The Great Reset is a monetary regime change

The Crypto Capitalist Manifesto

Mark E. Jeftovic

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FOREWORD TO THE PRINT EDITION

It's been nearly three years since the publication of **The Crypto Capitalist Manifesto**. Because of how it was released - as a PDF report from my personal blog's website (until that time called "Out Of The Cave"), it's impossible to tell how many times it's been downloaded, copied, forwarded by third parties and posted elsewhere.

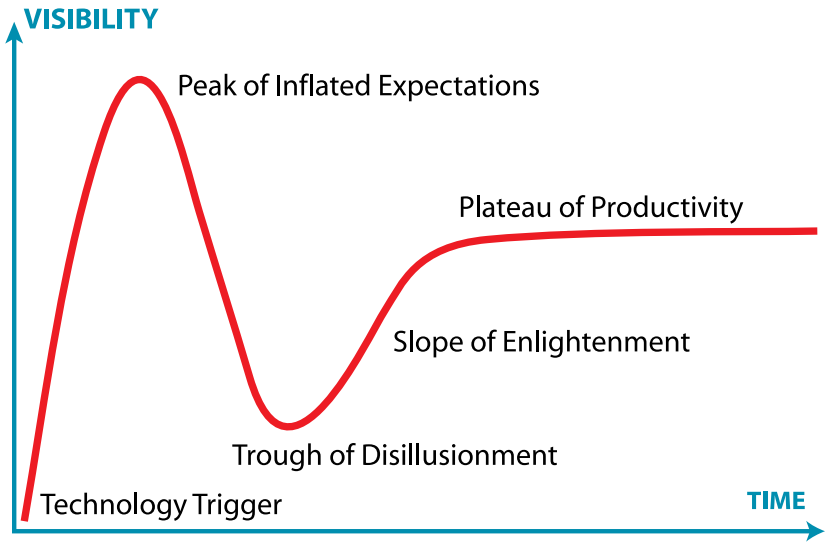
I do know that I grew my email list from a few hundred people to over 25 thousand, that I launched Bombthrower Media and The Bitcoin Capitalist letter on the back of it.

It made the rounds, to say the least.

In the intervening time, we saw new all-time highs for Bitcoin and most other cryptocurrencies, and then carnage, as the 2022-2023 bear market set in with a string of cascading failures - and scandals - throughout the crypto-currency space.

Terra/LUNA, 3AC, Celsius and finally FTX - once again we heard eulogies for the space among MSM commentators and sundry "no-coiners", as they've come to be called.

It's been long enough and we've been through practically a full "hype cycle" iteration to now look back on the manifesto with a critical eye. The Gartner Hype Cycle affords a view of "how a technology will evolve over time", which notably cycles through peaks of "inflated expectations" and "troughs of disillusionment" before levelling of into "plateaus of productivity".



en.wikipedia.org/wiki/Hype_cycle

I wrote about the previous iteration of Bitcoin's "hype cycle" back in 2018, and what seems clearer now is the sequence of higher peaks, bottoms and plateaus. Said differently, the entire cryptocurency space as an asset class and as a technology stack is successively leveling up.

What has surprised me was the speed at which the pace of what I called "The Great Bifurcation" has been playing out. When I originally wrote the manifesto I was thinking in five or ten year increments in terms of the deployment of CBDCs and wholesale capital controls on the part of governments.

Within a year - we saw the weaponization of the banking system by a G7 nation against its own citizens (Canada's declaration of martial law and the freezing of #FreedomConvoy participant, and ***contributor*** bank accounts) and the use of the monetary asset as a method of sanction against nation states after the US froze the foreign reserves of two other nation states.

Regardless of one's opinions of the targets in either case, these were seminal moments in our overall thesis of crypto capitalism. In fact they changed my views from Bitcoin being limited to a "Notgeld" function ("emergency money") amid a global inflationary event - to its inevitably becoming at least a component of the next global monetary system.

We're still very early, yet events are playing out much faster than I originally envisioned. **The Crypto Capitalist Manifesto** still holds up quite well upon review, and even seems eerily prescient in retrospect.

Mark E. Jeftovic
Toronto, January 2024

The Great Reset is a monetary regime change

This document outlines the core thesis behind investing in the cryptocurrency space. It then describes a recommended method of doing so from a portfolio allocation perspective.

It's a manifesto of sorts; over 40 pages long - and we aren't even going to talk about the actual companies or the stocks we're going to be investing in here. That's in another document you should have access to once you have signed up via the member's section.

But it is crucial that you read this document first. Before you explore the portfolio, you will need to understand the big picture of why we're in these companies and in this sector. Otherwise, you may as well save your money and go chase after whatever's hot right now in /r/WallStreetBets (and if that's what you want to do, that's totally fine. Be sure to cancel your trial subscription before the rebill kicks in, or contact support for a refund if you're on the recurring subscription already).

WHAT THE CRYPTO CAPITALIST IS AND ISN'T

What this newsletter isn't is a black box that spits out trades relying heavily on chart formations, algos and buzz.

We approach this as investors. In this methodology we are not buying cryptocurrencies directly, we are buying the equities of companies in the cryptocurrency space. We do own cryptocurrencies separately, but investing in them is typically outside the scope of this newsletter. (My preferred way to obtain Bitcoin and other cryptocurrencies is to earn them via my businesses. If you own a business and would like to begin accumulating Bitcoin through accepting it as a payment method, you can look at **easyCoin**[1], which is a service my main company, easyDNS, is launching to enable crypto payments for your business.)

This is not daytrading. If you are a day trader then **The Crypto Capitalist** may not be for you. We regard stock ownership as being an owner in the business (because that's what it actually is). We want to own companies that we think have long-term merit. The investment horizon is 3 to 5 years and we're trying to own companies based on the underlying quality of the businesses themselves, not the movement of their stock price.

In order to find quality companies and hold them long term we have to turn over a lot of rocks, kiss a lot of frogs and then when we find something that looks attractive enough to get involved in, we need the most important thing of all: *conviction*.

THE HISTORICAL THESIS UPON WHICH CONVICTION IS BUILT

The crypto space operates at a faster pace than most. Timeframes are compressed. It's like a passage out of an early William Gibson story, which I'll paraphrase here:

> *"Crypto-currencies are like a deranged experiment in monetary Darwinism, designed by a bored researcher who kept one thumb permanently on the fast-forward button…"*

Volatility is more intense. Cryptos can drop 20% overnight. They can 10X in a few months. It is all, in a word, unprecedented. However, there are analogs in history to this period in time - and from these analogs we can derive an underlying crypto thesis that describes what is happening.

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1 www.easycoin.com

If we have a coherent mental model that seems to make sense as events unfold, then we can build ***conviction*** in our investing thesis. With conviction, we can look through the volatility and use it to our advantage.

Warren Buffett is frequently credited with saying, "buy when others are fearful, and sell when others are greedy". He was actually paraphrasing something that was said nearly a century earlier by the Wall Street trading legend Jesse Livermore. In the venerable classic, "Reminisces of a Stock Operator", Livermore's biographer Edwin Lefevre quoted him as saying,

> *"The successful trader has to fight these two deep-seated instincts. He has to reverse what you might call his natural impulses. Instead of hoping he must fear; instead of fearing he must hope."*

This reversal cannot be accomplished without having conviction in an underlying mental model that is stronger than our psychologically hard-wired instincts.

Without conviction we are day traders and momentum chasers. We are governed not by our investment objectives in accordance with our investment process, but by crowd psychology.

Without conviction we'll get shaken out of our positions. It's fine to trim, or to sell upon reaching a prearranged investment objective. But we don't ever want to put ourselves in a position where we panic. More on that in the **"Methodology and Approach"** section below.

So this is absolutely critical: in order to preserve and build wealth by investing in the emerging economy of crypto-assets, we must have conviction (yes, I will belabour this point).

Conviction arises from having a coherent, underlying mental model that answers the question: **Why crypto?**

HOW THE GREAT RESET NARRATIVE SHAPES OUR MENTAL MODEL

What goes into a mental model?

A mental model, or map, has to do at least two things:

1) It must provide a coherent explanation for what is observed to be unfolding, and

2) It must maintain that coherence in the face of new information and events. As the unknowns of the future come into view and become facts of the present, they must reinforce, or at the very least not negate, our mental map.

For example: If the mental model is, “crypto is replacing gold as a safe haven asset”, and then a financial panic occurs in which everybody scrambles for gold and dumps their holdings of crypto, then the mental model has been invalidated. At the very least it requires a comprehensive revision.

