

# Nike x Off-White: “The Ten”

*Virgil and Nike embarked on what will be considered the greatest and most ambitious sneaker collaboration of all time.*

*—Complex*



# Background

Otis recently acquired the full Nike x Off-White: “The Ten” collection. This document aims to share the story of the collection and a background on collaborator Virgil Abloh.

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# What Is Otis

*Everyone has their thing. Maybe yours is sneakers, or maybe it's contemporary art. Whatever it is, you get it — the value assigned to a certain item, its cultural significance, why it matters. But more often than not, ownership of grails is out of the picture, whether because fewer than 100 were made, or because that six-figure price tag just doesn't work with your budget.*

*At Otis, we turn aficionados into shareholders. We believe in transparency, liquidity, and trusting your own gut. We're democratizing an otherwise closed market and making these alternative assets accessible. Own shares in the things that you value, and whose value you understand and build a portfolio better suited to a museum than a stock ticker.*

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Securities offered through North Capital Private Securities Corporation, member FINRA/SIPC.

Otis is sponsoring a public offering pursuant to Regulation A under the Securities Act of 1933, as amended. The offering circular can be found [here](#).

# Highlights

**1. Fair Market Value:** While online marketplaces like StockX offer the most competitive pricing, the risk is potentially unreliable (individual) sources. Retailers charge higher premiums in return for reliability and authenticity. Otis' collection of "The Ten" is below the retailer FMV of \$23k, occupying the space between these values and providing a potential opportunity for market arbitrage.

**2. Historical Sales:** Between 2017-2019, the collection has seen a 94.0% appreciation and a 39.3% annualized appreciation (see page 35-36).

**3. Cultural Influence of the "The Ten":** From the Air Jordan 1 to the Air Force 1, each shoe in Virgil Abloh's "The Ten" collection represents one of Nike's best-selling and most classic silhouettes. It is the first time a single designer has launched such an ambitious and comprehensive sneaker collaboration with Nike. Highsnobiety noted that the Off-White x Nike release received "unprecedented hype" even by the sneaker world's standards. Virgil's rendition of the Air Jordan 1 went on to win Footwear News' Shoe of the Year in 2017.

## Highlights (continued)

**4. Cultural Influence of Virgil Abloh:** American designer, DJ, and entrepreneur Virgil Abloh came to prominence as Kanye West's creative director, but has since made waves in the fashion world with his luxury streetwear label, Off-White, and appointment as artistic director of menswear at Louis Vuitton in March 2018.

**5. Strong Macro Trends Bolster Market:** The Off-White Tens are bolstered by the rise of the collectible sneakers market. Cowen research predicts that sneakers will become their own alternative asset class. The collectible sneaker resale industry is currently an estimated \$2 billion market in the U.S. and \$6 billion globally, and it is expected to triple by 2025.

A person is sitting on a light-colored floor, holding a cardboard box in front of their face. They are wearing a black t-shirt and light blue denim jeans with a large tear on the right knee. They are also wearing white sneakers with black and orange accents. The background is a plain wall with some faint graffiti. The text "A Brief Background on Virgil Abloh & Off-White" is overlaid in the center of the image.

# A Brief Background on Virgil Abloh & Off-White

Photo: Complex



Photo: Business of Fashion

# Virgil Abloh

American designer, DJ and entrepreneur Virgil Abloh came to prominence as Kanye West's creative director, but has since made his own waves in the fashion world with his luxury streetwear label, Off-White. In March 2018, he was appointed as artistic director of menswear at Louis Vuitton.

Arguably one of modern fashion's most influential designers, Virgil began his career at an architecture firm after earning a degrees in civil engineering and architecture. In 2012, Abloh launched his first fashion project, Pyrex Vision, which provided an early look at Virgil's knack for reinventing.



