



The Emergence of the Cryptocurrency Asset Class

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Christopher Matta
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Conversation Topics:

- Blockchain Technology
- Value Dispersion
- Market Opportunity
- Investment Best Practices
- Risks
- Current Events



THE TEAM



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Ali Hassan is an investor and entrepreneur. He is an advocate for passive investing and founded Crescent Crypto to fill the demand for an institutional quality passive investment vehicle in the cryptocurrency asset class.

Prior to Crescent Crypto, Ali was a Research Associate at Granger Management and was responsible for deal sourcing, research, and due-diligence on VC opportunities. Prior to Granger, Ali was a venture analyst at Fairview Capital Partners and a member of the investment team. He focused on due diligence, valuations, and investment monitoring for Fairview's venture capital portfolios.

Ali began his career as an investment analyst at Goldman Sachs where his responsibilities included executing syndicate sales for the investment bank's IPO and follow on offerings, managing a book of \$4.5B in private assets, and trading illiquid small cap equities. Prior to Goldman, Ali founded and sold Swim Academy, an online marketplace that connected former NCAA swimmers with potential students for private swimming instruction.

Ali graduated Summa Cum Laude with an Honors B.S. in International Trade and Economics from Saint Peter's University, writing his senior thesis on the socio-economic and political impact of oil in Egypt. Ali was also captain of the university's NCAA Division I swim team.

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Christopher Matta is an investor, entrepreneur, and philanthropist. He is passionate about financial education and co-founded Crescent Crypto Asset Management to bring cryptocurrencies to mainstream investors through a convenient, passive vehicle.

Prior to Crescent Crypto, Chris was a Vice President at Goldman Sachs where he managed over \$7 billion in assets for the Goldman Sachs Philanthropy Fund and Trust Company. He focused on building diversification plans, trading illiquid small cap securities, and implementing strategic portfolios. Additionally, Chris performed due diligence on asset managers and identified alternative investment opportunities, which led him to recognizing cryptocurrencies as an unparalleled portfolio opportunity due to the asset's exponential, uncorrelated returns.

Also at Goldman Sachs, Chris worked as a Business Development Analyst. He managed projects that focused on developing and implementing new technologies across the firm, such as portfolio management infrastructure and big data analytics platforms

Chris graduated Magna Cum Laude from The College of New Jersey with a B.S. in Economics and Finance. He was a member of the alumni investment fund and Future Business Leaders of America.

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Michael Kazley is an investor and securities trader. He co-founded Crescent Crypto to institutionalize cryptocurrency capital markets.

Prior to Crescent Crypto, Michael was a senior research analyst and trader at Cedar Lake Capital Ventures LLC, a hedge fund focused on natural resource equities and opportunistic investing. His day-to-day roles included idea generation and their practical implementation in the financial markets, as well as communicating with investors and brokerage houses.

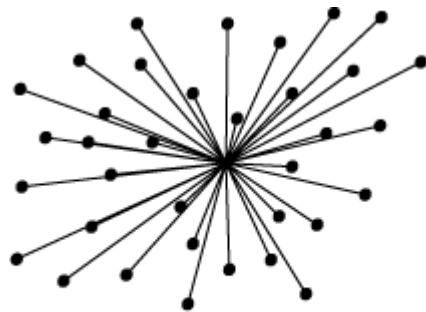
Prior to Cedar Lake, Michael began his career as an analyst at Goldman Sachs, trading and implementing institutional asset management mandates. He invested across the spectrum of traditional asset classes, and dealt with the frustrations of delayed settlements, slow funding transactions, and the general impediments of the global financial system's centralized cash and security transfer protocols. His experiences made clear the promise of blockchain technology and the opportunity set it represents.

