

# Blockchain Assets

· Cryptoasset Managers · Est. 2017 ·

Blockchain Early Opportunities Fund

2 August 2018 - Investor Briefing

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What is causing the volatility and how long will it last?

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# Volatility

- Context - Cryptoassets and Global Wealth
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- Execution Risk - Market Infrastructure
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# The Cryptomarkets

Cryptocurrencies: 1695 · Markets: 12174 · Market Cap: \$297,865,036,969 · 24h Vol: \$13,106,892,361 · BTC Dominance: 47.4%

English ▾ USD ▾ 🌙



CoinMarketCap

Market Cap ▾

Trade Volume ▾

Trending ▾

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## Top 100 Cryptocurrencies By Market Capitalization

Cryptocurrencies ▾

Watchlist

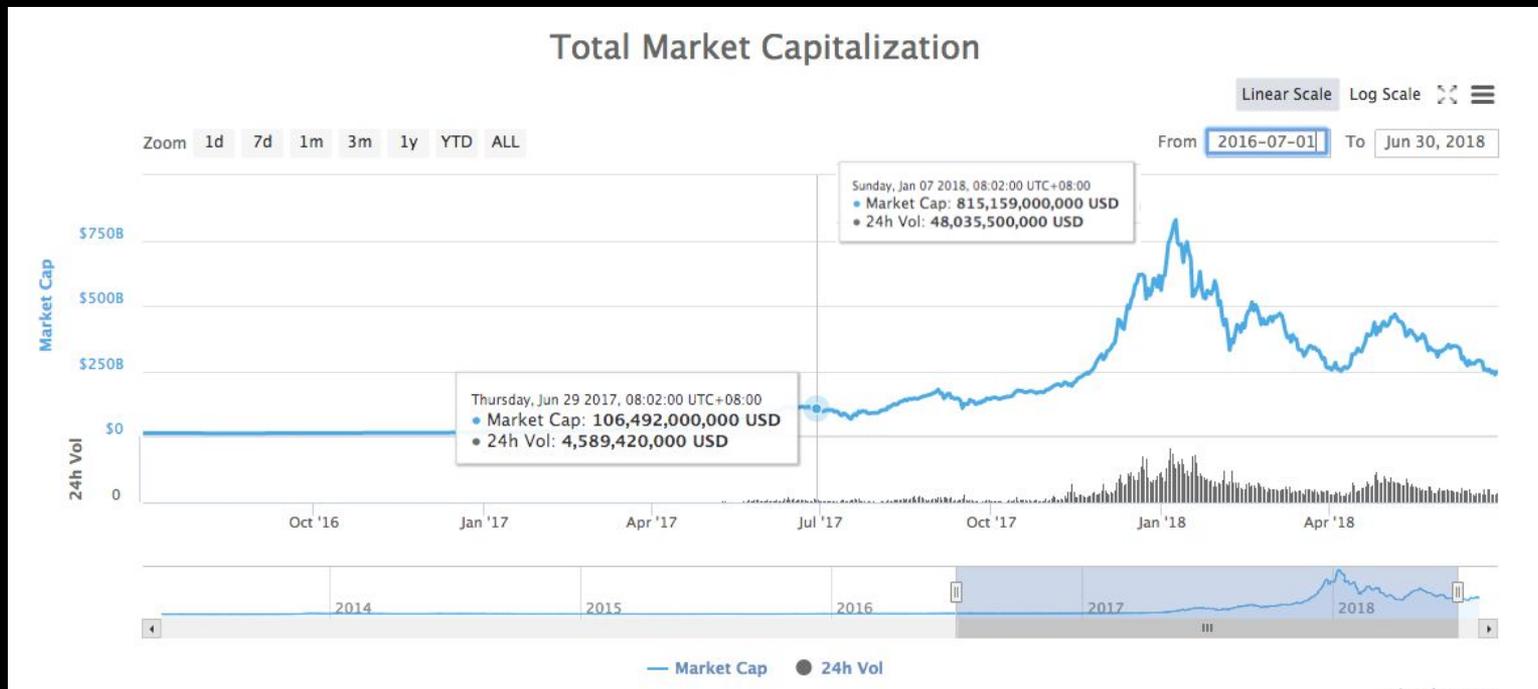
USD ▾

Next 100 →

View All

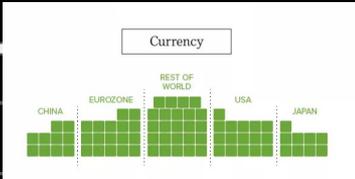
#	Name	Market Cap	Price	Volume (24h)	Circulating Supply	Change (24h)	Price Graph (7d)
1	Bitcoin	\$141,185,844,808	\$8,218.46	\$4,107,190,000	17,179,112 BTC	0.03%	
2	Ethereum	\$47,133,881,666	\$466.67	\$1,631,910,000	101,001,536 ETH	-0.26%	
3	XRP	\$17,822,035,214	\$0.453306	\$191,966,000	39,315,683,476 XRP *	-0.27%	
4	Bitcoin Cash	\$14,311,866,497	\$828.98	\$565,436,000	17,264,450 BCH	0.74%	
5	EOS	\$7,478,152,436	\$8.34	\$615,336,000	896,149,492 EOS *	0.44%	
6	Stellar	\$5,787,857,132	\$0.308399	\$69,073,700	18,767,431,579 XLM *	-2.05%	
7	Litecoin	\$4,845,428,837	\$84.08	\$276,696,000	57,625,982 LTC	-0.19%	

