

CRYPTOCURRENCY, BLOCKCHAIN, WHY IT MATTERS

And things you should know as a Financial Advisor

*This presentation is for Advisor use only and is intended only for institutional investors.

** Additionally, the content provided is meant for educational and informational purposes only and is not to be considered as Investment or Tax advice.

INTRODUCTION

BLOCKCHAIN





INTRODUCTION

BITCOIN

INTRODUCTION

ALTCOINS & ETHEREUM-BASED TOKENS



Bitcoin



Cardano



Bitcoin Cash



EOS



NEO



Ripple



XRP



Stellar



Nano



Dash



Zcash



Tron



Litecoin



Ethereum



Monero



IOTA

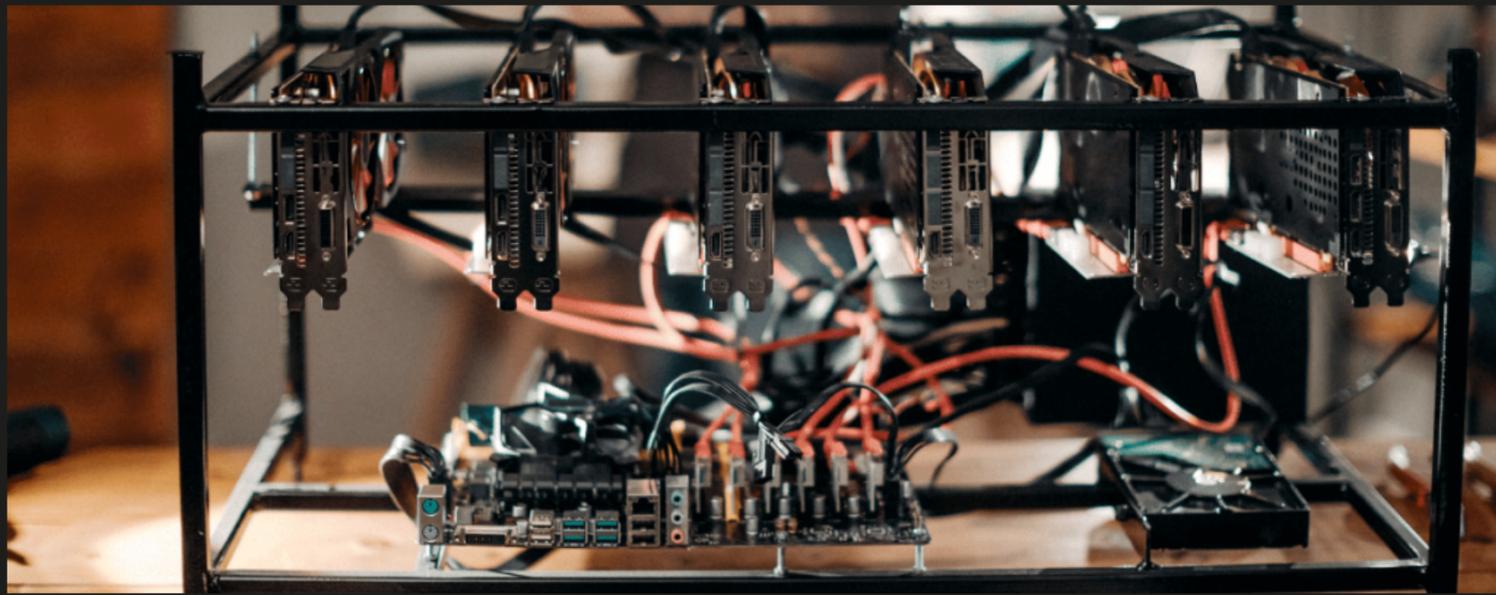
MINING

WHAT

WHY

HOW

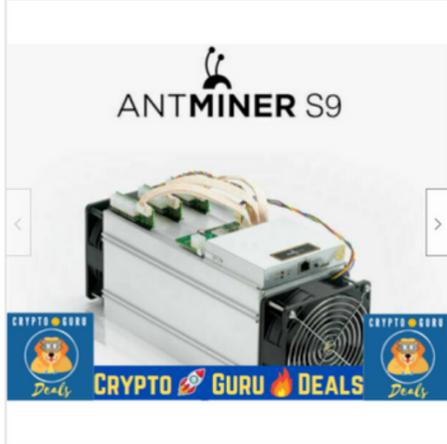




Chase Credit Journey.
Free for everyone.

