

Bitcoin Academy

Agenda

- Introduction to Bitcoin
- How does Bitcoin work?
- Bitcoin's Monetary Policy
- Why now?
- Q&A

The logo for UTXO Management, featuring the letters 'UT' stacked above 'XO' in a stylized, blue, sans-serif font.

UTXO Management

DISCLAIMER: NOT INVESTMENT ADVICE

This content is for informational purposes only, you should not construe any such information or other material as legal, tax, investment, financial or other advice. Nothing contained in this presentation constitutes a solicitation, recommendation, endorsement or offer by BTC Inc., UTXO Management or any third-party service provider to buy or sell any securities or other financial instruments in this or in any other jurisdiction in which such solicitation or offer would be unlawful under the securities laws of such jurisdiction.

The 210K Fund Team & Terms



Speakers



Coyn Mateer
Founding Partner



David Bailey
Founding Partner

Team



Tyler Evans
Founding Partner

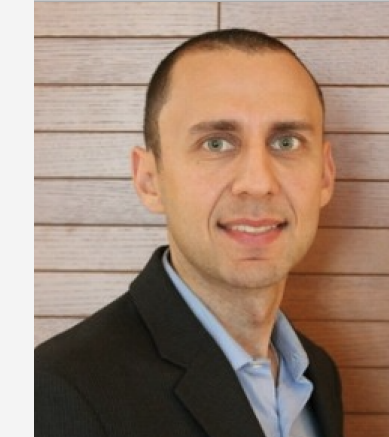


Cassie Clifton
Head of Operations

Advisors / Operations



Gray
Sasser



Mikhail
Davidyoung



Stephen
Vlasak



Sean
Inggs

Selected Partners



SIGNATURE BANK®



Bitcoin Introduction

Properties of Money According to Aristotle

	Fiat	Gold	Bitcoin
Transferable	Fees; settlement time; may require a bank account	Can't send electronically; heavy in large quantities	Minutes to transfer across the globe; can be stored in your brain
Durable	Somewhat physically; a function of the banks' centralized IT systems	Almost completely inert; does not erode over time	As long as at least 1 Bitcoin node exists and the global internet doesn't fail
Divisible	Easy to divide units up to two decimal places	Can be melted down, but it's highly impractical for commerce	A bitcoin can be divided into 8 decimal places
Scarce	Unlimited supply	High stock-to-flow ratio, making incremental supply price inelastic	Programmatically fixed supply of 21 million coins (2140)
Fungible	Generally fungible aside from a few currency denominations	1 ounce of gold = 1 ounce of gold	1 bitcoin = 1 bitcoin. Growing merchant adoption
Censorship Resistant	Governments can prevent, freeze or reverse payments. Capital controls.	Difficult to stop a transaction, but transactions must occur in person	No entity can seize wealth or prevent transactions from occurring on the network
Private	All digital payments can be monitored by the government.	Most gold transactions are conducted with the help of an intermediary	Pseudonymous
Self-Sovereign	Backed and controlled by the issuing government		Fully decentralized and permissionless. Anyone with Internet can use Bitcoin
Stability	Short-term stability, but no long-term stability	Somewhat volatile in the short-term, but has kept purchasing power over millennia	Long-term stability. Short-term stability will come with adoption.

Fiat Banking

Requires **trust** of centralized 3rd party

Counterparty risk

Inaccessible after hours

Significant **fees** to process

Slow (settlement times from hours to days)

Inaccessible to unbanked

Unpredictable monetary policy

Controlled by governments and politics

Bitcoin

Trustless

No counterparty risk; no intermediary

Accessible 24/7

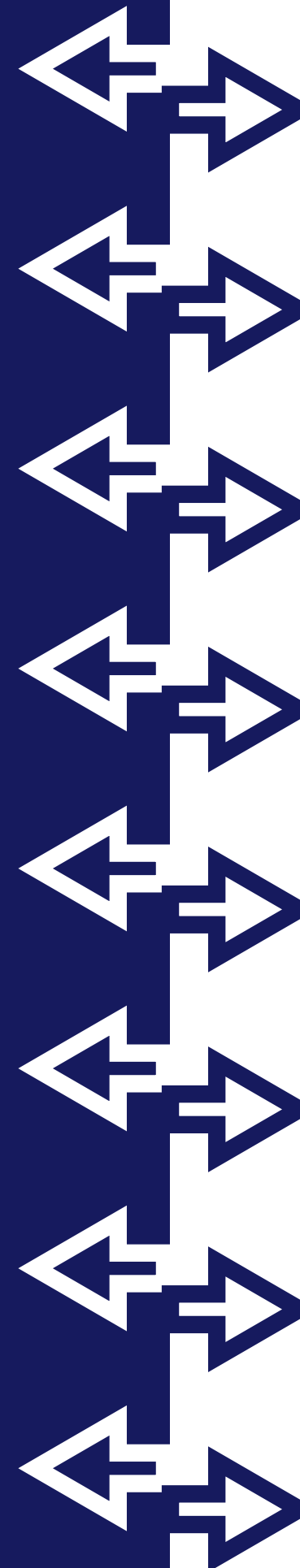
Choose your own fees

Settles in about 10 minutes

Accessible to anyone with internet connection

Mathematically programmed predictability

Code not influenced by group of people or politics



How Does Bitcoin Work?

Bitcoin: A Peer-to-Peer Electronic Cash System



The world's first blockchain

Founded in 2009 by Satoshi Nakamoto

<https://bitcoin.org/bitcoin.pdf>

What is the Bitcoin Blockchain?

