

the factors that show that the business can run its basic operations profitably and to understand how profitable they are without all of the adjustments, FASB allows companies to show a different set of books that show strictly the operating performance of the company. The operating performance excludes all of the charges and credits associated with past actions, like acquisitions, and focuses only on run-rate activity. These would be the things that happen every quarter, like sales, compensation expense, overhead, and regular costs.

What does this have to do with bitcoin? A company that holds bitcoin in its treasury has a significant optionality advantage over one that does not. They can hold it and let it accumulate gains that investors will view as extraordinary and not an inherent quality of their business. Alternatively, they can deploy that treasury by regularly selling a portion of it into rising markets and getting their accountants to include those gains in their operating revenue. How would it work? A company can assume a forward-looking return of bitcoin as an actuarial assumption. A reasonable assumption would be 30% or 40% a year. I can already see the accountants and actuaries seething with anger in their Patagonia fleece vests, but I'm here to tell you, as an actuary with 30 years of experience in setting assumptions, as well as no skin in this game, that it is a reasonable assumption, and it holds up historically. To appease the accountants, you can use the 1,000-day moving average. In order for a company to be allowed to assume they can support their operations with bitcoin gains, they will have to have a clearly defined