Get started

CHASE



ANTMINER S9

CRYPTO GURU DEALS

\$ Have one to sell? [Sell now](#)

S9 Bitmain Antminer ~ 13.5 TH/s Ready to Ship With PSU & USED USA

40 viewed per day

Condition: Used
"In good working condition. Units are used and may have minor dents, scratches and normal wear and..." [Read more](#)

Quantity: More than 10 available / [7 sold](#)

Price: **US \$625.00**
[\\$31 for 24 months with PayPal Credit!](#)

[Buy It Now](#)
[Add to cart](#)

Best Offer: [Make Offer](#)
[Add to Watchlist](#)

Ships from United States | 17 watchers

Shipping: \$40.00 Standard Shipping | [See details](#)
Item location: Asbury, New Jersey, United States
Ships to: United States | [See exclusions](#)

Delivery: Estimated on or before **Wed, Mar 17** to 4:32:32

Payments:

PayPal CREDIT
*\$31 for 24 months. Minimum purchase required. | [See terms and apply now](#)

Earn up to 5x points when you use your eBay Mastercard®. [Learn more](#)

Returns: Seller does not accept returns | [See details](#)

Shop with confidence

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Get the item you ordered or get your money back. [Learn more](#)

Seller information
[crypto_guru_deals](#) (318 ★)
99.2% Positive feedback

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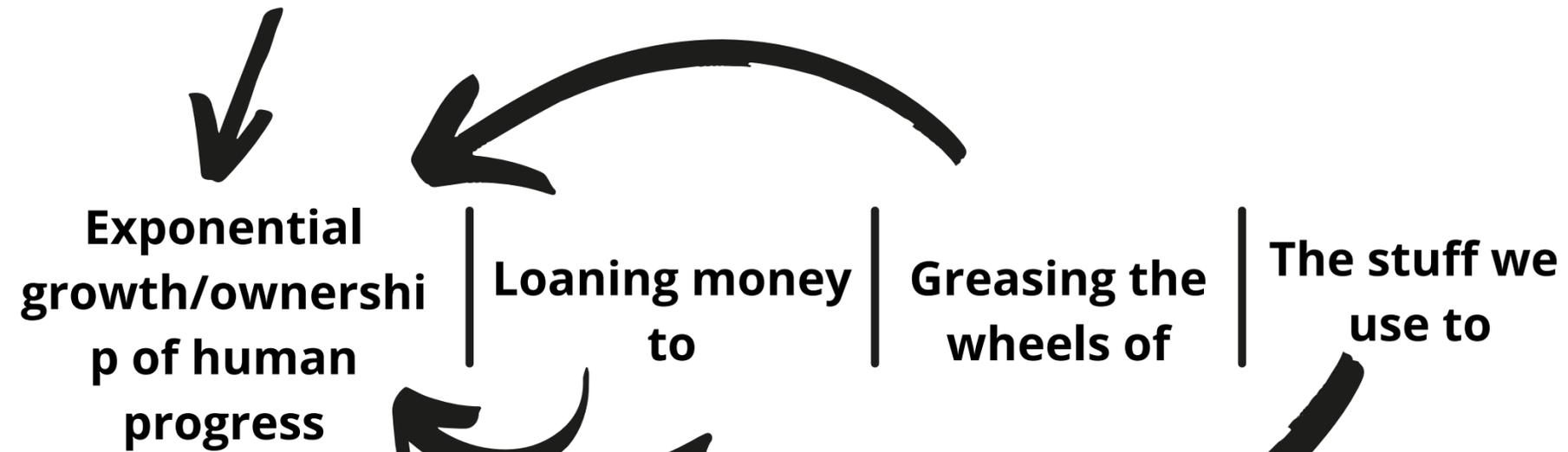
Brand New Bitmain Antminer S9k 13.5 TH/s Bitcoin miner ... \$679.00 + shipping Seller 100% positive	BEAT THE BULL RUN Grab your Antminer S9 with Power Supply unit at an unbeatable price! \$600.00 + \$40.00 shipping Seller 99.2% positive	Bitcoin Mining Contract 250 TH/s 24hr \$298.86 + shipping New	Antminer S9i 14T Bitcoin Miner w/ PSU 208-240V ONLY UPGRADE... \$899.99 Free shipping Pre-owned	S9 Miner BITMAIN Antminer ~ 13.5 TH/s Ready to Ship w/ PSU ~... \$675.00 + \$50.00 shipping Seller 99.2% positive	Dual L3 Bitmain Antminer Script ASIC Litecoin - 1000 MH/s with ... \$1,100.00 + \$40.00 shipping Seller 99.2% positive

[Feedback](#)