Michael graduated from Cornell University in 2013 with a B.S. in Industrial and Labor Relations. He was a pitcher for their Division I baseball team and won an Ivy League Championship

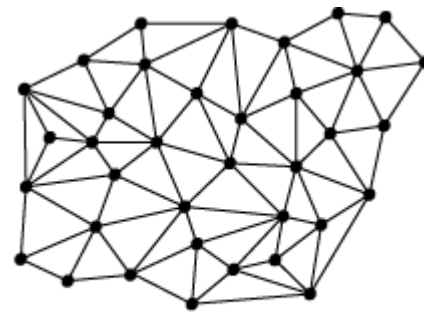
Appendix

WHY IS BLOCKCHAIN IMPORTANT?

Common Features of Cryptocurrencies	
Features	Attributes
Digital	Coin ownership represented on a digital ledger
Decentralization	Trustless, no single entity controls the currency which makes it difficult to corrupt
Open Source	All source code available online
Distributed Consensus	Each coin uses a method for obtaining consensus in a decentralized way
Pseudonymity	Coin ownership is not linked to real-world identities
Cryptography	Cryptographic technics used to verify transactions and protect identities

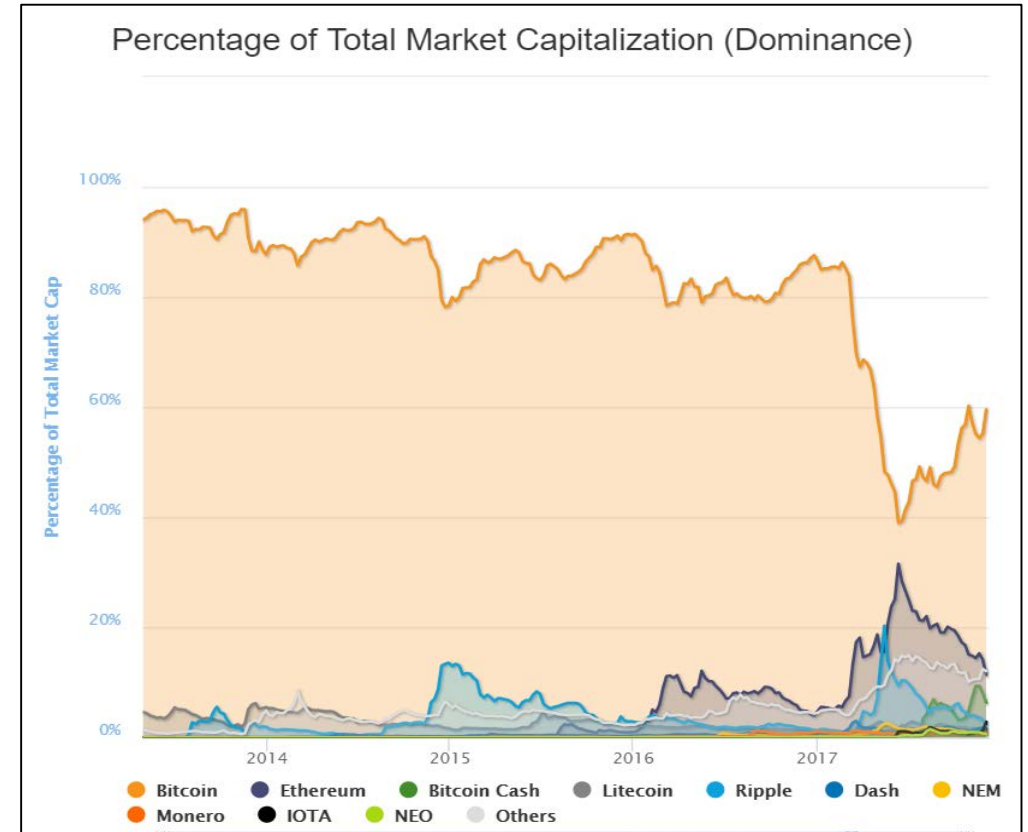
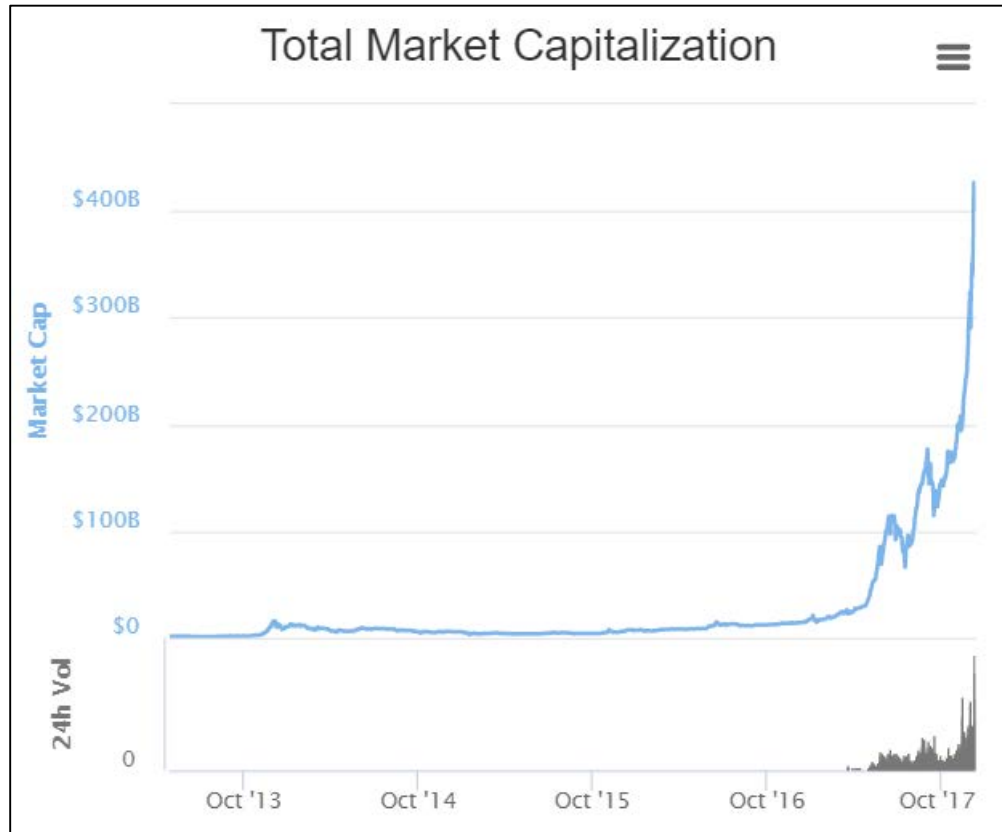