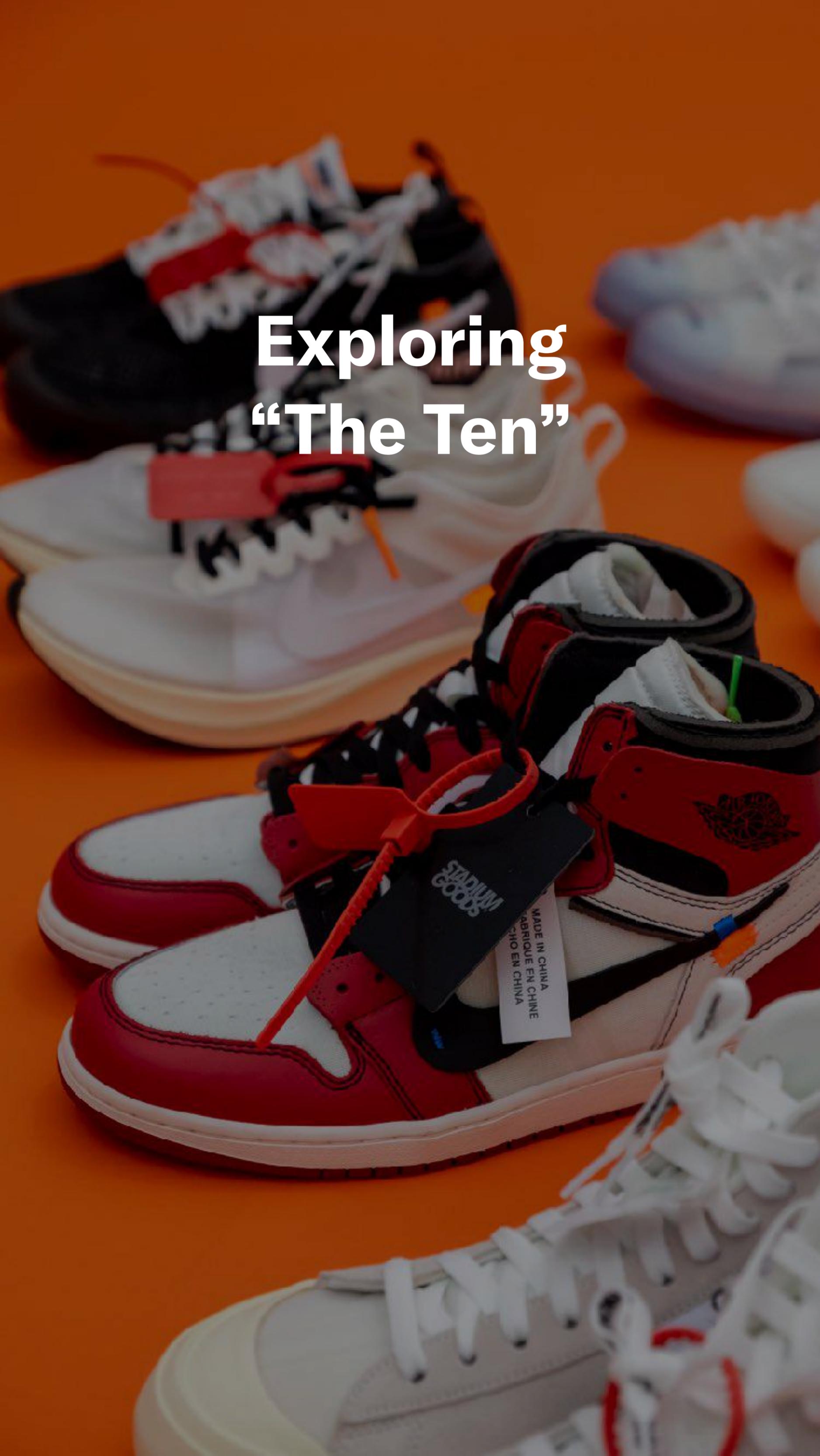
Photo: Grailed

# Off-White

In 2013, Abloh closed Pyrex Vision and founded Off-White. At Off-White, he began combining ideas of streetwear, luxury, art, music, and travel, defining the brand simply as, “the gray area between black and white as the color Off-White.”

Early on, Off-White attracted the attention of Nike. Virgil was commissioned to re-create 10 of Nike’s iconic silhouettes in a work-in-progress style. The limited release was part of the larger “Off Campus” activation, a series of panels and workshops with fellow Nike innovators.

