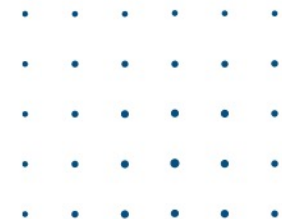


Bitcoin: The Adoption Story of the Decade



What we will cover

- Bitcoin or Crypto
- What is money
- Brief history of money
- What is Bitcoin
- Five Factors of Bitcoin
- Fear, Uncertainty, and Doubt
- How Bitcoin May Fit in a Portfolio
- Q&A + Resources to Learn

Bitcoin Genesis Block

Raw Hex Version

```
00000000 01 00 00 00 00 00 00 00 00 00 00 00 00 00 00 00 .....
00000010 00 00 00 00 00 00 00 00 00 00 00 00 00 00 00 .....
00000020 00 00 00 00 3B A3 ED FD 7A 7B 12 B2 7A C7 2C 3E ....;fíýz{.²zÇ,>
00000030 67 76 8F 61 7F C8 1B C3 88 8A 51 32 3A 9F B8 AA gv.a.È.Ã^ŠQ2:Ÿ,â
00000040 4B 1E 5E 4A 29 AB 5F 49 FF FF 00 1D 1D AC 2B 7C K.^J)«_Iÿÿ...¬+|
00000050 01 01 00 00 00 01 00 00 00 00 00 00 00 00 00 .....
00000060 00 00 00 00 00 00 00 00 00 00 00 00 00 00 00 .....
00000070 00 00 00 00 00 00 FF FF FF FF 4D 04 FF FF 00 1D .....ÿÿÿÿM.ÿÿ..
00000080 01 04 45 54 68 65 20 54 69 6D 65 73 20 30 33 2F ..EThe Times 03/
00000090 4A 61 6E 2F 32 30 30 39 20 43 68 61 6E 63 65 6C Jan/2009 Chancel
000000A0 6C 6F 72 20 6F 6E 20 62 72 69 6E 6B 20 6F 66 20 lor on brink of
000000B0 73 65 63 6F 6E 64 20 62 61 69 6C 6F 75 74 20 66 second bailout f
000000C0 6F 72 20 62 61 6E 6B 73 FF FF FF FF 01 00 F2 05 or banksÿÿÿÿ..ð.
000000D0 2A 01 00 00 00 43 41 04 67 8A FD B0 FE 55 48 27 *....CA.gŠÿ°pUH'
000000E0 19 67 F1 A6 71 30 B7 10 5C D6 A8 28 E0 39 09 A6 .gñ|q0·.\Ö''(à9.|
000000F0 79 62 E0 EA 1F 61 DE B6 49 F6 BC 3F 4C EF 38 C4 ybâê.ab¶IÖ¿?Lÿ8Ã
0000100 F3 55 04 E5 1E C1 12 DE 5C 38 4D F7 BA 0B 8D 57 ÓU.â.Ã.Þ\8M+ø..W
0000110 8A 4C 70 2B 6B F1 1D 5F AC 00 00 00 00 ŠLp+kñ._¬....
```

Bitcoin, Crypto, or Both?

- Four Year Hype Cycle
 - Premined Altcoins - 2013
 - Initial Coin Offerings - 2017
 - NFTs / DeFi - 2021
- Ethereum
 - 2015 – 70% premine
 - ETH 2.0 – moving from PoS vs. PoW TBD
 - World Computer, dApps, Crowdfunding, NFTs, Defi
 - No audible supply – centralization issues – found initial offering.
 - History of protocol changes – hype and then adjust later

Only The Strong Survive

A Philosophical, Technical, and Economic Critique of Prospects in "Crypto" Beyond Bitcoin

Allen Farrington & Big Al



photo by [Simone Pellegrini](#) via Unsplash, colored by the authors.

v 0.1

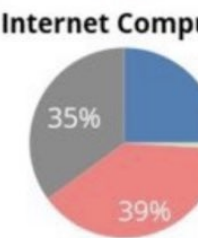
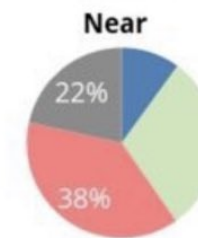
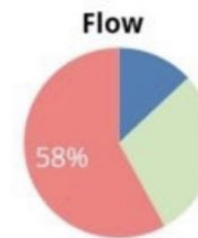
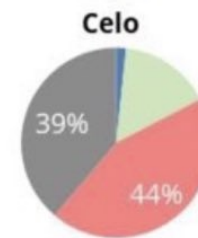
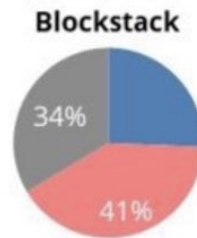
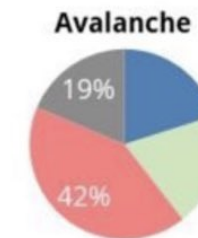
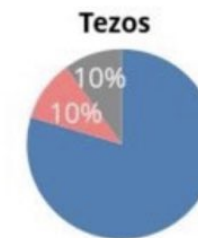
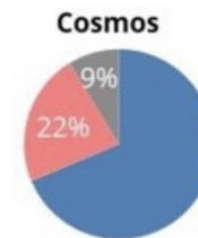
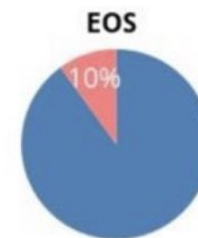
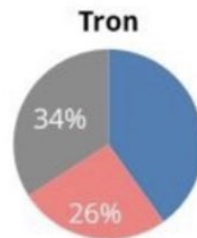
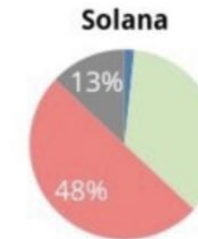
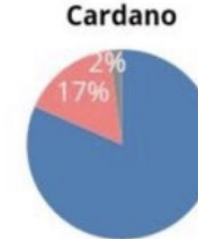
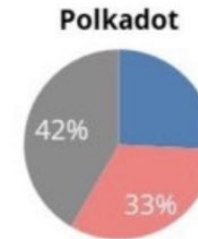
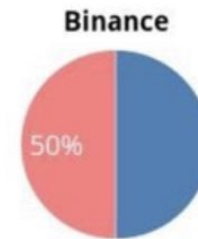
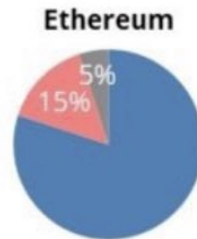
Bitcoin, Crypto, or Both?

MESSARI

Initial Token Allocations for Public Blockchains

Concentrated insider ownership may permanently impair blockchains' ability to become credibly neutral public infrastructure

- Public Sale**
Includes all pre-launch sale or "lock drop" allocations that were open to public participation
- Community Allocations**
Ecosystem funds or airdrops that will eventually go to the community
- Insiders**
Includes all team, company, and VC purchased tokens
- Foundations & More**
Tokens allocated to foundations, community-governed grant pools, or other incentives like testnet participation rewards



Data as of: May, 9, 2021
Source: Messari, CoinList, Various Blogs

What is Money?

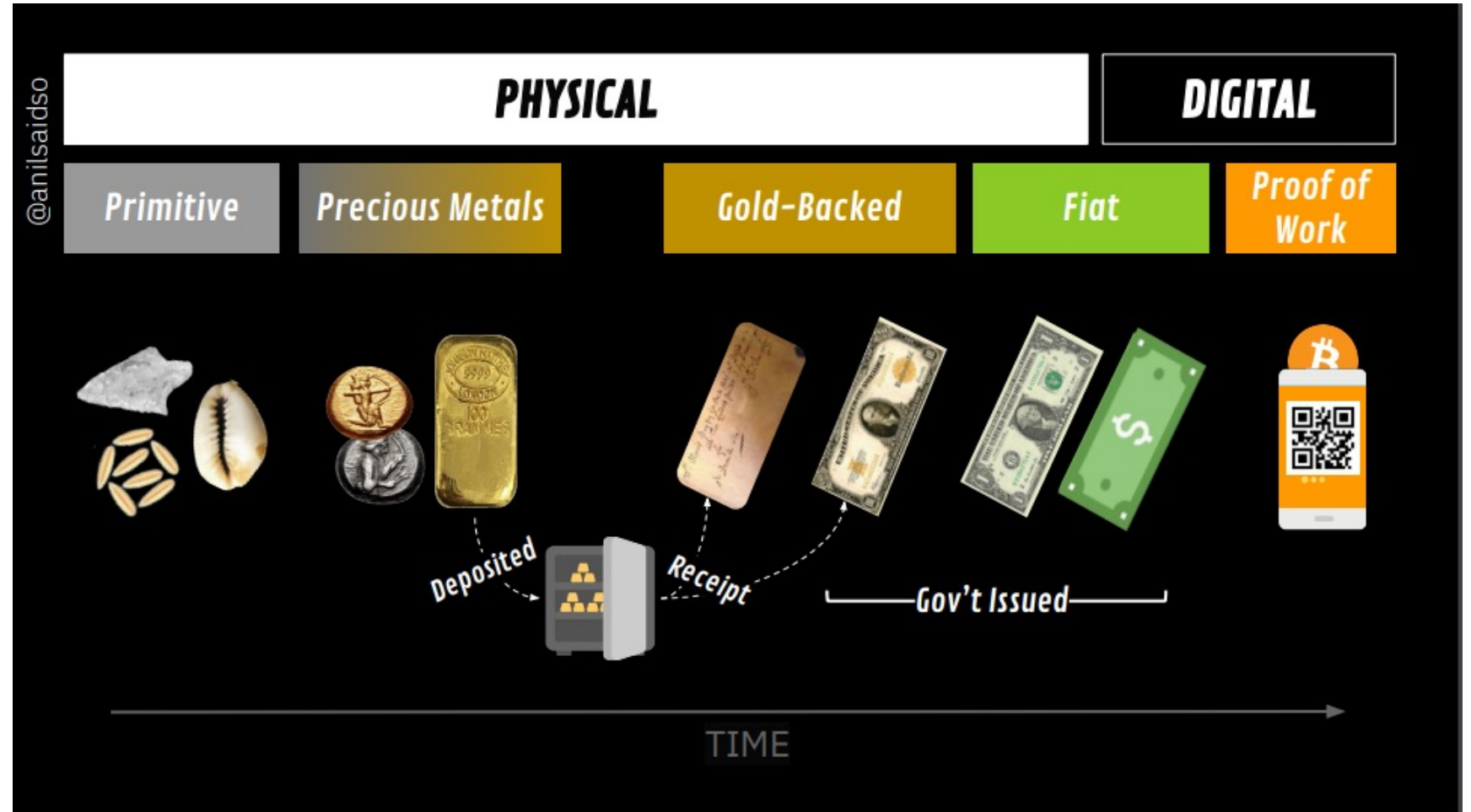
- The number in your bank account, or the green pieces of paper in your wallet, right?
- Why is that money?...
 - Seems like a silly question*
 - What do you mean? It's just money! Everybody knows that!*

What is Money?