Open Source Software

Solves the Double-Spend Problem

Public ledger distributed around the world

Enables the peer-to-peer transfer of value through the internet

Bitcoin Transactions & The Blockchain



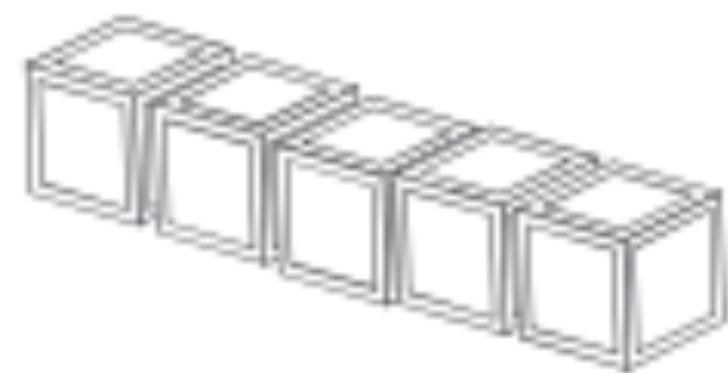
A transaction is requested and authenticated.



The requested transaction is broadcast to a P2P network consisting of computers known as **nodes**.



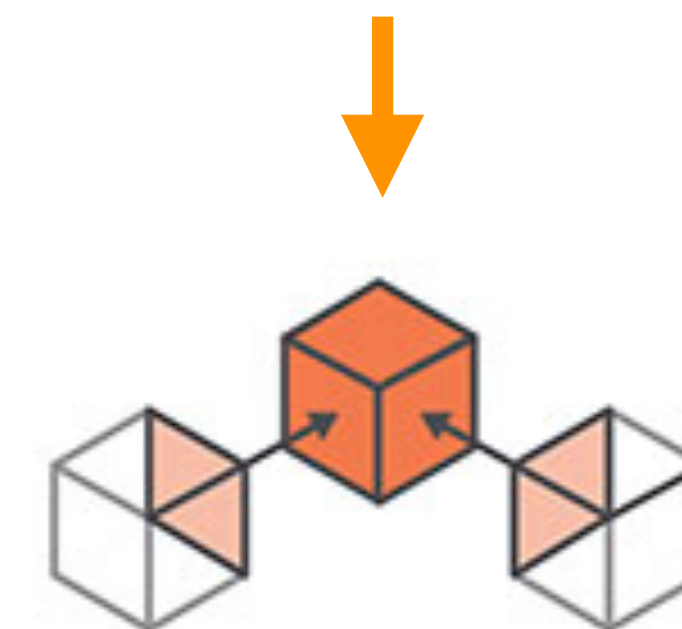
The P2P network of nodes validates the transaction and user's status using known algorithms.



Once validated, the new block is added to the existing blockchain. The block is **permanent** and cannot be altered.



The first miner to validate a new block for the blockchain receives a **block reward**. This is done via a process called "**Proof-of-Work**".



Once verified, the transaction is bundled with other transactions into a **block** of data.

Bitcoin Transactions Are Pseudonymous



Address ⓘ

USD BTC



Address	37hodaznxT4oLdSypQbGRGmV5B7k9pY7c7
Format	BASE58 (P2SH)
Transactions	2
Total Received	0.63130826 BTC
Total Sent	0.63130826 BTC
Final Balance	0.00000000 BTC

Payment Request Donation Button

Transactions ⓘ

Hash	ff30dfc37a94b1497f5498d81f8e277b51622...	2020-05-26 08:21
	37hodaznxT4oLdSypQb... 0.63130826 BTC	→ 3Bu4RTLAtQ68tDq6h... 0.61874987 BTC
		38K8oa8NMYPdPv7aAn... 0.01017839 BTC
Fee	0.00238000 BTC (587.654 sat/B - 278.363 sat/WU - 405 bytes)	-0.63130826 BTC
		1 Confirmations

Miners and Nodes “Run” the Network by Processing Transactions and Storing the Ledger



0.26% of global energy is used for bitcoin mining

Over 100,000 full-node globally

Secures the Network

Mining nodes validate all transactions, enabling them to reach secure, tamper-resistant consensus. Invalid or malformed transactions are rejected.

Creates New Bitcoin

Mining programmatically creates new bitcoin in each block. Following a fixed issuance schedule, this predetermined amount is limited & diminishes with time.

Decentralized Network Structure

No centralized decision-making authority

Bitcoin Transactions Are Pseudonymous

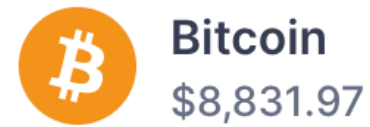


Block Explorer

Search for things like address, transaction, block

All Blockchains

Search



Blocks

Transactions

Average Fee

Average Value

Difficulty

Hashrate

Mempool

Price

Tx per day

Unconfirmed



Latest blocks i

[View more blocks](#)

Height	Hash	Mined	Miner	Size
631777	0..b34b638d8119e180744628adb95062c1f53a19...	14 minutes	AntPool	1,369,956 bytes
631776	0..a24f13d785726ff9d47055846c22ba142a146f3...	29 minutes	Unknown	1,323,033 bytes
631775	0..c4e20f3852aaa0eed2669bd6f83bc6fad811b35...	37 minutes	F2Pool	1,023,881 bytes
631774	0..e7f3dc841e8107446e6bd5e6e18aa99f05b203b...	46 minutes	Unknown	1,112,337 bytes
631773	0..fd22eba8a528fc524bc5eba43a32baaaaf220ce...	49 minutes	F2Pool	1,350,968 bytes
631772	0..6ad8b0355ee68f687ed109cf5ac54e51a3b50c7...	1 hour	Unknown	1,311,679 bytes
631771	0..111a803f265a327426e6f24afb2574b4c528253...	1 hour	AntPool	1,296,776 bytes
631770	0..f3ce18b5f1e0b8cd6eae2b671dd5e24a73d6dae...	2 hours	Unknown	1,245,313 bytes
631769	0..64e208ce57d7861bf6a919ce5e894f85c6f1a1af...	2 hours	Unknown	1,356,370 bytes
631768	0..4c7f2b76e18ef87e73a3c59394f8ac2c5391838...	2 hours	F2Pool	1,310,289 bytes
631767	0..124e8dcb8bac0a9d684b82be628b4a30b2e24...	2 hours	Unknown	1,298,532 bytes
631766	0..1239f26c0cfd4d474a62b07105a60f32bb31cef...	3 hours	BTC.TOP	1,251,894 bytes

