



Financial Feminism MasterClass Series Presents:
A Primer on Digital Assets
What Are Digital Assets & Why Is Everyone Talking About Them?



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Welcome & Introductions

Sheila Rabaut, CFP®

Introducing Financial Feminism MasterClass series

Sheila partners with client and works with multi-generational family engagements as well as women reach highest financial potential, both personally and professionally. Sheila is also FPA's new president.

Moderated by Amy Hepburn

Introducing our Primer on Digital Assets

Amy accelerates social change by strategically leveraging resources, talent and amplifier platforms for maximum social impact. She has spent 20 years driving social change in the public and private sectors with expertise in the advancement of women and girls globally and protection of children in crises.

Doug Couden, CFA

Expert Speaker, Chief Investment Officer

Doug leads the firm's multi-disciplined (technical, fundamental and macro) investment approach including BakerAvenue's Impact Strategy. He is a member of the firm's executive committee, is responsible for managing the investment team, the firm's research process, and the overall performance of the strategies.



Introducing Baker Avenue Financial Feminism

Designed to help address the gender wealth gap here is the US.

1. **Financial** – the monetary resources and affairs of a country, organization, or person.
2. **Feminism** – the theory of the political, economic, and social equality of the sexes.

This initiative can create opportunities for women – and anyone else – to learn about different areas in investing and wealth management so that they are empowered to make confident decisions and benefit from the capital markets.



TODAY'S
DISCUSSION

Purpose, Passion & Performance

1

Where Did It All Start?

2

Mapping Out the Digital Landscape

3

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4

Associated Risk

5

Conclusion

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Q & A

Where It All Got Started

Where Did It All Start? A (Very) Brief History



Cryptography

- “The art of writing or solving codes.”
- Original focus was on establishing protocols that prevent third parties, or the public, from reading private messages
- Modern cryptology originated among the Arabs. Al-Khalil (717-786 AD) wrote *The Book of Cryptographic Messages*

THE WALL STREET JOURNAL.

WEDNESDAY, SEPTEMBER 10, 2008 - VOL. CCLII NO. 40 ***** \$2.00

DOW JONES 11230.73 ▼ 200.01 -2.4% NASDAQ 2209.81 ▼ 2.6% NIKKEI 12400.65 ▼ 1.8% DJ STOIX 50 2042.13 ▼ 0.2% 10-YR TREAS 4.1972, yield 3.596% OIL \$103.26 ▼ \$1.00 GOLD \$707.10 ▼ \$10.40 EURO \$1.4103 YEN 107.11

What's News—

Business & Finance

Lehman came under mounting pressure after a Korean bank ended talks about a possible investment deal. Shares tumbled 45%, the largest-ever daily drop, highlighting investor nervousness about the firm's attempts to raise capital. Lehman plans to offer an earnings preview and announce key initiatives on Wednesday. A1, C20

■ The Dow industrials fell 250.01 points, or 2.4%, to 11230.73 as worries about the financial sector and the global economy returned. C1

■ OPEC decided to cut oil output by about 520,000 barrels a day at a meeting where Russia proposed "extensive cooperation" with the cartel. Prior to the move, oil was down 2.9%. A7

■ Berkshire Hathaway told a subsidiary to stop insuring deposits above the amount guaranteed by the FDIC, in a setback for the banking sector. C1

■ Pending home sales dropped 3.2% in July, the Realtors said, reversing gains in June. Job openings and hiring continued to decline. A2

World-Wide

■ North Korea's reclusive leader may be gravely ill. Kim Jong Il may have suffered serious health problems, including a stroke in the past month, U.S. officials believe. The 67-year-old dictator was absent from the country's 60th anniversary celebration Tuesday, following earlier reports that he collapsed last month. Kim is not known to have taken steps to prepare for a succession. A1

The news raised worries about the stability of North Korea and negotiations to dismantle its nuclear arsenal.

■ McCain is now even with Obama, a Wall Street Journal/NBC poll found, with the Republican helped by his choice of Palin as running mate. A1, A6

■ The U.S. is putting off plans for a virtual fence along the Mexican border and will instead focus on a physical barrier. A3

■ House Democratic leaders rallied around a proposal to allow more offshore oil drilling. Republicans blasted the plan. A4

■ The CBO said the fiscal 2008 U.S. budget deficit is unacceptably

Lehman Faces Mounting Pressures

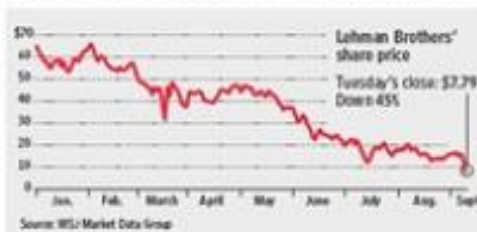
Stock Drops 45% as Capital-Raising Talks Falter; Firm Discusses Sale of Assets

Lehman Brothers Holdings Inc. came under mounting pressure Tuesday after hopes faded for an investment deal with a Korean bank, helping to trigger a

By Susanne Craig, Randall Smith, Serena Ng and Matthew Karnitschnig

45% fall in the firm's shares.

Lehman's troubles mark the latest installment in the worst financial-system crunch in decades, coming just two days after the U.S. government announced its plan to take over the two giants of the mortgage business. U.S. stocks fell Tuesday, giving back gains that had greeted



the weekend bailout of Fannie Mae and Freddie Mac.

