



# How to Explain Bitcoin to Clients

**Bitcoin for RIAs**

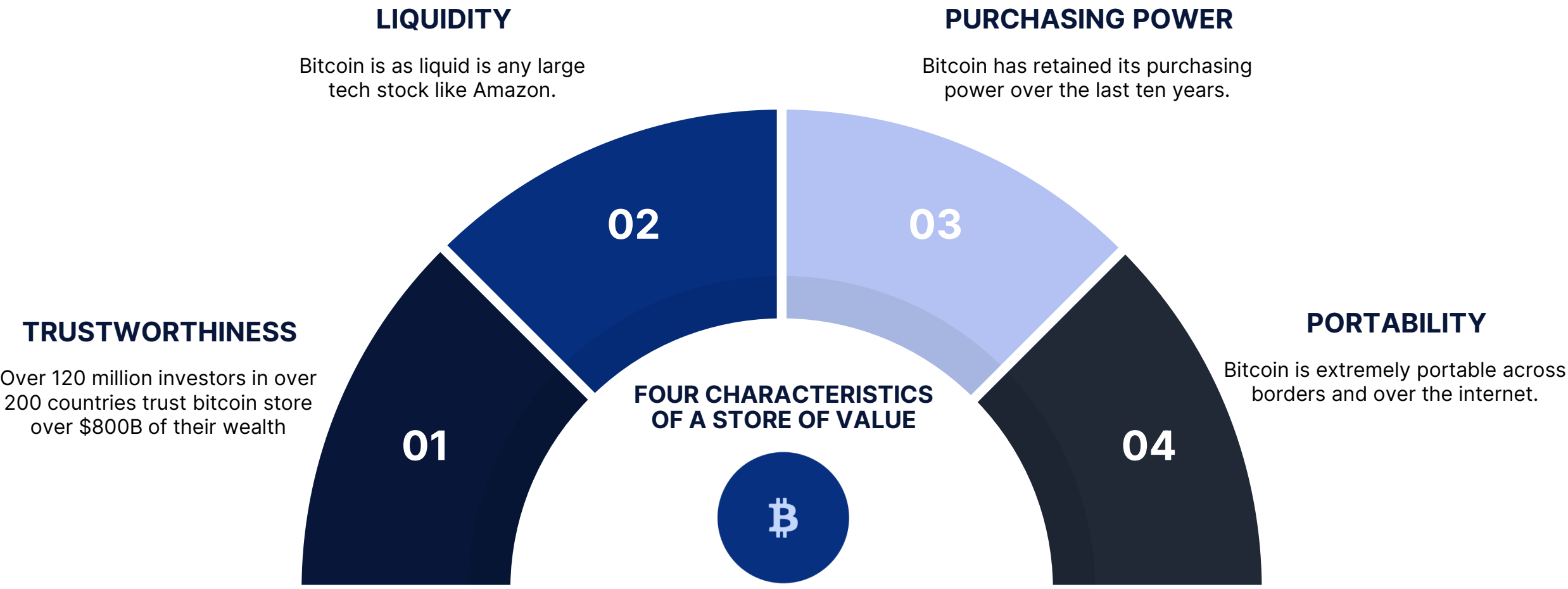
May 20, 2021 | 1 PM EST



**Christopher King**

CEO & Founder at Eaglebrook Advisors

# BITCOIN IS EMERGING AS A STORE OF VALUE

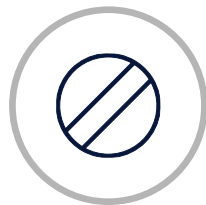


# BITCOIN IS DIGITAL GOLD

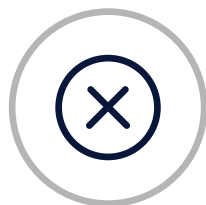
## SIMILARITIES TO GOLD



Non-sovereign

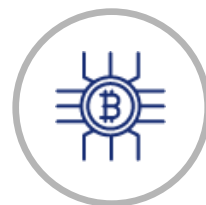


Scarce

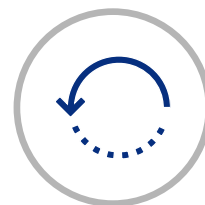


Uncorrelated

## ADVANTAGES OVER GOLD



Digital



Network Effects



Higher upside potential

**Gold is an analog technology and bitcoin is a digital technology.**

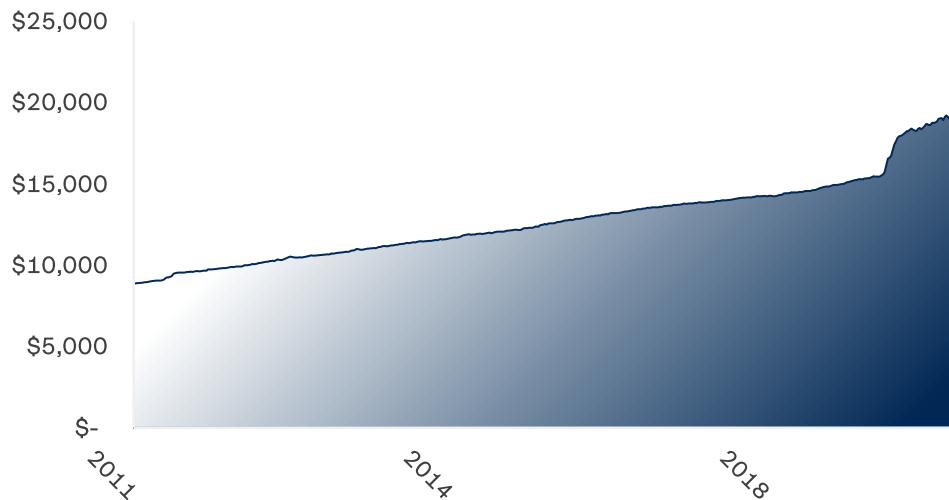
The world has been shifting from analog to digital over the last thirty years. For example, paper mail has shifted to email, physical retail stores have moved