

PENSION MANIFIESTO

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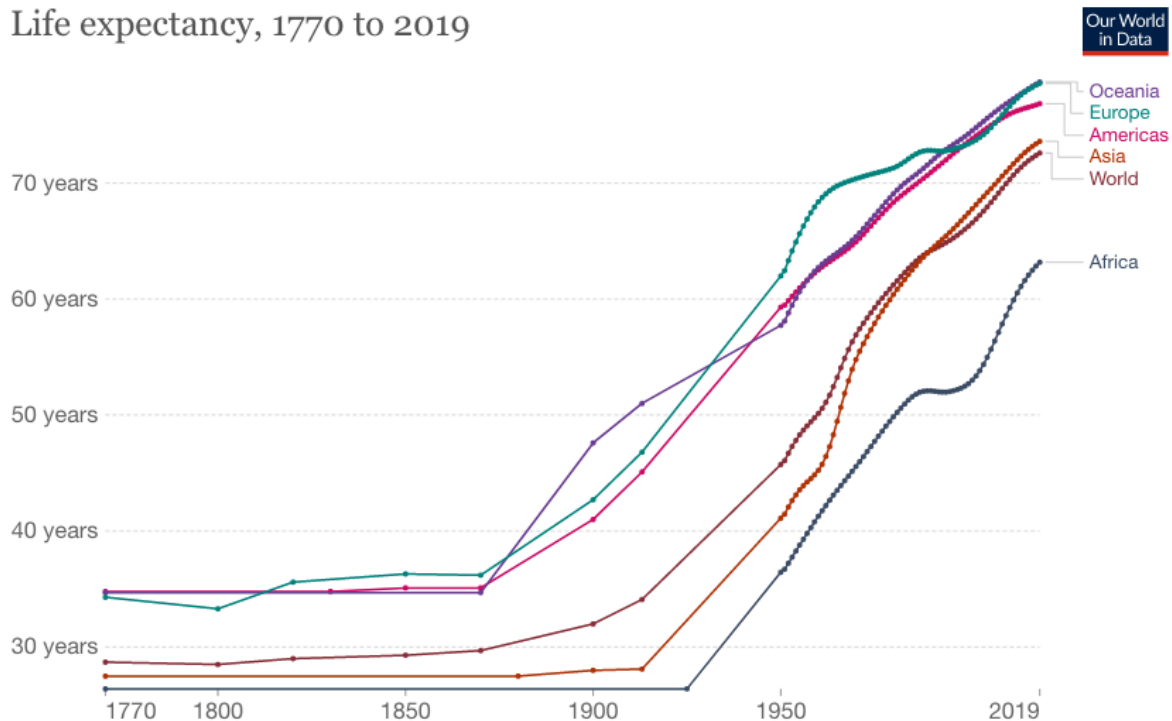
Disclaimer:

This is my attempt to propose a simple yet elegant solution to a very big, complex and growing social and economical problem that I have studied for over 10 years, in a few pages so bare with me. It is a draft, so it is subject to considerable changes or updates in the future. I'd love to hear your thoughts and feedback at hinicocapital@gmail.com. Also it is a public document so feel free to distribute it. I hope you enjoy reading it as much as I enjoyed writing it.

The Old Time Bomb

Pension systems haven't existed forever. People used to work until they died. It was at around 1900s, thanks to developments in technology and science, that global life expectancy increased exponentially, creating the need for a system to take care financially of older people.

Life expectancy, 1770 to 2019



Source: Riley (2005), Clio Infra (2015), and UN Population Division (2019)

OurWorldInData.org/life-expectancy · CC BY

Note: Shown is period life expectancy at birth, the average number of years a newborn would live if the pattern of mortality in the given year were to stay the same throughout its life.

Since then, basically 2 very different types of systems have been formed and widespread around the world, one public, the other private. However, they are both under tough constraints and I will try to explain you why that is the case.