# Exploring “The Ten”



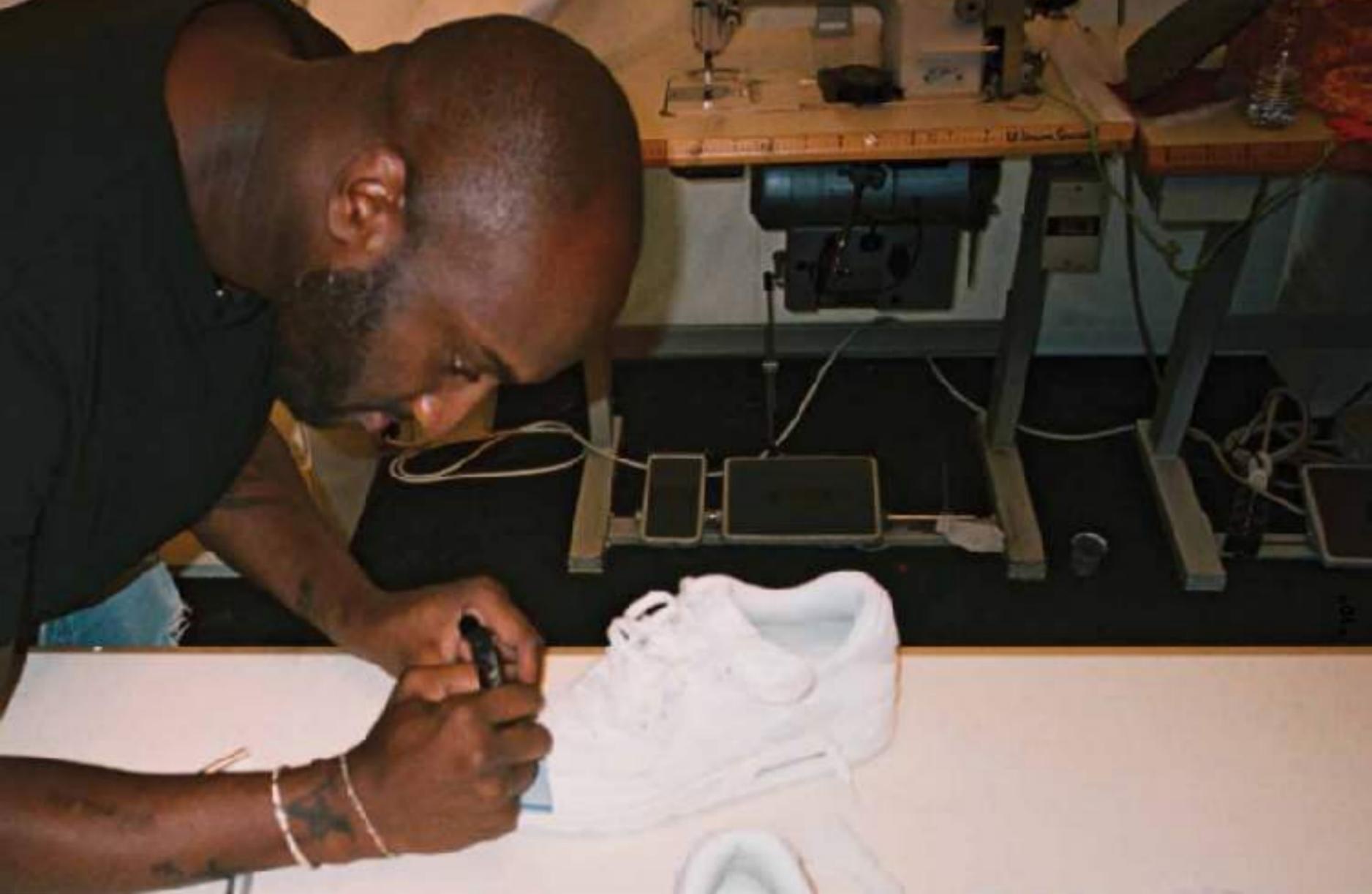


Photo: Nike

# Creation Process

“The Ten” Nike shoes were deconstructed and redesigned by Virgil Abloh throughout early 2017, however the collaboration between the two brands was not officially confirmed until late August of that year.

The design process involved Abloh taking each individual shoe and breaking it down with an X-ACTO knife to remove and alter key elements. Following his own three percent rule, Abloh maintained the foundational silhouette of each shoe, adding small fabrics and relocated parts, paying particular attention to the stitching and tongues of the shoes.



