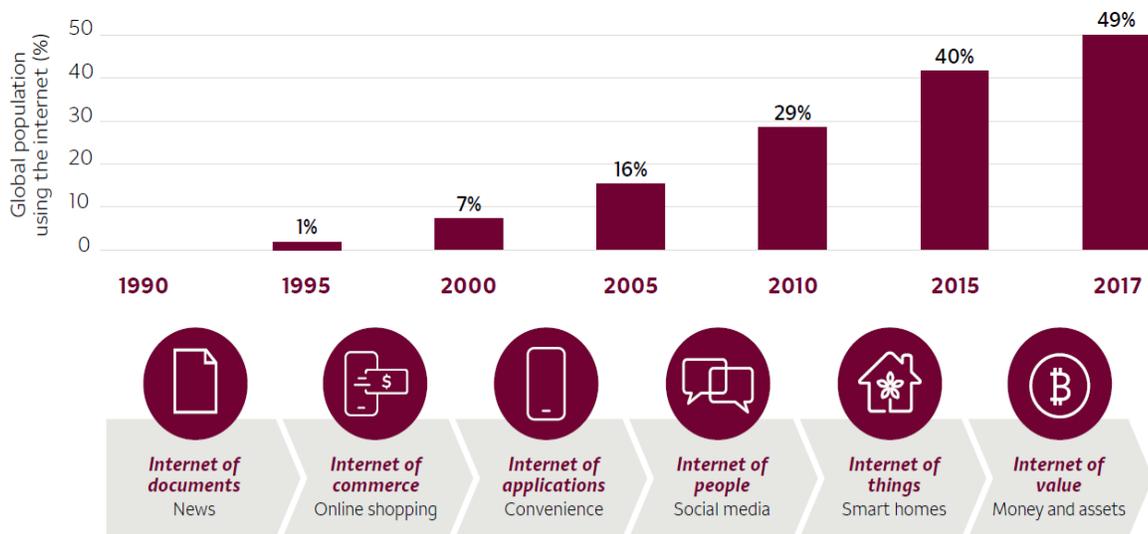


## Cryptocurrency vies for role as digital economy evolves



### Growing internet utility

Sources: Wells Fargo Investment Institute, The World Bank, International Telecommunication Union (ITU), World Telecommunication/ICT Indicators Database as of July 21, 2021 (yearly data).

### Growth phases as internet usage has grown from 1% in 1995 to 50% today<sup>1</sup>

Over the past few decades, three key inventions sparked the digital revolution: the computer, the microchip, and the internet.<sup>2</sup> More inventions have joined the mix, such as fiber optic cables and cellular service, which helped increase physical-to-digital connections.<sup>3</sup>

It is important to remember that our digital transformation did not happen with the flip of a switch, but it has been a sequence of progressive steps. Each next step up in user growth seen in the chart was driven by a fresh set of big innovations and ideas, often built on the backs of earlier ones.

#### What it may mean for investors

We view cryptocurrencies as part of a set of technologies that will shape the next digital era. They specialize in protecting an individual’s digital privacy, data, and assets, and they may change the ways people use the internet to make transactions, secure personal data, and even run a business. Please keep in mind that this space is still evolving, and sorting the winners from the losers can be difficult. For current investment access, we favor professional management through private placements.

**Global Investment Strategy Team**

Special Report “Cryptocurrencies and the next digital era” (November 2021)

**Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value**

<sup>1</sup> The World Bank, International Telecommunication Union (ITU) World Telecommunication/ICT Indicators Database as of July 21, 2021. Yearly Data from 1990-2017.

<sup>2</sup> Isaacson, Walter (March 9, 2021). “The Code Breaker”. Simon & Schuster.

<sup>3</sup> Alwayn, Vivek (April 23, 2004). “Fiber-Optic Technologies”. Optical Network Design and implementation. Cisco Press.

### **Risk Considerations**

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve.

Virtual or cryptocurrency is not a physical currency, nor is it legal tender. Bitcoin and other cryptocurrencies are a very speculative investment and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment, and a potential total loss of their investment. An investor could lose all or a substantial portion of his/her investment. Cryptocurrency has limited operating history or performance. Fees and expenses associated with a cryptocurrency investment may be substantial. Cryptocurrencies are sometimes exchanged for U.S. dollars or other currencies around the world, but they are not backed or supported by any government or central bank. Their value is completely derived by market forces of supply and demand, and they are more volatile than traditional fiat currencies.

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