The drop in Lehman shares highlights the continuing nervousness in markets as the company attempts to raise fresh cap-

ital to offset sharp declines in the value of its assets. Shares of Lehman, which is heavily exposed to troubled real-estate investments, have been under pressure for months and were

down about 80% this year before Tuesday's drop. Investors have been frustrated as Lehman has taken months to pull together a plan to raise capital to absorb expected losses.

On Tuesday, credit-rating services Standard & Poor's and Fitch Ratings placed their ratings on Lehman on review for downgrades. S&P cited uncertainty about the firm's ability to raise capital, "based on the precipitous decline in its share price in previous days." If downgraded, Lehman may be required to post billions of dollars in collateral to its trading partners on derivative contracts and



Korean Dictator's Health Is Questioned

North Korean dictator Kim Jong Il may have suffered serious health problems including a stroke in the past month, U.S. of-

The Global Financial Crisis

September 2008

- Lehman Brothers collapses
- Money market funds 'broke the buck'
- Entire financial ecosystems buckled
- Loss of confidence in counterparty transactions

Started Out as Counterculture

Bitcoin: A Peer-to-Peer Electronic Cash System

Satoshi Nakamoto
satoshin@gmx.com
www.bitcoin.org

Abstract. A purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution. Digital signatures provide part of the solution, but the main benefits are lost if a trusted third party is still required to prevent double-spending. We propose a solution to the double-spending problem using a peer-to-peer network. The network timestamps transactions by hashing them into an ongoing chain of hash-based proof-of-work, forming a record that cannot be changed without redoing the proof-of-work. The longest chain not only serves as proof of the sequence of events witnessed, but proof that it came from the largest pool of CPU power. As long as a majority of CPU power is controlled by nodes that are not cooperating to attack the network, they'll generate the longest chain and outpace attackers. The network itself requires minimal structure. Messages are broadcast on a best effort basis, and nodes can leave and rejoin the network at will, accepting the longest proof-of-work chain as proof of what happened while they were gone.

October 2008

- The pseudonymous Satoshi Nakamoto published the original white paper
- Details how a purely peer-to-peer version of electronic cash would allow online payments to be sent from one party to another without going through a financial institution
- A clear shot across the bow to traditional financial institutions and processes

And Here We Are...



It is real and investors need to pay attention (e.g., 35,000 people attended the largest digital conference in the world happened two weeks ago).

Mapping Out the Digital Landscape

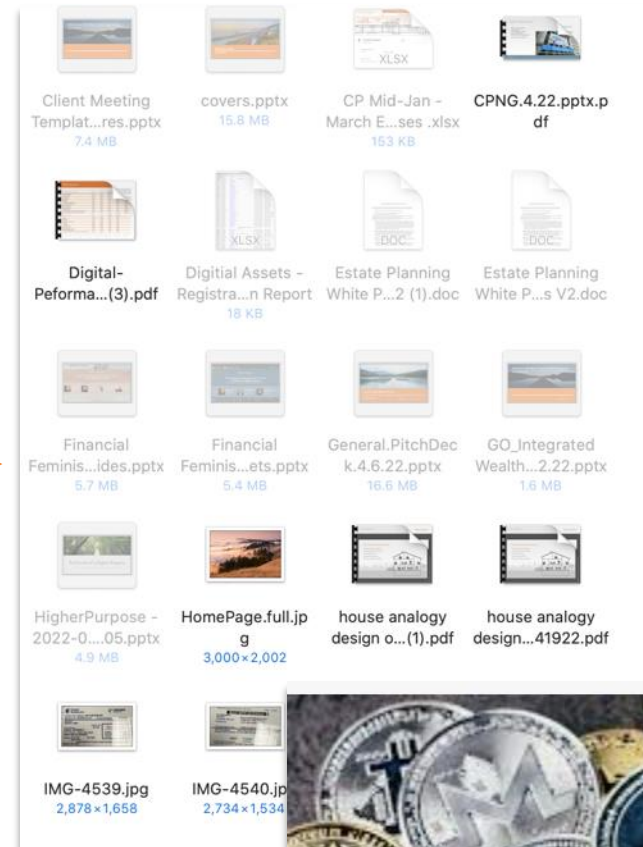
Digital Assets and Cryptocurrencies:

Digital assets are those that exist as binary data, self-contained, uniquely identifiable, and have a value/use case.

Broadly speaking, it can refer to any asset that is stored digitally - *such as this presentation file.*

Cryptocurrency is a digital asset that are part of the blockchain, intended to be used as a store of value for exchange.

All cryptocurrencies are digital assets, but not all digital assets are cryptocurrencies.

