

Long-Term Investment Research Framework
Exercise Progress: 1 of 49 Steps Completed
Cryptocurrency Chosen: Cardano

Year that Cardano was founded: 2017
First date Cardano was traded: 9/29/2017
Ticker Symbol for Cardano is: ADA
Block Time (Time to Create New Cardano) is: About 20 seconds

STEPS 3-5: Cardano Price, Restrictions, Purpose, Your Opinion on Long Term Strategy: Check this box when you understand Steps 3-5

<p>Market Capitalization: \$ 7.02B</p> <p>Cardano Price: \$ 0.27</p> <p>52 Week Low: \$ 0.00</p> <p>52 Week High: \$ 1.38</p> <p>Country of Origin: Japan</p>	<p>STEP 4: What is the Brief Purpose of Cardano (What Problem is it Solving)? Cardano is a cryptocurrency platform that runs the very secure blockchain for its cryptocurrency, ADA. The only wallet that accepts ADA is called Daedalus.</p> <p>STEP 5: What is Your Brief Opinion On the Long-Term Strategy of Cardano ? If Cardano can successfully integrate the functionalities of other coins and platforms into one entity as it proposes, then it will be able to realize its potential of becoming the largest cryptocurrency.</p>
<p>STEP 3: Any Restrictions for Cardano in: Canada (Click me)?</p> <p>(Click me to answer)</p>	

STEPS 6-17: Cardano Sources to Read/Review/Research and Stay on Top of: Please click on the green cells below to mark each as Done or N/A.

Click the Green Shaded Cells Below to Select Done, Not Done or Not Applicable

STEP 6:	Not Done	Did you sign up for Cardano Google Alerts at alerts.google.com? Click me to go to alerts.google.com.
STEP 7:	Not Done	Did you read the whitepaper for Cardano? Click me to access the Cardano whitepaper.
STEP 8:	Not Done	Did you sign up for Meetup.com meetings in Canada for Cardano? Click me to access local meetups in Canada for Cardano (if available).
STEP 9:	Not Done	Using Twitter, have you followed official Cardano Twitter feed? Click me to access Twitter to follow the official Cardano Twitter feed.
STEP 10:	Not Done	Have you tried the product (meaning have you bought or sold fractions of or an entire Cardano)? If not, please watch the lesson in Part 2 of the course on how to buy Cardano.
STEP 11:	Not Done	(Optional) Have you used Github.com to research Cardano? Click me to access Github.com and read about/research Cardano
STEP 12:	Not Done	(Optional) Have you used Reddit.com to research Cardano? Click me to access Reddit.com and read about/research Cardano
STEP 13:	Not Done	(Optional) Have you used YouTube to research Cardano? Click me to access YouTube.com and read about/research Cardano
STEP 14:	Not Done	Have you reviewed the contents and resources on the Cardano website? Click me to access the official website for Cardano
STEP 15:	Not Done	(Optional) Have you reviewed the Wiki website contents and resources for Cardano? Click me to access a helpful Wiki resource for Cardano
STEP 16:	Not Done	Have you reviewed the non-editorial articles for Cardano on Coindesk.com? Click me to access Coindesk.com articles for Cardano
STEP 17:	Not Done	Have you analyzed how Google search trends have changed for Cardano? Click me to access Google search trends for Cardano . Optional: enter your thoughts in the space below on the change in search interest over the past 12 months.

STEPS 18-21: Cardano Qualitative Investment Research Comments (Background + Pros & Cons): Check this box when you understand Steps 18-21.

STEP 18: What is Cardano? This is similar to Step 4, with much more detail on the background of Cardano.
 Cardano (or Cardano Settlement Layer) is a fully open source decentralized public blockchain and cryptographic currency designed and developed by IOHK in 2015. Cardano is developing a smart contract platform which aims to provide more cutting-edge features than any other protocol created. It is the first blockchain platform to form out of a scientific philosophy and a research-first approach. The team creating Cardano consists of global expert engineers and researchers from the University of Edinburgh, the University of Athens and the University of Connecticut.

STEP 19: Why does Cardano exist?
 Cardano began as an effort to shift the method in which cryptocurrencies are designed and developed. There are three main reasons Cardano was created as follows. 1: to develop a more successful protocol to improve the layering in the design of cryptocurrencies. 2: the team wants to increase the appreciation for cryptographic research since that is their main approach to building Cardano. 3: Cardano wants to make accommodation for future updates like soft and hard forks more commonplace since most altcoins fail to do so. Overall, the focus of Cardano is to develop a more equal and sustainable ecosystem that better tends to the needs of its users and other systems desiring integration. You can think of Cardano as Bitcoin reimagined with the freedom to mend the design flaws of Bitcoin.

