



HANGAR



# Alphametic

FUND 2022 OVERVIEW



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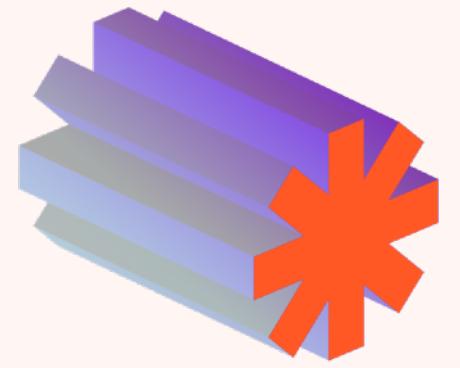
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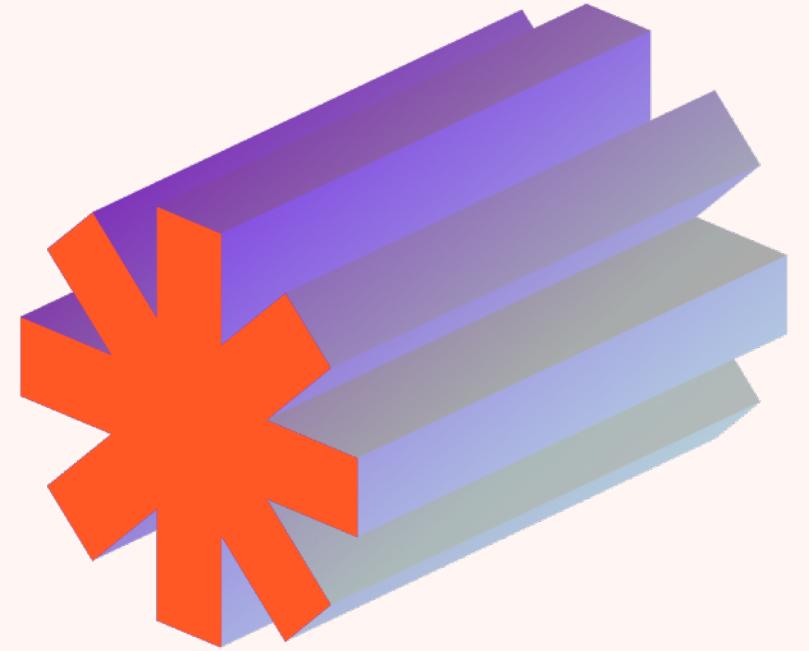
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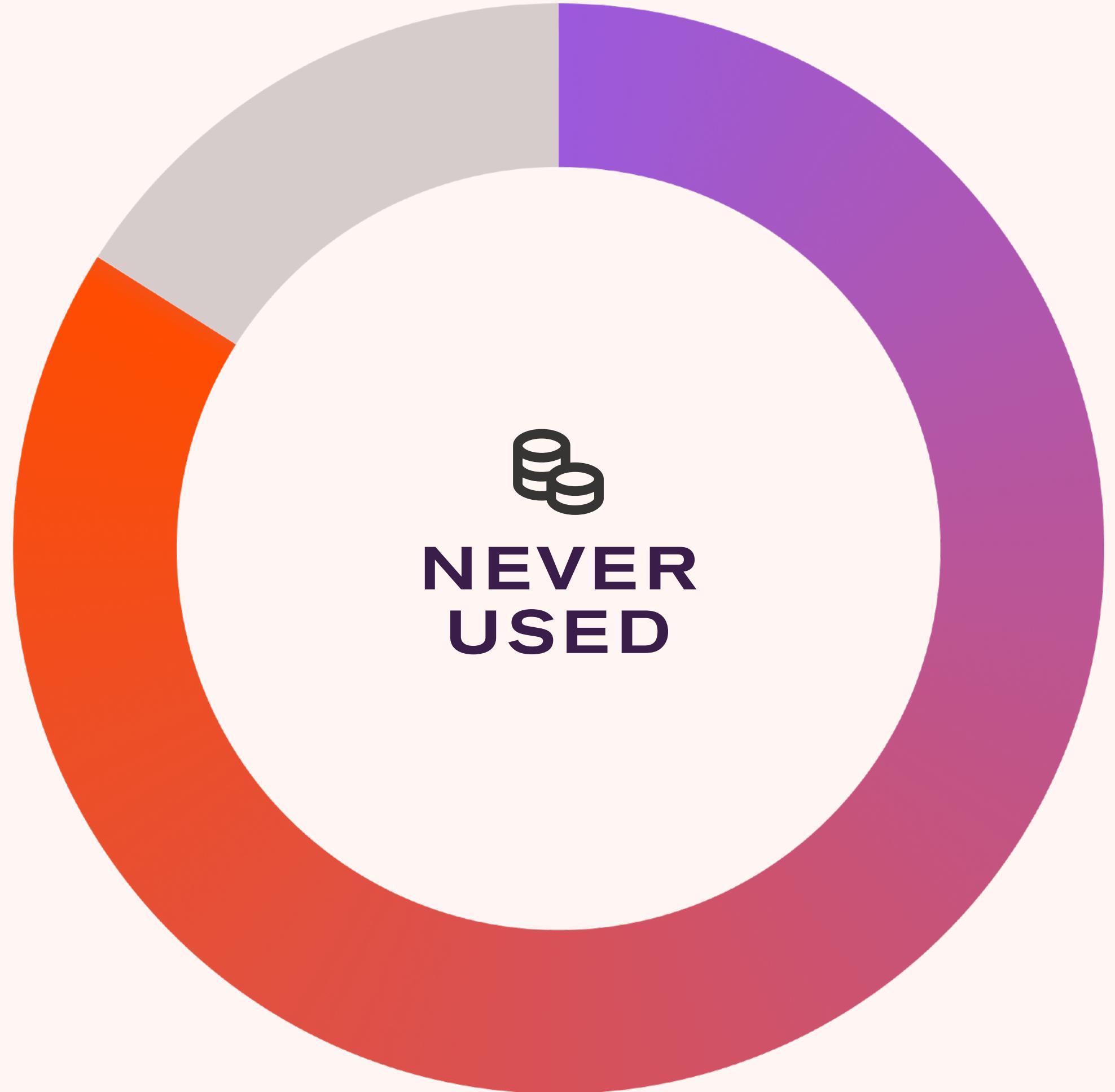
Crypto is  
everywhere!





