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CROSSING THE CHASM: KEY TAKEAWAYS FROM THE UNCORRELATED CRYPTO MASTERMIND — PUERTO RICO 2026

***HOW CRYPTO FUND MANAGERS,
ALLOCATORS, AND TRADITIONAL FINANCE
VETERANS ARE NAVIGATING THE
BRIDGE BETWEEN DIGITAL ASSETS AND
INSTITUTIONAL CAPITAL***

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At a Glance: Three Key Findings

The second Uncorrelated Crypto MasterMind, held in Puerto Rico in April 2026, brought together crypto fund managers, digital asset allocators, and traditional finance professionals for a closed-door discussion on bridging the gap between digital assets and institutional capital. Three findings stood out.

1.The barrier has shifted from education to access.

Bitcoin is no longer unknown—it has been around for more than a decade and is widely recognized. The group's consensus was that the primary obstacle to broader adoption is no longer convincing people that digital assets exist or matter, but making them available through the platforms and brokers that traditional investors already use. The ETF launches of late 2024 were cited as a critical inflection point, but participants argued that much more frictionless access is needed.

2.AI may become the interface that makes blockchain invisible—but trust remains the unsolved problem. Participants described a future in which AI-powered smart wallets manage portfolios autonomously, potentially democratizing access to sophisticated trading strategies. However, the session surfaced a fundamental tension: mainstream adoption likely requires institutional trust mechanisms—insurance, backstops, regulatory frameworks—that may conflict with the decentralization principles at the core of crypto's value proposition. Participants debated whether some form of "FDIC for AI" is necessary, and whether such a mechanism would strengthen or undermine the ecosystem.

3.Puerto Rico has the talent but lacks the venue. Multiple participants observed that the island has a growing concentration of crypto-native entrepreneurs, AI programmers, and favorable tax structures—but no professional-grade trading venue to channel that talent. The group identified this as both a gap and an opportunity, particularly in light of evolving regulatory clarity around decentralized exchange platforms.

Setting the Stage

On April 16, 2026, at Vivo Beach Club in Carolina, Puerto Rico, the second Uncorrelated Crypto MasterMind convened as an invitation-only closed-door roundtable. Following the groundbreaking Miami 2026 pilot, the Puerto Rico session brought together crypto fund managers, digital asset allocators and service providers, and TradFi investors for an extended 1.5-hour exchange on reaching capital beyond the crypto ecosystem. Dan Hubscher, Managing Director and founder of Changing Market Strategies, moderated the session. While Miami explored market cycles and risk management, Puerto Rico zeroed in on the operational question every fund manager faces: How do I credibly reach allocators outside the crypto ecosystem?

The room included hedge fund managers with both directional and market-neutral approaches, blockchain subject matter experts who had transitioned from major accounting and technology firms, venture investors, government-facing engineers, and long-time Puerto Rico residents who have observed the island's crypto ecosystem evolve firsthand.

The session was conducted under Chatham House Rules—no participants are named and no one is quoted directly. The ideas shared were intended to prompt discussion, reveal things about the industry that are beneficial for the world to know, and help all participants grow.

Key Takeaway: The Puerto Rico MasterMind marked a deliberate shift from Miami's market-cycle and risk-management focus toward a distribution-first lens—asking not whether digital assets work, but how to get them into the hands of traditional allocators who have not yet participated.

Crossing the Chasm: Access Before Education

The session opened with the central question: how does the digital asset industry bridge the gap between crypto-native practitioners and traditional finance allocators?

The room quickly converged on a counterintuitive consensus. Participants observed that Bitcoin is no longer an unheard-of asset—it has been around more than

a decade and is widely recognized. The primary barrier is not education but access. The ETF launches at the end of 2024, which made Bitcoin accessible in standard brokerage accounts, were cited as a critical inflection point. One participant working in Bitcoin data infrastructure articulated a pragmatic perspective: mass adoption is unlikely to come from trying to get people to stake altcoins or engage in esoteric on-chain activities. Rather, it will come from providing access to Bitcoin and Ethereum through traditional brokers and then helping people understand why those assets may be valuable.

