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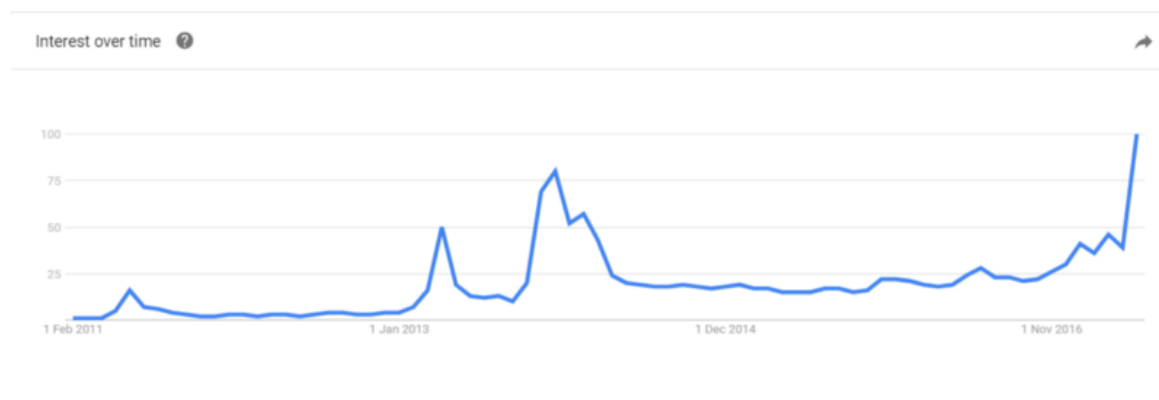
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## My Token / ICO / Blockchain Capital Markets Landscape

*It seems that everyday there is a new altcoin or a new blockchain capital market company. As the market is evolving at a rapid pace, I thought it could be useful to share my landscape in order to gather feedback and also to flag all my typos/errors...PLEASE LET ME KNOW IF YOU HAVE ANY COMMENTS. Also, I am very happy to have a chat or share notes, just email me at [eb@illuminatefinancial.com](mailto:eb@illuminatefinancial.com)*

“If you bought £650 of Bitcoin in 2010 it would be worth £27 million today.” Great. I may have missed the only opportunity to become a High Net Worth Individual (HNWI). **Awesome.**



Bitcoin Google Trends from Feb 2011 to May 2017

There has never been a time when people talked more about Bitcoin or about crypto currency in general. A recent example of this sudden interest was when some high school friends asked me on Facebook if they should buy some Bitcoins—doesn't it remind you of the Bitcoin spike in 2013?

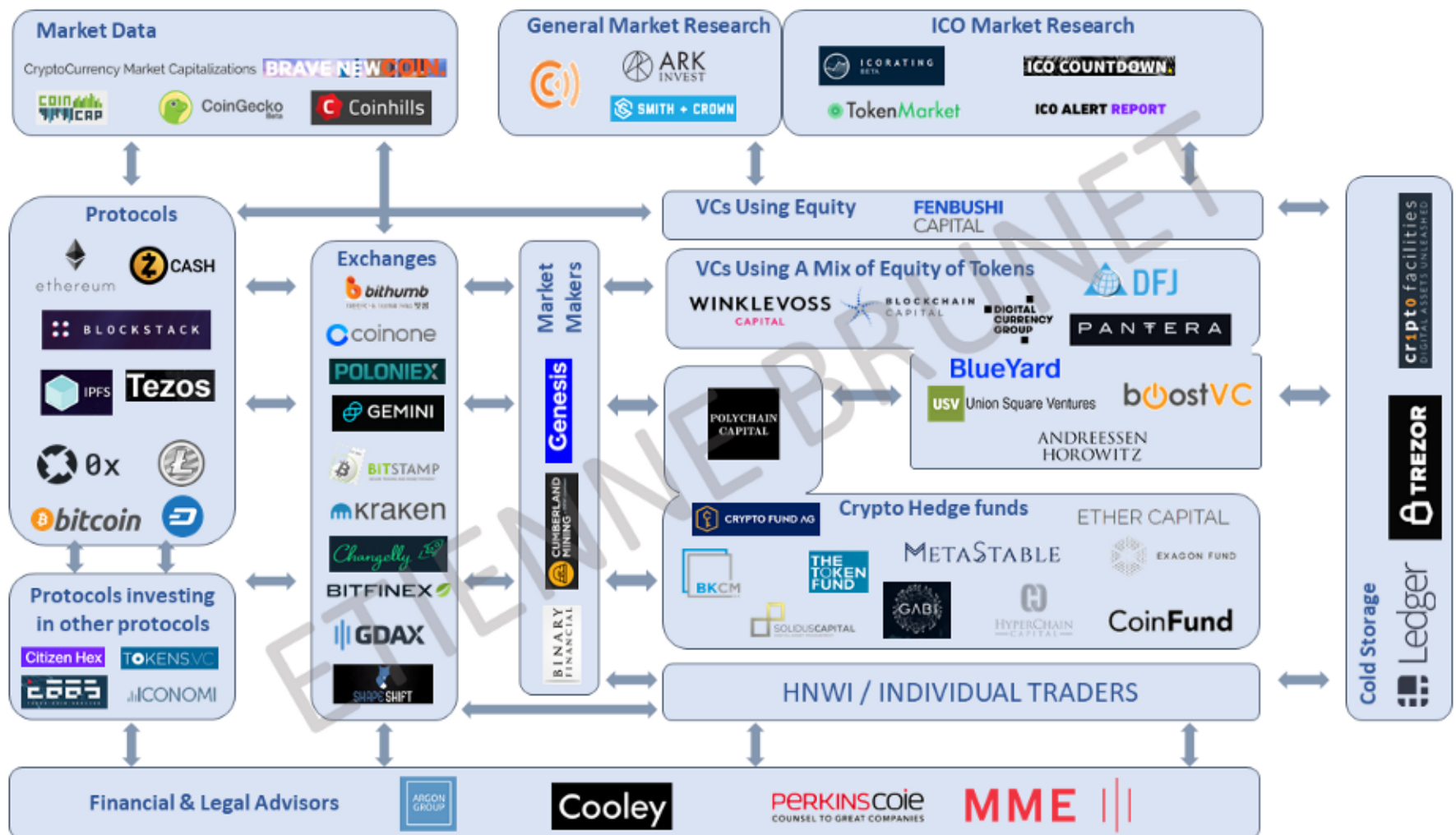
In the latest newsletter of Social Capital, the questions “*Is this really the critical next step we’ve been waiting for? Do regular people even understand the problem that the blockchain ecosystem is trying to solve?*” were asked. I think it is just too early to tell. Could you have foreseen in 1973 that SMTP (aka email) would still be used in 2017 and that it would be one of the most important messaging protocols? I am pretty sure not.