STEP 20: What are the pros (positive attributes of) Cardano ?
 Cardano is completely open-source and is in the business of solving the cryptocurrency industry's scalability and democratized voting issues through a smart contract platform that is programmed to be interoperable with other cryptocurrencies. Adding to the benefits, Cardano is aiming to simplify atomic swaps and remove the necessity of exchanges. With a world-class team including one of the co-founders of Ethereum, Charles Hoskinson, Cardano has a lot of smart academicians, technicians, and scholars working on Cardano's technical solutions.

STEP 21: What are the cons (negative attributes of) Cardano ?
 The market capitalization of Cardano remains in the top 10 with a circulating supply of around 25 billions coins out of the maximum supply of 45 billion in total. For Cardano, the biggest disadvantage is the technical hindrance of its circulating supply. It is likely that there will be continuous supply at higher levels. While the benefits and applications of Cardano's technology will be substantial, the large supply of coins pose a considerable constraint on the cryptocurrency.

STEPS 22-24: Cardano Management Team, Investors, Developers, Partners, Customers: Check this box when finished with Steps 22-24.

STEP 22: What is the management team like for Cardano? Include information like your thoughts on the quality of the CEO, the quality of the developers that work there, the quality of board, the quality of investors etc (check out crunchbase.com and comment on VC investors if applicable).

It was built by a former Ethereum executive and now the Cardano Foundation oversees the Cardano protocol, community and ecosystem. Additionally, the Cardano core team, IOHK, includes crypto veterans and people with strong academic backgrounds in computer science and software engineering. The CEO of IOHK is Charles Hoskinson who used to be the CEO of Ethereum and has a successful track record of running technology companies.

[Click me to go to the Crunchbase page for Cardano in order to view the investor profiles, the management team profiles and the background of the board \(if available\). The free content on Crunchbase is all we need...no need to pay for a subscription.](#)

STEP 23: What is the developer community like for Cardano? Include information like do you think they seem committed to improving the cryptocurrency or are they opensource or not, etc.?

Cardano has a huge developer community and was created in the spirit of collaboration for people to build things together. The Cardano ecosystem is completely open-source and patent free.

STEP 24: Does Cardano have any notable reference customers or partners (i.e., large companies or government agencies that use or have positive things to say about Cardano)?

Emurgo, SIRIN LABS, and Cardano is officially accepted as a form of payment at Hotel Ginebra in Spain.

 **STEPS 25-26: Cardano Security & Differentiation Versus the Competition:** Check this box when finished with Steps 25-26.

STEP 25: Please comment on the strength of the security of Cardano when compared to other cryptocurrencies.

Cardano is being built with a layered, modular system which enables applications on its platform to tailor to the levels of security and privacy/transparency they need. Out of the few decentralized blockchains that come with strong security features, Cardano is one of them.

STEP 26: How is Cardano different from other cryptocurrencies (in addition to differences in security protocols if applicable)?

Cardano is a platform currency which aims to solve the scalability issues, bug discovery, smart contract code and lack of collaboration that plagues previous generation cryptocurrencies.

 **STEPS 27-28: Wallets and Exchanges that Support Cardano:** Check this box when finished with Steps 27-28.

STEP 27: Of the 6 exchanges discussed in this course, can you transact in Cardano on all 6 of these exchanges: GDAX, POLONIEX, KRAKEN, BITTREX, GEMINI, and BINANCE? If not, which of the 6 aforementioned exchanges do not currently accept Cardano?

Of the 6 exchanges discussed in the course, only Binance and Bittrex support Cardano.

STEP 28: Of the 8 wallets discussed in this course, can you use Cardano with all 8 of these wallets: QR CODE PAPER BASED WALLET, TREZOR, LEDGER NANO S, DIGITALBITBOX, KEEPKEY, COINBASE, ELECTRUM AND BLOCKCHAIN? If not, which of the 8 aforementioned wallets do not currently accept Cardano?

Of the 8 wallets discussed in the course, paper based wallets are the only wallets that allow you to securely store Cardano (ADA). However, you have use the Daedalus wallet as it is the only wallet that allows for the secure storage of Cardano where wallets can also be exported to paper certificates.

