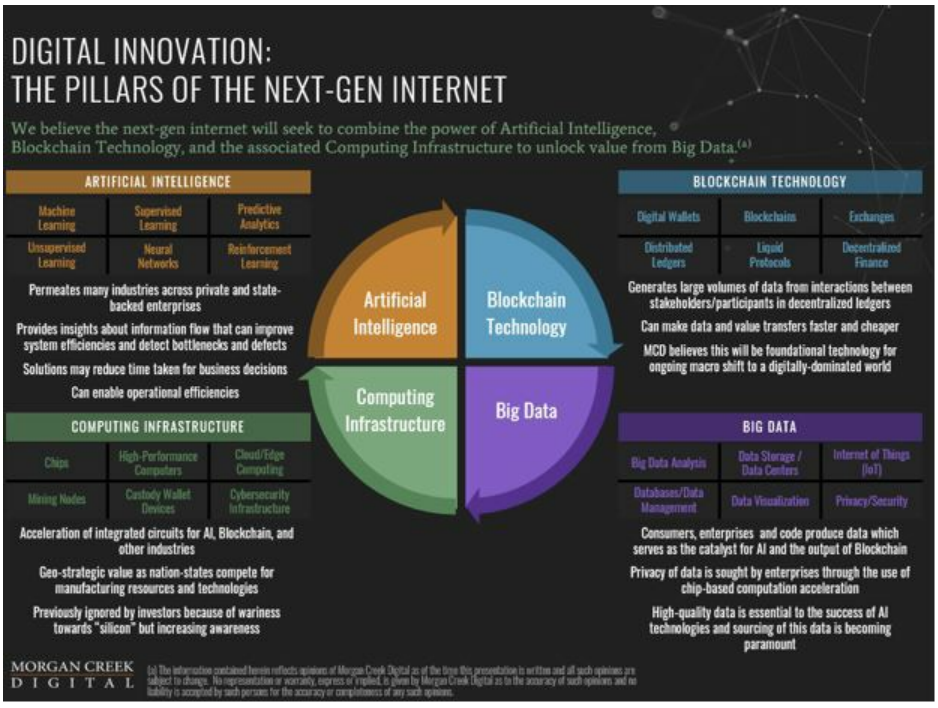
MORGAN CREEK
DIGITAL
ALTERNATIVE THINKING ABOUT INVESTMENTS

Welcome to Morgan Creek Digital's digital asset update. It is comprised of a thought piece from our team. We hope you find this content interesting. 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's core investment thesis revolves around the concept of Digital Innovation, which refers to the development of new digital technologies, products, and services that seek to transform industries and improve how we live and work. In particular, we believe the next-gen internet will seek to combine the power of **Artificial Intelligence**, **Blockchain Technology**, and the associated **Computing Infrastructure** to unlock value from **Big Data**. These four pillars have become critical components of modern business, and as such, investing in companies that utilize and apply these technologies may generate significant opportunities for wealth creation.



Artificial Intelligence (AI) is a transformative technology that has the potential to revolutionize many industries. As businesses increasingly rely on data-driven decision-making, AI offers a unique opportunity to extract valuable insights and drive efficiencies.

We believe that AI technology's broad applications, from healthcare and finance to transportation and retail, make it an attractive investment opportunity. AI-powered systems are already used in certain industries to optimize operations, reduce costs, and improve customer experiences. Investing in AI can take many forms, including investing in companies that utilize and apply AI technologies, such as machine learning and natural

language processing, as well as AI companies that offer AI-as-a-service, which are software solutions that integrate AI into existing systems to improve their operations or products.

Blockchain is a distributed ledger technology that seeks to provide secure, transparent, and tamper-proof records of transactions. The use of blockchain technology is not limited to cryptocurrencies but extends to other sectors, such as supply chain management, voting systems, and digital identity management.

MCD is attracted to “picks and shovels” opportunities of blockchain technology, including companies that develop blockchain solutions, such as platforms, protocols, and smart contracts. MCD also plans to look at companies that implement blockchain technology into their operations, such as supply chain management or financial services. Additionally, we may invest in Digital Assets and cryptocurrencies that leverage blockchain technology, such as Bitcoin and Ethereum.

Computing Infrastructure refers to the physical and virtual (hardware) components that support the delivery of computing services. We believe that cloud computing, high-performance computers and their associated chips, edge computing, and high-performance computing, are all critical components of modern computing infrastructure.

The adoption of cloud computing has been proliferating in recent years, and this shift has been driven by the need for businesses to scale quickly, reduce costs, and improve agility. Edge computing, which brings computing closer to the devices that generate and use data, is another area of computing infrastructure experiencing growth. High-performance computing uses supercomputers and computer clusters to solve advanced computation problems.

Big Data refers to the vast amounts of structured and unstructured data that businesses and governments collect and analyze to gain insights and make informed decisions. The analysis and interpretation of big data can provide insights into various sectors, including finance, healthcare, and retail.

We believe there are opportunities in companies that develop big data analytics solutions, such as software and platforms that can handle massive amounts of data, as well as companies that provide data storage and processing solutions. Internet of Things (IoT) is another sector that utilizes big data to give unique insights into everyday devices like refrigerators or thermostats to optimize energy usage.

There are overlaps between these four pillars of Digital Innovation. ASIC chips for cryptocurrency mining fall under both Blockchain and Computing Infrastructure, while the data storage protocol Filecoin applies to both Blockchain and Big Data. Blockchain Intelligence combines the power of AI and Blockchain to information. MCD seeks crossover applications of these four pillars of **AI**, **Blockchain**, **Computing Infrastructure**, and **Big Data**, as we believe these sectors will often complement one another in the development of the next-generation internet.

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