Supplemental Explanation — "Crossing the Chasm": The phrase "crossing the chasm" originates from Geoffrey Moore's 1991 technology adoption framework, which describes the gap between early adopters of a technology and the mainstream majority. In the crypto context, participants used it to describe the persistent difficulty of moving digital assets from a niche held by crypto-native enthusiasts to broad acceptance by traditional institutional and retail investors.

Several fund managers acknowledged the difficulty of the current environment. Participants described it as an admittedly tough market where sometimes you just have to grind it out. One manager described how delivering flat or neutral performance during a broad market decline actually attracted investor interest, as peers were reportedly experiencing significant drawdowns. Participants also reflected on the ETF discussion from the Miami session, examining whether ETFs have truly disrupted the industry and whether there remains room for private placement structures alongside the growing ETF ecosystem.

Key Takeaway: The group's consensus was that the adoption barrier has shifted from education to access. What matters now is whether traditional platforms and brokers can make digital assets available to investors who are already curious but lack frictionless entry points.

The Language Problem: Why Crypto Still Can't Speak TradFi

The conversation shifted to messaging, revealing what many described as perhaps the most persistent ob-

stacle to institutional adoption: the industry's inability to communicate in the language of traditional finance.

Several participants who began their careers in traditional technology and finance environments described the difficulty of translating blockchain concepts into plain business English. One participant emphasized that the industry needs to simplify its communication—focusing on use cases and low friction rather than leading with jargon. A recurring pattern emerged: the people who have successfully bridged the gap have generally not been the traditional teachers of the financial industry—not the broker-dealers or the product packagers—but the programmers and technologists who learned the technology hands-on and then translated it into financial terms. That dynamic creates a puzzle: the people most capable of explaining the technology often do not think like marketers, and the marketers often do not understand the technology deeply enough to explain it credibly.

Supplemental Explanation — "TradFi": "TradFi" is industry shorthand for "traditional finance"—referring to the established financial system of banks, broker-dealers, asset managers, exchanges, and regulatory bodies that predate blockchain and digital assets.

The lesson, as participants framed it, was clear: fund managers seeking institutional capital should consider leading with outcomes and portfolio benefits rather than protocol specifications.

Key Takeaway: Crypto's language problem remains largely unsolved. Bridging this gap will require a new generation of communicators who can translate blockchain's potential into the financial language that traditional allocators already speak.

The TradFi Skeptic Speaks: Understanding the Visceral Trust Gap

One of the most valuable moments came from a participant who channeled the perspective of a traditional finance outsider—an engineer by training with government-sector experience who had never worked in financial markets.

This participant explained that his relationship with money is direct and visceral—he knows how

much a dollar is worth because he has worked for it. He described blockchain as a technology and accounting mechanism to be trustworthy, but said his concern was not the technology itself—it was the perceived origin of value. Bitcoin, from his perspective, appears to be produced without meaningful human effort beyond mining, and the result feels disconnected from intrinsic value. Crypto-native participants pushed back, arguing that Bitcoin possesses unique properties that no other asset or commodity shares, and that the younger generation increasingly recognizes this because they have grown up on social media, conducted their own research, and developed an awareness of how inflationary policies may erode purchasing power.

Supplemental Explanation — Bitcoin's Emission Mechanics and Scarcity: Bitcoin's supply is governed by its protocol code, which enforces a predictable and declining issuance schedule. Approximately every four years, the reward paid to miners for validating transactions is cut in half—an event known as the "halving." This mechanism means that new Bitcoin enters circulation at a decreasing rate, with total supply capped at 21 million coins. Proponents argue that this programmatic scarcity distinguishes Bitcoin from fiat currencies, which can be expanded at the discretion of central banks. For a deeper exploration of Bitcoin's halving cycle, see the companion article from the inaugural Miami session: <https://www.uncorrelatedalts.com/articles/scaling-distribution-in-the-digital-asset-era-perspectives-from-the-uncorrelated-crypto-mastermind>

A critical distinction emerged. One participant emphasized that not all assets on blockchain automatically inherit the properties of blockchain itself. Bitcoin is unique in that its security is robust and its emission rate is tied to its own internal mechanics. Certain stablecoins, by contrast, were described as centralized entities holding real-world assets to collateralize their issuance—a fundamentally different proposition. This distinction, participants noted, applies to virtually every other token with an off-chain counterpart, where centralized intermediaries may weaken the trust model relative to a fully decentralized asset.

