



Investing in Digital Assets

Group 9 – Technology

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Agenda

Executive Summary

Fintech Industry Overview

Cryptocurrency

Exchange-Traded Funds (ETFs)

Non-fungible Tokens (NFTs)

Investment Recommendation

Executive Summary

Fintech is one of the fastest growing industries in 2021.
Is it worth investing in and what digital assets should be considered?

Cryptocurrency

ETFs

NFTs

Fintech Industry Overview

What is Fintech?



Personal Finance

Manage bills and track credit/debit accounts



Payments and Billing

Payments processing, hardware point-of-sales



Lending

Marketplace lending, microlending



Blockchain

Crypto-exchanges and cryptocurrencies



Capital Markets

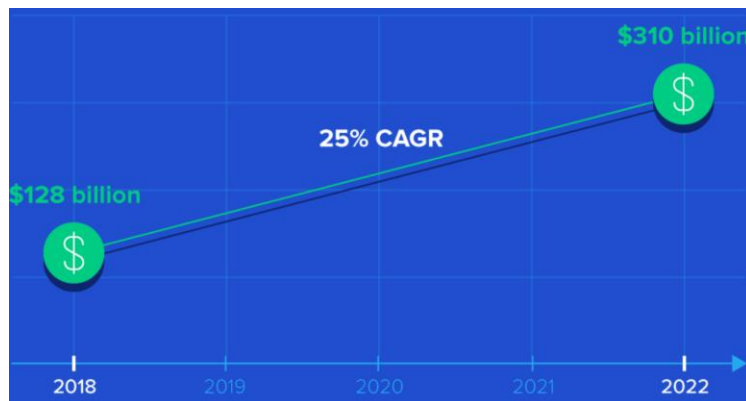
Financial institutions' tools e.g. sales and trading



Regtech

Audit, risk, and regulatory compliance software

Industry Growth



Key Drivers and Trends

High M&A activity

- High investment into the industry
- EX: JPMorgan Chase buys startup OpenInvest

Fintech accounts for ~50% of total global venture capital funding

Industry Risks

Regulations

- \$1 trillion infrastructure bill introducing crypto taxation and reporting

Blockchain

- Oversale of blockchain presents a blocker to success

Cryptocurrency Overview

Cryptocurrency is a digital or virtual currency that is secured by cryptography, making it nearly impossible to counterfeit or double-spend.

Acts like key that allows one to transfer a record (digital token) between people

