

FINANCIAL SERVICES

## Bond translates traditional investing experience to cryptocurrency

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*Bitcoin dropped almost 50 percent last week, only to rebound a few days later. Image credit: RYB*

By SARAH JONES

A new cryptocurrency platform is aiming to convince hesitant high-net-worth investors to embrace a digital stock exchange.

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Bond is an equity offering that allows individuals to purchase securities in an asset portfolio that includes real estate, properties and cryptocurrency. Looking to ease affluent consumers into blockchain, Bond attempts to more closely replicate the experience of trading on NASDAQ or FTSE.

"Our mission with Bond is to introduce a stable cryptocurrency product to HNW investors and build a bridge between the world of institutional HNW and cryptocurrency investment," said Robert Edwards, founder of **Bond**, London.

"The headlines around cryptocurrency in recent months have been dominated by Bitcoin and its dramatic rise and fall, and cryptocurrency was essentially just becoming a moniker for volatility," he said. "We know that, by and large, most institutional investors prefer longer term, more steady rates of return but there wasn't a cryptocurrency product on the market that was offering this.

"The reality is that HNW and institutional investors have been steering clear of cryptocurrency because, understandably, they are put off by the risk and eye it with suspicion. There are also big cultural differences between the worlds of institutional investment and cryptocurrency investment.

"Yet at the same time, a growing number of HNW and institutional investors were keen to explore cryptocurrency, but they weren't sure how to enter the cryptocurrency market. Bond was therefore designed to make it easy for HNW investors to take their first steps in cryptocurrency in a familiar, reassuring, transparent way."

Alternative investment

Bond is open to consumers who have annual household incomes of 140,000 pounds, or about \$196,000.

Investors buy securities, or "Bond Units," in a portfolio that is comprised of both cryptocurrency and traditional assets.

Thirty percent of the asset fund is peer-to-peer bitcoin lending, and alternative cryptocurrencies make up 10 percent of the assets. Another 30 percent is the Billion Hero Campaign.

The remaining 30 percent includes property bonds and real estate.

Like traditional securities, Bond Units can be bought, traded and sold on an exchange. This offers a familiar transaction and wealth management format in a digital environment, using the decentralized Bitshares exchange.



*Bond operates more closely to the stock market. Image credit: Bond*

For instance, a consumer might buy \$150,000 worth of Bond shares, let them accrue value and then sell them to another accredited investor after a year.

As of press time, 5 million Bond Units are being made available in pre-sale. Priced at \$1 per share, those who are interested in investing need to make a contribution of at least \$500.

"We wouldn't be as arrogant as to think that one new platform could threaten entire traditional stock markets," Mr. Edwards said. "But we do believe that you can take the concept of shares and buying, selling and trading those shares and operate that investment model within the cryptocurrency world.

"The model of bond where investors essentially buy shares in an asset portfolio is a traditional investment vehicle," he said. "Unlike many other cryptocurrencies, this isn't about quick gains and getting rich quick. It's about offering steady returns over a longer term.

"So essentially, we have taken a traditional, accessible investment model, offering responsible investment and steady returns, which we hope will be familiar and offer confidence to institutional investors, but are offering it as a cryptocurrency investment. By doing so we hope to bridge the gap between traditional and new."

The cryptocurrency market has seen investors receive massive returns, but it has also been volatile. In recent months, bitcoin's value has fluctuated, rising and falling rapidly.

An analyst quoted by [CNBC](#) projected that bitcoin will rise to \$100,000 this year.

In the past week, bitcoin's value has fallen below \$8,000 multiple days in a row.

In response to the unpredictability of bitcoin and other cryptocurrencies, a number of banks including Chase, Citigroup and Bank of America have all banned the use of credit cards to purchase these digital currencies.

Facebook also just announced it will be blocking advertisements for cryptocurrencies.

#### Buying bitcoin

Despite some of the detraction from traditional financial institutions and Facebook, cryptocurrencies still appear to be gaining ground with the high-net-worth crowd.

From yachts to fine art, using cryptocurrencies as payment for high-priced items has gained traction among the world's affluent.

The most mainstream of the cryptocurrencies, bitcoin's valuation recently rose significantly to more than \$10,000

per "coin," a growth spurt of 1,000 percent in just 11 months after beginning 2017 at \$963 each. According to the [International Business Times](#), at the start of the year, the cryptocurrency market was valued at \$18 billion, but it is now worth a reported \$300 billion, with bitcoin representing more than half of that figure ([see story](#)).

As wealthy consumers continue to embrace the possibilities of cryptocurrencies such as bitcoin, the affluent must remain cautious of hacks and data breaches.

More and more wealthy consumers are taking up bitcoin, and their wallets are swelling in accord. This presents a perfect opportunity for criminals and hackers, necessitating affluents to learn ways to protect themselves from having their digital currencies stolen or compromised in any way ([see story](#)).

"One of the biggest reasons HNWs haven't embraced cryptocurrency is because of the anonymous nature of it, and the fact it is so unregulated in comparison to regular markets and investments," Bond's Mr. Edwards said. "We therefore wanted to offer a cryptocurrency product that offered reassurance and transparency to an affluent audience.

"Firstly, Bond has been granted an exemption by the SEC to sell securities in the U.S.," he said. "All investors must be what is known as accredited or institutional that is, they must have an annual salary of at least \$200,000 or a net worth of at least \$1 million. Furthermore we also undertake full KYC (know your customer) due diligence checks on any potential investor to ensure we fully know who is investing."

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