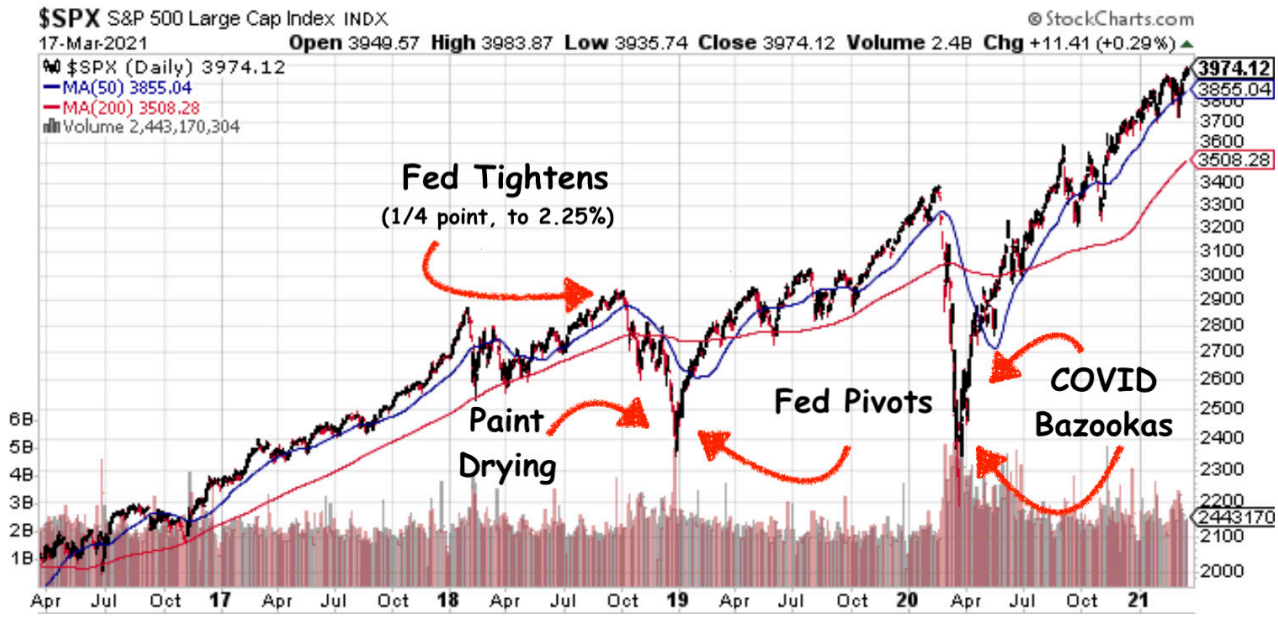
One of the pillars of the Crypto Capitalist mental model is this:

We are not experiencing a massive bull market in crypto, equities, commodities and even real estate (a.k.a. an Everything Bubble)[2] as much as we are experiencing a global flight out of fiat currencies and bonds. In other words, we are in the early innings of a global high inflation or possibly even hyperinflationary event which will result in a worldwide monetary reset. Concurrent with that, the global bond supercycle, which has been in effect since 1981, is at an end.

HYPERINFLATION: CAN IT REALLY HAPPEN?

Until fairly recently the idea of inflation, let alone hyperinflation, was unthinkable. Not because it was too terrible to contemplate, but because it seemed completely detached from reality. This has changed, and the idea of inflation has reentered the lexicon. The stated aim of central banks the world over is explicitly and literally to create inflation, at a rate exceeding 2% per year. They will not tighten monetary policy until inflation has been “achieved” (more accurately, “unleashed”) and then the plan is to softly rein it in once inflation averages above 2%. Does anybody remember what Janet Yellen said about reducing the Fed balance sheet when she was Fed chair? She said it would be, “like watching paint dry”. Do you remember what happened when Jerome Powell actually tried it?

2 bombthrower.com/articles/were-in-a-bubble-thats-too-big-to-fail/



The events of the pandemic portend a shift away from the deflationary doldrums we've been mired in since the Global Financial Crisis (GFC). With direct stimulus and fiscal stimulus here, the game has changed so drastically that financial gurus like Russell Napier, who have been deflationists for decades, have revised their outlooks and now see inflation on the rise.[3]

One of the seminal accounts of hyperinflation is Jens O. Parsson's **"Dying of Money: Lessons of the German and American Inflations"**. Physical copies are hard to find and expensive to buy, but it's in the public domain and the Mises Institute provides a PDF copy online for free.[4] I encourage the reader to download a copy and begin reading through the chapters describing the years leading up to the high inflation or hyperinflationary events:

In the years leading up to the hyperinflationary events, which were a perfect illustration of a classic Austrian School "crack up boom":

> *"The stimulation of the government's easy money spread through virtually all levels of the German economy. The life of the inflation in its ripening stage was a paradox which had its own unmistakable characteristics. One was the great wealth, at least of those favored by the boom….Industry and business were going at a fever pitch…Great mansions of the New Rich grew like mushrooms in the suburb.*

3 www.macrovoices.com/938-macrovoices-256-russell-napier-prepare-for-secular-inflation

4 recision.files.wordpress.com/2010/12/jens-parsson-dying-of-money-24.pdf

> *Side by side with the wealth were pockets of poverty. Greater numbers of people remained on the outside of the easy money, looking in but not able to enter…*
>
> *Almost any kind of business could make money. Business failures and bankruptcies became few. The boom suspended the normal processes of natural selection by which the nonessential and ineffective otherwise would have been culled out.* ***Practically all of this vanished after the inflation blew itself out.***
>
> *Concentration of wealth and business was still another characteristic trend…*
>
> *That was how it was in the heyday of the boom, which was the ripening stage of the inflation. Inexorably the inflation began to stalk the boom…"*

Any of that seem eerily familiar?

This period went on for some years, from 1914 to 1922 and then the crack-up boom exhausted itself, and the account of the true hyperinflation starts…

> *The seas of marks which had been stored up… flooded forth and fought to* ***buy into other investments, foreign currencies, tangible goods, almost anything but marks…***
>
> *Germany's money printing industry could not turn out enough trillions to keep up. States, towns, and companies got into the act by issuing their own "emergency money"* ***(Notgeld)****. Barter became prevalent. Still money grew scarcer while prices continued to soar."*

This last line is of particular relevance for us. It foretells the same dynamic that is playing out today.

Every hyperinflationary event creates its own version of "Notgeld". People taking matters into their own hands and coming up with something else to use for money, even if they know full well it's temporary.

In Zimbabwe it was prepaid gas and phone cards. At my company (easyDNS) in 2019, we found a customer who kept pre-funding his account with us and had enough of a balance in there to cover his website hosting fees out past 2085. When I asked him what the hell he was doing, it turned out he was an Argentine trying to protect his savings through one of their incessant currency collapses. He was using us as a bank. In his mind, pre-funding his easyDNS account was a more stable and secure store of value than banking it in Argentinian pesos. No joke.

Bitcoin in particular and cryptocurrencies in general are this coming inflationary event's "Notgeld".

Out of this high inflation or hyperinflationary crisis, there will emerge an entirely new monetary order. That monetary order could manifest in multiple scenarios, which we'll cover in our journey together. But the scenario The Crypto Capitalist feels is most likely to emerge, is the one we call **Mr. Robot.**

The name is taken from the eponymous HBO TV series. If you've seen it, you probably watched Season 1 thinking the show was a story about a group of rebel hackers who crash the global financial system. It's not until we're into Season 2 that we realize that it's more than this. It's really about a battle between two competing digital currency systems: a government-sponsored digital cash, depicted by "EvilCoin", and the countervailing cryptocurrency of freedom, portrayed by Bitcoin (in the show it also turns out that EvilCoin's strings are being pulled largely by the Chinese Communist Party).

Out here in the real world, we're headed toward a hauntingly similar situation: COVID has quickened the tectonic shifts which otherwise would have taken decades or more to play out. We face a type of hyperinflationary crash, the end of USD hegemony and a new system which will usher in a two-tier society of digital nobility (haves) and Neo-Feudal serfs (have-nots).

"In the future there will be only one occupation: managing one's wealth. And most people are going to be unemployed" - Mark E. Jeftovic in The Great Bifurcation.

These tiers will be defined by two different monetary descendants from fiat currencies of yore. Which of these currencies forms the base layer of your economic existence will largely determine which tier you're in.

The bottom tier will be an underclass of Neo-Serfs who will be living a hand-to-mouth existence. Owning no assets, being perpetually over-indebted, and subsisting on Universal Basic Income and stimulus in the form of government-issued digital cash or Central Bank Digital Currencies (CBDCs), these new serfs will exist in a state of Neo-Feudalism. In our Mr. Robot analogy, CBDCs are EvilCoin (a.k.a. E-Coin.)

The top tier will be those who possess actual wealth. In Neal Stephenson's Diamond Age, he called the nobility of his near-future world Equity Lords. These are the people who own all the assets, and they will have been able to acquire them because they preserved and grew their wealth during the The Great Reset.

The Great Reset is not in our immediate future, it has arrived. It is here now.

The future elites may use CBDCs for sundry expenses but they will *not* make CBDCs a part of their financial foundation. CBDCs will be constructed specifically to *preclude* capital formation, savings and wealth.

The "haves" of the future will be thus because they will own assets and equity, and they will be the ones making use of cryptocurrencies.

They will also own gold and other precious metals, real estate, and select stocks. But the scope of The Crypto Capitalist letter at this time is to garner exposure to crypto assets by owning companies who are in the crypto space now, and who look positioned to be the leviathans and rails of the crypto and DeFi economies of the future.

