HANK AARON ROOKIE CARD INVESTMENT MEMO

1954 TOPPS #128 HANK AARON ROOKIE CARD GRADED PSA NM-MT 8.5+

Market Cap: $170,000 — **Number of Shares:** 17,000 — **Share Price:** $10.00

Fig. 1: 1954 Topps #128 Hank Aaron Rookie Card graded PSA NM-MT 8.5+ offered by Rally.

Executive Summary

HISTORIC ROOKIE CARD

Rally is offering the rookie card of one of baseball's all-time greatest players: the 1954 Topps #128 Hank Aaron graded PSA NM-MT+ 8.5. It is an iconic rookie issue within the vintage baseball hobby and is considered to be "**...one of the most recognizable images in the entire collecting world.**"[1]

VALUATION

Rally is offering this asset at $170,000. CardLadder estimates the **current value of the card to be $244,924.**[2]

RARITY

There are only eight PSA 8.5 examples in existence, placing this card in the **top 0.7% of the graded population**.

Investing in Sports Cards

Sports cards date back to the late 1800's, but the industry really took off in the mid-twentieth century with the rise of the Topps and Bowman brands. The market for cards as an investment class was thriving by the 1970's with an increased focus on autographs. With the advent of the COVID-19 pandemic and the hiatus of professional sports, interest in sports cards as an asset class exploded in 2020.

According to a 2021 eBay report, sports card transactions grew by over 140% on the platform year-over-year in 2020.[3] The PWCC 100 index, which tracks the value of high-end cards that are representative of the broader market, appreciated by over 1,295% from January 2008 to August 2022 and has outpaced the S&P 500 since 2015.[4] Currently, the index is nearly 5x its pre-pandemic value. A recent industry report predicts that the sports card market will grow from roughly $13 Billion in 2021 to over $49 Billion by 2023.[5]

In August, the high end of the market once again captured headlines with a record-breaking sale for the most expensive sports card ever sold: a 1952 Topps Mickey Mantle SGC 9.5 purchased for $12.6M at Heritage Auctions.[6]

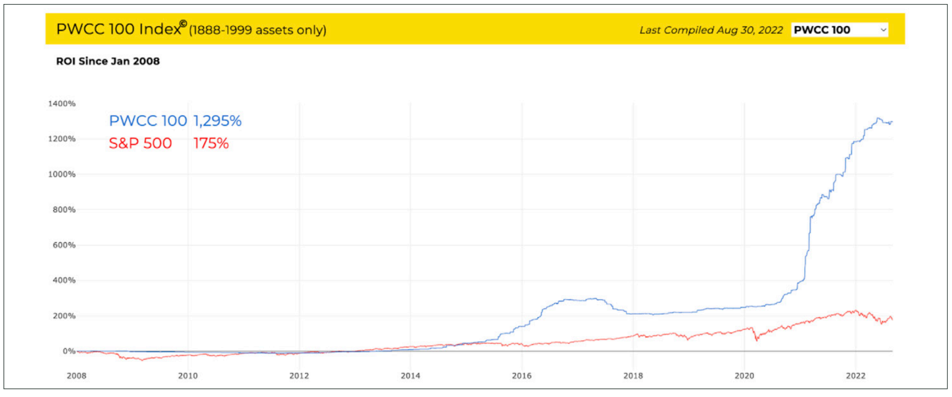

Fig. 2: The PWCC 100 index ROI since January 2008 compared to the S&P 500.

INVESTMENT CRITERIA

Player: The majority of a baseball card's value is derived from the featured player. Rookie cards and notable issues of significant athletes command the highest premiums in the vintage market.

Grade: Grade is a measure of the condition of a card. There are three significant grading companies: PSA, SGC and BGS. Highly graded examples, especially of older issue cards, are among the most valuable.

Rarity: The rarity of an issue is just as important as the grade when it comes to valuation. A low-grade version of an older, rarer card may be worth significantly more than a high-grade card with a large population.

The Player

Henry Louis Aaron, also known as "Hammerin' Hank", is considered to be one of the top five greatest baseball players of all time.[7] Aaron spent the majority of his 23-year career with the Milwaukee/Atlanta Braves and was most famous for breaking the long-standing MLB Career Home Run record previously held by Babe Ruth. His career highlights include a 1957 World Series Championship, 1957 National League MVP, 3x Golden Glove Award and 25x All-Star selections. He still holds the MLB records for RBIs, extra base hits and total bases. In recognition of his contributions to the sport, the MLB created the Hank Aaron Award in 1999 which is given to the top offensive players in the National and American leagues.