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graph TD; A[Acts like key that allows one to transfer a record (digital token) between people] --> B[Based on blockchain technology]; A --> C[Not physical]; A --> D[Exist outside of government interference]; A --> E[Is generally not issued by a central authority];
```

Based on blockchain technology

Not physical

Exist outside of government interference

Is generally not issued by a central authority

How do you invest in cryptocurrency?

Cryptocurrency Exchange

Platform dedicated to facilitating the trading of cryptocurrency

Not every exchange offers every cryptocurrency



Broker

Can trade a variety of asset types (ex: stocks, ETFs)

Fewer cryptocurrency options



Specific cryptocurrency investing services

How do you invest in cryptocurrency?

Payment Services



Bitcoin Trusts


























Bitcoin Mutual Funds



Blockchain Stock or ETFs



Key indicators of crypto are stability and growth

#	Name	Price	24h %	7d %	Market Cap	Volume(24h)	Circulating Supply	Last 7 Days	
☆ 1	 Bitcoin BTC Buy	\$67,345.87	-0.06%	+6.77%	\$1,262,197,969,623	\$42,134,804,902 629,877 BTC	 18,868,706 BTC		⋮
☆ 2	 Ethereum ETH Buy	\$4,751.43	-0.93%	+3.73%	\$559,559,259,571	\$20,607,055,118 4,355,858 ETH	118,277,978 ETH		⋮
☆ 3	 Binance Coin BNB Buy	\$632.71	-3.13%	+14.48%	\$105,536,801,259	\$2,189,277,514 3,460,158 BNB	166,801,148 BNB		⋮
☆ 4	 Cardano ADA	\$2.27	-7.18%	+15.62%	\$75,690,543,225	\$7,318,146,732 3,218,123,613 ADA	 33,284,591,492 ADA		⋮
☆ 5	 Tether USDT Buy	\$1.00	-0.06%	-0.06%	\$73,823,636,404	\$92,434,695,283 92,416,445,944 USDT	73,809,061,439 USDT		⋮
☆ 6	 Solana SOL	\$241.13	-4.17%	+10.95%	\$72,491,674,953	\$2,720,351,689 11,357,321 SOL	302,648,828 SOL		⋮
☆ 7	 XRP XRP	\$1.26	-1.15%	+10.65%	\$59,156,014,169	\$5,166,041,336 4,111,600,624 XRP	 47,081,679,946 XRP		⋮
☆ 8	 Polkadot DOT	\$50.91	-4.21%	-0.60%	\$50,094,687,837	\$1,877,767,005 37,018,773 DOT	987,579,315 DOT		⋮
☆ 9	 Dogecoin DOGE	\$0.2737	-2.18%	+0.19%	\$36,136,269,230	\$2,314,247,377 8,456,915,431 DOGE	132,052,163,423 DOGE		⋮