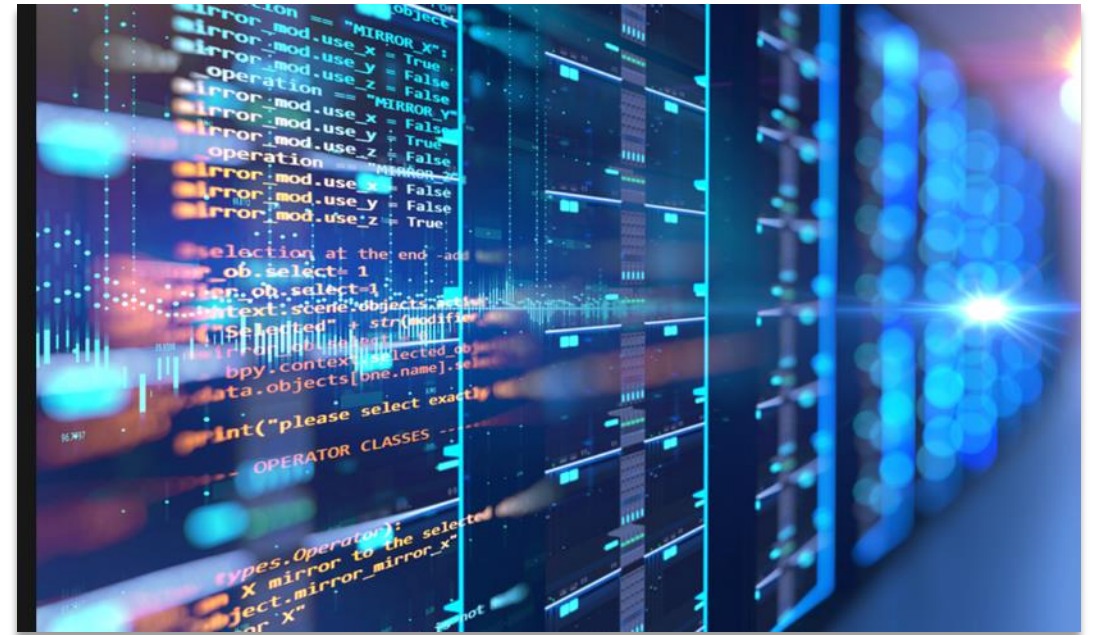
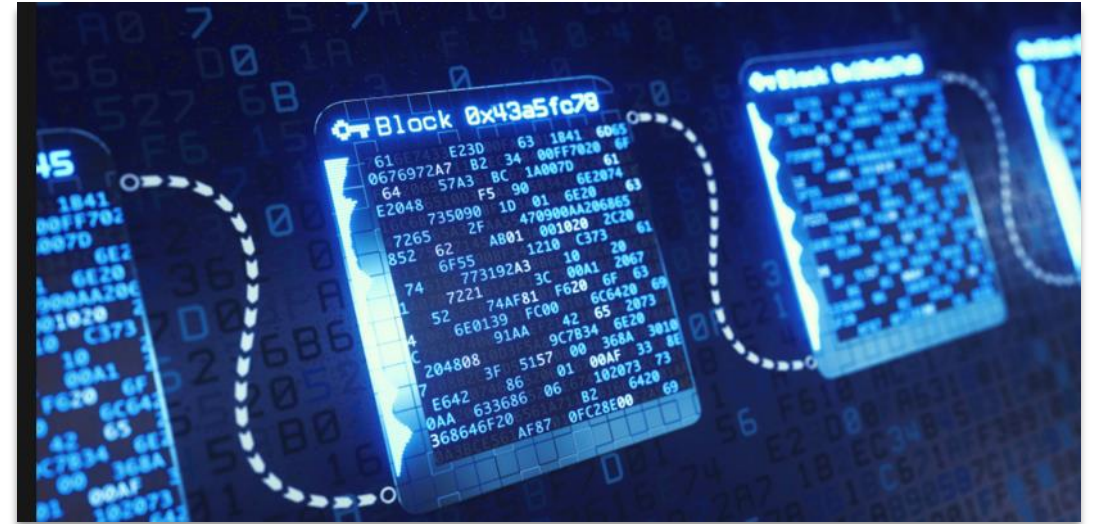


Blockchain and Mining:

Blockchain The technology and database that stores information in chains of “blocks”. No one person or group is in control of the entirety of the blockchain. The Bitcoin Blockchain consists of a link of blocks that hold information such as:

1. The transaction
2. The individual block's identity
3. The identity of the previous block

Mining How new cryptocurrencies are created. Mining requires considerable computing power to execute the complex problems required to solve to create a new block.



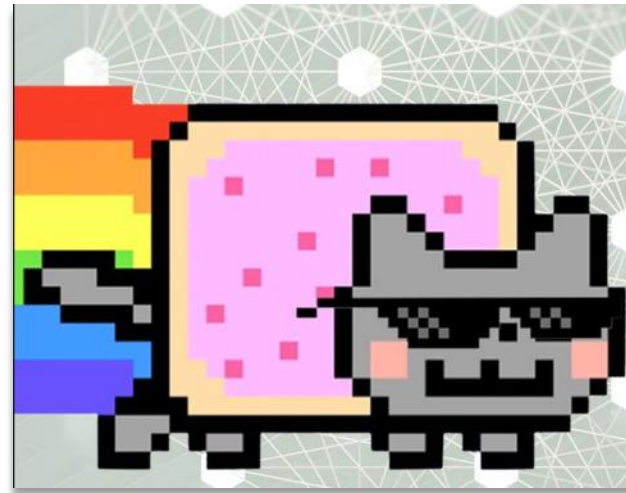
Tokens and Non-Fungible Tokens:

Tokens: Represent a different asset to store value and/or for trading. These assets are fungible, meaning they can be replaced with another identical asset of the same value. (e.g., Tether, USDC).

Non-Fungible Tokens (NFT's): NFTs are digital proofs of purchase for items such as art, baseball cards or digital music. NFTs are stored and traded on computer networks using the same technology that powers bitcoin and other cryptocurrencies.



jpg NFT valued at \$680K Jan 2022.



Jack Dorsey's 'first tweet' NFT went on sale for \$48M. It ended with a top bid of just \$280.

