

P A N T E R A

WHY PANTERA?

Introduction

Pantera Capital is the first institutional investment firm focused exclusively on bitcoin, tokens, and companies in the blockchain ecosystem. Pantera launched the first cryptocurrency fund in the United States in 2013. The firm subsequently launched the first exclusively blockchain-focused venture fund. In 2017 Pantera was also the first firm to launch an early-stage token fund. Over eight years, Pantera's Bitcoin Fund returned over 63,000%, giving billions back to its investors. Pantera currently manages over \$5 billion in capital across our three product groups – passive, hedge, and venture. Our mission is to act as the catalyst for widespread blockchain adoption and innovation.



The Team

The Pantera team is experienced in both traditional finance and blockchain technology. Combined, the team has one of the strongest networks in the crypto space and maintains relationships with the most promising entrepreneurs, partners, and other top investors. This, coupled with our deep technical and industry expertise, allows us to fulfill our strategic investment philosophy by building a diversified portfolio and bringing industry-specific value-add resources to our portfolio companies.

Dan founded Pantera Capital Management LP in 2003. He was Head of Macro Trading and CFO at Tiger Management. Prior to that, he was the global head of FX options at Deutsche Bank in London, and managed derivatives trading units and a global macro fund in North America and Japan at Bankers Trust. Dan began his career as the first asset-backed securities trader at Goldman Sachs. He graduated magna cum laude from Princeton University with a B.S. in Civil Engineering and received the Carmichael Prize.

In 2013, Joey built a point of sale system enabling Bitcoin payments with sound and Bluetooth. In 2014, he left Pomona College to co-found one of the first projects on Ethereum, Augur, a decentralized prediction market platform and solution to the oracle problem designed to allow people to speculate on anything. He also started an AngelList syndicate which is now in the top 15 by backing. In 2017, he joined Pantera Capital as Co-CIO to help oversee the funds' various investments.

Paul Veradittakit is a Partner at Pantera Capital and focuses on the firm's venture capital and hedge fund investments. Since joining in 2014, Paul has helped to launch the firm's second venture fund and currency funds, executing over 60 investments. Paul sits on the boards of OpenToken, Blockfolio, and BitOasis, is a mentor at The House Fund, Boost VC, and Alchemist, and an advisor to Orchid, Origin, and Icon. Prior to joining Pantera, Paul worked at Strive Capital as an associate focusing on investments in the mobile space, including App Annie. Previously, Paul was at Hatch Consulting and LECA and performed partnerships and growth for Urban Spoils. Paul graduated from the University of California, Berkeley.



Portfolio Partnerships

We help our portfolio teams explore win-win partnerships and many have materialized over time. Examples include:

- Financial infrastructure
 - Cross-border payment rails: Bitso, Circle / USDC, Bitso, Bitstamp
 - Custodial integration: BitGo, Coinbase
 - Fiat on-boarding:
 - Coinbase, Circle, Wyre, Coinme, Bitstamp, BitPesa, BCB, Prime, Bitso
- Technical co-development
 - Node infrastructure and tooling: Alchemy, Staked
 - Cross-chain interoperability: NEAR, Polkadot, Cosmos
 - Layer 2 scaling: Arbitrum, Celer, StarkWare
 - On-chain privacy: bloXroute, Oasis
 - DeFi infrastructure: 1inch, Instadapp, Origin, Balancer
- Liquidity support
 - Decentralized exchanges: 1inch, 0x, Balancer
 - Market makers: Amber Group, Wintermute Trading
 - Centralized exchanges: Coinbase, Bitstamp (and all major exchanges)



Best Practices

Over time, we have built a strong base of best practices in company-building, e.g., go-to-market strategy, regulatory compliance, product expansion, across various verticals within the blockchain industry, including:

- Spot Exchanges: Bitstamp, Bitso, Circle, Coinsuper
- Derivatives Exchanges: ErisX, Bakkt
- Custodians / Staking: BitGo, Anchorage, Staked, Xapo
- Fiat On-ramps / Payments: Wyre, Coinme, BitPesa, Veem
- Decentralized Finance: 0x, Instadapp, Augur, Vega Protocol, Balancer, 1inch
- Stablecoins: USDC, Maker / DAI, Ampleforth, Terra, Origin Protocol, Reflexer
- Scalability: Arbitrum, Celer Network, bloXroute, Polkadot, NEAR, StarkWare
- Marketplaces: Audius, Filecoin, Braintrust, Brave Browser, Origin Protocol
- Liquidity Providers: Wintermute, Amber Group

As the blockchain ecosystem continues to evolve quickly, we believe that the sharing of best practices and industry developments can be a key advantage for our portfolio companies.



