

The Digital Gold Rush

The Investor's Dilemma

- **How do I make money?**
- **How do I outperform the cost of capital?**

Few asset classes outperform monetary inflation. The expansion of the money supply closely tracks the performance of the S&P index over 100 years. When you invest your money in the S&P index, you're not making money; you're just not losing money. If you were rich 100 years ago and held a diversified portfolio of stocks, you're still rich. If you bought a bunch of currency or bonds, you're poor.

Is Bitcoin the Solution?

Over the last four years, Bitcoin has had annualized returns of 46%—crushing every other asset class and beating the rate of monetary inflation. Bitcoin has been winning 11 out of the past 14 years.

Advocates of Bitcoin Believe:

- Bitcoin is the first perfect money.
- Bitcoin is a paradigm shift.
- Bitcoin is the singularity where science collides with economics.

Rethink Economics, Money, Capital, Business, and Corporate Finance

There is a fundamental technology and paradigm shift.

Bitcoin is Digital Gold

It has all the virtues of sound money and none of the vices of physical gold ("that barbaric relic").

Skeptics of Bitcoin Believe:

- It's too good to be true.
- It's money for criminals.
- There's no use case.
- It's too volatile.

- It's backed by nothing.
- The government will ban it.
- It will become obsolete.
- It will be hacked.

If you've ignored something that's winning 11 out of the past 14 years, either you didn't know about it, or maybe you thought one of these concerns was enough to keep you out of the asset.

Everyone is Against Bitcoin Before They Are For It

Once you spend 1,000 hours of study and become a Bitcoin maximalist, you realize that this is an ethical imperative. The world is a better place with Bitcoin. The money is broken. The world is broken. Billions of people are suffering.

Fix the money, fix the world.

Bitcoin Requires a Return to First Principles

Bitcoin represents the digital transformation of energy.

Energy Transformations Throughout History:

- **Fire** (early man): Discovery of energy that can be extracted from matter and converted into heat and light.
- **Water** (Greek/Roman): Discovery of a method to extract energy from water, flowing downhill, and convert it into mechanical power.
- **Steam** (James Watt): Discovery of the method to convert fire into mechanical power for manufacturing and transport.
- **Oil** (John D. Rockefeller): Discovery of chemical energy that can be stored, transported, and converted into mechanical, thermal, light, and electrical energy, as well as petroleum products.
- **Electricity** (Thomas Edison): Discovery of electrical energy that can be

channeled cleanly and silently over long distances and converted into mechanical, heat, light, and sound energy.

- **Fission** (Enrico Fermi): Discovery of a method to create controlled nuclear reactions, leading to nuclear energy and nuclear weapons.
- **Bitcoin** (Satoshi Nakamoto): Discovery of digital energy that can be programmed by a computer and channeled through space and time.

The Name "Satoshi Nakamoto"

The name *Satoshi Nakamoto* has been widely speculated to have intentional or symbolic meanings, though it remains unclear whether it was chosen by an individual or group as a pseudonym.

1. **Satoshi (さとし)**: This Japanese name can have several meanings depending on the kanji used. Common interpretations include:
 2. "Wise," "intelligent," or "quick-witted" (聡).
 3. "Clear-thinking," or "enlightened" (悟).
4. **Nakamoto (中本)**: A common Japanese surname that can be broken down into:
 5. **Naka (中)** meaning "inside," "central," or "middle."
 6. **Moto (本)** meaning "origin," "foundation," or "base."

Taken together, *Satoshi Nakamoto* could be interpreted as "wise central origin" or "enlightened foundation," reflecting the groundbreaking nature of the Bitcoin protocol.

The Digital Transformation of Capital

Global wealth is distributed across a variety of assets: gold, art, cars, collectibles, equities, real estate, bonds, money, and Bitcoin. These assets provide utility and preserve value.

- \$450T in assets are held for utility.
- \$450T is long-term capital (store of value).

Capital is Economic Energy

Capital represents money, wealth, power, and value.

Bitcoin represents the transformation of our capital from financial and physical assets to digital assets.

The First Law of Money: $L = V/M$

- **L** = Lifespan of asset
- **V** = Value of asset
- **M** = Maintenance cost

Financial Assets

Financial assets constantly degrade in value due to inflation, regulation, and political change.

- Peso: 2 years
- Lira: 2 years
- USD: 14 years
- Stocks: 25 years
- Bonds: 30 years
- Funds: 100 years

Physical Assets

Physical assets constantly degrade in value due to the laws of entropy and political chaos.

- Ferrari: 2 years
- Yacht: 6 years
- Home: 17 years
- Silver: 22 years
- Warehouse: 40 years
- Gold: 62 years
- Painting: 72 years

- Land: 91 years
-

Satoshi's Discovery

Small Idea: Transfer of Value Without a Trusted Intermediary

Satoshi discovered a method to transfer value through space, for example, sending \$1 million from here to Tokyo.

Big Idea: Storage of Value Without a Trusted Intermediary

You can store value for 1,000 years. Nobody in human history has ever found a way to do this until now.

Satoshi created an asset without the financial risk of currency, stocks, and bonds, or the physical risk of real estate or property. Bitcoin is a revolutionary advance in asset lifespan.

Digital Capital

Bitcoin is digital capital. Digital capital offers many advantages to investors. Bitcoin offers the benefits of owning a building without the liability of a conspicuous, immobile asset.

Bitcoin Eliminates Negative Factors:

- No tax
- No traffic
- No tenants
- No tort
- No trouble
- No mayor
- No weather

- No corrosion
- No regulator

Bitcoin Brings Positive Factors:

- Invisible
- Indestructible
- Immortal
- Teleportable
- Portable
- Programmable
- Divisible
- Musical
- Fungible
- Configurable

Digital capital is global capital. Bitcoin is superior to foreign debt, equity, real estate, and currency as a capital asset.

