benefit depends upon those companies operating in the legacy space focusing on returning capital to shareholders.

To maximise my advantage, I'd be looking to invest in the long term capital gains from those developing the future industry but at the same time reap short term benefits (in terms of dividends) from those extracting value from legacy. However, I'm assuming that the CEOs playing in the legacy space know their role. The ideal situation is a CEO that is sweating legacy business models to return value to shareholders often combined with acquisition of equivalent business (again for synergies i.e. more sweating). As a hedge fund then I'm after a "rent extraction" machine — *"up those license fees, squeeze those costs, return that capital"* is the motto! Of course, eventually those companies will run out of runway i.e. there's no-one else left in the legacy space to acquire or there's no more cost cutting to be done and the business model will continue to decline. From a hedge fund perspective, this is also fine because you're also already invested in the future. Shortly before the cracks start to appear in the legacy space then I'd be moving capital out and starting to short. Trebles all round.

This play of *"sweating"* an existing business is very different from the second curve. There are many variations of the play from *sweat and dump (*i.e. disposal of the legacy) to *sweat and acquire (*i.e. buying up similar assets to gain greater opportunity for cost cutting & efficiency). They sound brutal but they have a number of discrete benefits. For the hedge fund it means high short term dividends. For the executive, it maintains and can even grow share price for a time. This sort of play can often sustain a legacy space for a decade or more. However, it's