Context: Understanding the pension problem

Since the earliest of times humans have had a profound desire to feel safe and protected from uncertainty.

Currently, there's more than 1 billion people aged 60 or more in the world. By the year 2050, its projected to double to 2.1 billion.

Back in 2019, a **global pension deficit** of US\$15 trillion dollars was estimated only in the top 20 largest economies in the world. We now have some reasons to believe it is much more.

Brief history of pension systems

We cannot possibly attempt to solve this problem without understanding how we got here in the first place. What systems do we currently have and what are some of their main features ?

Pension system 1.0: Public pension system

Pension systems haven't existed forever. In fact we could say that it is a relatively recent phenomenon. Before they were not necessary, people did not live to be old and depended mainly on the family for their sustenance.



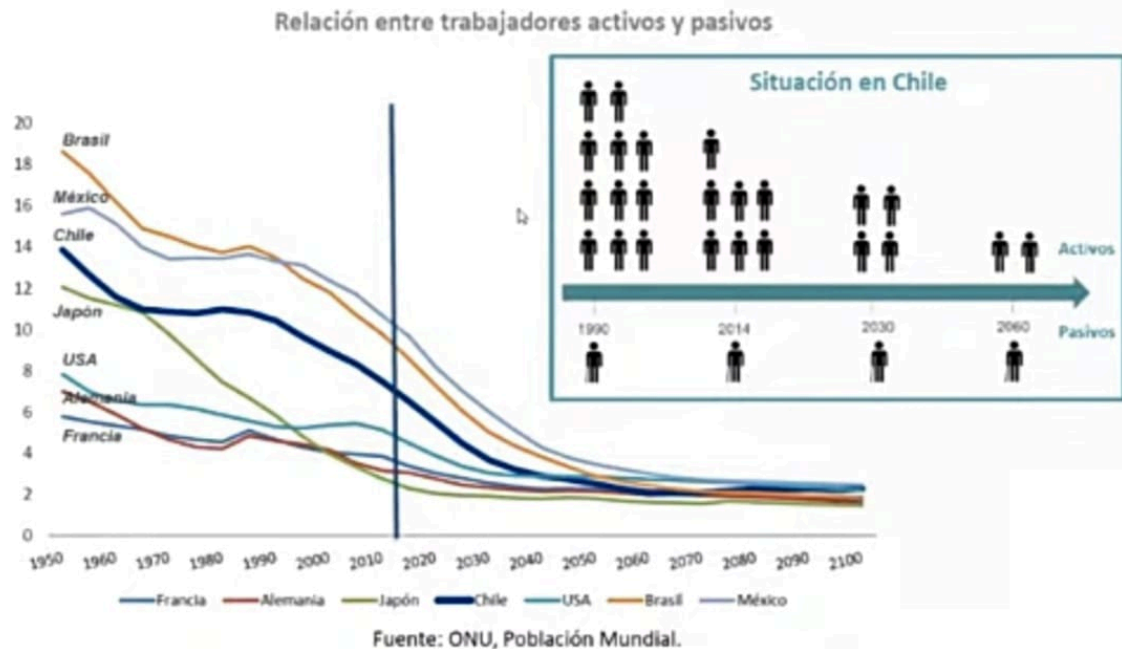
It was less than 150 years ago, in **1889** when [Otto von Bismarck](#), German Chancellor, decided to implement a series of social reforms, including creating the first pension system to provide an income to German soldiers incapable of working once they turned 65 (the age he was precisely at that time).

This pay-as-you-go system consisted of current workers having to contribute a % of their salary to pay the pensions of current retirees.

This system was quite popular, and it expanded into all major countries in Europe and around the world.

In order for this system to work correctly, the ratio between the number of current workers per retiree (from now on w-to-r) is the key. If this ratio is high (> 8 workers per retiree) it works well on its own, it is financially sustainable. However if you have few workers and many retirees (< 8), it stops working and requires enormous state spending to finance it (spending financed by taxes).

