



The Best Way to Invest in Blockchain Businesses

## **Global Financial System Scenarios for 2030**

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[www.BlockchainCoinvestors.com](http://www.BlockchainCoinvestors.com)

# BLOCKCHAIN COINVESTORS AT A GLANCE

YEARS IN  
BLOCKCHAIN  
10

FUNDS  
MANAGED  
6

FUNDS  
BACKED  
> 40

ASSETS  
MANAGED  
> \$200m

PORTFOLIO  
COMPANIES  
> 750

BLOCKCHAIN  
UNICORNS  
> 70

OVERSEAS  
ALLOCATION  
≈ 45%

TEAM  
MEMBERS  
29



## INVESTMENT THESIS

- The Internet digitalized **Communications** and **Content**
- It was the greatest value creation event so far
- However, monies, commodities and assets are not yet digital...
- ... which means we can't get to a global digital economy
- Therefore, we must digitalize **Commerce** too...
- ...and all the worlds financial infrastructure must be upgraded
- Since businesses, individuals & governments transact all the time...
- ...this will be the greatest value creation opportunity ever.

# WHAT ARE SCENARIOS?

- *Scenarios aim to stretch thinking about the future and widen the range of alternatives considered*

Michael Porter

- *Scenarios are the most powerful vehicles I know for challenging our mental models about the world, and lifting the blinders that limit our creativity and resourcefulness*

Peter Schwartz

# SCENARIOS

- Scenario planning provides a means for ordering perceptions about how the future may play out and determining *what strategic decisions today offer the best chance of success tomorrow*
- Scenario planning challenges us to *revisit assumptions* and consider a wider range of possibilities about the future
- The point of scenario planning is not to predict the most probable future. Rather the objective is to develop and test strategic choices under a *variety of plausible futures*
- In the absence of a well-developed set of scenarios, single-point forecasting and/or a reluctance to allow uncertainty leads to a (usually unconscious) projection of an “*official future*”, which is the one assumed to be coming

Peter Schwartz  
The Art of the Long View

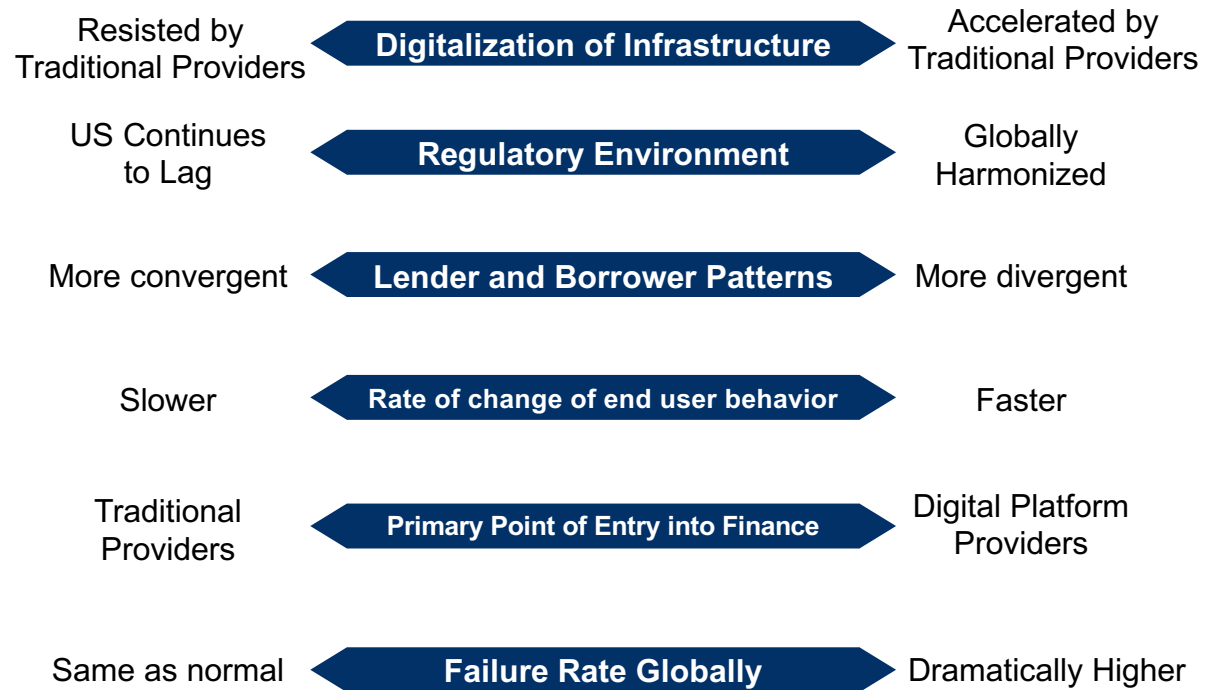
# FOCAL QUESTION & CRITICAL UNCERTAINTIES

