

GRADIENT DIGITAL DISCOVERY PORTFOLIO

Digital technology has evolved at an accelerating pace. This transition is revolutionizing the way the world communicates, how we analyze and interpret data, purchase goods and services, and introduces completely new technologies to the world.

The Gradient Investments Digital Discovery Portfolio is designed to invest in companies that are involved in key themes within the technology and digital revolution. The Digital Discovery Portfolio will invest in exchange traded funds (ETFs) leveraged to areas such as: cryptocurrency, blockchain technology, metaverse, and non-fungible tokens (NFTs).

The portfolio has the ability to invest directly in cryptocurrency ETFs such as Bitcoin or Ethereum. However, the portfolio is designed to have a greater emphasis on investing in and benefiting from the growth of the industries and companies leveraged to these revolutionary technologies.

PORTFOLIO CONSTRUCTION

The Gradient Investments Digital Discovery Portfolio will be comprised of stock ETFs leveraged to the following sectors:



BLOCKCHAIN

- Blockchain is a ledger for information or digital assets where the history is unalterable and transparent
- Blockchain technology use cases are expanding with many corporations investing and utilizing blockchain resources to manage and analyze data
- Investments in blockchain will focus on companies that have adopted this technology or are leveraging the technology to build products and services



METaverse

- The Metaverse is an evolutionary change or next wave of the internet and represents a highly interactive three-dimensional virtual world
- Augmented reality (AR) and virtual reality (VR) are incorporated in the Metaverse to transform the way we consume goods and services as well as communicate globally
- Investments in the portfolio will focus on companies developing and creating services to be used in the virtual world



CRYPTOCURRENCY

- Cryptocurrency is a dynamic and growing infrastructure of digital currencies for transactions made by both consumers and businesses
- Investments in the portfolio will focus on companies developing and creating services to be used in the virtual world



ARTIFICIAL INTELLIGENCE (AI)

- AI refers to the development of computer systems capable of performing tasks that typically require human intelligence
- The technology encompasses technologies like machine learning and deep learning, where algorithms learn from data and improve their performance over time
- AI is applied in various industries, enabling advancements in areas such as healthcare, finance, and transportation

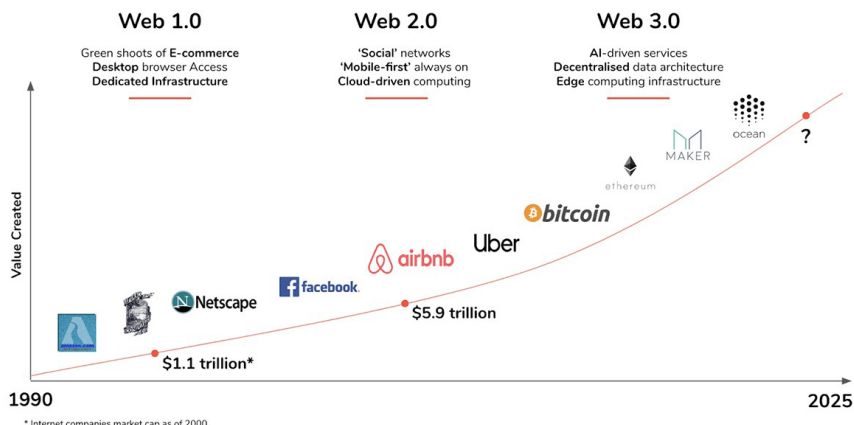


NON-FUNGIBLE TOKENS (NFTs)

- NFTs are essentially a unique and non-replicable digital offering
- Purchasing an NFT can be considered a digital art or collectible purchase
- The Digital Discovery Portfolio will not invest directly into NFTs but will allocate towards companies that are creating the infrastructure for storing, purchasing, and creating tokens

The Evolution of the Web

FABRIC
VENTURES



Source: <https://medium.com/fabric-ventures/what-is-web-3-0-why-it-matters-934eb07f3d2b>

THE GRADIENT DIGITAL DISCOVERY PORTFOLIO INVESTMENT PROCESS

The Gradient Investment Management Team will actively manage the selection and investment of the ETFs that comprise the Digital Discovery Portfolio. The selection of ETFs will be based on a process that includes:

- Selecting ETFs that are representative of companies leveraged to these new technologies
- Actively managing exposures to these themes to ensure a diversified approach but also concentrated on the best opportunities
- Periodically rebalanced to manage risk and maintain investment consistency
- A continual process of evaluating and selecting opportunistic ETFs in a rapidly changing investable universe

The digital universe is expanding rapidly. Companies involved in emerging technologies should be considered as higher risk and the portfolio will likely experience volatility.

SUMMARY

Digital Technology continues to evolve and there is significant potential for companies able to provide services leveraged to this evolution. The Gradient Investments Digital Discovery Portfolio will invest in exchange traded funds leveraged to the themes of cryptocurrency, blockchain, metaverse, AI, and NFT. The Gradient Investments Portfolio Management Team will actively manage positions in the portfolio to diversify within the strategies but also allocate opportunistically. The portfolio may invest in cryptocurrency ETFs such as Bitcoin and Ethereum, and investors in the Digital Discovery Portfolio should expect higher than average risk and volatility.

Please consult your independent investment advisor before making any investment decisions. The information herein is for informational purposes only and should not be used as the sole basis for making an investment decision. Investing involves risk including the potential loss of principal. For more information, please request a copy of Gradient Investments' ADV Part 2A. Gradient Investments, LLC is an SEC Registered Investment Advisor.

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