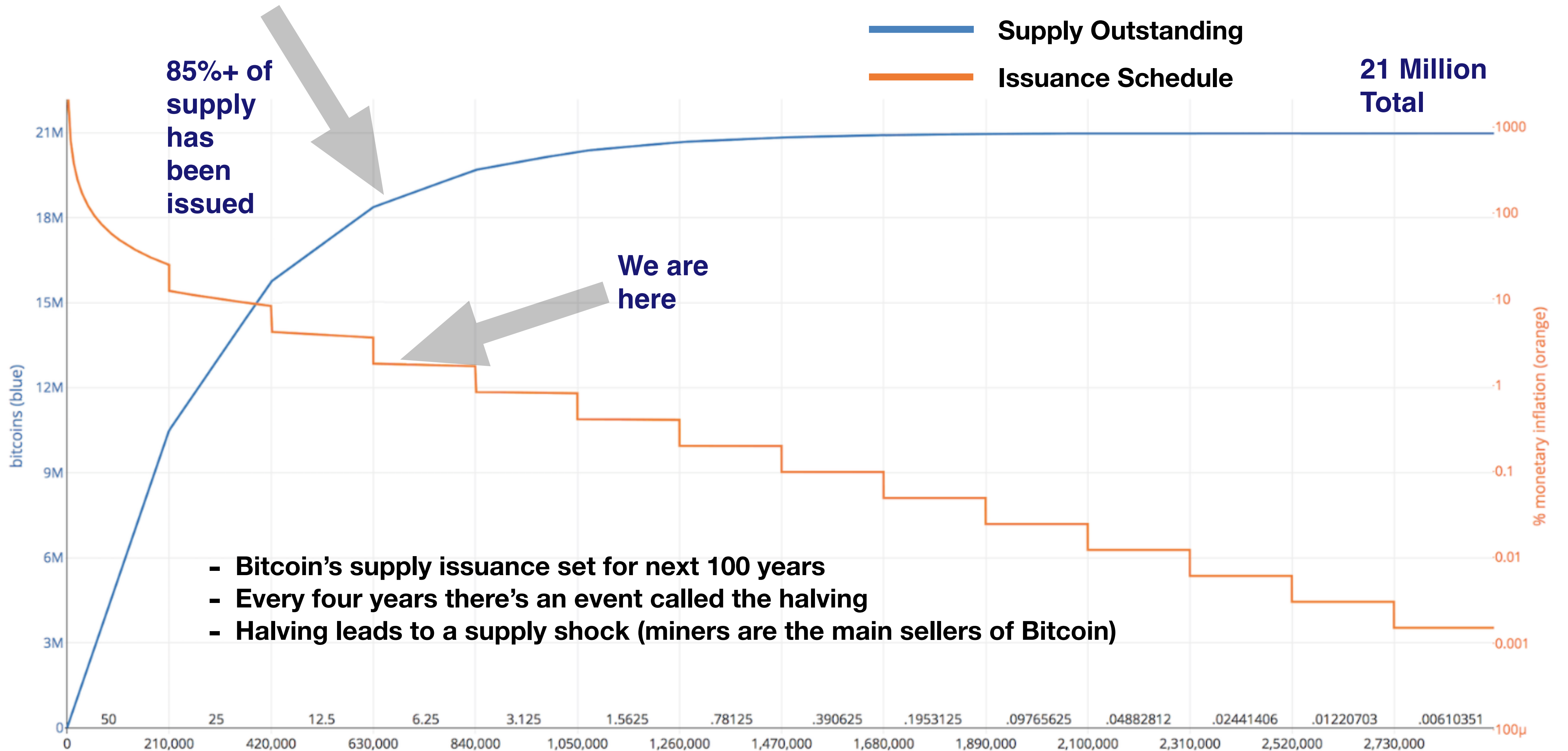
Why Now?

Scarcity

“It is literally the only large tradable asset in the world that has a known fixed maximum supply.”

