

# ASK THE ADVISERS

The views and opinions expressed in "Ask the Advisers" are solely those of Keith Singer.



## Singer Wealth

Keith Singer, JD CFP®

### Locations:

1515 S. Federal Highway, #211,  
Boca Raton, FL 33432

20900 NE 30th Avenue,  
Suite 600, Aventura, FL 33180

**Phone:** 561-998-9985

**Website:** [www.singerwealth.com](http://www.singerwealth.com)

**Email:** [Keith@singerwealth.com](mailto:Keith@singerwealth.com)

## Bitcoin Update

On March 5th, 2023, in my Palm Beach Post and Sun Sentinel columns, I discussed how the Bitcoin closed end fund (GBTC) was trading at a 43% discount relative to the value of Bitcoin that it owned. I discussed how GBTC had filed a lawsuit against the SEC after it denied its application to convert from a closed end fund into an exchange traded fund, which unlike closed end funds do not trade at a discount, to unlock shareholder value.

This past August, a federal appeals court ruled that the SEC acted capriciously and they must review GBTC's application to convert to an ETF. Because the conversion to an ETF is now very likely, the discount has narrowed to about 11% as of early November. The price of Bitcoin rose about 66% since my article was published while GBTC rose about 150% to just under \$30 per share as of Mid-November.

Is it still worthwhile investing in GBTC to try to capture the 11% discount? Keep in mind that

investing in any cryptocurrency is highly speculative. Bitcoin bulls are looking forward to the next bitcoin halving date this upcoming April. In the case of Bitcoin (BTC), halvings occur roughly every four years.

These halvings are built into the Bitcoin code and will continue until the network has generated the maximum supply of 21 million Bitcoin. Many investors see this event as increasing scarcity thereby increasing value. So far, there has been a bitcoin halving in 2012, 2016 and 2020 — and each one has seen the price of bitcoin rise in the months before and after the event.

Following the 2016 halving, for instance, bitcoin's price jumped to a record of nearly \$20,000 per coin in 2017. In the year leading up to the May 2020 halving, bitcoin's price significantly rose and continued to do so after the halving event hitting \$69,000 at one point. Although investing in Bitcoin comes with significant risk, doing so at an 11% discount to market prices can help partially mitigate that risk.

Source: Yahoo Finance

Singer Wealth Advisors is an SEC registered investment advisory firm. Discuss with your financial/tax professionals before investing. Legal services offered through Keith Singer P.A. Past performance does not guarantee future results. Material provided for informational purposes only.