# Total Market Capitalization



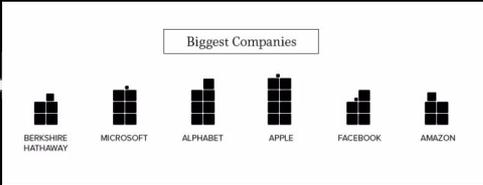


Each square this size is worth **\$100 billion**



**Coins & Bank Notes**  
The total value of all of the world's coins and banknotes is roughly **\$7.6 trillion**.

The high end estimate for the value of all derivative contracts is as high as **\$1.2 quadrillion**.  
The truth is that no one really knows the exact size of the market.



**World's Biggest Companies**  
Apple is the world's largest public company by market capitalization, worth **\$807 billion**.

**Global Debt**  
This is the total amount of debt, including that accumulated by governments, corporations, and households. Together, it adds to **\$215 trillion**, which is 325% of global GDP.

**Broad Money**  
The total value of the world's money is **\$90.4 trillion**. This includes coins, banknotes, money market accounts, as well as saving, checking, and time deposits.

**Cryptocurrency**  
The world's fastest growing asset class is cryptocurrency – but even Bitcoin looks tiny in the grand scheme of things, when compared to other global markets.



**Global Stock Markets**  
The market capitalization of all of the world's stock markets is equal to **\$73 trillion**.

## Global Equity Markets vs Cryptomarkets

Exchange	Market Cap	Daily Turnover	Percentage	Percentage increase in turnover needed to match Crypto	How much would Daily Turnover have to increase to match Crypto
NYSE	\$21,300,000,000,000	\$169,000,000,000	0.79%	679.32%	\$1,317,046,511,628
NASDAQ	\$7,800,000,000,000	\$101,000,000,000	1.29%	338.80%	\$443,186,046,512
ASX	\$1,900,000,000,000	\$4,600,000,000	0.24%	2681.70%	\$127,958,139,535
Crypto	\$301,000,000,000	\$21,000,000,000	6.98%	N/A	N/A

Daily volume on ASX would have to go up 2681% in order to match cryptomarkets...what do you think that would do the volatility of the ASX?

# Crypto Exchanges

Individuals are able to participate on these exchanges with as little as \$5, aside from KYC there are no barriers to entry. There are three main types.

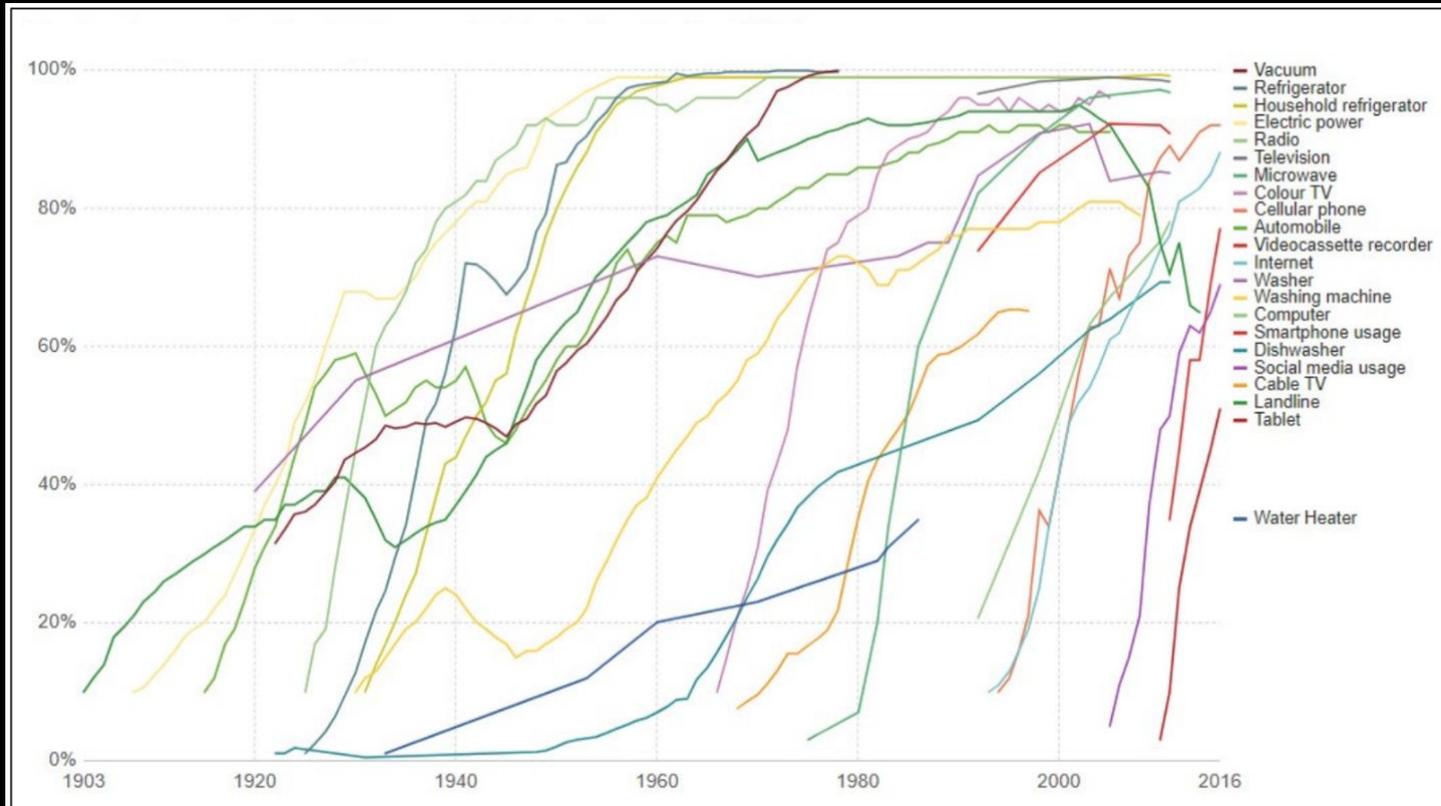
1. Centralised but unregulated
2. Centralised and regulated
3. Decentralised (no idea about regulation?)