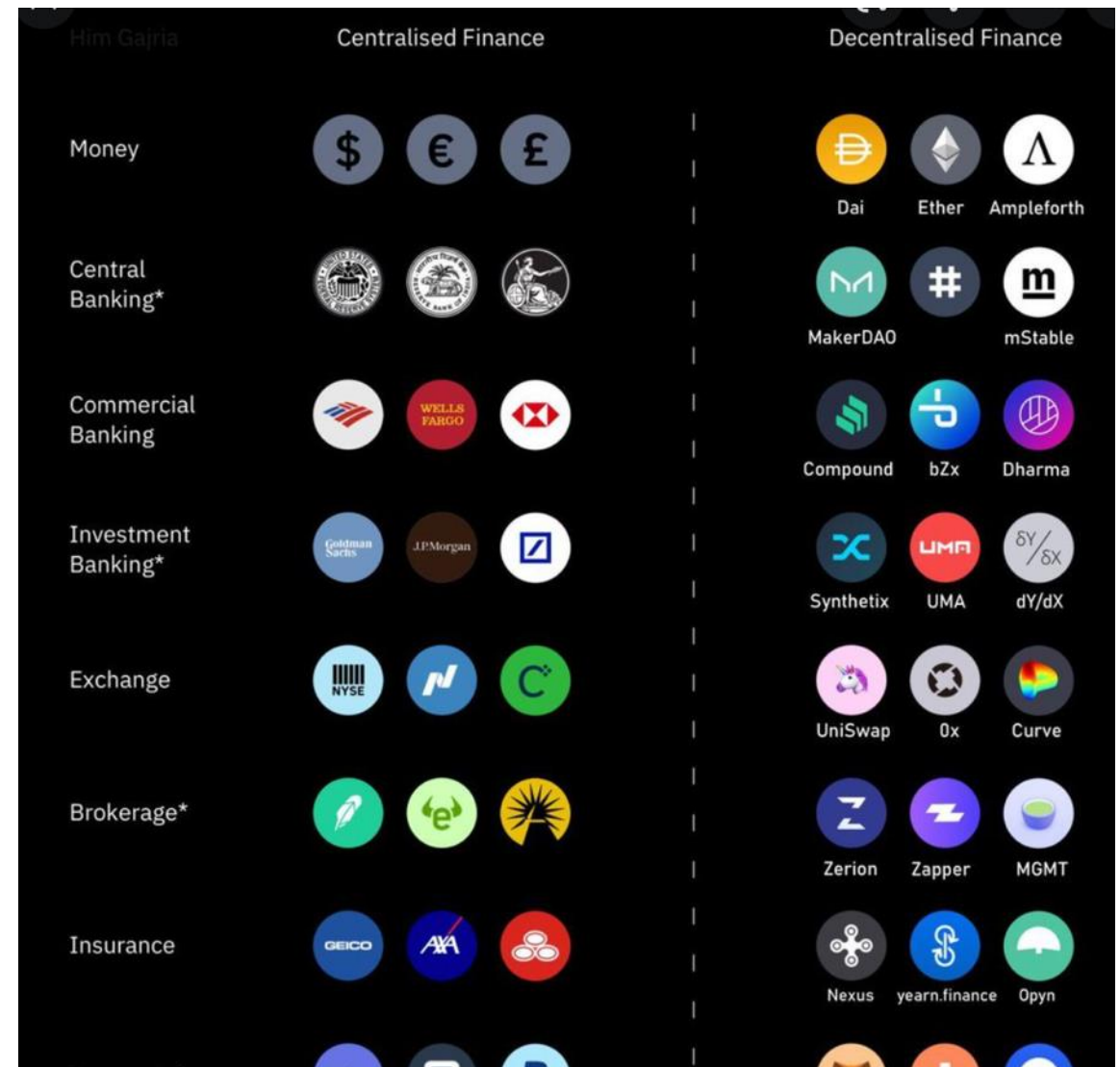
Centralized Finance vs. Decentralized Finance:

Centralized Finance (CeFi) Crypto transactions are taking place on 'CeFi' platforms, where centralized governing bodies are overseeing and regulating users' digital assets.

- CeFi Exchanges (CEX's): Binance, Coinbase, and Gemini

Decentralized Finance (DeFi): Direct peer-to-peer transactions, with self-executing trades using blockchain, without third-parties.

- DeFi Exchanges (DEX's): Uniswap and Sushiswap



Digital Asset Ecosystem – It’s Big, and Getting Bigger

INVESTMENTS	HOW MANY	VALUE
Cryptocurrencies	>17,000 Coins & Tokens	\$2 Trillion Market Cap
Private Crypto/Blockchain Companies	>6,500 Companies	\$33 Billion Raised*
Public Crypto/Blockchain Companies	~40 Companies	\$80 Billion Market Cap