☆ 10	 USD Coin USDC	\$1.00	-0.01%	-0.02%	\$34,678,324,267	\$5,441,226,391 5,440,278,709 USDC	34,672,284,444 USDC		⋮

Executive Summary

Industry Overview

Cryptocurrency

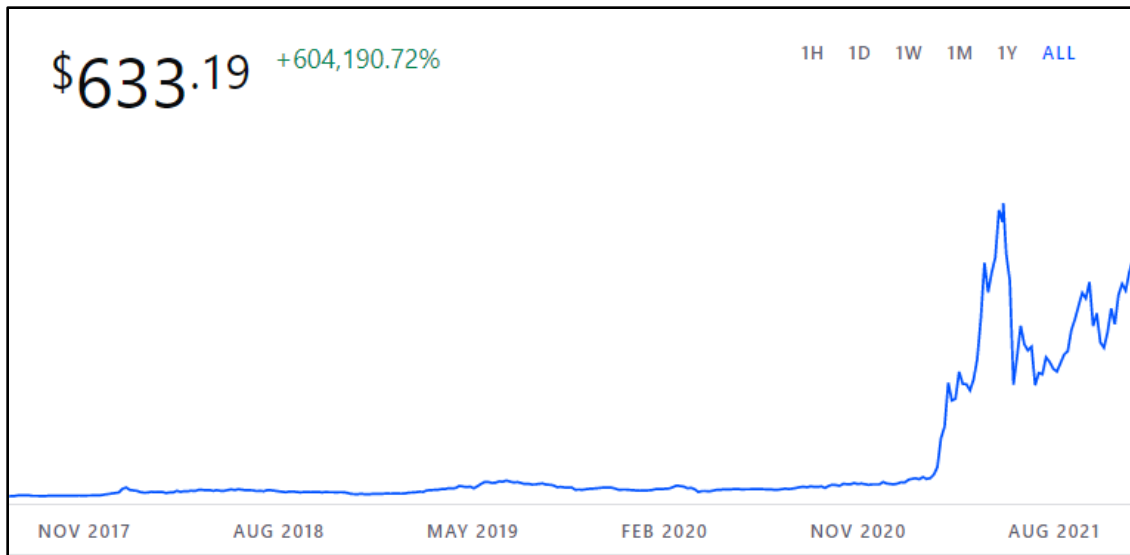
ETFs

NFTs

Recommendation

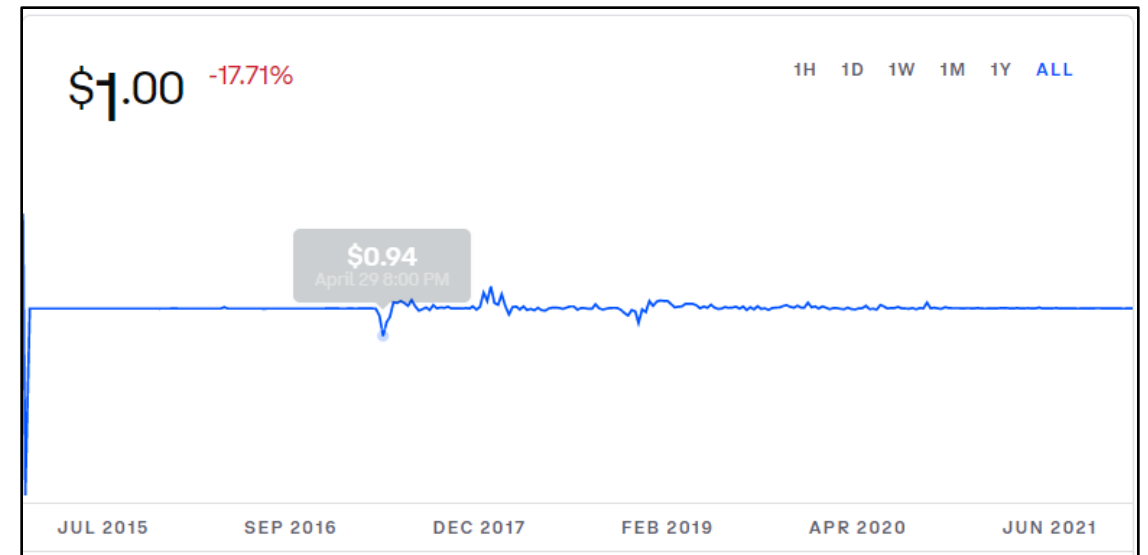
Is cryptocurrency worth investing in?

Binance Coin (BNB)



Price in 2017: \$0.10
Price: Oct. 29, 2021: over \$530
Gain of more than 530,000%

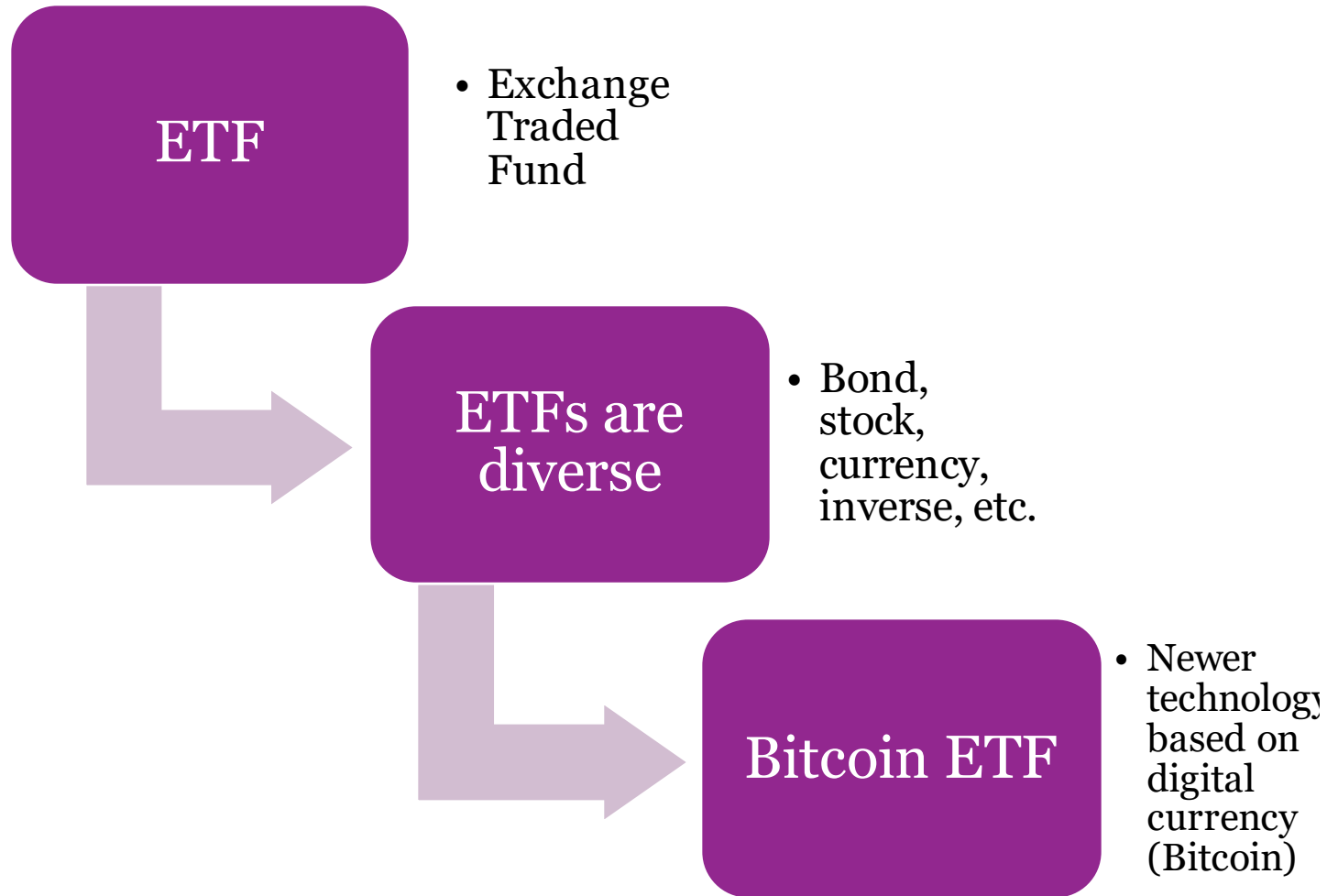
Tether (USDT)



Stablecoin: backed by fiat currencies
like USD and the Euro

Designated to maintain a fixed value -
\$1.00

ETF Overview



Bitcoin price



Source: CoinDesk • By The New York Times

Bitcoin ETF Developments

Bitcoin ETF is new on the NYSE, but is 2nd in trading volume

ETF	Ticker	Launch date	Trading volume
BlackRock US Carbon Transition Rdnss	LCTU	Apr '21	\$1.2B
ProShares Bitcoin Strategy	BITO	Oct '21	\$1B
Xtrackers MSCI USA ESG Leaders Eq	USSG	Mar '19	\$844M
Invesco S&P 500 QVM Multi-factor	QVML	Jun '21	\$751M