Photo: Nike

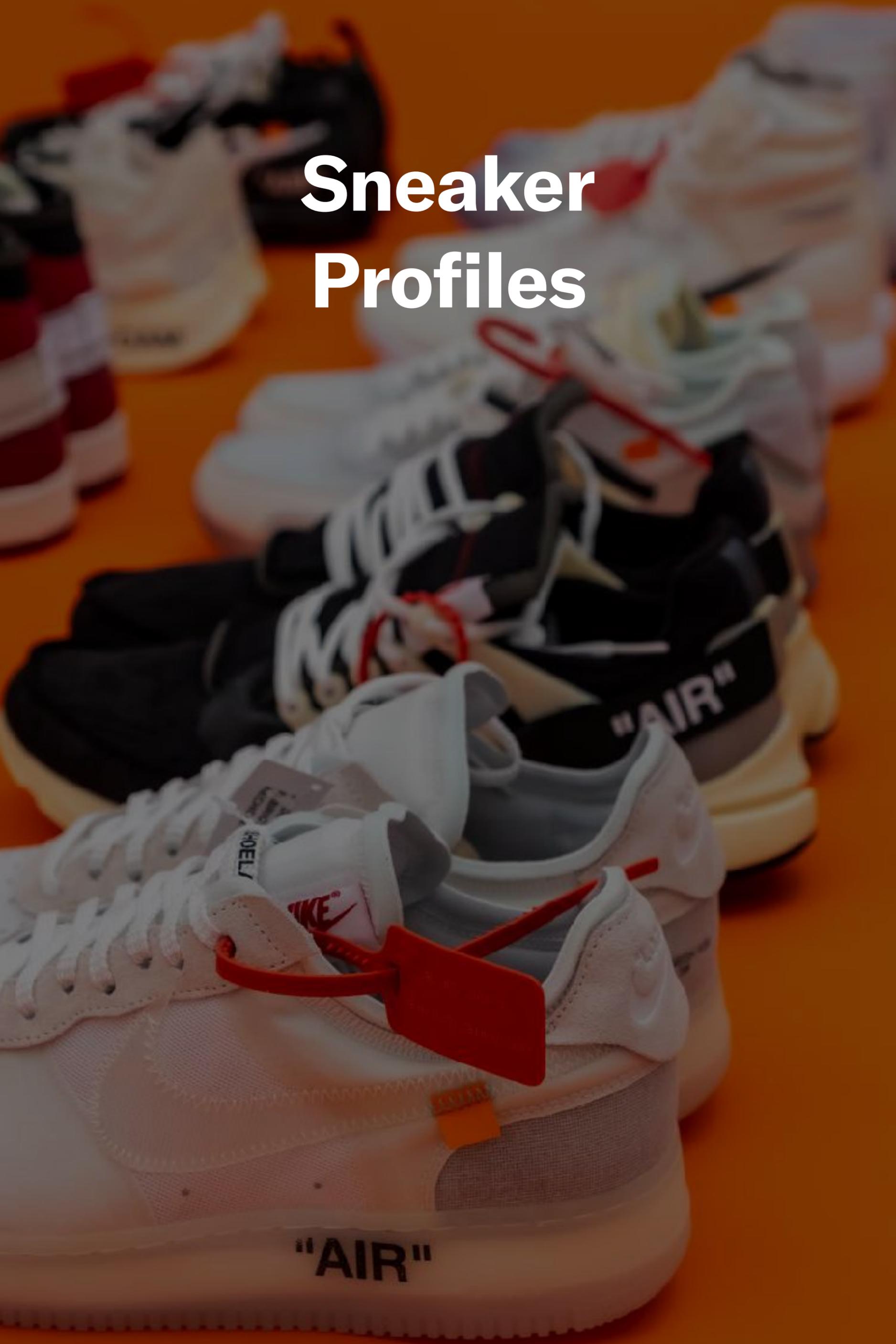
## “The Ten” Themes

“The Ten” collection was divided into two themes.

The first, “REVEALING,” was designed to look accessible: hand-cut, open-source and reconstructed. It included the Air Jordan I, Nike Air Max 90, Nike Air Presto, Nike Air VaporMax and Nike Blazer Mid.

The second, “GHOSTING,” was designed with translucent uppers to further the idea of revealing and unite the second set of silhouettes through common material. It included the Converse Chuck Taylor, Nike Zoom Fly SP, Nike Air Force 1 Low, Nike React Hyperdunk 2017 and Nike Air Max 97.

# Sneaker Profiles





## Air Max 90

The Nike Air Max 90 was remodeled by using different fabrics on the lower, middle and upper sections of the shoe. The tongue was disfigured and a layer of foam added below it. Initially released in the sail/white-muslin colorway, the sneaker was later released in “Black” and “Desert Ore” colorways.

