



P A N T E R A

PANTERA ICO FUND

DIGITAL ASSETS

Bitcoin Expected to Transform Money

Ethereum Tokens Expected to Transform Equity

"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



12000+ BC

Early Currency
Yap Islander Stones

3000 BC

Commodity Currency
Gold, Silver

1700

Representative Currency
Gold Standard

1971

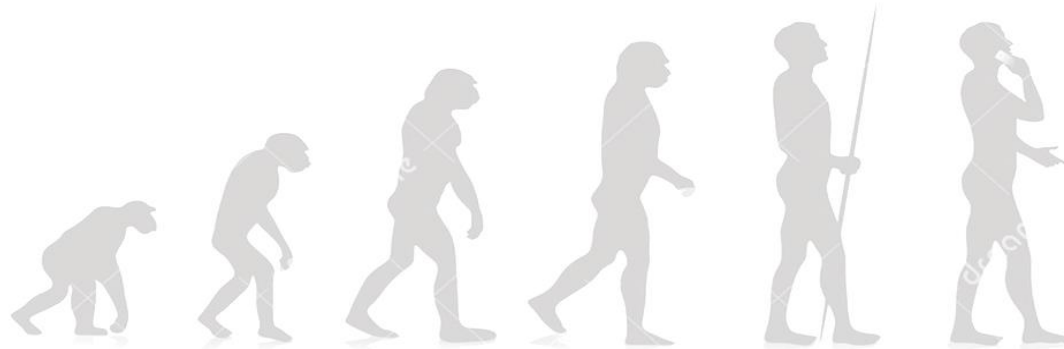
Fiat Currencies
USD, EUR, JPY, CNY

2009

Digital Currencies
Bitcoin, Ripple, Zcash

2016

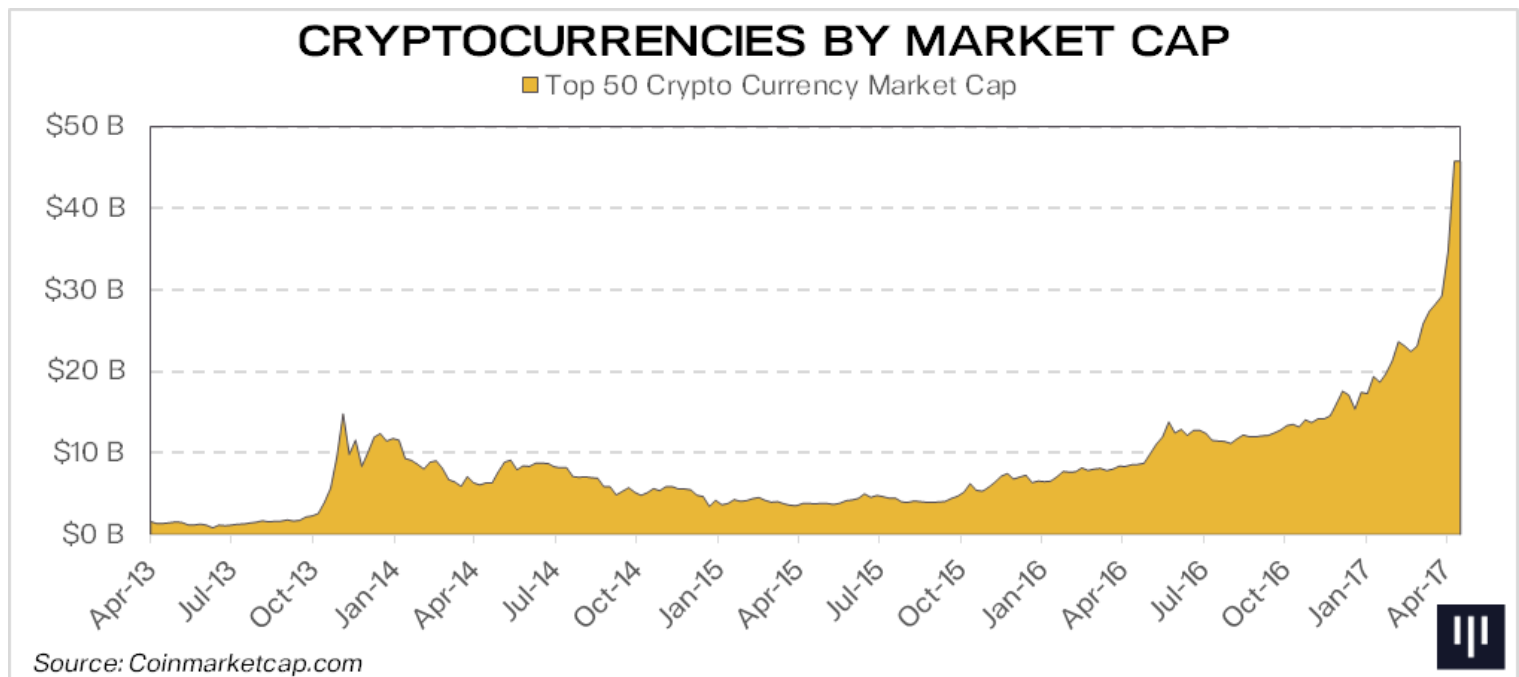
Digital Companies
Ethereum
dApp Tokens



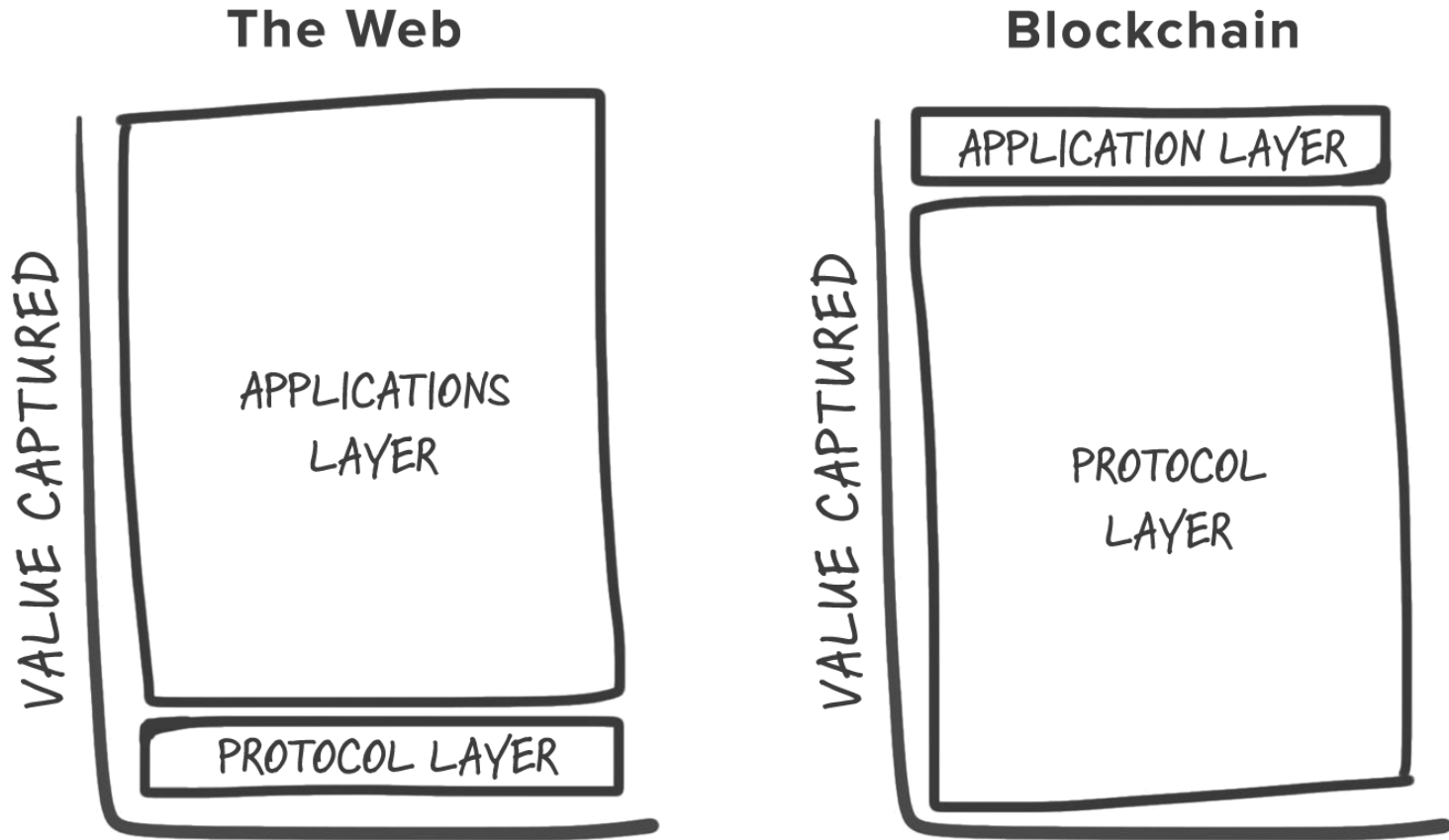
Digital Asset Market Capitalization