centralised



distributed

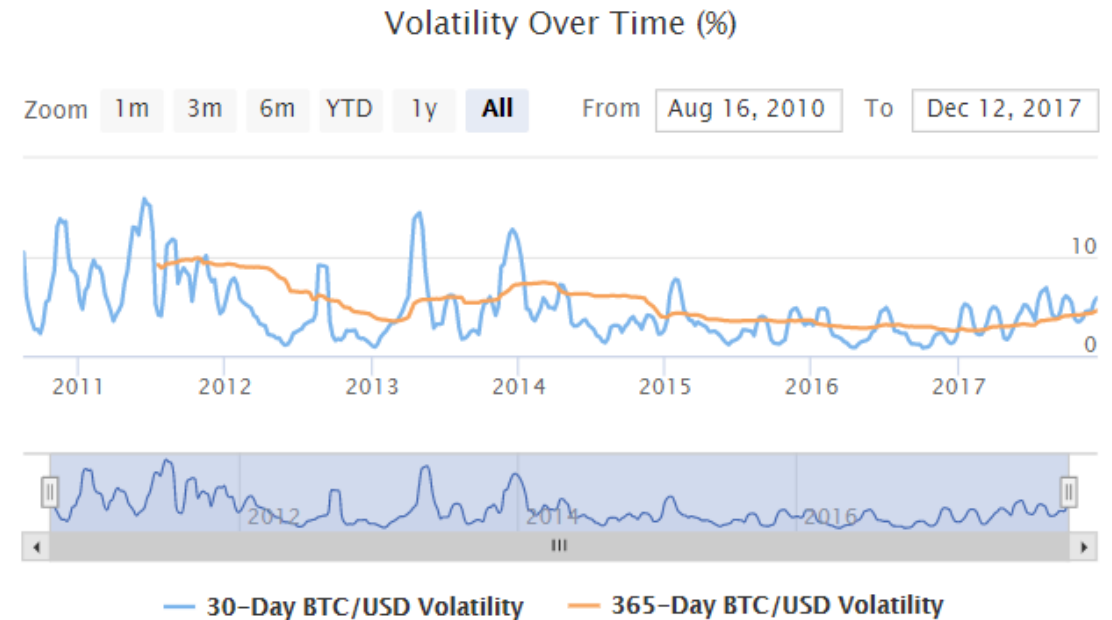
DIGITAL ASSET UNIVERSE & VALUE DISPERSION