THE CRYPTO CAPITALIST MENTAL MODEL IS THIS:

1. The nature of money has changed and the global monetary regime is about to undergo a radical transformation. The underlying reality captured by narratives such as The Great Reset or The New Normal may manifest outwardly as fallout from the COVID-19 pandemic. But they are really at their core about the collapse of the USD-backed fiat money system and a shift into a new, global monetary regime.

2. This New Regime will experience a radical bifurcation across most societal strata. I have been calling this The Great Bifurcation[5] in my writings for a few years. Before COVID, I envisioned The Great Bifurcation playing out over 20 to 50 years; because of COVID this has all been accelerated and will occur over the next 3 to 10 years.

3. Money will bifurcate into CBDCs (EvilCoin) and cryptocurrencies.

4. The first kind will be Central Bank Digital Currencies (CBDCs). They will be issued directly by central banks, nation states and soon, tech platforms (think Facebook's Diem). They will be the transfer mechanism of social programs such as Universal Basic Income (UBI) and other entitlement and subsidy programs. They will provide the basis for implementing Modern Monetary Theory (MMT). These will be distinct from cryptocurrencies in that:

    - They will likely be "use it or lose it" propositions. Money received under these programs will have to be spent in order to bolster money velocity in the economy.

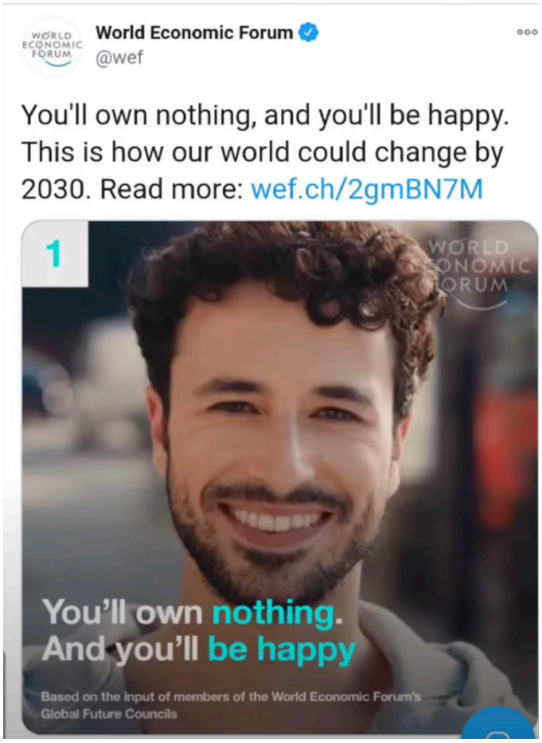
5 bombthrower.com/articles/jackpot-chronicles-3-the-great-bifurcation/

- There will be penalties for saving, either via negative interest rates or other disincentives.
- They will be fully programmable to further social engineering priorities.
- They will at some point become Chinese Communist Party-style social credit frameworks.
- They will likely not be public/private key pair cryptocurrencies. Self-custody will be prohibited.

The other kind of currency will be full-fledged digital currencies, such as Bitcoin, Ethereum and others that have yet to be invented. These will be the currencies of assets and equity. They will facilitate capital formation, asset ownership and investment returns. Where the previously described CBDCs will be the basis of servitude and dependency, cryptocurrencies will be the basis of wealth and self-sovereignty.

"YOU WILL OWN NOTHING, AND YOU WILL BE HAPPY".

The messaging coming out of global elites such as the World Economic Forum, The Party at Davos, the International Monetary Fund and even places as disparate as The Vatican and Hollywood, are all riffing on the same theme: You, the middle class, the lower class, the masses, are going to have to get used to a lower standard of living.



Real video released by the World Economic Forum. Details here.

Despite the corporate media messaging, the real reason behind this isn't climate change or even COVID: ***it's because of the debt***. The world is finally out of runway after kicking the can down the road every time the global economy threatened to backslide into recession, or when previous monetary bubbles imploded. All those decades of collectively living on credit and borrowing against the future have finally hit the wall. This is it. We're here. The end of the debt supercycle.

Governments have spent beyond their means many years, and now the bills have come due. The only way to pay them will require inflation and austerity. It will resemble a controlled demolition of the entire middle class. The easiest way to do that will be to turn as many people as possible into a completely dependent welfare class via endless rolling lockdowns, Universal Basic Income programs and mandatory health passports.

At its core, The Great Reset is a monetary reboot. It's seen as a way to restructure the global debt overhang and turn "money" into technocratic lube for enacting grandiose social engineering projects: ***most of them geared toward ratcheting down the standard of living for the masses of the developed world and suppressing the standard of living for the so-called Third World.***

The ultimate objective of The Crypto Capitalist is to help as many people as possible position for the coming two-tier society.

We're heading into a world without a middle class, or with a greatly reduced one. It is bleak. It isn't fair, and it's neither just nor equitable. If humanity is fortunate then this will be a temporary phase, perhaps lasting less than a generation, no more than two. Eventually the principles of economic liberalism (in the classical sense) will reassert themselves and rebuild a robust, healthy middle class, once we get our bearings in this new, technocratic age.[6]

However for that to happen, we're going to need as many crypto capitalists as possible keeping the faith and working tirelessly to reassert those classical liberal values upon which our advanced civilization was built.

Until then, we will not do our families, friends, the people who rely on us, or even society at large any favours by being on the wrong side of this Great Bifurcation, for that is what The Great Reset really is.

THE ECONOMIC THESIS ON WHICH CRYPTO CONVICTION IS BUILT

As I write this in February 2021, Bitcoin has a total market capitalization globally of approximately $1 Trillion USD, while the market cap of all cryptocurrencies is a little over $1.5 Trillion USD.

The Silver market is around a $1.5 Trillion USD cap; Gold is up around $10 Trillion.

The S&P 500 is quite a bit more at $36 Trillion, while the total cap of all equities globally is measured around $90 Trillion.

Remember the recent #WallStreetBets and GameStop debacle? All that hysteria was about a (near worthless) stock that got pushed up to $15 Billion market cap. A microscopic sliver of wealth globally.

I mention all this to give the reader a bit of perspective around the comparative size of the asset classes involved, and how they relate to the seismic shift that we here at TCC are anticipating and trying to position for ahead of time.

Let's look at a few more numbers, this time away from the assets side of the balance sheet; let's consider the debt side:

---

6 on the other side of this, what we understand today as "The Nation State" will be unrecognizable and largely defunct, having been obsoleted by why is being recognized in many circles as "The Network State".

The total government debt of the US government was $27 Trillion dollars, before the Coronavirus pandemic hit. By Q2 of 2020, when the pandemic was barely underway, US public and private debt hit $80 Trillion.

That's not even counting *entitlement* obligations like Social Security and Medicaid, for which estimates vary wildly, but which could be up around $210 Trillion.

That's just the US. In my home country of Canada the numbers are even worse on a per capita basis, and it's the same story in pretty well every country worldwide.

Suffice it to say, the world is awash with debt and most experts knew that *eventually* this global debt overhang was going to hit some critical mass, whereby the entire global financial system built atop the USD as world reserve currency would someday become untenable.

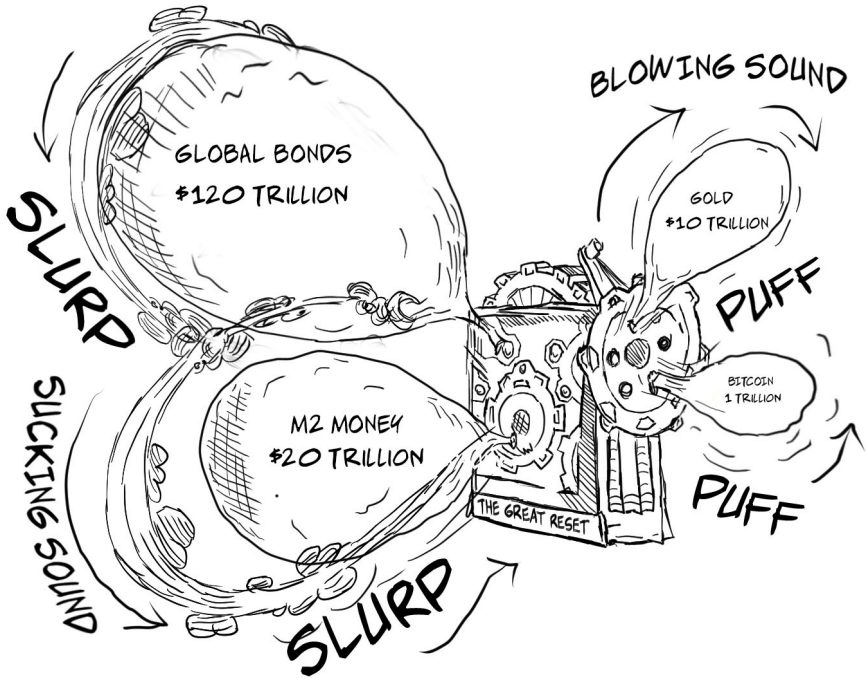
Alongside these truly staggering debt levels, we have the global bond market: $120 Trillion USD (of which close to $15 Trillion actually carries a negative yield) and the M2 supply of fiat USD is somewhere in the $20T range.