Factors That Drive Bitcoin Volatility

Bitcoin is traded globally, in real-time, 24/7. There are no limits on trading, leverage, collateral, or risk.

- 1,492+ active crypto exchanges worldwide.
- Bitcoin markets trade 8,760 hours per year (versus 1,638 hours for traditional stock exchanges).
- Bitcoin volatility is a feature, not a bug.

Volatility is Vitality

Volatility attracts superior capital, interest, talent, and technology to the asset.

- For investors, high volatility drives superior long-term returns.
- For traders, high volatility drives superior near-term yields.
- For financiers, high volatility creates superior opportunities to securitize the

asset class.

- For analysts, high volatility creates superior interest.
-

Bitcoin's Performance and Institutional Adoption

Key Questions from an Institutional Perspective:

- Can it be banned?
 - Can it be copied?
 - Can it be hacked?
-

Where Bitcoin is Legal

Bitcoin is legal in many countries across the globe, including most of North America, the European Union, and parts of Asia, Africa, and South America. Some key countries include:

- **North America:** United States, Canada, Mexico
 - **Europe:** UK, Germany, France, Italy, Switzerland, Netherlands
 - **Asia:** Japan, South Korea, Singapore, Israel
 - **South America:** Brazil, Argentina, Chile
 - **Africa:** South Africa, Nigeria (regulated)
 - **Oceania:** Australia, New Zealand
-

Countries Where Bitcoin is Illegal

As of 2024, Bitcoin ownership is illegal or heavily restricted in several countries. These include:

- China
- Algeria

- Bangladesh
 - Egypt
 - Morocco
 - Nepal
 - Iraq
 - Qatar
 - Tunisia
 - North Macedonia
-

Has Bitcoin Ever Been Hacked?

The underlying Bitcoin network and blockchain have never been hacked due to their strong cryptographic design. However, exchanges and wallets have been hacked numerous times. For example:

- **Mt. Gox (2014):** Millions of dollars worth of Bitcoin were stolen.
- **Bitfinex (2016):** A similar hack took place.

These incidents involved security breaches in centralized platforms, not the Bitcoin protocol itself.

Has Bitcoin Ever Been Copied?

Yes, Bitcoin has been copied in the form of forks, such as:

- **Bitcoin Cash (2017)**
- **Bitcoin SV**
- **Bitcoin Gold**

None of these forks come close to Bitcoin's success.

The Future of Bitcoin

Factors Driving Bitcoin Adoption and Price:

- Advances in technology
 - Improvements in regulation
 - Economic growth
 - Approval of banking custody, trading, and credit
 - Approval of ETFs and digital assets frameworks
 - Issuance of sovereign debt by nations worldwide
 - Integration with big tech software and hardware
 - Increased awareness over time
-

Bitcoin's 21-Year Price Forecast (2045)

- **Bear Case:** \$3M
- **Base Case:** \$13M
- **Bull Case:** \$49M

Bitcoin is cyber Manhattan.

The Digital Gold Rush Starts Today

We are headed to a point where 99% of Bitcoin will be mined. The point of absolute scarcity will be reached, and only 200,000 Bitcoin will be mined over the next 106 years. As of today, there are 19.7 million Bitcoin in existence. By 2034, there will be 20.8 million Bitcoin.

Reflective Price Shock

At 99% mined (around December 26, 2034—about 3,759 days away, or 10.3 years), expect a reflective price shock.

- There are only 1,145,000 BTC for sale at today's price (\$74 billion).
- 305 BTC are acquired per day (\$20 million per day).

At this inflection point, Bitcoin becomes the world's first deflationary asset, more scarce than any land in Manhattan. Bitcoin becomes the world's first perfect money.

Institutional Adoption of Bitcoin

Entities Holding Bitcoin:

- ETFs
- Countries
- Private companies
- Public companies
- Mining companies

There are 40 global spot Bitcoin ETPs that hold 1+ million Bitcoin, and over 70 publicly traded Bitcoin-related securities.

The Digital Transformation of Global Capital Markets

Money based on an open, digital protocol grows exponentially—faster, smarter, and harder.

The digital future is faster, smarter, and stronger.

We don't want 19th-century speed in the 21st century.

- Bars of gold took one year to settle in the 19th century.
- Stocks and bonds took a week to settle in 1970, and eventually got down to a day in the 20th century.

- Bitcoin takes one hour to settle in the 21st century to anyone, anywhere, anytime. On the open protocol, Bitcoin settles in one minute. On the Lightning Network, one second.

We are headed toward a world where we can settle in T+1 millisecond.

The Future of Bitcoin

Factors That Drive Bitcoin's Adoption and Price:

- Advances in technology
 - Improvements in regulation
 - Economic growth
 - Approval of banking custody, trading, and credit
 - Approval of ETPs
 - Approval of digital asset frameworks for innovation
 - Integration with artificial intelligence
 - Issuance of sovereign debt by nations worldwide
 - Integration with big tech software and hardware devices
 - Increased awareness and chaos from the passage of time
-

Bitcoin's 21-Year Price Forecast (2045)

- **Bear Case:** \$3M
- **Base Case:** \$13M
- **Bull Case:** \$49M

Bitcoin is cyber Manhattan.

Imagine a city in cyberspace, 276 blocks wide, 276 blocks high, 276 blocks deep. You buy a block—that's a Bitcoin. You buy 276 blocks—that's a boulevard.

"It might make sense just to get some in case it catches on. If enough people think the same way, that becomes a self-fulfilling prophecy." – Satoshi Nakamoto (1/17/2009)

Keep your money forever.