## EXCEPT 84%

Only 16% of Americans have ever invested in, traded or used cryptocurrency



■ 84% have never used crypto

16% have used crypto in some form

SOURCE: PEW RESEARCH CENTER, 11 NOV. 2021

▼  
THIS IS WHERE WE ARE

# When other tech hit 16%



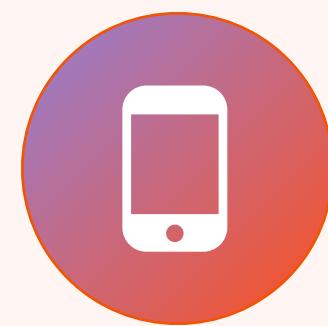
PC

1987



INTERNET

1996



SMARTPHONE

2009

SOURCE: AMERICAN COMMUNITIES SURVEY, [CENSUS.GOV](http://CENSUS.GOV)

AND YET

# Cryptocurrency<sup>6</sup> Regulation

- ▶ WILL SHAPE MARKETS
- ▶ IS INEVITABLE
- ▶ HAS ALREADY BEGUN



Washington could lead to a  
blockchain brain drain

BY MATT SANDREN, OPINION CONTRIBUTOR — 10/27/21 07:30 PM EDT  
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

THE WALL STREET JOURNAL.

RISK & COMPLIANCE JOURNAL

SEC Chairman Says Crypto Market  
Won't Mature Without Oversight

Bloomberg

Regulations for Bitcoin,  
Other Cryptocurrency  
Sought in Congress



TECH

DeFi — the ‘Wild West’ of crypto — is next on  
regulators’ hit list

PUBLISHED THU, NOV 4 2021 4:58 AM EDT | UPDATED FRI, NOV 5 2021 12:23 AM EDT



Federal regulators want to slap bank-like rules on  
stablecoins

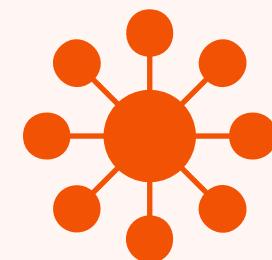


By Anneken Tappe, CNN Business

Updated 5:10 PM ET Mon November 1, 2021

**TECH + POLICY + BUSINESS =**

# **Our competitor's risk and our market shaping advantage:**



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## **TECH ADVANTAGE**

### **Expertise that matters**

A team with a strong track record of technical leadership and successful investments in a cryptocurrency portfolio.