- The phrase “everybody knows that” perfectly explains what makes a certain thing money
- It is a social construct
- Getting a bit more technical...
 - Money is the most liquid (tradeable) asset in an economy.*
 - It allows for the storage of our energy or economic output.*
 - It gives us an instrument to compare things*

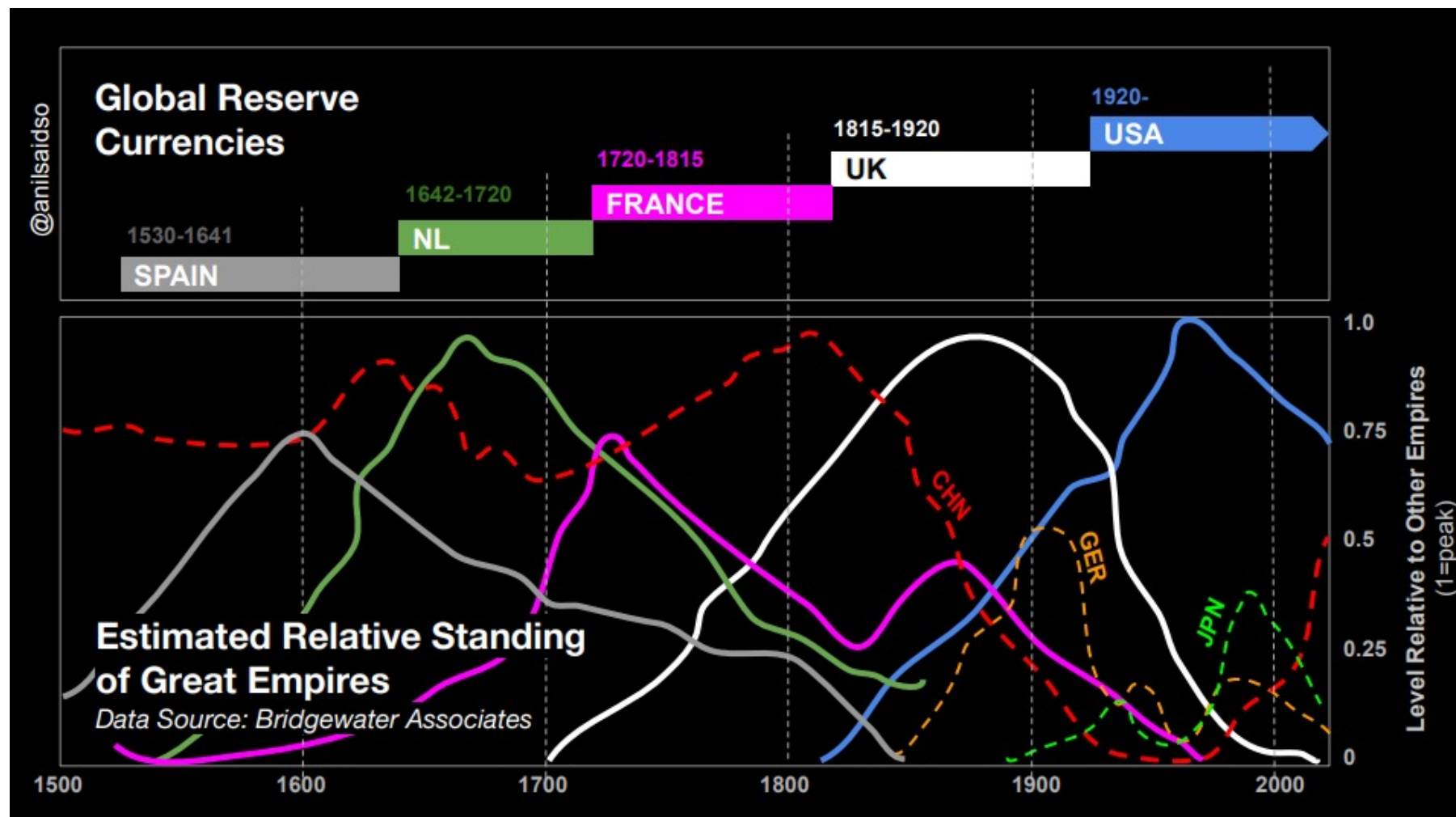
History of Money

- The invention of “money” has occurred thousands of times across thousands of civilizations, all independent of each other

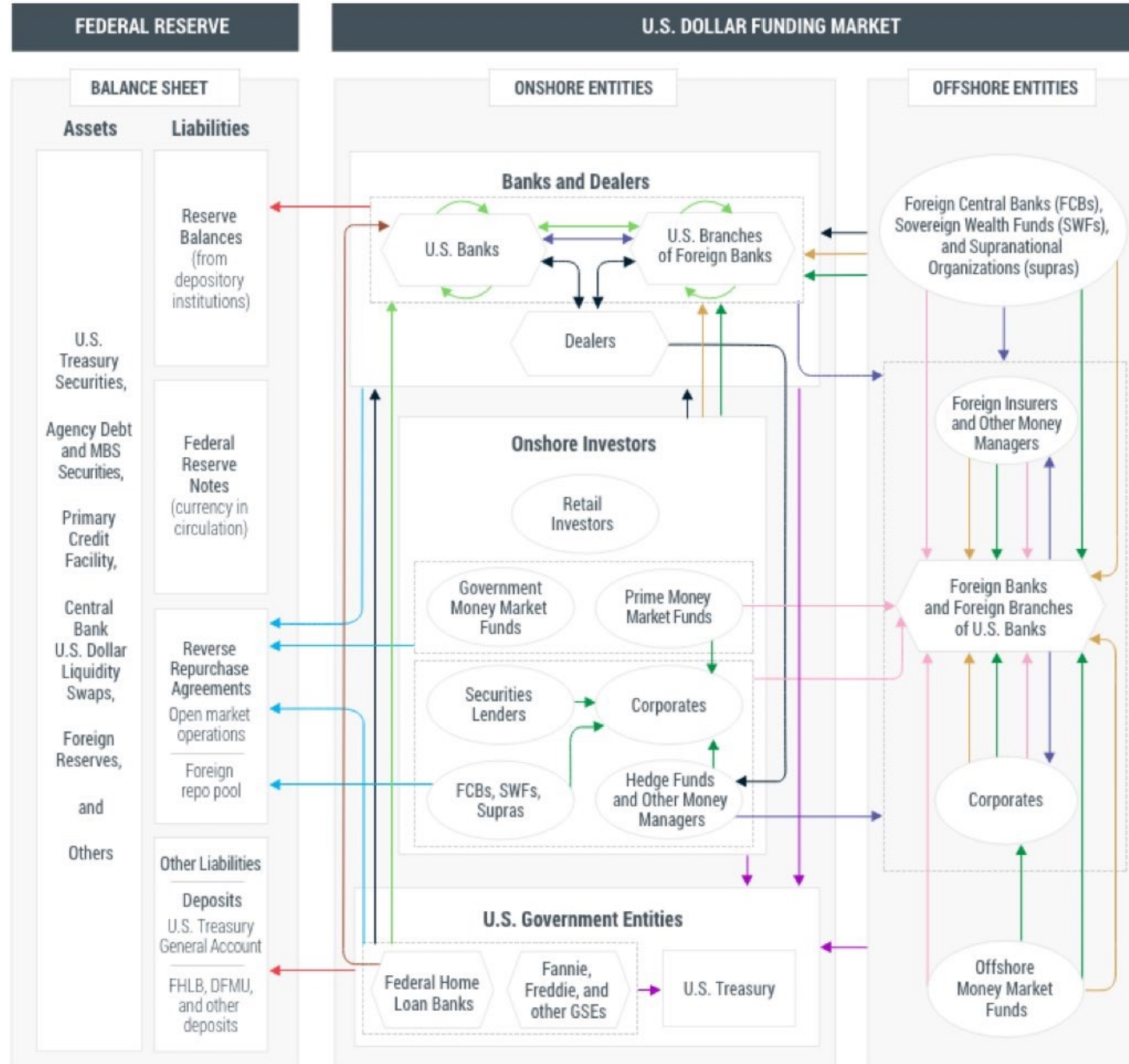


Global Reserve Currencies

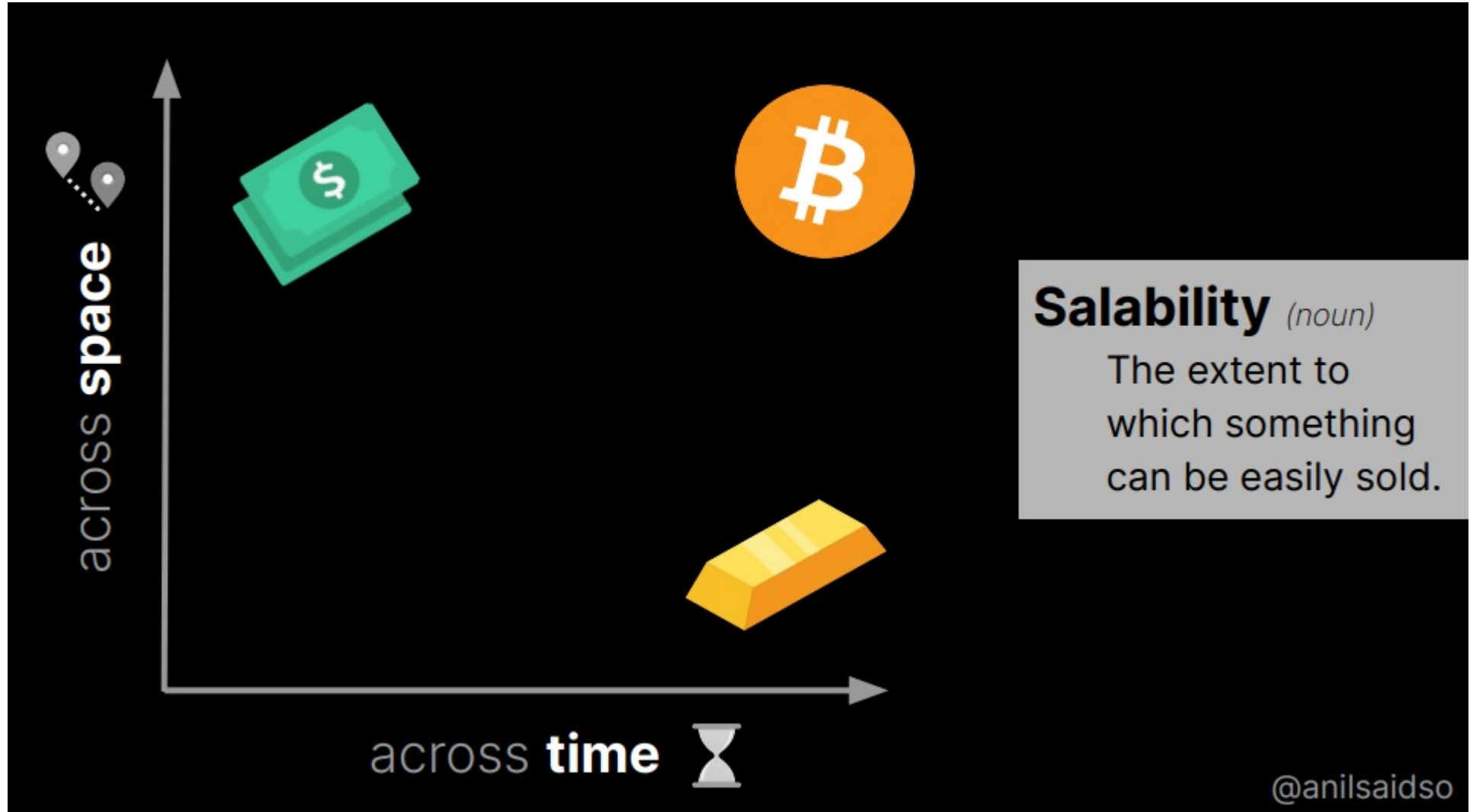
- Fiat Currency - *is a government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it.*



Global Reserve Currencies



History of Money



What is Bitcoin?