Blockchain may not be the solution to all problems and it is very much still a technology looking to solve a problem. However, it does provide a solution to an increasingly centralised internet in which few private companies control/manage/share users' data as well as make decisions on what users should see or not (I still don't understand why my Twitter Moment looks more like the front page of the Sun rather than Wired. Could Blockchain help?).

However, I was stoked when a former high school friend asked me about ICOs "Are you long Augur?". If you don't know what an ICO or Token is, I would recommend you to read *Thoughts on Tokens By Balaji S. Srinivasan and Naval Ravikant*. Tokens solve the chicken-and-egg network adoption problem that most open source technologies face by adding a speculative ingredient called Tokens. Also, read *Fat protocols by Joel Monégro* and *Fred Ehrsam*.

As a VC / private investor, I find tokens super interesting. Tokens are open to all, with a revenue based on community momentum and have a proper liquid market. However, the lack of regulation, investor rights (Where is my founder vesting?) and code security implications seem to limit for the moment a broad adoption.

Like most people I read about Polychain, a crypto hedge fund started by Olaf Carlson-Wee (former Coinbase). However, I was surprised to find a long list of market participants in this new asset class. I created this landscape (see below) to provide a better understanding of the list of participants and their place in the ecosystem. I am sure I forgot names, missed a point etc... **PLEASE LET ME KNOW IF YOU HAVE ANY COMMENTS / FEEDBACK.**



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**Polychain example:** *Imagine you are USV, you have invested into Polychain Capital which invests through an exchange directly or via a market maker into protocols. Like any investors, Polychain can use market data, general research and ICO research for their due diligence. In addition, Polychain could ask for legal or financial advisors. Finally, they could also use the service of cold storage companies.*

## VCs Using Equity

VCs invest in blockchain companies in exchange of an equity stake. This is the 'classic' early stage investment. However, as others have pointed out investing in company building the protocol may not lead to a classic M&A or IPO as the network can grow on its own. These investors may decide to invest directly via tokens or use their equity stake to be closer to companies. Alternatively, some LPs may not be a fan of having tokens limiting the investment mandate of most fund.

- **Fenbushi Capital** (CN): Founded in 2015, Fenbushi Capital is the first China-based venture capital firm that exclusively invests in

## VCs using a mix of equity and tokens

These are the the next-gen investors. Some invest directly in tokens as they believe that it will drive more returns than direct investing. Others also invest in crypto hedge fund. An interesting point is that the trio of investors USV, A16Z and BoostVC, have invested into Polychain. This was one of the first times that VCs invested into a hedge fund.

