

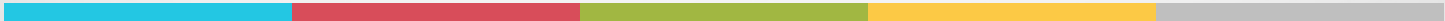
# MELONPORT AG

EDCON 2017



# An Asset Class is Rising

Fundamental View # 1



# We have seen this resistance before

All of these were once seen as "UNINVESTABLE" asset classes until...



## Junk Bonds

Mike Milken pioneered the space  
1980's

Today: > \$39.6 trillion



## ETF'S

John Bogle pioneered the space 1987

Today > \$1 Trillion



## Commodities

Goldman Sachs pioneered with GSCI  
in 1990's

Today > huge



## EM

Templeton pioneered first EM fund  
2001

Today EM > huge

# And we are seeing it again with Crypto...

We fundamentally believe that crypto is an emerging asset class

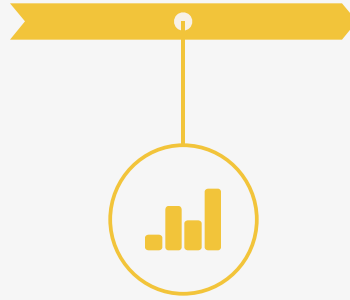


## Huge growth!!

From \$0 - \$15bn market cap

Since 2009

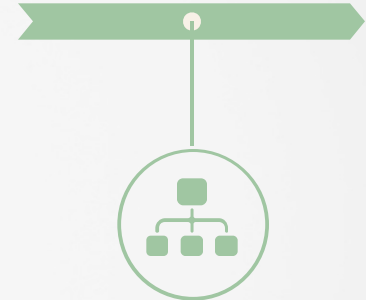
Excluding Bitcoin, Token market cap is  
growing 350% per year



## Completely uncorrelated returns!!

S & P | GSCI

BTC | ETH



## Who will pioneer this new Asset Class?

We don't know

But... they will be using Melon protocol

## Current Users of Crypto

With crypto assets exploding in 2016, new crypto hedge funds are appearing EVERY day – in the last year estimated close to \$1-2bn is actively being managed in the space and growing fast

**CoinFund**



**TokenMarket**



**PRIVATEMARKET.IO**



**Satoshi•Fund**



**POLYCHAIN CAPITAL**

# **Comparing Crypto to Current Asset Classes and Trends**



	CRYPTO MANAGERS	TRADITIONAL MANAGERS
<b>Maturity of market</b>	Brand new, rapidly expanding, very fragmented,	Mature market, highly concentrated, extremely high and inefficient cost base
<b>Problems facing this market</b>	Lacking regulatory framework, identify management	High cost base, inefficient processes & concentration due to high barriers to entry
<b>Opportunity</b>	<p>Build a software and technology to support portfolio managers who will pioneer this asset class and make it “investable”</p> <p>This software is called the Melon protocol</p>	<p>Extremely high costs eliminate funds with &gt; \$150-200mn in AUM.</p> <p>Opportunity to apply the Melon protocol to real world assets which are fast becoming “blockchain-ized”. This can dramatically reduce industry costs and make fund set up and managing hugely more efficient.</p>
<b>Solution</b>	Phase I: Team up with regulatory & financial partner to design framework and implement with pilot testing	Phase II: Use existing framework and apply to traditional market to dramatically lower cost base and modernize archaic processes

# Traditional Asset Management Industry Analysis by PWC

“Since 2008, the asset management industry has undergone tremendous change. There are four trends in particular that will likely have a material impact on the growth of the fund administration industry. We define these four trends as:” - PWC

PWC's Four increasing Trends:	Translation	Smart-contracts Solve $\frac{3}{4}$ of These Problems
Increased Regulation	More reporting requirements = more work	Potential to automate & enforces using blockchain
Convergence	Fund structures changing	N/A
Cost Efficient Operations	Shifting to automation – too manual and labor intensive	Potential to automate & enforces using blockchain
Demand for Expanded Outsourcing	Looking to reduce costs	Instead of outsourcing to humans – shift to technology.