Industry Leadership

Our goal is to provide a gateway for investors and the mainstream public to learn about the blockchain industry and its long-term potential.

- We launched the first Bitcoin fund in 2013 and first early-stage token fund in 2016 for institutional investors.
- We advocate strongly for the role of Bitcoin and other crypto assets in the current macro environment, which has helped influence well-regarded traditional investors.
- We pride ourselves on our role as the “first stop” for educating professional investors who are curious about digital assets - several blockchain-focused funds began as Pantera LP's (Galaxy Digital, Morgan Creek Digital, 10T Fund).
- 13.5% of Pantera's capital is comprised of other venture and hedge funds investing in our funds
- Our *bona fides* on institutional-grade are unmatched:
 - Dan was CFO for Tiger Management – responsible for all non-investment activity.
 - Pantera Capital Management is 18 years old – having been registered with the SEC a decade before any firm in the space.
 - Pantera worked with Ernst & Young to do the first blockchain audit in history.
 - We have a 60-person team – of very experienced professionals.
 - Dan has traded 35 years of market cycles. The track record shows that our recent performance is not just a lucky break.
 - In our last few investor letters we predicted the pop in the U.S government and mortgage bond bubble. The next mega-trade has just started.



Hiring Board

We aggregate open roles across our portfolio companies in one place for anyone looking to join the blockchain industry and help refer high-quality candidates directly or through our Talent Network, a database of vetted candidates. We dig in and offer strategic advice and have even interviewed candidates for them.

Over the past year, we have:

- Added in-house recruiting as a capability through our Head of Talent
- Directly sourced full-time hires for key roles like CFO, Biz Dev Lead, Quant Trader
- Closed candidates for roles like Product Manager and Smart Contract Engineer
- Helped 15,000+ candidates discover open roles in our portfolio via Jobs Board



Expert Network

We facilitate introductions to subject matter experts and regularly invite them to hold closed-door webinars with our portfolio companies, including:

- Security Best Practices for Crypto / DeFi Companies with Trail of Bits



- Blockchain Governance 101 with Prysm Group
- Executive Coaching with Prysmaticco
- Designing for Traction with IDEO CoLab
- DeFi Product Design with DeepWork Studio
- Marketing Strategy with Serotonin



Board Guidance

Our goal is to serve as a sounding board for new ideas and to provide objective advice on challenges facing the company / project.

We participate as board members or observers in the following companies:

Blockfolio, Bitstamp, Coinme, Staked, Eco, Alchemy, Starkware, Chronicled, Wyre, Transparent Systems, Amber, and BitOasis.



Decentralized Governance & Participation

As users of various DeFi protocols, we actively support our ecosystems and participate in community governance.

- We're the most active institutional investor in DeFi governance - for example, we're the most active fund in Compound's governance system since its inception.
- We participate in open ecosystems within our portfolio through staking, voting, liquidity support, community forums, proposal support, and strategy discussions.

Examples include:

Polkadot, Maker, Compound, Augur, kyber network, Aave, Balancer, 1inch, Ampleforth, Øx, Audius, Origin, Oasis, and Zcash



Business Operations Support

We pursue recommendations and discounts for commonly-used services and tools to provide:

- \$500k+ of discounts on key tools and services for our portfolio companies
- Crypto-friendly, experienced points of contact for:
 - Banks
 - Law firms
 - Insurance
 - Marketing / PR
 - Recruiting
 - Security audits
 - Liquidity providers

We regularly embed our team members with portfolio companies for several weeks at a time on special projects, including:



- Making a last-minute push on marketing / content before launch
- Optimizing a sales process
- Building a hiring playbook
- Managing an M&A process

Technical Feedback

- The investment team includes senior professionals with engineering degrees from Columbia, Caltech and Princeton.
- On technical matter we speak to the companies often, in many cases weekly. We feel we are unique in that regard.
- We have an in-house trading team that often provides direct user feedback to our portfolio companies across both centralized and decentralized venues.
- We have worked deeply with following founding teams on token design and ecosystem launches from Day 1, including: **Audius, Augur, Numerai, Øx, Blockfolio, Alchemy, Ampleforth, Eco, Staked, and Origin**



Visibility & Connectivity

We make warm introductions to potential customers from our network and we are constantly pushing to expand our reach.

