

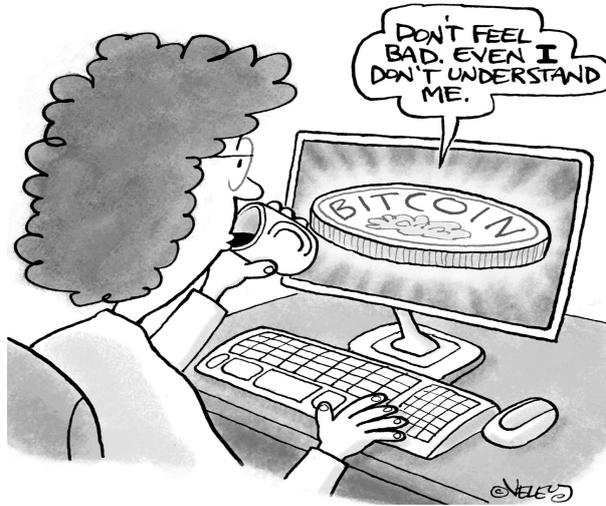


MVAM  
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# MVAM Newsletter

'Mining for Bitcoin?'

February 2021



An IT professional is badgering Newport Council to go digging in the municipal dump. Why? Because he threw an old laptop in his bin only to remember he had hundreds of Bitcoins stored on it. Currently the council are refusing access to the landfill site potentially depriving the poor man of his reportedly £200m haul. They had better start posting security guards.

Avid newsletter readers may well remember we wrote about Bitcoin just three short years ago. We said the price of Bitcoin was ridiculous and that it served no positive purpose for the world. The Emperor has no clothes we claimed. Well, we looked good on that as the price of Bitcoin plummeted. However, we are looking more like chumps than champs now. When we wrote about it in December 2017 the price was close to \$20,000 a bitcoin. It did not go above that level again until 8 short weeks ago, now its touching \$50,000!!

Just a recap for the more sensible amongst us who have little knowledge of Bitcoin. Bitcoin is not really a coin, it is just a software code, a string of numbers. You can make a Bitcoin. Bitcoin 'mining' is the marketing speak. There are just over 18 million in circulation and the way the code works means the total number can never exceed 21 million.

That 'scarcity' seems to be what drives people to pay \$50,000 for a string of numbers. Bitcoins recent massive rise in value has been driven by prominent City investment institutions and owner of Tesla, Elon Musk, who for their own reasons have publicised their recent Bitcoin purchases. Perhaps Tesla will print the code on the side of their cars to sell it for a higher price?? The Canton of Zug will, from February 2021, accept Bitcoin as payment of taxes. Bonkers?

So where does MVAM stand on all this now. Slightly perplexed if we are honest. We do believe that currencies alternative to state backed currencies can provide benefits in certain circumstances. We wrote just months ago of the mayor of Worgl in Austria whose currency reduced unemployment and saw the town renewed. Bitcoin however has few of the positive attributes of Worgl's currency. It is a currency designed for greed rather than largesse. The construction of the software is such that it becomes harder and harder to make each new Bitcoin. Three years ago the mining of Bitcoin was using the same amount of electricity as used by the whole of Ireland. Today it is equivalent to that used by the Czech Republic a country with a population more than twice that of Ireland!!

If governments around the world continue to legitimise Bitcoin its price may well rise further. In a world that seems to know the price of everything and the value of nothing, we should perhaps be hardly surprised. But even investing is never just about the money. For the world to change for the better values need to be attached to investing. MVAM tries hard to stay true to our values. We will not invest in Bitcoin. Tesla so renowned for their green electric cars and the City institutions so eager to push their 'green' funds to investors while boasting of Bitcoin purchases seem to have lost theirs.

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