- Exponential growth of cryptocurrency market
- Bitcoin evolution and the rise of alternative coins
- Creation of crypto focused hedge funds

BITCOIN

- Evolution from medium of exchange to store of value (digital gold)
- Bitcoin volatility has continued on a downward trend since inception
- Bitcoin illicit use has fallen dramatically - significantly less than 20% of the transaction volume. No longer the driver for demand
 - Digital intelligence companies scan the blockchain for suspicious activity
 - Law enforcement utilizes this information to track illegal activity

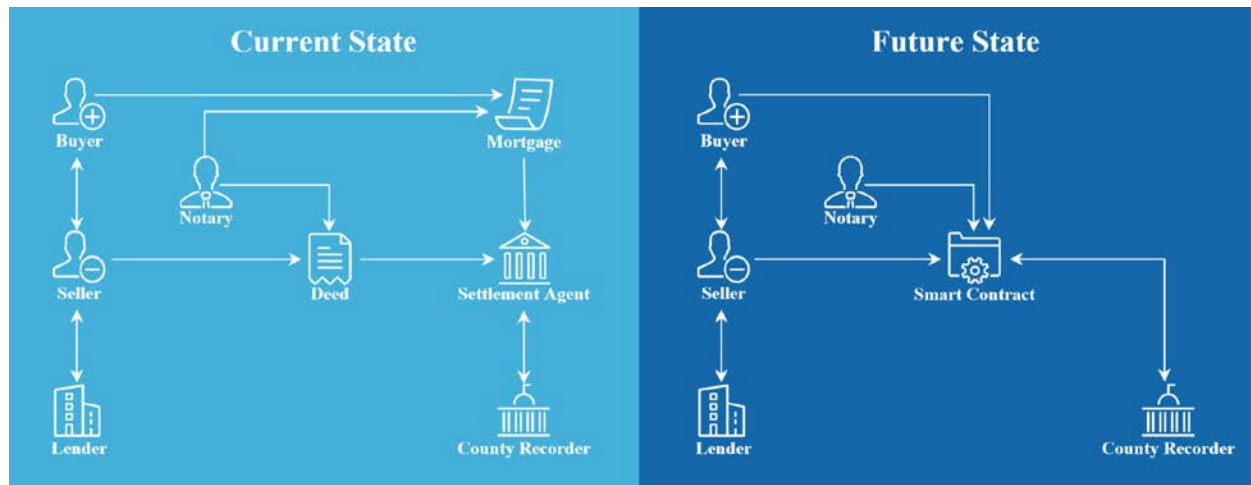


ALT COIN FUNCTIONALITY

- Ethereum –
 - Decentralized Apps (dapps)
 - Smart Contracts
 - Initial Coin Offering (ICOs) - Unprecedented and organic digital capitalism (3.8B raised in 2017)
- Litecoin – Peer-to-peer Transactions
- IOT – Internet of Things

REAL WORLD EXAMPLES

- Store of Value and secure peer-to-peer transactions
- Financial Market Transactions – Blockchain distributed ledger to streamline equity settlements to T+0
- Identity Validation and Security
- Title insurance – stamping complicated ownership into an immutable blockchain record
- Mortgages – Automatically connect parties and process payments. Reduction of errors and costs from a manual process