Digital Assets are in what we believe to be the early stages of exceptional growth. Bitcoin is no longer the proxy for digital asset performance. In May 2017, the top fifty cryptocurrency market capitalization, excluding bitcoin, appreciated 1,977% year-over-year, reaching over \$36 billion.

“Is it 1997 or 1999?” That misses the point – if you’re smart, do due diligence, and select the right projects – you’re long the Amazon, Apple, Microsoft. Apple “crashed” from \$4.95 in March 2000. You don’t have to over-think the ‘97 vs. ‘99 analogue. Consolidation will occur.









Protocol Value > Application Value



Source: Union Square Ventures

The Token Economy

Asset	 Ethereum	Ethereum Tokens     
Market Cap	\$22.9 billion	\$2.6 billion – Gained \$2.0 billion since Jan 2017
Concept	Smart Contract Protocol	Application specific tokens that are able to provide economic incentive
Issuances	Primarily from Mining	Offered through coin crowdsales (ICOs), provide developer funding and near-term liquidity

Use Case:

Tokens/Protocol

Cloud Computing / Computation Markets

Golem, iExec, Truebit

Prediction/Betting Markets/Derivatives

Augur, Gnosis

Decentralized Poker/Casino

Cypherpoker, Funfair

Decentralized Exchange

Ox, OmiseGO, Enigma

Stablecoins

Maker

Decentralized Internet

Blockstack, Urbit

Decentralized File Systems

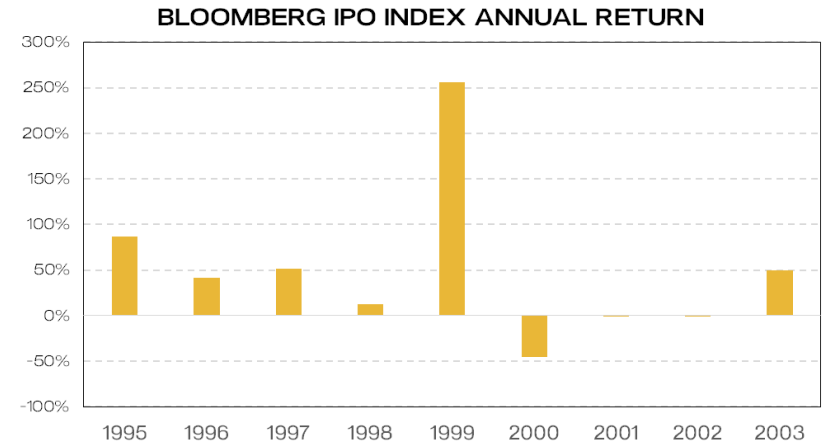
IPFS, Sia

Oracle Systems

Oraclize, Augur

Initial Coin Offering (ICO)