*“Although it has no industrial use, it is scarce, durable, portable, divisible, verifiable, storable, fungible, salable, and recognized across borders, and therefore has the properties of money. **Like all “potential” money, though, it needs sustained demand to have value.**”*

-Lyn Alden | 3 Reasons I’m Investing in Bitcoin



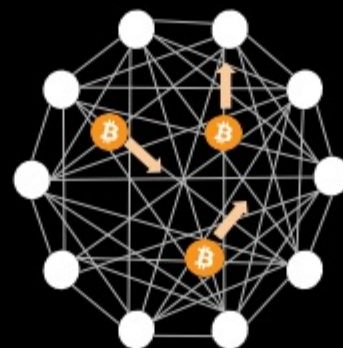
What is Bitcoin?

@anilsaidso

₿6.15

bitcoin

the money



**the Bitcoin
network**

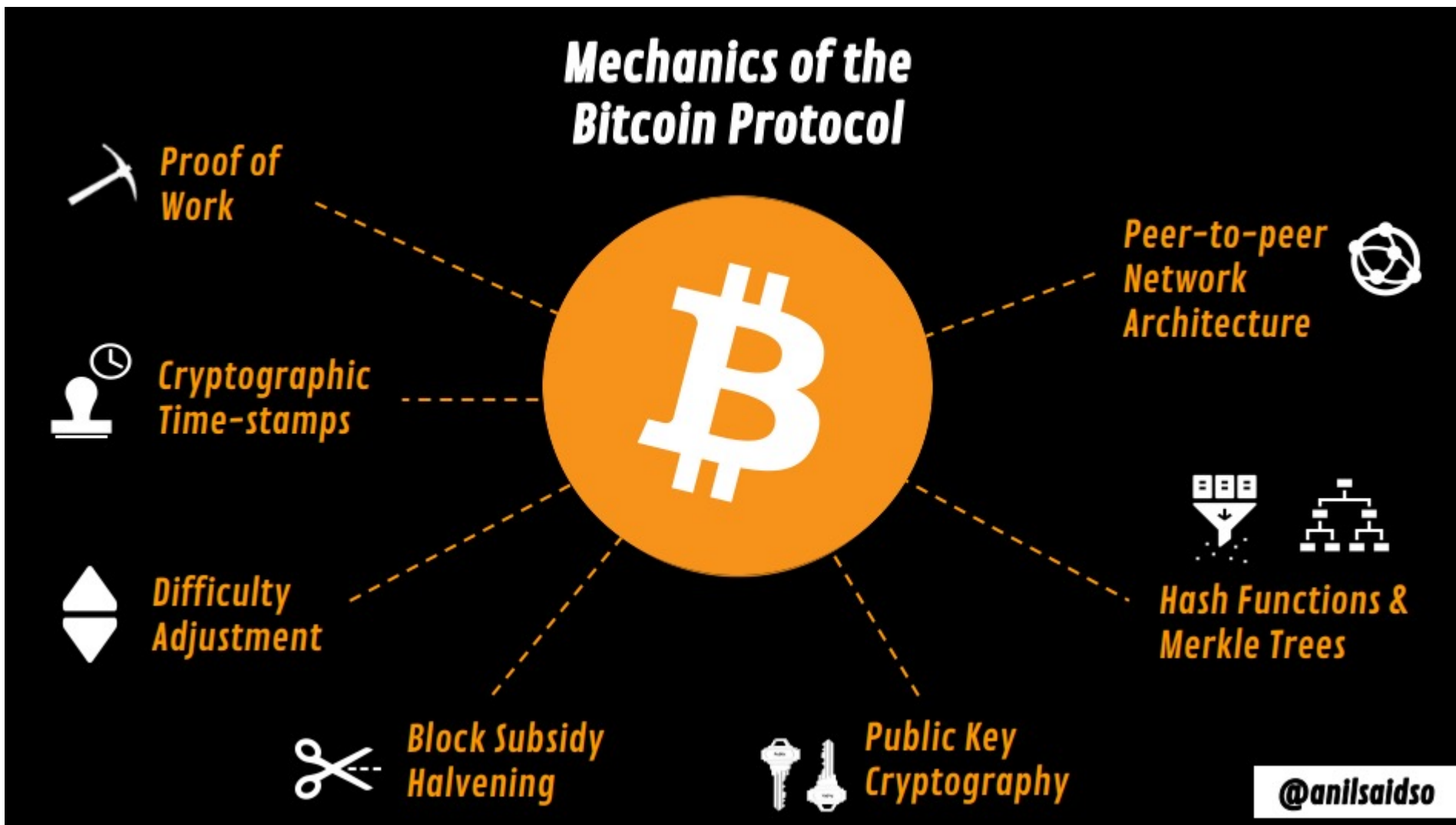
the network of
nodes



**Bitcoin's
blockchain**

linked record of
transactions

What is Bitcoin?

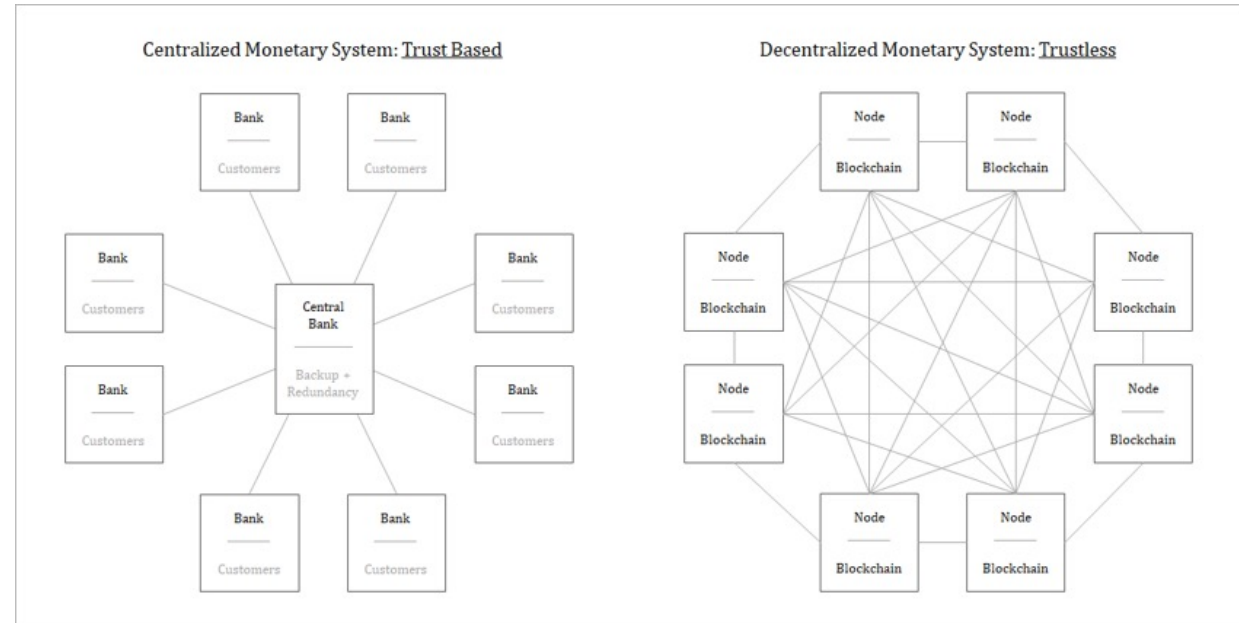


What is Bitcoin?

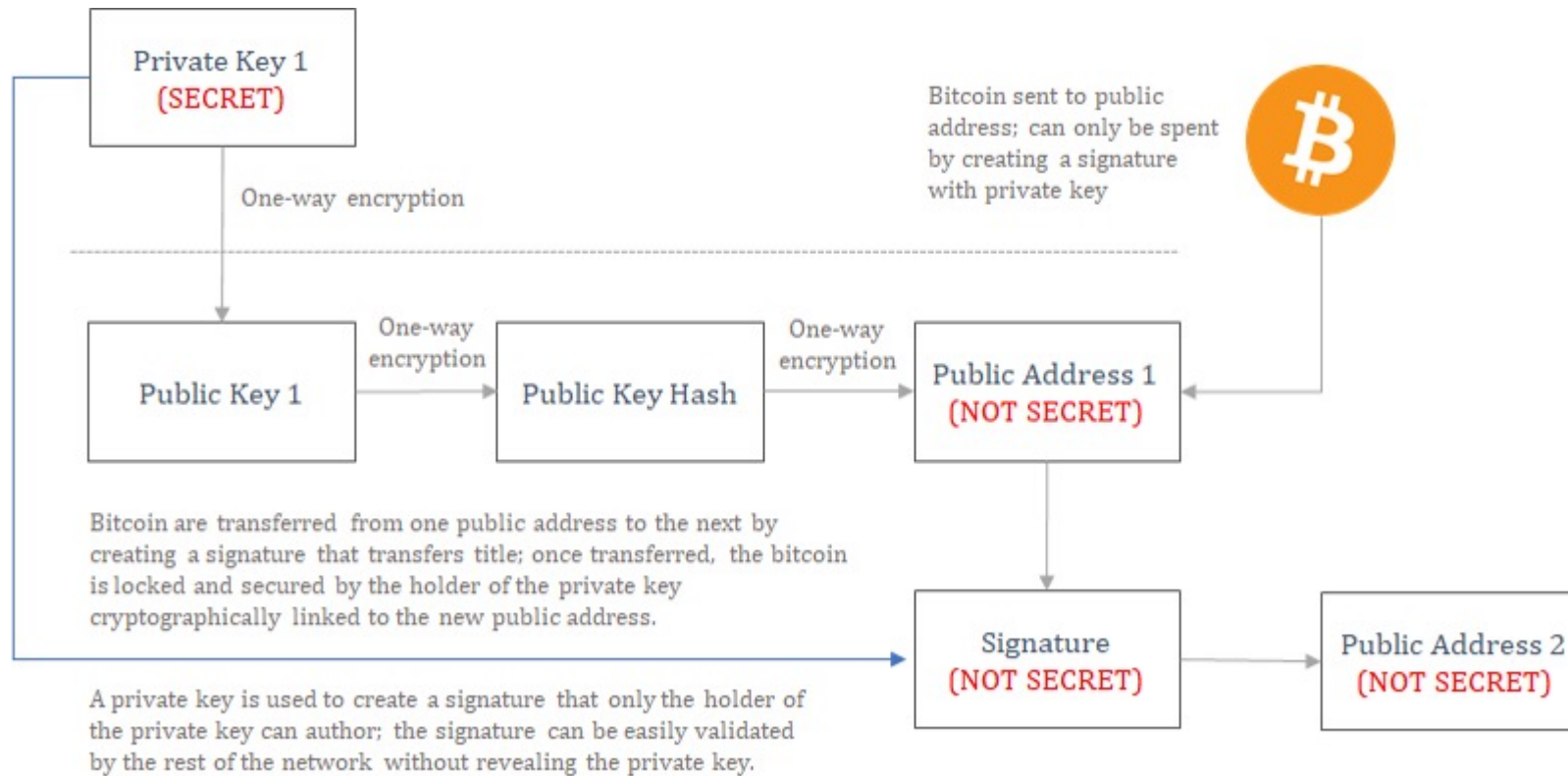
Consensus Mechanism



```
CAmount GetBlockSubsidy(int nHeight, const ConsensusParams& params) const {  
    int halvings = nHeight / consensusParams.nHalvingPeriod;  
    // Force block reward to zero when right about to halve, to prevent  
    // a transaction with a subsidy of zero getting accepted or to have  
    // an overflow with the max block subsidy.  
    if (halvings >= 64)  
        return 0;  
  
    CAmount nSubsidy = 50 * COIN;  
    // Subsidy is cut in half every 210,000 blocks.  
    nSubsidy >>= halvings;  
    return nSubsidy;  
}
```



What is Bitcoin?