-Paul Tudor Jones

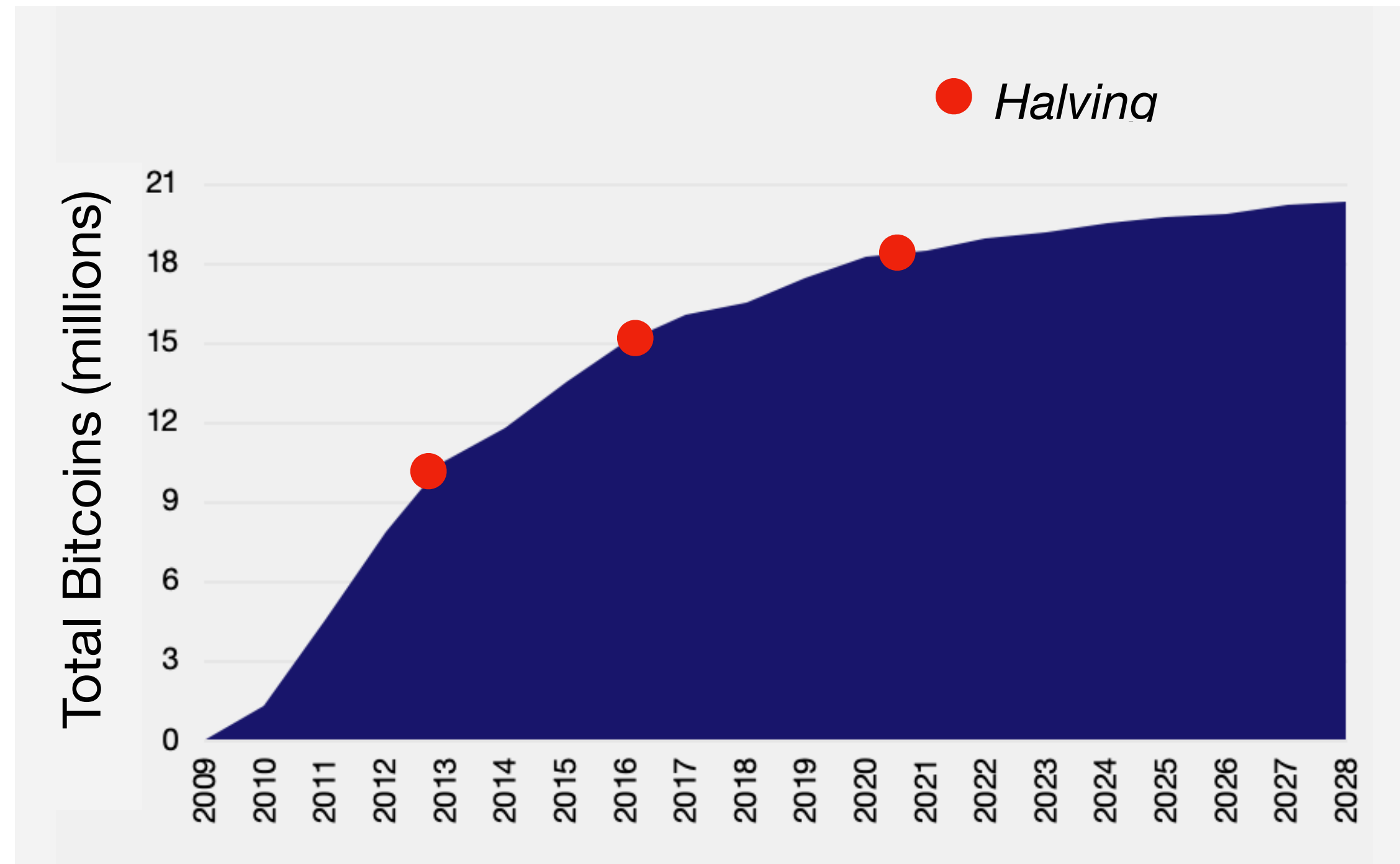
Bitcoin's Monetary Policy



Bitcoin Economics - Inflation vs Deflation

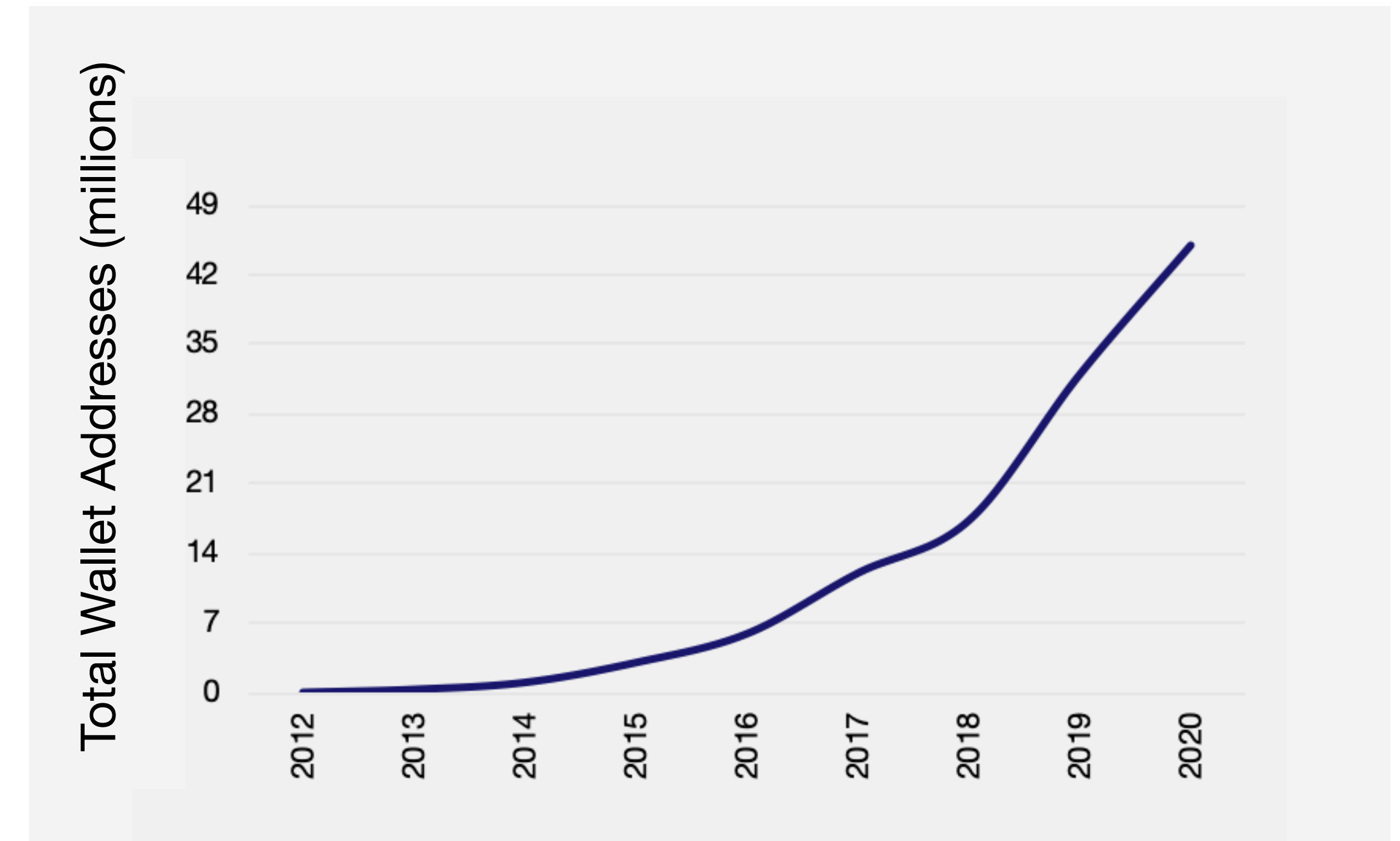


BITCOIN SUPPLY FIXED



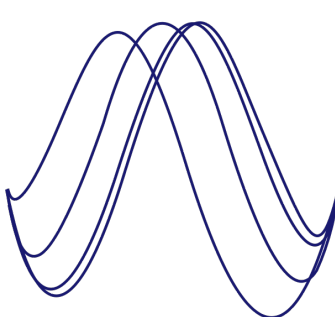
86% of all Bitcoin has been created
Only 21M Bitcoin will ever exist

BITCOIN DEMAND GROWING

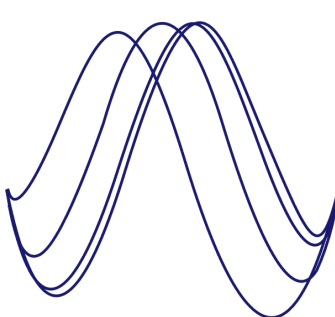


Wallets have grown at 311% per year since 2012

Econ 101: What happens when there is a fixed supply and constantly increasing demand?



Historic Halving Price Reaction



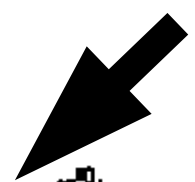
The Best Is Yet To Come

What the 2017 post halving bull run felt like.

Similarities:

- ✓ Supply being eaten up
- ✓ Long term holders at ATH's
- ✓ Network development at all time highs (hash rate, devs, companies)
- ✓ New class of demand entering market (Institutions then Governments)

Previous ATH



Institutions Piling In

MicroStrategy

MassMutual

Fidelity

Morgan Stanley

 Square

Paul Tudor Jones

Bill Miller





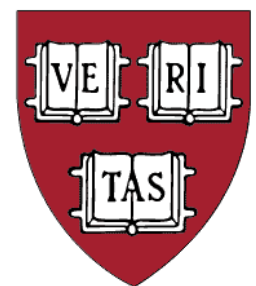




Stan Druckenmiller

Peter Thiel

GUGGENHEIM



HARVARD
UNIVERSITY

Yale

Eric Weinstein

Companies Accepting Bitcoin:



AT&T



overstock™



Microsoft