Quick DEMO

**UNDERSTANDING ASSET
CLASSES + WHERE
BLOCKCHAIN MAY END
UP FITTING IN**

S **B** **\$** **C**
A. Stocks, Bonds, Cash, + Commodities



B. Labor = the work & ingenuity we put in to make it possible

C. Crypto = **S** + **\$** + **L** (maybe + **C**)

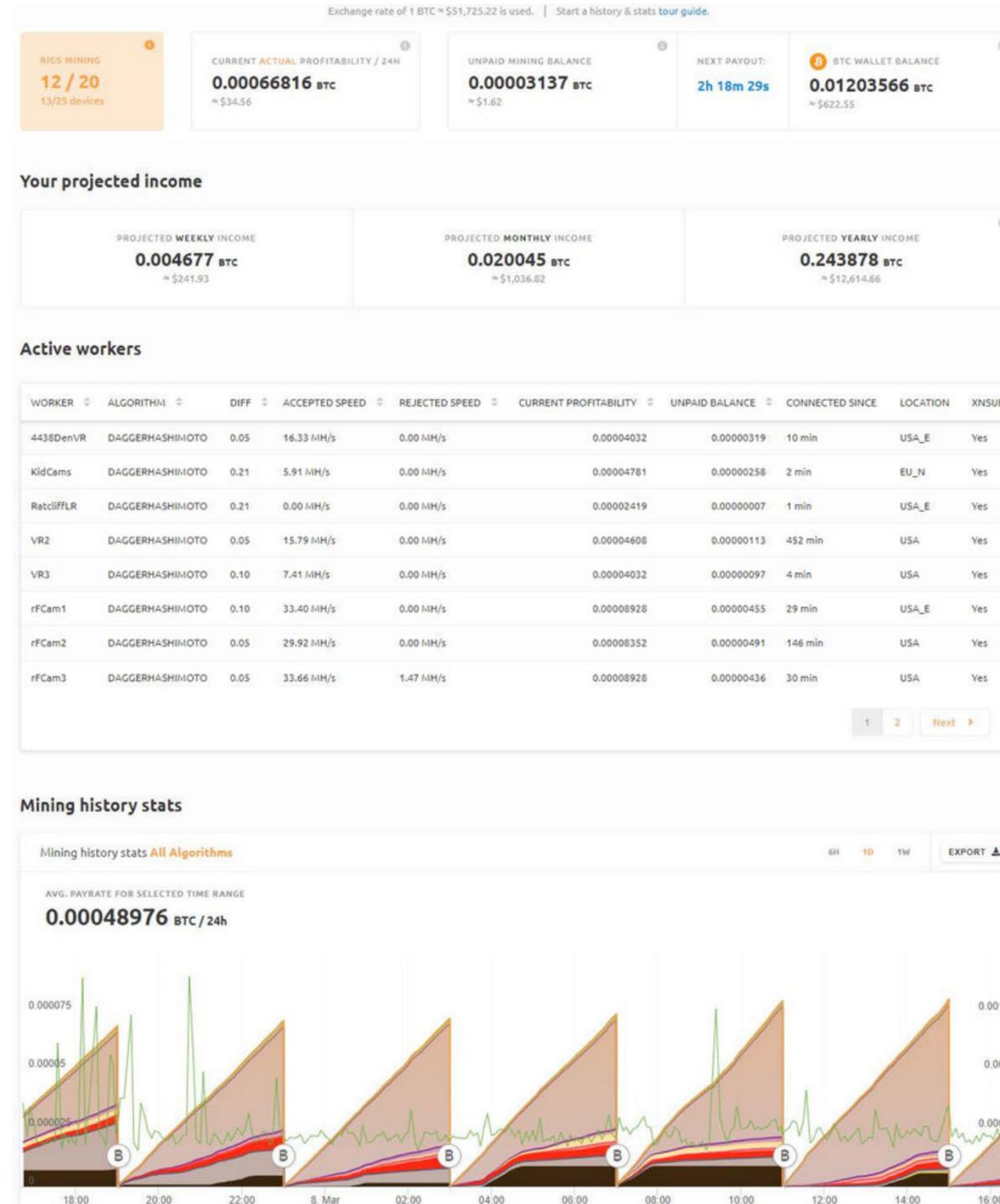
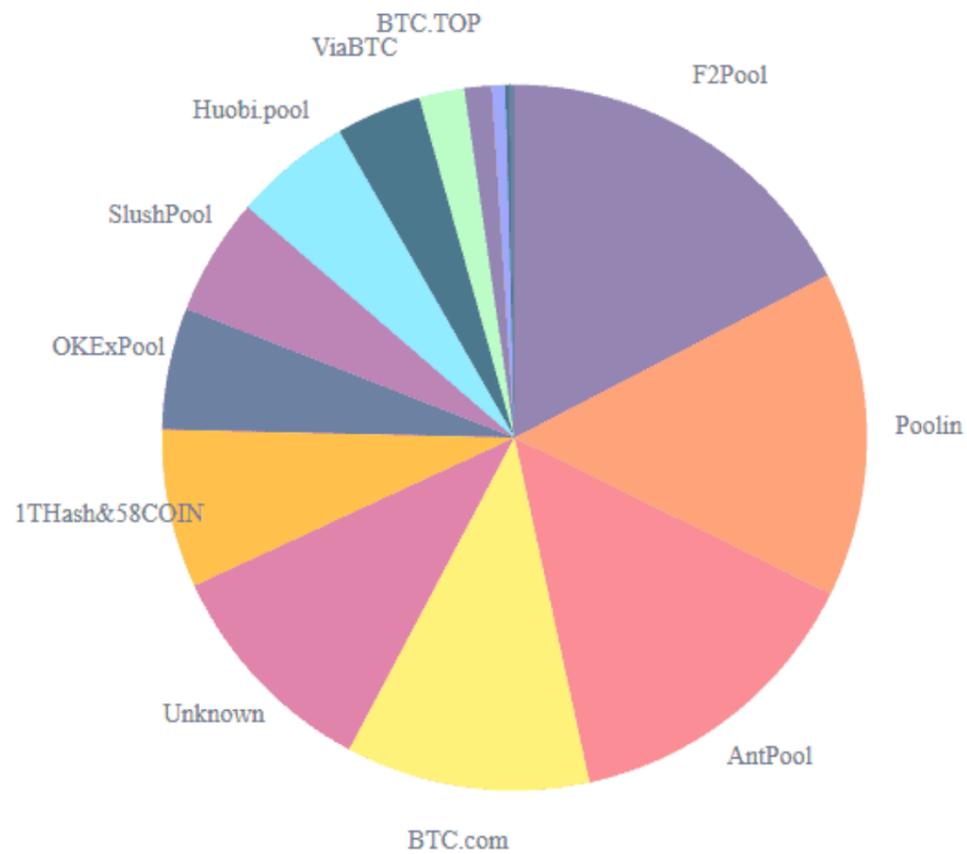
*but I'm not convinced...



