



P A N T E R A

SOHN CONFERENCE

BLOCKCHAIN OPPORTUNITY



# Evolution

Bitcoin expected to transform money. Ethereum tokens expected to transform equity and value distribution.



12000+ BC

Early Currency

Yap Islander  
Stones



3000 BC

Commodity  
Currency

Gold, Silver



1700

Representative  
Currency

Gold Standard



1971

Fiat  
Currencies

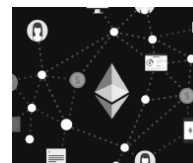
USD, EUR, JPY,  
CNY



2009

Digital  
Currencies

Bitcoin, Ripple,  
Zcash



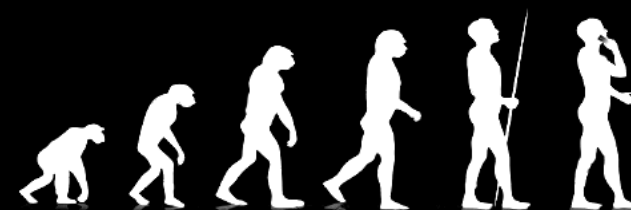
2016

Digital  
Companies

Ethereum  
ERC20 dApp  
Tokens

*"Money is a social institution: a tool created and marked by society's evolution, which has exhibited a great capacity to evolve and adapt to the character of the times."*

– Virtual Currency Schemes Report, ECB, October 2012



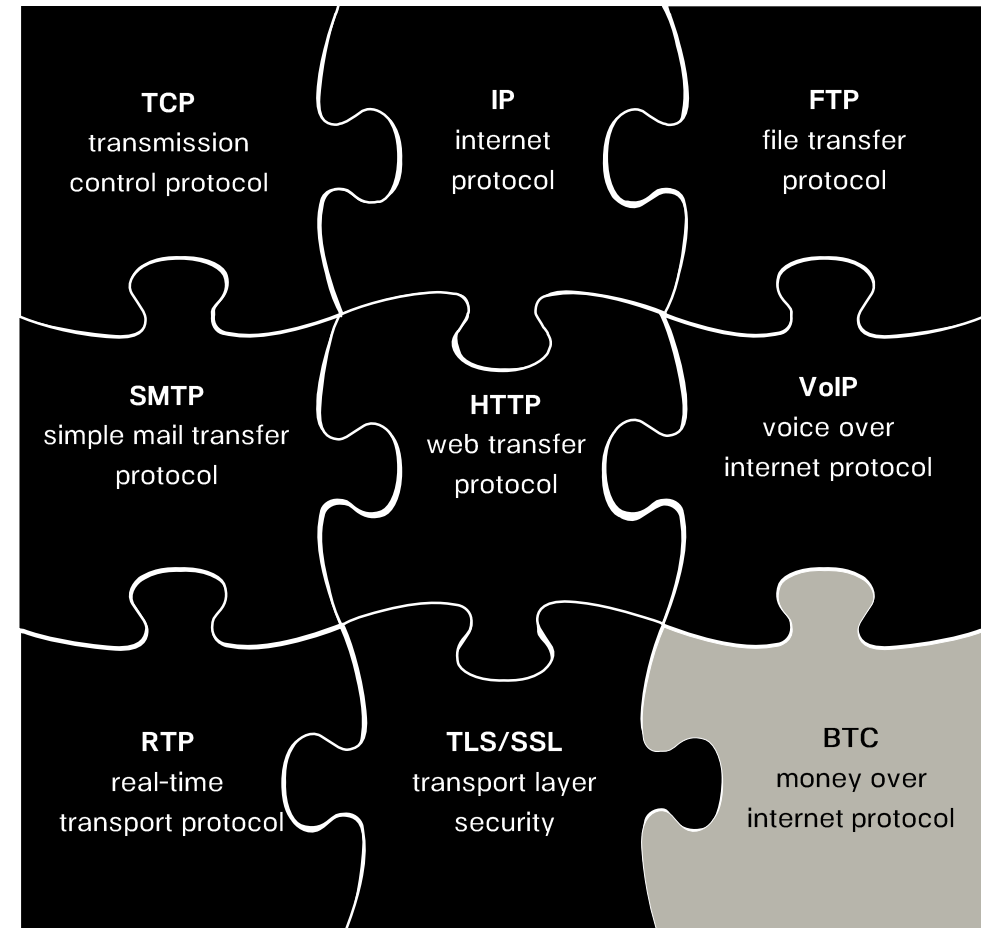


# Final Piece

## OF THE PROTOCOL PUZZLE

*“The one thing that’s missing, but that will soon be developed, is a reliable e-cash, a method whereby on the Internet you can transfer funds from A to B, without A knowing B or B knowing A.”*

