bitcoin, with the price clearly surpassing the important 200-day moving average. Last week, Bitcoin-related exchange-traded funds (ETFs) recorded gains of \$1.35 billion, marking the fifth-best week ever for BTC-focused funds. In total, approximately \$1.44 billion were injected into crypto funds, tripling the amount from the previous week and bringing the annual total to a record \$17.8 billion, far surpassing the previous record of \$10.6 billion in 2021. American investors contributed significantly to these inflows, representing \$1.3 billion of the total funds.

U.S. spot Bitcoin ETFs experienced a full week of daily inflows, with over \$310 million in net flows on Friday alone, the highest level in over a month. These

significant flows followed a first positive week after three weeks of losses for the crypto markets. This trend continued into the current week. On Tuesday, U.S. spot Bitcoin ETFs recorded \$422.67 million in net inflows, the largest sum since June 5. This extended their streak of positive flows to eight consecutive days. BlackRock's IBIT led these inflows with \$260.23 million, its largest net flow since June 6, with a trading volume of \$1.02 billion. Other spot Bitcoin ETFs also saw significant inflows, with \$61.05 million for Fidelity's FBTC, \$29.85 million for Ark Invest and 21Shares' ARKB, and \$22.04 million for VanEck's HODL. The joint fund of Invesco and Galaxy Digital attracted \$20.54 million, while Bitwise's BITB brought in \$17.34 million. No net fund outflows were reported on Tuesday. Since their launch in January, U.S. spot Bitcoin ETFs have accumulated a total net inflow of \$16.53 billion.

Kraken received Bitcoin and Bitcoin Cash transfers from the Mt. Gox rehabilitation trustee. On Tuesday, a Mt. Gox wallet transferred approximately 48,641 BTC (\$3.1 billion) to an unlabeled address, likely associated with Kraken, according to Arkham. Kraken confirmed receiving the creditor funds and plans to distribute them within 7 to 14 days, following the trustee's instructions. Nobuaki Kobayashi, the rehabilitation trustee, announced that Bitcoin and Bitcoin Cash repayments have been made to over 13,000 creditors. Other exchanges, such as Bitbank and SBI VC Trade, have already distributed their funds. Mt. Gox, founded in 2010 and once the largest Bitcoin exchange, suffered a security breach in 2014, losing 850,000 bitcoins. In September 2023, the trustee announced that creditors would be reimbursed by October 2024 with 142,000 bitcoins, 143,000 Bitcoin Cash, and 69 billion yen in fiat currency.

The Securities and Exchange Commission (SEC) has asked asset managers to submit the final versions of registration statements for spot Ethereum ETFs by Wednesday, with a launch planned for July 23, according to sources familiar with the process. This approval follows an abrupt decision in May and has generated growing anticipation among investors seeking to access Ethereum through traditional brokerage accounts.

Recent communication from the SEC with asset managers was reported by

Bloomberg ETF analyst Eric Balchunas, who indicated that the final statements should also include each fund's management fees. Although the SEC approved key filings in May, it has yet to greenlight individual s-1 filings from eight asset managers, including BlackRock, Fidelity, and Grayscale. SEC Chair Gary Gensler mentioned that the approval process is proceeding smoothly, although it depends on full disclosures being provided to investors.

The launch of spot Ethereum ETFs could mark a significant moment for the second-largest cryptocurrency by market capitalization, following the approval of spot Bitcoin ETFs in January, which attracted about \$15.8 billion in inflows this year. According to K33 Research, spot Ethereum ETFs could draw up to \$4 billion in inflows within the first five months. A research report from Citi suggests potential inflows of \$4.7 billion to \$5.4 billion over six months. However, flows may be lower than expected due to the lack of staking and Bitcoin's first-mover advantage.

Larry Fink, CEO of BlackRock, has given unequivocal support for Bitcoin, calling the leading cryptocurrency a legitimate financial instrument, especially attractive to those with a pessimistic outlook on the world. During an appearance on CNBC, Fink stated that Bitcoin is an investment for those "more frightened" by the global situation. Fink's comments follow an assassination attempt on former President Donald Trump during a rally in Pennsylvania, which saw Bitcoin spike to its highest level in weeks. Rich Rosenblum, co-founder of GSR, highlighted that political volatility prompts Bitcoin buying, reflecting the fragility of the current status quo. While Fink did not mention this specific incident, he explained that Bitcoin is an attractive investment for those with a negative view of the future.

BlackRock reached a record value of \$10.6 trillion in assets under management (AUM). According to the second-quarter financial report published on Monday, the company recorded a net inflow of \$51 billion, bringing its total assets to \$10.65 trillion as of June 30, up 13% from the previous year. Larry Fink attributed this organic growth to private markets, active retail fixed income, and massive inflows into their ETFs, which had their best start to a year. BlackRock's total net flows in the second quarter amounted to \$82 billion,

reaching \$139 billion for the first half of the year. The success of IBIT, the largest spot Bitcoin ETF in the world with \$18.3 billion in Bitcoin, also contributed to this performance. Despite the decline in Bitcoin's price, net flows into IBIT increased by \$4.4 billion since the end of the first quarter. In comparison, BlackRock's main competitor, Vanguard Group, held \$8.6 trillion in assets under management as of December 31, 2023.