*From VC's in 2021
Sources: CoinMarketCap, Pitchbook, Jefferies

Primary Digital Asset Verticals



Payment Platforms

Enabling consumers & business to send payments in crypto



Exchanges & Brokerages

Provide access to, financing, and trading of digital assets



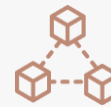
Hardware Providers

Manufactured enterprise-grade computing equipment



Asset Managers

Institutional and retail products to access the digital asset economy



Blockchain Technology Providers

Develop blockchain-integrated software and infrastructure

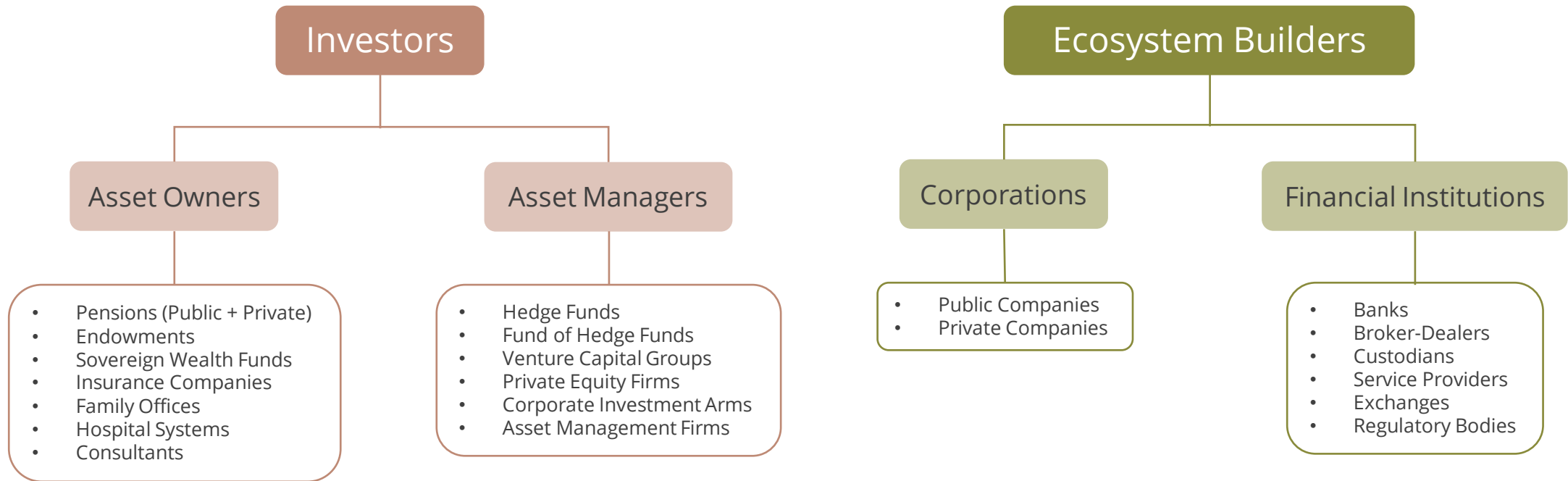


Mining

Built-out distrusted cloud data centers and infrastructure for crypto mining

Investment Case

A New Asset Class



Fewer Vulnerabilities

Gold vs. US Dollar vs. Bitcoin

TRAITS OF MONEY	GOLD	FIAT (US DOLLAR)	CRYPTO (BITCOIN)
Fungible (Interchangeable)	High	High	High
Non-Consumable	High	High	High
Portability	Moderate	High	High
Durable	High	Moderate	High
Highly Divisible	Moderate	Moderate	High
Secure (Cannot be counterfeited)	Moderate	Moderate	High
Easily Transactable	Low	High	High
Scarce (Predictable Supply)	Moderate	Low	High
Sovereign (Government issued)	Low	High	Low
Decentralized	Low	Low	High
Smart (Programmable)	Low	Low	High