– Milton Friedman, 1999



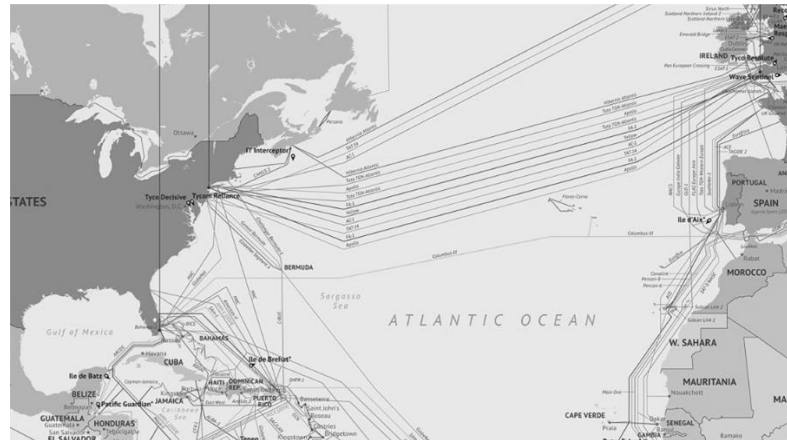


# MoIP

## MONEY OVER INTERNET PROTOCOL

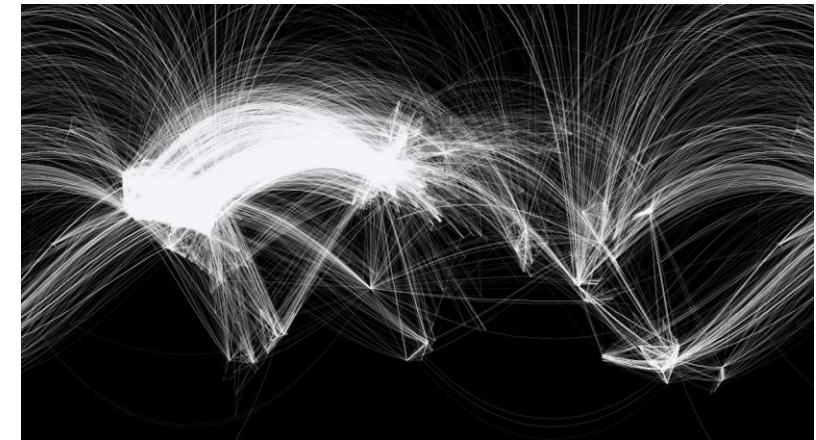
Blockchain technology is to commercial monopolies across industries what VoIP was to telephone monopolies, only more extreme. It disperses barriers and bypasses monopolies.

Blockchain technology enables a borderless, socially-connected world.



**VoIP**

- VoIP routed around telephone monopolies
- Offered lower cost and operational improvements
- Removed gates to international communication
- Increased participation in global communications network



**MoIP**

- Any bitcoin node is a correspondent on the Internet of Value
- Offers lower costs and operational improvements
- Removes gates to international value exchange
- Potential to increase users in global digital payment network