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## **POLICY ADVANTAGE**

### **We understand gov ops**

A proven team of policy and regulatory experts with a track record of shaping innovation and financial services policies across bipartisan circumstances.



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## **BUSINESS ADVANTAGE**

### **We get things to market**

Leverage top-tier business networks to enhance deal flow, identify high-conviction market opportunities, and develop high-growth business startups.

# OUR TEAM



**Karen Blackstone**

Market leading expert on  
cryptocurrency advocacy  
and political issues.



**Mike Ference**

Top-tier government  
advocacy expert with  
two decades of policy  
experience.



**Matt Lira**

Bipartisan innovation  
policy leader with  
market shaping results.



**Chris Martin**

Experienced technical  
leader in financial  
services sector.



**Josh Mendelsohn**

Proven technology  
entrepreneur with deep  
political expertise.



# HOW WE INVEST

We pair technological know-how with regulatory know-how. We invest in ideas and are comfortable as activists.

## ► Identify High-Growth Opportunities.

Revenue-generating, tech-driven opportunities to establish market leaders acutely attuned to the market impacts of the regulatory environment.

## ► Leverage Policy as Activists.

Define policy outcomes which can either hurt or help the cryptocurrency markets.



# HOW WE INVEST

The next several years of policymaking will shape markets for a generation. We will provide critical insights and decisive impacts into those policies.

## ► Defining Market Terms

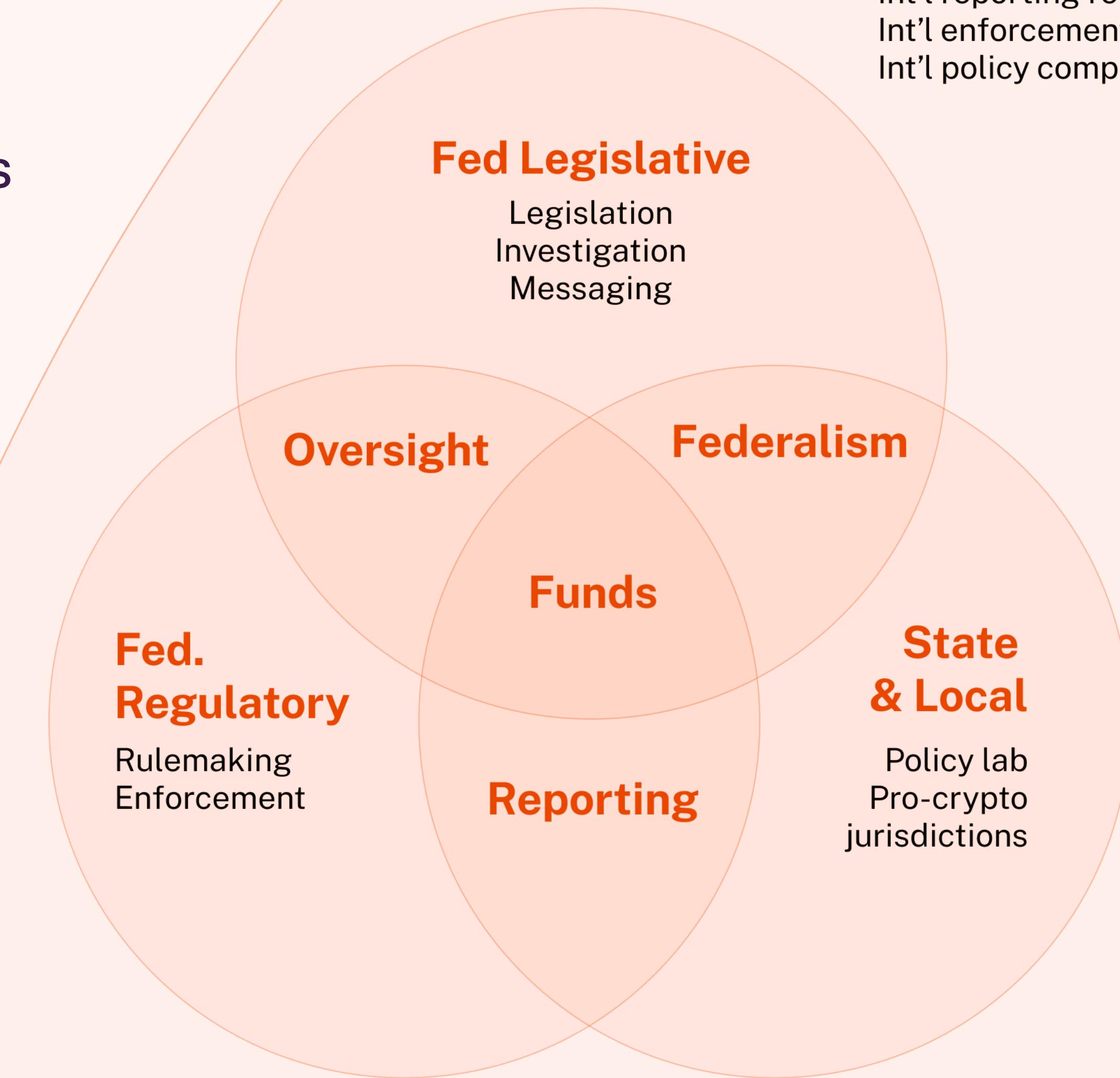
Outlining foundational terms that will significantly impact the marketplace.