# Air Max 90 Specifications

BRAND Nike

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NAME Air Max 90

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SIZE 11

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COLORWAY Sail/White - Muslin

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$1,549

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## Air Max 97 OG

This Nike Air Max 97 OG was reinvented by Virgil twenty years after the release of the original silhouette in 1997. The shoe features a white/ cone-ice blue colorway with a remodeled tongue and a Nike tag with 'AIR' in bold black writing along the midsole. It was later released in “Menta”, black, and Serena Williams’ “Queen” colorways.

# Air Max 97 Specifications

BRAND Nike

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NAME Air Max 97

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SIZE 10

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COLORWAY White/Cone - Ice Blue

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Private Collector

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PURCHASE PRICE \$1,300

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# Hyperdunk 2017

The Nike React Hyperdunk is a Nike basketball shoe. It was reconstructed with a translucent strap over the shoe and disfigured tongue. The shoe featured 'FOAM' in bold black writing along the midsole of the shoe. The shoes were debuted by Draymond Green during the 2017 NBA season opener with the Golden State Warriors.

# Hyperdunk Specifications

BRAND Nike

---

NAME Hyperdunk 2017

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SIZE 10

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COLORWAY White/White - White

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Fight Club

---

PURCHASE PRICE \$1,100

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Photo: Nike

## Air VaporMax FK

As the most recent addition to the Nike lineup, the Air VaporMax was redesigned in a black colorway with a beige colored upper sole and 'AIR' along the air bubbles on the outside of the shoe. The shoe included a distressed tongue similar to other sneakers in “The Ten”. It was later released in all-black and all-white colorways.

# Air Vapormax Specifications

BRAND Nike

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NAME Air Vapormax

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SIZE 10

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COLORWAY Black/White - Clear

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CONDITION Deadstock with Original  
Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

---

PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$2,500

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## Air Presto

The Nike Air Presto was completely remodeled and had many of its key elements placed in different locations on the shoe. It also included the addition of a back strap for support and an additional tongue on top of the original. The shoe was later released in all-white and all-black colorways. Images of the Air Presto collaboration first appeared on rapper ASAP Nast's instagram in July 2017.

# Air Presto Specifications

BRAND Nike

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NAME Air Presto

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SIZE 11

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COLORWAY Black/Black - Muslin

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$2,300

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Photo: Nike

# Zoom Fly

The Nike Zoom Fly was deconstructed but maintained the majority of its key elements and structure. It was designed in a white/white-muslin colorway but included a translucent midsection and an orange undertone as well as the words 'FOAM' in bold black writing along the midsole. This shoe was later released in black and "Tulip" pink colorways.

# Zoom Fly Specifications

BRAND Nike

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NAME Zoom Fly

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SIZE 10.5

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COLORWAY White/White - Muslin

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$1,100

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## Air Force 1 Low

Virgil's take on the Nike Air Force 1 kept its original form and features, with the deconstruction occurring on the tongue and laces. Abloh removed the signature Nike tick logo that is placed on the inner and outer section of the shoe and added thick, noticeable stitching. It was originally released in this White/White-Sail colorway but was later released in all volt, all black and MoMA colorways.

# Air Force 1 Specifications

BRAND Nike

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NAME Air Force 1 Low

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SIZE 10.5

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COLORWAY White/White - Sail

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$1,499

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Photo: Nike

## Blazer Mid

The Nike Blazer Mid was remodeled by moving the swoosh logo lower, deconstructing the tongue and adding an orange tag that appears throughout “The Ten”. It was later released in Serena Williams’ custom “Queen” colorway as well as “All Hallows Eve” and “Grim Reaper” colorways, which were known as the Halloween pack.

# Blazer Mid Specifications

BRAND Nike

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NAME Blazer Mid

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SIZE 10

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COLORWAY White/Black - Muslin

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Private Collector

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PURCHASE PRICE \$1,900

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# Air Jordan 1

Ablon's Air Jordan 1 design is largely considered the flagship of the pack. Not only does the Air Jordan 1 carry the highest price tag of the “The Ten” on the resale market, it also won Footwear News’ “Shoe of the Year” award in 2017.

The shoe became popular amongst celebrities including Drake, Travis Scott, and Bella Hadid. Even Ablon wore his Air Jordan 1 design to the Met Gala in New York City, 2 years in a row.