Key Takeaway: The trust gap is not primarily about blockchain technology—it is about the perceived origin and durability of value. Fund managers seeking

traditional capital may benefit from framing digital assets in terms of scarcity, utility, and relationship to inflation, rather than technical novelty.

AI as the New Interface: Smart Wallets and the Democratization of Strategy

The conversation took a forward-looking turn toward the convergence of artificial intelligence and blockchain infrastructure.

Participants envisioned a future in which interacting with decentralized technology becomes seamless—where users would operate on chain via AI agents using applications as intuitive as the next generation of payment apps, without needing to understand the underlying mechanics of smart contracts, gas fees, or hardware wallets.

Supplemental Explanation — Smart Wallets and AI Agents: A "smart wallet" refers to a cryptocurrency wallet enhanced with programmable logic—the ability to automate transactions, enforce spending rules, or execute strategies without manual intervention. "AI agents" refer to autonomous software programs powered by artificial intelligence that can make decisions and execute tasks on behalf of a user.

The vision that emerged was striking: an AI agent within a smart wallet could continuously optimize a user's portfolio, execute trades, and rebalance allocations. Participants described wallets that embed strategy and optimize asset allocation while the user sleeps. The consensus among several in the room was that the traditional advisory model would eventually be fundamentally disrupted. The analogy was drawn to the ETF revolution, which allowed any investor to own gold through a fund wrapper. The next evolution, some argued, could allow any individual to connect to open-source trading strategies published by leading quantitative minds—strategies historically accessible only to institutional players.

One participant cautioned that humans change at a fundamentally different pace than technology. A counterpoint was offered that holding dollars in a traditional savings account is already a losing proposition given inflation, and that the fundamental case for smarter deployment of idle capital may already be compelling.



A capital allocation problem was also identified: venture capital in crypto has disproportionately flowed toward speculative token projects capable of delivering rapid returns, rather than toward building real infrastructure—smart wallets, professional venues, and AI integration tools—that could enable sustainable industry growth.

Key Takeaway: AI may emerge as the bridge that makes blockchain accessible to non-technical users—but the industry faces a chicken-and-egg problem. Building that bridge requires patient capital, while the crypto venture ecosystem has historically rewarded speculative speed.

The Trust Paradox: Can You Stack Blockchain, Crypto, and AI?

As the session approached its conclusion, a participant posed the defining question of the day: in order for mass adoption to happen, digital assets need to be easy and accessible, and AI might serve as the new interface. But there seems to be a fundamental tension between trust and the emerging technology stack—blockchain that many people don't understand, crypto on top of that, and AI that many view with apprehension. How is that entire stack going to be trusted?

The room offered three distinct responses. One participant proposed that the industry may need something functionally equivalent to an FDIC for AI—a backstop or insurance mechanism that provides the kind of trust infrastructure that has historically enabled the traditional financial system to function. In the view of those participants, they were invoking a powerful historical precedent: the idea that a formal guarantee or backstop mechanism can transform public fear into institutional trust, enabling mass participation in a system that would otherwise feel too risky for ordinary users.

Supplemental Explanation — FDIC and the Insurance Analogy: The Federal Deposit Insurance Corporation (FDIC) was created in 1933 during the Great Depression after approximately 9,000 banks suspended operations between 1930 and 1933, wiping out the savings of countless families. The FDIC introduced federal deposit insurance—initially guaranteeing up to \$2,500 per depositor—to restore public confidence in the bank-

ing system. The current coverage limit is \$250,000 per depositor, per insured bank.