*Focal Question: How will the Global Financial System Develop by 2030?  
And where/how should venture investors participate as a result?*

## Relative Certainties

- Population growth, urbanization, mega cities
- Increasing aging and influence of digital natives
- Mobile and other device proliferation (4bn to 8bn people)
- Increasing reliance on Digitalization to drive global economic growth
- Increasing and more sophisticated Internet security risks

## Critical Uncertainties



# TWO CRITICAL UNCERTAINTIES USED

*Ultimately, two critical uncertainties were chosen as the basis of the scenario framework*

## Resisted by Traditional Providers

### Digitalization of Infrastructure

## Accelerated by Traditional Providers

Traditional providers focus on current profit centers, and resist new and potentially disruptive innovations despite end user benefits

Traditional providers understand the benefits of digitalization and drive adoption globally across their businesses to the benefit of end users

## US Continues to Lag

### Regulatory Environment

## Globally Harmonized

US Lawmakers continue to lag their counterparts who have, and are, establishing pro innovation and pro digital financial services frameworks (e.g. EU, UK, Switzerland, Hong Kong, Singapore, Australia)

As a result, US financial services infrastructure is unable to capture the benefits of digitalization including broader access, greater speed and throughput and lower cost and risk. Competitive advantage shifts to the offshore, fully digitalized financial centers.

World's lawmakers favor pro innovation regulation and initial legislation from EU, UK, Switzerland, Hong Kong, Singapore, Australian is leveraged into a globally harmonized rule set with full US participation and adoption.

The benefits of digitalized financial services infrastructure build upon the benefits already captured from the digitalization of communications and content.

# SCENARIO FRAMEWORK AND SUMMARIES

## Accelerated by Traditional Providers

### “Global Digital Financial System”

*Powered by globally harmonized pro innovation rulesets and with the full support of traditional financial players, the digitalization of the global financial system is accelerated. Easy access, fast and low cost products, and transparent and reduced risk marketplaces predominate*

*Building on the digitalization of communications and content, this is a world in which the digitalization of commerce completes the shift to a true global digital economy*

### “Offshore Competitive Advantage”

*Offshore digital financial platforms proliferate, accelerated by traditional players and enabled by emerging technologies. Platforms are fragmented with efficient offshore, and inefficient US solutions. Spurred on by re-invigorated offshore financial centers de-dollarization accelerates.*

*A world characterized by a massive shift of transactions and dollars away from the US driven by digital natives and ambitious anti-dollar governments*

Digitalization of Financial Infrastructure

## Regulatory Environment

Globally Harmonized

US Continues to Lag

### “Big Players Takeover”

*High costs of regulatory compliance and increasing consumer privacy and security fears limit entry/players, as well as innovation in financial services. Increasing tensions between large banks/financial services providers and new digitally enabled players is resolved in favor of the former. A handful of ‘secure’ investment platforms and solutions dominate— ‘arbiters of trust’— re-bundling and re-integrating the world’s financial activities often with explicit government intervention.*

*A world of national flag carriers*

### “Wild Wild World”

*Traditional providers resist innovation and digital natives are forced to go offshore to find the accessible, fast, low cost and low risk solutions they prefer. However, without a clear and globally harmonized legal and regulatory landscape, and with traditional and disruptive players at loggerheads, chaos is the norm.*

*Regulators feel paralyzed or uncertain about how to put the Genie back in the bottle.*