## Bitcoin Markets

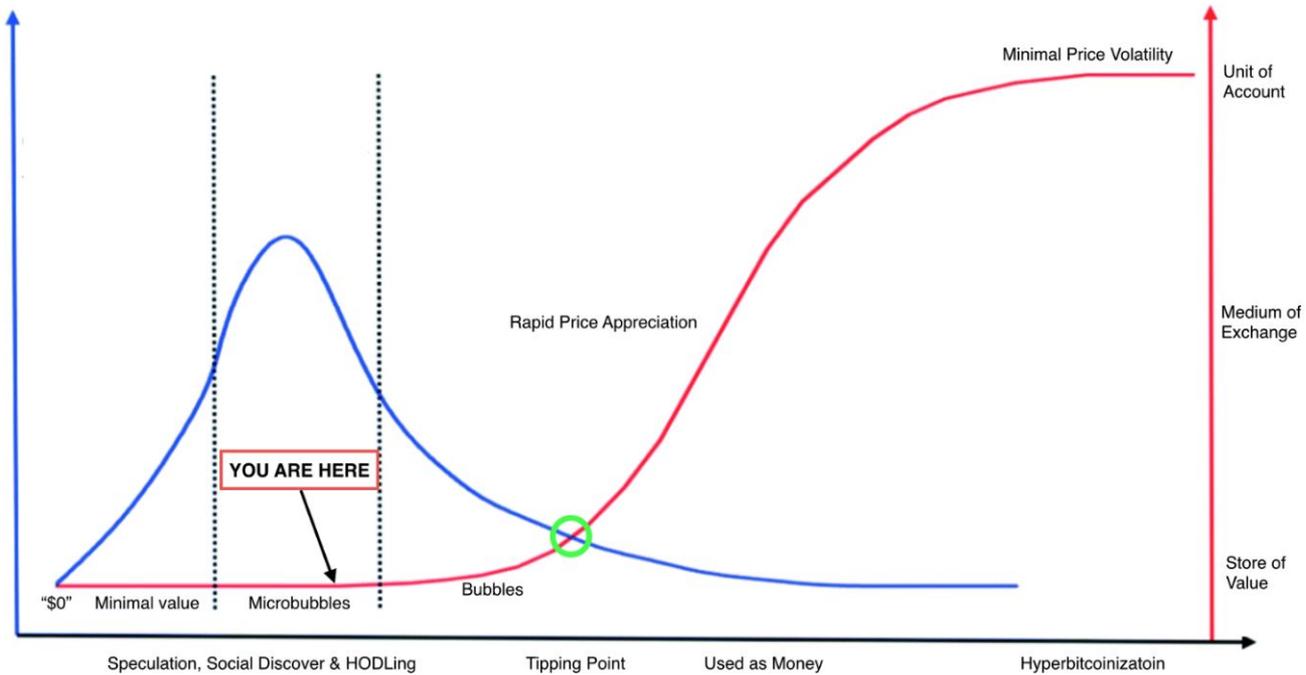
#	Source	Pair	Volume (24h)
1	 Binance	BTC/USDT	\$337,336,000
2	 Bitfinex	BTC/USD	\$220,915,000
3	 OKEx	BTC/USDT	\$190,769,000
4	 ZB.COM	BTC/USDT	\$150,816,000
5	 Huobi	BTC/USDT	\$141,561,000
6	 Coinsuper	BTC/USD	\$130,621,000
7	 ZB.COM	QTUM/BTC	\$113,510,000
8	 Coinbase Pro	BTC/USD	\$100,446,000
9	 Simex	BTC/USD	\$74,802,000
10	 Bitstamp	BTC/USD	\$68,674,900
11	 bitFlyer	BTC/JPY	\$68,483,500
12	 HitBTC	BTC/USDT	\$65,302,700
13	 Upbit	BTC/KRW	\$64,134,200
14	 Binance	EOS/BTC	\$62,202,300
15	 DigiFinex	BTC/USDT	\$59,247,200
16	 Binance	XLM/BTC	\$57,975,900
17	 Binance	ETH/BTC	\$51,412,100
18	 Kraken	BTC/EUR	\$43,298,000
19	 OKEx	LTC/BTC	\$38,138,600