A second participant agreed that some form of backstop would help, but argued that ultimately, if the product provides a better experience, people will adopt it—even if they haven't fully done their homework on the underlying technology. A third perspective introduced a fundamental philosophical tension. This participant argued that the whole purpose of crypto and blockchain is decentralization—and that when you introduce insurance, backstops, and regulation, you risk destroying the foundational principles of what makes crypto valuable in the first place.

The exchange revealed the participants' view of a potential paradox at the heart of crypto's distribution challenge. To reach mainstream adoption, the industry may need to embrace some of the institutional trust mechanisms—insurance, regulation, centralized oversight—that its core philosophy was built to reject. Yet embracing those mechanisms too fully could undermine the very properties that make digital assets distinctive. This tension echoes a theme that emerged during the Miami MasterMind, where participants debated whether ETFs and institutional access vehicles represent progress or a fundamental compromise of Bitcoin's founding principles. (See the companion Miami MasterMind article: <https://www.uncorrelatedalts.com/articles/scaling-distribution-in-the-digital-asset-era-perspectives-from-the-uncorrelated-crypto-mastermind>)

One participant invoked a historical analogy: successful platforms have always depended on some form of insurance—people wanted to bet on ships crossing the Atlantic, but they also wanted protection if those ships didn't come back. Insurance, this participant argued, is fundamental to any functioning economic system.

The session ran out of time before the group could resolve this tension, and participants agreed to carry the discussion forward to the next MasterMind in Beverly Hills.

Key Takeaway: This trust paradox may be among the most important unresolved questions in crypto's path to mass adoption. The industry must find a way to make a three-layer technology stack—blockchain, crypto, and AI—feel safe enough for mainstream us-

ers, without sacrificing the decentralization that gives these technologies their distinctive value. Whether that balance is achieved through insurance mechanisms, superior user experience, or some combination remains an open question.

Puerto Rico as a Launchpad

The session's location was not incidental. One participant argued passionately that Puerto Rico is full of smart people—AI programmers, market-minded practitioners, and crypto veterans—but lacks a professional venue to channel that talent. What it does not yet have, in this participant's view, is a proper, professionally operated trading venue—one that could compete with existing decentralized exchanges while maintaining fair execution practices. The participant envisioned an opportunity for the community to come together, build a proper venue, build the applications that connect users into that venue, and build the wallets that bring the product to the public.

Another participant noted that a previous attempt to launch a crypto exchange on the island—the San Juan Mercantile Exchange—had failed several years ago, but argued that the landscape has fundamentally changed since then. In the participant's understanding, recent SEC guidance had clarified that decentralized exchange platforms that never custody client funds may not need broker-dealer registration—a development that, if interpreted as described, could open new pathways for ventures of exactly this kind.

As the session closed, one participant offered a final comment that captured the room's energy: build this stack—the wallets, the AI layer, the venue—and build it in Puerto Rico.

Key Takeaway: Puerto Rico's concentration of crypto talent, tax-efficient structures, and evolving regulatory environment position it as a potential launchpad for next-generation digital asset infrastructure. However, translating that potential into reality requires patient capital, professional execution standards, and a willingness to build institutional-grade infrastructure rather than chasing speculative returns.

Looking Ahead

The founding pilot phase of the Crypto Master-

Mind concludes with the May 2026 Uncorrelated Beverly Hills session, after which the series moves to an annual membership model. The intention is to grow the group while keeping it at a productive size, with a focus on fund managers as the center of distribution for digital asset strategies, while also generating actionable takeaways for investors and service providers.

The questions raised in Puerto Rico—how to build trust across a layered technology stack, how to speak the language of traditional finance, and whether the industry can build real infrastructure alongside its speculative culture—will carry forward into future sessions. The Crypto MasterMind's value lies not in resolving these tensions in a single sitting, but in creating a recurring forum where the people closest to these challenges can think through them together.



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