

Wye Trust
 16 N Washington Street
 Easton, MD 21601
 Office 410-763-8543
 info@wyefinancial.com
 www.wyetrust.com



Wondering what a NFT is?

Digital collectibles are trading and selling for astronomical amounts of money. A digital image recently sold at Christie's by an artist named "Beeple" for \$69.3 million! For an intangible image!

Welcome to the world of NFTs.

An NFT (or non-fungible token) is a unique digital certificate of ownership that is usually linked to a digital object. The token, if you own it, certifies that you are the only owner of that digital object. This is made possible thanks to the use of a digital ledger system called blockchain and its ability to provide proof of authenticity and ownership of the digital objects. It can represent both a digital asset such as an image, but it can also track real-world assets, such as a house or car, or a song, for example. "Tokenizing" assets allows them to be bought, sold, and traded more efficiently while reducing the probability of fraud.

Three years ago, the entire NFT market was worth less than \$42 million. By the end of 2020, it had grown to \$338 million in value, while sales in the first quarter of 2021 soared to more than \$ 2 billion, according to a report from Nonfungible.com.

Athletes and musicians are also getting in on the trend. In March, Tampa Bay Buccaneers tight end Rob Gronkowski was the first NFL player to launch his own NFT collection. The blockchain cards and collectibles generated over \$1.6 million in revenue. All of Gronk's NFTs, representing an authenticated digital ownership right in each of the 349 available digital cards sold out in one weekend.

The collection includes four different cards, each associated with one of Gronkowski's appearances on a winning Super Bowl team, including his latest appearance in February with the Bucs. There are 87 copies of the cards for each of the four appearances. Every card has art representing the appearance and is digitally signed by Gronkowski.

Considering its success, it is likely that more athletes will want to follow the trend. In fact, Patrick Mahomes, quarterback for the Kansas City Chiefs, has an NFT scheduled to launch soon.

NFTs are starting to gain mainstream traction in the music industry as well, as evidenced by the flurry of recent activity from unknowns and superstar artists selling millions of dollars' worth of digital assets to their fans. Shawn Mendes, Post Malone, and Linkin Park's Mike Shinoda are just a few of the musicians who have joined the "NFT club."

NFTs are the wave of the present, and collectors and investors alike can benefit by understanding how they work.

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