THE
BLOCKCHAIN INVESTOR’S
MANIFESTO
There are three ways to build wealth with blockchain investing.

1. **Invent time travel and buy bitcoin in 2008.** You could invest cheaply, but you’d create a time paradox and possibly destroy the universe.

2. **Build a blockchain of great value.** If you are a genius, just invent the next Ethereum. The only problem is this requires being a genius.

3. **Invest wisely in blockchain projects.** This is the path that’s open to all of us.
Invest wisely. But how?

If your only source of blockchain investing information is the Web, where anyone can publish any fool thing that comes into their head, it will be very difficult for you to make good investing decisions.

You need to start with a strategy.

An investing strategy narrows down the universe of possible investments. A strategy lets you say “no” to a lot of interesting possibilities, so you can say “yes” to a few really interesting possibilities. A strategy streamlines.

This strategy should be informed by a philosophy—a view of the world. Here’s our philosophy, which we call the “Investor’s Manifesto.”

It’s made a lot of money.
Investing, Not Gambling.

Like the early days of the stock market, the early days of blockchain are stuffed with speculators. Think of a continuum with “speculating” on one side and “investing” on the other:

Speculating  Investing

It’s not always clear-cut. The early “speculators” in bitcoin turned out to be brilliant “investors” in hindsight. Here’s the difference.

Speculators invest on hunches, emotion, or information they read on free message boards. They get engorged
when the price of bitcoin goes up, and they go limp when it falls.

**Investors** try to push their efforts to the right side of the spectrum through careful analysis, disciplined action, and thinking for themselves. At Bitcoin Market Journal, we help you acquire these powers.

Try to keep yourself on the right side of this continuum, and you’ll keep to the right side of investing.
Always Long, Never Short.

Traders try to get rich quick; investors want to make it stick.

Traders are generally trying to time the market, to look for signals or patterns in the firehose of data: daily prices, or social media mentions, or a million other “signals” that tell them when a token will go up or down in price.

Many of these traders make investing decisions without ever looking at the underlying investment!

While some blockchain traders are successful, it’s not for us. Trading is generally not adding fundamental value. We’re investing in great blockchain projects run by great teams. We’re
believing in them and helping them grow. We’re not here to profit off their hourly price swings.

Focusing on value investing—putting your money behind blockchain projects you believe in and care about—simplifies things enormously. It frees you up to find your passion, instead of navigating the risky world of options, futures, and margin trading.

Find your passion.
Do Your Homework.

You don’t get something for nothing. The value you recoup as an investor is the value you put into research, learning, and analyzing. We’re trying to find great blockchain projects at low prices. This takes work.

The most successful blockchain investors treat it like a job. They have a disciplined approach, which they practice over the long haul. Day in, day out. Through successes and failures, through bubbles and busts, through good markets and bad.

Don’t chase the trade. Hustle, but don’t hurry.

This is different from most blockchain speculators, who start buying bitcoin when the price is shooting up and
everyone is in a tizzy. “Now is a great time to invest!” they think, but the best time would have been when everyone lost interest and bitcoin was on sale.

Use our Blockchain Investor Scorecard. Approach it like a student. Do your homework.

To beat the market, you have to sometimes bet against the market.
Balance Your Baskets.

Risk and reward must be kept in balance. When you believe in a blockchain investment, you have to go for it—but you have to allow that you might be wrong. How to act decisively, yet cautiously, is the art of successful investing.
INVESTING STRATEGIES COMPARED


$10,000 Invested Three Years Ago

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INVESTING STRATEGIES COMPARED

For more sample portfolios, sign up for our newsletter at www.bitcoinmarketjournal.com
The key is to structure a portfolio that allows for great performance, while balancing different baskets of investments. Blockchain is just a small slice of the pie; traditional investments make up the rest. This diversifies risk, because blockchain moves independently of the traditional market.

Balancing risk and reward is like a seesaw that’s weighted evenly: much better than the fat kid landing hard on the ground, catapulting the skinny kid into space.

*We place big bets*—but we never invest more than we are willing to lose 100%. If we lose it, we see it as “tuition paid” to learn a valuable lesson. How much would you pay for tuition at a good college? One hard loss can teach you much more than one hard class.
We are decisive—but we are open-minded about considering alternative views. We look for people to stress-test our research and conclusions, but we don’t weight all opinions equally.

We do analysis—but not to the point of paralysis. We shoot for research that’s “good enough,” not “perfect.” Then we make a decision, and we act.

We trust a successful investor more than an idiot on Reddit.
The Three P’s.

An easy first filter for blockchain projects is the “Three P’s:” People, Proportion, and Promotion. This will let you eliminate most blockchain investments very quickly.

**People** means the team that’s working on the blockchain. You want to see a team with a demonstrated track record of success in that industry. If they’re doing a healthcare blockchain, they better know healthcare.

Look for teams that are trustworthy, truthful, and transparent. If it smells bad, it probably is.

You can use our [Blockchain Investor Scorecard](www.bitcoinmarketjournal.com) as a guide to rating teams, which you can download for free at [www.bitcoinmarketjournal.com](http://www.bitcoinmarketjournal.com).
**Proportion** means the number of users on the blockchain. Blockchains have network effects, which means that more users = more value, and that value grows quadratically (once it takes off, it takes off like a rocket):

### Network Value for 1–100 Users

Blockchains will likely become a “winner takes all” game, with one or two dominant blockchains in each industry. You want to find the blockchain projects with the biggest head start—meaning the most users. And you want to buy them at a reasonable price per user.
Promotion means how easy it is to explain their blockchain project. Can you describe it to your grandmother? If you have to be a rocket scientist to understand it, only rocket scientists will promote it.

How sticky is the story? Do they have a great origin story, like bitcoin? For most investors, stories matter way more than the technology. Very few people understand blockchain technology; everyone understands a great founder’s story.

These two factors—explainability and storytelling—are enormously important if you want to build word of mouth. Blockchain investing is a small world; word of mouth goes a long way.
Believe in Yourself.

The theologian Reinhold Niebuhr is famous for the Serenity Prayer: “grant me the serenity to accept the things I cannot change, courage to change the things I can, and wisdom to know the difference.”

What we cannot control is the blockchain hype cycle, the waves of investor emotion, the relentless media coverage of every hill and valley on the blockchain roller coaster. And it is quite a roller coaster: many people vomit, and some wet their pants.

What we can control is how we respond.

This is why successful blockchain investing, as the great value investor Benjamin Graham preached, is as much
an internal game as an external one. You need confidence in the blockchain market, confidence in your blockchain investment, and confidence in your abilities as a blockchain investor.

But test your opinions with believable people.
To beat the market, you’ll have to bet against the market.

That’s especially true in the blockchain market, which is like an emotional teenager. It’s prone to hormonal mood swings, like irrational declarations of love, followed by furious stomping off to its room.
Make the World Better.

We are using our wealth to build value. We are literally financing the blockchain revolution. We are building the future of humanity. That’s exciting!

Value takes many forms. Blockchain projects are making financial transactions more efficient, simplifying the tracking of goods and services, streamlining legal agreements, improving healthcare, and so much more.

It’s also called impact investing. Ask yourself, Will this blockchain project have a positive impact on humanity and the world? Look for projects where your answer is a resounding “Yes.”
IMPACT

We’re changing the world together. We’re having an impact. We hope our Investor’s Manifesto will help you make the greatest impact, so your investment dollars go toward the greatest good.

Health, wealth, and happiness,

BITCOIN MARKET JOURNAL
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