**THINKING OF INVESTING IN
CRYPTO OR BLOCKCHAIN?**

MINE IT

- Complicated
- Capital intensive
- Potential cyber security issues

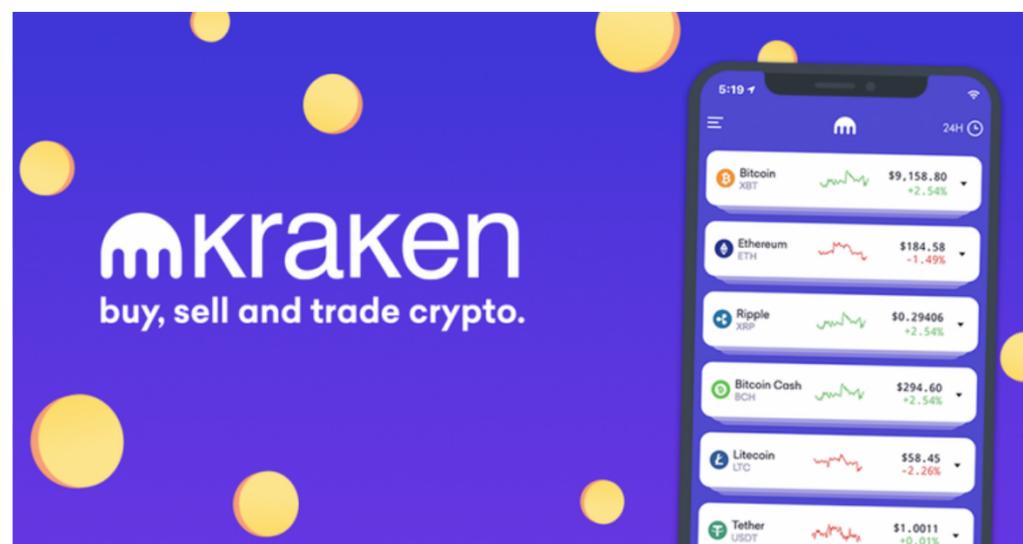


INVESTING IN CRYPTO OR BLOCKCHAIN

INVESTING IN CRYPTO OR BLOCKCHAIN

BUY IT

- Crypto exchanges
- Robinhood
- PayPal



FUND/ETF?

- No MF or ETF
- GBTC + ETHE??



INVESTING IN CRYPTO OR BLOCKCHAIN

PRIVATE PLACEMENT & TRUSTS

- Accredited, paperwork, minimums, holding periods
- Sell on secondary market
- Buying on secondary market is risky



INVESTING IN CRYPTO OR BLOCKCHAIN

SINGLE-ASSET PRODUCTS	Inception Date	Annual Fees	Digital Asset Holdings (millions) ⁴	Minimum Investment	OTC Markets Symbol ⁵	NET PERFORMANCE AS OF 2/26/2021 ³	
						Trailing 12 Months	Since Inception
Grayscale Bitcoin Trust*	09/25/2013	2.0%	\$30,724.6	\$50,000	GBTC	430.2%	31,600.0%
Grayscale Bitcoin Cash Trust	03/01/2018	2.5%	\$141.4	\$25,000	BCHG	52.2%	-63.7%
Grayscale Ethereum Trust	12/14/2017	2.5%	\$4,720.5	\$25,000	ETHE	547.0%	91.6%
Grayscale Ethereum Classic Trust	04/24/2017	3.0% ⁶	\$132.9	\$25,000	ETCG	39.7%	153.3%
Grayscale Horizen Trust	08/06/2018	2.5%	\$28.7	\$25,000	--	334.9%	93.2%
Grayscale Litecoin Trust	03/01/2018	2.5%	\$255.6	\$25,000	LTCN	186.4%	-20.8%
Grayscale Stellar Lumens Trust	12/06/2018	2.5%	\$24.1	\$25,000	--	532.7%	179.9%
Grayscale Zcash Trust	10/24/2017	2.5%	\$37.0	\$25,000	--	132.2%	-48.3%

Bitwise Funds Resources Financial Advisors About Sign In [STAY INFORMED](#)

BITW
Bitwise 10 Crypto Index Fund

TICKER: BITW | CUSIP: 091749101

MARKET PRICE* **\$95.00** INTRADAY NAV** **\$45.81** AUM † **\$893M** [PRIVATE PLACEMENT](#)