online (Amazon), and the same trend is happening in assets that store wealth: **digital technology is taking market share and disrupting the analog one.**

# MACRO ENVIRONMENT

- Unprecedented monetary and fiscal stimulus had led to the Fed printing over 35% of the U.S. Dollar in existence since March 2020.
- While central banks are engaging in quantitative easing, **bitcoin is programmed to quantitatively tighten.**
- Bitcoin has a fixed supply schedule of 21 million programmed in the Bitcoin network's code that no central bank, government or organization can change. There is currently 18.5 million bitcoin in circulation and only 2.5 million (12%) will be minted over the next 120 years. Bitcoin's supply rate is cut in half every four years.

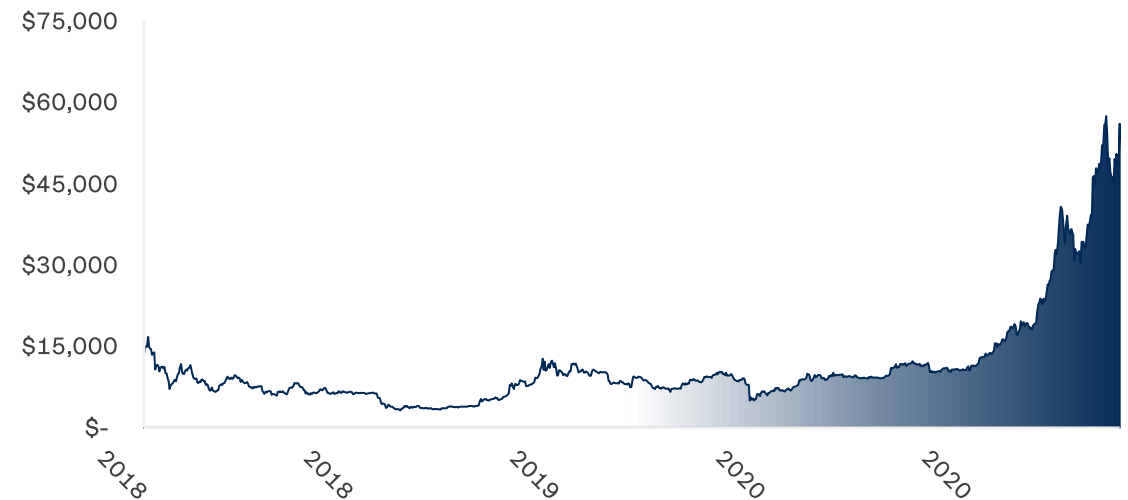
## M2 MONEY STOCK

Source: St. Louis Fed (\$ in billions)