That said, this system worked extraordinarily well since around 1908 the w/r ratio was 22. By 2018 it is 3 and decreasing.



This graph shows the chilean case.

In fact, it is estimated in Latin America that the ratio between active and passive workers will fall 55% by 2050.

Many countries have had agonizing fates under this system. Perhaps the most recognized is Greece, known as the oldest country in Europe, which provided generous benefits, which led to its collapse with a pension debt that exceeded 9 times GDP.

Spain, France and Italy are other cases where contributions are currently made for around 30% of the salary and yet +15% of GDP is spent on paying pensions.

US Social Security funds are expected to run out by 2032.

Chile had a pay-as-you-go system until 1980, where contributions were 25% of the salary, with different retirement ages depending on the compensation fund you were in.

In addition, as it began to be defunded, they began to put obstacles in place to be able to access the pension, such as having contributed for at least 15 years, a condition that only 40% of retirees currently meet. If you did not meet the requirements, not only did you not receive a pension but you lost everything you contributed.

Not only the solvency issues arise with this system but also questions about transparency, mis management of funds also, and there's plenty of examples of this around the world.

Summary of features from this system:

TRANSPARENT	
PROFITABLE	
INHERITANCE	
CENTRALIZATION	
GOVERNANCE/VOTE	
PROPERTY/INEXPROPIABLE	
VOLUNTARY	
FAIR/PROFIT DISTRIBUTION	
SIMPLE/USER FRIENDLY	

So this type of pension system is doomed. Is this the only option we've got ?

System 2.0: Private pension systems

As public systems started to collapse around the world, requiring increasing public spending to fund them, countries began to adopt private pension systems.

In Chile, most notably, minister of labor in 1980s, Jose Piñera realized the need to make a radical pension reform.

Furthermore, the \$\$ contributed by the workers would be their property, inheritable in the event of death and invested 100% in the capital market to finance the growth and development of companies.

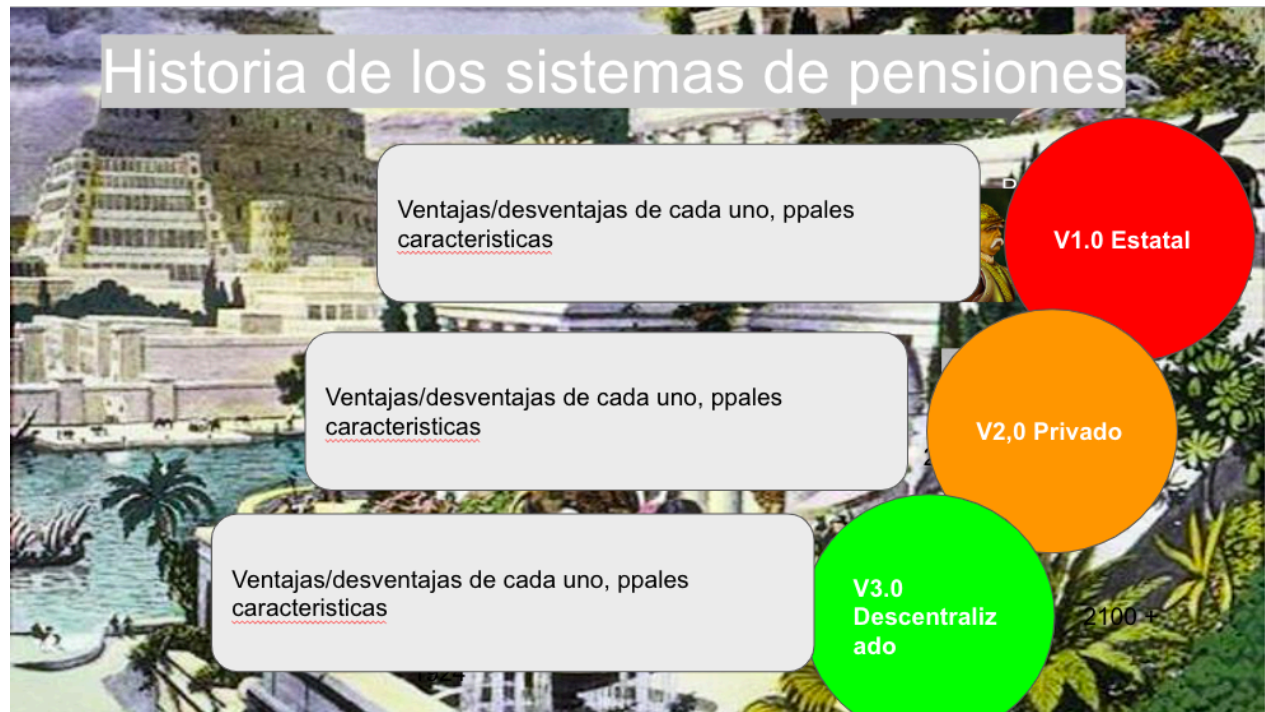
The flow of this capital to these companies caused growth and development in Chile never seen before, often called the “economic miracle”, going from being the poorest country to the richest in the region.