shopify



Expedia®



PayPal



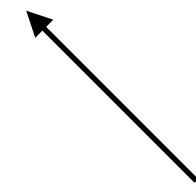
SUBWAY®

The Next Generation is Already Allocating to Bitcoin

TOP 10 EQUITY HOLDINGS BY GENERATION

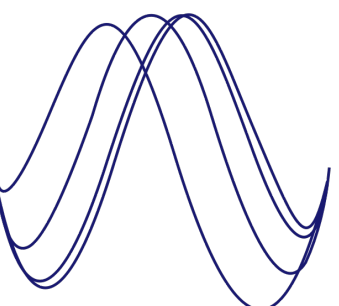
Millennials		Gen X		Baby Boomers	
AMZN	7.87%	AAPL	10.52%	AAPL	9.19%
AAPL	6.18%	AMZN	7.16%	AMZN	5.32%
TSLA	3.22%	BRK	2.37%	BRK	2.75%
FB	3.03%	FB	2.26%	MSFT	2.69%
GBTC	1.84%	MSFT	2.16%	FB	1.43%
BRK	1.73%	TSLA	1.45%	V	1.25%
DIS	1.68%	GOOG	1.30%	GOOG	1.23%

Millennials have a higher holding in Grayscale's Bitcoin Trust investment product at 1.84% than Netflix stock at 1.58%.



Source: Charles Schwab

\$68 trillion of wealth will be transferred from older to younger generations in the U.S. over the next 25 years.



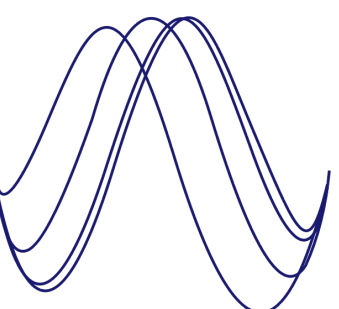
PayPal, Venmo to Join Cash App in Enabling Bitcoin Purchases

- \$513 million = Cash App Bitcoin revenue in 2019
- \$6.93 billion = PayPal Bitcoin revenue if proportional to Cash App's
- Historically, for every \$1 invested into BTC, 20:1 increase in market cap
- $20 \times \$6.93 \text{ billion} = \138.6 billion , an increase of 80% in today's BTC market cap
- Proportional BTC purchases via PayPal = 16x increase in BTC price