We amplify announcements and exposure to our audience through our various channels:

- Pantera Blockchain Summit, an annual event that brings together our portfolio founders and 300+ investors to discuss the latest industry trends
- Pantera Blockchain Letter, a monthly publication to our investors and the general public (100k+ readers)
- Monthly Investor Calls, open conference calls for the public + fund-specific calls
- for investors to share perspectives from our Investment Team and portfolio companies (~400-500 total attendees / month)
- VeradiVerdict, newsletter by Paul Veradittakit (11k readers)
- Social channels across Twitter, Medium, and other platforms (120k+ followers)

We have over 1,000 unique investors in our funds from around the world and across various industries.

We engage with Fortune 500 companies who are interested in the blockchain industry to share our perspectives and connect our portfolio teams (only when mutually beneficial and only with decision makers), including with:

Amazon, IBM, Fidelity, Goldman Sachs, Facebook, JP Morgan, Microsoft, BTGPactual, Sony, Visa, and PayPal.



Fundraising

We have strong relationships with both crypto-focused and traditional funds, across a broad spectrum of investment types and stages, having invested with the following (along with many others!): Coinbase, Sequoia, Digital Currency Group, USV, JumpCapital, Founders Fund, Lightspeed, and a16z.



We work closely with our companies in their fundraising process to identify investors that match their needs and to find the best way to engage them.

Our goal is to provide candid feedback on fundraising strategy, including our knowledge of market conditions, investor focus / appetite, and the long-term health of the company, and to roll up our sleeves when the time comes to raise capital (after all, this is our day job – not yours!).



M&A Strategy

We encourage our portfolio companies to aim high - in specific cases where M&A presents the best strategy to pursue their goals long-term, we actively support the process based on our industry focus and connectivity.

Examples include:

- [Blockfolio](#), crypto portfolio tracker, acquired by FTX (2020)
- [Tagomi](#), crypto prime brokerage, acquired by Coinbase (2020)
- [Coins.ph](#), Philippines-based crypto exchange, acquired by GoJek (2019)
- [Merkle Data](#), crypto risk management platform, acquired by Anchorage (2019)
- [Bitstamp](#), largest European crypto exchange, acquired by NXMH (2018)
- [Korbit](#), Korea-based crypto exchange, acquired by Nexon (2017)



Ecosystem Support

We recognize the value of supporting ecosystems in their early stages, especially as they grow their use cases, capabilities, and talent. When the opportunity arises, our approach is simple: to back the best teams without reservation and help them succeed.

Our investment rigor is an important part of the value we provide as early participants and investors. Therefore, we aim to selectively invest in and partner with the best-in-class builders and operators in the ecosystem. This allows us to concentrate our resources and provide a clear signal of our conviction in both the ecosystem and the teams building in it.

We regularly work with our portfolio and broader network to bring attention to early ecosystems and find value-add opportunities. This has led to the expansion of infrastructure services, developer tools, project integrations, and liquidity for supported ecosystems.



Case Study: Polkadot

As a leading investor in Polkadot, we're actively supporting the ecosystem through the approach described above. Given Polkadot's under-penetration in the US relative to Asia, our priority is to engage top-tier projects / teams in the US on Polkadot adoption.

Examples include:



Acala: Acala is building a DeFi-optimized parachain and stablecoin to support DeFi on Polkadot. Pantera led Acala's most recent funding round.

Alchemy: Alchemy is the leading blockchain developer platform and is considering expansion to Polkadot.

Ampleforth: Ampleforth is an elastic-supply commodity money, having pioneered the "rebase" mechanism, and is launching on Polkadot via Acala. Pantera is a seed investor.

Celer Network: Celer is enabling generalized state channels as a layer-2 scaling solution for Polkadot.

Injective Protocol: Injective is building a decentralized derivatives exchange protocol and integrating with Polkadot via Moonbeam. Pantera led Injective's seed round.

Staked: Staked is a leading staking infrastructure provider in the US and enabling Polkadot staking for institutional investors. Pantera led Staked's seed round.