PRICE CHANGE TODAY **\$10.25 / 12.09%** PREVIOUS DAY NAV †† **\$42.71**

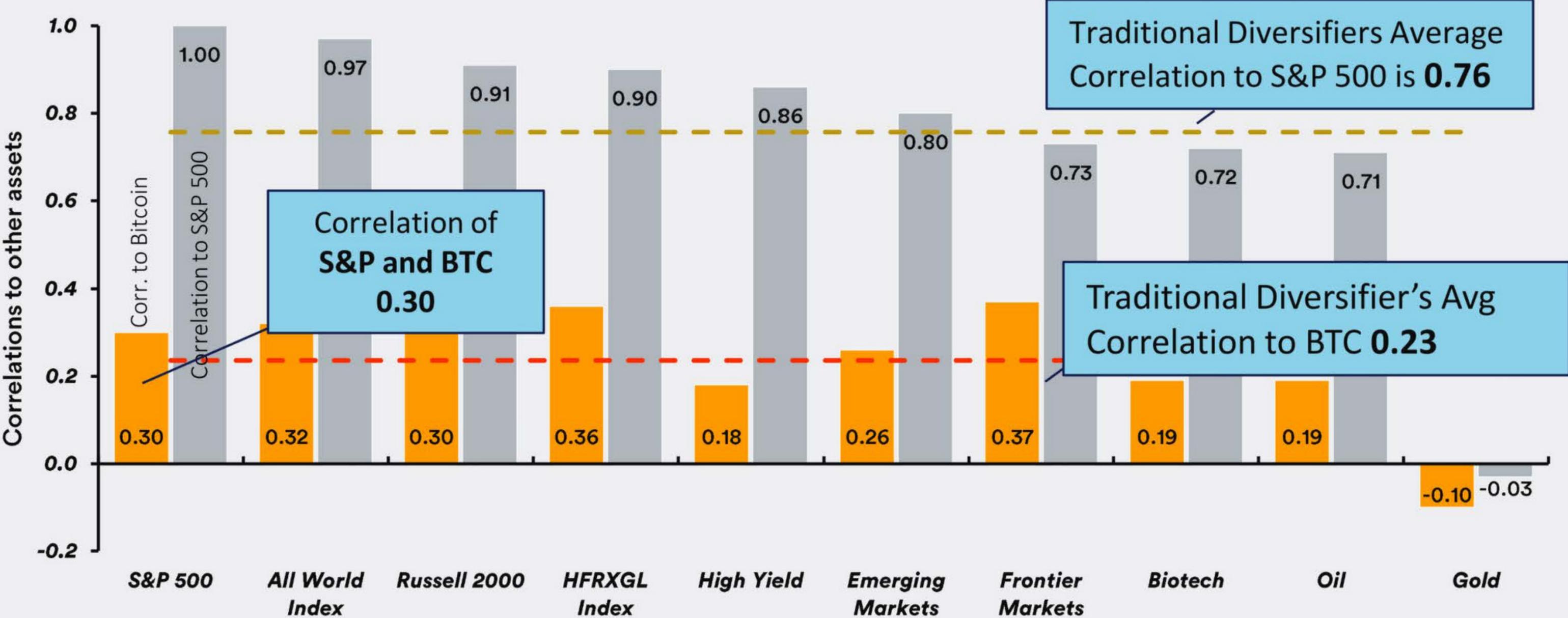
FUND DOCUMENTS
[Fact Sheet](#) [Disclosure](#)

* Market price as of 03/08/2021 5:20pm EST. Estimate calculated by Bitwise each hour.
** Intraday NAV as of 03/08/2021 5:00pm EST. non-GAAP, un-audited.
†† Estimated NAV per share as of 03/08/2021 4:00pm EST. non-GAAP, un-audited.
The Shares of any Fund are not registered under the Securities Act of 1933 (the "Securities Act"), the Securities Exchange Act of 1934 (the "Securities Exchange Act"), the Investment Company Act of 1940 (the "Investment Company Act"), or any state securities commission or other regulatory body. The Shares are publicly quoted on OTCQX® under the Alternative Reporting Standards.

Performance Fund Details Methodology

**SHOULD
CRYPTO BE IN
CLIENTS'
PORTFOLIOS?**

Bitcoin's low correlations to other assets could significantly improve portfolio risk characteristics.