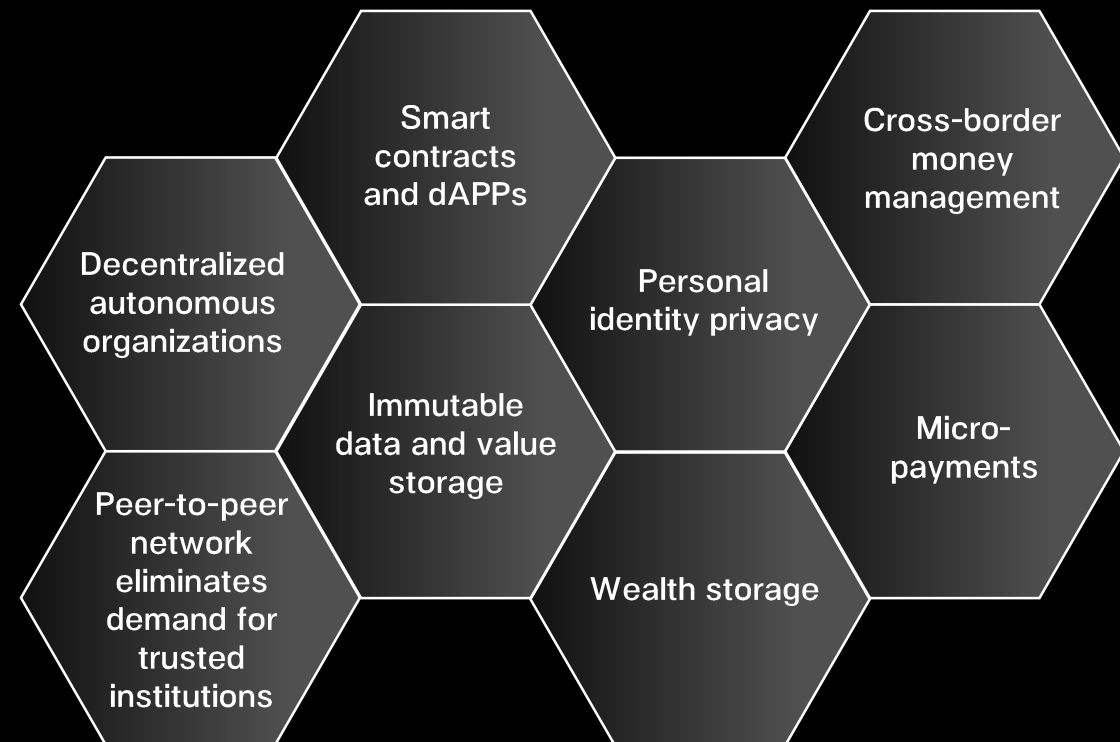


# Serial Killer

Disruptive Tech — Category Killer

Blockchain — Serial Killer

## BLOCKCHAIN TECHNOLOGY





ASYMMETRIC

# Opportunity

Cryptocurrencies offer lower cost and operational improvements compared to many other money transmission methods.

Enables payment freedom and expands opportunity, as any amount of money can be sent and received quickly nearly anywhere in the world at any time.

May serve as a global reserve currency or a viable alternative to unstable currencies.

**Cryptocurrency Market Size**  
**\$200 Billion**

Bitcoin, Ethereum, Ripple, etc.