PLATFORM	USERS
Cash App	24 million
Venmo	40 million
PayPal	325 million

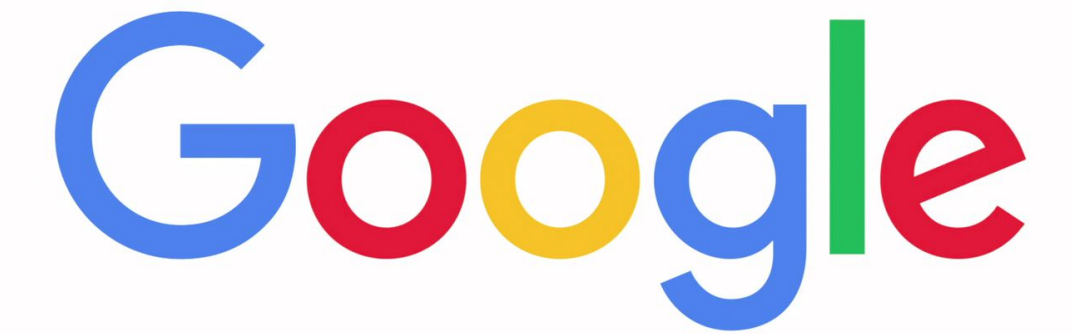
Of Cash App's \$528 million in revenue in Q1 2020, 58% came from Bitcoin

\$154,560



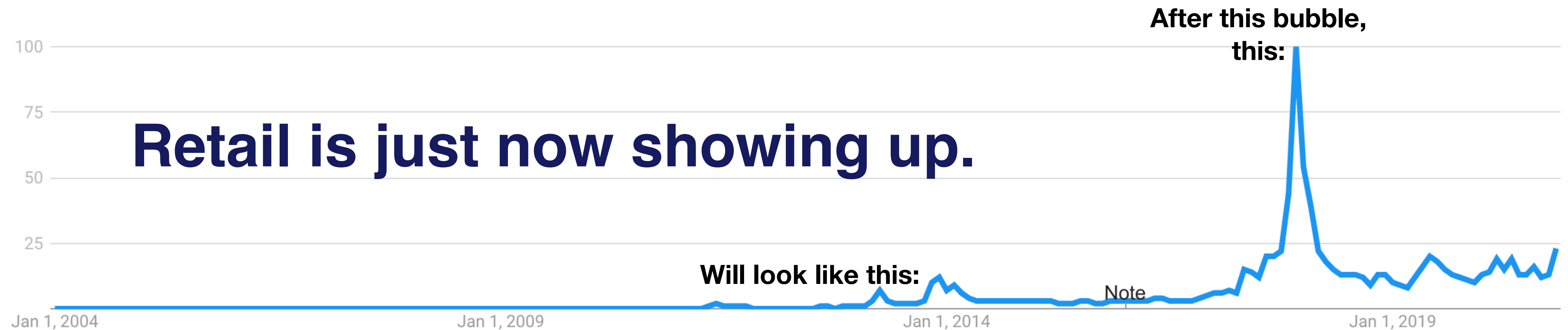
Long Way to Go

● bitcoin
Search term



Worldwide ▾ 2004 - present ▾ All categories ▾ Web Search ▾

Interest over time ?



Our Strategy

How to get exposure

For Those that don't own BTC



Questions to ask yourself:

- How do I want to purchase (individual, trust, retirement account)
- How much time do I want to put into this?
- How much capital do I want to commit?
- How technical oriented am I?
- How long is my hold period?

Tips:

Use 2FA (on Auth!!!)
 Encrypt Password
 Average in
 Prepare for volatility
 "Define your moon"

	Reputable Exchanges	GBTC	210k Capital	Fidelity	Cold Storage
Security	Moderate	High	High	High	High
Provable Custody	Somewhat	Somewhat	High	Yes	High
Handles Taxes	No	Yes	Yes	Yes	No
Fees	Lower	Higher	Higher	Higher	Lower
Minimum Allocation	>\$1	>\$100	>\$100k	>\$5M	>\$1
User-friendly	High	Moderate	Moderate	Moderate	Low
Purchase Limits	Yes	No	No	No	No
Trust Access	No	Yes	Yes	Yes	Low
Retirement Account Access	No	Yes	Yes	No	Low
Individual Access	Yes	Yes	Yes	Yes	High

What we are good at:

- ✓ Easy access for Trusts and Retirement accounts
- ✓ Putting your bitcoin to work
- ✓ Keep you away from landmines
- ✓ Security
- ✓ Tax work
- ✓ Insights and opportunities
- ✓ Macro trends

210k Fund Benefits



Access

Accepting capital from individuals, trusts and retirement accounts



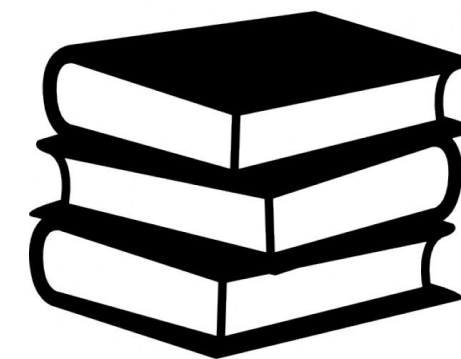
Yield-Generating

Low-risk, long-only strategy to safely deliver yield on your Bitcoin (90%+ exposure)



Security

Enterprise grade custody & security



Educational Approach

Access to 1:1 educational sessions and research for you and your network



Tax

No headaches - just your K-1



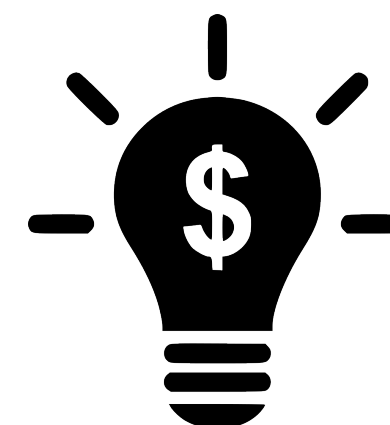
Performance Tools & Reporting

Real-time tracking; monthly account statements; third-party auditing



Responsiveness

24 hour response times



Exclusive Investment Opportunities

9 years of established relationships providing deal flow

210k Fund

Example Opportunities

Fund Overview

MARKET		Bitcoin & Digital Assets
STYLE		Yield Generating
INSTRUMENTS		Subscription Trusts, Options, Digital Assets
HOLDING PERIOD		December 2022
LEVERAGE		Minimal
STRATEGY		Long