# Technology Adoption Curves



## HYPERBITCOINIZATION LONGTERM VIEW (2018)

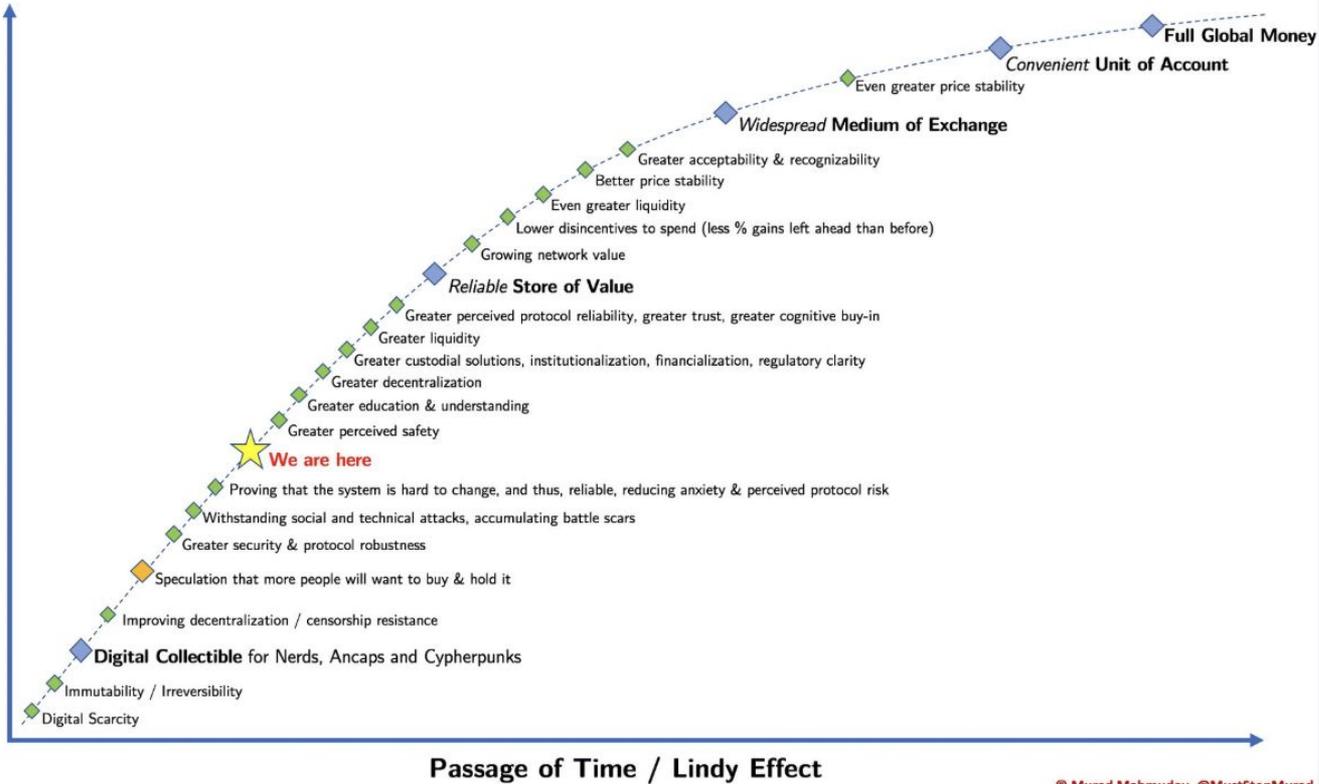


Once Bitcoin's ecosystem is seeded a crystallization process begins. Growth becomes exponential and self-reinforcing. In this model, the tipping point (green circle) represents a dramatic change at which point many people and organizations adopt Bitcoin.

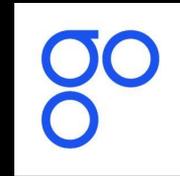
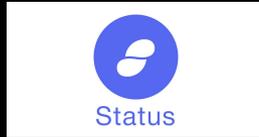
# What is a Cryptocurrency (a token which is a

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T

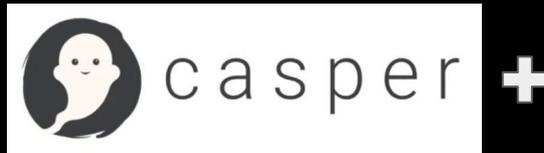
Market  
Cap



# Technical Issues - Scalability and Usability



Visacard/Mastercard  
can achieve 50,000 tps  
with a 7 second latency



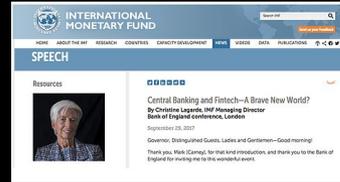
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# Geopolitical and other 'regulatory' issues



‘...electric light did not come from the improvement of candles...’



Antonín Dvořák

In 1892 classical composer Antonin Dvorak was contracted by the National Conservatory of Music of America to create a uniquely American Music



At the very same time, American music was being created by self taught musicians in cities throughout the South and particularly in ‘The Big Easy’ New Orleans...this became Jazz music

‘...electric light did not come from the improvement of candles...’



2018 - The Financial Stability Board - Taking very little action relative to the USD 1.2 quadrillion derivatives bomb and global debt but doing all they can to prevent the development of cryptocurrency and all the potential that it offers.



