| * | | | | Year that Ethereum was founded: 2015 |
|----------------------------------|---|--|---|--|
| Long-T | erm Inv | estment | Research Framework | First date Ethereum was traded: 7/30/2015 |
| | | | | Ticker Symbol for Ethereum is: ETH Block Time (Time to Create New Ethereum) is: 10-20 seconds |
| Exercis | se Progr | ess: 1 or | 49 Steps Completed | |
| Crypto | currenc | y Choser | n: Ethereum | |
| • | | | | |
| J STEP: | S 3-5: Ethe | ereum Price | e,Restrictions,Purpose,Your Opinion on Long Term Strategy: | Check this box when you understand Steps 3-5 |
| Market Capitalization: \$ 68.40B | | \$ 68.40B | STEP 4: What is the Brief Purpose of Ethereum (What Problem is it Solving)? Ethereum doesn't just offer a cryptocurrency, it's so much more as it is a decentralized platform that runs smart contracts: applications that run exactly as programmed without any possibility of downtime, censorship, fraud or third-party interference. | |
| Ethereum Price: \$ 688.33 | | \$ 688.33 | | |
| | 52 Week Low: | \$ 81.81 | | |
| 52 Week High: \$ 1,422.86 | | | | |
| Cou | Intry of Origin: | Switzerland | STEP 5: What is Your Brief Opinion On the Long-Term Strategy of Ethereum ? Ethereum's long-term strategy is very favorable since its technology is not only disruptive, but also based on its own platform with incredible growth | |
| | Restrictions for Ethereum in: me to answer) | <u>Canada</u> (Click me)? | which is a stand alone coin, Ethereum's platform value proposition and its m Ethereum has no equal competitor. A majority of ICOs are reliant on Ethereu developer community. | - |
| STEI | PS 6-17: Et | thereum Sc | ources to Read/Review/Research and Stay on Top of: | Please click on the green cells below to mark each as Done or N/ |
| Click the G | Green Shaded | Cells Below to | Select Done, Not Done or Not Applicable | |
| STEP 6: | Not Done | <u>Cells Below to Select Done, Not Done or Not Applicable</u> Did you sign up for Ethereum Google Alerts at alerts.google.com? Click me to go to alerts.google.com. | | |
| STEP 7: | Not Done | Did you read | the whitepaper for Ethereum? Click me to access the Ethereum whitepaper. | |
| STEP 8: | Not Done | Did you sign up for Meetup.com meetings in Canada for Ethereum? Click me to access local meetups in Canada for Ethereum (if available). | | |
| <u>STEP 9</u> : | Not Done | Using Twitte | r, have you followed official Ethereum Twitter feed? Click me to access Twitter to follow the offi | icial Ethereum Twitter feed. |
| <u>TEP 10</u> : | Not Done | Have you tried the product (meaning have you bought or sold fractions of or an entire Ethereum)? If not, please watch the lesson in Part 2 of the course on how to buy Ethereum. | | |
| TEP 11: | Not Done | (Optional) Have you used Github.com to research Ethereum? Click me to access Github.com and read about/research Ethereum | | |
| TEP 12: | Not Done | (Optional) Have you used Reddit.com to research Ethereum? Click me to access Reddit.com and read about/research Ethereum | | |
| TEP 13: | Not Done | (Optional) Have you used YouTube to research Ethereum? Click me to access YouTube.com and read about/research Ethereum | | |
| TEP 14: | Not Done | Have you reviewed the contents and resources on the Ethereum website? Click me to access the official website for Ethereum | | |
| STEP 15: | Not Done | (Optional) Ha | ave you reviewed the Wiki website contents and resources for Ethereum? Click me to access a h | elpful Wiki resource for Ethereum |
| TEP 16: | Not Done | - | viewed the non-editorial articles for Ethereum on Coindesk.com? Click me to access Coindesk.co | |
| <u>STEP 17</u> : | Not Done | Have you and | alyzed how Google search trends have changed for Ethereum? Click me to access Google search | trends for |

Not Done

Ethereum Ontional: enter your thoughts in the space below on the change in search interest over the past 12 months

Ethereum . Optional, enter your thoughts in the space below on the change in search interest over the past 12 months.

