

Portfolio Construction

Abstract

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1 Section

Opinion: Altcoin doesn't make sense in current market. It is no longer like years ago where there's only Bitcoin and other coins, now there's main sectors that do different things. Digital assets.

2 Types of digital assets

Advice: Cryptocurrency is one of four different digital assets. Bitcoin falls into the cryptocurrency sector and main purpose is a store of value and maybe a medium of exchange. Second sector is protocol and platforms, which is currently led by Ethereum. Analogous to iOS app-store. Third type of digital asset is asset-backed-tokens, backed by equity, debt, income-stream, or other digital assets. Fourth type of digital asset (potentially the most revolutionary) is passthrough-tokens. Accreting value and passing that value to token holders. Binance coin is a passthrough-token.

Advice: May be helpful to be diversified in all four of the sectors and find specialization as time goes on and industry matures.

2.1 Interesting projects

CHZ: Digitization of fan experience. Three different investments here: Socios, CHZ token, individual fan tokens. Perfect use-case for blockchain assets.

HXRO: Gamified option trading. Passthrough-token.

AXS: Axie infinity. You earn an asset in a game, can take that asset outside the game and use in another game or sell it. Strong management team, strong product-market fit in blockchain gaming, unique use-case of how token integrates into the game, etc.

2.2 Investing

Advice: Make sure to categorize assets into each of the four categories. Find out how to value such asset. Does it have a similar real-world existing counterpart?