EXTRA: Some alternative solutions that have been developed

So by this point you might come to agree with me that pensions are a big problem. So has no one noticed this and has tried to do something about it ? Well, yes, a few people have:

Go through some alternatives which have been developed;

- Tontines by Mishev
- Selfies by Robert Merton, prize Nobel
- Tokenized funds; Indexcoop, Arch Finance



Our solution

Our solution aims to solve this multi-variable, complex, big & growing problem with a simple yet elegant solution.

First problem to overcome with regards with pensions is our strong and natural bias to think in the immediate short term instead of into the future.

How do traditional systems solve this ?

By making automatic enrolment, mandatory pension systems.

However, we believe this is not the right approach. We believe in a free world where you cannot force people into a system by law and punishment, but rather by making it so attractive that people desire to participate thoughtfully and voluntarily.

→ This is an immediate pension system.

You just deposit the required funds through our platform. These funds are managed in a safe wallet. We invest it and we proceed to make the required number of payments in USDC.

You can view on “Your Profile” section the number of payments that you’ve received and the number of payments you have yet to receive.

In the “Stats” section you can see generic statistics from our platform; such as; TCL (Total Capital Locked), number of users that we have, successful rate of payment, etc.

The coolest part about all this is the tokenomics;

Traditionally, insurance companies keep the excess return they make on deposited funds as profit.

We, in the contrary share this excess return to our users.

Theres a few ways in which we can do that;

- Token buyouts. This is a token gated product, which means in order to participate in this system you must be a holder of \$CAPITAL token first. Why ? Because we want you to have stake in our product and our success.
- Dividend payouts
- Extra pensions paid. Example. Lets assume we agreed to pay you \$3000 USDC for 10 years. But actually, since our returns where that much higher than the fixed rate of return we offered you, we can now pay you 6 extra months of pension.

Given that this is an early stage product we are still determining at which profit sharing mechanism works best. You might even be able to chose which one you prefer. For now, my personal preference is the token one, as it seems the most straightforward way to align incentives and share value.

Pensions should not be managed by the State, nor should companies be over-regulated by the State. Autonomous entities. Liberalization of the pension market. Anyone can compete. Governance. That people can propose and vote on ideas. Your voice is heard not like the current system, where you are just a number and no one listens to you. You have no chance to raise anything.

Participating in a pension system should be 100% voluntary: no one forces you to participate here. Obligation is something that goes against people's free will. We believe 100% in the freedom of people to choose whether to participate in a system or not.

Transparency: The system must be 100% transparent, you must be able to see 24/7, 365 days a year where the funds are invested. In addition to having open communication channels, system administrators can request any information related to it easily and quickly.

This system is global. No matter where you are your \$CAPITAL is with you. We will offer a pension in USD. This is particularly useful for people living in countries that either do not have a pension system, or their system is at risk of expropriation or is not sustainable. It is also useful for people who travel a lot or are planning to retire in a country other than their country of origin.