To understand The Great Reset, imagine the $120 Trillion in bonds and all the M2 money supply as huge balloons, whose stems are connected to a steampunk-looking contraption that is sucking the air out of those two balloons, and pumping it out the other end into much smaller balloons, with names like "Gold" and "Bitcoin". The last part of the analogy is to remember one thing: pay no attention to the numbers (the "nominal value") on the Bond and M2 balloons. What you really want to keep track of is the airflow from left to right.

That airflow is called "purchasing power".

This is the long-term objective of The Crypto Capitalist. It is to build wealth and accumulate assets within the expanding balloons on *the right side of the reset*. What we are experiencing as massive asset price bubbles meets all the definitions of what the Austrian School economists call a "Crack Up Boom".

What is different is that this is a *global* flight out of the balloons on the wrong side of the reset. This is, in reality, the early rumblings of a worldwide hyperinflationary event. One that will afflict all national currencies, upend the global monetary regime, displace the USD's world reserve currency status, eliminate cash and move the entire world into a new monetary order.



This is what we think is happening. Metaphorically.

If we constantly remind ourselves of this, if we understand that we are not chasing an asset bubble, but rather fleeing a currency collapse, then we will have ***conviction***.

THE ROLE OF CASH NOW AND IN THE NEW NORMAL

Until recently I've always been overweight cash and despite missing out on some investment gains, it's served me well.

Historically, when times get tough - either individually, in a business or across a larger sector or economy, - it's the companies with the weaker balance sheets, the ones with more debt than cash, that become statistics instead of survivors.

But because of what I see happening with fiat currencies and The Everything Bubble, heading into this New Normal on the other side of The Great Reset, we have to get our heads around the probability that cash will come under pressure on two fronts: ***inflation and wealth redistribution.***

INFLATION & PURCHASING POWER

It's not even contrarian any more to be worried about inflation. One of the podcasts I listen to regularly[7] that covers macro, is having a hard time finding guests with a deflationary outlook.

Ordinarily that would have me inching toward the other side of the boat, because I'm generally uncomfortable in crowds.

However there are rare moments in history when some kind of transformative shift is in progress and all bets are off. The entire Crypto Capitalist Thesis posits that this is one of those times.

There are two pieces I wrote about this – and how it related to the emergence of Bitcoin - back in 2017 on Medium. They were called **"This Time is Different"** - which everybody, including me, knows are the most dangerous four words that can be uttered when thinking about investing.

When I wrote them they put me into the Top 100 writers covering Bitcoin on Medium (I've since stopped publishing there because of the cancel culture on the platform). You can read them on my Bombthrower blog here:

The Emergence of Bitcoin: The Backstory in Two Parts

Part 1) This Time Is Different: What Bitcoin Isn't.
Systematically debunks most of the criticisms against Bitcoin such as "it's a Ponzi", "it's backed by nothing" and the most egregiously misinformed one of them all "Tulipmania".

Part 2) This Time is Different: What Bitcoin Really Is.
Gets into the meat of the issue of why Bitcoin heralded the emergence of an entirely new, non-State asset class.

Everything I wrote in those two pieces I have even more conviction about today than I did when I wrote them.

We'll revisit inflation and the flight out of fiat when we look at **The Everything Bubble** below.

7 www.macrovoices.com

WEALTH REDISTRIBUTION

Many have covered the various aspects of wealth redistribution from a historical, ideological and economic viewpoint. For our purposes and for the sake of brevity, we will confine our focus on wealth redistribution to the purely tactical considerations of how it affects our risk profile, particularly with respect to ***cash***.

By cash I don't mean physical bank notes, other than to say those will be largely a thing of the past within the foreseeable future.

What we mean by cash are bank balances, chequing accounts, savings accounts and money market funds. In other words, what economists refer to as "M2 Money".

In addition to having any of the wealth that you've earned and saved in this form being continually eroded by inflation, you will ***also*** face the prospect of having it confiscated and redistributed under various policy initiatives.

Cyprus: 2013. By the time you're standing in a line like this, you're too late.

These initiatives will be presented as fairness and equity programs, but what they will really be are last ditch Hail Mary's to recapitalize a rapidly imploding financial system.

The prototype for all this was Cyprus in 2013, when the island's banking system became unstable and international creditors, along with the IMF, forced a "bail in".

You're probably all too familiar with "bail outs" over the years. These are typically controversial maneuvers whereby governments either print money or use taxpayer funds to rescue the creditors and shareholders of abjectly incompetent and over-leveraged businesses, then try to dress it up as necessary to save the economy.

Bail-ins are the funhouse mirror flip side. Instead of taxpayer funds being used to rescue businesses who blew themselves up with debt and derivatives, the government forcefully seizes the funds of savers and uses those to recapitalize the banks who over-extended themselves by making bad loans to these flailing, indebted companies.

In the case of Cyprus, anybody unlucky enough to have saved more than €100,000 had 10% of those balances seized straight out of their bank accounts. People with balances under €100,000 had 6.9% of their funds seized.[8]

Cypriots formed long lines at ATM machines across the island but by the time they figured out their savings were on the menu, it was too late. Also note, the bail-in did not seize funds that were already invested elsewhere, it just confiscated cash balances in the bank.

BUT LOSING 10% OR LESS ISN'T SO BAD, IS IT?

This is often the justification lawmakers use to enact confiscatory measures. New taxes and wealth redistribution mechanisms (a.k.a. theft) are usually introduced at special introductory teaser rates.

They look so low and target people so rich that the majority of the population think it will never affect them. Wouldn't it be wonderful to be so rich!

When the US Federal Income Tax was made permanent via the 16th Amendment in 1913 (that same year saw the creation of the Federal Reserve), it was initially set at 1% of income above $3,000, and 6% above $500,000. Not so bad, right?

By 1918 (less than five years later) ***the top tax rate was 77%*** (the graph would look like a Bitcoin chart!). The marginal tax rate came down over the years, but still only settled down around 24%. In World War II it was back up at 63%. At no time has the marginal tax rate in the US come back to anywhere near that original "special introductory level".

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8 www.bbc.com/news/world-europe-21814325

The same will happen with wealth taxes. It'll start out like Elizabeth Warren's "2 cent tax" on "Ultra Millionaires"[9]. Just a 2% levy on those with a net worth above $50,000,000. They can afford it, right?

However, as the legacy financial system unravels, more and more citizens will come under fire as the 2 cents becomes 5 cents, 25 cents, "Hey, it's just a buck", while the ceiling at which it comes into effect starts coming down rapidly: $50,000,000 today, then $20,000,000, $10 million, $2 million, $500,000, etc.

All the while, inflation will be running wild as governments worldwide keep printing money and monetizing the debt.

Apparently enough Cypriots felt their rights had been infringed even at those levels, that years later they brought a petition for compensation before the European Court. Unsurprisingly, the action was dismissed by the General Court of the European Union, ruling that:

> *"The Court concludes that the individuals and companies which initiated the actions have not succeeded in demonstrating an infringement of the right to property, of the principle of protection of legitimate expectations, or of the principle of equal treatment,"*[10]

The most important takeaways about Cyprus are that the rate at which it happens the first time will always seem benign, subsequent events tends to happen at ever higher levels, and more importantly…

CYPRUS WAS A TRIAL BALLOON

In the opening months of 2013, before the Cyprus bail-in occurred, the price of Bitcoin was around $13 USD. It began rising steadily as the crisis played out and I was right there saying that Bitcoin's meteoric rise throughout the year was occurring ***because*** of Cyprus and a growing awareness that the rules of the game were in the process of being changed.[11]

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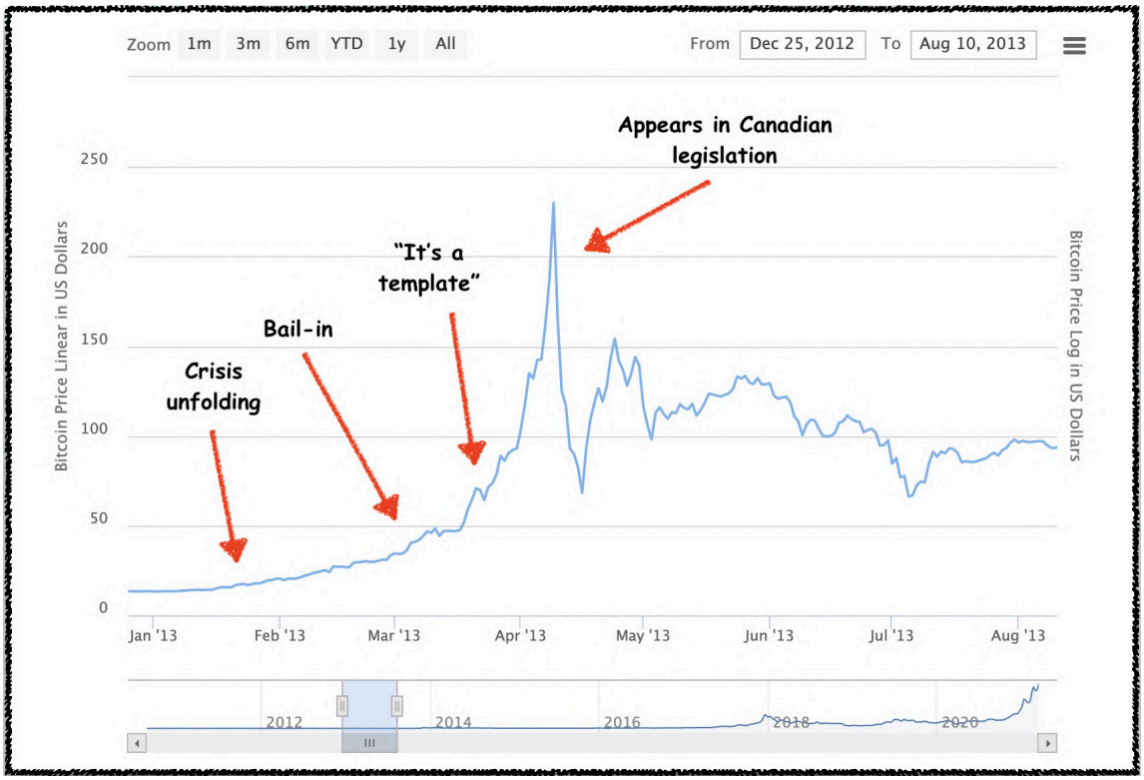
9 2020.elizabethwarren.com/toolkit/umt