**Global Remittances**  
**\$429 Billion**

Western Union, MoneyGram, SWIFT, ACH

**Global M2**  
**\$100 Trillion**

**Gold**  
**\$7.5 Trillion**

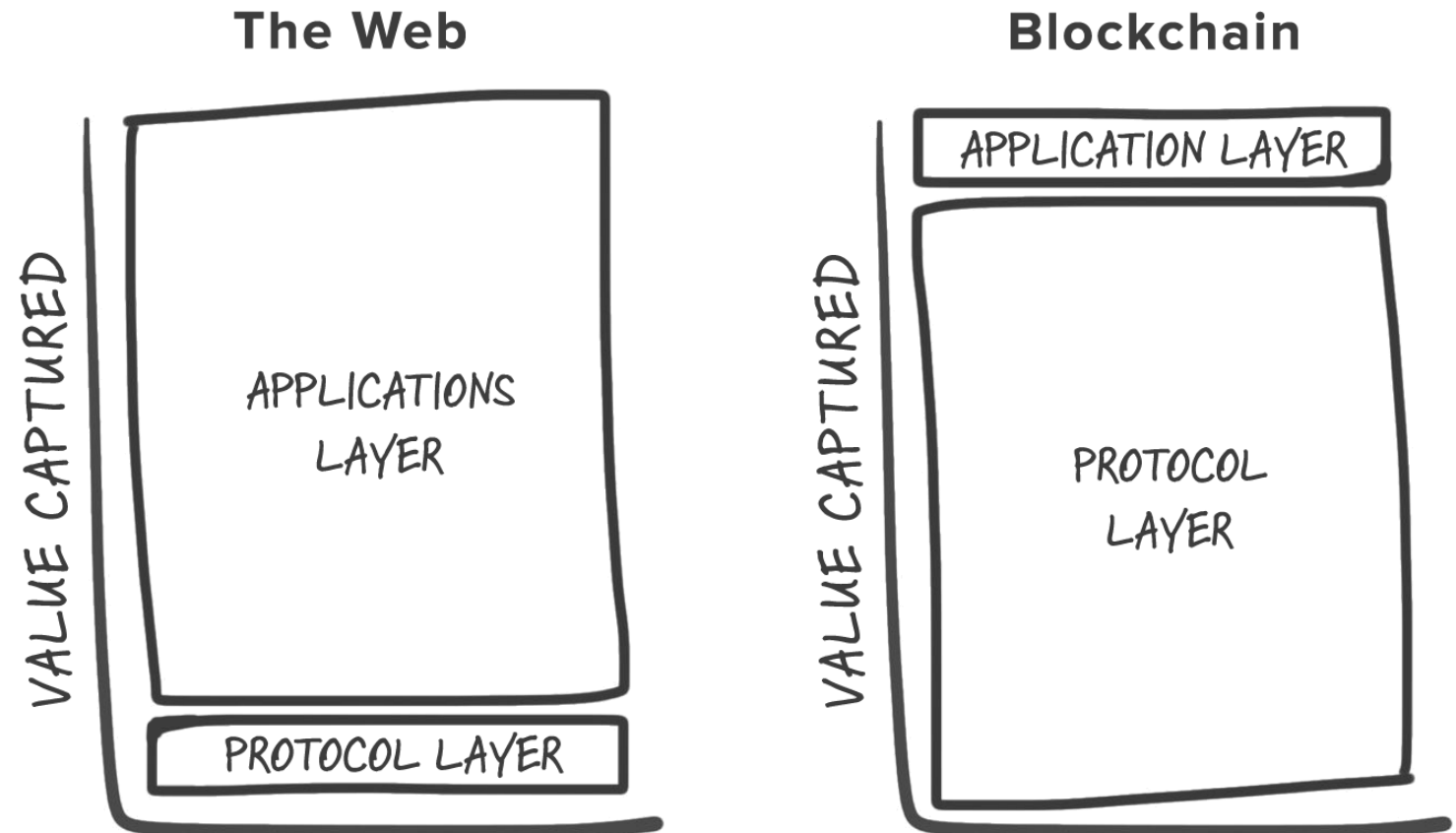
**Global Digital Payments**  
**\$3.3 Trillion**

Visa, Amex, MasterCard, PayPal, Square,  
Apple, Amazon, Google, Starbucks

Source: World Gold Council (gold), Statista (digital payments), the World Bank (Remittances), and CoinMarketCap (crypto).