2018 - The core team leaders of the Ethereum project at a developers conference working on the development of a new financial infrastructure for the world.

‘...electric light did not come from the improvement of candles...’



"...my message to young people: stop trying to create money...young people should use their many talents and skills for innovation, not reinventing money. It's a fallacy to think that money can be created from nothing..." Gustin Carstens - Head of Bank of International Settlements - July 2018



'ethereum...it's got legs, it's got potential, we are here to help humanity...' Vitalik Buterin - Ethereum Founder, Centre for International Governance Innovation interview - January 2018

# Underdeveloped and Unproven Valuation Methodologies

## Utility Value

The UV of a platform is measured against the value of what it is replacing. So with BTC one could look at the international money remittance business and model valuations based on the revenue generated and expected market share of BTC.

## Money Supply Comparisons

The value is compared against the world's total money supply and the percentage dominated by cryptocurrencies. This could be done comparing just BTC or total crypto against total money supply.

## Proxy Valuation

The value is compared against the company the project is replacing or what may be considered a comparable company in terms of magnitude and scope, so for Microsoft, Google etc. vs Ethereum and Basic Attention Token.

Valuation methods are under development, none are proven, all are imperfect, even in the internet world valuations are under development (we once did not know how to value Facebook...perhaps we still don't!).

Bitcoin the Only Winner	
<b>Total Money Supply (TMS) USD</b>	<b>\$90,700,000,000,000</b>
<b>Current Value of BTC</b>	<b>\$8,211</b>
<b>BTC Current Percentage of TMS</b>	<b>0.1554%</b>
<b>BTC Future Percentage TMS</b>	<b>1.0000%</b>
<b>Future Value of BTC</b>	<b>\$52,821</b>
Many Cryptos Adopted	
<b>Current Total Crypto Mkt Cap USD</b>	<b>\$300,000,000,000</b>
<b>Current Market Dominance</b>	<b>0.3308%</b>
<b>Future Market Dominance</b>	<b>1.0000%</b>
<b>Future Total Crypto Mkt Cap</b>	<b>\$907,000,000,000</b>

# Our Portfolio

Investment Thesis

Ethereum

Bitcoin v Bitcoin Cash

Hedera Hashgraph

Asset Highlights and  
Summary

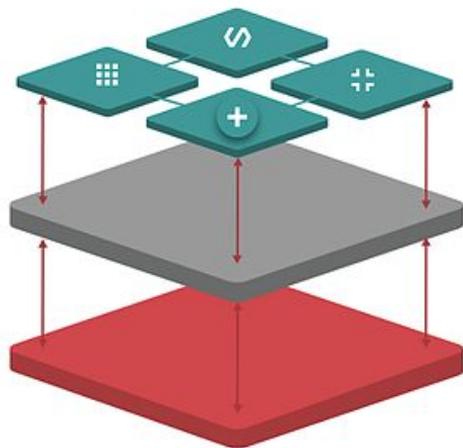


## Technology Stack

**Application Layer**  
Business Logic | Workflow | Behavior Triggers

**Platform Layer**  
Asset Issuance | Tracking | Data Permissioning

**Protocol Layer**  
Unified Messaging & Storage



## Internet Investments



Limited or no opportunities

Limited or no opportunities

## Blockchain Investments



# The Flipping

Percentage of Total Market Capitalization (Dominance)



# Ethereum's 6 months before we started the fund (over 3000% growth)



# So what happened after we started the fund



# Bitcoin vs Bitcoin Cash - 1 August 2017 Hardfork



Bitcoin Cash 101: What Users Need to Know Before the Fork

 Blockchain Assets

## Bitcoin v Bitcoin Cash

The future of the Bitcoins

Ian Love

Blockchain Assets Pty Ltd  
August 2017

*The Sydney Morning Herald*

ANALYSIS BUSINESS MARKETS

## Knifed by a fork: This is what could pop the bitcoin bubble

# Hedera Hashgraph (not a blockchain!)



Forbes

Billionaires Innovation Leadership Money Consumer Industry

## Hedera Hashgraph Thinks It Can One-Up Bitcoin And Ethereum With Faster Transactions

TE

Startups  
Apps  
Gadgets  
Events

### Hashgraph wants to give you the benefits of blockchain without the limitations

Samantha Stein @steinsamantha / Mar 14, 2018

Comment

Bloomberg

## Hashgraph Technology a League Beyond Blockchain

March 23, 2018 — 8:31 AM AWST



Mance Harmon, CEO and co-founder of Hedera Hashgraph, joined David Ingles and Doug Krizner to explain how hashgraph technology works and what the Hedera Hashgraph platform offers. He says it processes transactions faster and is more secure than blockchain, as well as eliminating the need for mining.

Running time 04:09

Bloomberg  
**Bloomberg Daybreak Asia**



Bloomberg Daybreak Asia  
**Hashgraph Technology a League Beyond Blockchain**  
Hashgraph Technology a League Beyond Blockchain

00:04:54



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# Our Portfolio

COINBASE MAY ADD...