Check this box when you understand Steps 18-21.

STEP 18: What is Ethereum? This is similar to Step 4, with much more detail on the background of Ethereum.

Ethereum is a platform for running blockchain applications without the interference of censorship, fraud or any third-party activity. It runs on a decentralized network of computers which assures that data and smart contracts are processed and reproduced on all the computers in the decentralized network. Please watch the Intro to Blockchain lecture from earlier in the course to learn about the types of contracts that will work with Ethereum in the future (i.e., business contracts, etc).

STEP 19: Why does Ethereum exist?

Ethereum exists to achieve its vision of creating a censorship-resistant decentralized world computer. Because Bitcoin was designed specifically for a currency, it had a limited range of applications. For that reason, Vitalik Buterin, the creator of Ethereum, released the Ethereum white paper in 2013 to create a blockchain system that could promote decentralized applications. Buterin accomplished this by writing and implementing a programming language into Ethereum enabling users to customize Ethereum to their specific purposes. The new applications being built with Ethereum utilize smart contracts, which are computer programs designed to execute transactions based on conditions agreed upon by participants of the smart contract. It extends the blockchain concepts and capabilities of Bitcoin which validates, stores, and duplicates transaction data on the distributed ledger by adding computations and smart contracts to distributed data storage. A great example of an Ethereum use case is sending your friend cryptocurrency automatically, at a specific time by way of smart contract. There are layers of complexity to smart contracts, where some even allow users to create entirely new cryptocurrencies, which is the feature underwriting most initial coin offerings or ICOs (we'll cover more in ICOs later in this course).

STEP 20: What are the pros (positive attributes of) Ethereum ?

With the second highest market capitalization (after Bitcoin), Ethereum is one of the most popular cryptocurrencies on the market. This cryptocurrency has many advantages as its technology is integral to the blockchain ecosystem. Ethers—which is a form of payment used on the Ethereum distributed application platform—will always be needed to execute requested operations on Ethereum, and many projects are now built on top of Ethereum, which makes Ether one of the best long-term potential cryptocurrencies. Also, Ethereum allows for smart contracts and has built an ecosystem for totally decentralized applications, which some people refer to as the future of the internet. The development team actively working on Ethereum is constantly updating the ecosystem with new technologies to improve the stability, functionality, scalability, and security of the Ethereum blockchain. In terms of simplicity, Ethereum does not require you to build and maintain your own blockchain, but rather, it allows you to piggyback off of Ethereum's blockchain. Lastly, unlike the majority of cryptocurrencies on the market today, Ethereum is highly backed by brand-name companies like JPMorgan Chase, Microsoft, IBM, Intel, Accenture, BP, Credit Suisse, Cisco Systems, MasterCard, and Scotiabank.

STEP 21: What are the cons (negative attributes of) Ethereum ?

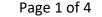
The value of Ether is directly linked to the success of Ethereum. It is quite possible for Ethereum to be superseded by future blockchain projects using similar features. There are already examples of such projects like the NEM project—the second most popular platform to create an ICO on after Ethereum. As with most cryptocurrencies, Ethereum is highly volatile and when it has a hard fork, there can be unforeseen consequences such as lost and/or split tokens. When it comes to improving the functionality of your Blockchain, you have to rely on the rate of improvement executed by the Ethereum development team, which means you are giving up autonomy to use the Ethereum network.

Check this box when finished with Steps 22-24.

STEP 22: What is the management team like for Ethereum? 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).

One of the founders of Ethereum, Vitalik Buttering, is the current lead of Ethereum's research team where he is working on future versions of the Ethereum protocol. Jeffrey Wilcke, made the first-ever implementation of Ethereum in 2013 and is now the head developer of the and Ethereum platform (please click on the link in the cell on the right to see the profiles of the aforementioned and other management team members, partners, etc). The team is exceptionally qualified and have a strong visionary leading the charge. In regards to investors, it's all across the spectrum as Ethereum's first round of financing was in the form of a presale. It's safe to say that a majority of Ethereum's early investors are tech savvy due to the complex nature of the Ethereum project.

