



**GQX Capital: Why Invest in Cryptocurrency?**

# Why Crypto? US Dollar is Losing Value



- ALL world governments have been printing money at an astonishing rate because of COVID. TRILLIONS of new dollars have been injected into the world economies for “stimulus”
- When more money is printed, the value of existing dollars **(YOUR SAVINGS)** decreases because more money is now competing to buy the same goods. Bread goes from \$1 to \$1.25 a loaf. See the housing market prices in the last year?
- Inflation = the devaluation of the paper currency due to money printing. **Your money is becoming worth less**
- Inflation is currently the highest it's been in 30 years

# Strategy -> Hedge Against Inflation



- Smart investors protect themselves from inflation. **They move their money out of the dollar and into assets that will appreciate**
- Traditionally, they move their money into stocks, bonds, silver, & gold. However, the stock market is being inflated by the “free money” everyone is getting, so the stock market may correct (go down) in a major way.
- Silver & gold are where investors put their money in times of high inflation. The dollar value goes down, and it takes more dollars to buy an ounce of gold. Gold price goes up. This protects your money. **Gold more than doubled during the Great Recession from 2008 to 2011.**

# Crypto is “Modern” Gold & Silver



- Gold & silver are still wise investments. They have been money for all of history, and diversity is smart. However, there are a few drawbacks to physical metals.
- One drawback is that you need to hold them in a safe. A large safe for large amounts of money. This introduces the risk of burglary and could require security measures based on your level of comfort.
- A second drawback is you can't directly spend gold & silver without selling them for cash first. **They aren't a good medium of exchange.**

# Crypto Benefits



- Cryptocurrencies are digital, so no big safe is needed. Crypto coins (aka “tokens”) can be held in online wallets or even better, “hard wallets” which are offline devices which are the size of USB drives.
- Gold & silver hold value because they are scarce. **Cryptocurrencies are becoming valuable because of their “digital scarcity”**
- For most cryptocurrencies (like Stellar), there is a certain number of coins in existence. **No more will be created at any point. This makes them anti-inflationary. They can’t be “printed” like our current paper money.**

## Crypto Benefits, cont'd



- Many retailers and businesses are starting to accept cryptocurrencies for payments. More will follow (Stellar!). Now you have an appreciating medium of exchange that is easily stored.
- Crypto technologies will also change the world, just as the internet did. Decentralized Finance (DeFi) and Smart Contracts will change how the financial world works.
- Would you like to invest your money into mutual funds but not pay big fees to investment companies? DeFi allows you to do that.

- Would you like to loan your money out to earn interest but don't want to pay bank fees? DeFi allows you to do that.
- Many more benefits of the technologies that come with cryptos will be in another training.

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