What is Bitcoin?

INSERT MORE
DATA HERE



Dan McArdle @robustus · Jan 8

Bitcoin's initial token allocation:

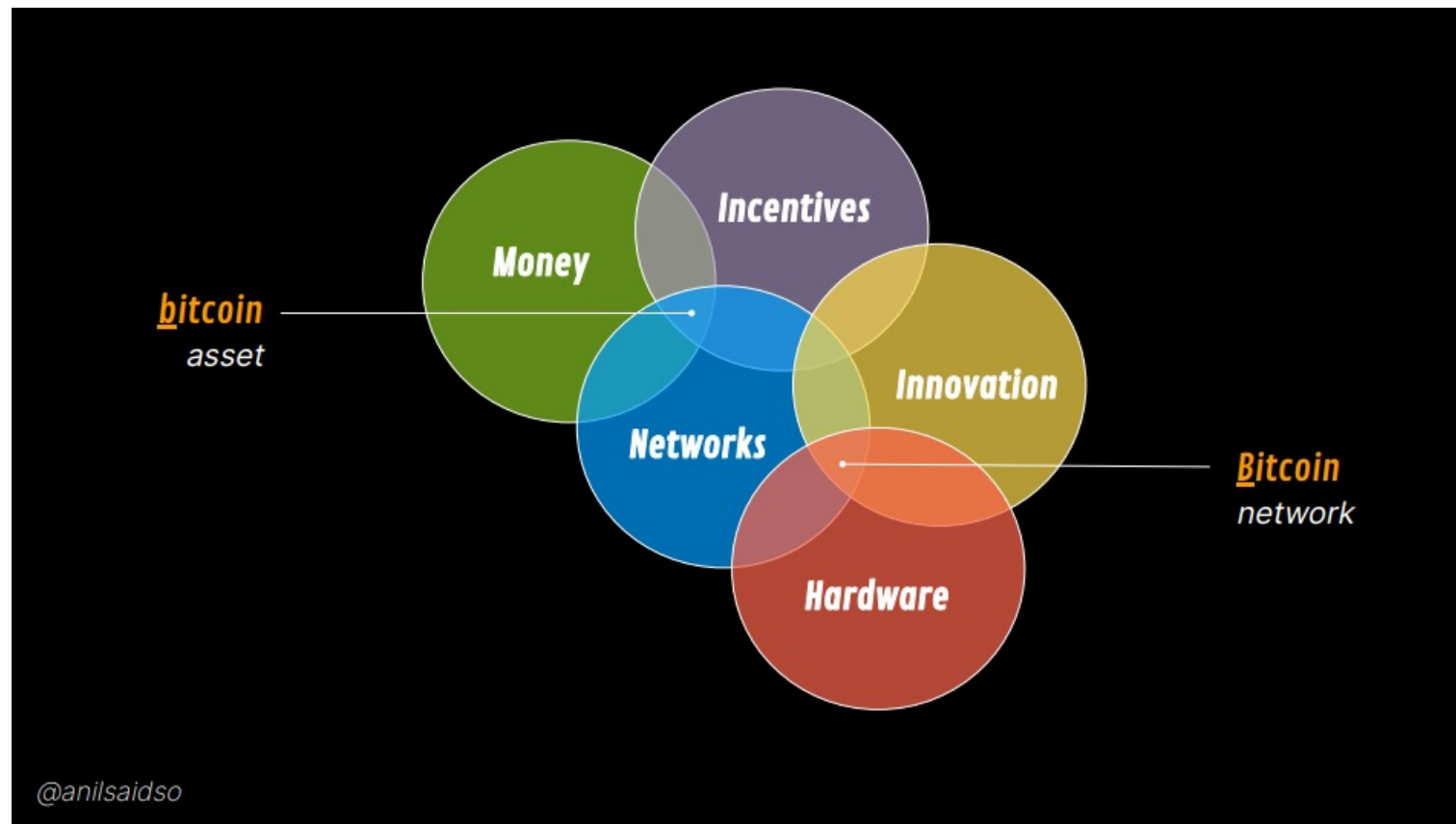
- Team: 0%
- Foundation: 0%
- Investors: 0%
- Advisors: 0%
- Community Sale: 0%
- Liquidity Incentives: 0%
- Ecosystem Fund: 0%
- Marketing Budget: 0%

119 replies 496 retweets 3.3K likes

[Show this thread](#)

The Five Factors of Bitcoin

- 1) Scarcity
- 2) Network Effect
- 3) Decentralized
- 4) Security
- 5) Disinflationary