This system is 100% inextropritable. Using blockchain technology we guarantee that your \$\$ is yours, and in fact the only person who has access to your capital is you, not us. (This is known as non-custodial).

It is flexible. This is a system that adapts to YOUR needs and not yours to his. You will decide when you retire and with what amount, it is not what the system imposes on you.

This system is simple. One of the big problems with pension systems is that they are too complex, making it difficult for people to adopt them, thus discouraging savings.

Fair. Here people are also owners and participants of a part of the administrator's property, thus generating an alignment of incentives and a close relationship with it.

Profitable. In Chile, pension funds earned a lot at the beginning of the system and not so much at the end. This is because at the beginning they mainly invested in startups, which were being created and growing. Here the funds will be invested 100% in emerging assets with a great long-term upside. Nothing in state bonds or fixed income.



WHAT TYPE OF SYSTEM WE CANT TO CREATE

The System We Beleive in.

Closed systems are destined to be replaced by open, transparent systems.

We believe that your pension depends on you and only you. Not from someone else.

We believe in a transparent system

You decide when to retire

You decide where to retire

You decide who to share your \$\$ with

You decide in what currency you receive it

Where the \$\$ is invested

Who manages it

In a free, simple system, where different actors can compete and that we can all understand.

In a global system. That accompanies you wherever you go.

In a system that works for us, and we don't work for the system.

In a system where I am the owner of my destiny, without fine print and only with big numbers.

In a system where we can all retire happily.

Where my \$\$ is not mine

Where the \$\$ does not rent

Where the \$\$ is stolen by politicians or businessmen

Where there is no freedom of choice

Where there is no trust

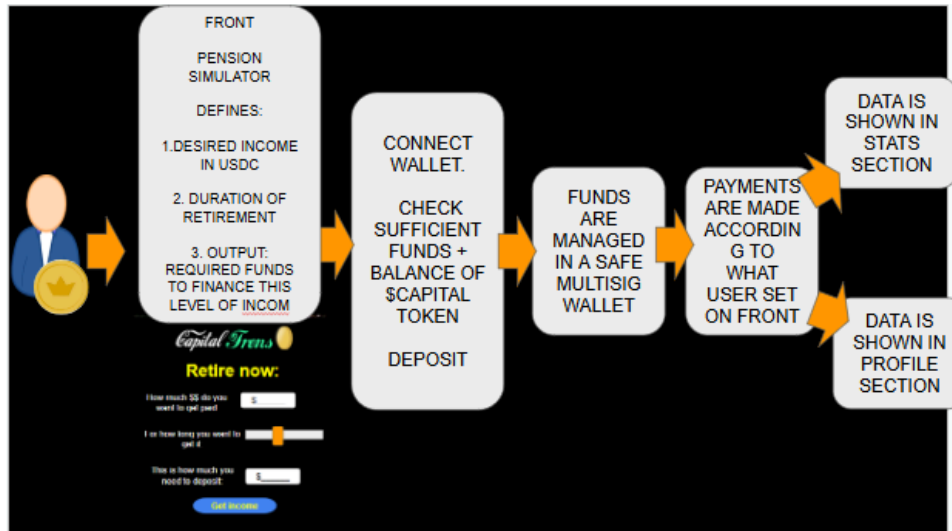
where there is no love

We do not believe in a monopolistic system, controlled by the State, bureaucratic, slow, corrupt, not very transparent and expensive.

We believe so. And you? 👍👎

From the south to the world 🚀

Protocol Architecture



Functions:

- Simulation
- Deposit
- Management
- Pension payment
- Stats

Requirements for deposit to approve:

- Sufficient funds in the accepted currency.
- Holding \$CAPITAL token. Balance of \$CAPITAL \geq 1.

