

past decade) and, therefore, have a substantial advantage over BlackRock. Fidelity understood that they could not trust Coinbase with their customers' keys. They went even further and understood that they couldn't trust any of the "qualified custodians" with their keys. Make no mistake, under the current level of opacity, there is no way to know if Fidelity is a more reliable custodian than Coinbase. The only reason we know about Coinbase's technology limitations is because one of the ETF providers (Bitwise), which also uses Coinbase as a custodian, made their addresses public and we were able to see the details. The "i" in front of the bitcoin address told us that Coinbase was holding the bitcoin for the ETF in "pre-Segwit" addresses. The potential danger this signals is highly concerning.

Fund Holdings

Data as of 01/23/2024

Name	BITCOIN
Bitcoin Address	1CKVszDdUp4ymGceAZpGzYEFr4RPNHYqaM
Bitcoin in Trust	11,858.63
Market Value	\$465,314,254.64
Bitcoin per Share	0.000545
Weight	100%

Fig. 2 A Bitwise post on X, which shows their custodian, Coinbase, to be using pre-Segwit addresses,

<https://x.com/BitwiseInvest/status/1750224060620111912>