Portfolio Allocation

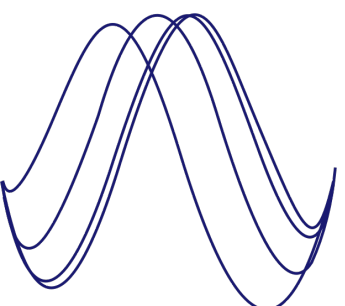


PORTFOLIO ALLOCATION SNAPSHOT*

Subscriptions	57%
BTC (Yield Investments)	25%
BTC (Cold Storage)	17.7%
Call Options	0%
Cash	0.3%

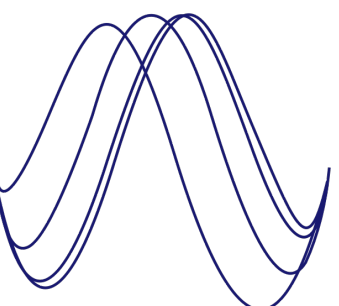
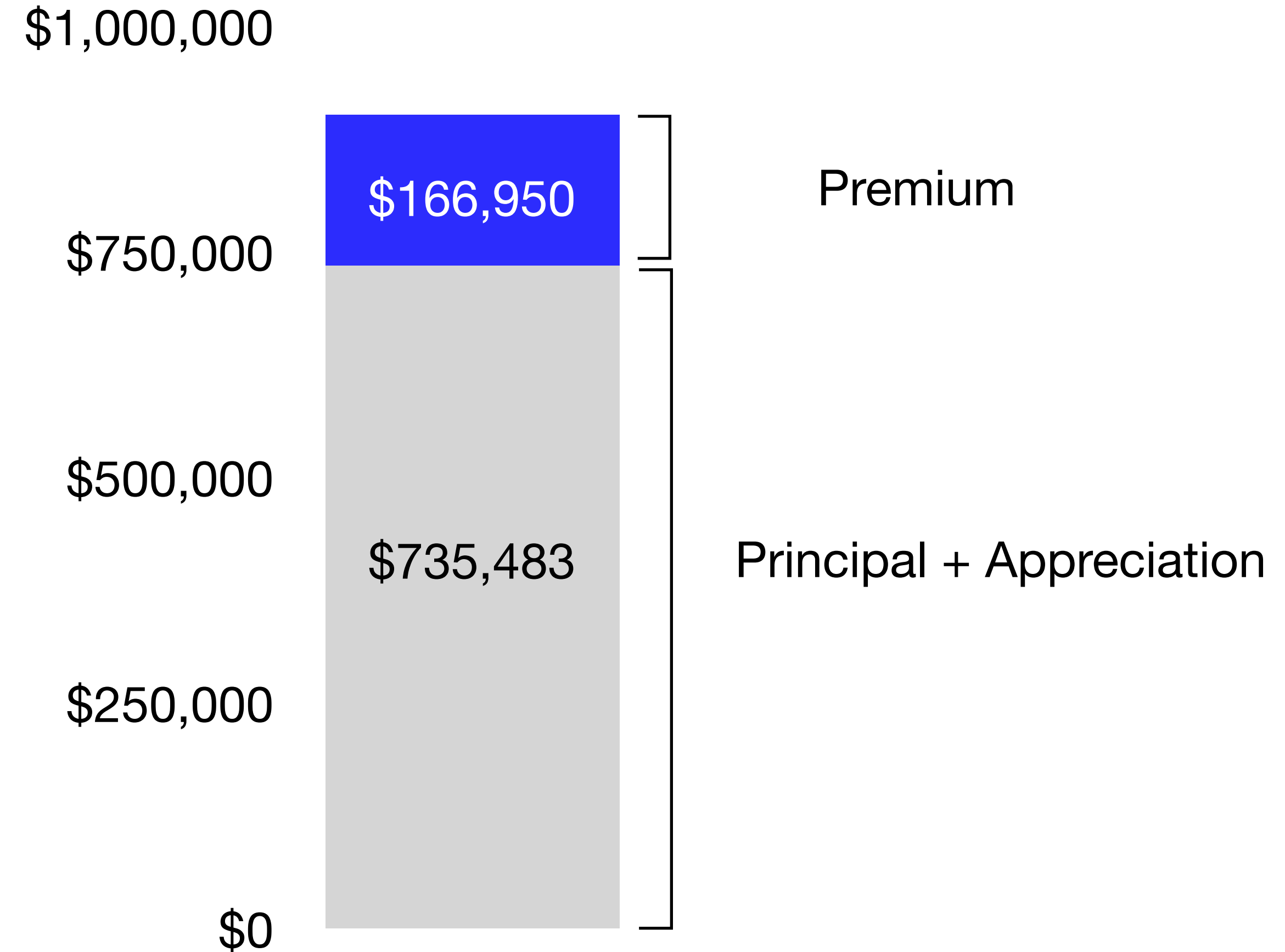
Our portfolio is designed as a low-risk, long-only strategy to safely deliver yield on your Bitcoin while still providing you with 90%+ exposure to the asset.