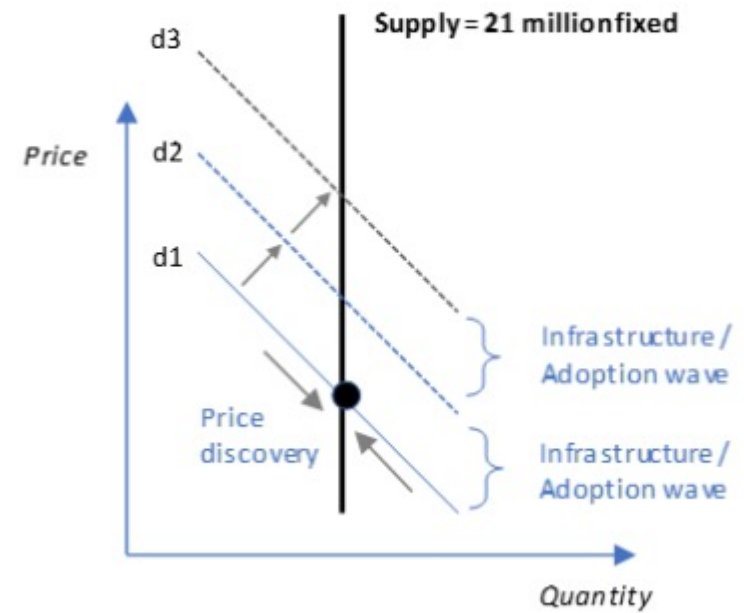


Scarcity

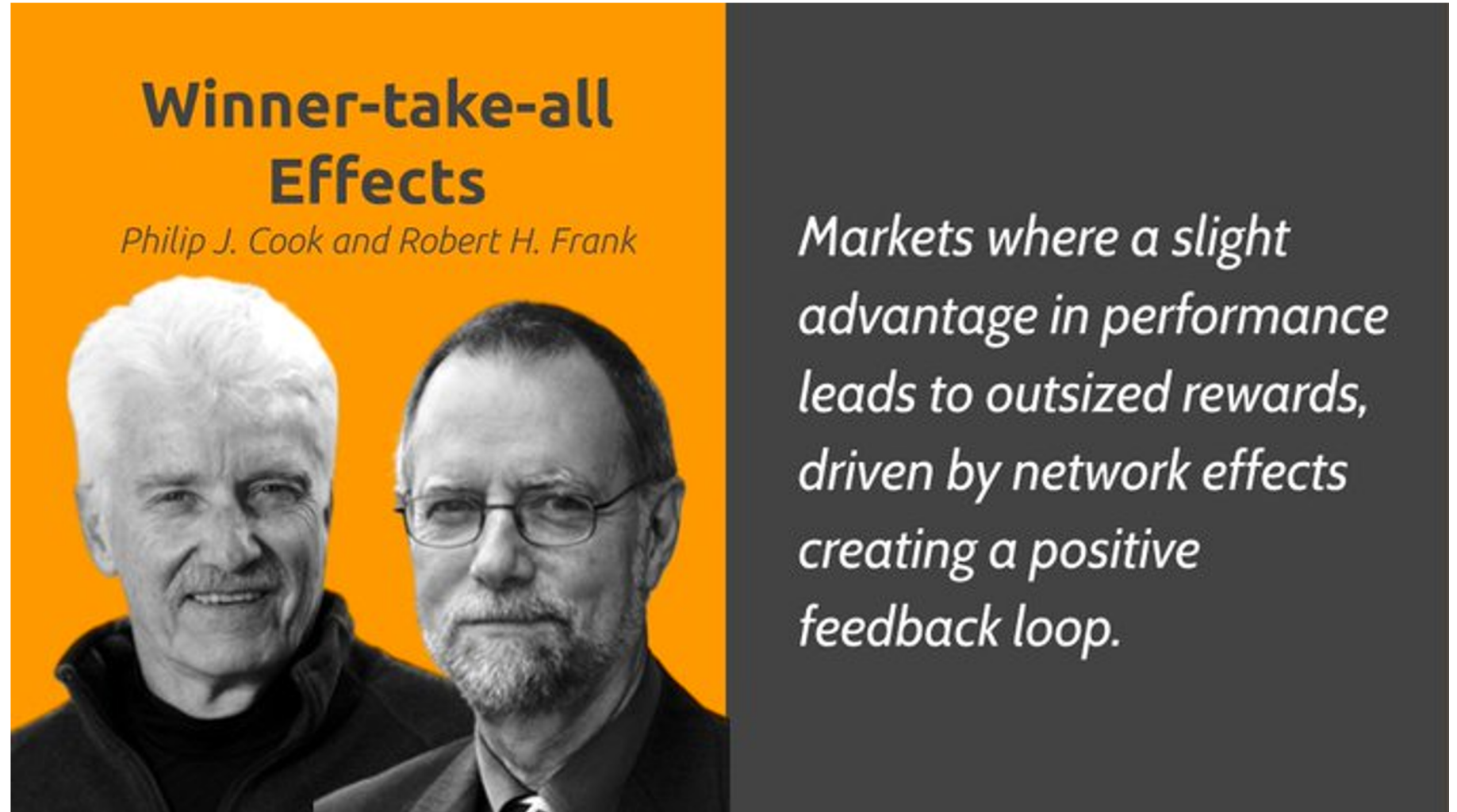


1.75 BTC

Fixed Supply vs. Expanding Demand



Network Effect



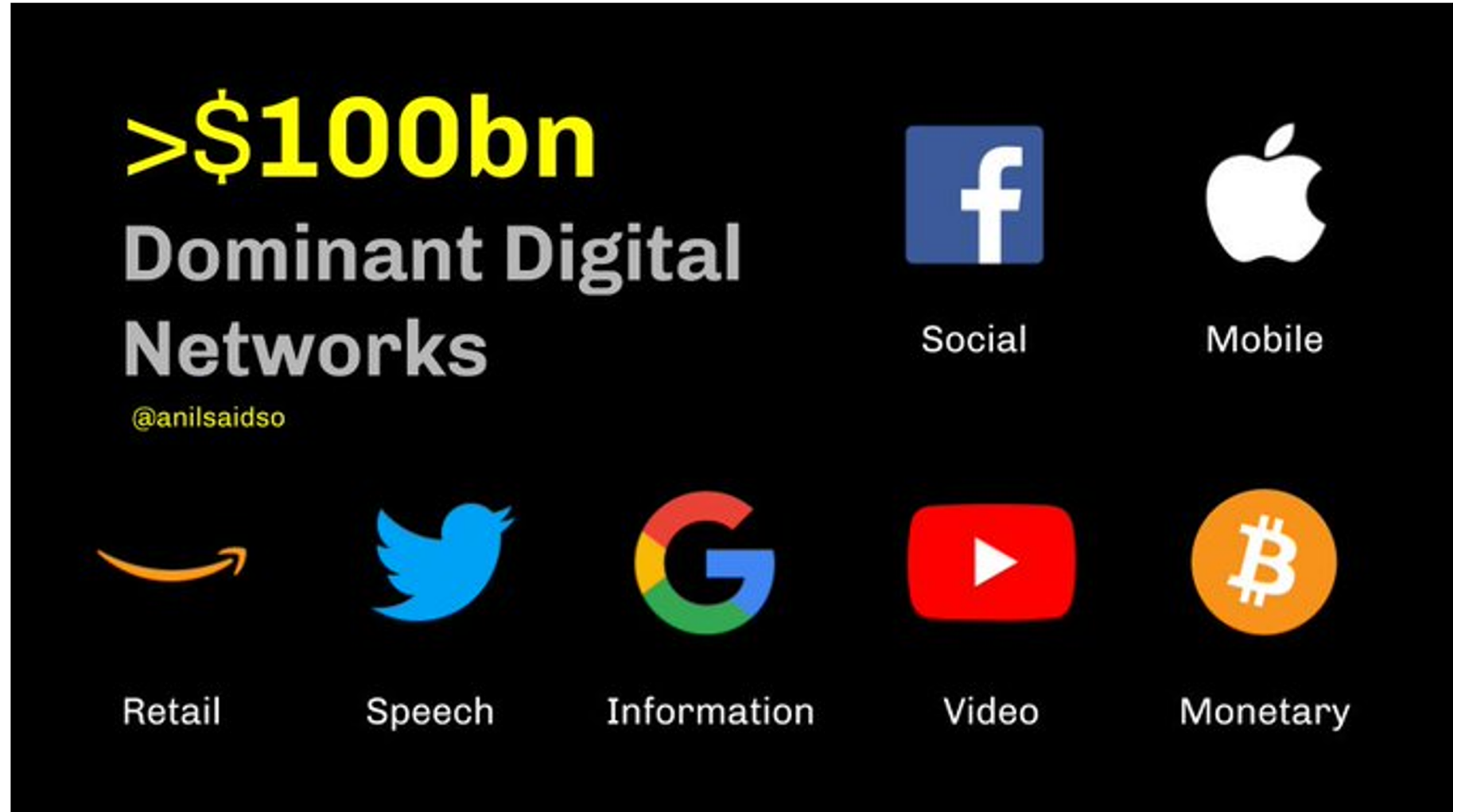
Winner-take-all Effects

Philip J. Cook and Robert H. Frank



*Markets where a slight
advantage in performance
leads to outsized rewards,
driven by network effects
creating a positive
feedback loop.*

Network Effect

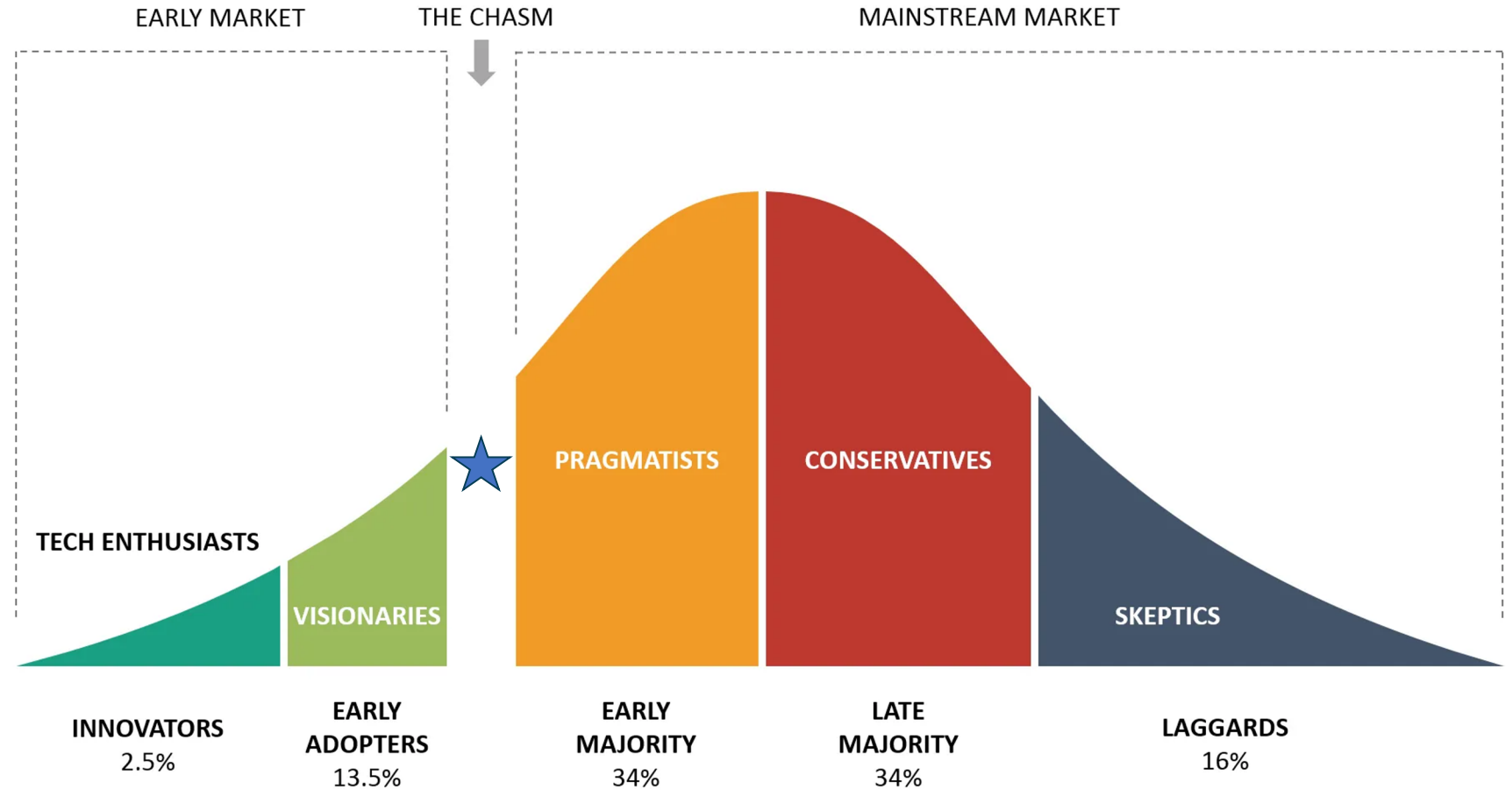


Source: Anil

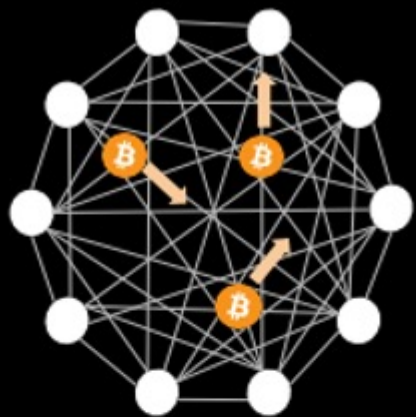
Network Effect

“25% of Americans with \$10,000 in investable assets owns Bitcoin...”

**Source: Grayscale Third Annual Bitcoin Investor Study – December 2021*



Decentralized



**the Bitcoin
network**

the network of
nodes

Auditing Supply



bitcoin-cli gettxoutsetinfo

```
"height": 644304,
```

```
"total_amount": 18464223.37865277
```



