


***Swan* | Advisor Services**

The Bitcoin Platform for Financial Advisors

July 2022

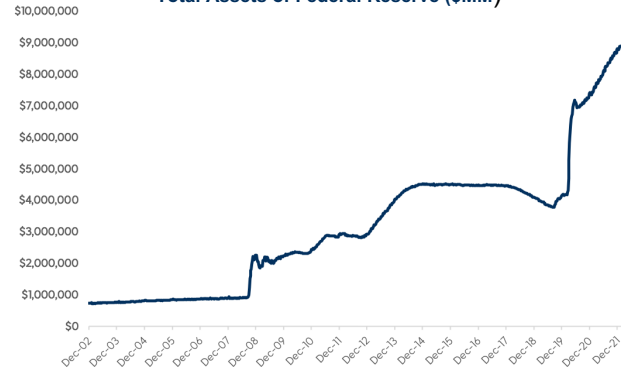


What Problem Does Bitcoin Solve?

The case for a natively digital, hard monetary asset protocol.

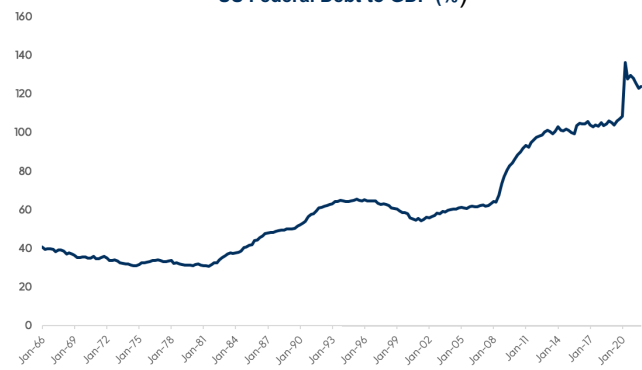
- ▲ The fiat dollar reserve standard has enabled loose monetary policy for 50+ years, ramping up following GFC in 2008
- ▲ The asset side of the Fed's balance sheet has increased 871% from Jan '08 to Apr '22
- ▲ The US Federal Debt to GDP ratio sits at 123% as of 4Q21
- ▲ CPI measured 8.5% in March '22 setting a 40 year high
- ▲ The USD dollar + Treasury reserve system is analog in nature, an emergent property of the industrial age. It is ill-suited to serve as base layer to the globally connected information economy of the 21st century

Total Assets of Federal Reserve (\$MM)



Source: Federal Reserve

US Federal Debt to GDP (%)



"We are witnessing the Great Monetary Inflation – an unprecedented expansion of every form of money unlike anything the developed world has ever seen."

- Paul Tudor Jones, May 2020

Bitcoin Market Sizing

As a superior monetary asset, Bitcoin will take market share from assets that have accrued a monetary premium.

| | Total market size (\$ trillions) | Bitcoin market share capture % | Bitcoin target market cap (\$ trillions) |
|---|----------------------------------|--------------------------------|--|
| Gold ¹ | 11 | 30% | 3.3 |
| Bank Deposits and Loans ² | 73 | 5% | 3.7 |
| Fixed Income ¹ | 123 | 5% | 6.1 |
| Equities ¹ | 122 | 3% | 3.7 |
| Real Estate ¹ | 230 | 3% | 6.9 |
| Total | 559 | | 23.7 |
| Fully diluted available bitcoin supply (in millions) ³ | | | 20 |
| Price per bitcoin | | | \$1,183,000 |
| Implied compound annual growth rate (10 years) ⁴ | | | 49.6% |

1. Fundstrat
2. Bank of International Settlements
3. Assumes 1 million coins have been lost

4. Assumes current price of \$21,000

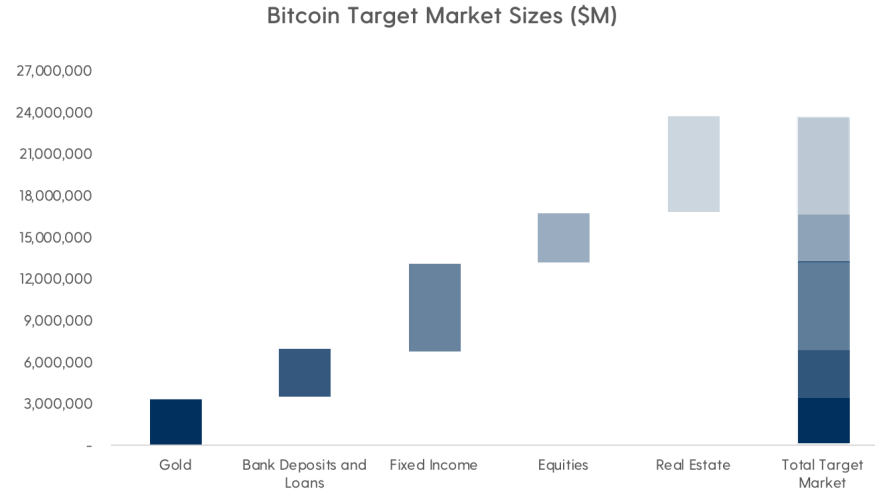


Chart represents ten-year market cap growth potential per market segment

Regulatory Landscape

Bitcoin stands on firmer regulatory ground than all the other digital assets.