CARDANO basicattentiontoken 0x

STELLAR CASH

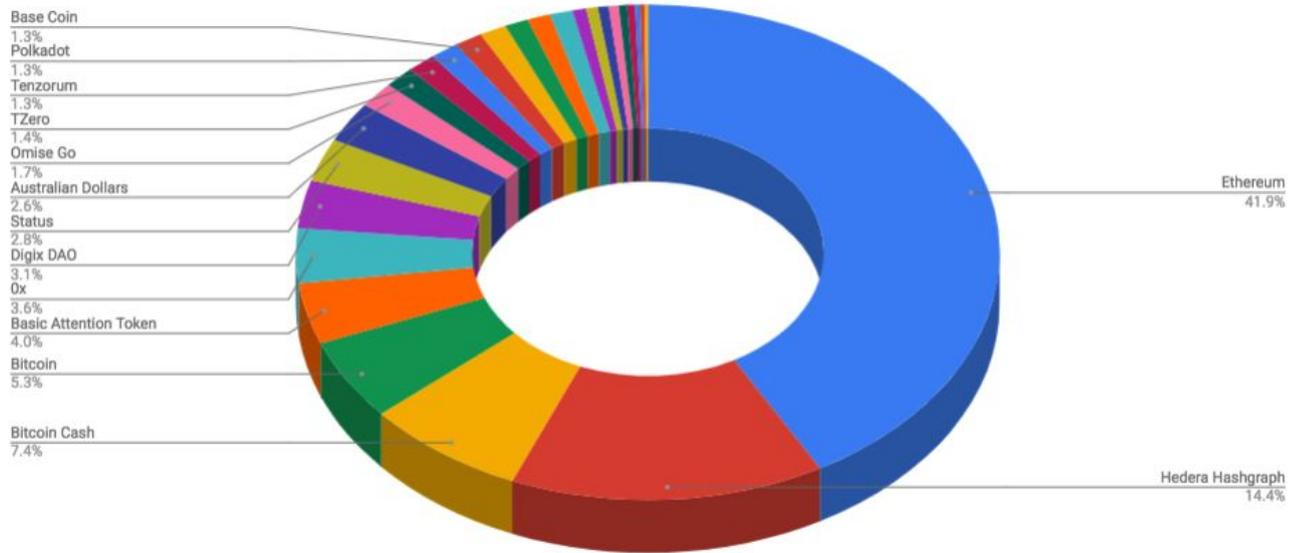
bitcoin  
\$6,198.51  
↑ \$7.67 (0.12%)

**FAST MONEY**

**THE NEXT COINS ON COINBASE?**

**CNBC** Exit full screen

## Blockchain Early Opportunities Fund - August 2018



Metric	1 July 2017	30 September 2017	31 December 2017	31 January 2018	31 March 2018	30 June 2018
Unit Price	\$1.00	\$0.93	\$2.14	\$2.36	\$0.94	\$0.80
Return Since Last Valuation	0.00%	-7.00%	130.11%	10.28%	-60.17%	-14.89%
Return Since Inception	0.00%	-7.00%	114.00%	136.00%	-6.00%	-20.00%
Assets Under Management	\$1,255,000.00	\$1,166,062.70	\$3,459,592.39	\$5,028,329.29	\$2,417,802.58	\$2,989,706.43

# Developments

- Blockchain Ecosystem
- Cryptocapital Markets
- Cryptosecurities

# 50+ BLOCKCHAIN REAL WORLD USE CASES

## GOVERNMENT

Essentia develops world's first blockchain solution to manage international logistics hub together with Traffic Labs and the Finnish Government



## IDENTIFICATION

Voter registration is being facilitated via a blockchain project in Switzerland spearheaded by Uport.



## MOBILE PAYMENTS

The blockchain ledger that Ripple uses has been latched onto by a group of Japanese banks, who will be using it for quick mobile payments.



## INSURANCE

A smart contract-based blockchain is being used by Insurer American International Group Inc as a means of saving costs and increasing transparency.



## ENDANGERED SPECIES PROTECTION

The protection of endangered species is being facilitated via a blockchain project that records the activities of these rare animals.



## CARBON OFFSETS

IBM is using the Hyperledger Fabric blockchain in China to monitor carbon offset trading.



## ENTERPRISE

Ethereum's blockchain can be accessed as a cloud-based service courtesy of Microsoft Azure.



## BORDER CONTROL

Essentia has devised a border control system that would use blockchain to store passenger data in the Netherlands.



## SUPPLY CHAINS

IBM and Walmart have partnered in China to create a blockchain project that will monitor food safety.



## HEALTHCARE

A number of healthcare systems that store data on the blockchain have been pioneered including MedRec.



## SHIPPING

Shipping is a natural fit for blockchain, and Maersk have been trialling a blockchain-based project within the maritime logistics industry.



## REAL ESTATE

Blockchain is now being used to complete real estate deals, the first of which was conducted in Kiev by Propy.



## ENERGY

Essentia is developing a test project that will help energy suppliers track the distribution of their resources in real time, whilst maintaining data confidentiality.



## LAND REGISTRY

Land registry titles are now being stored on the blockchain in Georgia in a project developed by the National Agency of Public Registry.



## COMPUTATION

Digital Currency Group are helping Amazon Web Services examine ways in which the distributed ledger technology can help improve database security.



## ADVERTISING

New York Interactive Advertising Exchange has been experimenting with blockchain as a means of providing an ads marketplace for publishers.



## BORDER CONTROL

Essentia is developing a blockchain project for border control that will allow customs agents to record passenger data from an array of inputs and safely store it.