## BITCOIN PRICE

Source: Bloomberg



# INSTITUTIONAL CAPITAL IS FLOWING

## WHY NOW?

- 1 Fixed income yields at all time lows
- 2 Stock markets at all time highs
- 3 Monetary stimulus uncertainty

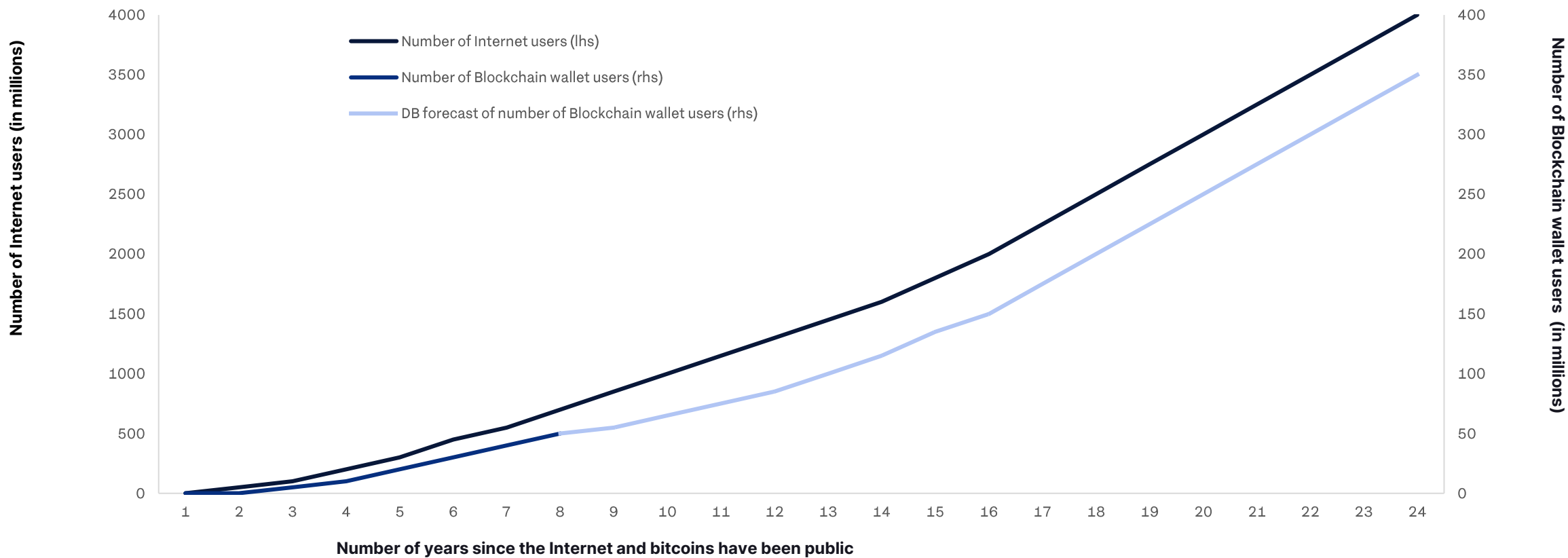
## WHO'S IN?