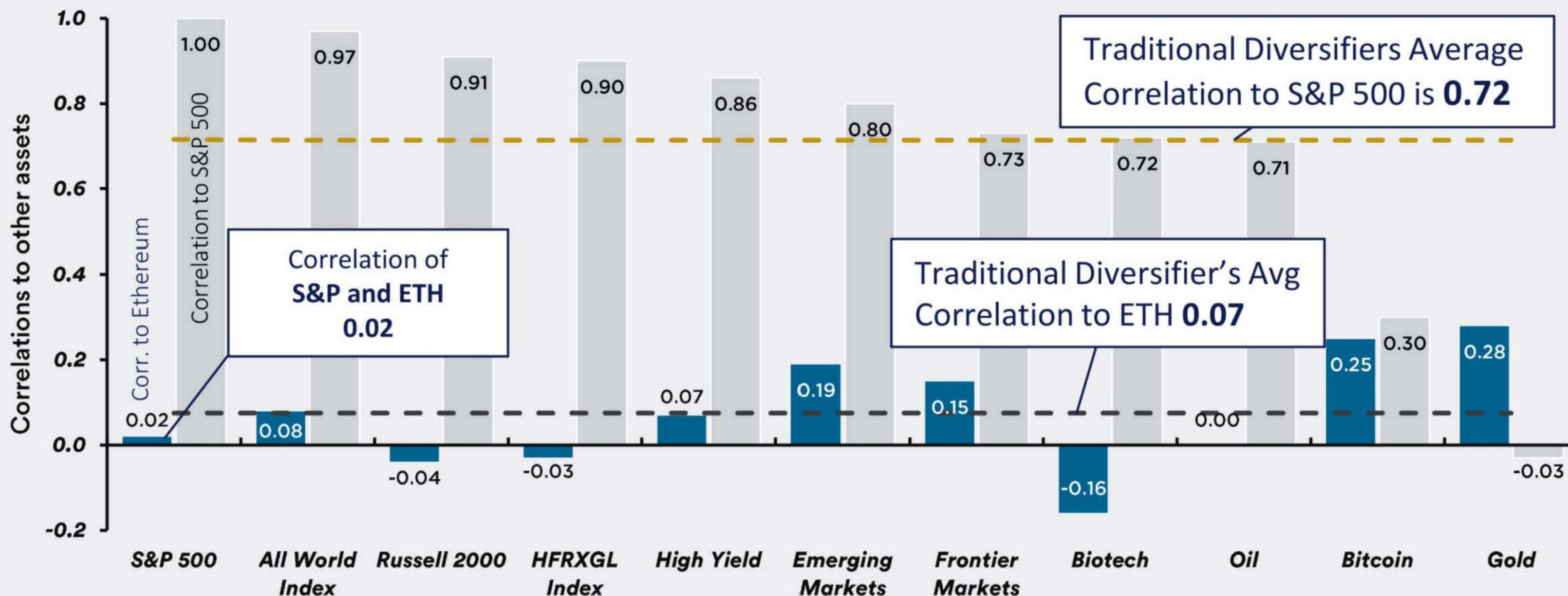


From Dec 31, 2015 to Jan 31, 2021. Data Source: Onramp Research, Bloomberg. The correlations are calculated based on the rolling quarterly returns with daily data frequency of each assets. Benchmarks provided for performance comparison are for informational purposes only. HFRX Global HF Index (HFRXGL): HFR Global Hedge Fund Index. ACWI: MSCI ACWI Net Total Return USD Index. High Yield Index: Bloomberg Barclays US Corporate High Yield Total Return Index. Frontier Markets: the MSCI Frontier Markets 100 Index. Biotech: the S&P Biotechnology Select Industry Index. Emerging Markets: the MSCI Emerging Markets Index.

Please visit www.onrampinvest.com for more info



Ethereum's low correlations to other assets could significantly improve portfolio risk characteristics.



From Dec 31, 2015 to Jan 31, 2021. Data Source: Onramp Research, Bloomberg. The correlations are calculated based on the rolling quarterly returns with daily data frequency of each assets. Benchmarks provided for performance comparison are for informational purposes only. HFRX Global HF Index (HFRXGL): HFR Global Hedge Fund Index. ACWI: MSCI ACWI Net Total Return USD Index. High Yield Index: Bloomberg Barclays US Corporate High Yield Total Return Index. Frontier Markets: the MSCI Frontier Markets 100 Index. Biotech: the S&P Biotechnology Select Industry Index. Emerging Markets: the MSCI Emerging Markets Index.

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The low correlation argument holds true for major popular digital asset protocols, see correlation matrix below

	S&P 500	All World Index	High Yield	HFRXGL Index	Gold	Emerging Markets	Russell 2000	Oil	Frontier Markets	Biotech	Bitcoin	Ethereum
S&P 500	1.00											
All World Index	0.97	1.00										
High Yield	0.86	0.88	1.00									
HFRXGL Index	0.90	0.93	0.83	1.00								
Gold	-0.03	0.02	0.10	0.04	1.00							
Emerging Markets	0.80	0.90	0.81	0.82	0.19	1.00						
Russell 2000	0.91	0.92	0.83	0.88	-0.19	0.78	1.00					
Oil	0.71	0.73	0.74	0.66	0.00	0.64	0.71	1.00				
Frontier Markets	0.73	0.80	0.71	0.78	0.07	0.82	0.69	0.56	1.00			
Biotech	0.72	0.75	0.59	0.75	-0.10	0.68	0.75	0.48	0.51	1.00		
Bitcoin	0.30	0.32	0.18	0.36	-0.10	0.26	0.30	0.19	0.37	0.19	1.00	
Ethereum	0.02	0.08	0.07	-0.03	0.28	0.19	-0.04	0.00	0.15	-0.16	0.25	1.00

Traditional Diversifier's Avg Correlations to Bitcoin and Ethereum are **0.19** and **0.05**

From Dec 31, 2015 to Jan 31, 2021. Data Source: Onramp Research, Bloomberg. The correlations are calculated based on the rolling quarterly returns with daily data frequency of each assets. Benchmarks provided for performance comparison are for informational purposes only. HFRX Global HF Index (HFRXGL): HFR Global Hedge Fund Index. ACWI: MSCI ACWI Net Total Return USD Index. High Yield Index: Bloomberg Barclays US Corporate High Yield Total Return Index. Frontier Markets: the MSCI Frontier Markets 100 Index. Biotech: the S&P Biotechnology Select Industry Index. Emerging Markets: the MSCI Emerging Markets Index.