## JOURNALISM

Decentralized journalism, as enabled by blockchain technology, has the potential to prevent censorship and increase transparency as Civil has shown.



## WASTE MANAGEMENT

Waltonchain is using RFID technology to store waste management data on the blockchain in China.



## ENERGY

Food importation is another industry where blockchain is proving its worth, with Louis Dreyfus Co trialling a syngas importation operation using this technology.



## DIAMONDS

The De Beers Group is using blockchain to track the importation and sale of diamonds.



## FINE ART

By storing certificates of authenticity on the blockchain, it's possible to dramatically reduce art forgeries, as one blockchain project is proving.



## NATIONAL SECURITY

For the past two years, the US Department of Homeland Security has been using blockchain to record and safely store data captured from its security cameras.



## TOURISM

In a bid to boost its tourism economy, Hawaii is examining ways in which blockchain-based cryptocurrencies can be adopted throughout the US state.



## TAXATION

In China, a tax-based initiative is using blockchain to store tax records and electronic invoices led by Miaoao Network.



## ENERGY

Chile's National Energy Commission has started using blockchain technology as a way of certifying data pertaining to the country's energy usage as it seeks to update its electrical infrastructure.



## RAILWAYS

Russian rail operator Novotrans is storing inventory data on a blockchain pertaining to repair requests and rolling stock.



## ENTERPRISE

Google is building its own blockchain which will be integrated into its cloud-based services, enabling businesses to store data on it, and to request their own white label version developed by Alphabet Inc.



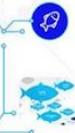
## MUSIC

Arbit is a blockchain-based project led by former Guns N' Roses drummer Matt Sorum seeking a fairer way to reward musicians for their creative efforts.



## FISHING

Blockchain technology has been used to provide a transparent record of where fish was caught, as a means of ensuring it was legally landed.



# Dapp Store

## Hot Social Dapps

Our curated list of notable Dapps changing the way we communicate.



### SteemIt

Blockchain-based rewards platform for publishers.



### Stealthy

Decentralized communication platform on Blockstack.



### Peepeth

Open, decentralized, & uncensorable microblogging.



### Mastodon

Free, open-source and decentralized microblogging.



### Diaspora

Privacy-aware, decentralized social network.



### DTube

Crypto-decentralized video platform.



### Graphite

Encrypted, shareable, decentralized personal data.



### Aragon

Online decentralized court system.



### Gitcoin

Gitcoin makes it easier to incentivize or monetize work in open source software.



### Bounty0x

Decentralized & monetizing bounty hunting platform.



### adChain Registry

Providing advertisers with a list of curated websites.



### ETHLance

Job market platform with payments in cryptocurrency.

## Business Tools

Decentralize your workplace.

# Distributed Applications (Dapps)

DAppBoard		Global charts ▾	Search...	Submit a DApp	
#	Applications	24H ACTIVITY	WEEK ACTIVITY	24H ETH VOLUME	WEEK ETH VOLUME
1	 <b>Storj</b> Token	<b>210</b> -98%	<b>36903</b> +80%	<b>0</b> +0%	<b>0</b> +0%
2	 <b>Crypto Kitties</b> Game	<b>3424</b> +20%	<b>22873</b> +3%	<b>41</b> +18%	<b>230</b> +13%
3	 <b>OmiseGo</b> Token	<b>1055</b> -8%	<b>7685</b> +15%	<b>0</b> +0%	<b>0</b> +0%
4	 <b>Basic Attention Token</b> Token	<b>932</b> -20%	<b>6590</b> +32%	<b>0</b> +0%	<b>0</b> +0%
5	 <b>0x</b> Token	<b>799</b> -18%	<b>6154</b> -11%	<b>0</b> +0%	<b>0</b> +0%
6	 <b>Golem</b> Token	<b>419</b> -11%	<b>3174</b> +20%	<b>0</b> +0%	<b>0</b> +0%
7	 <b>Status</b> Token	<b>418</b> +21%	<b>2718</b> +30%	<b>0</b> +0%	<b>0</b> +0%
8	 <b>Decentraland</b> Token	<b>196</b> -20%	<b>2288</b> +78%	<b>0</b> +0%	<b>0</b> +0%

# Cryptocapital Markets

Nomenclature still not settled...don't focus on the name...focus on the characteristics of the asset.

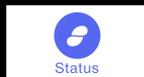
## Cryptoassets

Cryptocurrencies

Cryptocommodities

Cryptosecurities

Cryptocollectibles  
*(non-fungible Tokens)*



# What is a Cryptosecurity (a token which is a security + ?)

The Howey Test is a (US law) test, which basically says, “Is an investor contributing capital? Is the capital being contributed to a common enterprise that relies upon the work of others,” and the fourth part, most important part, “is there an expectation of profits?” Based on this an asset is a Security if it involves:

- an investment of money;
- in a common enterprise;
- with the expectation of profits that come from;
- predominantly from the efforts of others.

This last part is arguably the most important component. It is key that profits are derived from the efforts of others. That’s why a direct fractional ownership stake in real estate generally doesn’t constitute a security, and that’s why Beanie Babies, lottery tickets, pieces of art, and collectibles are not securities.