 **STEPS 29-30: Current and Maximum Supply # and Date of Maximum Supply of Cardano:** Check this box when finished with Steps 29-30.

STEP 29: What is the current supply of shares of Cardano available today?

~26 billion

STEP 30: What will be the maximum supply of shares of Cardano available AND what approximate year will the maximum supply be at (ie 2040)?

45 billion

 **STEPS 31-33: Country, Accounting and Bug Risks of Investing in Cardano:** Check this box when finished with Steps 31-33.

STEP 31: If applicable, who is the auditor of Cardano and are they reputable/well known in their country of origin or country of incorporation?

FP Complete performed the first-ever audit report for Cardano, which focused on the engineering work completed by the Cardano development team, IOHK.

STEP 32: Are there any notable country or regulatory risks when it comes to Cardano that might hurt the ability of Cardano to be successful in the long-run when compared to other cryptocurrencies?

Cardano is big on regulatory compliance and outlines this on their website at: <https://whycardano.com/regulation/>

STEP 33: Are there any code bugs for Cardano that are a concern for investors?

Cardano's protocol technology goes through extensive peer review and auditing. And because the code has a better process for verifying that it is being written correctly, it will help prevent bugs and errors, like the one that exposed the DAO Hack of Ethereum.

 **STEPS 34-35: What would make you MUCH MORE or MUCH LESS positive on Cardano?** Check this box when finished with Steps 34-35

STEP 34: What would make you MUCH MORE positive on Cardano (meaning what news development, contract, etc would make you much more positive)?

I would be much more positive on Cardano if it were available on more exchanges and had more options for storing ADA.

STEP 35: What would make you MUCH LESS positive on Cardano (meaning what news development, contract, etc would make you much less positive)?

I would be much less positive on Cardano if their developer community shrunk as they almost have a religious following from their community. Also, I would be much less positive if Cardano's team delayed the launch of their proof-of-stake protocol as it will be one of the most crucial parts of the Cardano infrastructure and overall roadmap.

 **STEPS 36-39: Mining Incentives, Reddit & Twitter Followers for Cardano:** Check this box when finished with Steps 36-39

STEP 36: Is there an economic incentive for people to improve Cardano (ie through mining etc? Please explain)

Cardano uses Proof of Stake called Ouroboros to permit more exotic incentive schemes while increasing scalability capacity and secure voting. Unfortunately, only trusted nodes can do the

STEP 37: How many Reddit readers does Cardano have?

Cardano has 62,339 Reddit readers, compared to an average of 192,950 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

STEP 38: How many Twitter readers does Cardano have?

Cardano has 114,000 Twitter readers/subscribers, compared to an average of 363,890 for these ten cryptocurrencies: BTC, ETH, XRP, LTC, XMR, ZEC, DASH, NEO, ADA, XLM.

STEP 39: [Optional] Write in the space below the name of another social media company like Twitter that is worth tracking in your country when doing research on Cardano and comment on the metrics relative to other cryptocurrencies similar to what you have done in Step 38.

STEPS 40-43*: Quantifying an Estimate on the Long-Term Target Price for Cardano: Check this box when finished with Steps 40-43*

In this step, we will use several assumptions for coming up with an approximate long term target price on Cardano. Please answer questions 40-43 in order to arrive at a target price based on your assumptions. This is meant as a guideline for one way we can think about quantifying a target price. Please read the 6 facts below before answering the questions; thanks:

* Please note that the source of the data for the size of markets used in the facts below are at this website (click me to go there): money.visualcapitalist.com/worlds-money-markets-one-visualization-2017/

Fact #1: Stock Market Combined Value: The value of all stocks added up (meaning the combined global market cap of stocks) is in US \$: \$73,000,000,000,000

[Please note that \\$73,000,000,000,000 US dollars in Canadian dollars is 93,934,940,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

Fact #2: The World's Largest Stock Value: The value of the largest company in the world on the stock market (which is Apple) is: \$865,000,000,000

[Please note that \\$865,000,000,000 US dollars in Canadian dollars is 1,113,064,700,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

Fact #3: % of the Stock Market Value in the Largest Stock: The % value of the largest stock as a % of the world's market cap is about: 1%

Fact #4: The Value of the World's Money Supply: The total of all of the money supply added up in the world is: \$90,000,000,000,000

