

account restrictions (no exposure to sub-investment grade corporate bonds, no portfolio duration greater than 2.5 years) and willingness to give two weeks notice before redemption.

By the time of her next sip, the client is onboarded and invested. When she started in the business twenty years ago, it took months and required huge overheads to maintain the staff required to manage the client on-boarding process. Now it takes seconds and costs virtually nothing. She finishes her coffee, shuts down her terminal and makes her way to the centre of town. Today is the Melon Council DAO meeting, one of the most important events of the year. She was recently nominated by some of the fund managers to represent the network's users and she's feeling pretty excited as this is her first meeting as a member of the DAO. The Melon network now secures \$4 trillion in crypto assets under management (5% of the world's total asset management industry and growing fast) and counts 50,000 users. The hot topics this year will be an analysis of trading volumes on all the decentralised exchanges (DEXs); the Council is debating whether to continue maintaining all 20 or focus on the 80-20 rule; 80% of the volume comes from 20% of the exchanges. Another big issue is inflation - now that the ecosystem has matured substantially, there is a user-led movement to reduce gas fees on the network. And also there'll be the latest review of projects applying to the Melon Council DAO for funding. Who would have thought back then that a16z, Placeholder, Dragonfly, Fenbushi, Bitcoin Suisse and Blackrock would all be sitting on the Melon Council DAO 10 years ago. She takes her notes, grabs her Aragon DAO voting key and runs to catch the elevator so that she's not late.

Outlook 2020

Okay, so I got a little bit carried away with my 2030 outlook. But none of this is as far away as some of you might think. The building blocks to asset management 3.0 are all being built right now. The Melon Protocol, the underlying infrastructure for on-chain asset management, was released to the Ethereum main-net in March 2019, it now has four projects building tools and applications on top of it, and a growing user base - currently 144 active funds and nearly a quarter of a million USD's worth of assets under management, with many more funds planning to come on line in 2020.

I think 2020 will be a critical year for crypto. Let me explain why. Normally, the market takes care of

pricing things correctly. At the moment, however, this doesn't seem to be the case with crypto. Some really economically sound token models are significantly (in my opinion) underpriced, while other questionable token models (and products) are massively overpriced, with prices over emphasising the value of the network. Frankly, I think that's down to data, or the lack thereof,

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but I'll return to that later. The reality is that current token prices tell us virtually nothing - partly because there is hardly any liquidity and partly because it's too early to see usage pick up. In fact, current token prices are giving us negative information. One of my favourite examples is there are two DEXs (which I won't name): DEX A and DEX B. DEX B trades more daily average volume and has a more sensible token model. DEX A's market cap is more than six times higher.

The bad news is that this mis-pricing combined with some of the more questionable token models may be the death of some very good projects and teams in 2020 that are dependent on their token model for sustainability until the usage picks up. There's not much that can be done about bad token models, except iterating on models. This is happening in some cases; sometimes token models are getting better, sometimes it seems they're actually getting worse. The best of the models will probably find a way to reflect usage of a network into the value of a token without compromising network integrity or stakeholders' interests. But 2020 could be the year that a lot of really promising projects fall by the wayside.

The good news is that the same risks described above also provide fantastic opportunities. The projects that do survive will be very well placed for the next decade. From where I'm sitting there have never been more alpha generating opportunities for the taking. My outlook for 2020 will be that smarter investors will start to get involved and bring valuations to more rational levels. And for those who want to be part of the first wave of on-chain asset management pioneers and do it publicly, transparently and with full fund automation, on-chain price record and integration with DEXs - there's always Melon. But how do we get from here,