STRIVE

The Fiduciary Focus

Investment News From a Pro-Shareholder Perspective

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This Week: Walmart hit with DEI discrimination suit; China's capital controls keep investors on edge; The Bitcoin Brief sends money to Mars.

Walmart Hit With DEI Discrimination Suit

Earlier this month, Walmart became the latest company hit with a DEI-based discrimination lawsuit after an ex-employee alleges he was terminated on account of race, Bloomberg reports.

The Allegations: Per the complaint:

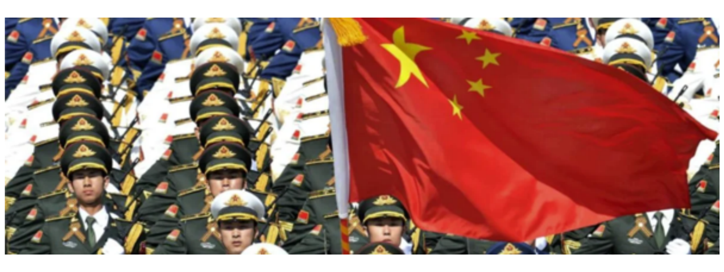
- Levi Robinson was a market manager who had worked at Walmart for nearly 25 years, and always received positive reviews.
- Around 2020, Walmart implemented a new DEI policy which "promoted racism and explicitly encouraged the hiring and promotions of individuals based on illegal qualifications of race."
- Following the implementation of this policy, Robinson filed two internal ethics complaints against his superiors, who were minorities, including for harassment and inappropriate physical contact.
- Robinson alleges that he was then fired by one of the individuals he reported, in an act of retaliation and in accordance with Walmart's practice of selectively penalizing non-minority employees while retaining minority employees at all costs.

DEI Policies In the Spotlight:

- In 2020, Walmart CEO Doug McMillon was one of the most vocal DEI proponents. He apologized for America's history of "slavery, lynching, the concept of separate but equal" and other "tragic, painful, and unacceptable ... realities." He pledged to use Walmart's resources to "address systematic racism in society head-on and accelerate change."
- By late last year, Walmart had announced the rollback. It announced it was winding down its Center for Racial Equity (which it had established in 2020 with $100 million in funding), would no longer provide preferential treatment to certain races and gender groups when choosing suppliers, and end its DEI trainings.

The Takeaway: While Walmart has tried to do damage control by rolling back its most aggressive DEI policies, much of the damage has already been done. That's a wise move to stem additional claims, but as to existing victims, there's little that Walmart can do other than let these lawsuits run their course.

China Risk Keeps Investors on Edge



As China aims to lure back foreign capital, investors remain wary of the communist country's capital controls and policy risks, CNBC reports.

A Summit Consensus: Earlier this month, investors and financial leaders gathered at the Milken Institute Asia Summit in Singapore to discuss the Chinese market. Per CNBC, the consensus was clear: "China remains too big to ignore, but too controlled and opaque to fully trust."

The Concerns:

- Per Charles Li, the former head of the Hong Kong Securities Exchange, "It's a capital-controlled market. Everything is protected by denying depositors the freedom to move their money away," which should raise alarms for investors.
- Yale professor Song Ma echoed these concerns, explaining that "State-backed funds still control a vast amount of quality assets that are linked to technology and defense security," meaning that foreign investors have to navigate a system extensive state scrutiny, with unclear rules on market access and exit routes.
- Adam Watson, partner in a firm that works with family offices, warned that "exit options are now a bit more limited on the basis that listing the U.S. has become more complicated." He also noted concerns over the legally-grey frameworks often used by offshore investors to gain access to Chinese companies.

By The Numbers:

- Net foreign direct investment sank from $334 billion in inflows in 2021 to $154 billion in 2024, the lowest level in more than twenty years.
- U.S. investment in China's venture capital and private equity industry also shows a 12.7% year-on-year decline through August.

The Bottom Line: China risk is investment risk. That's true both for U.S. companies investing in the region and for U.S. investors hoping to expand their portfolio's geographic horizons. But fortunately for investors, the world's a big place, and there are plenty of opportunities for growth that don't come with a side of the Communist Party's economic death grip.

ESG More Resilient Than Many Expect

ESG may prove stickier than many people expect, one MIT professor argues in a new piece for the Financial Times.

The Backdrop:

- As ESG has come under increasing scrutiny from lawmakers and investors who believe that companies should focus on financial value alone, many companies have rolled back their DEI and environmental pledges, and nearly all of them have toned down the rhetoric.
- High-profile groups like Net Zero Banking Alliance and Net Zero Asset Managers have also seen departures and suspended their operations, leading many to declare that shareholder primacy has finally prevailed.

The Argument: Professor Berg argues that these shifts are largely performative, and that other indicators show that ESG continues to influence companies and their environmental commitments. She notes:

- Corporate Climate Reporting Is Up: from 4,968 companies in 2014, to 8,361 in 2019 to more than 22,400 in 2024. And this reporting leads to concrete action because "[p]ublic companies that disclose their carbon footprint want to avoid the embarrassment of reporting higher levels each year."
- ESG Data in Asset Management Is Up: with ESG data providers seeing revenues rise from $245mn in 2016, to $525mn in 2020, to $1.56bn in 2024.
- Global Sustainability Funds Are Up: rising steadily to $3.5 trillion in the second quarter of 2025.