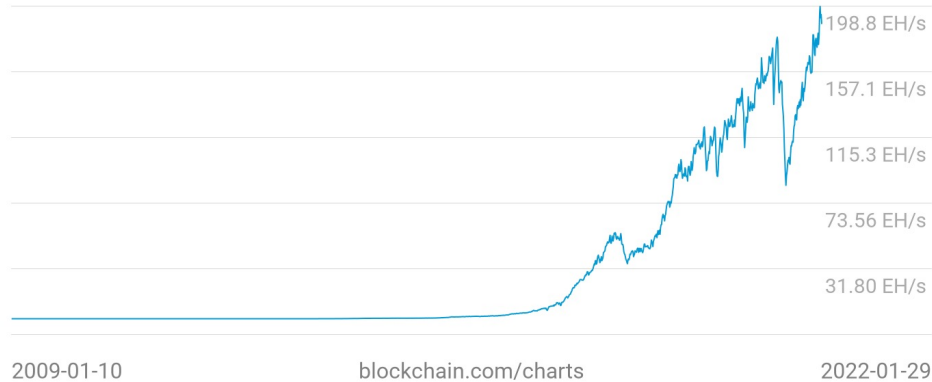
**"IN GOD WE
TRUST"**



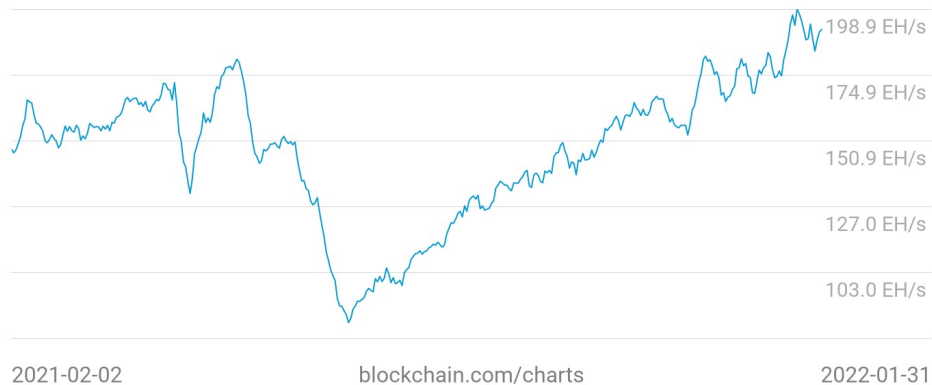
**"DON'T TRUST,
VERIFY"**

Security

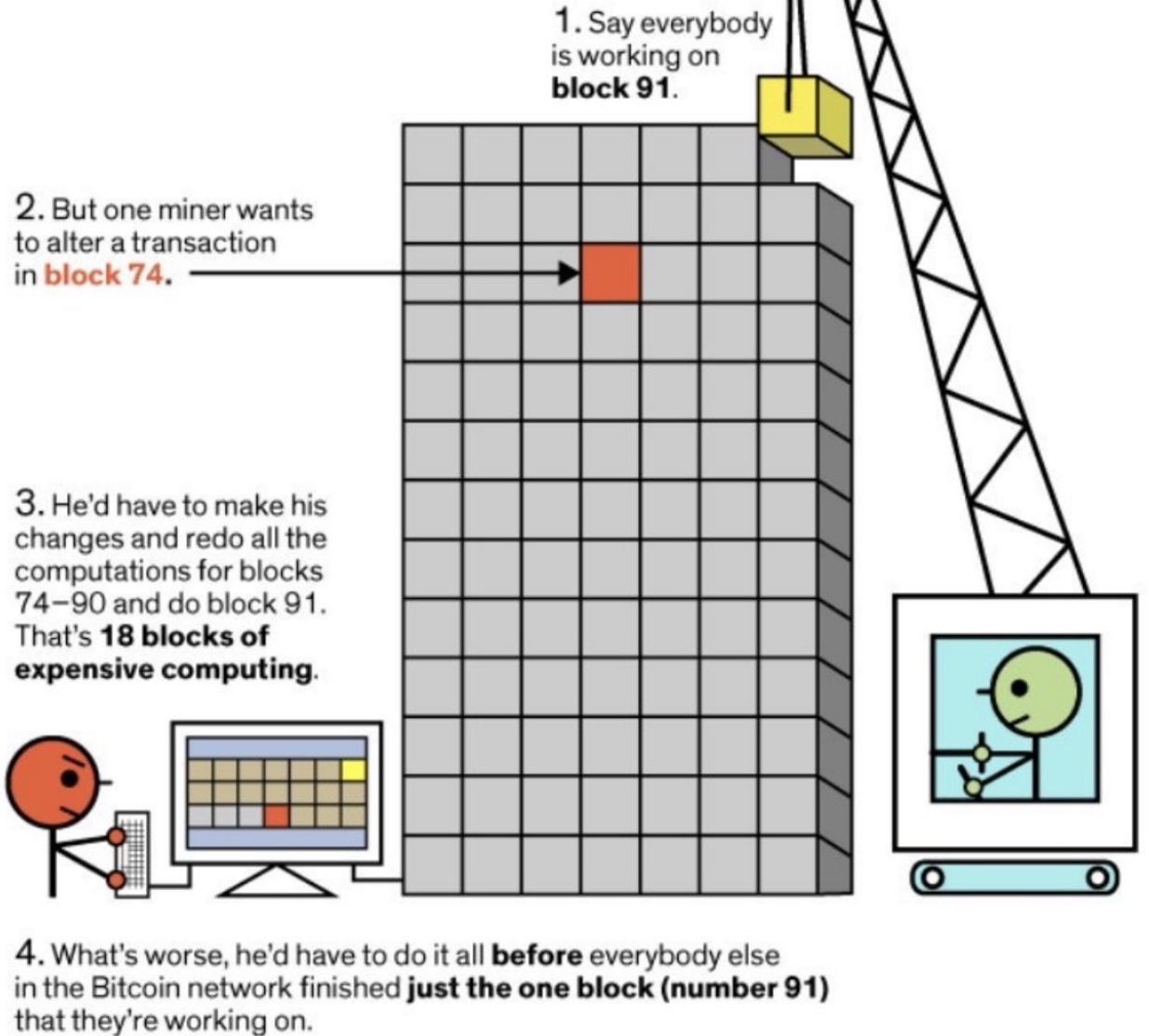
Hash Rate
187.7 EH/s



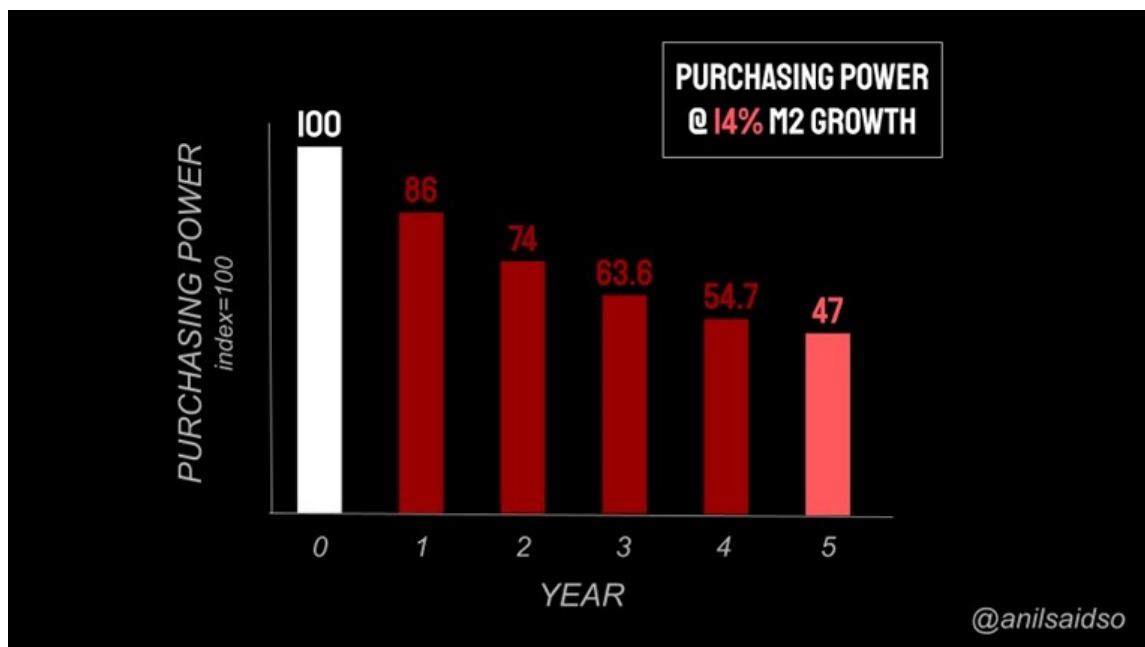
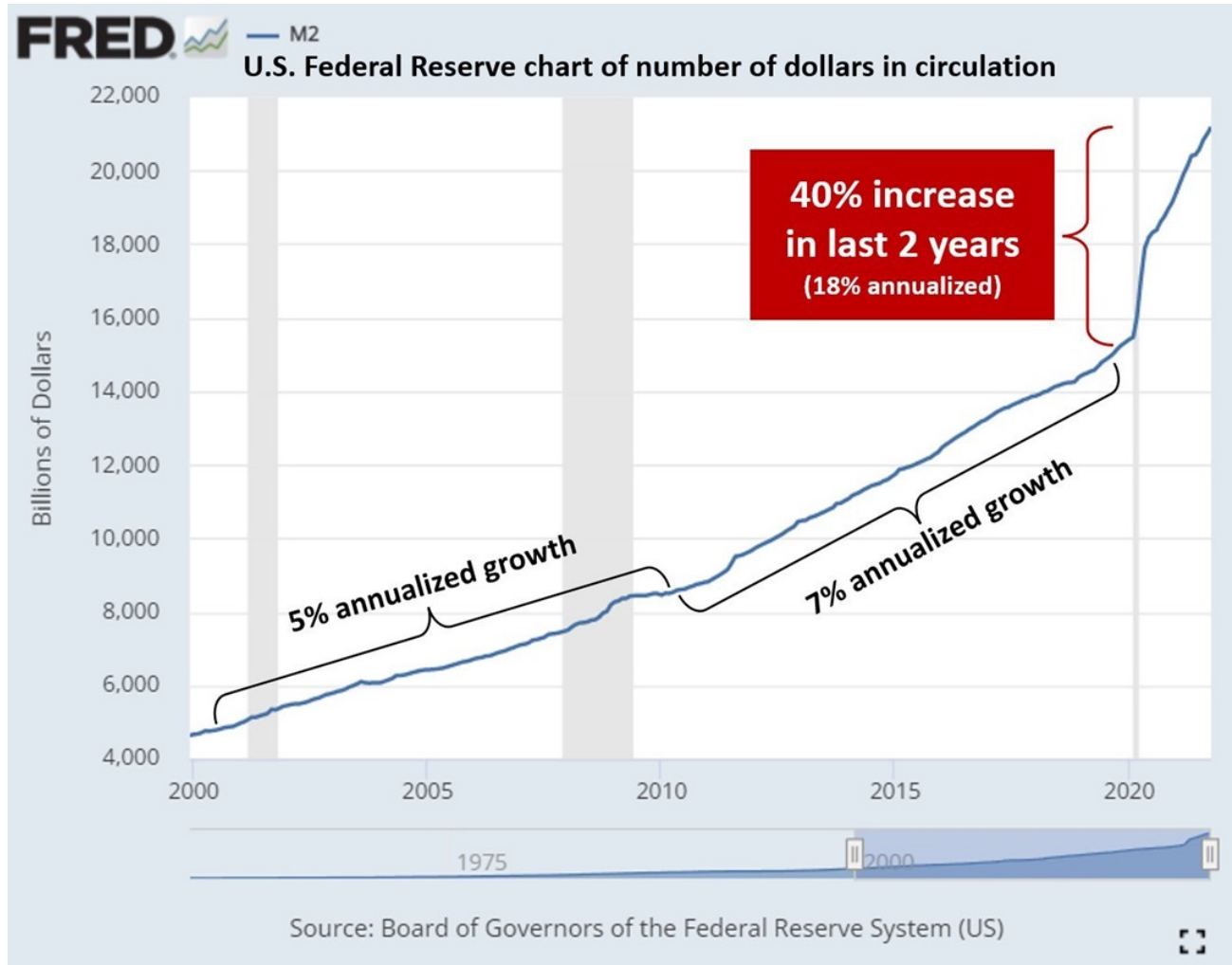
Hash Rate
191.5 EH/s