10 www.reuters.com/article/us-cyprus-banks-idUSKBN1K3242

11 rebootingcapitalism.com/2013/04/12/understanding-bitcoin-part-2-an-evolutionary-monetary-response-to-calvinball-finance/



As the bail-in was being planned and executed in March 2013, Eurogroup president Jeroen Dijsselbloem told interviewers that Cyprus would *serve as a template* for future bank restructurings in the euro zone.[12]

The chart above shows the price of Bitcoin as the Cyprus crisis played out. My contention is these events catapulted Bitcoin into wider awareness, as the public began to comprehend that the phrase, "safe as money in the bank" didn't quite mean what it used to any more…

In April 2013, the idea of enshrining the framework for bail-ins surfaced in my home country of Canada, with the Conservative Harper government's budget:

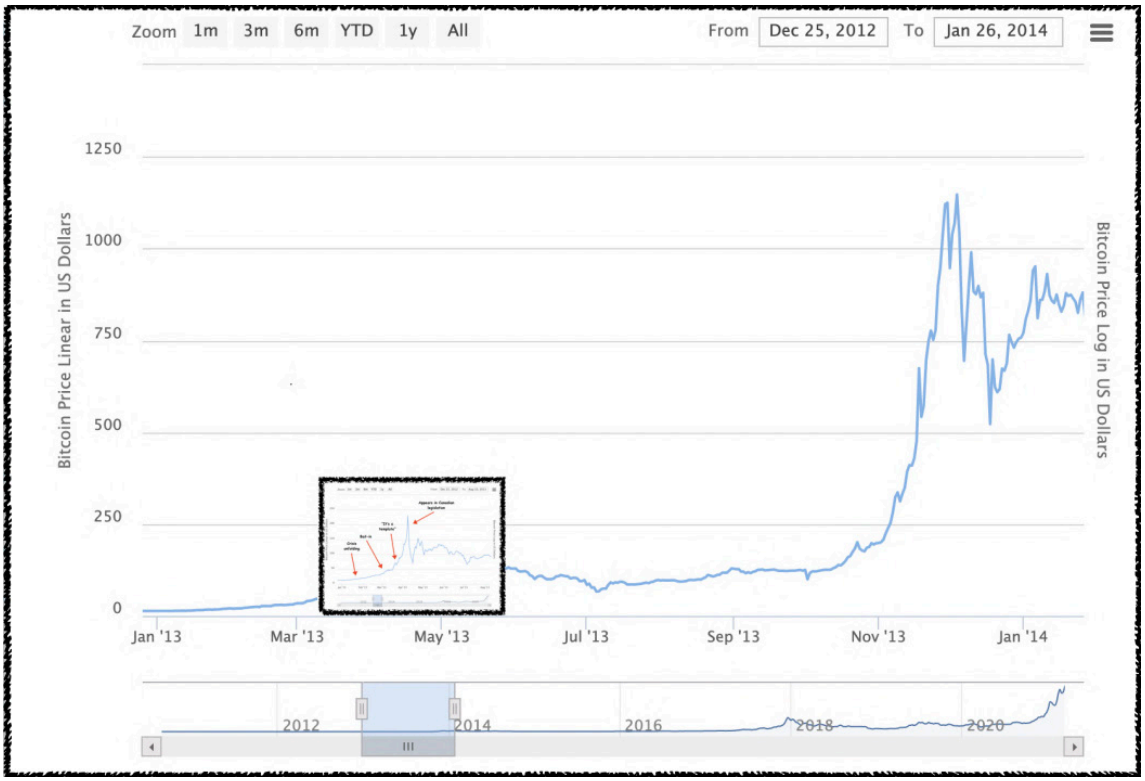
> *"The Government proposes to implement a bail-in regime for systemically important banks. This regime will be designed to ensure that, in the unlikely event that a systemically important bank depletes its capital, the bank can be recapitalized and returned to viability through* ***the very rapid conversion of certain bank liabilities into regulatory capital.*** *This will reduce risks for taxpayers. The Government will consult stakeholders on how best to implement*

12 www.businessinsider.com/dijsselbloem-cyprus-deal-is-a-template-2013-3

> *a bail- in regime in Canada. Implementation timelines will allow for a smooth transition for affected institutions, investors and other market participants."*[13]

Those following along should realize by now what, "certain bank liabilities" are. When you deposit your money into the bank to create savings, they're your asset. And that makes them the bank's liabilities. "Certain bank liabilities" are the depositors' savings. Also note the, "very rapid conversion" language.

Once Cyprus was a done deal, Bitcoin had forever levelled up an order of magnitude. It would never see a two-digit spot price again.



The Cyprus event of March/April 2013 superimposed on the price action of BTC over the entire year (hold that thought).

The Canadian bail-in language has been preserved in the budget even after the Liberals under Justin Trudeau assumed office in 2015. In 2018 it officially became the The Bank Recapitalization (Bail-in) Conversion Regulations.[14]

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13 publications.gc.ca/collections/collection_2013/fin/F1-23-3-2013-eng.pdfwww.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf

14 www.mondaq.com/canada/financial-services/747150/canada39s-bail-in-regime-now-in-force

In Australia, the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Bill[15] of 2017 gave the Aussie government the power to facilitate bail-ins.

And in case you're wondering, the USA was in the vanguard for codifying bail-ins into legislation. The Dodd-Frank Bill that was passed in 2010, ostensibly to reform the banking sector after the Global Financial Crisis, contains provisions for "Statutory Bail-Ins" to recapitalize any "systemically important" banks that get themselves into trouble.[16]

In fact, new *supra-national* bail-in laws took effect across the entire G-20 in 2014.[17]

The EU court ruling, and the subsequent codification into national and supra-national law is indicative. It signals to us everything we need to know about how unaccountable supra-national bodies - not to mention national governments - are likely to regard the private, hard-earned savings of their subjects in the future.

All of which brings us right back to crypto and why 2020 saw the commencement of a trend where corporations, large investors and other pools of capital started moving cash on their balance sheets into crypto. This isn't a speculative investment: *these are defensive maneuvers*, and they are now being performed by some of the smartest money in the room.

This institutional move into Bitcoin and cryptocurrencies is a reaction against systemic, global financial repression. What the naysayers like Peter Schiff and Nouriel Roubini don't get about where we are in history is, this:

If Bitcoin and cryptocurrencies didn't exist, we would have to invent them, *right now*.

Fortunately they do exist, and they've enjoyed a spectacular debut onto the world stage and into monetary history. Fortunately, proof-of-concept has already occurred. The decentralized crypto ecosystems are ready for prime time, exactly when humanity needs it the most. Necessity really was the mother of invention.

(Sometimes when I consider the timing of Bitcoin's invention, it seems almost other-worldly. Ten years earlier and it probably would have gone unnoticed; ten years later and it probably would have been too late. The advent of Bitcoin, the legend of Satoshi - it is all somewhat Promethean in significance).

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15 www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd1718a/18bd080

16 infinitebanking.org/banknotes/from-bailouts-to-bail-ins-understanding-the-dodd-frank-act/

17 sdbullion.com/blog/new-financial-crisis-laws

THE ROLE OF CRYPTO STOCKS IN AN OVERALL PORTFOLIO

Which brings us to our asset allocation in our overall portfolio. Where previously I'd keep upwards of 20% and at times nearly 40% of my investable capital in cash, my plan now is to reduce that to under 10% and probably even less, toward the 5% range. Where we're headed, cash is going to be a liability.

