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One Sixty Two

D I G I T A L C A P I T A L

What Happens When Preparation Meets Opportunity

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Co-Founder and CEO

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I came across Bitcoin about six years ago thanks to Alex Vander Hoeven. What really sparked my interest was my realization that Bitcoin is a great application of cryptography (hence the name “cryptocurrency”), a field that I have always been very fascinated by. Cryptography, to me, is a perfect way to use math in the financial system.

My first impression was that bitcoin was a promising asset to be included in a portfolio of traditional assets. Its asymmetric return/risk profile allows it to be included in small portions in traditional portfolios, thus limiting its downside risk, while still enabling us to benefit from its potential huge gains. Once this realization hit in 2017, Chris and I decided to actually deploy a proprietary-desk trading bitcoin and other digital currencies that is now being expanded to include institutional clients under the leadership of Janice Park.

At [OneSixtyTwo Digital Capital](#) we have invested significant resources building high

performance technology infrastructure that can be deployed anywhere that the strategy demands extremely quickly. Our infrastructure includes features such as handling connections to multiple exchanges for smart order routing, a modular design for adding new strategies and exchanges easily in a scalable manner, and a portfolio management system to handle multiple trades at different frequencies. In addition, we have also built a scalable back office that does all the required back office reporting in an automated manner that is approved and vetted by our service providers. The key here was to use our domain knowledge in crypto markets and traditional financial markets to be able to calculate proper metrics per exchange as every exchange may report or calculate differently.

Due to the unique nature of digital assets, sophisticated security techniques to secure API keys, wallet addresses, and tokens are necessary. To ensure that we protect against these risks, we have built our own security system to securely manage the keys while giving our trading system access to perform needed functionalities. Keys can only be viewed in an *m-of-n* multi sig security scheme. We also try to minimize exchange exposure as history has shown that their performance and uptime have been far shakier than what traditional markets would be expected to have.

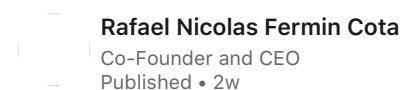
In addition, since the space is moving so fast into the direction of staking, we have built out a full staking validator platform and methodology to take advantage of this and be an impactful player in the market. This platform allows us to obtain new coins by actively participating in the blockchain protocol and voting on which blocks are valid.

These moves trail around the assumption that digital assets will follow an adoption rate curve similar to the internet and will eventually transform financial services forever.

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The COVID-19 pandemic has already forced governments globally to intervene in the economy in ways that are completely unprecedented. At some point, the Faustian bargain of money printing and debt accumulation will cause people to reevaluate fiat currency regimes altogether and that some of these forces could begin to unravel leading to demand for digital assets. When faced with uncertainty, I truly believe it is important to have optionality. By introducing 162 Digital Capital, we aim for our investors to gain additional diversification, and unlock potential to generate higher returns as compared to portfolios constrained to traditional investments.