- **Winklevoss Capital** (US): Winklevoss Capital is a family office founded in 2012 by Tyler Winklevoss and Cameron Winklevoss. The firm invests across many asset classes with an emphasis on providing seed funding and infrastructure to early-stage startups.
- **BlueYard Capital** (DE): BlueYard invests in founders with transforming ideas that decentralise markets, empower users and liberate data.
- **Blockchain Capital** (US): Blockchain Capital is a venture capital company that invests in blockchain related companies. It is headquartered in San Francisco, California.
- **Digital Currency Group** (US): Digital Currency Group is an venture capital company focusing on the digital currency market. It is located in New York City.
- **Pantera** (US): Pantera Capital is an investment firm focused exclusively on ventures related to blockchain tech and digital currency.
- **DFJ** (US): Draper Fisher Jurvetson is a California-based venture capital firm that funds companies in seed, early, and growth stages.
- **Union Square Ventures** (US): thesis-driven venture capital firm. It invest in networks, infrastructure for the new economy, and enablers of open, decentralized data.
- **Boost VC** (US): A family of founders making Sci-Fi a Reality.
- **Andreessen Horowitz** (US): Andreessen Horowitz backs bold entrepreneurs who move fast, think big, and are committed to building the next major franchises in technology.

# Crypto Hedge funds

These are my favourite animals. Most of them started by investing in Bitcoin and then expanded into altcoins recently. Some of them with the most innovative approach to investing are Polychain Capital and Mestable. Both adopt a short term trading strategy coupled with a long term value. Moreover, they have an emphasis on code due diligence and security.

- **Polychain Capital** (US): Polychain Capital manages a hedge fund committed to exceptional returns for investors through an actively managed portfolio of these blockchain assets.
- **BKCM** (US): BKCM LLC is a global investment management firm specializing in Global Macro and Currency investing.
- **The Token fund** (RU): The Token Fund provides an opportunity for investors looking for the simplest way to get into the decentralised economy.
- **MetaStable** (US): Founded by Lucas Ryan, Joshua Seims and Naval Ravikant. It offers a concentrated portfolio of crypto assets that have the strongest chance of emerging as long-term winners across a wide basket of use cases (store of value, smart contracts, stable coin, prediction markets, anonymity, storage, new approaches to governance and consensus, etc.).
- **Exagon Fund** (US): Exagon's vision is to create investment strategies that provide potentially high-yielding, uncorrelated returns in a world of low-yielding, correlated assets.
- **Ether Capital** (CH): Ether Capital typically invests at least 80% of its total net assets in large market cap high-yielding cryptocurrencies and initial coin offerings (ICO) of projects which has been approved by a team of experts.
- **Solidus Capital** (MX): We are a Hedge Fund specialized in Cryptocurrencies Investments focused in Latam's Family Offices, VC and High Net Worth Individuals as investors.
- **GABI** (UK/JERSEY): Global Advisors (Jersey) Limited has created the first institutional-grade Bitcoin investment strategy ("GABI").
- **HyperChain Capital** (SG): Since 2013, HyperChain is a digital assets hedge fund focused on blockchain based projects, decentral-

ized protocols and ICO's (Initial Coin Offerings).

- **Crypto Fund AG** (CH): Still on fundraising phase, the company is based in Zug and is planning to launch in Q4 2018 an index [[see more info](#)]
- **Coinfund** (US): A blockchain technology research company and proprietary cryptoasset investment vehicle.

## HNWI / INDIVIDUAL TRADERS

It includes everyone such as Coinbase/Bitstamp/Bitfinex account and who is doing daily trading and holding strategy. It also includes your friend who bought Bitcoin four years ago and now is a millionaire.

## Market Data

Just like Bloomberg, IHSMarkit or Thomson Reuters in the classic capital markets world, investors need data. These companies are some of the most used data providers in the Blockchain ecosystem:

- **CryptoCurrency Market Capitalization**
- **Brave NewCoin**: BNC delivers blockchain and digital-asset markets news, data, analysis, industry resources and a wide range of data solutions.
- **CoinCap**
- **CoinGecko**
- **Coinhills**

## General Market Research

Similar to equity research and general research companies like Gartner or Frost. These firms are doing an awesome job of writing sector deep dives, company analysis... Some investment banks have also started to write some research but these three companies have the most IP.

- **Coincenter**: Coin Center is the leading non-profit focused on the policy issues facing cryptocurrencies like Bitcoin.

- **Ark Invest** (US): ARK Invest focuses solely on disruptive innovation and offers strategies to investors who seek to capture long-term capital appreciation and alpha.
- **Smith + Crown** (US): The leading source of original research, reporting and analysis for cryptofinancial markets, bitcoin, blockchain technology, and digital currencies.

## ICO Market Research

With more focus on the ICO, these companies provide investors all the insights and knowledge needed in order for them not to miss the next hot ICO.

