

Cryptoassets Summary

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1-Sentence-Summary: *Cryptoassets* is your guide to understanding this revolutionary new digital asset class and explains the history of Bitcoin, how to invest in it and other cryptocurrencies, and how the blockchain technology behind it all works.

Read in: 4 minutes

Favorite quote from the author:



Have you ever heard of Bitcoin? Of course, you have; you're not living under a rock! This and other crypto assets, which are a brand new type of asset, bring countless opportunities for investors of all kinds.

But what is a crypto asset, anyway? Well, they come in two parts: software and currency. Crypto assets have value according to market supply and demand, just like other assets. But they are unique in that they are intangible.

Bitcoin, for instance, has software and is a new currency all on its own. It's not like oil, which is a consumable/transferable asset. But it is like gold because of its rarity, beauty, and usefulness. And as a plus, it's also finite, unlike government-printed money.

This is just one example of the brand new asset class that cryptocurrencies have created. The new possibilities of this technology have real implications and possibilities for your life and the entire world.

And there's a lot more to it than just what we've talked about so far.

That's why you'll want to take a deep dive into Chris Burniske's book *Cryptoassets: The Innovative Investor's Guide to Bitcoin and Beyond*.

These are 3 of the best lessons the book teaches:

1. The revolutionary blockchain technology is behind all crypto assets.
2. What we know about finance and investing is rapidly changing, but you can still win by learning as much as you can and being brave.
3. Although investing in cryptocurrencies sounds exciting, be careful; it's possible to lose your money.

I say assets; you say crypto, ready? Crypto! Assets! Let's go!

Lesson 1: The foundation of all crypto assets is revolutionary blockchain technology.

Cryptoassets like Bitcoin wouldn't be possible without what's known as the blockchain. In simple terms, it's a digital directory of who owns crypto and how much they have. But it's a little more complicated than that.

The first thing to understand about the blockchain is that it's better than governmental or bank databases because it's decentralized. The people who run its software on their computers are the ones operating and updating it.

There are three main properties of the blockchain to know about if you want to understand how it works:

- **First, it is Distributed**, which means anyone in the world can access it as long as they have a computer.
- **Second, it is Cryptographic** or encrypted by unbreakable computer codes.
- **Third, it is Immutable**, meaning that nobody can delete anything from it. This is because it's always syncing with the massive worldwide network of computers that run it.

Another important component of the blockchain is that it's constantly growing. Whenever a new Bitcoin transaction gets recorded, a new "block" gets added to the chain. Miners compete to be the ones to add each new block because if they do, they get paid with Bitcoin.

This technology is so robust in part because deleting anything from it requires everybody running the software to approve of it unanimously. It's also public, which means that it's easy to catch people who try to misuse it.

Lesson 2: You can win in the quickly evolving financial and investing world by being informed and brave.

A few years ago, I put money into the stock market for the first time. It was exciting and also made me nervous at the same time. When your money is on the line, it's hard to predict what will happen.

But since then, I've made hundreds of dollars from my investments. My only regret is not investing more and not investing in Bitcoin sooner. They say the second-best time to plant a tree is right now. Currently, I'm starting to invest in crypto, and it would help if you considered doing the same.

Although these investments were once more volatile, they've calmed down and are a lot safer than they used to be. Their potential to completely alter everything we know about finance is also a good reason to get into them now.

Think of how email destroyed snail mail or how Netflix killed blockbuster. The next similar story is going to be Bitcoin tearing down traditional money systems. The sooner you get in, the more you have to gain.

Bitcoin might be expensive right now, but the author predicts that those who invest in it now still have the potential to see massive gains. As more businesses accept it as a form of payment, it will start to grow quickly.

However, it's not the only crypto asset! Ethereum is another game-changer for the money world, but it's still new and volatile.

Whatever you decide to invest in, make sure to know the risks to keep yourself from mere gambling.

Lesson 3: Don't throw all caution to the wind when investing in crypto assets; you can still lose.

Now that you know some of the potential gains let's prepare you to look at the dangers of investing in crypto.

First, beware of the psychological fallacy known as the speculation of crowds. This happens when people see others investing in something, so they start doing it too without really knowing what they're doing.

If you're new and see a lot of positive news about a particular asset, you might start thinking you need to get into it. But be careful. Some of that comes from more seasoned investors—people who know what to watch out for so they can buy low. Better wait for something to grow and then sell high before it crashes.

Because you're so new, you have no way of knowing when the ups and downs will come. This puts you at high risk if you invest based on what everybody else is doing.

Also, watch out for the "this time it's different" trap. This is when people think that because crypto is so unique, the old patterns won't apply. But this doesn't mean you should throw common sense out the window.

To fix all of this, diversify your investments. Also, watch out for how the market and your particular asset react to world events. If you know that what you've put your money in will go up or down in certain economic conditions, you can know when it's time to get out before bad turns to worse.

CryptoassetsReview

Ah yes, another great book about cryptocurrencies! *Cryptoassets* isn't the first book I've summarized on this topic, but it's got to be one of my favorites. Give it a read, and I'm certain you'll like it too!

Who would I recommend the Cryptoassets summary to?

The 61-year-old who's skeptical about crypto but wants to start investing in it. The 19-year-old that would like to diversify their portfolio, and anybody that wants to be prepared for the revolutionary future of money.