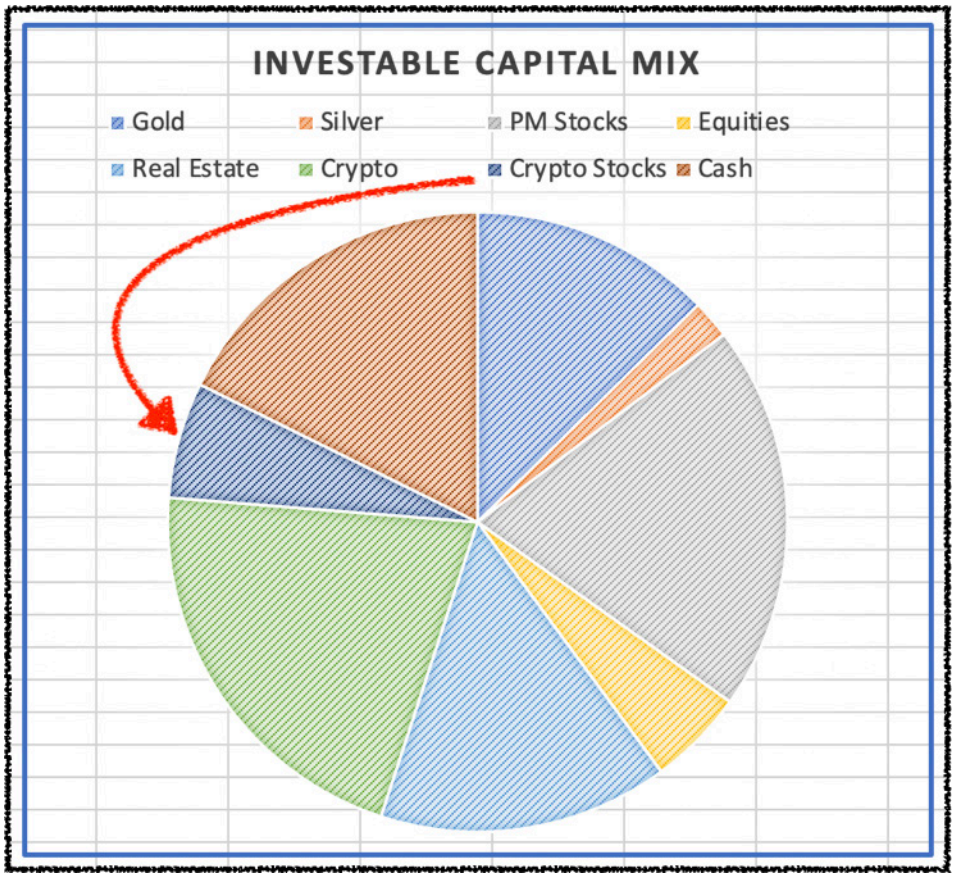
Now I'm moving that cash away from the wrong side of the reset and into the right side of the reset.

And since I'm comfortable with most of my other positions like gold and silver, a lot of this drawdown in cash will be headed straight into the crypto stocks bucket.

The most important part of what I'm about to tell you is that ***I'm just a microcosm of a wider phenomenon***. Microstrategy, Square, Tesla, Paul Tudor Jones - the list is getting longer every day. What are they, ***we*** all doing? We're shrinking our cash and our bonds and moving it into crypto.

A successful foray into crypto equity investing should be part of an ***overall strategy*** that includes other assets like precious metals, real estate, income-producing businesses and commodities. It shouldn't be ***the*** overall strategy.

I did a back of the napkin calculation of my total investable capital across all my accounts and entities, and in the case of **The Crypto Capitalist,** it looks like at present, **6%** of my assets are invested in the crypto stocks and companies we discuss here.



Against that I'm more overweight in gold and precious metals stocks at **13%** physical gold, **2%** silver and **20%** precious metals equities. My **15%** in real estate is excluding my home which, as much as I like it, I mentally treat as an expense not an asset.

The **5%** in equities are anything non-precious metals and non-crypto. For those my investments fall into roughly two buckets:

1) Commodities & Energy: The overall backdrop of the monetary regime change is inflationary, hyperinflationary and investor preference for stuff not paper.

1) Digital Transformation: The New Normal is a digital one. We aren't chasing Silicon Valley unicorns, but looking for mainly microcaps and nanocaps in emerging technologies; things like health tech, Internet of Things and some of the software companies that complement the resource and commodities sectors (two of my best performing microcaps here create modelling software for the oil industry and drilling technology for gold miners).

In most of the above cases, we aren't going to talk about them much in The Crypto Capitalist. There are people covering those sectors who are far more experienced and

knowledgeable than I. At some point I will write up an external resource for non-covered sectors for the members area.

The holdings of actual cryptocurrencies are a significant **21%,** comprised of Bitcoin, Ethereum and Litecoin. These have been accumulated entirely through the businesses I own that accept crypto as a form of payment.

This is my recommended way of acquiring actual cryptocurrency: start accepting it as a payment method in your own business, and then HODL it.

(If you have a business and want to accept Bitcoin, our Cryptofy Your Business course will show you how and help you get started. If you don't own a business yet, you can very simply begin saving in Bitcoin by starting a dollar cost averaging program at a place like Swan Bitcoin. From $5/week for somebody just starting out, to family offices placing up to $10 million, they can set you up on an automated allocation program that sends your crypto to your own wallet).

If you don't own a business, start one. A kitchen table business, a side hustle or any other start-up business can be bootstrapped and specifically targeted to acquire payments in Bitcoin. In the environment we're headed into, everybody should own at least one independent business, even if it's a part-time one. If you're looking for an idea of what business to create, you can always start by learning affiliate marketing, and then joining **The Crypto Capitalist Affiliate Program** when it launches.

As discussed earlier, you'll notice that I'm still **18%** in cash. That will be coming down and moving over to *the right side of the reset* - primarily into owning more crypto stocks. With you on board, we'll be investing in these together.

FINALLY: INVESTING IN CRYPTO STOCKS

Why did we take so long to get here? Why such a long preamble and background about historical norms and transformative shifts? Why even reference any asset classes that we *aren't* going to cover in the **The Crypto Capitalist Letter**?

And why, if cryptocurrencies are going to be such an important part of the post-reset monetary future, are we not going all-in, 100%?

Let's take that last question first:

I have one investment maxim that I've held over my entire investment life. While my approaches have evolved and my focus has changed over time and with the times, this one maxim has held up and remains today:

Never bet the farm. On anything.

It is true that if you follow the investing gurus, many of the greats espouse ***concentrated*** portfolios. However that doesn't violate the maxim. The big rule from the value investing school, actually rules, come straight from the lips of Warren Buffett and they are:

Rule #1: Never lose money

Rule #2: See Rule #1

If you dive deeper into the teachings of Buffett and the other investing legends, you will come to learn that by, "not losing money", what they really mean is to not suffer what they call "a permanent loss of capital". Some of these super-investors may spend inordinate amounts of time being underwater on their investments, before their thesis is finally vindicated and they come through with a vengeance. Then there are other times when they must admit defeat and cut some losses, after realizing that they were just plain wrong about something.

But because they have methodical systems and rules around portfolio allocation and position sizing, ***and the discipline to follow them,*** they can lose some bets and still not suffer overall capital loss.

This is why, at the high-level allocation layer, the portion of your total investable capital which you allocate into crypto stocks shouldn't be an amount that will cause you permanent suffering or a change in lifestyle if the entire allocation goes to zero. If ever there was a sector where there was even a theoretical possibility of this happening, it's crypto stocks.

It is critically important that you acknowledge this going in, because if you can't sleep at night, you will not have the ***conviction*** required to hold your positions through to the culmination of their best case scenario.

We've come full circle and we're back on this.

Conviction is the most important thing to take us from where we are now to where we need to be on the other side of The Reset[18]. Some of these stocks will be absolute roller coasters. In fact they will all be.

There is a fantastic account by Sean Iddings, the co-author of the "Intelligent Fanatics" books on investing. His story is about the discovery of a nanocap stock called $XPEL,

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18 Crypto Conviction was one of the candidates for naming this letter but I didn't want to be known as "The Crypto Convict".

which went on a legendary run from under $0.07 to where it is today, somewhere north of $60.

For Iddings it was a 46X return. The entire run took over 9 years (and counting), and very few investors captured the majority of the move.

When you have a moment, go check out the entire post Iddings wrote about his experience. Pay special attention to the FUD (Fear Uncertainty Doubt) events that occurred throughout his journey.

For one thing, he almost didn't enter the position at all because it had already gone up 500% by the time he discovered it. He figured he had missed the major move. *In reality, he had arrived on the scene very early*. I think looking back to now from a few years out, the same will be said of crypto stocks today.

After a couple of years, Xpel, this tiny, independent company, was hit with a lawsuit from 3M, a juggernaut. The price was more than cut in half and it sucked all the life out of the stock for more than two years.

But if you read Iddings' thread, you'll realize how much work he did on the company which gave him the one thing he needed to ride it through for life-changing gains. You guessed it: *conviction*.

WHY CRYPTO STOCKS?

I got into the internet business in the early 90s and I remember the near-frenzied anticipation I felt at the time. This thing that was happening, whatever it was, was going to be big. I felt certain that it was going to change the world. It was incredible to know that history was unfolding in front of my very eyes and all I had to do was (somehow) break into the business and then hang on for dear life.