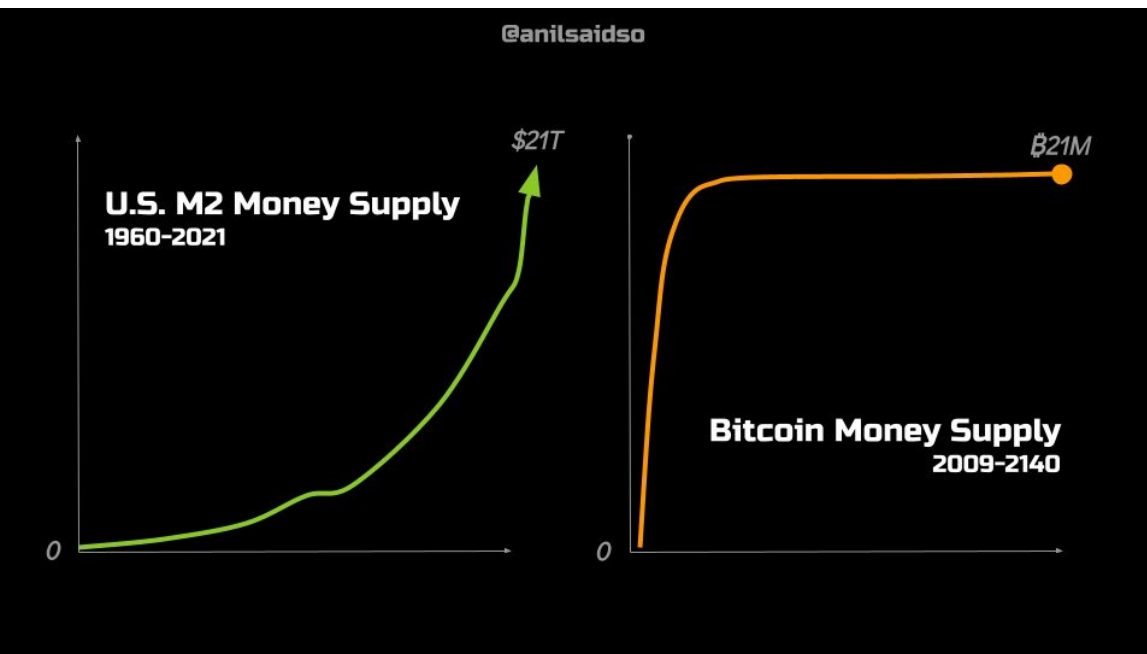
Why You Can't Cheat at Bitcoin



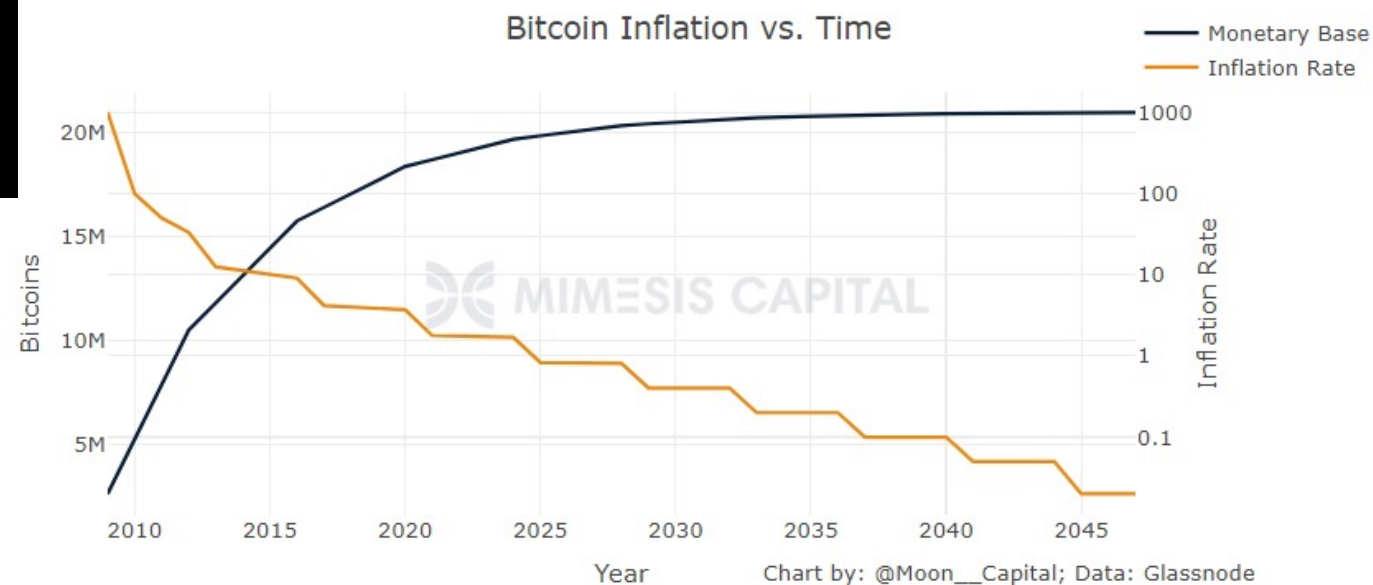
Disinflationary



Disinflationary



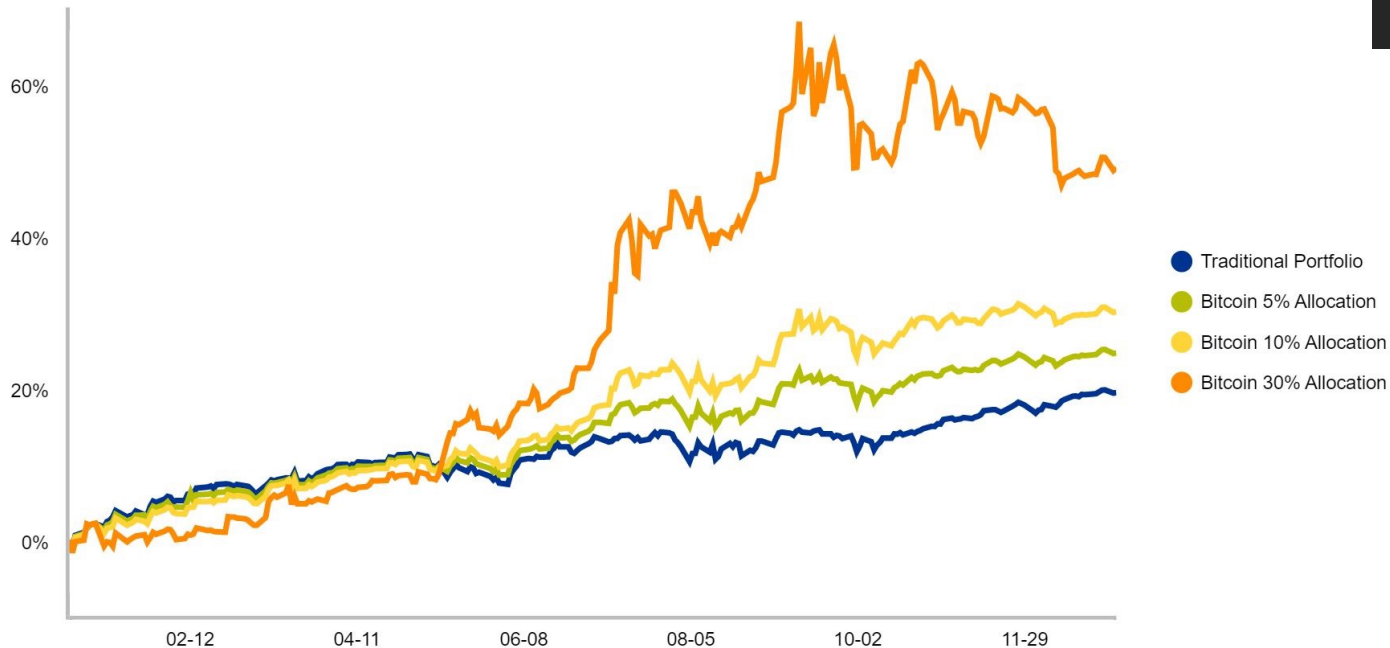
Current Inflation 1.74%



How to think about Bitcoin in Portfolios

- Digital gold – 7.5%
- Growth sleeve – 10%-20%
- Credit insurance (bonds) – 5%
- Dragon portfolio – 19%
- Equity exposed companies

60/40 Portfolio with 5/10/30 % Bitcoin Allocations



Opinion

5 Ways Bitcoin Can Play a Role in a Portfolio

Bitcoin isn't going anywhere. So how can it fit into the portfolios of the future?

“Bitcoin helps solve a real issue for clients trying not to outlive their money. Only you, as the partner to your clients, can know what the right fit is for bitcoin, but the evidence is clear that it does belong in everyone's portfolio.”

Bitcoin's Total Addressable Market (TAM)

- Apple \$2T = \$107,000 per BTC
- Gold \$11T = \$525,000 per BTC
- Negative Yielding Bonds \$18T = \$855,000 per BTC
- Global Stock Market \$90T = \$4,285,000 per BTC
- Real Estate \$200T = \$9,500,000 per BTC

Sources: World Gold Council 2020, Forbes, Savills Global Research, CIA Factbook,

\$900 Trillion US Dollars on the Globe – 5% or \$45T = \$2,000,000 per BTC

Greg Foss 32 Year High Yield Credit Trader

What About....

- The government will banning it!
- It is too volatile!
- They will make more of it!
- It will boil the oceans!
- It has no intrinsic value!
- Quantum Computing
- It is used by drug dealers and criminals!

What about...the government?

Business

State Senator Introduces Bill to Make Bitcoin Legal Tender in Arizona

The U.S. Constitution doesn't allow individual states to create their own legal tender, however.

By Brandy Betz · 🕒 Jan 28, 2022 at 4:30 p.m. EST · Updated Jan 28, 2022 at 5:55 p.m. EST ·

Avanti Unanimously Wins Bitcoin Banking Charter

Business

Institutional Bitcoin Broker NYDIG Valued at \$7B in Whopping \$1B Funding Round

WestCap is leading what appears to be the largest funding round in crypto history.

By Zack Seward, Ian Allison · 🕒 Dec 14, 2021 at 8:43 a.m. EST · Updated Dec 14, 2021 at 11:17 a.m. EST ·



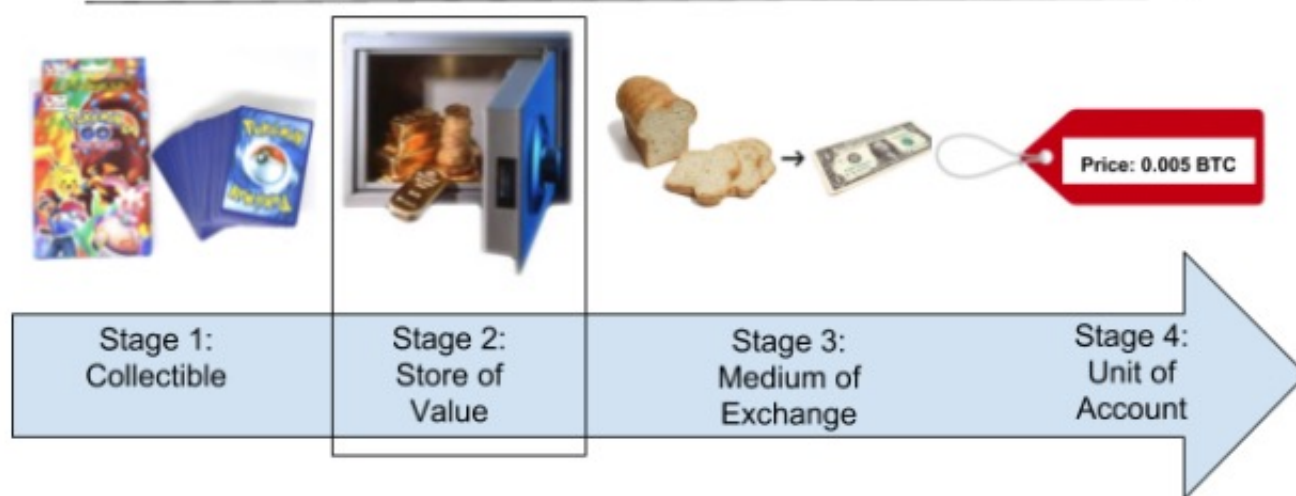
U.S. Senator - Wyoming - Senate Banking Committee



U.S. Congressman - Ohio 8th District

What About...volatility?

