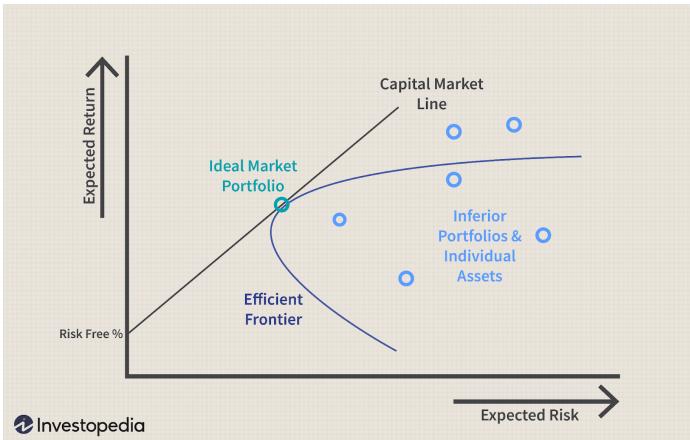


extremely intuitive. Anyone can relate to a first principles approach to investment by starting with the option that achieves one's objectives without taking any risk. It is this underpinning of the worldwide structure of investing that was devastated in 2022 because those “risk-free” assets performed horribly. The world came to the realization that there does not exist a risk-free asset, and at the same time, they would grapple with the question of where bitcoin belongs in an investment portfolio.



*Fig. 5 - Illustration of Efficient Frontier and Capital Market Line, <https://www.investopedia.com/terms/c/capm.asp>*

## **Bonds Aren't as “Risk-Free” as Everybody Thought**

Now that we understand that the structural underpinning of virtually every investment portfolio in the world is the idea of a risk-free asset and high-quality government bonds