Since those early, heady days, I've seen a lot of new technologies come and go. Things that were also supposed to set the world on fire and be the next, "biggest thing since the Internet". All of them fizzled out to the point where I barely remember their names. Pointcast. Segway. E-Gold and digital gold currencies (DGCs; I rather liked that one and had high hopes for it). However nothing came close to that frenetic excitement I remember sensing around the Internet.

But when Bitcoin came into my awareness, the year was 2013 and it was like getting hit by lightning all over again. That meta-cognition came back: this changes everything.

Again, I felt that impetus, that need to get involved in the space. I started looking for any kind of high signal content I could find about these new cryptocurrencies. I found the Let's Talk Bitcoin podcast which was putting out long form shows twice a week. While I was listening to my second or third episode I made contact with Adam B. Levine and Andreas Antonopoulos. By the time their next episode came out, easyDNS had become one of their first sponsors and their first non-crypto company sponsor. Within a couple of months, easyDNS was the first ICANN domain registrar accepting Bitcoin payments.

One thing was different about Bitcoin however, or rather, one thing was different with respect to how I was situated in my life when cryptocurrencies came into my purview. When the age of the Internet arrived, I had no business yet and no capital, so I had to watch a lot of the Internet Age unfold without my participation. I didn't really take part in the dot com stock boom. I was immersed in trying to get easyDNS off the ground. I wasn't angel investing yet because I didn't have any capital. It was all just sweat equity, reinvesting nearly everything back into the business, and whatever could be squirrelled away off the table I was investing in gold and gold stocks (which have actually done quite well to date).

But I never got in on the ground floor with names like Amazon, PayPal, Google or Apple.

With the recognition around crypto, I was better situated by then, and I was able to start participating in the crypto-economy. But what's so exciting about *now* is that there wasn't really a robust market for cryptocurrency stocks until relatively recently.

This really is pretty close to the ground floor, and these equities provide an easy way to gain exposure to the crypto-economy from the comfort of your existing brokerage account.

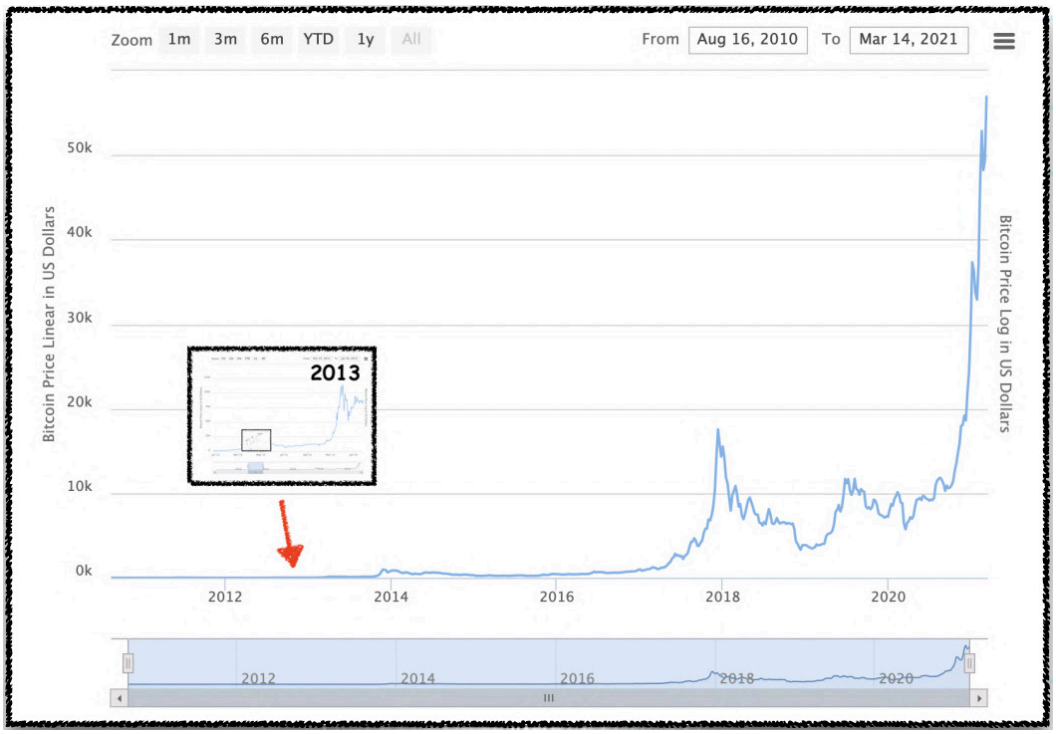
Who are the names of the future, the companies that will be the crypto equivalents of Amazon, PayPal, Google or Apple? They're nanocaps, microcaps and penny stocks *right now*. And the good news is I think we know which ones (a few at least), that will be the winners of the era that we are now just entering.

We don't need to bet the farm to achieve life changing (or retirement saving) wealth from here. We can get that from much smaller starting positions. It's a proverbial low risk / high return set up. If by following our portfolio allocation model we're risking, say, max 10% of our capital, if crypto is somehow a complete bust and turns to dust before we even have a chance to get out before zero, we're down 10% across the entire portfolio.

But if we're right, and this is the beginning of a transformative shift to a new monetary regime, where one of the rails of the system will be cryptocurrencies, then that 10% will provide outsized returns.

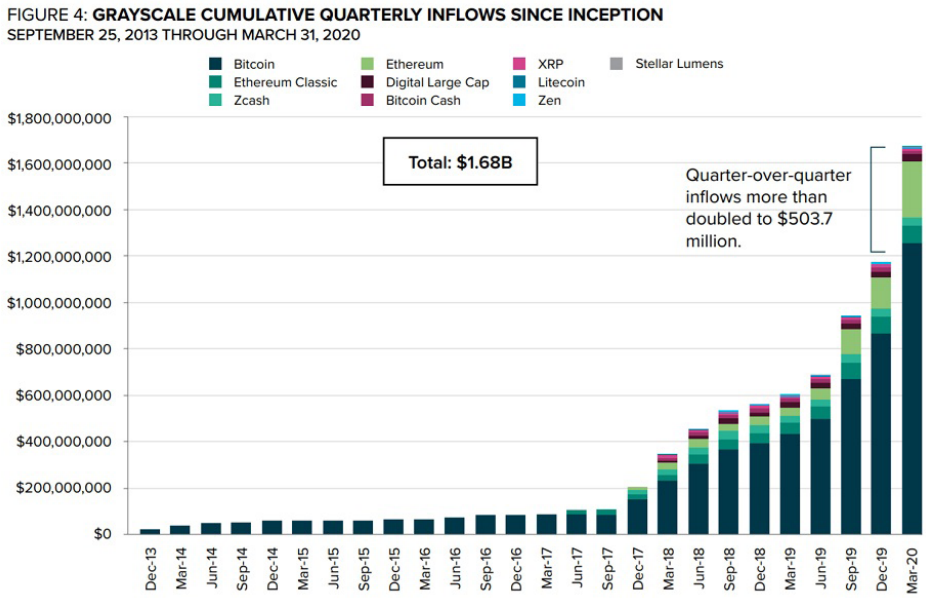
Do you remember the section about Cyprus and the bail-in of 2013? The first chart of that section showed the few months before and after the crisis, and then the second showed where that fit in for the entire year.

This chart shows how 2013 fits into where we are now.



Starting in 2020, what has happened in this cycle has been the most important development to date in the story of cryptocurrency: it was the year when the institutional shift toward Bitcoin commenced.

Once companies started putting it on their balance sheets in place of cash, once pension funds and insurance companies began edging toward it (this hasn't really gotten underway yet), and once the likes of PayPal, VISA and Mastercard announced forthcoming adoption for Bitcoin, cryptocurrencies crossed the Rubicon. I had known cryptos were here to stay for years; now the wider public and larger establishment know it as well.



Corporate and institutional flows into Bitcoin often occur via instruments like the Grayscale Bitcoin Trust (GBTC)

Ray Dalio, who oversees Bridgewater Capital with over $150 billion USD under management, has been a Bitcoin skeptic throughout most of its lifespan. In late 2020 he wondered publicly, "if he had missed something about Bitcoin[19]". His most recent essay "Our Thoughts on Bitcoin"[20] contained a conciliatory paragraph:

> *"I believe Bitcoin is one hell of an invention.* ***To have invented a new type of money via a system that is programmed into a computer and that has worked for around 10 years and is rapidly gaining popularity as both a type of money and a storehold of wealth is an amazing accomplishment.*** *That, like creating the existing credit-based monetary system, is of course a type of alchemy—i.e., making money out of little or nothing.* ***It, like the making of credit that made bankers rich starting with the Medicis around 1350, is making its inventors and those who got in on it early very rich and has the potential to make many more people very rich and to disrupt the existing monetary system.*** *Those who have built it and supported the dream of making this new kind of money a reality have done a fabulous job of sustaining that dream and moving Bitcoin (by which I mean it and its analogous competitors)* ***into being an alternative gold-like asset.****" (Emphasis added).*

19 www.bnnbloomberg.ca/ray-dalio-says-he-might-be-missing-something-about-bitcoin-1.1523698

20 www.bridgewater.com/research-and-insights/our-thoughts-on-bitcoin

The essay contains a workup of what re-allocation out of gold and into Bitcoin looks like, I'll reproduce his table below…

Hypothetical Bitcoin Price if Private Holders Allocate X% of Current Gold and Bitcoin Holdings to Bitcoin

BTC Share of Current Gold and BTC Holdings	BTC Mkt Cap (USD, Mln)	BTC Price (Mkt Cap/BTC Supply)	BTC Price Chg
20%	$632,000	$34,000	10%
30%	$948,000	$51,000	60%
40%	$1,264,000	$68,000	110%
50%	$1,580,000	$85,000	160%

Status quo case — Bitcoin's market cap is currently just under 20% of gold's privately held market cap, so the Bitcoin price impact of a rise to 20% would be very modest

Assumes a combined gold and BTC market cap of $3.2tln, with $2.56tln in private gold holdings, (ETFs, gold bars) and $0.6tln in BTC holdings, and that BTC supply is equal to the total number of coins mined.

