

BlackRock to feel as though they failed their clients. Quite possibly, many of them were telling Larry Fink this directly. But if you put yourself in their shoes, you know it isn't so straightforward to just yank out the support beam of the entire investment world. What would you even begin to replace it with? Is there a "risk-free" asset out there that everybody overlooked? That would be inexcusable given the carnage caused by rate increases in 2022. If there is no risk-free asset, then what does that say of the continued practice of MPT for portfolio construction? As difficult as it might be to replace bonds with something less risky, it's monumentally more difficult to replace the entire framework underpinning the system. I presume, therefore, that BlackRock decided it was time to find an asset less risky than bonds, and they would figure out how to jam it into the current system while trying to also minimize the damage.

## **Bitcoin to the Rescue?**

It would seem very strange at this point of the book to suggest that the answer to BlackRock's prayers is the very "Magic Internet Money" that the CEO is on record disparaging to a concerning degree. While I would suggest this, that's not the way this story is going. I'm writing this from the perspective that I already know that BlackRock came to this conclusion. Larry Fink has been on CNBC dozens upon dozens of times, referring to bitcoin as a safe haven and a destination for a flight to quality.