FOREWORD BY MICHAEL SAYLOR

THE LITTLE BOOK OF BITCOIN

What You Need to Know that Wall Street Has Already Figured Out

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SkyBridge Capital

THE LITTLE BOOK OF BITCOIN

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Foreword

In the 20th century, the global financial system was built on familiar assets—real estate, stocks, and bonds—all functioning within legacy systems designed for a world that moved at the pace of telephone wires and trading floors. Wealth was managed through a network of trusted intermediaries: governments, banks, and corporations that assured the safe custody and growth of capital. Yet, the twenty-first century brings with it new expectations—a world where speed, intelligence, and resilience are paramount, and where the younger generation seeks a financial system as dynamic as the technology that defines their lives.

Capital is the lifeblood of this economic engine—a force that drives innovation, growth, and prosperity. In its quest for optimal allocation, capital must flow seamlessly among investors, corporations, money managers, and entrepreneurs. While many assets can store capital, only a select few possess the qualities—liquidity, durability, divisibility, portability, and fungibility—that elevate them to the status of money.

In the nineteenth century, gold was the cornerstone of this system. It was the ultimate store of value, revered for its scarcity and stability. However, as the twentieth century unfolded, it became clear that gold, despite its merits, could not keep pace with an increasingly interconnected and fast-moving global economy. The world needed a more agile and responsive form of money, leading to the adoption of the U.S. dollar as the global reserve currency, backed by U.S. Treasury Bills rather than gold.

Gold, while stable, is inherently inflationary—its supply increases by approximately 2% per year. This gradual dilution of value forces holders to seek productive investments that yield returns sufficient to outpace inflation. For decades, the dollar, linked to gold and later free-floating, promised a similar stability with greater utility in a growing global economy. But with the end of the Bretton Woods system in 1971, the world entered an era of fiat currency, where the dollar's value was no longer tethered to a physical asset.

Central banks and economists aimed to manage this new system by controlling inflation, targeting an annual rate of 2%—a synthetic attempt to mimic the slow and steady inflation of gold. However, this approach proved far more complex in practice. Inflation is difficult to measure accurately and even harder to control. The metrics used—CPI, PPI, PCE—are imperfect and frequently revised, making comparisons across time unreliable. In reality, since the abandonment of the gold standard, the U.S. dollar has experienced inflation rates ranging from 7–10% annually, with weaker currencies suffering even more.

For families, corporations, and governments capitalized in these currencies, the long-term erosion of value is staggering. A currency with 7% inflation loses nearly all its purchasing power over a century. In economies with higher inflation, this loss occurs within a single generation. Investors understand that holding cash or government debt is a losing strategy, yet many corporations and institutions are constrained by regulations and traditions that limit their options, resulting in a consistent erosion of real returns.

For those in the developing world, the challenges are even greater. Entrepreneurs and institutions must navigate unstable currencies, unreliable banking systems, and political risks that can wipe out savings overnight. The traditional financial system, with its cumbersome processes and limited accessibility, is ill-suited to meet the needs of a world that operates at the speed of the internet.

This is where Bitcoin enters the scene—a technology born from the recognition that the twenty-first century demands a new form of money, one that is not just faster and smarter but fundamentally stronger. When Satoshi Nakamoto introduced Bitcoin, he did more than create a digital currency; he reimagined the very concept of money. By enabling the transfer and custody of assets without the need for trusted intermediaries, Bitcoin established itself as the first true digital commodity—an asset that exists purely in cyberspace, untethered from the physical and political constraints of the traditional financial system.

Bitcoin's breakthrough lies in its deflationary nature—a fixed supply of 21 million coins ensures that it is immune to the inflationary pressures that plague fiat currencies and even gold. This design elevates Bitcoin from a mere digital asset to a revolutionary form of money, one that conserves economic energy across both space and time. Unlike any other asset in history, Bitcoin offers the possibility of perpetual value preservation.

Imagine moving vast sums of money across the globe in seconds, or storing wealth that can last not just for decades but for centuries. Bitcoin's decentralized network operates continuously, enabling seamless, instant transactions between any two entities, anywhere in the world. It is not just a new form of money; it is a new financial infrastructure—one that is open to all, resilient against censorship, and capable of powering an economy that operates at the speed of light.

But perhaps the most profound impact of Bitcoin is its ability to preserve value over time. Traditional assets degrade;

their economic life is limited by inflation, depreciation, and mismanagement. In contrast, Bitcoin's maintenance costs are minuscule, making it the first asset with the potential for economic immortality. As a primary treasury reserve asset, Bitcoin can extend the life span of corporations, institutions, and even governments, ensuring that wealth is preserved and protected for future generations.