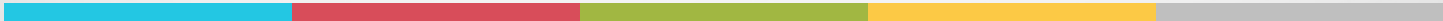
# **We Are Creating the Investment Management Infrastructure for Crypto**

The Melon Protocol



## **The Melon Protocol ... Enables the Following:**

- Set up a decentralized fund structure : Can be thought of like a transparent “fund prospectus”. Rules are set by the melon protocol and enforced by the blockchain
- Manage your fund within the fund structure you have selected: Trade within your selected asset universe, with approved counterparts and remain within any restrictions that you have imposed by the fund structure.
- Build a track record: Melon standardizes performance calculations and accounting practices in a completely transparent and reliable manner using blockchain technology
- Invest: In other funds or allow others to invest in yours.

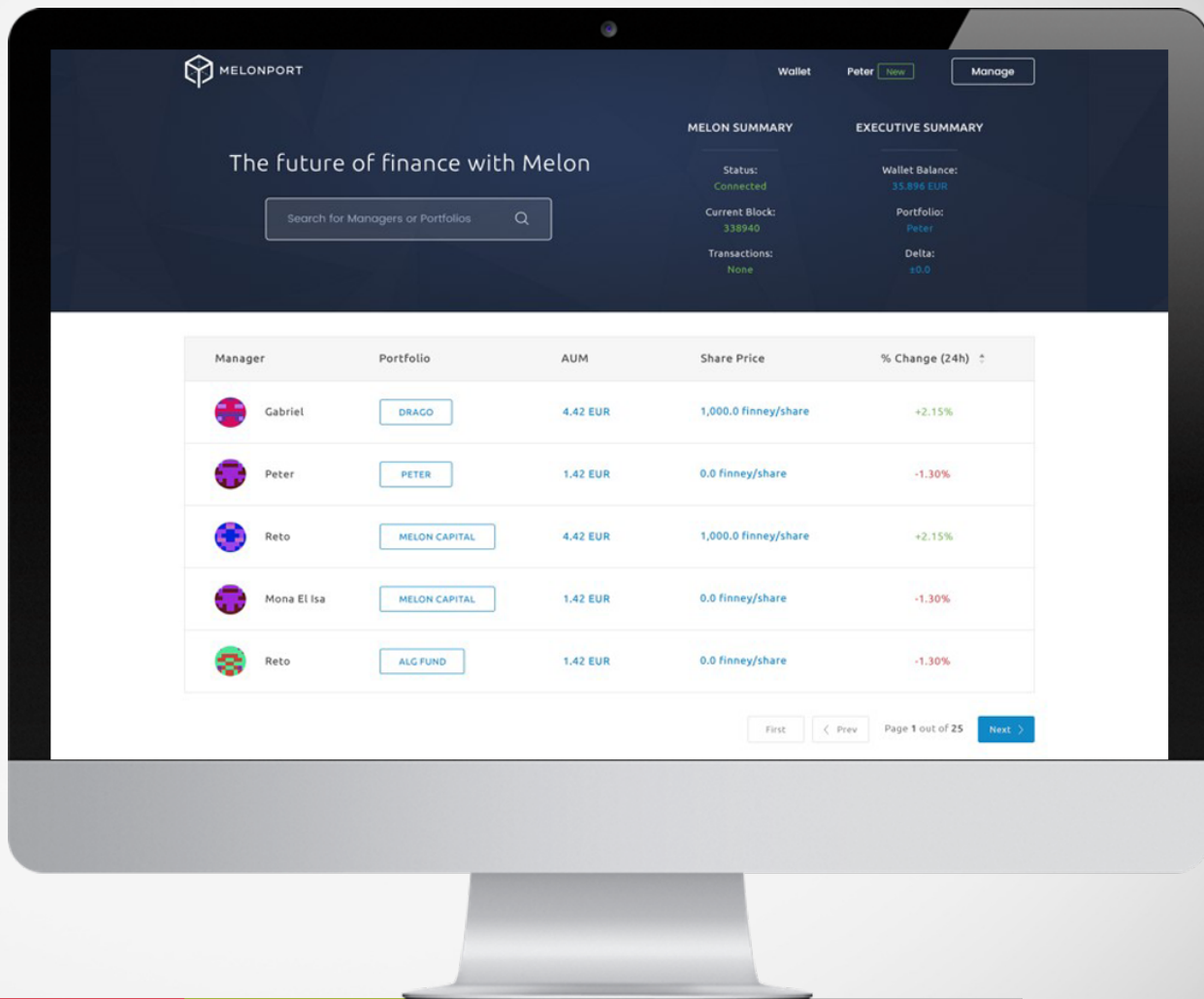


## Easy to Use

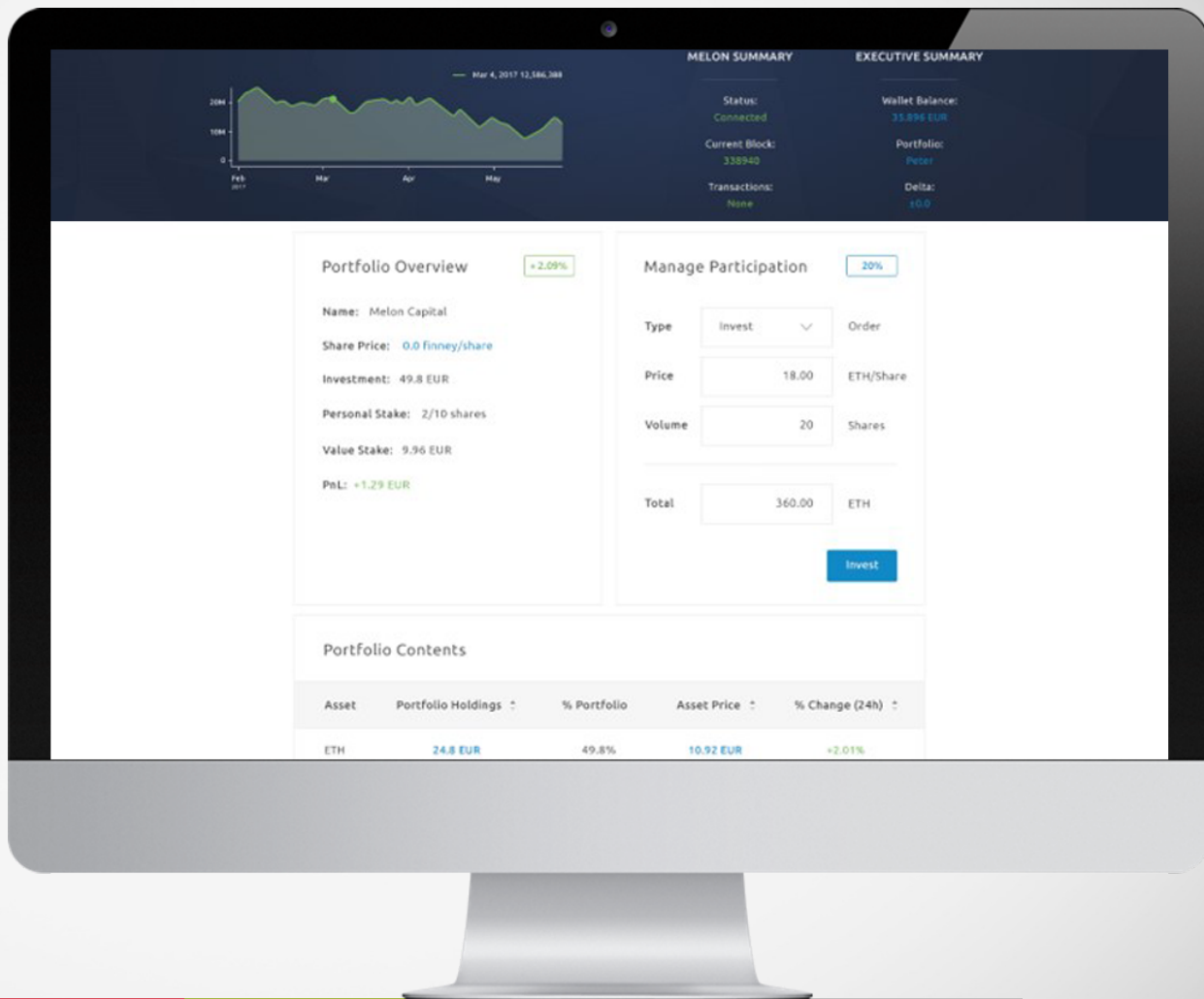
- Melonport builds first User Interface for the protocol (like google did for internet protocol).
- Anyone is free to use the protocol with their own interface