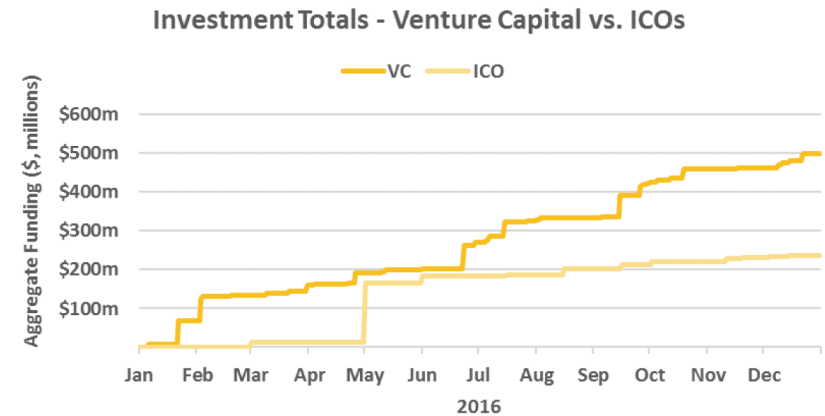
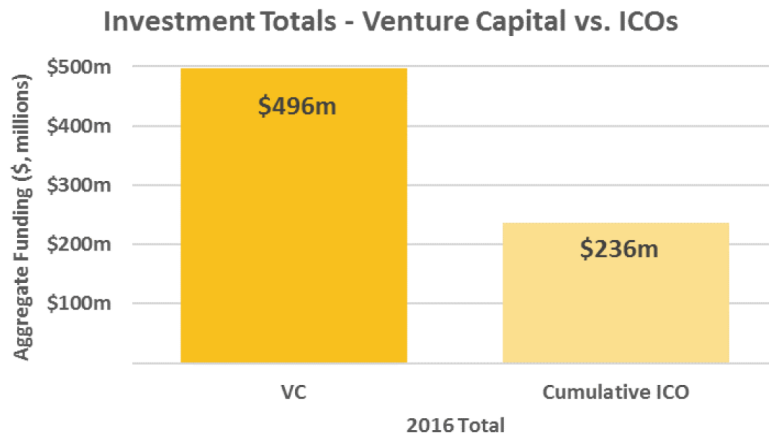
The ICO market could be entering a period similar to the late 90's IPO market, where offerings of new technology companies captured the imagination of investors and lead to exceptional returns over a 3 to 5 year period.



- The ICO market is a global marketplace, drawing funds from anyone with an internet connection
- These new digital assets are tradable via digital asset exchanges shortly after going public
- Participating in ICO pre-sales and ICOs carry few holding period requirements

Initial Coin Offering (ICO) Access

Pantera intends to be active in the Initial Coin Offering market. We plan on leveraging our leading brand in the blockchain space to gain early access to the most promising new protocols in the digital asset space.



- ICOs are the new 'pre seed'
- Unique to blockchain technology, providing project funding for part ownership in the network
- Small pool of blockchain focused participants
- Represents only 0.5% of global crowdfunding market
- Provides investors a combination of early access to the network with near-term liquidity

Capital Raising via ICOs

Brave Browser – BasicAttentionToken (BAT)

Fundraising has taken a leap forward in efficiency, cost reduction and democratization with the advent of the Initial Coin Offering and tokenization of business models on the internet.

Brave Browser recently completed an offering to raise \$36 million via a token offering on the Ethereum Network. The offering raised 156,250 Ether in a mere 24 seconds.

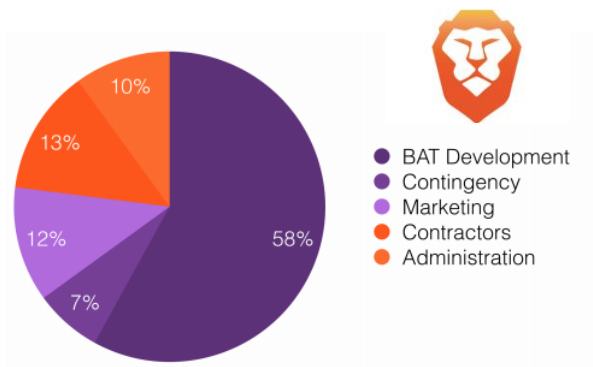


Figure 12: Budget allocation of ETH raised

Budget Allocation

BAT Team: 58% of budget The team consists of just over 20 engineers. This financing allows for the rollout of the BAT solution, including the necessary adjustments to and development of the existing Brave browser technology.

Administration: 10% of budget Consists of BAT legal, security, accounting and other associated administration costs.

Marketing: 12% of budget Marketing will focus on expanding awareness and adoption of the Brave browser and the BAT solution among users, publishers and advertisers. This also includes the growth and maintenance of the world-wide community.

Contractors: 13% of budget These funds will be directed at third-party providers offering engineering, marketing, growth-hacking, PR, partnerships, affiliate programs and more.

Contingency: 7% of budget This is a set-aside for unforeseen costs.

- Quick and cost effective fundraising method for the company
- Decentralized fundraising that allows any investor from around the world to participate
- Investors can often help shape the future of the ecosystem.
- Network value goes to the developers and early community members
- ICOs offer near-term liquidity to investors

Pre-Sale Case Study

Kik

The messaging app Kik has announced they will be the first major company to open-source their codebase and tokenize their entire cap table. We believe this to be a seminal moment in finance.