CRYPTO ASSET MARKET OPPORTUNITY

- Internet 3.0 - Blockchain technology will disrupt all industries, similar to the internet boom
- Decentralized peer-to-peer open source protocols
- Strong risk/return profile, uncorrelated alpha

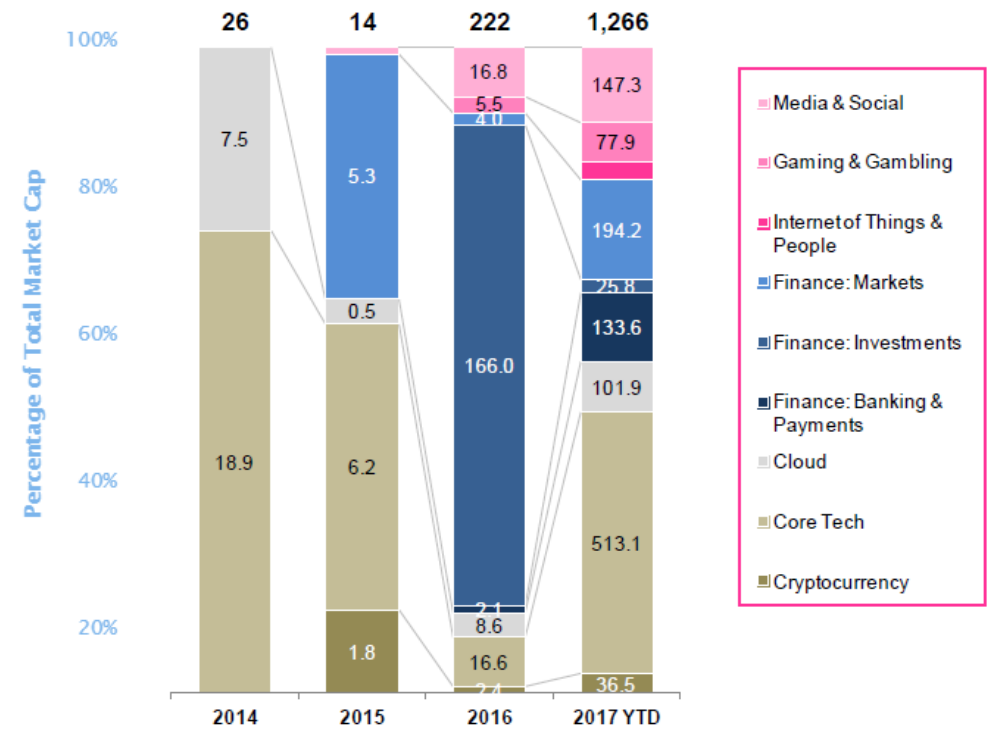
	2017 Return	Risk-Adjusted Return (Sharpe Ratio)
Bitcoin	1320%	3.82
S&P 500	19.4%	2.57

CRYPTO ASSET GROWTH POTENTIAL

- BTC market cap is only 3.5% of the gold market cap
- Crypto-creation
- Decentralized applications that are natively enabled by peer-to-peer open source protocols
- A new digital frontier for value creation that extends far beyond speculation and unprecedented / unimaginable use cases
- ICOs – unprecedented emergence of digital capitalism