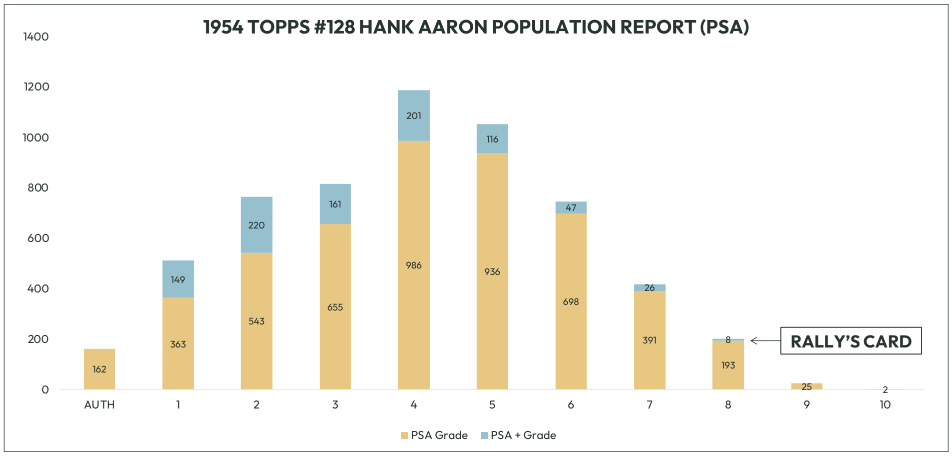

Fig 3: The PSA Population Report for Hank Aaron's rookie card. There are 6,259 graded examples of the 1954 Topps #128 and this card is one of just eight graded PSA NM-MT+ 8.5. With only 34 examples graded higher, Rally's offering is in the top 0.7% of the population.

The Card

Hank Aaron's rookie card is regarded as one of the most important vintage baseball cards in the hobby and performs very well in each component of the aforementioned investment criteria. It features a memorable close-up of the iconic outfielder set against a bright orange background and accompanied by a facsimile signature. The card was issued as part of the 1954 Topps set, which also had the rookie cards of future Hall of Famers Ernie Banks and Al Kaline. In addition, Aaron's rookie debut is included in various market indices that use significant cards to track the overall performance of the market, including the PWCC 100 index and the Card Ladder 50 index.

There are 6,259 graded examples of the 1954 Topps #128 and this card is one of just eight graded PSA NM-MT+ 8.5. With only 34 examples graded higher, Rally's offering is in the top 0.7% of the graded population.

Valuation

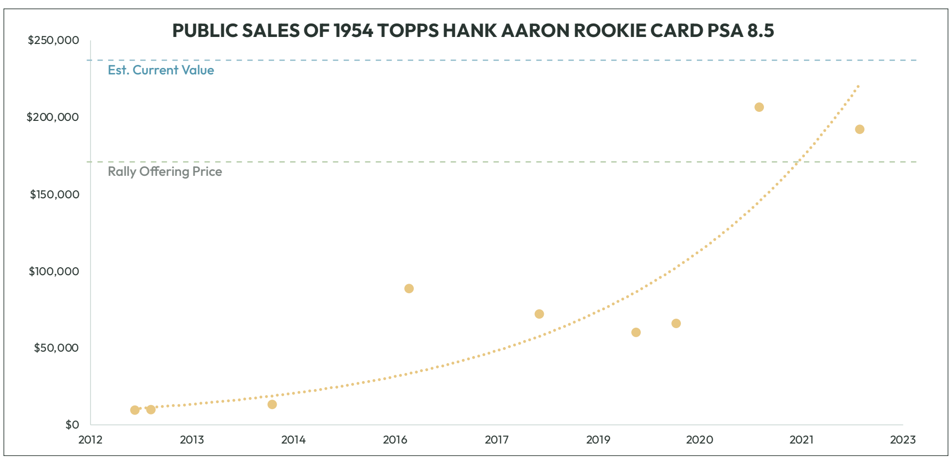

Fig. 4: Historical Public Sales of the 1954 Topps Hank Aaron Rookie Card graded PSA 8.5.

$170,000
OFFERING

$244,924
CARD LADDER VALUE[2]

34.9%
ANNUALIZED RETURN[8]

Since 2012, there have been nine publicly verifiable sales of a 1954 Topps Hank Aaron Rookie Card graded PSA NM-MT+ 8.5. The most recent auction sale took place on August 14, 2022 for $192,000 at Robert Edward Auctions. Based on historic sales, this asset exhibits an annualized return of 34.9%.[8]

More recently, a superior example graded PSA 9 had a record sale of $720,000 on August 18, 2022 and we believe this sale has increased the value of the PSA 8.5.