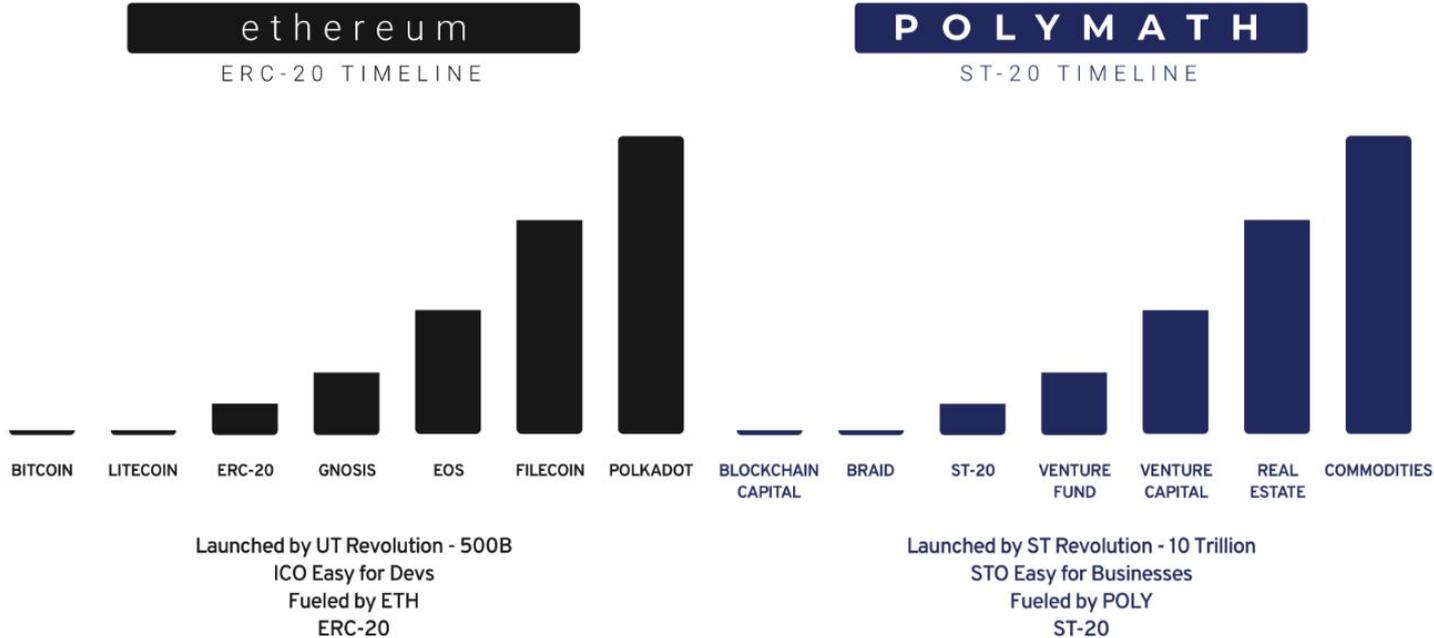
# Benefits of a Security Token (Cryptosecurity)

1. Increase liquidity and market depth.
2. Give control back to security owners.
3. Increase the number of liquidity options for security owners such as peer-to-peer exchange and decentralized exchanges.
4. Remove intermediaries.
5. Maintain the cap table for private companies.
6. Provide cap table analytics to public companies.
7. Allow for fractional ownership of property like paintings.
8. Reduce settlement times from two days to minutes.
9. Make it cheaper to go public.

Security tokens enable for the very first time securities to be traded 24/7/365 around the globe with near instantaneous settlement and no counterparty risk. This has never existed before at any meaningful scale. While fast settlement around the clock trading is a nice incremental improvement, the absolutely transformational piece here is the ability to trade securities around the globe because global trading unlocks international exposure to businesses who otherwise couldn't gain a global investor base.

# The Ethereum Polymath Equivalency

What Ethereum did for Tokens, Polymath will do for Securities.



# The Very Early Cryptosecurity Ecosystem

## Industry Specific Asset Backed Tokens

Real Estate

Art

Diamonds

Loans

Private Shares

### Stable Coins



### Advisory Firms



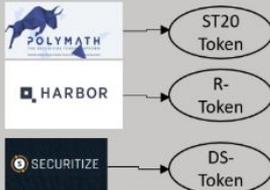
### STO Marketplaces



### Tokenized Funds



### Security Token Standards



### Liquidity Providers



### Exchanges



### Derivatives



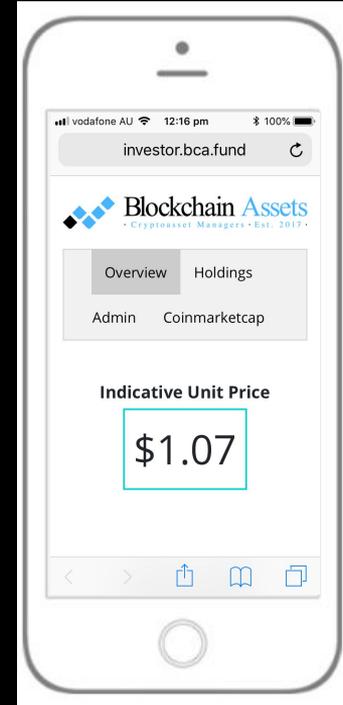
## Asset Tokenization Platforms



## Foundational Protocols



# Investor Relations - [www.investor.bca.fund](http://www.investor.bca.fund)





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# The Bitcoin Hardfork - 1 August 2017