<u>Click me to go to the Crunchbase page for Ethereum</u> <u>in order to view the investor profiles, the</u> <u>management team profiles and the background of</u> <u>the board (if available). The free content on</u> <u>Crunchbase is all we need...no need to pay for a</u> <u>subscription</u>,



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

Vitalik Buterin and many sophisticated programmers and investors claim that Ethereum has the most active developer community where people are enthusiastic and committed to smart contracts and decentralized applications being built on the Ethereum protocol. The project is open-source so anyone can participate in the development of Ethereum.

Some brand-name partners using Ethereum's platform include JPMorgan Chase, IBM, Microsoft, Intel, MasterCard, Credit Suisse, and BP to name a few.

 \Box Check this box when finished with Steps 25-26.

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

25-26: Ethereum Security & Differentiation Versus the Competition:

Ethereum's smart contract technology is still far from perfect and contains many holes and bugs. However, since Ethereum has the largest and most active developer community, crowdsourcing repairs are very effective.

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

Most other cryptocurrencies are just that - only cryptocurrencies. Ethereum is much more as it is a decentralized application platform with a general purpose of being a global world computer blockchain. Ethereum's technology has rapidly advanced the emergence of new coins (ICOs) and unlike Bitcoin and other cryptocurrencies, which are mainly a premier store of value and currency, Ethereum is an ecosystem.

 \Box Check this box when finished with Steps 27-28.

STEP 27: Of the 6 exchanges discussed in this course, can you transact in Ethereum 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 Ethereum?

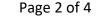
oort Ethereum:

Of the 6 exchanges discussed in the course, all of them support Ethereum.

STEP 28: Of the 8 wallets discussed in this course, can you use Ethereum 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 Ethereum?

Of the 8 wallets discussed in the course, all of them support Ethereum.

| STEPS 29-30: Current and Maximum Supply # and Date of Maximum Supply of Ethereum: | \Box Check this box when finished with Steps 29-30. | | | | |
|--|---|--|--|--|--|
| <u>STEP 29:</u> What is the current supply of shares of Ethereum available today? 98,940,121.37 | | | | | |
| STEP 30: What will be the maximum supply of shares of Ethereum available AND what approximate year will the maximum supply be at (ie There is currently no maximum supply for Ethereum. | 2040)? | | | | |
| | | | | | |
| | | | | | |
| STEPS 31-33: Country, Accounting and Bug Risks of Investing in Ethereum: | Check this box when finished with Steps 31-33. | | | | |
| STEP 31: If applicable, who is the auditor of Ethereum and are they reputable/well known in their country of origin or country of incorporat | tion? | | | | |
| N/A | | | | | |
| STEP 32: Are there any notable country or regulatory risks when it comes to Ethereum that might hurt the ability of Ethereum to be successful in the long-run when compared to other cryptocurrencies? | | | | | |
| Nothing material for Ethereum at this point. However, usually when a country's government announces a ban on crypto trading, the top 10 cryptos slide downward (including ETH of course). | | | | | |
| STEP 33: Are there any code bugs for Ethereum that are a concern for investors? | | | | | |
| There have been many holes found in Ethereum's smart contract technology, which are under continuous improvement and development by the Ethereum team. | | | | | |
| | | | | | |
| STEPS 34-35: What would make you MUCH MORE or MUCH LESS positive on Ethereum? | Check this box when finished with Steps 34-35 | | | | |
| STEP 34: What would make you MUCH MORE positive on Ethereum (meaning what news development, contract, etc would make you much | h more positive)? | | | | |
| I would be much more positive on Ethereum if more governments and large brand name corporations were to adopt Ethereum's smart contract technology. | | | | | |
| STEP 35: What would make you MUCH LESS positive on Ethereum (meaning what news development, contract, etc would make you much l | less positive)? | | | | |
| I would be much less positive on Ethereum if the unlimited maximum supply materially diluted the value of Ether. Also (as with all cryptocurrencies), I would be much less positive on Ethereum if | | | | | |
| there were a sudden large-scale hack resulting in an immense loss of money for those affected. | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |



<u>STEP 36:</u> Is there an economic incentive for people to impove Ethereum (ie through mining etc? Please explain)

Ethereum miners secure the network by building blocks of validated transactions. Miners are rewarded ETH for successfully submitting completed blocks to the network.