Currencies accepted:

- USDC
- ETHEREUM

Currencies paid:

- USDC

How it works:

Define the income you want

Determine for how long you want to receive it

We calculate how much you would need to have to get this type of income

Connect your wallet, deposit and start receiving your income as soon as next month.

We take care of all the rest. We manage your \$\$ to secure this income for you, and the excess returns we make we

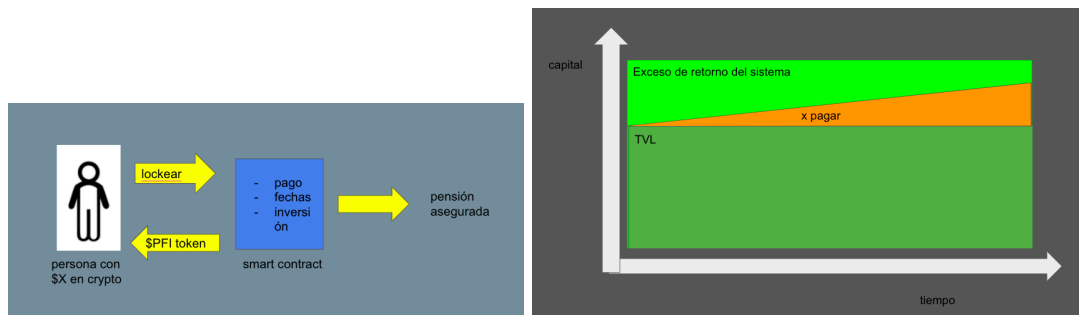
FRONT LOOK

Future features (ROADMAP)

- Showcase last simulations
- Gamify, betting.
- Score system
- Leaderboard
- Agent, tag and simulate on social.
- Inheritance
- Bio pension; a pension depending on your own life expectancy.

Benefits of holding \$CAPITAL token:

- You can participate in our system and get fixed income. In other words, if you do not have \$CAPITAL token you cannot participate of our system.
- \$CAPITAL is a governance token. If you hold \$CAPITAL you can vote and propose new products.
- You are eligible for dividends from both the fees and the excess capital made from TVL.



Stats

De nuestro sistema:

- En tiempo real
- Público, cualquier persona puede acceder, independiente de si es holder o no
- Stats premium; para reguladores o administradores (instituciones) previsionales
- # de simulaciones realizadas,
- TVL
- Holders

Investment thesis

We invest in small teams with great ideas. Early stage, > High conviction, número de holdings: 10-30. Only liquid Tokens for now. No stock Global, no geographical bias. We will not just invest or only invest in LATAM region because we are from LATAM, no.

We invest 100% in digital assets (tokens) Since we have a long-time horizon, we look for high-risk, high return endeavours.

Sectors: finance (DeFI, RWA), health (longevity, bio-hacking), social media (apps, online communities, network states)

We invest in Apps that solve problems for real people, not layer 1s, layer 2s or infrastructure.

Holdings size: We look to invest in early stage, high potential projects.

Max mkt cap: US\$1b, Min: US\$1m.

Number of holdings: High conviction, low number of holdings, know what we invest in. Around 10-20.

Geography: All around the world. No particular region or country.
Decentralized.

Multi-chain, but focus on Base ecosystem. DAO

Sectors of interest; DeFi, Bio, Space, Defense.

Sectors with the biggest upside.

Smart contracts

<https://sepolia.basescan.org/address/0x12123d469941B880331472DF74b8C9414EC17499>

<https://sepolia.basescan.org/address/0x05105fa9611F7A23ce7008f19Bcc384a24921FE6>

Conclusion

We believe pension systems are a key cornerstone of the economy and we cannot leave it out if we want to empower more freedom in the world.

From the South to the North

Welcome, to the Pension revolution.

Welcome, to Pension Fi

Acknowledgements

Please check our free public pension library here for more info:

<https://www.pensionfi.com/biblioteca>

https://www3.weforum.org/docs/WEF_White_Paper_We_Will_Live_to_100.pdf

<https://arxiv.org/pdf/2502.13742>

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