Allocations are approximate and are subject to change. Snapshot as of November 30, 2020



Actual Investment Example

- Invested \$711,897.52 on October 21, 2019
- Created 88,866 new GBTC shares @ \$8.01 / share
- $88,866 \times \$10.155 = \$902,434$
- Sold May 28, 2020 at 18.5% premium, or 37% annualized



Investment Terms

MANAGEMENT FEE		0%
INCENTIVE FEE		20%
LOCKUP		One year
REDEMPTIONS		Quarterly w/ 60-day notice
REPORTING		Monthly performance, year-end audit



Disclaimer

UTXO Management, LLC (the “**Investment Manager**”) is not registered as an investment adviser with the Securities and Exchange Commission or any state’s or country’s securities commission. The participating shares (the “**Shares**”) in 210k Fund, (the “**Fund**”) are offered under a separate private offering memorandum (the “**Offering Memorandum**”), have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), nor any state’s or country’s securities laws, and are sold for investment only pursuant to an exemption from registration with the SEC and in compliance with any applicable state or other securities laws. Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state and country securities laws. Investors should be aware that they could be required to bear the financial risks of this investment for an indefinite period of time.

THE INFORMATION FURNISHED IN THESE MARKETING MATERIALS IS IN ALL RESPECTS **CONFIDENTIAL** IN NATURE. DISSEMINATION OF THIS CIRCULAR OR DISCLOSURE OF ANY KIND MAY CAUSE SERIOUS HARM OR DAMAGE TO THE FUND AND THE INVESTMENT MANAGER. PAST PERFORMANCE IS NOT INDICATIVE OR A GUARANTEE OF FUTURE RESULTS.

A prospective investor should only commit to an investment in the Fund if such prospective investor understands the nature of the investment and can bear the economic risk of such investment. The Fund is speculative and involves a high degree of risk. The Fund may lack diversification, thereby increasing the risk of loss. The Fund's performance may be volatile. There can be no guarantee that the Fund's investment objectives will be achieved, and the investment results may vary substantially from year to year or even from month to month. As a result, an investor could lose all or a substantial amount of its investment. In addition, the Fund's fees and expenses may offset its profits. There are restrictions on withdrawing and transferring shares from the Fund. In making an investment decision, you must rely on your own examination of the Fund and the terms of the Offering Memorandum and such other information provided by the Investment Manager to you and your tax, legal, accounting or other advisors. The information herein is not intended to provide, and should not be relied upon for, accounting, legal, or tax advice or investment recommendations. You should consult your tax, legal, accounting or other advisors about the matters discussed herein. The Fund's ability to achieve its investment objectives may be affected by a variety of risks not discussed herein. Please refer to the Offering Memorandum for additional information regarding risks and conflicts of interest.

No representations or warranties of any kind are made or intended, and none should be inferred, with respect to the economic return or the tax consequences from an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this presentation as legal or tax advice. Each investor should consult his or its own counsel and accountant for advice concerning the various legal, tax, ERISA and economic matters concerning his or its investment.

No person other than the Investment Manager, and its managers (“**Managers**”) on its behalf, has been authorized to make representations, or give any information, with respect to these shares, except the information contained herein, and any information or representation not expressly contained herein or otherwise supplied by the Managers in writing must not be relied upon as having been authorized by the Investment Manager or any of its members. Any further distribution or reproduction of these materials, in whole or in part, or the divulgence of any of its contents, is prohibited. This presentation is being furnished to you on a confidential basis to provide preliminary summary information regarding an investment in the Fund managed by the Investment Manager and may not be used for any other purpose. Any reproduction or distribution of this presentation or accompanying materials, if any, in whole or in part, or the divulgence of any of its contents is prohibited. The information set forth herein does not purport to be complete and no obligation to update or otherwise revise such information is being assumed. It is meant to be read in conjunction with the Fund’s Offering Memorandum prepared in connection herewith, and does not constitute an offer to sell, or a solicitation of an offer to buy, by anyone in any jurisdiction in which such an offer or solicitation is not authorized or in which the making of such an offer or solicitation would be unlawful. The information contained herein does not purport to contain all of the information that may be required to evaluate an investment in the Fund. The information herein is qualified in its entirety by reference to the Offering Memorandum, including, without limitation, the risk factors therein.

An investment in the Fund has not been approved by any U.S. federal or state securities commission or any other governmental or regulatory authority. Furthermore, the foregoing authorities have not passed upon the accuracy, or determined the adequacy, of this document, the Offering Memorandum or limited partnership agreement associated with the Fund. Any representation to the contrary is unlawful. Certain information contained in this document constitutes “forward-looking statements” which can be identified by use of forward-looking terminology such as “may,” “will,” “target,” “should,” “expect,” “attempt,” “anticipate,” “project,” “estimate,” “intend,” “seek,” “continue,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to the various risks and uncertainties, actual events or results in the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The Investment Manager is the source for all graph and charts, unless otherwise noted.

This document may present past performance data regarding prior/other investments, funds, and/or trading accounts managed by the Investment Manager and/or the Managers. This is presented solely for explanatory purposes. The Fund may face risks not previously experienced or anticipated by the Investment Manager and/or Managers, and therefore, prospective investors should evaluate the Fund on its own merits. Furthermore, there is no guarantee the Investment Manager and/or Manager will be able to replicate the mandate, strategy, portfolio construction and risk management parameters reflected in their prior performance data. Market factors and unforeseen circumstances both internally and externally may result in a wide deviation from the returns reflected in the prior performance data, and there is no guarantee the Investment Manager and/or Manager will be able to avoid and/or remediate such internal and external factors. Past performance is not indicative or a guarantee of future results.

This document may also present “sample holdings” or “case studies” of a type of asset(s) the Fund may invest in or are expected to be typical of its holdings. Such “sample holdings” are not currently holdings of the Fund and are presented solely for explanatory purposes. Prospective Investors should not assume that such “sample holdings” will actually be purchased by the Fund when determining whether to make an investment in the Fund.

PAST PERFORMANCE IS NOT INDICATIVE OR A GUARANTEE OF FUTURE RESULTS.