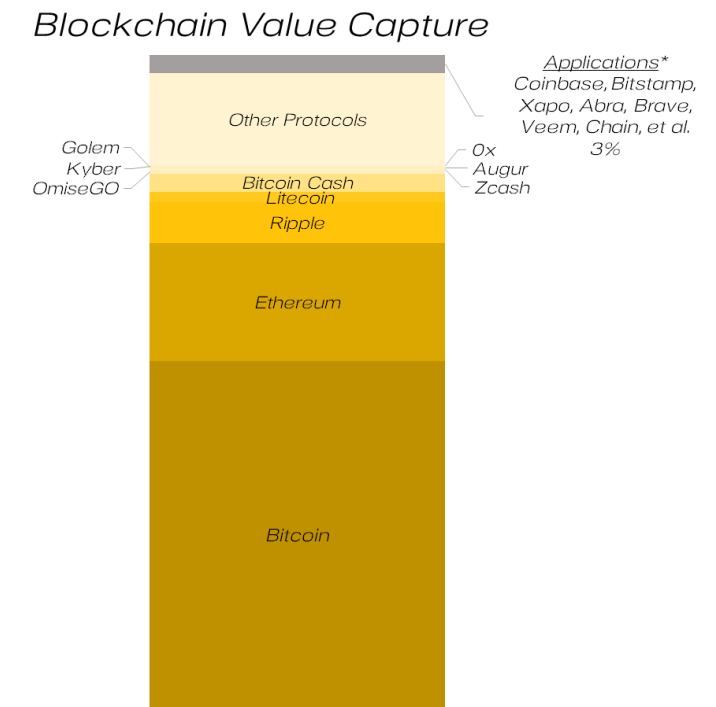
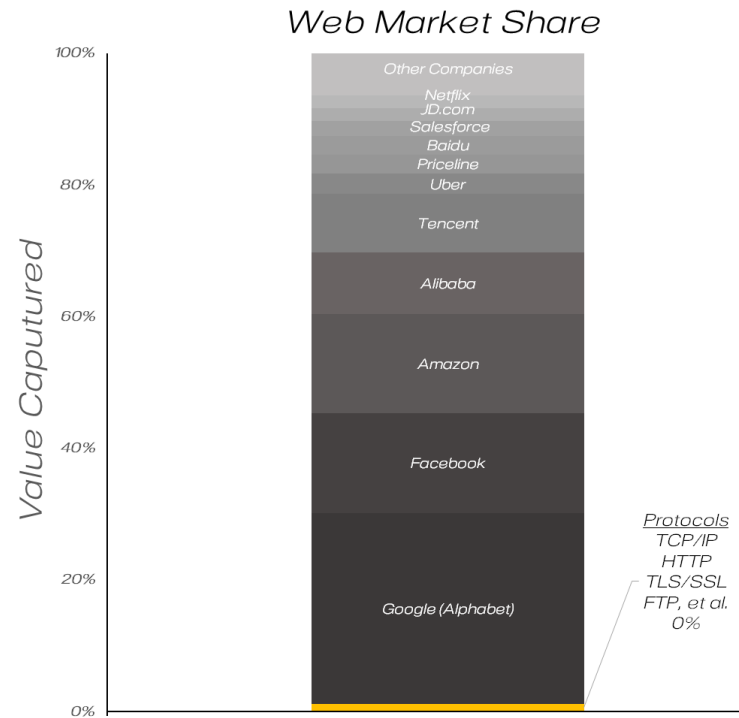
# Fat Protocols



Source: Joel Monegro



# PROTOCOL VALUE 97% >> APPLICATION VALUE 3%



Source: Coinmarketcap.com, Wikipedia, Pantera data.

\* Ripple is the most valuable company in crypto space. As the vast majority of its value is a pass-through of its ownership of 62bn of the XRP protocol tokens, it is not included as an equity/application.





# Token Economy

## Value Proposition

Tokens represent an integral part of functionality in a network/protocol:

- As the network grows the value of the token backing it increases
- For the first time investors can invest directly into a protocol versus just apps on top of protocol
- Ownership increased network effects as network value and growth of the platform is captured by developers and early investors

## dApps

Decentralized applications will disrupt many different industries

	* WEB 2.0 APPS		* WEB 3.0 DAPPS
Sharing Economy	 	→	 Origin
Event Ticketing	 	→	 Tari
Online Gaming	 	→	 FunFair  Virtue Poker
Credit Scoring	 	→	 Civic  Bloom
Video Streaming		→	 Stream
Browser		→	 Brave
Storage	 	→	 Filecoin  IPFS
Messaging	 	→	 Kin
Payment System		→	 CENTRE



# Role of ICOs

## IN A BLOCKCHAIN ECONOMY

### NEW FUNDING SOURCE

Founders do not need to depend on allocating equity to raise funds. Funds raised have been significant compared to venture investments.