[Please note that \\$90,000,000,000,000 US dollars in Canadian dollars is 115,810,200,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

Fact #5: According to www.CoinMarketCap.com, the market cap of all cryptocurrencies is: \$422,000,000,000

[Please note that \\$422,000,000,000 US dollars in Canadian dollars is 543,021,160,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

[Click me to get this fact by scrolling down to the bottom of this page for the data source: https://coinmarketcap.com/all/views/all/](https://coinmarketcap.com/all/views/all/)

Fact #6: The percent of the market cap of all cryptocurrencies as a percent of all money supply in the world is: 0.47%

Please note, the target price (below this box) is just a sample, please watch the video associated with this called **(A) Using My Investment Framework to Analyze Cardano** for more details.

You can update your version of the target price in the upcoming lecture, called: **(A) An Exercise on Creating YOUR Version of the Cardano Investment Framework**. For more details, please watch **(A) An Exercise on Creating YOUR Version of the Cardano Investment Framework**. Thanks

STEP 41: What percent of the ENTIRE cryptocurrency market do you think Cardano will have in cryptocurrencies in 20 years? Use the grey up and down arrows on the right to select your answer in the green box...or just type your answer in the green box:

10 % ▲ ▼

Based on your answer of 10%, this implies that your 20 year estimate of the value of the market cap of Cardano will be **900,000,000,000 US dollars.**

[Please note that \\$900,000,000,000 US dollars in Canadian dollars is 115,810,200,000,000 using an exchange rate of 1.28678 per \\$1 US dollar \(you can change this rate by clicking on me or by clicking on the settings button\).](#)

STEP 42: What do you think the supply of coins for Cardano will be in 20 years? Use the grey up and down arrows on the right to select your answer in the orange box...or just type your answer in the orange box. You can use the answers in Steps 29 and 30 if you want to:

20 Million coins ▲ ▼

Based on your answer of 20 million coins, this implies that your 20 year estimate of the value of the price of Cardano

Please note, the target price (below this box) is just a sample, please watch the video associated with this called **(A) Using My Investment Framework to Analyze Cardano** for more details.

You can update your version of the target price in the upcoming lecture, called: **(A) An Exercise on Creating YOUR Version of the Cardano Investment Framework**. For more details, please watch **(A) An Exercise on Creating YOUR Version of the Cardano Investment Framework**. Thanks

WHAT ABOUT DISCOUNTING THE FUTURE VALUE? You might now be thinking that if we are forecasting what the target price will be in the future, then we should discount that future price into today's amount as a dollar that we receive in the future is worth less than a dollar that we receive today (if that sounds confusing, please make sure to watch the lecture called "(A+B) Steps 40-43: Estimating on the Long-Term Target Price on the Crypto"....and think of the reverse logic....meaning if we invested \$1 in the bank today, it would be worth more in the future because of interest that we would make in our bank account...so we would prefer to get that \$ today rather than in the future. The math below will clear this up).

[Optional] STEP 43: If you wanted to discount the future price into today's value using your own discount number of years and your own interest rate, then please plug those 2 parameters into the boxes on the right to get a more conservative discounted price as of today.

Enter Discount # of Years: 20	Enter Discount Interest Rate: 10%
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Based on all of the assumptions listed above, and using a discount time period of 20 years and using a discount interest rate of 10%, the target price for Cardano is \$6,689

STEPS 44-49: Technical Analysis for Cardano: Check this box when finished with Steps 44-49

Please watch the lesson mentioned in the yellow box on the left before looking at the technical analysis concepts below. Please note that the aforementioned lesson will explain how to look at charts when you do your technical analysis (please please please focus much more time on your long term fundamental analysis instead of technical analysis).

Cardano Price: **.271**

STEP 44: AVERAGE 3 MONTH VOLUME DATA:

Average 3 Month Daily Volume for Cardano: 3.29M
Avg. 3 Month Daily Volume for Cardano in US \$: \$1M US Dollars
3 Month Daily Volume for Cardano in Canadian dollars: 1M Canadian dollars

Please look at the average 3 month volume of Cardano in the data for Step 44. Is this cryptocurrency liquid enough for you to easily buy or sell in 1 trading day? Please enter your comment below.
 In most cases, the cryptocurrency volume is high enough for us to be able to get in or out of within 1 day if needed. I want to put this concept on your radar screen now so that you can better assess the volume characteristic if you ever transact in less liquid cryptocurrencies as illiquid investments own us in a bad market (rather than vice versa).