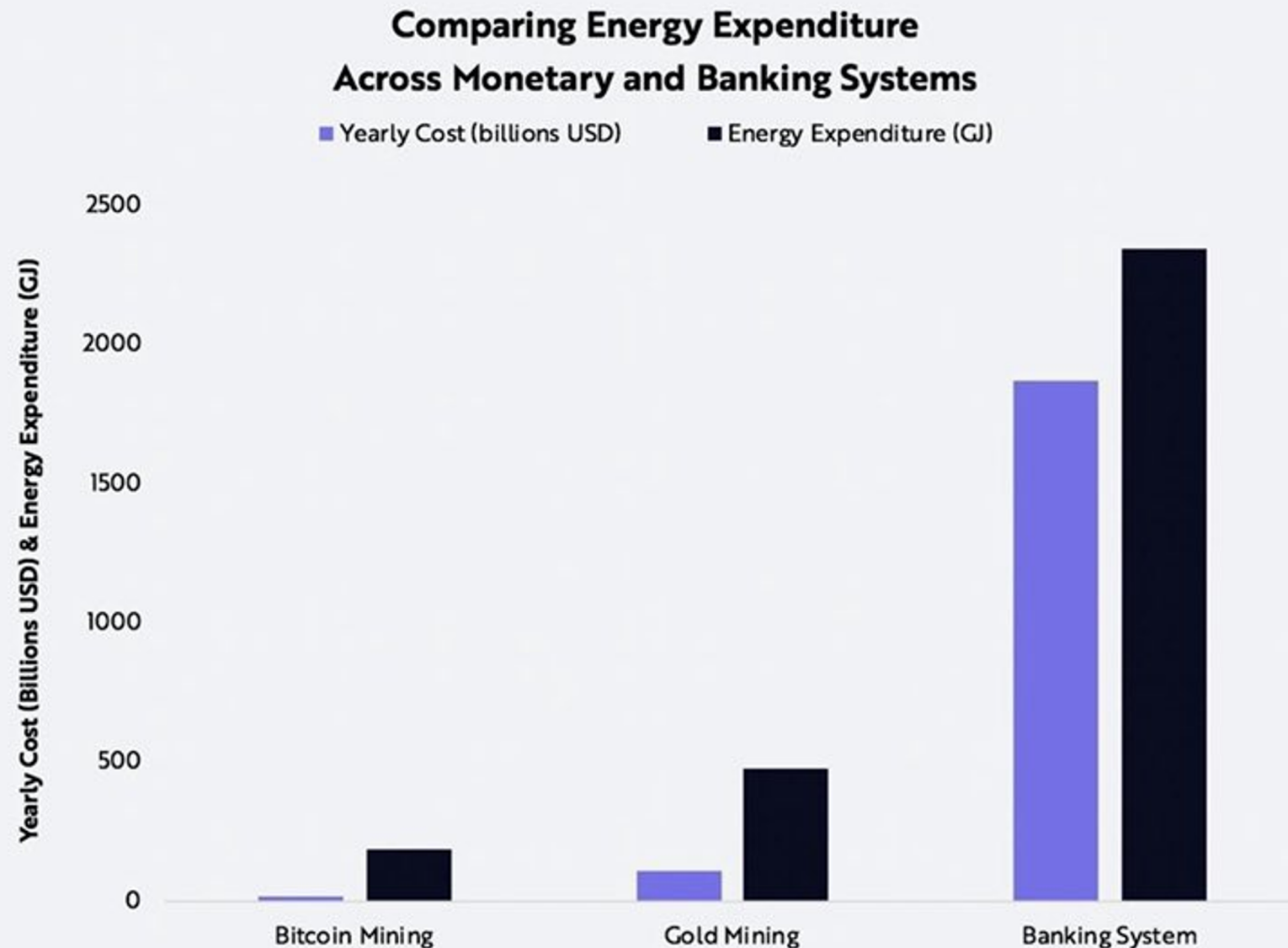
The 4 Stages of Bitcoin



*“Bitcoin is currently transitioning from the first stage of monetization to the second stage. It will likely be several years before Bitcoin transitions from being an incipient store of value to being a true medium of exchange, and the path it takes to get there is still fraught with risk and uncertainty. It is striking to note that the same transition took many centuries for gold. **No one alive has seen the real-time monetization of a good (as is taking place with Bitcoin), so there is precious little experience regarding the path this monetization will take.**”*

Vijay Boyapati – The Bullish Case for Bitcoin (2018)

What about.... energy usage?

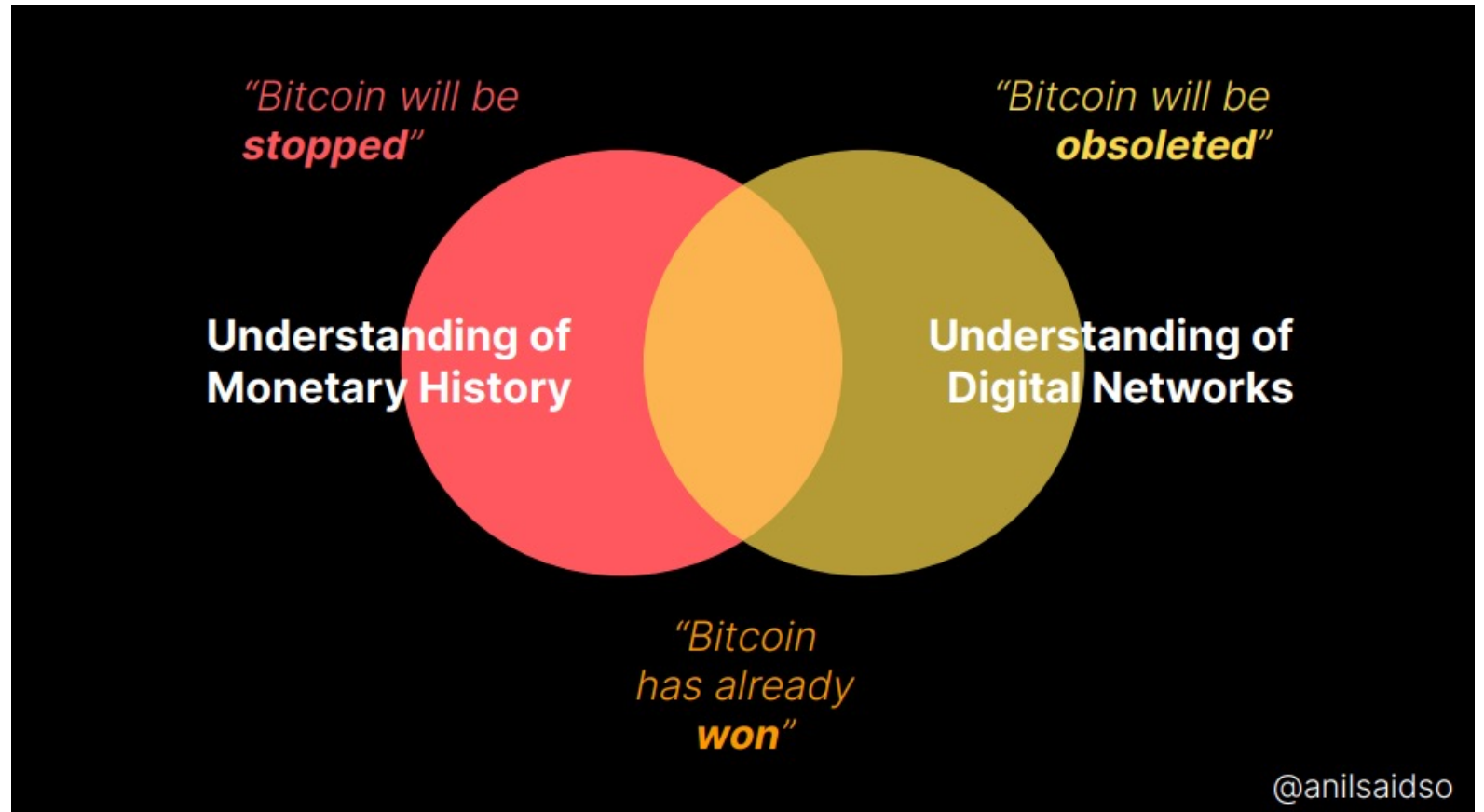


Source: ARK Investment Management LLC, 2020. Data Source: <https://medium.com/@danhedl/pow-is-efficient-aa3d442754d3>

In Conclusion

“When everyone loves to print money and everyone can print money, the money that no one can print is the one that wins.”

-Robert Breedlove

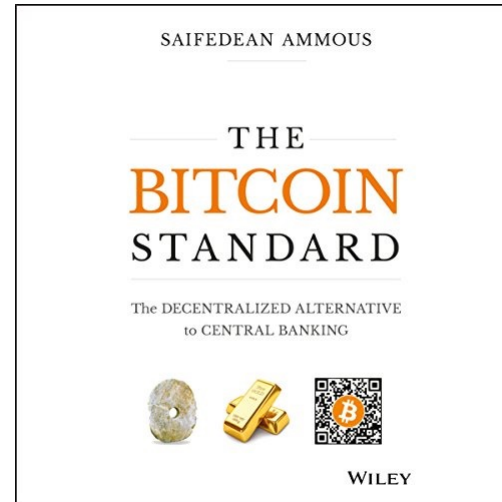


Q&A + Best Resources

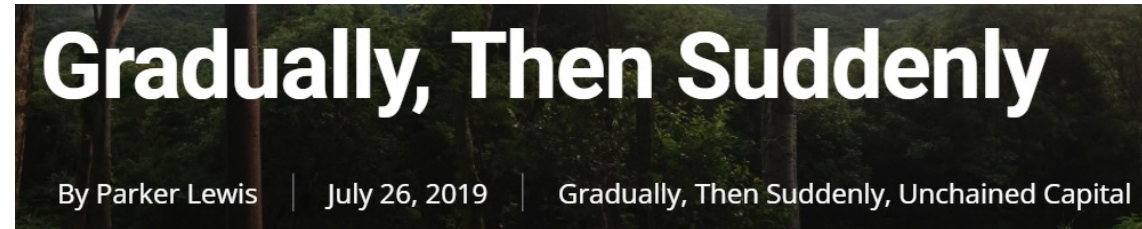
Podcast



Book



Blog Series



Research Report



Bitcoin: The Adoption Story of the Decade