### TOKEN ECONOMY

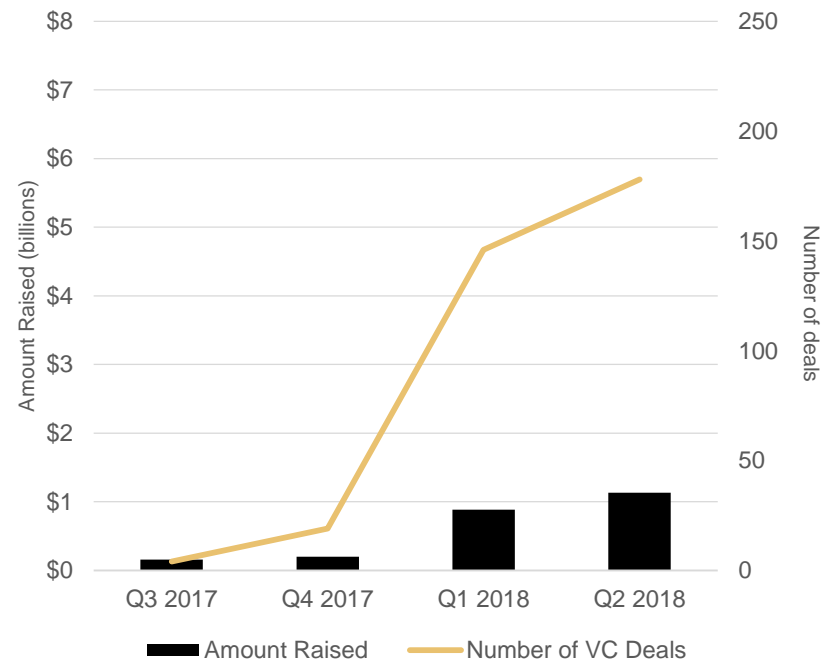
ICOs offer funding through crowd sourcing and without a proven product. Investors have liquidity options.

### TYPE FUNDING TO DATE

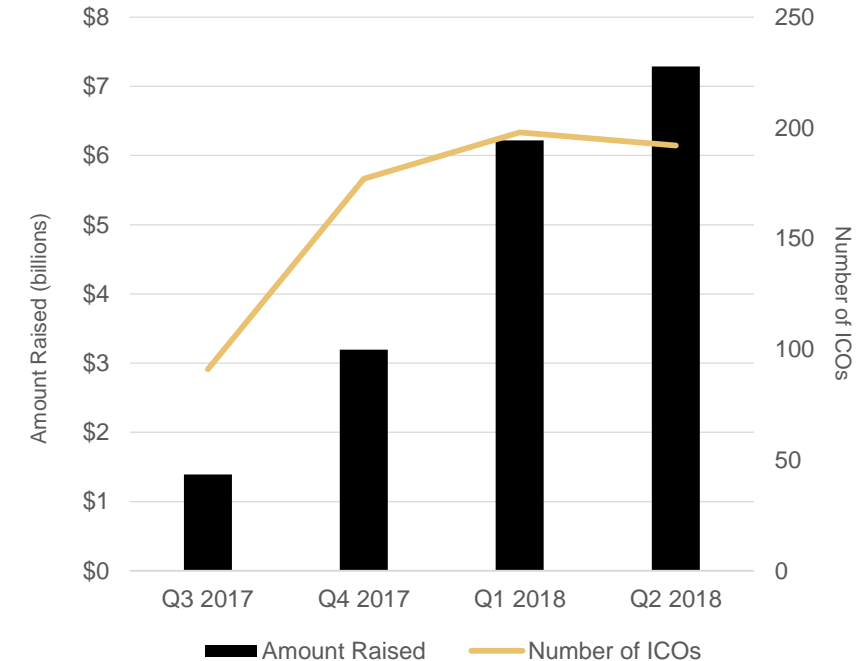
ICOs \$19.0 BN

VC \$4.3 BN

### 2017-2018 VC FUNDING



### 2017-2018 ICO FUNDING



Source: Coindesk

Note: Number of VC deals for Q3 & Q4 2017 exclude those under \$100k.



## IMPORTANCE OF

# Stablecoins

Low-volatility cryptocurrencies are important for the use of applications requiring consistent and stable value exchange.

## CIRCLE

### USDC – *Circle's stablecoin*

Following the trend of fiat collateralized stablecoins, Circle recently launched their Ethereum based ERC-20 coin pegged to the USD.