Card Ladder, an independent sports card analytics company, currently estimates the value of the PSA 8.5 to be $244,924.26 based on their pricing model.[2,9,10]

This estimate is supported by Rally's internal analysis. To calculate the current valuation for the PSA 8.5 offered by Rally, we measured the price multiple between sales of PSA 8.5 and PSA 9 Hank Aaron Rookie Cards from 2012 to 2022. We then calculated the average historic multiple between these two grades. By applying this multiple to the most recent PSA 9 sale, we arrive at an estimated current value of $228,960 for the PSA 8.5.[11]

Recent PSA 9 Sale	Average Historic Multiple	Implied PSA 8.5 Value
$720,000	0.318x	$228,960

Rally

Thank you.

FOLLOW US

- @rally
- @onrallyrd
- rallyrd.com

FOOTNOTES

1 https://www.psacard.com/cardfacts/baseball-cards/1954-topps/henry-aaron-128/24452
2 https://app.cardladder.com/dashboard?cardId=Gr7Rh6XzZBajgfxoICtn. Accessed September 23, 2022. Card Ladder is a third-party source and independently generates value estimates based on proprietary algorithms. We cannot make any determination or representation that any of the data set forth herein is useful in determining the value of the Underlying Asset and you should not place undue reliance on their data or methodology.
3 https://www.ebayinc.com/stories/news/ebays-2021-state-of-trading-cards-report-spotlights-collecting-trends-and-industry-predictions/ . eBay is a third-party source and independently generates research and transaction data. These third-party reports are mentioned for informational purposes only, and we make no determination or representation that any of the data is useful in determining the value or growth of the Underlying Asset or the sports card market.
4 https://www.pwccmarketplace.com/market-indices. PWCC is a third-party source and independently generates research and transaction data. We cannot make any determination or representation that any of the data set forth herein is useful in determining the value of the Underlying Asset and you should not place undue reliance on their data or methodology.
5 https://www.marketdecipher.com/report/sports-trading-cards-market . Market Decipher is a third-party source and independently generates research and transaction data. These third-party reports are mentioned for informational purposes only, and we make no determination or representation that any of the data is useful in determining the value or growth of the Underlying Asset or the sports card market.
6 https://sports.ha.com/itm/baseball/1952-topps-mickey-mantle-311-sgc-mint-95-1985-rosen-find-finest-known-example-/a/50058-53014.s?ic4=GalleryView-ShortDescription-071515. This card is a different year, player, set, rarity and grade from the Underlying Asset, and the presentation of information about this card is not meant to make any determination or representation that this sale is useful in determining the present or future value of the Underlying Asset and you should not place undue reliance on this data.
7 https://www.baseball-almanac.com/legendary/lisn100.shtml
8 The compound annual growth rate was calculated using the following sales and formula:

11/6/12: $9,600
8/14/22: $192,000

$$CAGR = \left(\frac{EV}{BV}\right)^{\frac{1}{n}} - 1 \times 100$$

Both cards were identically graded examples of a 1954 Topps #128 Hank Aaron Rookie Card graded PSA NM-MT+ 8.5. However, we cannot make any representation or prediction that this calculated compound annual growth rate is useful or accurate in determining the value of the Underlying Asset and you are urged not to place undue reliance on this data or methodology.

9 https://app.cardladder.com/sales-history?saleId=rea-112445
10 https://drive.google.com/file/d/1rOY3tagsT7axRRxZWECh-0zWoMbaYbNp/view
11 Raw data and calculations for fair market value below. Benchmark sales were selected if they occurred within 90 days of the target sale date in order to calculate a multiple.

Target Grade	Target Date	Target Value	Benchmark Grade	Benchmark Date	Benchmark Value	Multiple
PSA 8.5	9/13/14	$13,000	PSA 9	8/24/14	$62,140	20.9%
PSA 8.5	7/17/16	$88,421	PSA 9	8/27/16	$358,500	24.7%
PSA 8.5	4/19/18	$72,000	PSA 9	2/24/18	$144,000	50.0%
PSA 8.5	2/22/20	$66,000	PSA 9	2/23/20	$180,000	36.7%
PSA 8.5	4/7/21	$206,400	PSA 9	2/27/21	$645,000	32.0%
PSA 8.5	8/14/22	$192,000	PSA 9	8/18/22	$720,000	26.7%

Avg. Multiple	31.8%
Recent PSA 9 Sale	$720,000
Implied PSA 8.5 Value	$228,960