STEP 45: 52 WEEK HIGH DATA:

52 Week High: 1.38
\$ Change from 52 Week High: -1.11
% Change from 52 Week High: -80%

Please look at the price of the 52 week high for Cardano in the data for Step 45 and comment on the data below.
 Cardano is 80.39% below the 52 week high price of 1.38. Most of the time, the price will be below the 52 week high. If the % below the 52 week high is material, then this could indicate that sentiment is negative given a negative news item or negative sentiment on the entire crypto market or another reason.

STEP 46: 52 WEEK LOW DATA:

52 Week Low: .
\$ Change from 52 Week Low: .27
% Change from 52 Week Low: N/A

Please look at the price of the 52 week low for Cardano in the data for Step 46 and comment on the data below.
 N/A

STEP 47: 50 DAY MOVING AVERAGE DATA:

50 Day Moving Average: .24
\$ Change from 50 Day: .03
% Change from 50 Day: 803.33%

Please look at the price of the 50 day moving average for Cardano in the data for Step 47 and comment on the data below.
 Cardano is 803.33% above the 50 day moving average of .24, which indicates that sentiment may be positive on Cardano. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

STEP 48: 200 DAY MOVING AVERAGE DATA:

200 Day Moving Average: .3
\$ Change from 200 Day: -.02
% Change from 200 Day: -1455.00%

Please look at the price of the 200 day moving average for Cardano in the data for Step 48 and comment on the data below.
 Cardano is -1455.% above the 200 day moving average of .3, which indicates that sentiment may be positive on Cardano. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be very positive and vice versa.)

STEP 49: RELATIVE STRENGTH INDEX (RSI):

What is the RSI and How Should I Consider Using the RSI Data? If you want, please watch the lesson mentioned in the yellow shaded column on the left before starting before reading the rest of Step 49. The Relative Strength Index (RSI) can indicate if too many people have been buying or selling and a technical mean reversion chart movement could occur (I generally love buying when everyone else is selling and vice versa as long as I love the underlying long term fundamentals on the underlying cryptocurrency).

Potential Buy Indication Using the RSI: An RSI close to 20, indicates that the cryptocurrency may be oversold, which is a great buy signal if you love the long term fundamentals.

Potential Sell Indication Using the RSI: If the RSI is close to 80, then this could indicate that you might want sell and book a little bit of profit and hopefully buy the cryptocurrency back at a lower level (when it is no longer overbought). There is nothing wrong will booking a little bit of profit by trading every now and then...but we are more focused on being long-term investors.

Click any cryptocurrency button below to see its RSI chart. If you don't see RSI at the bottom of the chart after clicking on one of the buttons below, then click on INDICATOR in the top left hand corner after you click the button and add the RSI. Make sure you are using the most recent dates on the chart. If you get an error message in your browser, go to finance.yahoo.com and create the chart for whatever crypto you are using. Thanks

- RSI Chart for Bitcoin
- RSI Chart for Ethereum
- RSI Chart for Ripple
- RSI Chart for Litecoin
- RSI Chart for Monero
- RSI Chart for Zcash
- RSI Chart for DASH
- RSI Chart for NEO
- RSI Chart for Cardano
- RSI Chart for Stellar

If you want, please enter your thoughts on the RSI chart that you looked at in the space below:

Here is an example on how to complete this RSI comment: "oversold now at an RSI near 20 (means a buy indication ONLY IF you are long term positive on the fundamentals of this cryptocurrency based on your research in the many many steps completed above me on this report"or.... "overbought now at an RSI near 80 (means I might consider taking a bit of profit if I own this cryptocurrency and buy that small amount back at a lower RSI....or if you want to start a position, then it might not be the right time given how overbought the RSI indicator suggests." [Please read the contents of the yellow box below thanks.]

I have to stress again, that in general, please be more long term-focused so we can be long-term owners and not merely "tourists" or "renters" of any investment. If we do our thorough research on any investment, then we are more likely to be longer-term focused (if we like the fundamentals based on our research process). This will ensure that we don't sell at the worst time and vice versa like most investors do (which often creates opportunities for the better informed investors to profit in the long run). Of course, and as a disclosure, positive returns are not guaranteed by this course...I just want to help you understand how to research investments. Thanks