Protection Against Capital Controls

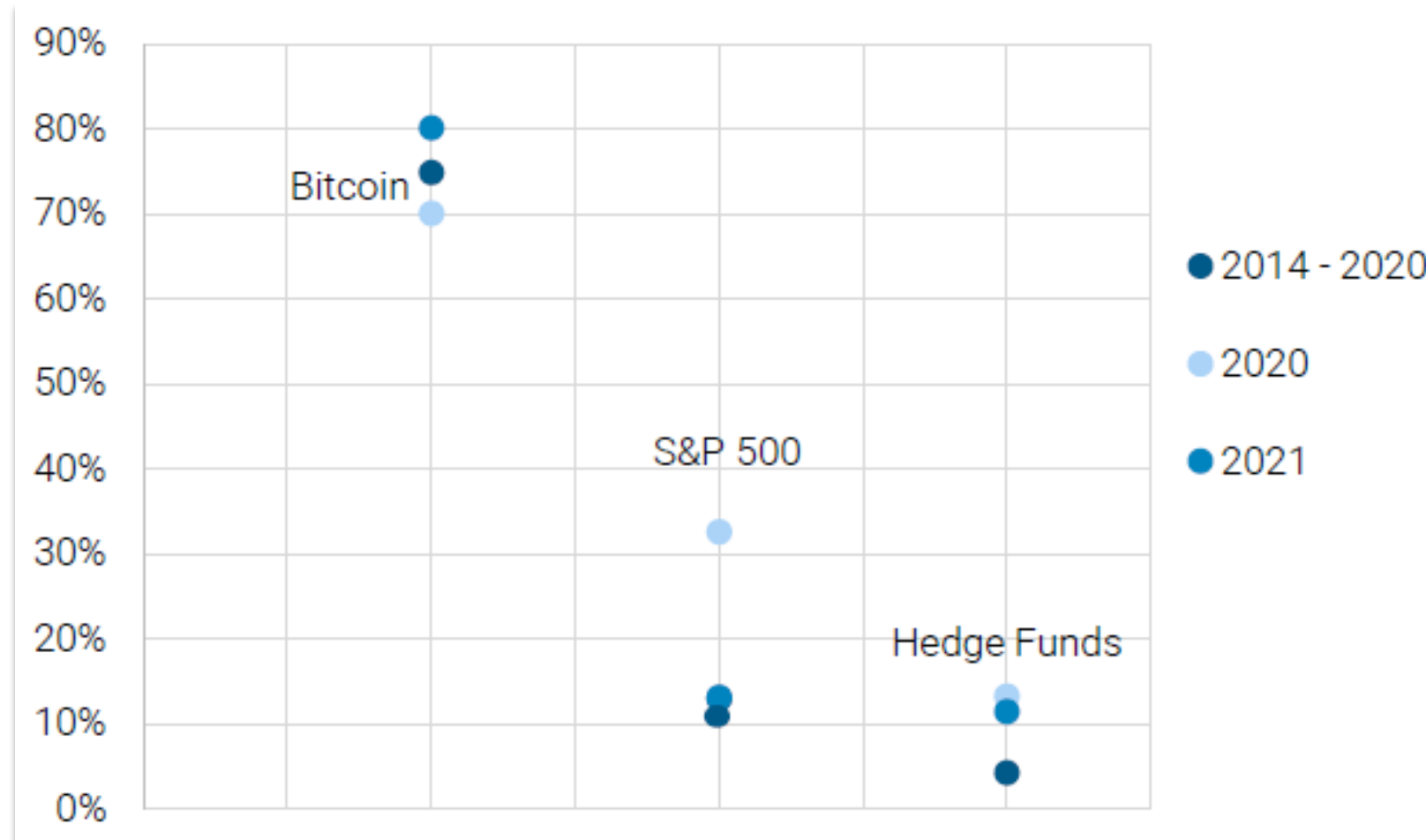
Outside The System



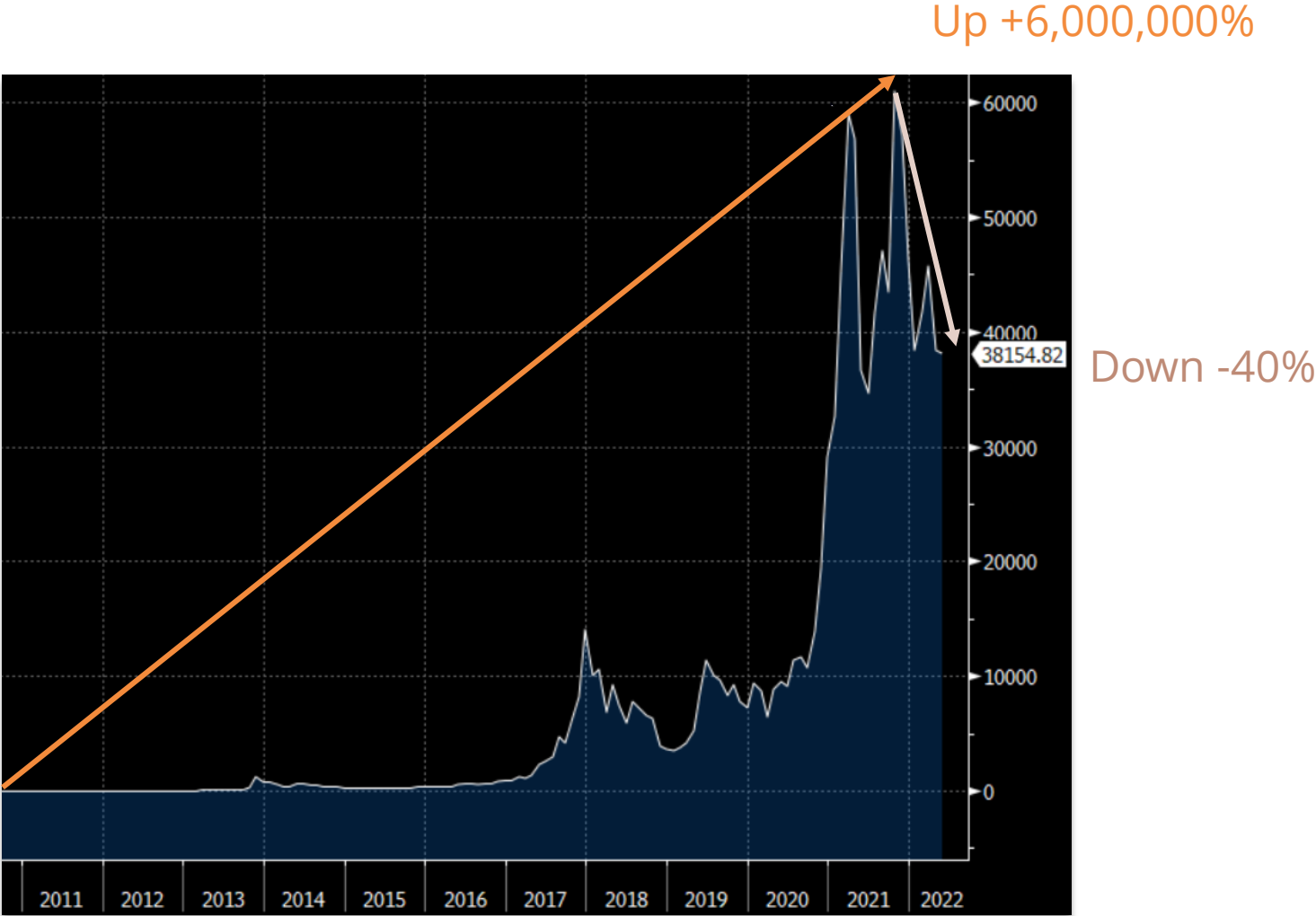
Associated Risk

Annualized Volatility:

BTC vs. S&P 500 vs.
HFs 2014 - Present

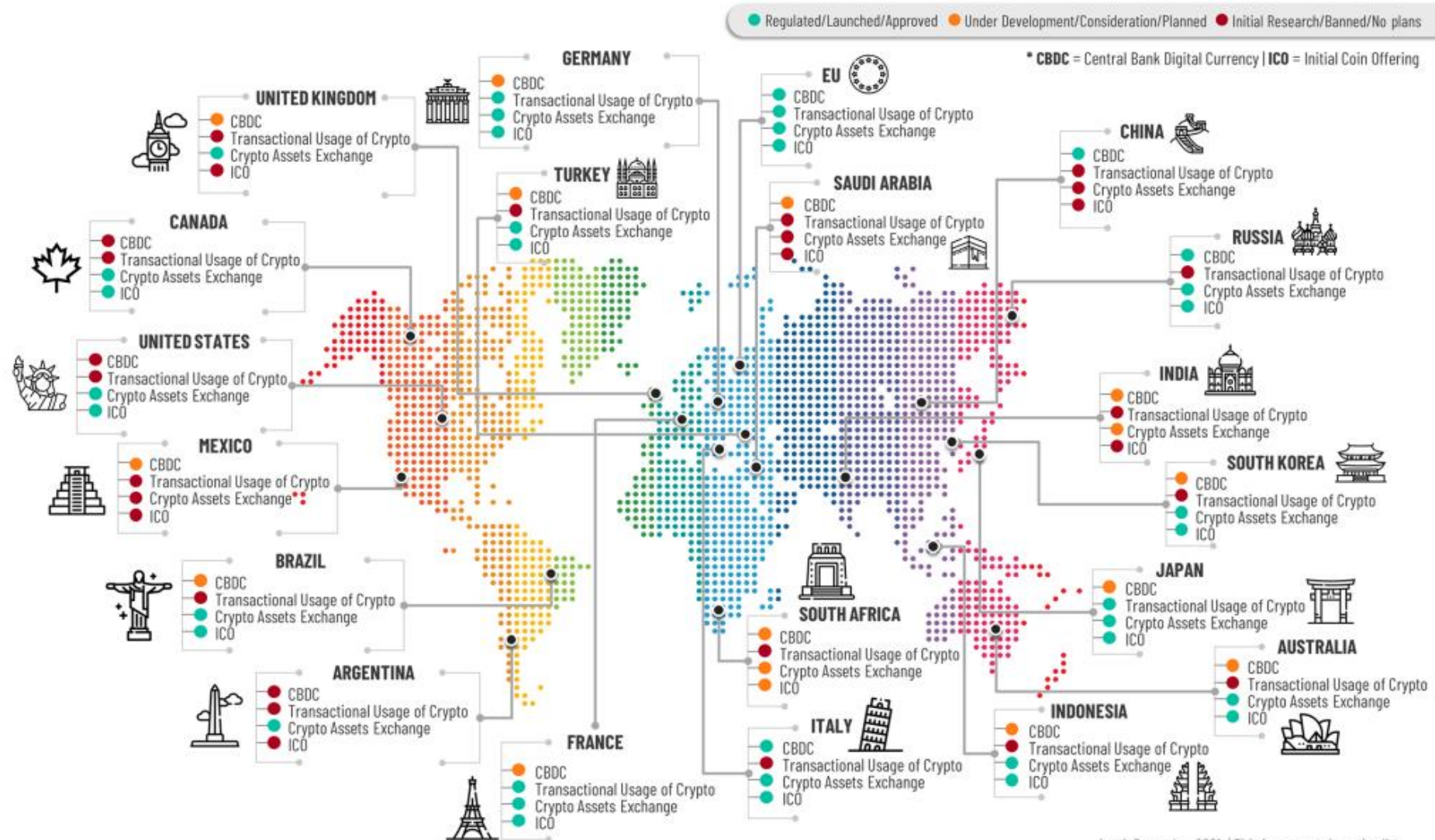


Volatility: Bitcoin Over Time



Regulation

Regulatory Stance on Crypto – G20



















Competition

coinbase Prices Learn Individuals Businesses Developers Company Sign in Sign up

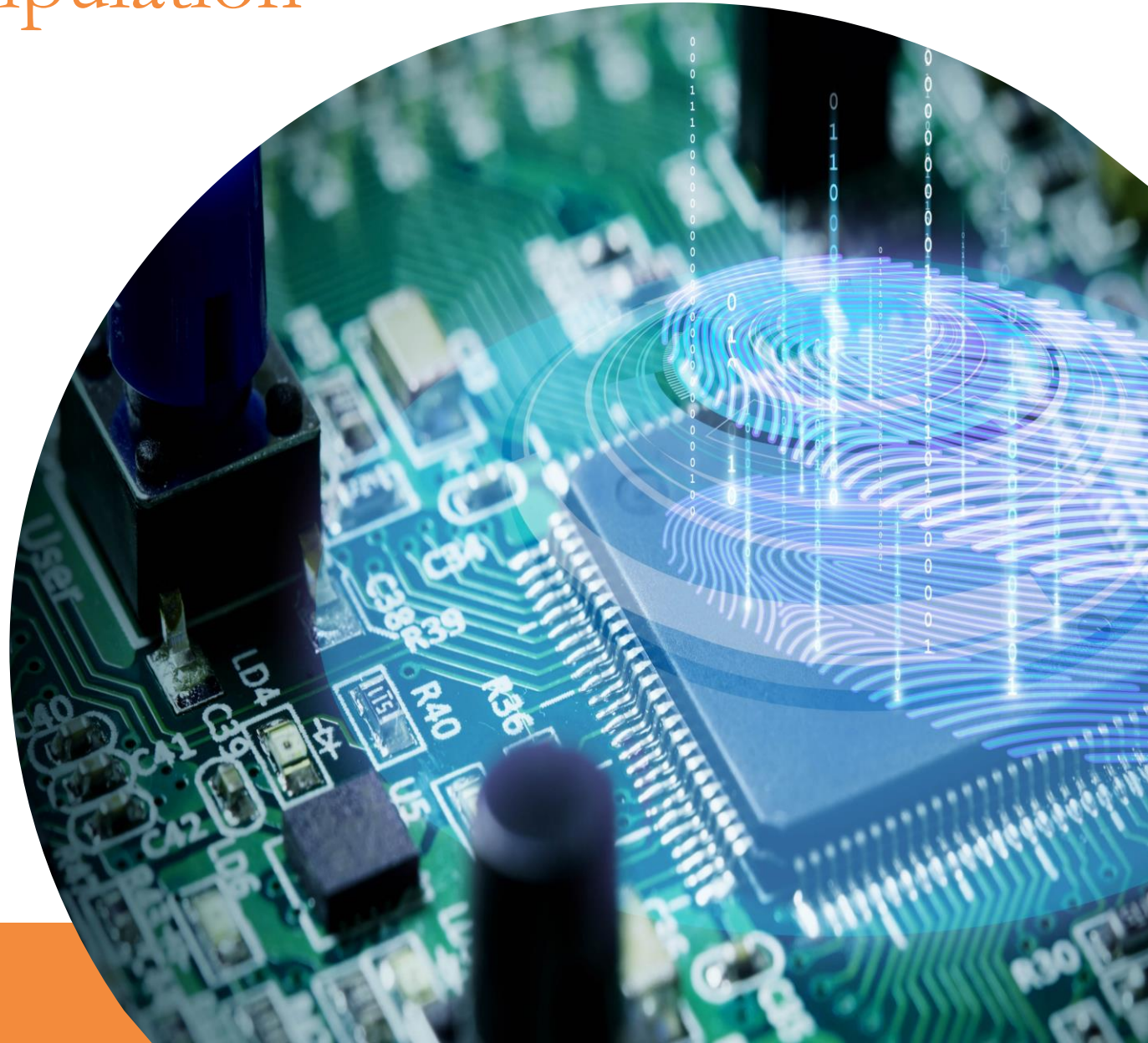
+9.86% price change Added Apr 27 +40.76% views \$27.28B volume (24h)

All assets Tradable Gainers Losers 1H 1D 1W 1M 1Y

Name	Price	Change	Market cap	Volume (24h)	Supply	Trade
★  Bitcoin BTC	\$37,966.40	 ↘ 1.40%	\$722.4B	\$27.3B	19.0M	Trade
★  Ethereum ETH	\$2,794.81	 ↘ 1.58%	\$337.0B	\$12.7B	120.6M	Trade
★  Tether USDT	\$1.00	 0.00%	\$83.1B	\$53.2B	83.2B	Trade
★  USD Coin USDC	\$1.00	 	\$49.0B	\$3.4B	49.0B	Trade
★  Solana SOL	\$86.12	 ↘ 1.89%	\$28.8B	\$1.0B	334.2M	Trade
★  Orca ORCA	\$1.81	 ↘ 1.09%	-	\$911.7K	-	Trade
★  Kyber Network KNC	\$3.36	 ↘ 13.57%	-	\$252.5K	-	Trade
★  Moss Carbon Credit MCO2	\$7.93	 ↘ 1.85%	-	\$131.8K	-	Trade


Market Abuse and Manipulation

- Pump and Dump
- Whale Walls
- Wash Trading
- Stop Hunting
- FUD – Fear, Uncertainty, and Doubt





Conclusions

- Digital assets are here to stay. It will remain volatile and prone to abuse, but it is real, and investible.
 - We view digital assets as an alternative asset class. We advocate for indirect vs. direct exposure at this juncture.
 - Work with your advisor to understand the risks and rewards.
- 



Thank You

For additional questions, please visit wealth.bakerave.com/ff or email us at financialfeminism@bakerave.com

BakerAvenue works with our female clients to understand what is important to them from a generational standpoint. This helps us to build personal long-term relationships with our clients and align their financial goals with their values and changing circumstances. When you need to discuss your personal and professional life transitions, BakerAvenue is here for you.



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Since 2004, Baker Avenue has guided clients through personal and professional life transitions. Our firm provides comprehensive wealth management and investment expertise for high-net-worth individuals, families, trusts, foundations and endowments. Driven by our purpose, we strive to make a positive impact on society alongside financial return. We're headquartered in San Francisco with offices in New York, Dallas, Seattle and San Diego.

For more information, please contact us at 415.986.1110 or visit us at bakerave.com. To view Baker Avenue's full disclosures, please visit bakerave.com/disclosures.