BlackRock World ex US Cbn Tnstn Rdns	LCTD	Apr '21	\$609M
Cabana Target Drawdown 10	TDSC	Sep '20	\$503M
VanEck Social Sentiment	BUZZ	Mar '21	\$428M
SPDR® Russell 1000® Yield Focus	ONEY	Dec '15	\$339M
SPDR® Russell 1000 Low Vol Foc	ONEV	Dec '15	\$339M
SPDR® Russell 1000 Momentum Focus	ONEO	Dec '15	\$339M

Advantages of Bitcoin ETF



Doesn't involve much prior knowledge (tradeable on U.S. Stock Exchanges)



Less complex security procedures



Allows indirect investment in crypto

Before investing...

Bitcoin ETF is very volatile; shouldn't be majority in a portfolio

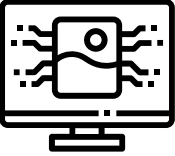


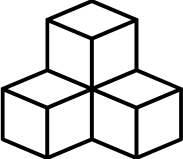


Tracks contracts that speculate future Bitcoin prices

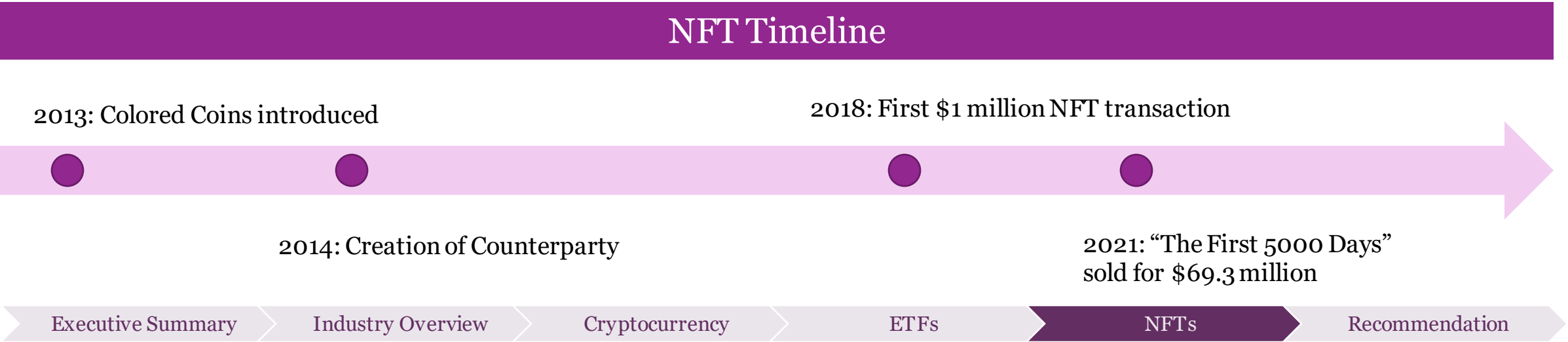
Investor should understand what they are buying, don't buy *only* crypto ETFs

Published on TradingView.com, Sep 25, 2021 09:01 UTC

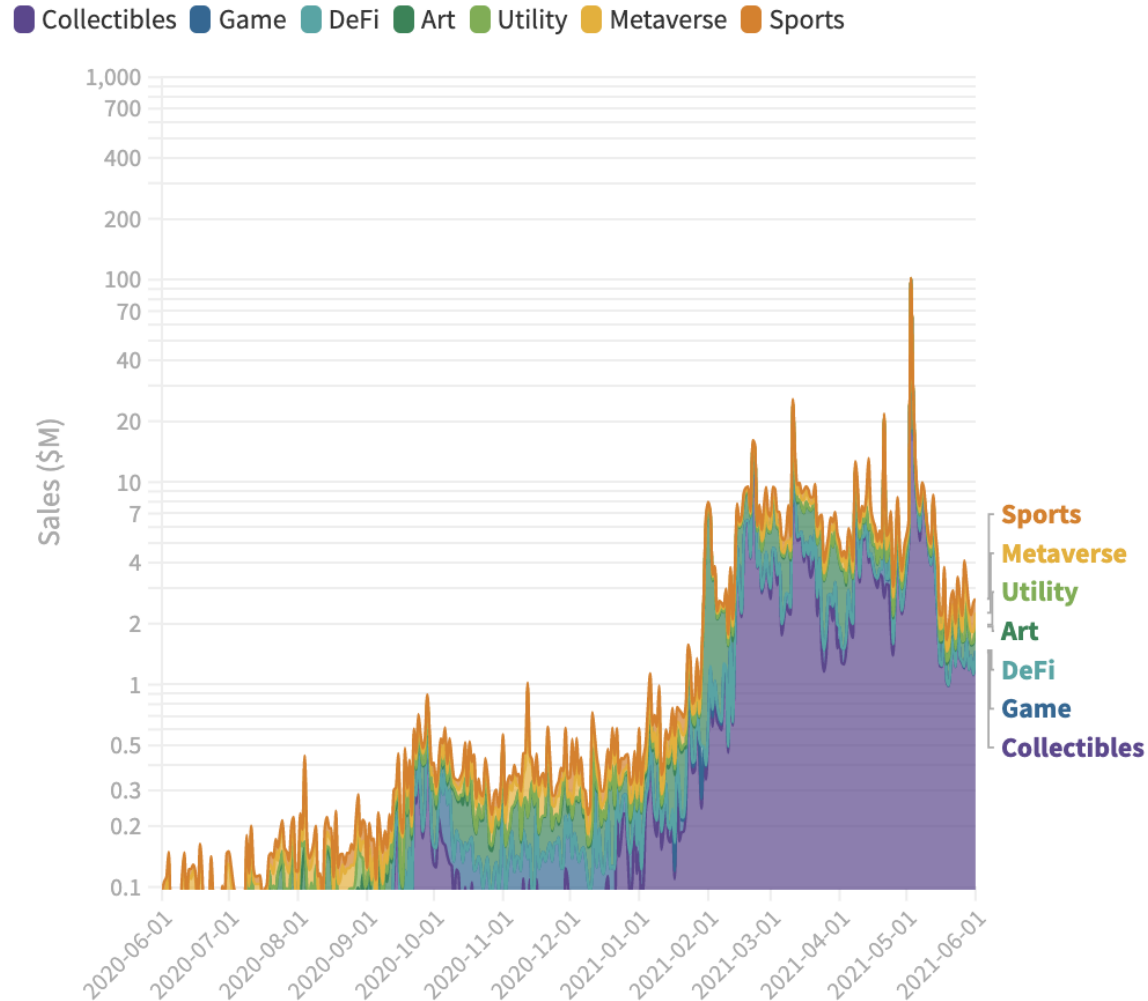


NFT Overview

Description		Investing	Market