# Air Jordan 1 Specifications

BRAND Nike

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NAME Air Jordan 1

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SIZE 11

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COLORWAY White/Black - Red  
"Chicago"

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CONDITION Deadstock with Original  
Box

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DESIGNER Virgil Abloh

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RELEASE DATE November 9th, 2017

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PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$3,900

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Photo: Nike

## Chuck 70 Hi

Converse's ownership under Nike allowed Abloh to redesign the iconic Chuck Taylor All Star. He added a clear midsection and 'LEFT' and 'RIGHT' in bold black letters placed at the top of the respective sides of the shoes. The shoe featured 'VULCANIZED' in bold black writing along the midsole of the shoe. This release was delayed to May 8th, 2018 and was the last of "The Ten" to release.

# Chuck 70 Hi Specifications

BRAND Nike

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NAME Chuck 70 Hi

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SIZE 10

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COLORWAY Clear/White/White

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CONDITION Deadstock with Original Box

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DESIGNER Virgil Abloh

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RELEASE DATE May 8th, 2018

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PURCHASED FROM Stadium Goods

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PURCHASE PRICE \$1,250

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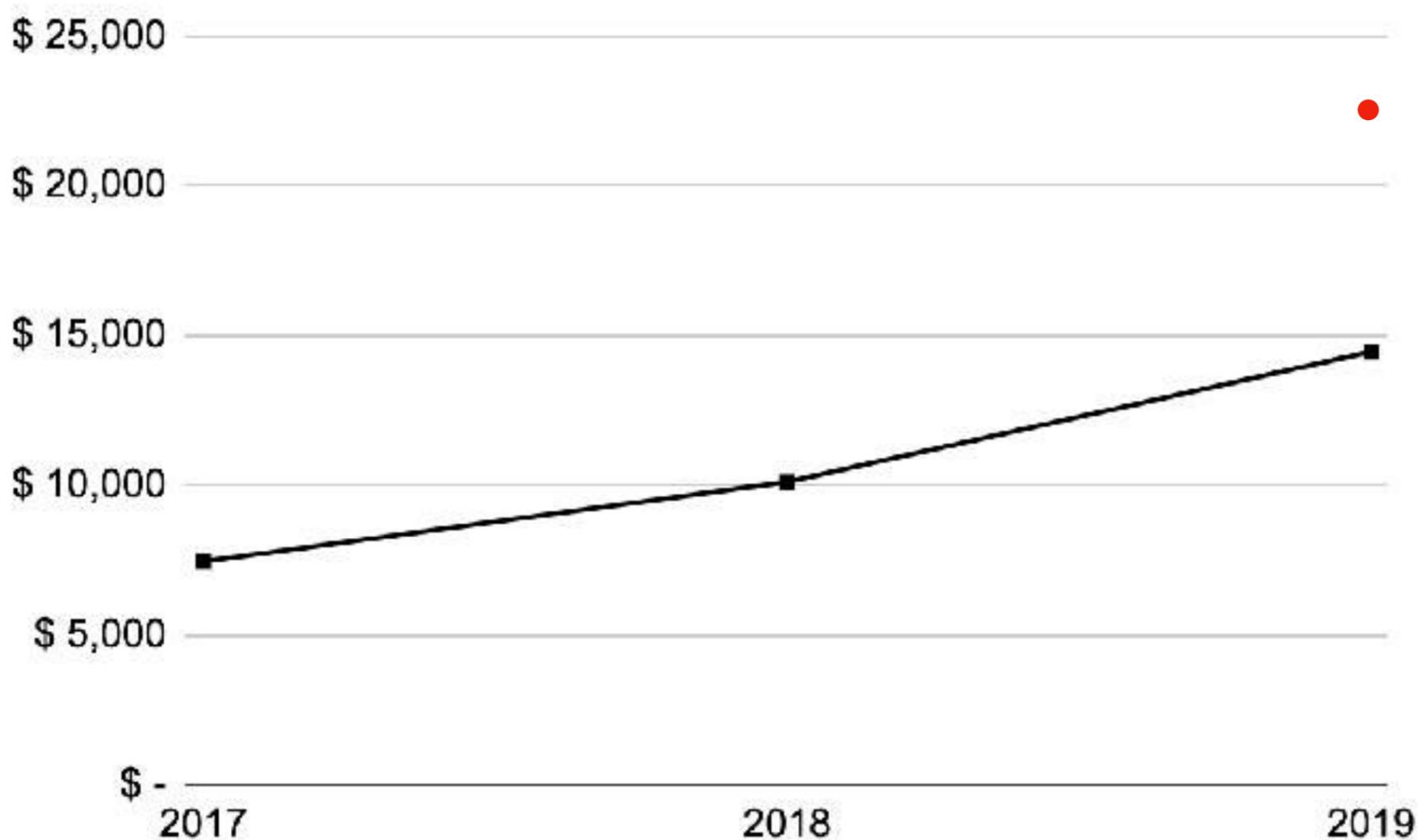
# Provenance