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CALENDAR YEAR ASSET CLASS RETURNS

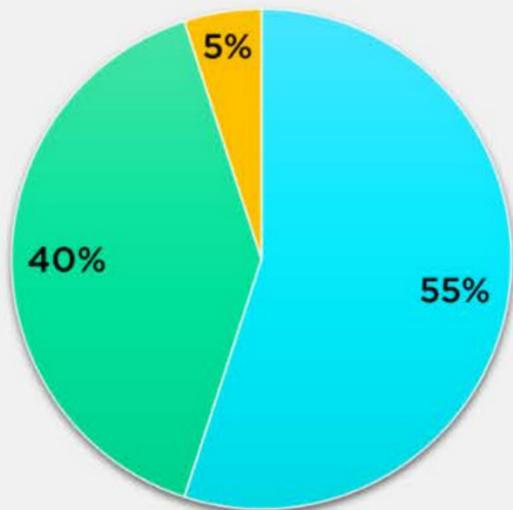
Traditional Portfolio Returns with a Small Allocation to Bitcoin

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD	Ann. Return
Bitcoin 1316.67%	Bitcoin 217.88%	Bitcoin 5428.42%	Real Estate 27.24%	Bitcoin 36.16%	Bitcoin 120.32%	Bitcoin 1375.10%	Barclays Agg 0.01%	Bitcoin 94.83%	Bitcoin 305.07%	Bitcoin 12.43%	Bitcoin 215.67%
Blend with 5% BTC 31.44%	Real Estate 18.93%	Blend with 5% BTC 61.00%	S&P 500 13.69%	Blend with 5% BTC 2.79%	Blend with 5% BTC 12.80%	EEM 37.28%	60/40 Traditional -2.63%	S&P 500 31.49%	Blend with 5% BTC 23.85%	EEM 3.07%	Blend with 5% BTC 19.55%
Blend with 1% BTC 14.26%	Blend with 5% BTC 18.46%	S&P 500 32.39%	60/40 Traditional 10.60%	Real Estate 2.14%	S&P 500 11.96%	Blend with 5% BTC 34.27%	Blend with 1% BTC -3.34%	Real Estate 28.92%	S&P 500 18.40%	Commodities 2.63%	S&P 500 13.64%
Barclays Agg 7.84%	EEM 18.22%	Blend with 1% BTC 26.29%	Blend with 1% BTC 9.89%	Blend with 1% BTC 1.40%	Commodities 11.77%	EAFE 25.03%	Real Estate -4.03%	Blend with 5% BTC 26.25%	EEM 18.31%	Blend with 5% BTC 0.07%	Blend with 1% BTC 12.69%
Real Estate 6.05%	EAFE 17.32%	EAFE 22.78%	Blend with 5% BTC 6.48%	S&P 500 1.38%	EEM 11.19%	S&P 500 21.83%	S&P 500 -4.38%	Blend with 1% BTC 23.06%	Blend with 1% BTC 17.50%	HFRX Fund -0.17%	60/40 Traditional 9.92%
60/40 Traditional 4.87%	S&P 500 16.00%	60/40 Traditional 18.03%	Barclays Agg 5.97%	60/40 Traditional 1.05%	Blend with 1% BTC 9.32%	Blend with 1% BTC 20.73%	HFRX Fund -6.72%	60/40 Traditional 22.29%	60/40 Traditional 15.26%	Real Estate -0.28%	Real Estate 8.62%
S&P 500 2.11%	Blend with 1% BTC 13.31%	HFRX Fund 6.72%	HFRX Fund -0.58%	Barclays Agg 0.55%	60/40 Traditional 8.23%	60/40 Traditional 14.55%	Blend with 5% BTC -6.83%	EAFE 22.01%	EAFE 7.82%	Blend with 1% BTC -0.70%	EAFE 5.35%
HFRX Fund -8.87%	60/40 Traditional 11.29%	Real Estate 1.77%	EEM -2.19%	EAFE -0.81%	Real Estate 7.56%	Real Estate 9.84%	Commodities -11.25%	EEM 18.42%	Barclays Agg 7.51%	Barclays Agg -0.72%	EEM 3.91%
EAFE -12.14%	Barclays Agg 4.22%	Barclays Agg -2.02%	EAFE -4.90%	HFRX Fund -3.64%	Barclays Agg 2.65%	HFRX Fund 5.99%	EAFE -13.79%	Barclays Agg 8.72%	HFRX Fund 6.81%	60/40 Traditional -0.89%	Barclays Agg 3.73%
Commodities -13.32%	HFRX Fund 3.51%	EEM -2.60%	Commodities -17.01%	EEM -14.92%	HFRX Fund 2.50%	Barclays Agg 3.54%	EEM -14.57%	HFRX Fund 8.62%	Commodities -3.12%	S&P 500 -1.01%	HFRX Fund 1.24%
EEM -18.42%	Commodities -1.06%	Commodities -9.52%	Bitcoin -57.51%	Commodities -24.66%	EAFE 1.00%	Commodities 1.70%	Bitcoin -73.84%	Commodities 7.69%	Real Estate -5.29%	EAFE -1.07%	Commodities -6.20%

Based on daily data and rebalanced Quarterly (or upon rebalance triggers). 60/40 with Bitcoin portfolios' rebalance triggers are set as 10% of the target allocation for each component. As Bitcoin trades 24/7/365, other assets were valued using the most recent trading price for weekends and market holidays. As of 01/29/2021. Source: OnRamp Research. FOR ILLUSTRATIVE PURPOSES ONLY - NOT FINANCIAL OR INVESTMENT ADVICE.