	1 of a kind digital assets created to represent real-world assets (music, videos art, designer sneakers)	 Purchased with cryptocurrency and sold in NFT marketplaces	 Current Market: \$10.7 billion
	Have specific identifier codes & exist on a blockchain	 Top NFT Marketplaces: OpenSea, Rarible, SuperRare, NBA Top Shot	 8X growth since Q2 of 2021



Potential investors should be careful of NFT risks



Concerns

1

Current NFT Bubble Burst

2

Reliance on Customer Demand

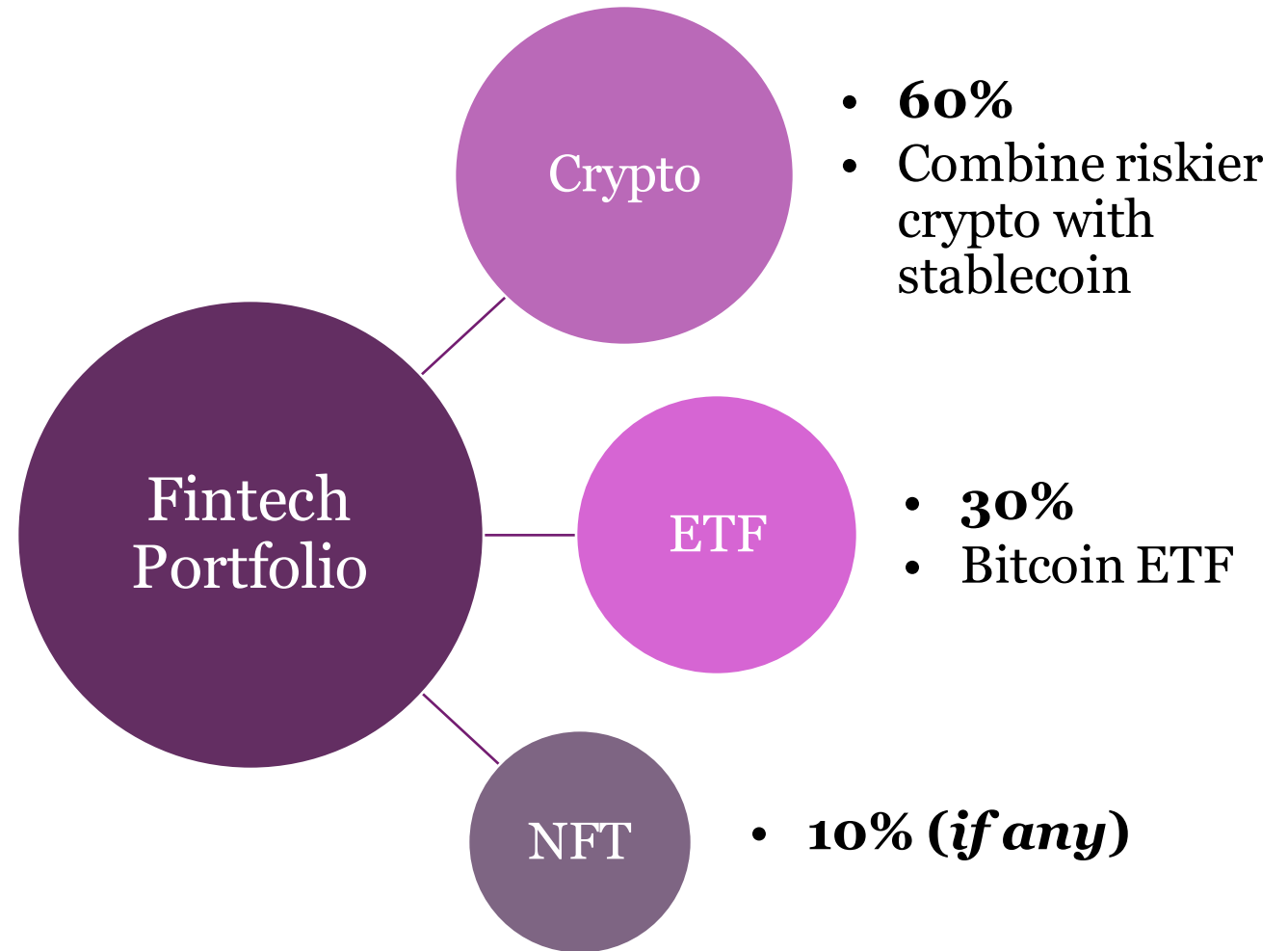
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Steep Capital Requirements

A fintech portfolio depends on the investor, but should be diversified

Key Considerations

- Fintech is of high growth, meaning **great opportunity** for high returns
 - Requires **greater frequency of maintenance** due to volatility
 - Standard ratio is 60% stocks, 40% bonds, but **fintech portfolios are more customizable**
- **Investor-dependent factors:**
 - Capital
 - Risk tolerance
- **Industry factors:**
 - Volatility
 - Regulations





Group 9 – Technology

Thank you!

Any questions?