- Paul Tudor Jones  
CIO, Tudor Investment Corporation
- Elon Musk  
CEO, Tesla
- Peter Thiel  
Co-founder of PayPal and Palantir
- Jack Dorsey  
Co-founder of Square and Twitter
- Stanley Druckenmiller  
President of Duquesne

## FINANCIAL INSTITUTIONS

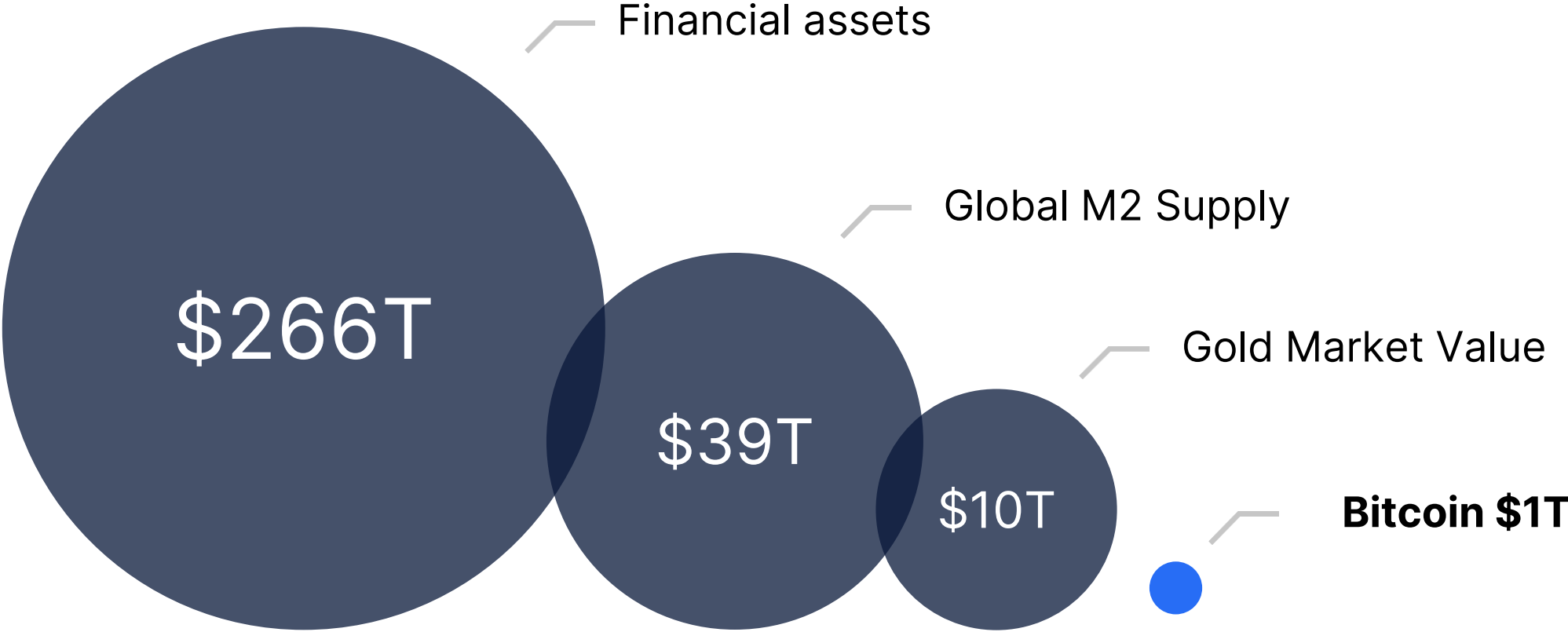


# ADOPTION CURVE SIMILAR TO THE INTERNET





# BITCOIN HAS ROOM TO RUN (STORE OF VALUE MARKET)



Source: The Great Monetary Inflation (May 2020)

# BOTTOM LINE

We believe bitcoin presents one of the best alternative investments in the current market environment and can be summed up as follows:



Bitcoin will **disrupt gold as a store of value** due to adoption by millennials, the resulting network effects and better utility than gold



The uncertainty created by continued monetary stimulus and quantitative easing is leading to **increased demand for bitcoin** as an alternative to fiat money



Bitcoin is **the alternative investment** that allows an investor to play “defense” (safe haven, store of value) and “offense” (growth asset, price appreciation) at the same time.





# Q&A

---