



Thoughts on Canada Day

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I'm a proud Dominican-Canadian. I love both countries and I'm particularly grateful for the opportunity to learn, work, and teach in Canada. This country has given a meaning to my life that I had no right to expect, and that no one can now take from me. My gratitude is magnified when I look at three passions that have guided my time here: the longing for coding & mathematics, the pursuit of data & technology, and the exploration of traditional & digital investing. These passions, like great winds, have blown me hither and thither, in a wayward course, over a deep ocean of knowledge, and always reaching deep inside within me...

I first sought traditional assets, because they bring together two things I love: **stocks** and **bonds**. I am from the Dominican Republic, where baseball is loved deeply, and I do think that capital markets and baseball share a great deal in common. Equity research analysts are our baseball scouts, asking us to trust their narratives when picking stocks. CEOs at companies are our baseball managers, flaunting their industry experience and asking us to trust their gut feeling and instincts, when it comes to capital structure decisions. But like

Billy Beane in the movie Moneyball, **I trust numbers far more** than either analyst stories or managerial instincts, and it is for that reason that we started **OneSixtyTwo**.

I sought the bond market next, because debt is neither poison, as some detractors claim it to be, nor nectar, as its biggest promoters claim. It is a source of capital that comes with fixed commitments and the risk of default, **good for some companies** and **bad for others**. And when it does create value, it is because the tax code has tilted towards it. It is true that some companies and investors, especially those playing the leverage game in the pre-COVID economy, overestimated its benefits and underestimated its costs, and they are now learning this lesson the hard way. It is also true that other companies and investors like me, in the name of prudence, think that less debt is always better than more debt, and no debt is optimal. We too are leaving money on the table, by being too conservative. A little of this, but not much, I have learned.

With equal passion I have sought **digital assets**. This space is moving SO fast, increasingly towards **full staking validation**, which allows us to earn tokens by participating actively in the blockchain protocol and voting on which blocks are valid. Crypto tokens, and the blockchain protocols that power them, are beautiful applications of cryptography (hence the name “cryptocurrency”), a math field that I have always been very fascinated by. It is only in the mysterious application of cryptography, in Elliptic curves, that I have seen the vision of digital assets that visionaries can imagine for its promise. I have sought crypto, finally, because it relieves us from the Faustian bargain of money printing and debt accumulation -- that terrible fiat currency regime where one shivering consciousness looks over the rim of the world into cold, unfathomable abyss. I believe that digital assets will follow an adoption curve similar to that of the internet and will eventually transform financial services forever.

These are what, at last, I have found worth pursuing and investing in, and would gladly continue working on these areas with the same reason that made Antonio Stradivari create violins .

Happy Canada Day!

Sincerely,

Nico