## ► Defining Regulatory Framework

Crypto exchanges, cross-border questions, tax implications, etc.

## ► Build Institutional Capacity

Created the Blockchain Association to advocate for open, transparent markets.



# POLICY ISSUES

## KEY POLICY QUESTION EXAMPLES:

<b>Jurisdictional Scope</b>	Which agencies will have primary jurisdiction over which aspects of crypto?
<b>Definitions</b>	How will key terms (such as brokerage, tokens, etc.) be defined? Are tokens securities? What constitutes a brokerage?
<b>Stablecoins</b>	What requirements should be placed on stablecoins? Should there be charter and/or reporting requirements?
<b>Environmental</b>	What environmental regulations and/or reporting requirements should be applied?
<b>Privacy</b>	Which consumer protections should apply and/or be created to protect user privacy rights from both non-government and government actors?
<b>Cybersecurity</b>	What information sharing requirements and liability rules should be applied?
<b>Transparency &amp; Reporting</b>	What reporting requirements should be applied to which entities?
<b>Crypto Charter Requirements</b>	Should any crypto entities have charter requirements? If so, what should the requirements and issuing authorities be for such a charter?

# IMMEDIATE IMPACT

## Analysis of the impact that regulatory policy announcements on crypto markets.

- ▶ Results suggest that regulatory events decrease cryptocurrency returns and increase price volatility.
- ▶ Action taken by regulators and announcements by key policymakers or legislators to explore regulation have the largest impact on cryptocurrency returns and price volatility.
- ▶ Announcements by US policymakers have the largest impact on cryptocurrency returns but little effect on price volatility.

	Independent Variables	Dependent Variables	
		Returns	Price Volatility
Model 1	All events related to regulation	-1.01 *** (0.33)	0.33 *** (0.06)
	Announcements by policy makers /	-1.26 *** (0.48)	0.30 *** (0.07)
	Legislation, passed or imminent	-0.09 (0.60)	0.02 (0.03)
	Discussion or plan to enforce regulations	-0.79 (0.49)	0.07 * (0.04)
	Regulatory action taken	-1.86 * (1.09)	0.66 ** (0.18)
Model 2	United States	-3.40 *** (0.68)	0.08 (0.07)
	China	-1.31 ** (0.57)	0.39 *** (0.11)
	Japan	0.85 (1.02)	-0.08 (0.07)
	EU	0.30 (1.63)	-0.08 (0.06)
	Korea	-0.86 (1.24)	0.37 *** (0.13)
Model 3	Russia	-0.34 (0.83)	0.23 ** (0.11)
	Other	-1.89 *** (0.49)	0.35 *** (0.07)
	No. Of observations	10737	10737

SOURCE: CIGI, G20, LOOMING REGULATION LIKELY TO IMPACT CRYPTOCURRENCY PRICES



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