Kik has previously run a successful cryptocurrency experiment, recording 3x the number of bitcoin transactions on their own network. Kik boasts over 15 million active users and investments from Union Square Ventures and Tencent. When Kik launches it will be the most widely used currency.

Pantera was the first firm Kik called, the first investor to meet with them, and had the first term sheet signed. As one of the highest value-add investors in the space, we were able to lock up 40% of the cumulative presale offering a significant discount.

Deal Terms

<u>Round</u>	<u>Amount</u>	<u>Discount</u>	<u>Pantera Allocation</u>
Pre-Sale	\$50million	30%	\$17 million
Public Coin Offering	\$75 million	0%	\$0
TOTAL DEAL			\$17 million (30 % Discount)



Digital Assets in a Portfolio

Digital Assets can play a pivotal role in a diversified portfolio. Digital assets tend to have high Sharpe ratios and low to negative correlations and betas to traditional assets. Furthermore, digital assets provide a high return potential that is not seen in traditional markets. Below are the summary statistics of the two largest digital assets by market cap, Bitcoin and Ethereum.

Beta Matrix		Bitcoin	Ethereum
S&P 500		0.35	-0.62
Barclays Agg. Bond Index		0.00	-0.04

Correlation Matrix		S&P 500	Barclays Aggregate Bond Index	Bitcoin	Ethereum
S&P 500		1.00	0.01	0.05	-0.05
Barclays Agg. Bond Index		0.01	1.00	0.00	-0.04
Bitcoin		0.05	0.00	1.00	0.16
Ethereum		-0.05	-0.04	0.16	1.00

	S&P 500	Barclays Aggregate Bond Index	Bitcoin	Ethereum
Ann. Returns	11.9%	2.4%	371.6%	2056.4%
Ann. Volatility	14.6%	72.4%	107.1%	163.6%
Sharpe Ratio	0.81	0.03	3.47	12.57
Cumulative Return	116%	18%	4213400%	29422%

PANTERA

Pantera ICO Fund Thesis

Pantera ICO Fund is a diversified portfolio of strategic, early-stage digital assets utilized by promising technology platforms and protocols.

- Token sales are the future of startup funding, providing developer funding and near-term investor liquidity
- Tokens allow investors to directly access the value capture of applications built on the blockchain
- Pantera is a strategic investor able to negotiate favorable deals for new tokens while providing value to our portfolio project
- There is a limited time frame for large asymmetric opportunities

Pantera ICO Fund

THE FUND: DIGITAL ASSETS

Pantera ICO Fund LP will launch June 2017.

The Fund aims to offer institutions and individuals participation in Initial Coin Offerings. Investors will receive exposure to the most promising technologies in the blockchain and digital asset space at the initial public offering price or discounted pre-sales prior to the public offering.

WHAT WE DELIVER: Investment Experience and Access

Investment Experience

Pantera is a pioneer in the blockchain and cryptocurrency space, having launched the first digital asset fund in the United States. We have been exclusively focused on the blockchain technology since 2013, raising over \$200 million for investment in bitcoin and blockchain-enabled companies.

Initial Coin Offering Access

Pantera will target participation in pre-sales prior to the public coin offering. Recent pre-sales Pantera has invested included attractive discounts to the ICO price.

Our team's skills and expertise are recognized in the digital currency space. Founders seek our participation in projects to provide insight, operational support and add value to their projects.

Research/Network

Along with cryptographic experts, Pantera has a vast network to draw on to gain access to the leading and most promising projects.

Our team performs extensive due diligence and research on each new project early on to identify the most profitable digital assets to invest in.

Strategic Advantages

- Prior to Pantera, Dan served as Head of Macro Trading and CFO at Tiger Management, managing an over \$20+bn fund
- Pantera was founded over 15 years ago, managing billions for sophisticated institutional investors
- Pantera launched the first digital asset fund in the U.S. – Pantera Bitcoin Fund. We believe it's still the best-performing fund in the space (3,100% return)
- Joey is the founder of a top-20 cryptocurrency.