- ▲ The **network is sufficiently decentralized** to the point that the Bitcoin asset fails the Howey Test.
- ▲ The test: **“Investment of money in a common enterprise with expectation of profit derived from the efforts of others.”**
- ▲ **The IRS defines Bitcoin as property¹ and CFTC defines it as a commodity².** These definitions are narrow in scope and do not extend to digital assets more broadly.
- ▲ Gary Gensler, SEC Chair
 - “Many of these crypto financial assets have the key attributes of a security. So some of them are under the Securities & Exchange Commission. Some, like Bitcoin, and that’s the only one I’m going to say...my predecessors and others have said they’re commodities.” - *June 2022*
 - “Without prejudging any one token, most crypto tokens are investment contracts under the Howey test. Many tokens may be unregistered securities, without required disclosures or market oversight.” - *April 2022*
- ▲ William Hinman, SEC Director, Division of Corporation Finance June 2018
 - “Promoters, in order to raise money to develop networks on which digital assets will operate, often sell the tokens or coins rather than sell shares, issue notes or obtain bank financing. But, in many cases, the economic substance is the same as a conventional securities offering.”
 - “When I look at Bitcoin today, I do not see a central third party whose efforts are a key determining factor in the enterprise.”

Real Bitcoin vs. Paper Bitcoin

The most critical aspect of adopting Bitcoin is having access to direct ownership, with the ability to take self-custody. Swan Advisor Services unlocks the true power of Bitcoin.

| | |
|--|---|
| Spot Bitcoin via Swan Advisor Services | <ul style="list-style-type: none"> • Allows active management strategies including tax loss harvesting, rebalancing and target price orders • On-platform custodial and safe storage features – assets are not subject to prime brokerage • Outright ownership provides maximum flexibility for advisor and client – borrowing capacity and yield generation opportunities • Withdraw to self- and multi-sig custody, advisor can play a critical role in multi-generational planning |
| Exchange-Custodied BTC | <ul style="list-style-type: none"> • Unauditable supply, assets are commingled and often used in rehypothecation and other prime brokerage activities • Restricted or prohibited withdrawal policies – if withdrawal is allowed high fees and limits are applied • Subject to run-on-the-bank style risk when self-custody is desired, particularly in high stress environments |
| GBTC | <ul style="list-style-type: none"> • Price deviates from the underlying asset, as with a closed-end fund • High fees and expenses |
| Futures ETF | <ul style="list-style-type: none"> • Double-digit annual percentage basis loss on underlying price due to shape of the futures curve (contango) • High fees and expenses |
| LP / Hedge Fund | <ul style="list-style-type: none"> • Limited liquidity – typically monthly or quarterly; high minimums • Lower regulatory standards create unnecessary execution risk from GPs |
| Bitcoin Stocks | <ul style="list-style-type: none"> • MSTR, RIOT, COIN, SQ and other Bitcoin-adjacent businesses provide indirect exposure to bitcoin’s price • Price tracking error is significant; introduces business-specific risks |

Education & Insights Are The Foundation

Recognized thought leadership from a deep bench of Bitcoin experts with multi-channel reach.

Newsletters

- ▲ *Swan Monthly*
- ▲ *Swan Private Insights*
- ▲ *Swan Market Commentary*
- ▲ *The Daily Bitcoiner*

Books

- ▲ *Why Buy Bitcoin*
- ▲ *Inventing Bitcoin*
- ▲ *Why Bitcoin?*
- ▲ *21 Lessons*
- ▲ *Bitcoin: Your Bright Orange Future*
(pending publication)

Podcasts, YouTube, Social

- ▲ *Hard Money with Natalie Brunell*
- ▲ *Café Bitcoin* on Clubhouse and Twitter Spaces
- ▲ *Swan Signal Live*
- ▲ *Stephan Livera Podcast*
- ▲ *What is Money with Robert Breedlove*

