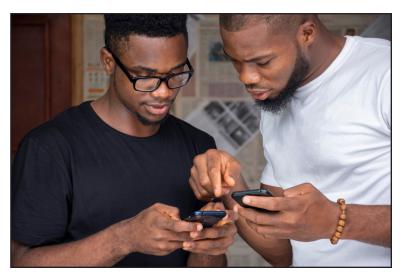
Does Crypto Threaten Your Investment Accounts?

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Surprise! You might be a crypto investor! Recent events serve as a stark reminder that investors should pay close attention to what is in their investment accounts. High-profile bankruptcies such as FTX, Voyager Digital (Voyager), Celsius Network (Celsius), and BlockFi underscore the unpredictable and volatile nature of investing in crypto companies or funds that invest in crypto. Some retail investors may be exposed to risky investments in the crypto industry through their retirement plan or investment account without knowing it. Investors should understand what assets are being held in their investment portfolio.

DO YOU KNOW IF YOU ARE INVESTING IN CRYPTO?



There are various ways that your investment portfolio may be exposed to the crypto industry, with more ways being devised every day. Many investors assume that only those people who go online to buy crypto themselves through a website or app may be at risk of suffering substantial losses. However, there can be risk to anyone who invests or has a retirement investment account. For example, pension funds have been known to invest in alternative investments like crypto companies or related technologies. Therefore, it is possible that some percentage of your investment portfolio might be exposed to crypto risks. Knowing which companies or funds have exposure to the crypto market may not always be obvious.

DEEPEN YOUR KNOWLEDGE ABOUT WHAT'S IN YOUR INVESTMENT PORTFOLIO

Finding out if your portfolio holds any crypto-related investments requires you to take an active role in researching and asking questions. Here are some steps you can take to get a better picture of how your investment portfolio might be affected by a downturn in the crypto markets:

- Get to know what types of companies are active in the crypto industry. For example, crypto is built on blockchain technology, so publicly traded companies focused on this technology can be negatively affected by a crypto market downturn.
- Ask your investment adviser about the investments in your portfolio. If you have a financial adviser, your
 adviser should be able to walk you through the investments you hold, letting you know where you may
 have exposure to crypto-focused companies or funds. Notably, given the inherently high risks associated
 with cryptocurrency investments, your adviser should not be investing your assets in crypto products without
 your knowledge and consent.
- Research what's in your investment funds or pension. Take a deep dive into the holdings and investment strategies of your investment funds or pension. Managers of these funds may invest portions of the fund in private-market investments related to crypto or other emerging technologies to diversify the fund's holdings.

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• Look for specific news about how crypto is affecting the investment markets. There's plenty of information about crypto assets in the news, but much of it is hype. Look for news about how the crypto industry is affecting the larger investment markets and retail investors. This will help you to determine if you need to be concerned about your portfolio.

TAKE ACTION IF YOU ARE CONCERNED ABOUT CRYPTO

If you discover that you have some unwanted exposure to the crypto industry, take action immediately. You can start by meeting with your financial professional to devise a portfolio strategy that reduces or eliminates your exposure to crypto-focused companies or investments. Once you've come up with a plan, move forward on it immediately to ensure that you are comfortable with your investments. If you discover that your investment funds or pension account has exposure to crypto-to-related investments, make your concerns known by raising them with the fund management company or pension adviser.

ARE YOUR INVESTMENTS PROTECTED?

There are legal and regulatory requirements that apply to bank, brokerage, and company retirement funds that are meant to protect investors' assets. If your investments are held in these types of accounts, you most likely will have some type of legal protection. Banks are required to offer deposit insurance in Canada and the U.S.,

The best way to protect yourself from crypto fraud is to understand your own investments and their relation to the larger crypto market. and there are investor protection funds in both countries that protect against the collapse of certain investment firms. There are also laws that prohibit the comingling of investors' funds with an investment firm or a company's assets.

If your portfolio consists of companies and funds held in a regulated investment account, your funds are protected to a certain extent. However, losses incurred due to a company or fund failing due to market conditions are not protected, so you want to ensure you are comfortable with the investments in your portfolio and the associated risks.

THE BOTTOM LINE

There are, unfortunately, many examples of crypto-related frauds that have resulted in massive investor losses. The collapse of large players like FTX or Voyager can trigger losses across the sector affecting investments in other crypto companies and funds. The best way to pro-

tect yourself from crypto fraud is to understand your own investments and their relation to the larger crypto market. Working closely with your investment professional and being an engaged and active investor can go a long way to helping you understand your investment holdings and reducing your exposure to crypto risk. <u>Contact your state and provincial securities</u> regulator. These agencies can provide information about whether your investment professional is registered to buy or sell securities or offer investment advice, and whether they have any regulatory actions or other disciplinary events in their past.

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