USDC is regulated as a registered money services business under U.S. money transmission laws. The virtual currency is also regulated under the New York BitLicense.

## MakerDAO

### DAI – *stablecoin with a non-centralized approach*

Unlike many stablecoins that are centralized by nature (tokens pegged to dollars held in bank accounts), DAI is a decentralized approach to create token stability.

DAI is an ERC-20 token with a value that closely tracks 1 USD but is collateralized by crypto.



# Institutional Custodians

## JUST AROUND THE CORNER

Fully-regulated, institutional grade custodians are needed for large institutions to enter the space

### BAKKT

The firm's mission will be to create an integrated platform that enables consumers and institutions to seamlessly buy, sell, store and spend digital assets on a seamless global network.

Bakkt uses existing, time-tested, regulated futures market infrastructure to introduce physically delivered Bitcoin and warehousing to global markets.

### FIDELITY

Fidelity announced the launch of a new company, Fidelity Digital Asset Services, LLC.

The company will offer enterprise-quality custody and trade execution services for cryptocurrencies to sophisticated institutional investors such as hedge funds, family offices, and market intermediaries.



# Endowments

## INVESTING IN CRYPTO

Institutional interest in blockchain is growing, evidenced by reported investments by some of the most prominent endowments



HARVARD  
UNIVERSITY



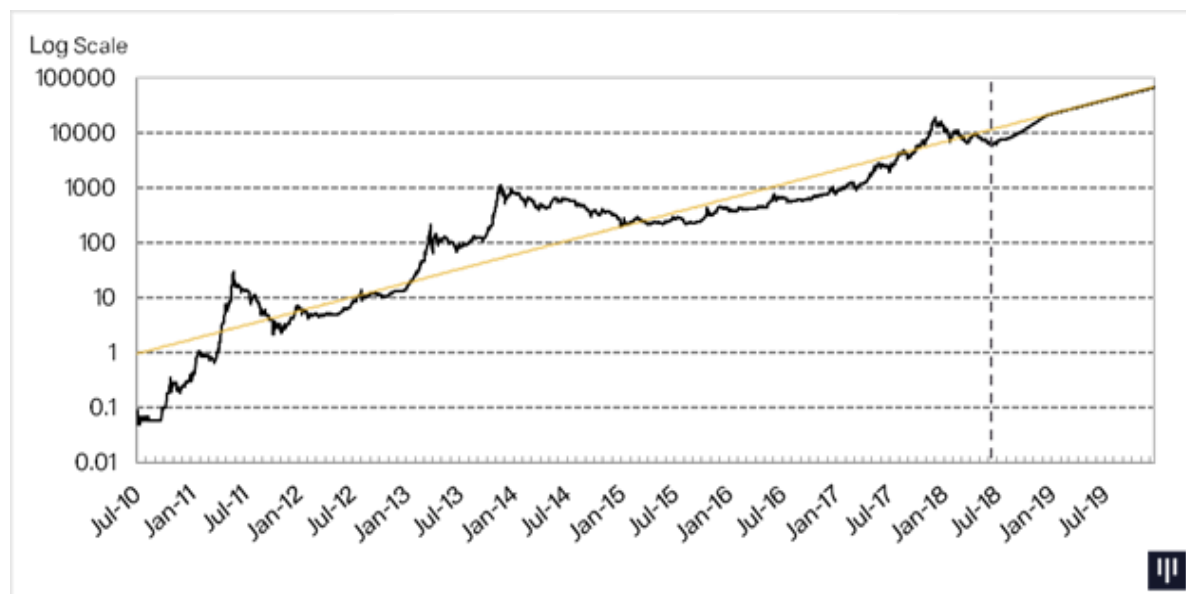
## YALE ENDOWMENT



Yale University's Investment Office, under the management of famed chief investment officer David Swensen, has put an allocation toward crypto and blockchain



## BITCOIN PRICE TREND GROWTH



2018 \$21,000

2019 \$68,000

2020 \$215,000

KEEP  
CALM  
AND  
HODL  
ON

# P A N T E R A

**pan terra** (Latin), 'spanning the earth'  
**pantera** (Italian and Spanish), 'panther'  
**pan era**, 'spanning eras'



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