- **ICORating** (RU): ICORating (icorating.com) is a rating agency that provides independent analytical research.
- **TokenMarket**: Trade and research tokens and cryptocurrencies. Organize crowdsales and ICOs.
- **ICO Countdown**: Gives spotlight to new crypto projects with a focus on crowdfunding methodology, also conducts due diligence to ascertain viability of these projects.
- **ICO Alert Report**: The trusted source for analysis of active and upcoming Initial Coin Offerings.

## Protocols

A short list of some of the most well known protocols. Let me know if I missed any major one!

- **Ethereum**
- **Zcash**: Zcash is the first open, permissionless cryptocurrency that can fully protect the privacy of transactions using zero-knowledge cryptography.
- **Blockstack**: Blockstack is a new decentralized internet where users own their data and apps run locally.
- **IPFS**: A peer-to-peer hypermedia protocol to make the web faster, safer, and more open.

- **Tezos**: Tezos is a new decentralized blockchain that governs itself by establishing a true digital commonwealth.
- **ox**: The Ethereum blockchain has become host to a variety of digital assets, with more being created every month.
- **Litecoin**: Global decentralised currency based on blockchain technology.
- **Bitcoin**: Bitcoin uses peer-to-peer technology to operate with no central authority or banks; managing transactions and the issuing of bitcoins is carried out collectively by the network.
- **Dash**: First self governing, self funding protocol.

## Protocols investing in other protocols

These are interesting cats, equivalent to blockchain-VCs. However, they use distributed ledger technology to avoid the legal and LPs challenges that one may face when raising a tokens fund...

- **Citizen Hex**: An ethereum liquidity company.
- **TAAS**: Tokenized closed end fund that allows its investors to capitalise on the rise of blockchain markets.
- **Iconomi**: Technical service that allows anyone from beginners to blockchain experts to invest and manage digital assets.
- **Tokens.vc**: Only accept cryptocurrency, issue digital assets and use the wisdom of the crowd to direct actions and make investment.

## Exchanges

List of some of the most important exchanges. Let me know which one is your favourite!

- **Bithumb**: Korea's #1 Virtual Currency Exchange
- **Coinone**: Korean crypto exchange
- **Poloniex**: US-based cryptocurrency exchange offering maximum security and advanced trading features



- **Gemini**: The first U.S. exchange licensed for bitcoin and ether trading.
- **Bitstamp**: Licensed in Luxembourg crypto exchange
- **Kraken**: One of the most secured crypto exchange
- **Changelly**: Instant cryptocurrency exchange with clear interface that provides the best prices for Bitcoin, Litecoin, Ethereum and other altcoins.
- **Bitfinex**: One of the largest crypto exchange
- **GDAX**: Offers institutions and professionals the ability to trade a variety of digital currencies like Bitcoin, Ethereum, and more on a regulated U.S. based exchange. Part of Coinbase
- **Shapeshift**: Leading instant digital asset exchange, supporting dozens of blockchain tokens including Bitcoin, Ethereum, Monero, Zcash, Dash, Dogeco

## Market makers

When you need to sell/buy a large bloc of Bitcoin you call these guys.

- **Genesis Trading**: Genesis Global Trading, Inc. is an institutional trading firm offering two-sided liquidity for digital currency, including bitcoin and ether.
- **Binary Financial**: Investment management company focused on providing superior returns for its clients and partners in the digital asset space.
- **Cumberland Minding (DRW)** (US): Cumberland is the leading OTC liquidity provider in the digital currency space (including Bitcoin). Cumberland is a subsidiary of DRW Trading, a prominent financial trading firm. As one of the few institutional trading firms in the digital currency space, Cumberland helps provide global liquidity to the overall ecosystem through competitive markets/prices.

## Financial & legal advisors

Argon just helped to fundraise the \$10m ICO of blockchain capital and is the equivalent of Goldman Sachs in the crypto world. The other two are some of the leading law firms providing legal advice to Blockchain companies.

- **Argon Group**: The only technology-first investment bank focused exclusively on the digital finance sector.
- **Cooley**: Marco Santori leads Cooley's fintech practice, and is an authority in the law of blockchain technology.
- **Perkins Cois**: Law firm with a blockchain practice
- **MME**: Has assisted Ethereum (Protocol), Tezos (Protocol), Dfinity (Protocol), Interchain (Interchain of Protocols), Golem (Dapp), Melonport (Dapp), Lisk (Protocol), SingularDTV (Dapp), Wings (Dapp)

## Cold Storage

When you need best-in class cold storage.

- **Ledger** (FR): Ledger Wallet is a smartcard based Bitcoin hardware wallet bringing maximum protection level to your bitcoins without sacrificing usability or control.
- **Trezor** (US): One of the first Bitcoin cold storage wallet.
- **Cripto Facilities** (UK): London-based financial services firm and provides risk management and trading solutions around digital assets such as bitcoin.

Thank you taking the time to read this post!

Etienne