Who is Satoshi Nakamoto? Despite his claims, it is clear beyond doubt that he is not Craig Wright. A UK court has ordered Craig Wright to publicly declare that he is not the creator of Bitcoin, Satoshi Nakamoto, and that he is not the author of the Bitcoin white paper. Following a defeat in March in the UK high court, Wright must post this declaration on his website, Twitter account, and Slack channels for a specified period. Judge Mellor specified that these declarations must remain visible for six months on Wright's website and social media, and three months on his Slack channels.



CRAIG WRIGHT

LEGAL NOTICE: DR CRAIG STEVEN WRIGHT IS NOT SATOSHI NAKAMOTO

On 20 May 2024, Dr Craig Steven Wright was found by the High Court of England and Wales to have been dishonest in his claims to have been the person behind the pseudonym Satoshi Nakamoto (the creator of Bitcoin).

The Court found that Dr Wright "lied to the Court extensively and repeatedly" in his evidence and that he attempted to create a false narrative by forging documents "on a grand scale" and presenting them in evidence. Overall, "all his lies and forged documents were in support of his biggest lie: his claim to be Satoshi Nakamoto." In advancing his false claim to be Satoshi through multiple legal actions, Dr Wright committed "a most serious abuse" of the process of the courts of the UK, Norway and the USA. The High Court formally declared as follows:

First, that Dr Wright is not the author of the Bitcoin White Paper.

Second, Dr Wright is not the owner of the copyright in the Bitcoin White Paper.

Third, Dr Wright is not the person who adopted or operated under the pseudonym Satoshi Nakamoto in the period between 2008 and 2011.

Fourth, Dr Wright is not the person who created the Bitcoin system.

Fifth, Dr Wright is not the author of the initial versions of the Bitcoin Software.

The full judgment, and its appendix detailing various forged documents created by Dr Wright, is accessible at the following URL: <https://www.judiciary.uk/judgments/copa-v-wright/>.

Dr Wright has been ordered not to commence any legal proceedings based on his false claims (by claim or counterclaim) or procure any other person to do so. He has also been ordered not to threaten any such proceedings (explicitly or implicitly) or procure any other person to do so.

The court concluded that Wright repeatedly lied and attempted to create a false narrative by forging documents to support his claim of being Nakamoto. Additionally, Wright is now barred from pursuing legal action on this matter in the UK. The court also referred the relevant documents to the Crown Prosecution Service (CPS) for potential perjury and document forgery charges. Since 2021, Wright has been in a legal battle with the Crypto Open Patent Alliance (COPA) and a group of Bitcoin Core developers regarding his claims. Despite an attempt to settle out of court in January, COPA rejected Wright's offer, calling it "deceptive." In March, UK authorities froze \$7.4 million of Wright's assets to cover COPA's legal fees and prevent the dissipation of his assets.

Former President Donald Trump has confirmed his attendance to deliver an in-person speech at the upcoming Bitcoin conference in Nashville, despite a recent assassination attempt in Pennsylvania. The Bitcoin conference, a popular event in the crypto world, is set to begin in less than two weeks. David Bailey, CEO of BTC Inc., indicated that additional security measures are planned for the event, which is expected to host around 20,000 attendees. Trump's confirmation follows the attack on him during a political rally, raising questions about his future campaign appearances. The conference organizers are actively working with security teams to ensure a safe event. Last year's Bitcoin conference in Miami attracted around 12,000 people, and this year's event in Nashville is expected to see even higher participation. Notable pro-crypto political figures expected to speak include Robert F. Kennedy Jr., Senator Cynthia Lummis, and Tennessee Senators Marsha Blackburn and Bill Hagerty.

Bernstein analysts see a "dream scenario" emerging for Bitcoin miners, influenced by the "Trump factor" if he wins the November presidential election. They predict a positive opening for Bitcoin miners' stocks after weeks of stagnant prices. According to analysts Gautam Chhugani and Mahika Sapra, Bitcoin miners benefit from favorable political prospects, the emergence of the U.S. as a dominant hub for Bitcoin mining, and strong partnerships with AI data centers. The crypto market views a Trump victory as positive for the industry, contrasting with the regulatory crackdown by the Biden administration. Bernstein analysts maintain ambitious price targets for Bitcoin, reaching \$200,000 by the end of 2025, \$500,000 by the end of 2029, and \$1 million by the end of 2033.

The Rivemont crypto fund remained exposed to Bitcoin throughout the week, with a small position in SOL alongside it.

Please note that the author of these lines will be on vacation for the next two weeks. The next communication will be shared on August 7th.

The presented information is as of July 17th, 2024, unless otherwise indicated and is provided for information purposes only. The information comes from

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////////////////////////////////////
Valérie Marquis

19 rue Le Royer Ouest, suite 300
Montreal, Québec, H2Y 1W4
Tel: 819-246-8800
valerie.marquis@rivemont.ca

////////////////////////////////////
www.rivemont.ca

Martin Lalonde

160, boul. de l'Hôpital, suite 202
Gatineau, Quebec, J8T 8J1
Tel: 819-246-8800
martin.lalonde@rivemont.ca

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