



Investment Thesis

Aptos

APT

Basic Information

Token type	Native Currency
Price	\$8.04
GCCS Classification	Smart Contract Platform, Infrastructure, Native Currency
Sector	Smart Contract Platform

Key Metrics

Price Range (1Y)	\$4.99- \$18.14
All-Time High	\$19.92
All-Time High Date	December 29, 2022
Down From All-Time High	-51.1%
Market Capitalization	\$4.26B
Volume (24h)	\$375,097,294
Circulating Supply	519,776,168
Max Supply	1,125,107,687
Total Value Locked (TVL)	\$903M
Annualized Staking Yield	~7%

Source: CoinGecko, DeFiLlama, Artemis
Data as of November 4, 2024

Overview

Aptos is a high-performance blockchain platform designed for institutional-grade Web3 applications. Its parallel transaction processing achieves a theoretical throughput of 160,000 transactions per second with 200-millisecond settlement times. Aptos uses the Move programming language, originally developed for Meta's Diem project, to enhance smart contract security and efficiency, making it a top choice for enterprise needs.

Aptos prioritizes user-centric security, offering flexible key management for easy credential updates and private/public key options. Users can preview transactions before finalizing, providing transparency and protection against potential scams or errors. To improve accessibility, Aptos launched "Jambo," a \$99 smartphone with a pre-installed crypto wallet, ideal for emerging markets.

Aptos Labs, the platform's developer, is led by a team of experts, including CEO Mo Shaikh, who led blockchain partnerships at Meta and advised the World Economic Forum, and Co-founder/CTO Avery Ching, who led Meta's crypto platform team.

- **2021:** Aptos founded by Mo Shaikh and Avery Ching after leaving Meta's Diem project
- **October 2022:** Aptos mainnet and token deployed
- **October 2023:** Partnership with Microsoft to build an AI chatbot for user onboarding and explore financial blockchain solutions, including asset tokenization, CBDCs, and advanced payment systems
- **February 2024:** Passwordless passkey authentication implemented, allowing transaction signing similar to Apple Pay
- **October 2024:** Franklin & Templeton launched its OnChain U.S. Government Money Fund (FOBXX) on Aptos

Key takeaways

- Aptos network **builds on Meta's research** for the Diem and Novi stablecoin projects, offering high transaction throughput and fast settlement times.
- Enhances security by making it harder for buggy code to reach live environments, thanks to Move's safeguards, **creating a safer framework for smart contract development.**
- Includes **several user-friendly features like passwordless authentication** and transaction pre-execution previews, allowing users to review transaction details before approval
- **APT**, the native token of Aptos, serves as gas for transactions, supports governance, and can be staked to secure the network.

Risk factors

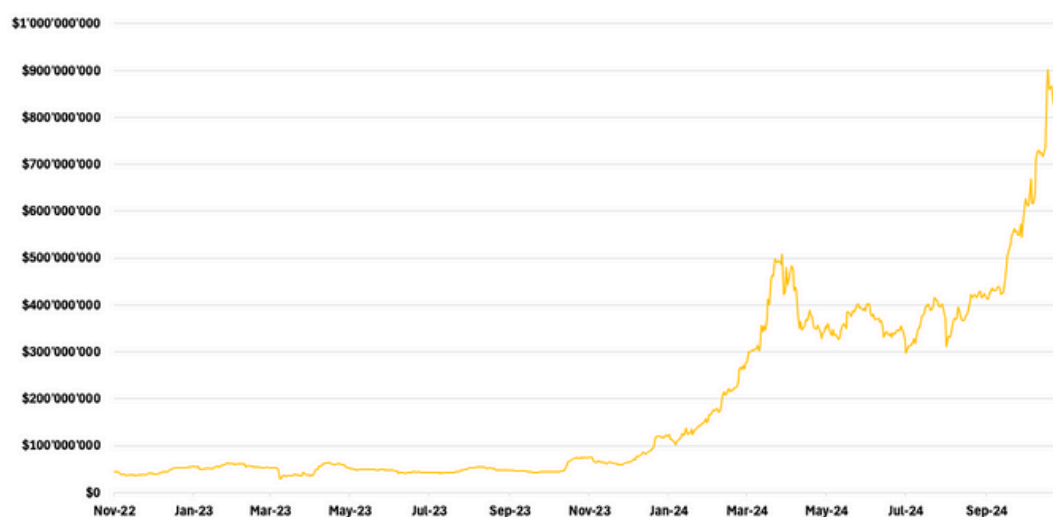
- **Technology risk:** Neither the Move programming language or the network's consensus mechanism are yet to be battle-tested.
- **Market Risk:** FTX liquidation estate has close to \$230M worth of APT that they will sell at some point to meet the creditors' demand.
- **Competition Risk:** Aptos faces competition from other embryonic protocols like SUI which uses the same version of the MOVE language used in the Diem project, while facing cannibalization risk from established network like Solana.
- **Regulatory Risk:** the legal status of smart-contract platforms tokens isn't clear yet, despite some of the progress seen in the US in 2024 and the arrival of the MICA regulatory framework in Europe at the end of June 2024.

Aptos (APT) Price Performance



Source: CoinGecko. Data as of November 4, 2024

Aptos (APT) Total Value Locked



Source: Artemis. Data as of November 4, 2024

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