Adding 5% allocation to a 60-40 traditional portfolio

PORTFOLIO ALLOCATION



■ S&P 500 Total Return ■ Barclays AGG ■ Bitcoin

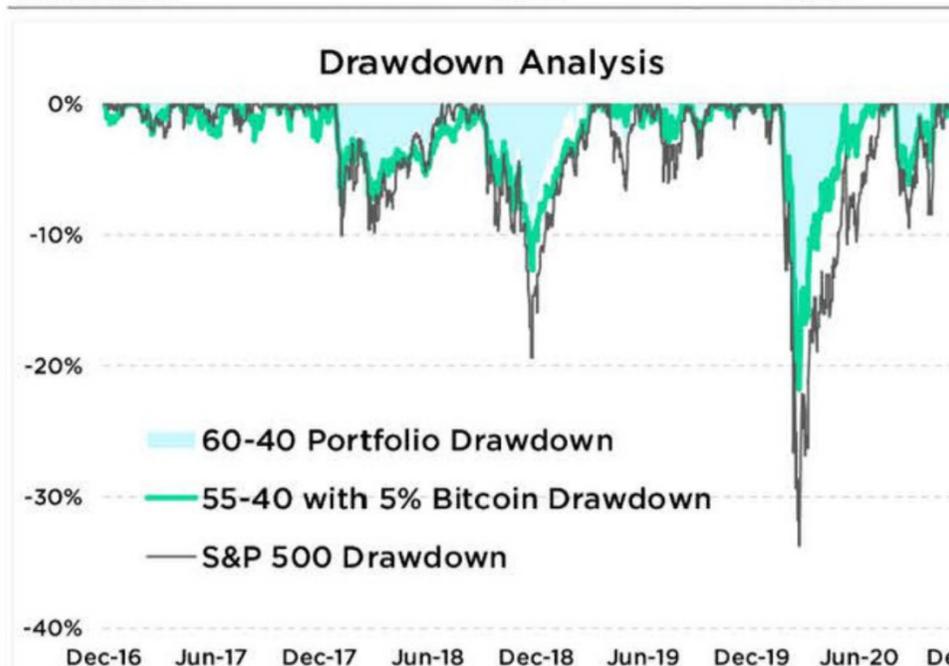
	Target Allocation	Rebalance Triggers
S&P 500 Total Return	55.0%	+/- 5.5%
Barclays AGG	40.0%	+/- 4.0%
Bitcoin	5.0%	+/- 0.5%
Total	100.0%	

Initial Investment	\$100.00
Rebalance	Quarterly
Weight Band	10.0%

Total NO. of rebalances	22
Out of cycle rebalances	16

From 2017 to 2021	55-40 with 5% Bitcoin	60-40 Portfolio	Net Change	S&P 500	Bitcoin
Cum. Return	104.1%	56.4%	● 47.7%	79.5%	3336.0%
Ann. Return	19.1%	11.6%	● 7.5%	15.4%	137.6%
Ann. Risk	12.6%	12.0%	● 0.6%	20.4%	80.7%
Sharpe Ratio	1.35	0.86	● 0.5	0.74	1.48
Sortino Ratio	1.99	1.24	● 0.7	1.07	2.43
Max Drawdown	21.8%	21.4%	● 0.5%	33.8%	83.4%

From 2017 to 2021	vs 60-40 Portfolio	vs S&P 500
Alpha	● 7.21%	● 8.83%
Beta	0.96	0.56
Correlation	0.92	0.91



From 12/31/2016 to 01/31/2021. FOR ILLUSTRATIVE PURPOSES ONLY - NOT FINANCIAL OR INVESTMENT ADVICE. Past performance does not guarantee future results. Based on daily data and rebalanced Quarterly (or upon rebalance triggers). Rebalance triggers are set as 10% of the target allocation for each component. As Bitcoin trades 24/7/365, other assets were valued using the most recent trading price for weekends and market holidays. Using the slider to increase the allocation to Bitcoin equally reduces the allocation to the S&P 500, and vice-versa. Source: Blockforce Capital Research, Onramp Research.

QUESTIONS?

Resources:

- OnRamp: <https://www.onrampinvest.com/>
 - [Investors Guide to the Market](#)
- Grayscale: <https://grayscale.co/advisors/>
 - [Grayscale Investor Deck - March 2021](#)
- Bitwise: <https://www.bitwiseinvestments.com/advisors>
 - [The Case for Crypto in an Institutional Portfolio](#)

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