

Hello Everyone,

This introduction has nothing to do with the subject of today's missive.

This video link below is entitled, "**War In Front of Me. Peace Behind Me.**" It is a Chinese Recruiting/Propaganda Military Video. Yikes.

The timing of the video's recent release is also worthy of note. Trade wars---and territorial disputes over Taiwan and the South China Sea---are certainly coming to the fore.

This is the kind of thing most Americans don't see in the daily news. I hope you find it mind-expanding. Also, the missive isn't bad either!

Signed, Your We-Often-Don't-Get-The-News-We-Should Financial Advisor,

Greg

PS Sorry, there are no subtitles, but you'll figure it out. The video only last about 2-3 minutes

<https://www.youtube.com/embed/ONYgD7GVMKA>

Preview YouTube video China's I



KKOB 08.13.2018 Dollars vs. Bitcoin vs. Gold

Eric: So, Greg, on Friday we talked about Bitcoin and then transitioned

into discussing the very nature of money itself. Anyway, I took some notes and you said, “good money” has certain qualities. It should be portable, divisible, and consistent in weight and purity. You also said, it should be durable, a store of value, & readily accepted. How’s that?

Greg: Impressive. You take good notes. The problem is achieving all those criteria is something mankind has struggled with for centuries. We’ve tried camels, goats, furs, gold, silver, paper, sea-shells, and now even magnetic strips on credit cards as money. Plus, today we have crypto-currencies entering the arena.

Eric: I hadn’t thought of it like that.

Anyway, on Friday, you said we could do a comparison between dollars and Bitcoins using the “good money” standard. And, just for fun, could we add gold to the comparison?

Greg: Uh, sure...why not? So, let’s start with portable and divisible. So, Eric, are dollars, Bitcoins, and gold portable and divisible?

Eric: I think so. We can carry dollars in our wallets. Bitcoins can travel in our computers and cell phones. And, you can put gold in your pocket.

Greg: Agreed. And, all three are also divisible. With each you can make change. So, the next question is...are dollars, Bitcoin, and gold consistent in weight and purity?

Eric: That’s tougher. You can print dollars out of thin air and you can debase gold by mixing it with other metals. And, we know, Bitcoins have been counterfeited and stolen electronically. So, all three have consistency flaws....or, at least, the purity can be compromised.

Greg: I agree. This is an old issue. Human beings are very adept at stealing money by attacking its integrity. 3000 years ago, the God of the Bible warned this would haunt us. But, moving on...are dollars, bits, and gold durable? Do they last?

Eric: Dollars probably not. They tear, fade and are debased. Bitcoin? We don’t know. I guess they last until the Internet goes down, or until there’s a hack, or a solar flare. Gold? It lasts. I know, you can drop gold to the bottom of the ocean and pull it up 500 years later, and it’s the same. So, gold is the most durable.

Greg: OK. Are dollars, Bitcoins, and gold recognizable and accepted by

the public?

Eric: Certainly, dollars are. Everyone knows dollars---and they are accepted everywhere. Gold? I guess if you have Krugerrands, or American Eagle coins, some people would recognize them, but they wouldn't be accepted to buy gas. And Bitcoin? Bitcoins just exist as digits on the Internet. They aren't broadly recognized or accepted yet. So, dollars win there.

So, Greg, to close this out, let me ask you the last one...do you see any of them as a store of value?

Greg: Well, there is a yes, a maybe, and a no to that answer. Gold has been accepted as wealth for 5000 years. Of course, the dollar-price of gold changes, but that's because the dollar moves. So, yes, 5000 years says gold maintains value. Next...Bitcoin. Technically, it should store value. There are a fixed number of them. If Bitcoin ever finds a daily utility, then the real products and services offered via Bitcoin should give it an intrinsic value. So, Bitcoin is a maybe. Finally, are dollars a store of value? Not a chance. The politicians and bankers make sure of that by printing at will.

Eric: So, there you have it. Each seems to have its benefits and warts. Do you think we could you unite all three and come up with something closer to perfection?

Greg: Probably. And, I believe others are thinking this way.

In the meantime, though, let's deal with current reality.

Today, dollars are the money of choice. Thus, if you recognize the dollar's strengths and weaknesses, I believe you'll see a powerful investment opportunity coming your way. That opportunity involves prepping for inflation. And, with that, I am out of time.

So, thanks Eric, that was fun.

Eric: I thought so, too. How do people reach you?

Greg: They can call me at 508-5550, or go to my website at zanettifinancial.com.

By accepting this material, you acknowledge, understand and accept the following:

This material has been prepared at your request by Zanetti Financial, LLC. This material is subject to change without notice. This document is for information and illustrative purposes only. It is not, and should not, be regarded as “investment advice” or as a “recommendation” regarding a course of action, including without limitation as those terms are used in any applicable law or regulation. This information is provided with the understanding that with respect to the material provided herein (i) Zanetti Financial, LLC is not acting in a fiduciary or advisory capacity under any contract with you, or any applicable law or regulation, (ii) that you will make your own independent decision with respect to any course of action in connection herewith, as to whether such course of action is appropriate or proper based on your own judgment and your specific circumstances and objectives, (iii) that you are capable of understanding and assessing the merits of a course of action and evaluating investment risks independently, and (iv) to the extent you are acting with respect to an ERISA plan, you are deemed to represent to Zanetti Financial, LLC that you qualify and shall be treated as an independent fiduciary for purposes of applicable regulation. Zanetti Financial, LLC does not purport to and does not, in any fashion, provide tax, accounting, actuarial, recordkeeping, legal, broker/dealer or any related services. You should consult your advisors with respect to these areas and the material presented herein. You may not rely on the material contained herein. Zanetti Financial, LLC shall not have any liability for any damages of any kind whatsoever relating to this material. No part of this document may be reproduced in any manner, in whole or in part, without the written permission of Zanetti Financial, LLC except for your internal use. This material is being provided to you at no cost and any fees paid by you to Zanetti Financial, LLC are solely for the provision of investment management services pursuant to a written agreement. All of the foregoing statements apply regardless of (i) whether you now currently or may in the future become a client of Zanetti Financial, LLC and (ii) the terms contained in any applicable investment management agreement or similar contract between you and Zanetti Financial, LLC.