The Pantera Management Team



Dan Morehead
Co-Chief Investment Officer

- Founded Pantera Capital Management in 2003 which has managed \$1.5 billion in assets
- Former Co-Founder and CEO of Atrix, currency trading platform
- CFO and Head of Macro Trading at Tiger Management
- Goldman Sachs
- B.S. from Princeton University *magna cum laude*



Joey Krug
Co-Chief Investment Officer

- Co-Founder and head of core development at Augur.net, a decentralized prediction market
- Technical Advisor to Numerai, Urbit, and 0x
- Studied CS at Pomona College, recipient of Thiel Fellowship



Paul Veradittakit
Partner

- Partner at Pantera Capital
- Associate at Strive Capital, mobile-focused venture fund
- Business Development at Urban Spoils, daily-deal aggregation startup
- B.A. from UC Berkeley



Jed McCaleb
Senior Advisor

- Primary developer of Stellar, new decentralized payment gateway
- Co-Founder and CTO of Ripple Labs, 2nd largest digital currency by market capitalization
- Co-Founder and CTO of eDonkey, decentralized peer-to-peer file sharing



Matt Gorham, CFA
Chief Operating Officer

- Originally global macro trader and risk analyst at Pantera Capital
- Portfolio analyst at Aperio Group, quantitatively-oriented investment firm
- Equity trader at LPL Financial Services
- B.A. from UC Berkeley



Charles Noyes
Summer Associate

- Founding Equity Partner at Ocular Capital LLC
- Attending Massachusetts Institute of Technology

Pantera ICO Fund Terms¹

INVESTMENT TERMS ²	Pantera ICO Fund
Fund Size	\$100 million
GP & Strategic Partner Commitment	\$40 million
First Closing	June 30, 2017
Management Fee	3%
Performance Fee	30%
Minimum Investment	\$50,000
Subscriptions	We expect the Fund to be fully subscribed at its initial closing. If the scale of opportunities grows the Fund could accept subscriptions in the future on a monthly basis at the discretion of the Investment Manager
Redemptions	Redemptions will be accepted for the last day of each fiscal quarter, upon at least 90 days' prior written notice.
Partnership	Delaware Limited Partnership

SERVICE PROVIDERS

Auditor	BDO USA, LLP [Finalizing Terms]
Administrator	SEI Investments Company [Finalizing Terms]
Fund Counsel	Schulte Roth & Zabel

¹⁾ No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

²⁾ The terms summarized above are provided for information purposes only and do not constitute a complete overview of the terms of the Fund. An investment in the Fund may only be made pursuant to a Confidential Private Placement Memorandum which should be carefully reviewed prior to investing.