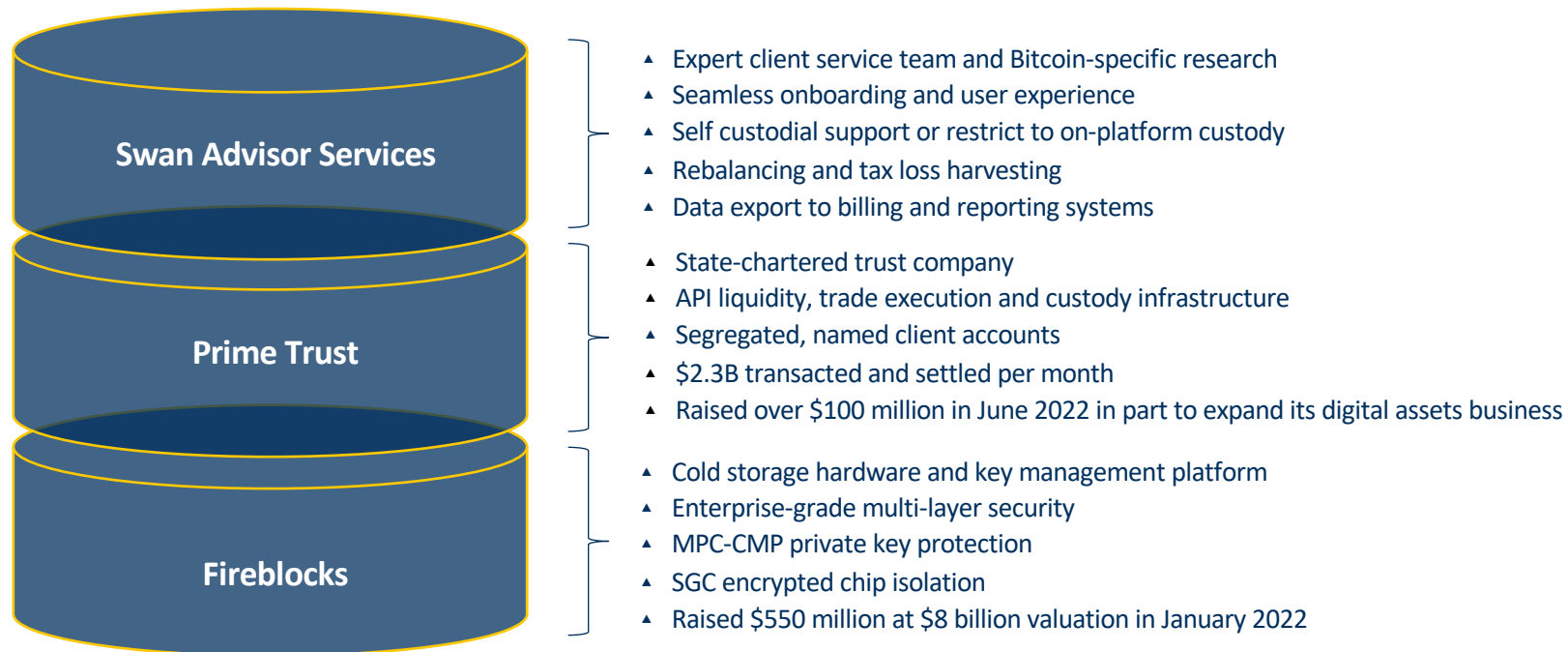
Syndicated Content

- ▲ *Fundstrat*
- ▲ *Hedgeye*
- ▲ *Lyn Alden Investment Strategy*

Swan Studios (Film & TV)

- ▲ *This Machine Greens*
- ▲ *Bitcoin is Generational Wealth*
- ▲ *TRUST*

The Advisor Platform Stack



The Advisor Services Team

Combines deep financial services backgrounds with Bitcoin expertise helping clients bridge the gap from the legacy system to the emerging digital protocol-based system.



Andy Edstrom
Managing Director
Advisor Services

- ▲ Financial advisor and investment committee at \$800m RIA
- ▲ Goldman Sachs; principal at hedge fund acquired by BlackRock
- ▲ CFA, CFP holder



Ryan Flynn
Managing Director
Private Client

- ▲ Operating partner, private placement broker dealer
- ▲ M&A advisory, merchant banking
- ▲ Series 7, 24, 28, 63, 79 holder



Gui Gomes
Chief Revenue
Officer

- ▲ Business development at Bridgewater Associates
- ▲ Founder, global experiential marketing business
- ▲ UCLA MBA



Cory Klippsten
Founder & CEO

- ▲ Angel & Advisor for 50+ VC-backed startups
- ▲ Google, McKinsey, Morgan Stanley, Microsoft
- ▲ University of Chicago MBA

Advisor Services clients will be supported by full depth of the Swan team

- ▲ Private Client Services team with backgrounds in corporate finance, transaction law, fixed income, and physical gold fund management provides unmatched education
- ▲ Dedicated Client Support team available via chat, phone, and email to assist with technical and account maintenance issues
- ▲ Product and Engineering team driving continuous product development and improvement based on advisor needs

Swan Advisor Services

Bitcoin-only private brokerage and custody platform built specifically for financial advisors.

- ▲ Strategic partnership and support from Swan's team of experts
- ▲ Institutional-grade research and education
- ▲ Easy-to-use interface offering streamlined client account onboarding, buying, selling, rebalancing, tax loss harvesting
- ▲ Real-time account data export to integrate with portfolio management and billing systems
- ▲ Deep, real-time liquidity and trade execution
- ▲ Best-in-class custody and security infrastructure
- ▲ Built-in custody tools or customizable client self-custody and multi-signature options

The Independent Advisor's Trusted Bitcoin Partner