STEP 37: How many Reddit readers does Ethereum have?

Ethereum has 351,221 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 Ethereum have?

Ethereum has 388,000 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 Ethereum and comment on the metrics relative to other cryptocurrencies similar to what you have done in Step 38.

$(\mathbf{0})$

□ 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 Ethereum. 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

13*: Quantifying an Estimate on the Long-Term Target Price for Ethereum:

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%

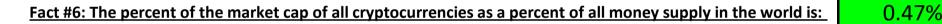
Fact #4: The Value of the World's Money Supply: The total of all of the money supply added up in the world is: \$90,000,000,000,000,000

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/



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

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

STEP 41: What percent of the ENTIRE cryptocurrency market do you think Ethereum 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:

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

> Please note that \$900,000,000 US dollars in Canadian dollars is 115,810,200,000 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 Ethereum 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 coins

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

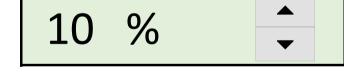
Please note, the target price (below this box) is just a sample, please watch the video associated with this called (A+B) Using My Investment Framework to Analyze Ethereum for more details.

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

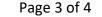
WHAT ABOUT DISCOUNTING THE FUTURE VALUE? You might now be thinking that if we are forecasting what the target price will be in the future, then we should discount that future price into today's amount as a dollar that we receive in the future is worth less than a dollar that we receive today (if that 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: | Enter Discount Interest Rate: |
|----------------------------|-------------------------------|
| 20 | 10% |



Million



| Based on all of the assumptions listed above, and using a discount time period of 20 years an | d |
|---|---|
| using a discount interest rate of 10%, the target price for Ethereum is \$6,689 | |

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

Ethereum Price: 688.33

STEP 44: AVERAGE 3 MONTH VOLUME DATA:

Average 3 Month Daily Volume for Ethereum: 293.33M Avg. 3 Month Daily Volume for Ethereum in US \$: \$201,908M US Dollars 3 Month Daily Volume for Ethereum in Canadian 259,811M Canadian dollars: dollars

sis for Ethereum:

do your technical analysis (please please please focus much more time on your long term fundamental analysis instead of technical analysis).

Please look at the average 3 month volume of Ethereum 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.

□ Check this box when finished with Steps 44-49

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:

 \sim

| 52 Week High: 1,422.86 \$ Change from 52 Week High: -734.53 % Change from 52 Week High: -52% | Please look at the price of the 52 week high for Ethereum in the data for Step 45 and comment on the data below. Ethereum is 51.62% below the 52 week high price of 1,422.86. 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: | | | | | | | |
| | Please look at the price of the 52 week low for Ethereum in the data for Step 46 and comment on the data below. | | | | | | |
| 52 Week Low: 81.81 | Ethereum is 741.38% above the 52 week low price of 81.81. Most of the time, the price will be above the 52 week low If the % above | | | | | | |
| \$ Change from 52 Week Low: 606.52 | the 52 week low is material, then this could indicate that sentiment is positive given a positive news item or positive sentiment on the | | | | | | |
| % Change from 52 Week Low: 741% | entire crypto market or another reason. | | | | | | |

STEP 47: 50 DAY MOVING AVERAGE DATA:

50 Day Moving Average: 556.23 **\$ Change from 50 Day:** 132.1 **% Change from 50 Day:** 421.07% Please look at the price of the 50 day moving average for Ethereum in the data for Step 47 and comment on the data below. Ethereum is 421.07% above the 50 day moving average of 556.23, which indicates that sentiment may be positive on Ethereum. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be versy positive and vice versa.)

STEP 48: 200 DAY MOVING AVERAGE DATA:

200 Day Moving Average: 667.32 \$ Change from 200 Day: 21.01 % Change from 200 Day: 3176.20% Please look at the price of the 200 day moving average for Ethereum in the data for Step 48 and comment on the data below. Ethereum is 3176.2% above the 200 day moving average of 667.32, which indicates that sentiment may be positive on Ethereum. (If the % above the 50 and 200 day moving averages are positive, then, this means that sentiment could be versy 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



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