# Easy to Use



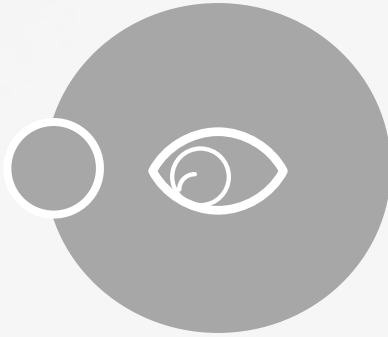
## Easy to Use



# Cheap, Transparent & Efficient

## Open & Transparent

- Open-source
- Trading and managing activity on the blockchain
- Standardized track record



## Modular & Inclusive

- Recognizes need for non-negotiable elements
- Recognizing the need for opinion



## Lower Costs & Time

- Almost completely eliminates fixed costs
- Variable costs massively reduced



## Decentralized & Reliable

- Only requires trust in the code
- Future proofs development through allocating token incentives to developers

# **If Successful, This Infrastructure Can Be Applied To Traditional Fund Management and VC structures**

# **The Melon Protocol Could Dramatically Revolutionize & Disrupt Traditional Fund Administration**

The Melon Protocol





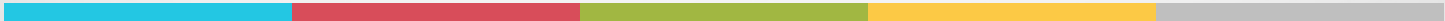
**Especially as Real-world Assets Rapidly  
Become “Blockchain-ized”**

The Melon Protocol



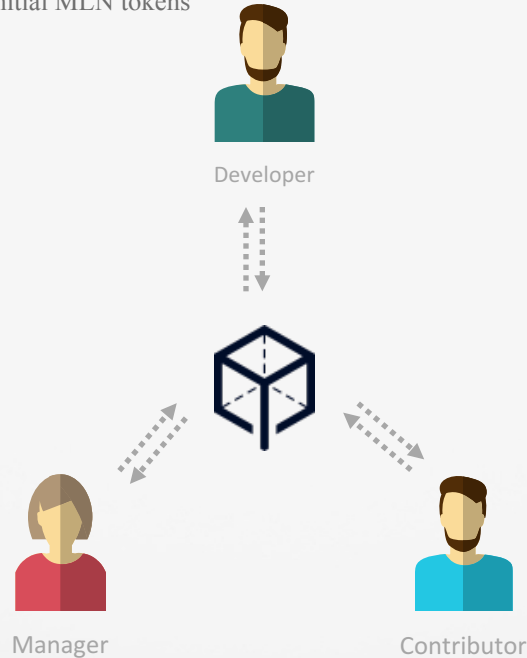
## Some examples of real world value which has already been “Blockchain-ized”;

- Gold (Digix)
- USD (Decentralized Capital)
- EUR (Decentralized Capital)
- GBP (Decentralized Capital)
- CNY (Decentralized Capital)
- JPY (Decentralized Capital)
- HKD (Decentralized Capital)
- CHF (Decentralized Capital)
- PLN (Decentralized Capital)



# An Innovative Business Model with Aligned Incentives

- Users pay using MLN; a crypto “gas” licensing software fee for asset management
- Developers/ coders/ regulators/ financial providers are incentivized to add automated & high quality modules to the software so that they can earn MLN token. These high incentives future proof development.
- Early contributors to the project get initial MLN tokens



# Core Features & Flexible Add-ons

Core  
(\*Non Negotiable)



Module Classes to choose from:



Portfolio



## Exchange

E1

E2



En

## Asset Universe

R1

R2



Rn

## Price Feeds

F1

F2



Fn

## Fees

P1

P2



Pn

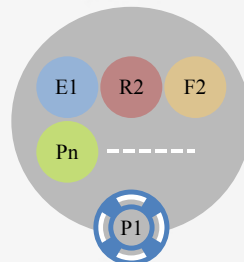
## Risk Management

M1

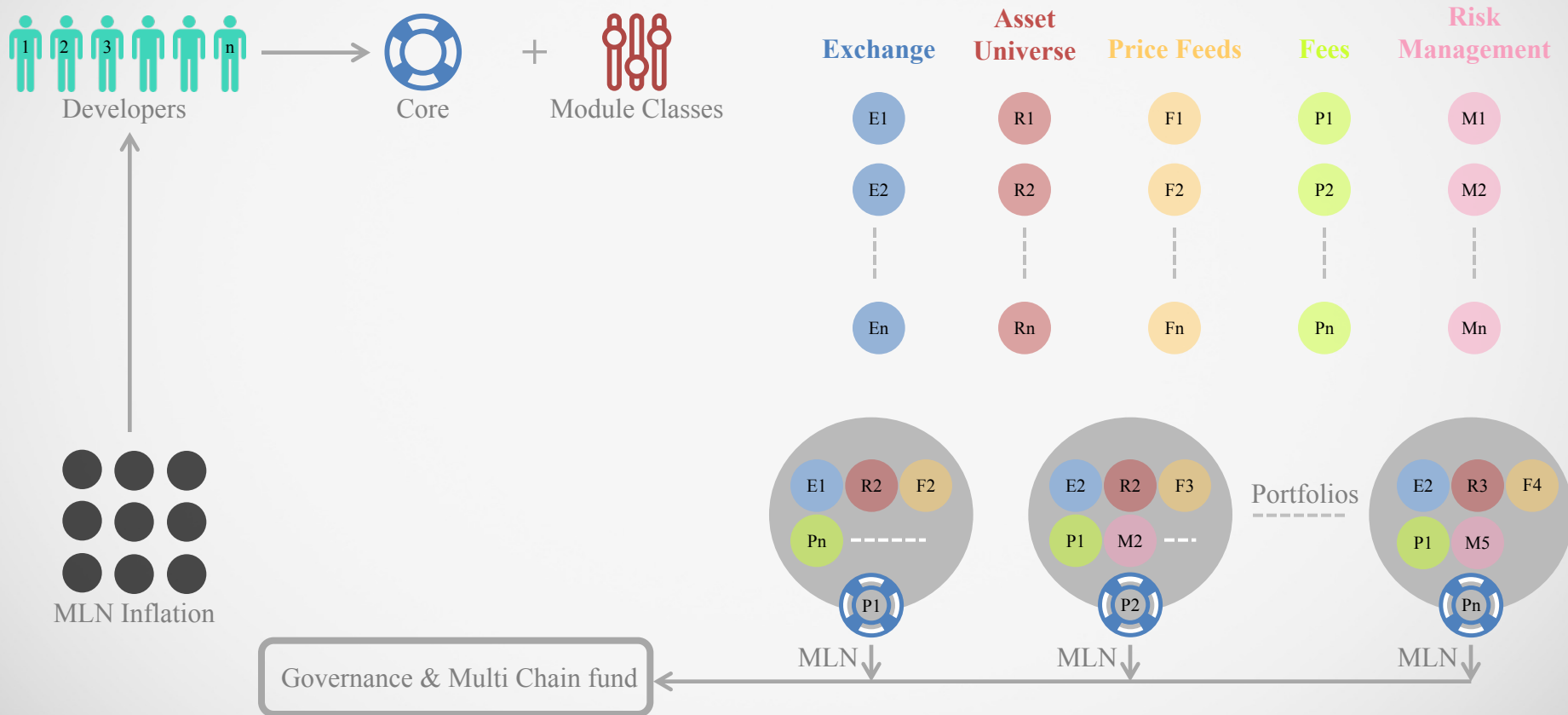
M2



Mn



# A Thriving development Ecosystem with built-in Incentives



# **\*\*\*Announcement\*\*\***

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