

Dear Investors,

June was a banner month, as BC Group and OSL [announced a landmark joint venture with Standard Chartered's SC Ventures to create a digital asset brokerage and exchange platform in the UK and Europe](#), and closed a [~USD70 million strategic investment from Singapore's GIC](#).

Both OSL and Standard Chartered are known as first movers in the digital asset space. The combination of OSL's leading digital-asset technology and Standard Chartered's global network is unique in the UK and Europe market. The partnership fits with OSL's geographical expansion and growth strategy as it allows the company to rapidly enter the European market with a leading partner.

The GIC investment is a major milestone for our business, as well as digital assets adoption in Asia Pacific, particularly the growing hubs of Hong Kong and Singapore.

At every level - from investors and customers, to the company's approach to regulatory compliance, and its business model and strategy - OSL is now uniquely positioned as one of the most regulated and institutionally ready digital asset participants in the world.

Simultaneous to OSL and BC Group's major milestones during the month, the broader digital asset market also again proved dynamic, [with El Salvador announcing that it would be the first sovereign nation to make Bitcoin its legal tender, offering USD30 worth of the cryptocurrency to any citizen who signs up for a digital wallet](#).

Further volatility in the Bitcoin price and other digital assets was also seen during the month as [a China crackdown on Bitcoin miners twice drove prices down to lows \(including dipping under USD30,000 on 22 June\)](#), before experiencing price recovery in both instances. The first recovery was driven by [yet another Elon Musk tweet, this time an about-face on his previous bearish position on Bitcoin mining](#).

All of this was set against the backdrop of the US [Federal Reserve making a bold statement against inflation](#), a week after surprisingly announcing that [it may raise rates twice by the end of 2023](#).

The OSL platform was again resilient during these swings, and continued to trade significant volumes throughout June. Additionally on 4 June, OSL again made history as [the first SFC-licensed firm to trade a security token, when it conducted the first regulated trade of the Blockchain Capital \(BCAP\) token](#).

Business updates

In tandem with the accomplishments above, and in line with our commitment to business expansion and being a best place to work, OSL on 17 June [announced six key senior hires across software-as-a-service, business development, operations and technology](#), including Colm Furlong as Head of SaaS (formerly of Fidessa), Arion Ho as Head of UK Exchange operations, and Joe Zhou as Director of Business Development (both formerly of the Hong Kong Stock Exchange).

OSL executives and BC Group senior leadership also continued to appear in well-known media and market events in June:

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- The tie up with Standard Chartered was [widely covered across global media](#), including a video interview with [OSL CEO Wayne Trench on Forkast news](#) on 3 June, as well as several [Singapore](#), [Hong Kong](#) and [China](#) top-tier outlets
- The GIC investment story was also carried by several top publications, including: [Ignites](#), [Coindesk](#) and [The Edge](#)
- BC Technology Group Head of Regulatory Affairs Gary Tiu was interviewed by HKEJ on the growth of digital asset platforms in Hong Kong
- Wayne and OSL Head of Distribution and Prime Matt Long spoke at [AIMA APAC Annual Forum 2021](#) on 10 June on the direction of the digital asset industry
- BC Group Deputy Chairman Ken Lo spoke at [Bloomberg's event, Family Offices: Trends & Opportunities](#) on 17 June 17 [家族辦公室：趨勢與機遇]
- BC Group Chief Compliance Officer Nathan Simmons spoke on an ACAMS FinTech panel on 17 June titled "Virtual Realities: Global Perspectives on the VASP Community's AML Challenges"
- OSL Head of Distribution and Prime Matt Long was invited spoke to the Executive Program for University of Applied Sciences, Zurich, on June 15
- OSL's trade of the BCAP token was [featured in the STO Markets podcast on 19 June](#)
- BC Group Executive Director and Head of Regulatory Affairs Gary Tiu joined a panel for the [Hong Kong Blockchain Industry Association](#) on ["Uses of Blockchain Applications - How to transforming Society and the business for HK"](#) on June 19 [香港區塊鏈產業協會：數字經濟轉型 - 區塊鏈認知研討會]
- Matt Long also spoke to Jardines on the topic of "Digital Currencies: Are we entering a new era of money?" on 25 June
- OSL General Counsel Melody Ma joined on [CBDCs: Toward a Cashless Society](#) on 29 June [中央銀行數碼貨幣：走向無現金社會？]

Digital asset market developments

As Bitcoin price movement and the El Salvador law sent waves through the digital asset sector, there were also additional developments pointing to wider mass adoption, including billionaire hedge fund manager [Paul Tudor Jones saying that investors should allocate 5% of portfolios to Bitcoin as an inflation hedge](#) and State Street, [which announced this month that it is creating a dedicated digital assets division](#). Furthermore, [Mexican billionaire Ricardo Salinas Pliego \(who stated last year that he had about 10% of his liquid portfolio invested in bitcoin\) said his banking business may begin using bitcoin, becoming the country's first bank to start accepting the cryptocurrency.](#)

BC Group

Meanwhile, [a survey of hedge funds found that funds expect to have 7.2% of portfolios in digital assets by 2026, which could total approximately USD312 billion, according to Financial Times, while Blockchain Capital announced that Visa and PayPal will join its new USD300 million fund as LPs.](#)

In Europe, [BBVA Switzerland announced 21 June that it has made digital assets such as Bitcoin available to its private banking clients.](#) In the United States, [Morgan Stanley made its first official investment into the digital assets, co-leading a USD48 million investment round in Securitize on the same day.](#)

Finally, [Andreessen Horowitz's venture capital firm 'a16z' announced a new USD2.2 billion fund to continue investing in crypto networks and the founders and teams building in this space. The firm commented in their press release: "We believe that the next wave of computing innovation will be driven by crypto."](#)

While nerve rattling for some, volatility in the digital asset markets in June was not completely unexpected as the asset class's evolution, growth and adoption accelerates. During the month, individuals, institutions and major corporations were unphased by price movements and continued to enter the sector at an ever-increasing speed.

With each month, digital assets gain steam globally from an investment and regulatory perspective, and this points to a bright future for participants.

As always, the team at BC Technology Group and OSL are available to discuss June's updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)