But I think Dalio, and a lot of other people, are missing the point in thinking that Bitcoin will challenge gold for the status of being the go-to safe haven asset class. I've remarked numerous times that I've never been a "gold vs Bitcoin" person; rather, I've always thought of this in terms of "gold *and* Bitcoin"[21].

So when I look at the future of Bitcoin and from whence I see the future fund flows emanating, I'm not even looking at gold. There may be some fund flow from gold to Bitcoin, but overall, gold investors and Bitcoin investors have largely overlapping mindsets and many of them are invested in both[22]. Gold protects you from some things Bitcoin can't, and Bitcoin gives you certain abilities that gold doesn't. They are both different plays on *optionality*, which will be the future's most precious resource.

From where will those future flows originate? Dalio, a creature of Wall Street and someone whom Ben Hunt once described as, "a man whose success is underwritten and guaranteed by the Federal Reserve", barely mentions bonds in his essay about Bitcoin. Yet, bonds have gone from being the measure of the risk-free rate of return over the course of their history, to becoming in the words of Lacy Hunt, "return free risk".

Of the $120 Trillion USD global bond market, roughly $15 Trillion USD, or 12.5% worth, are actually negative yielding. That means investors are literally paying the creditor to borrow their own money, and this is a trend that has been accelerating for years.

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21 See: bombthrower.com/gold-vs-bitcoin-is-stupid/ and bombthrower.com/articles/gold-vs-bitcoin-part-2-careful-what-you-wish-for/

22 Again, there are numerous other resources that provide excellent commentary on the gold and precious metals space, which I'll list in a separate resources document for members only.

Via FT

In the remaining pool of over $100 Trillion in bonds, interest rates are so low that most of them have negative real rates of return (meaning the nominal is lower than the rate of inflation).

This is where I see more inflows coming into Bitcoin from than gold.

In the next section we'll examine the impact on Bitcoin of capital flowing from the bond market into Bitcoin.

Hypothetical effect of bond outflows into Bitcoin

Let's start with the negative-yielding bonds, which represents a pool of capital nearly 15X the total market cap of Bitcoin, and are an asset that is actually costing the investors to hold. What happens if they start edging toward the door to put even a portion of that capital into other assets - and of that flow, ***Bitcoin captures just a fraction of that?***

In other words, what happens if Bitcoin attracts a fraction of a fraction of outflows from negative-yielding bonds?

NIRP	$ 18,000 (in billions USD)			TheCryptoCapitalist.io	
% defection	% captured by	Amount moved	BTC Mkt Cap	BTC Price	Lift
5%	10%	90	1,090	$ 58,089.72	5%
10%	10%	180	1,180	$ 62,886.12	13%
25%	10%	450	1,450	$ 77,275.32	39%
50%	10%	900	1,900	$ 101,257.31	83%
75%	10%	1350	2,350	$ 125,239.31	126%
100%	10%	1800	2,800	$ 149,221.30	169%

Capturing 10% of a 50% move out of negative bonds would on its own put the price of BTC over $100K USD.

What if, as the likes of Bill Fleckenstein[23] think, the entire monetary End Game involves the central banks losing control over the bond markets? That would push up interest rates (something we saw a taste of only recently), and in my mind, would cause a bit more of a concerted exodus from negative-yielding bonds (read: stampede).

In that case, I've posited below that as the amount of capital flight out of the negative bonds increases, so does Bitcoin's share of the funds flow, but not by a lot. I just eyeballed widening increments as the percentage of capital flight accelerates.

If Bitcoin doubled its take of a 50% exodus, it would push the price (all else being flat), up to around $150K USD, and in a total bond rout where negative-yielding bonds collapsed entirely, if 27% of *that* moved to Bitcoin, it would on its own move the price north of $300K USD.

NIRP	$ 18,000 (in billions USD)			TheCryptoCapitalist.io	
% defection	% captured by	Amount moved	BTC Mkt Cap	BTC Price	Lift
5%	10%	90	1,090	$ 58,089.72	5%
10%	13%	234	1,234	$ 65,763.96	19%
25%	15%	675	1,675	$ 89,266.31	61%
50%	20%	1800	2,800	$ 149,221.30	169%
75%	25%	3375	4,375	$ 233,158.28	320%
100%	27%	4860	5,860	$ 312,298.87	463%

And that's just the *negative-yielding* bonds. Let's look at the rest of them:

23 www.fleckensteincapital.com/home.aspx

Bonds	$ 102,000	(in billions USD)		TheCryptoCapitalist.io	
% defection	**% captured by**	**Amount moved**	**BTC Mkt Cap**	**BTC Price**	**Lift**
5%	10%	510	1,510	$ 80,472.92	45%
10%	10%	1020	2,020	$ 107,652.51	94%
25%	10%	2550	3,550	$ 189,191.29	241%
50%	10%	5100	6,100	$ 325,089.27	486%

Here I only went up to a 50% exodus from bonds (which would probably mean we're living through the Mad Max prequel), but if Bitcoin gets just 10% of the outflows, it again looks significant.

If we mimic the escalation in Bitcoin's inbound fund flows as the flight from bonds accelerates, it begins to really add up…

Bonds	$ 102,000	(in billions USD)		TheCryptoCapitalist.io	
% defection	**% captured by**	**Amount moved**	**BTC Mkt Cap**	**BTC Price**	**Lift**
5%	10%	510	1,510	$ 80,472.92	45%
10%	13%	1326	2,326	$ 123,960.27	124%
25%	15%	3825	4,825	$ 257,140.28	364%
50%	20%	10200	11,200	$ 596,885.21	976%

Again, these are just linear derivations that ignore all other factors like new Bitcoins being mined (roughly 3%/year), or what the effect of a global bond exodus would have on the market psychology of any destination assets for the capital flight. It would probably accelerate things.

The other thing this model doesn't account for is that at any given moment, the Bitcoin float - the number of Bitcoins actually available to be sold - is less than the total amount of BTC in circulation. Historically the Bitcoin float is somewhere between 14% and 20%, which means these extrapolations above could be understated, significantly.

We're not looking for exact price targets; we're trying to get a sense of the trajectory if our macro thesis plays out.

SUMMARY & WHAT'S NEXT

Distilling it all down into bullet points, we can sum up the overall Crypto Investing Thesis as the following:

- The nature of The Great Reset is a monetary regime change that will bifurcate the middle class into Neo-Serfs and new nobility.
- Which tier you're in will depend on which form of digital money forms the basis of your economic existence. Government or state-issued digital cash (CBDCs), or true decentralized cryptocurrencies.
- In the Crypto Capitalist portfolio we seek to gain exposure to the crypto-economy via ownership of the publicly traded companies who are the forerunners in this space.
- Our strategy is long-term, business owner mindset. We're not day trading or using chart patterns.
- The crypto portfolio is designed to be a complement to an overall investment strategy, not *the* strategy.
- The most important aspect of being able to ride out the incessant crypto FUD cycles, is *conviction*.

Once you've read this document you may want to sit with it and digest it for a while. If you see the value in journaling, as I do, put pen to paper and start processing your thoughts around it all. There will be a separate resource sheet for members, but I will recommend Jason Apollo Voss' "The Intuitive Investor" here ("The only rule in investing is to make conscious investment decisions whose benefits exceed costs").

Perhaps grab yourself a brand new, handsomely bound notebook journal and dedicate it exclusively toward writing in it your thoughts, compiling your research and processing your emotions around your foray into the crypto-economy and becoming an investor within that space.

Sometimes when I get going on this stuff, my mind just starts racing in so many directions I nearly panic that I won't be able to capture them all. I find writing my thoughts out long-hand forces me to s-l-o-w d-o-w-n and get a grip on myself. It also helps cut through what is extraneous and get to what is relevant, make new, non-linear connections and leaps as you think things through (I will also be writing up a workflow and lifestyle approach document some readers may find of use).

Once you feel that you've adequately digested everything you learned here, it's time to take the next step, and review **The Crypto Capitalist Portfolio**, which is available within the member's section of the website.

I want to welcome you aboard as a member of **The Crypto Capitalist** advisory and wish you self-actualization and prosperity in the months and years ahead.

Thank you for saying "yes" to Crypto Capitalism.

Sincerely,

Mark E. Jeftovic <markjr@thecryptocapitalist.io>

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