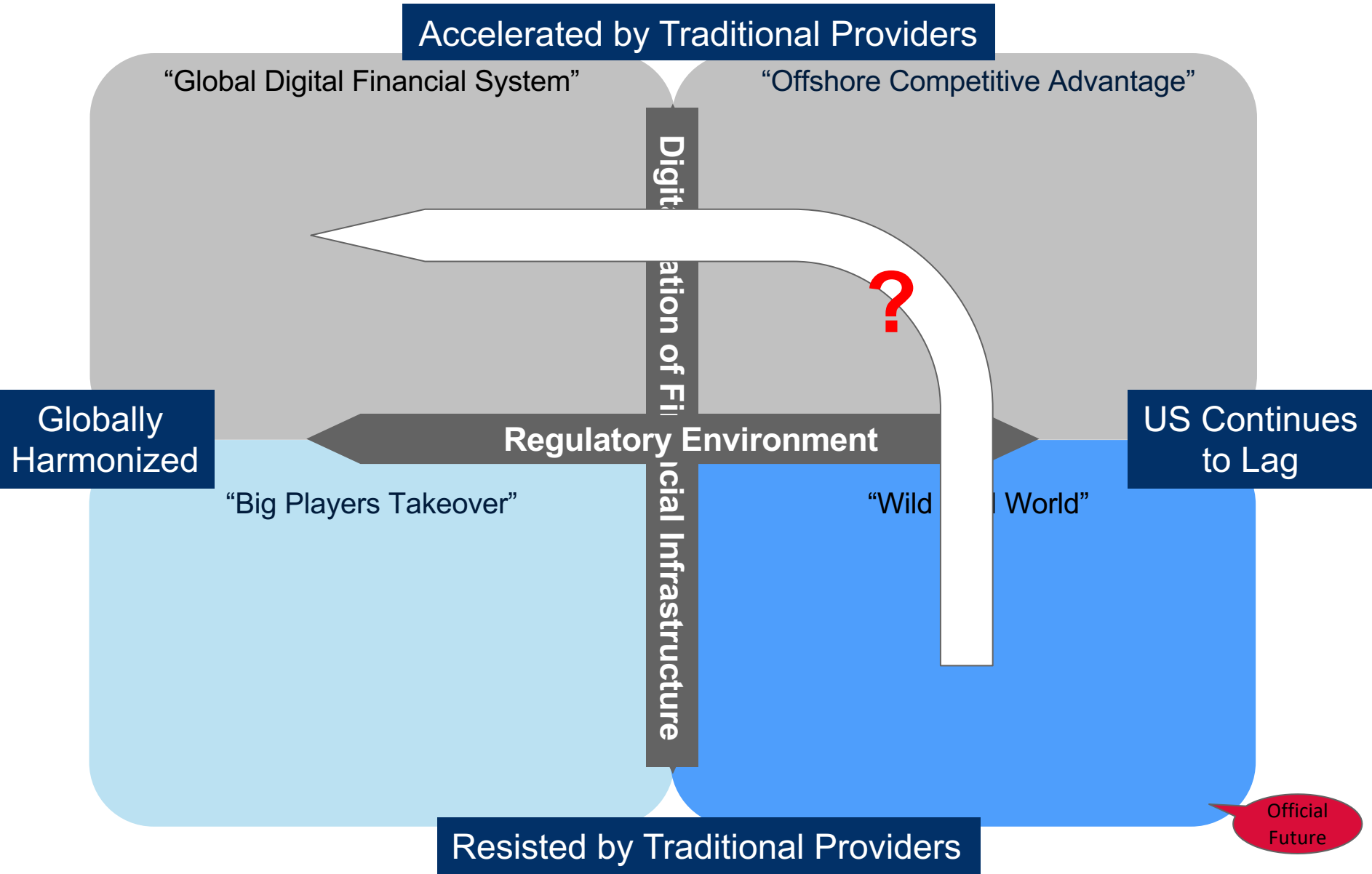
*Lots of money is made and lots of money is lost*

## Resisted by Traditional Providers

Official Future



# UNSTABLE 'OFFICIAL FUTURE'



# IMPLICATIONS FOR INVESTORS

Consider how your current investment strategies and tactics might differ in light of these plausible futures?

- What choices would you continue to take regardless – they are scenario neutral?
  - In uncertainty diversification is the most important principle
  - Where the locus of value creation is uncertain, multiple bets are required
  - Investing with the best investors is always a smart strategy
- Which choices would only make sense in specific futures?
  - How would you redirect your investing if you saw a specific scenario coming to pass?
  - What would you stop doing, what would you start doing?
- What early indicators of probable futures will you track?
  - E.g. US passes anti-innovation legislation as knee jerk reaction to FTX
  - E.g. US banks refuse to bank the next generation of innovative fintechs
- What actions can you be taking now?



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## Investor Relations

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