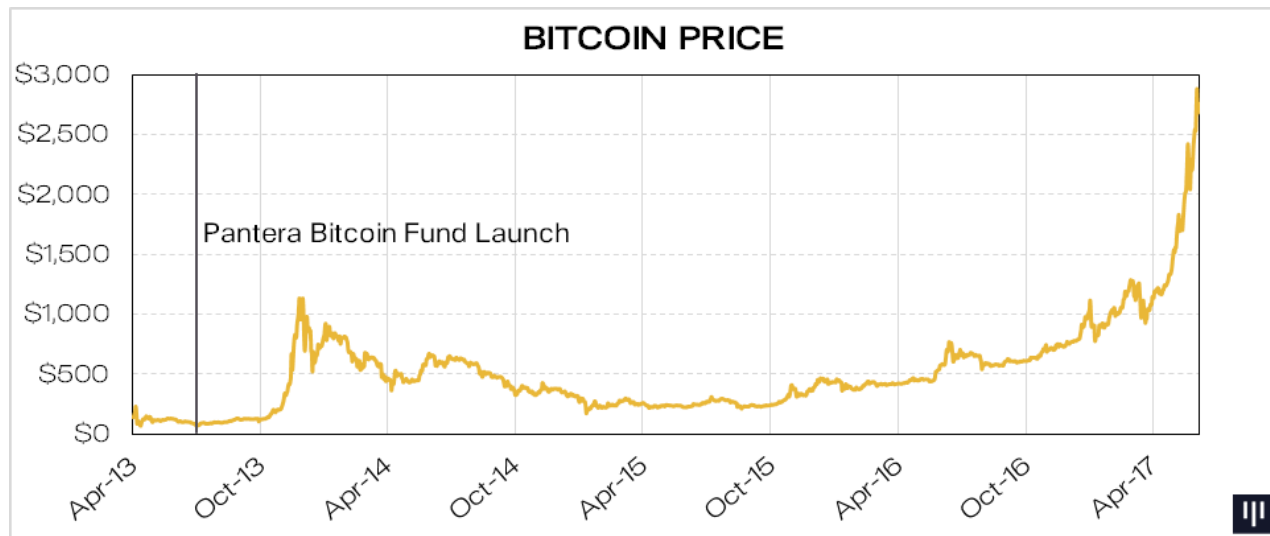
TRADE EXAMPLES

Investment Analysis

Pantera has a long history of investing in compelling technologies that offer revolutionary properties, the potential to disrupt existing antiquated industries or improve upon existing protocols.

Pantera Bitcoin Fund

Pantera Bitcoin Fund, the first American bitcoin fund, launched in July 2013 on the day that was the lowest price in the past four years. Pantera was an early adopter, and convinced of the revolutionary technological promise bitcoin, and by extension blockchain technology, offered. Since inception Pantera Bitcoin Fund has returned over 3,100%.



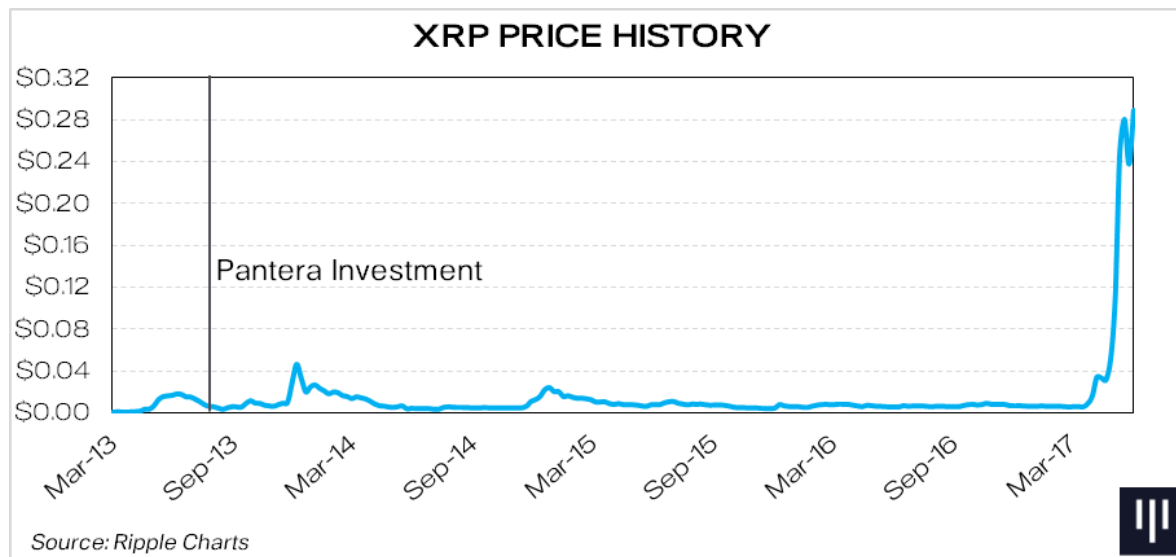
Investment Analysis

Ripple

Pantera was an early investor in Ripple through our first venture fund. Ripple aims to disrupt back-end financial services with its proprietary blockchain-enabled software.

Ripple's digital asset XRP has recently experienced exceptional performance as its technological promise has been recognized in the banking industry.

Ripple has formed a number of partnerships with some of the largest financial institutions in the world.



Investment Analysis

Zcash

Pantera was also an investor in Zcash, a protocol similar to bitcoin that aims to improve on what Zcash sees as deficiencies with the bitcoin protocol.

Zcash Investment Summary

<u>Series B</u> <u>July 2015</u>	
Founders' Coins	Basis: \$4.36
Current Value	\$271
Founders' Coin Return 6,123%	



The Zcash deal illustrates the potential returns offered by having access to promising protocols via initial coin offerings:

- Pantera performs extensive due diligence on the underlying protocol and founders
- Pantera likely receives a discount to the “public” initial coin offering price, providing greater upside potential with lower risk
- With strong understanding of each protocol and close relationships with founders, Pantera can quickly assess progress of each technology enabling well informed exit strategies

P A N T E R A

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

