doesn't account for central bank bailouts like we've seen in 2008, 2020, and 2023. All things considered, 10% is a low estimate for the expected annual decrease in purchasing power in the US. Unless yields on 10-year bonds are going to exceed 10%, the buyer is wasting their money. It would make sense that BlackRock, a significant buyer of US bonds, had reason to worry that they could no longer fulfill their fiduciary duty to their clients if they recommended that they buy bonds that didn't meet minimum thresholds of value. Maybe they just wanted to stop paying attention to bond markets entirely. Whatever it was, the worldview formed prior to the calamity that took place with their UK pension clients in September of 2022.

Everybody Needs a "Risk-Free Asset"

Let's pause here and take an inventory on how the investment world works. Managers determine the investment objectives of their clients based on a number of factors that are ingrained into every CFA Charterholder, MBA, or anyone who wants to work on the "buy side" of money management. They buy assets for their clients according to a framework determined by a body of literature called "Modern Portfolio Theory" (MPT), which was developed by a lineage of economists at the University of Chicago. We take this tour of MPT here because BlackRock is one of the largest asset managers in the world and MPT underpins all of their investment decisions, and if we're to understand how bitcoin might work as