Otis purchased the sneakers in this collection from Stadium Goods, a well-known secondary sneaker retailer, and directly via private collector. The shoes were authenticated by Stadium Goods, Always Legit and RoundTwo.

# Condition

All pairs in the collection are considered deadstock, which means that they have never been worn and remain in their original condition from the time of sale. Each pair in the collection also comes with its original box and accessories.

# Summary of Historical Performance



Source: Historical sales data sourced from StockX for sizes 9-12.

● Represents FMV price based on current collection retail price of \$23,221 as of March 2020.

	<b>Total Appreciation</b>	<b>Average Annual Appreciation</b>
1 Year	43.0%	43.0%
2 Year	94.0%	39.3%
5 Year	Not available	Not available
All-time (2 Years)	94.0%	39.3%

# Annual Historical Sales Averages

<b>SNEAKER</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<a href="#">Air Force 1</a>	\$527	\$863	\$1,532
% Growth		64%	78%
<a href="#">Air Jordan 1</a>	\$1,398	\$2,040	\$3,283
% Growth		46%	61%
<a href="#">Air Presto</a>	\$1,038	\$1,501	\$1,892
% Growth		45%	26%
<a href="#">Air Vapormax</a>	\$801	\$988	\$1,232
% Growth		23%	25%
<a href="#">Blazer Mid</a>	\$571	\$928	\$1,350
% Growth		62%	45%
<a href="#">Air Max 97</a>	\$525	\$772	\$1,032
% Growth		47%	34%
<a href="#">Air Max 90</a>	\$621	\$819	\$1,251
% Growth		32%	53%
<a href="#">Zoom VaporFly</a>	\$447	\$675	\$791
% Growth		51%	17%
<a href="#">Chuck Taylor</a>	\$1,099	\$952	\$1,211
% Growth		-13%	27%
<a href="#">Hyperdunk</a>	\$424	\$568	\$881
% Growth		34%	55%
<b>Total</b>	<b>\$7,451</b>	<b>\$10,106</b>	<b>\$14,454</b>
y/y growth		36%	43%

Source: Historical sales data sourced from StockX for sizes 9-12.

## Retail Prices

Sneaker	Stadium Goods	Flight Club	Retailer Avg.
Air Force 1	\$2,085	\$2,963	\$2,524
Air Jordan 1	\$4,450	\$5,548	\$4,999
Air Presto	\$2,734	\$3,121	\$2,928
Air Vapormax	\$1,837	\$1,911	\$1,874
Blazer Mid	N/A	\$2,387	\$2,387
Air Max 97	\$1,145	\$1,500	\$1,323
Air Max 90	N/A	\$2,187	\$2,187
Zoom Vaporfly SP	\$1,010	\$1,505	\$1,258
Converse Chuck Taylor	\$1,669	\$2,315	\$1,992
React Hyperdunk	N/A	\$1,750	\$1,750
<b>Total</b>			<b>\$23,221</b>

Source: Retail prices on Stadium Goods and Flight Club as of March 2020.

# Investment Risks

1. **Supply Risk:** An increase in supply could drive prices down.
2. **Volatility Risk:** Prices are volatile given that there are a limited number of The Ten sneakers in circulation.
3. **Market Risk:** Current uncertainty in the market due to COVID-19 could drive greater price volatility.
4. **Business Risk:** Past performance may not be indicative of future results. Investments in alternatives, such as the investments offered on the Otis platform, are illiquid and carry the risk of complete loss of capital. Key risks include, but are not limited to, no operating history, limited diversification, risk of damage or theft and no voting rights. Investors should carefully review the risks located in the offering circular for a more comprehensive discussion of risk.