

Welcome to Morgan Creek Digital's weekly digital asset update. We are using this week's update to share some exciting news about Morgan Creek Digital.

Please let us know if you have any comments or questions or if you would like to speak to a member of the [Morgan Creek Digital team](#).

MORGAN CREEK DIGITAL UPDATE

We are pleased to announce the \$80 million first close for Morgan Creek Digital Fund III ("MCD III"), our third venture fund focused on Blockchain technology and digital assets, which has a \$400 million target size.

Since its launch in 2018, Morgan Creek Digital ("MCD") has successfully deployed approximately \$150 million across two previous funds and has earned a reputation as a thought leader in the Digital Assets space. Some notable past portfolio investments include BlockFi, Figure Technologies, Coinbase, Bitcoin, Avanti Bank, and eToro.

MCD is led by General Partners, Mark Yusko, Sachin Jaitly, and Xavier Segura. This team brings decades of experience as entrepreneurs, executives, and investors in technology companies, with a focus on Blockchain technology, Artificial Intelligence, and Big Data. Morgan Creek Digital will deploy capital through an inclusive strategy that seeks to back a diverse group of founders.

MCD III will focus on investing in Blockchain Intelligence, which brings together both Blockchain technology and AI, across Digital Assets, DeFi (Decentralized Finance), and Data infrastructure companies. "We believe that the combination of Blockchain with AI is the next evolution for these technologies, and will result in significant opportunities for our investors" stated Xavier Segura, "We are particularly excited to have MCD III's first investment be as a lead investor in Figure Technologies. Figure is a prime example of harnessing the power of Blockchain and AI to solve real-world problems in the financial services sector." Sachin Jaitly, who has recently joined Figure's board stated, "We believe Figure has not only built a world-class lending business, but CEO Mike Cagney and his team have also built a powerful Blockchain platform to help power the future of finance."

MCD III's first close was anchored by a \$66 million commitment from Fairfax County Employees' Retirement System and Fairfax County Police Officers Retirement System. "We are honored to have earned the trust of the CIOs and Boards of the Fairfax System to help them with their fiduciary role of providing strong returns for their beneficiaries," said Mark Yusko, Managing Partner of

MCD and CEO and Chief Investment Officer of Morgan Creek, "We are grateful for the support and partnership of our investors, and we value the close working relationships with our LPs."

"One of our strategic objectives at Fairfax County is to capitalize on the illiquidity premium available to long-term investors willing to commit to venture capital. We have been impressed with Morgan Creek Digital's focus on investing in the critical infrastructure necessary for building out the Blockchain technology ecosystem" commented Katherine Molnar, CIO of the Fairfax County Police Officers Retirement System. "We share Morgan Creek Digital's core belief that innovation as an asset class should be a significant portion of institutional portfolios. As fiduciaries, integrating venture capital strategies focused on innovation have helped Fairfax County deliver value for our beneficiaries over the long term" said Andrew Spellar, CIO of the Fairfax County Employees' Retirement System.

RUNDOWN

Ex-Morgan Stanley Traders Turn Crypto Startup Into Unicorn: A group of former Morgan Stanley traders has turned their cryptocurrency venture into a unicorn by bringing Wall Street strategies to the brave new world. Amber Group, founded in 2018, raised \$100 million from investors including DCM Ventures and Tiger Global Management, ramping up its valuation tenfold to \$1 billion in just 18 months. The Series B fundraising also includes China Renaissance Group, Tiger Brokers, Gobi Partners and existing backers such as Coinbase Global Inc. and Pantera Capital, Hong Kong-based Amber said. [Read more.](#)

Visa, PayPal Join Crypto VC Blockchain Capital's New \$300M Fund: PayPal and Visa are chasing bets across the crypto industry as partners in Blockchain Capital's fifth venture fund, a \$300 million war chest announced last Tuesday. The increasingly crypto-savvy companies are relative newcomers to crypto VC. While both have invested directly in a handful of crypto startups, joining as limited partners (LPs) means an outside manager will place broader equity investments on their behalf. PayPal confirmed to CoinDesk this is its first such arrangement with a crypto VC firm. [Read more.](#)

Stronghold Digital Mining Raises \$105M to Turn Waste Coal Into Bitcoin: The fight for clean energy-powered cryptocurrency mining moved forward last Tuesday as Stronghold Digital Mining, a digital asset miner powered by alternative energy, announced a \$105 million funding round. The raise comes from two private placements of equity securities, with investors being granted registration rights that require a future public listing, Stronghold told CoinDesk. Investors include MG Capital, various family offices and Greg Beard, a former senior partner at private equity firm Apollo Global Management. Beard is listed as Stronghold's co-chairman and CEO. [Read more.](#)

Bipartisan Crypto Bills Pass U.S. House of Representatives – Again The U.S. House of Representatives passed two crypto bills last Tuesday evening. The Consumer Safety Technology Act, sponsored by Rep. Jerry McNerny (D-Calif.), directs the Consumer Product Safety Commission to establish a pilot

program to explore use cases for artificial intelligence in commerce. The two blockchain bills – the Blockchain Innovation Act and parts of the Digital Taxonomy Act – direct the Secretary of Commerce and the Federal Trade Commission to study and report on the use of blockchain technology and digital tokens. [Read more.](#)

Brazil Stock Exchange Lists First Bitcoin ETF in Latin America: Blockchain investment firm QR Capital's bitcoin exchange-traded fund started trading on the Brazil stock exchange last week. In March, the Brazil Securities and Exchange Commission approved QR Capital's bitcoin ETF to trade on the Sao Paulo-based B3 exchange under the ticker QBTC11. [Read more.](#)

Ant Group Says NFTs Are Not Cryptocurrencies After Digital Artwork Sells Out: 16,000 copies of NFT-backed app images sold out on Ant Group's payment platform Alipay within hours last Wednesday. The sale, however, prompted the Jack Ma-controlled Ant Group to clarify that non-fungible tokens are not cryptocurrencies, Reuters reported. Ant's swift response appears to be related to China's intensifying crackdowns on crypto trading and mining. [Read more.](#)

Important Disclosures

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