



Blockchain Technology: An Evolution, Not (Yet) a Revolution

Manager Webinar with Canterbury Consulting and Galaxy Digital

On March 4, 2020, Galaxy Digital Founder and CEO Michael Novogratz, and Head of Venture and Portfolio Manager Greg Wasserman discussed blockchain technology's critical role in the rapidly digitizing world. The views are those of Mr. Novogratz and Mr. Wasserman, and do not necessarily reflect the views of Canterbury Consulting.

While we are still early in blockchain's evolution, many of the largest and most prominent companies in the world, including IBM, Visa, Starbucks, and Facebook, are actively implementing blockchain strategies to maintain and gain competitive advantages as the technology matures. Additionally, the long-awaited institutional infrastructure necessary for the broad adoption of digitized assets is now taking shape. To capitalize on this long-term foundational shift, seasoned entrepreneurs are building and scaling exciting products and solutions that are market-ready today in the areas of digital finance, enterprise digitization, and Web 3.0.

Blockchain Playing a Critical Role in a Rapidly Digitizing World

- When blockchain and bitcoin were introduced, they were generally viewed as the same technology.
 - Blockchain technology has since expanded and is implemented across many business functions.
- Introduction of cryptocurrencies and the blockchain has helped grow the use of online payments and digital wallets.
 - The digital wallet industry has grown twice as fast as social media in recent years, resulting in financial technology companies such as Cashapp and Venmo to process more transactions than banks

What is “Blockchain?”

- Blockchain is a protocol that operates under pre-set rules that are not controlled by any one party.
- With blockchain, a user can send data to another individual through code in a “packaged” format.
 - Once data is “packaged,” it is then sent to a network of members for verification and approval.
 - Once approved by the network of members, the “package” is added to the blockchain and ready to be distributed.

Why Does Blockchain Technology Matter?

- There are many cases of public and private institution's computer systems being compromised and hacked, showing the vulnerabilities of today's computer networks.
 - Blockchain is an efficient and secure way to send private data to an end-user without third-party vendors handling sensitive data.
- The adoption of blockchain will not be swift, but there are many companies (such as Goldman Sachs, Microsoft, Starbucks, and Toyota) experimenting with the technology to see how it can improve their business operations.

Three Areas of Digitization

1) Digital Finance

- As the blockchain operates 24/7, it can be used to process financial transactions and transfer money outside of normal bank business hours.
- As an example, Bakkt is currently working on digitizing loyalty rewards to be transferrable to spend across various retail stores.

2) Enterprise Digitization

- The blockchain can share data across an entire supply chain network without having to compromise the security of the data.
- Contracts can be coded into the blockchain, making it easier for terms to be monitored and enforced to assure fulfillment of an agreement.

3) Web 3.0

- The blockchain can give a user control of their own personal data rather than having it shared across various companies.
- For example, Spring Labs created a blockchain network that decentralizes customer financial data, making it more efficient for banks to review a credit worthy borrower rather than having to go through a credit bureau to access financial history of a customer.

Michael Novagratz

Founder and CEO, Galaxy Digital

Michael Novagratz is the Founder and CEO of Galaxy Digital. He was formerly a Partner and President of Fortress Investment Group LLC. Prior to Fortress, Mr. Novagratz spent 11 years at Goldman Sachs, where he was elected Partner in 1998. Mr. Novagratz served on the New York Federal Reserve's Investment Advisory Committee on Financial Markets from 2012 – 2015. Mr. Novagratz serves as the Chairman of The Bail Project and has made criminal justice reform a focus of his family's foundation. He also serves as the Chairman of Hudson River Park Friends, and sits on the boards of NYU Langone Medical Center, the Princeton Varsity Club, Jazz Foundation of America, and Artists for Peace and Justice. Mr. Novagratz received an AB in Economics from Princeton University, and served as a helicopter pilot in the US Army.

Greg Wasserman

Head of Venture and Portfolio Manager, Galaxy Digital

Greg Wasserman is Head of Venture and a Portfolio Manager at Galaxy Digital. He has nearly 20 years of investing experience across software, hardware, infrastructure, and financial services. Prior to joining the firm, Greg was a Partner at Generation Investment Management where he invested in companies developing disruptive and sustainable technology, including Nest Labs (acquired by Google), DocuSign (IPO: DOCU), Toast,

Motivate (acquired by Lyft), GreenBytes (acquired by Oracle), Infinite Power Solutions (acquired by Apple), and others. Previously, he led the global solar initiative at the Clinton Foundation. Prior to that, he spent 8 years at Goldman Sachs as a Vice President in the Special Situations Group where he invested Goldman's balance sheet capital in a wide range of complex transactions, including: specialty finance portfolio acquisitions, asset-backed leveraged buyouts, securitizations, bankruptcy financings, real estate leveraged leases, alternative energy venture capital, and tax equity. He also serves on the Board of Directors of Hudson River Park Friends. He holds a BBA in Finance from The George Washington University and was awarded the CFA designation.

About Canterbury

Canterbury Consulting is an independent investment advisory firm based in Newport Beach, CA, overseeing \$22.8 billion in assets as of June 30, 2019. Canterbury provides consulting services to tax-exempt organizations — including community foundations, educational endowments, religious organizations, arts and cultural foundations, health care organizations as well as individuals and family offices. Founded in 1988, the firm designs and manages custom investment programs aligned with each client's specific goals. Canterbury acts as the investment office for its diverse clientele and provides objective investment advice, asset allocation, manager selection, risk management, implementation, and performance measurement. Canterbury strives to deliver performance and service that exceeds client needs and expectations.