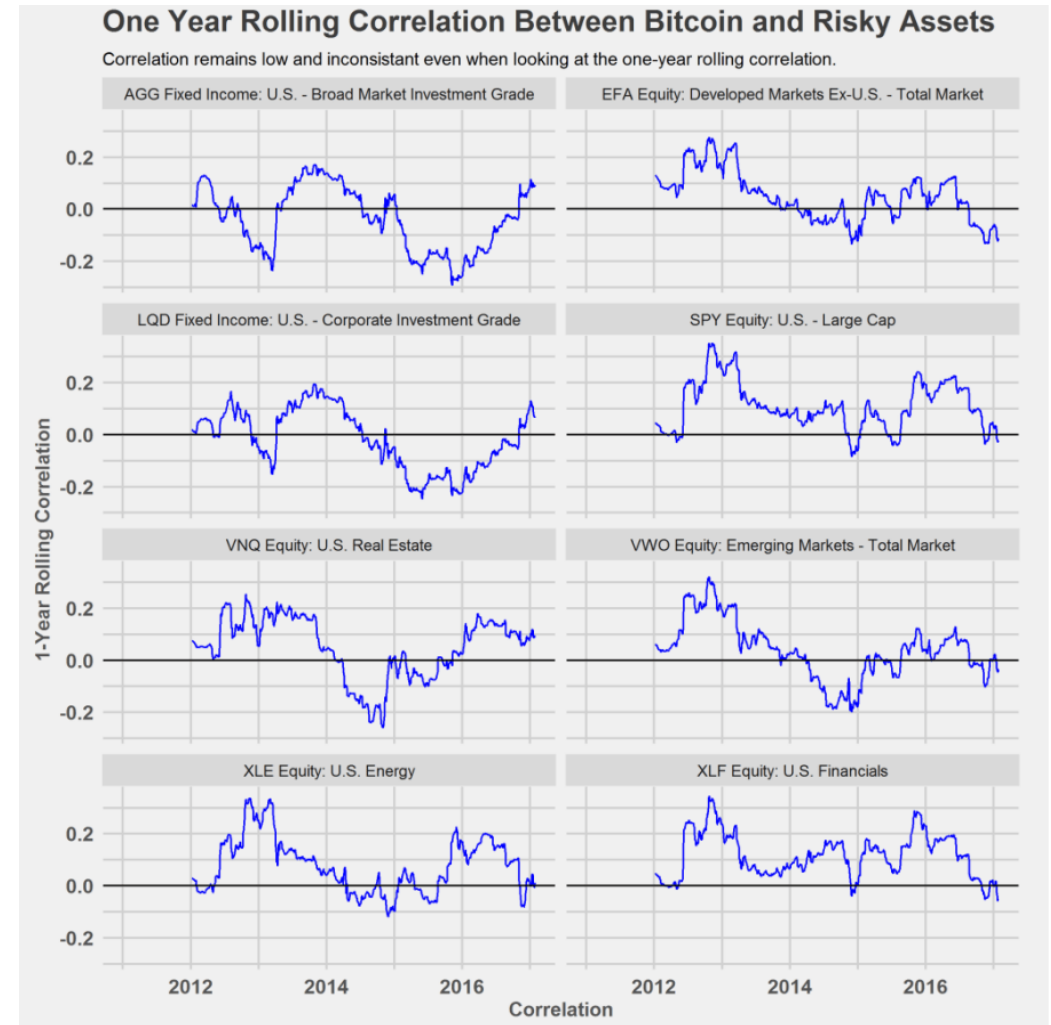


ICOs by Category (\$ millions)



UNCORRELATED RETURNS

- Provides diversification benefits
- Less susceptible to macroeconomic events and geopolitical risk
- Uncorrelated and secular alpha



INVESTMENT BEST PRACTICES

- Size appropriately
- Diversify unsystematic risk by investing in multiple coins
- Custody using cold storage with multi-signature controls and backup redundancies
- Focus on large, liquid coins - Steer clear of speculative ICOs
 - Limited and misleading information for retail investor
 - Due diligence more demanding and very few qualified people to make alpha picks
- Use trusted exchanges

RISKS

- Regulatory
- Operational
- Technological Scalability
- Exchanges
- Security – hacking, 51% attacks, malicious actors
- Dynamic Future – unprecedented technological growth and possibilities

TRADING IN BITCOIN FUTURES IS ESPECIALLY RISKY AND IS ONLY FOR CLIENTS WITH A HIGH RISK TOLERANCE AND THE FINANCIAL ABILITY TO SUSTAIN LOSSES.

More information about the risk of trading Bitcoin products can be found on the IB website.

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Disclosures

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