Strive's Take: ESG is not, and has never been, an all-or-nothing affair. Companies are constantly being pulled to consider special interest groups—whether they're environmentalists, or diversity advocates, or animal welfare activists—when making business decisions and directing corporate funds. Sometimes, company management resists; other times, they cave. ESG is therefore not a war that can ever be completely won; instead, it's a series of battles that companies fight on behalf of their shareholders everyday.

Bitcoin to Mars

Bitcoin bulls often say Bitcoin is going to the moon, but Mars may be first in line.

Last month, engineers Jose E. Puente and Carlos Puente presented a groundbreaking paper introducing Proof-of-Transit Timestamping (PoTT)—a system they argue could make Bitcoin the first interplanetary currency. The research demonstrates that with existing technology, Bitcoin transactions could reach Mars in as little as three minutes, turning what sounds like science fiction into engineering reality.

Here's how it works. When someone on Earth sends Bitcoin to Mars, the transaction hops through a series of relay stations—ground antennas, satellites, maybe even a lunar relay. At each stop, the station cryptographically timestamps the transaction, recording exactly when it arrived and when it passed it onward. As Professor B at Swan explains, "These timestamps are recorded cryptographically and signed by the relay noted creating a chain of custody. If anything is delayed or disrupted, you can see where exactly it happened along the chain."

The timing varies with planetary distance. Lightning Network transactions could take just 3 minutes when Earth and Mars are closest, or up to 22 minutes at their farthest separation. Traditional Bitcoin base layer transactions would take the standard 10-minute block time plus signal delay. The system doesn't alter Bitcoin's core protocol—it simply adds a receipt layer on top, leveraging optical links already being built by NASA, Starlink, and other satellite providers.

This wouldn't be Bitcoin's first trip to space. Blockstream connected Bitcoin to five satellites back in 2018, and in 2020, Spacechain completed the first Bitcoin transaction from the International Space Station. But PoTT takes the concept further, solving the unique challenges of interplanetary distances.

But this isn't just a technical curiosity. SpaceX plans to reach Mars by late 2026, with ambitious goals for permanent settlement. Those future Martians will need not just oxygen and food, but money that works. Musk himself has acknowledged as much. As Puente told Cointelegraph, "If we're serious about a multi-planet civilization, we need an open, neutral monetary base that doesn't depend on any single company, government, or ground station."

Fiat currencies depend on governments and central banks—Earth-bound institutions that can't plausibly govern an independent Martian economy. Bitcoin, by contrast, operates on cryptographic rules that work identically whether you're in New York or Olympus Mons. No central authority, no permission needed, no terrestrial jurisdiction required.

With PoTT, humanity's money can finally match humanity's reach.

Strive Appoints Ben Werkman As Chief Investment Officer

We are excited to announce that Ben Werkman has joined Strive as our new Chief Investment Officer. A seasoned Bitcoin strategist and former CIO at Swan Bitcoin, Ben brings deep experience in treasury management, risk strategy, and capital allocation. In his new role, he will lead Strive's investment strategy as we continue our mission to increase Bitcoin per share and outperform Bitcoin over the long run.

Read the full press release below.

Read Here

The Best of The Rest

Additional stories about ESG investing, company happenings, and more.

- Climate week comes to NYC; experts and insiders claim companies are still making progress on climate goals, but are keeping quiet to avoid public scrutiny.
- Delaware is amending its corporate code to attract more corporations and thereby increase its state revenue, but these amendments come at the cost of long-term legitimacy, two NYU professors argue.
- Scope 3 emissions reporting is gaining traction with 48% of large cap companies issuing such disclosures, despite the fact that such emissions are beyond the control of the company and such disclosures do not tend to help companies' bottom lines.
- Hedge fund D.E. Shaw fires DEI chief following public backlash over the company's internships open only to members of certain races and sexual orientation groups.
- Gold and Bitcoin gain as part of "debasement trade" amid fiscal concerns in world's biggest economies and a potentially prolonged U.S. government shutdown.

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What Makes Strive Different?
While many asset managers push companies to focus on other stakeholders such as employees, suppliers, the environment and society at large, we live by a strict commitment to shareholder primacy — the belief that **the purpose of a for-profit corporation is to maximize long-run value for investors. Click here** to learn why shareholder primacy is so important.

How Does Strive Maximize Value?
Our corporate governance team engages with the companies in which our clients are invested to advocate for the pursuit of excellence in corporate America. We are aggressively apolitical when it comes to utilizing our corporate governance tools and demand that companies focus exclusively on delivering long-term financial value for investors. The corporate governance team also determines how to cast our shareholder votes at annual meetings and special elections, evaluating each proposal through the lens of maximizing financial return.

Our research team conducts deep analysis of macro economic trends, market developments, and industry- and company-specific metrics to identify potential risks and opportunities for our clients. We then incorporate the results of this research into our engagement and voting strategy, and share it with our clients in the form of white papers and market research reports so they can make the most educated investment decisions possible.

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