With Bitcoin, humanity has taken a monumental step forward—from slow, sound metallic money to fast, weak financial money, to the dawn of a stronger, faster, and smarter digital money. We are entering the era of sound money once again, but this time, it is built for the digital age.

The future is not just bright—it is transformative.

—Michael Saylor, CEO MicroStrategy

About the Foreword Author

When Michael Saylor wasn't seeing into the future, he was dreaming of it.

The son of a career Air Force officer, Saylor moved around a lot as he grew up on various military bases. He was always fascinated by aeronautics and the promise of what the future held. Like many children of that era, Saylor wanted to be an astronaut or fighter pilot, or perhaps even a rock star. When not directly pursuing those goals, he'd spend hours exploring the worlds created by science-fiction greats Arthur C. Clark and Isaac Asimov. The stories may have been fantastical, but there was a real message in all of them: technology can make tomorrow possible.

A standout student, Saylor scored 1540 out of a possible 1600 on his SAT and enrolled at MIT, where he double majored in aeronautics and science. To pay for college, Saylor joined the Air Force Reserve Officer Training Corps. It was a dream come true. After all, this was during the time of *Top Gun* when nothing was more glamorous than flying an F-16. One could argue that is still the case. A mistaken medical diagnosis prevented him from fulfilling that dream, and when budget cuts sent him into the reserves, Saylor found himself jobless. But the setback sent him on a new trajectory, one that would take him to even greater heights: entrepreneur.

Through a friend, Saylor found a job in software working for DuPont. He immediately impressed, and before long, at the age of 24, the company gave him office space and funds to start his new business: MicroStrategy. It would be the last place he would ever work. It would also go on to make him a billionaire many times over. Saylor recognized early just how powerful software could be in helping companies become leaner and more efficient at using information and data to make business decisions.

I first met Saylor over Zoom during the pandemic, well after he had established himself as a voice of authority in the Bitcoin community. The fabulous Peter Briger, a Fortress partner and a Bitcoin OG, introduced us. In advance of our meeting, I read his 2012 book, *The Mobile Wave*, and immediately proceeded to flog myself for not reading it earlier. I would've made a fortune. In it, Saylor laid out why Facebook, Amazon, Apple, and Google were going to decimate the world. You see, Saylor understood what differentiated a Palm Pilot from an Apple iPhone, why Facebook was different from Myspace. In his view, those companies allowed software to jump from a computer to a handset, or as he described it, from a solid state to a vapor one. Software would no longer exist on a computer; it would follow us, sleep with and always surround us. In his view, these tech giants weren't even companies – they were networks. Networks for retail (Amazon), networks for social outlets (Facebook, now Meta), networks for information (Google, now Alphabet). They were vehicles that dematerialized products and services. Instead of a physical map, you could have a virtual one that could not only offer you directions but also give you the latest traffic info. Goodbye Thomas Guide, goodbye shadow traffic reporter on the radio. Now, with an iPhone, you could snap photos of yourself and instantly send it to a friend, with comments! Goodbye cameras. Goodbye film. Goodbye postcards.

These companies were going to destroy or change every industry they touched. And they were going to make a fortune doing so. With Apple, Facebook, and Google trading at all-year highs in the early 2010s and every investor screaming "bubble," Saylor ignored the prices of these behemoths and instead focused on the factors that were driving them. He proceeded to buy $50 million worth of those stocks. He turned it into $500 million.

The move netted him a small fortune, but it did something else, it awakened a simple investment principle that would guide him, and it was this: if you want to make money, find a dominant digital network and invest in it, and then invest in it some more. Eventually, all the doubters, all the haters, all the people who mocked it and didn't understand the technology, who applied traditional metrics to a never-before-seen asset, those same people would have to come around, because not owning those networks would be tantamount to shorting the market.

But Saylor's success was not without regrets, albeit high-quality ones. He regretted not buying more, and he regretted ever selling. Most investors would be thrilled with making 10 times their money. And to be fair, Saylor was. But what bothered him most was that in his gut he knew these companies were more than just stocks. They were change agents. They represented physical shares in progress, in the future he always held dear. So, to Saylor, selling, or not buying more, didn't represent a prudent financial decision. In some ways it was the opposite. He let price, not promise, determine his actions.

He had another regret as well.

While the investment was a personal success, his company didn't participate, and that missed opportunity left a lasting impression on him. He made a promise to himself.

If ever there were a transformative technology to come around again, he wouldn't simply buy a position and write a book about it. No, he would never make that mistake again. Instead, he would buy it personally and corporately and then tweet about it religiously.

Bitcoin would be that second chance.

He initially wasn't a big supporter of Bitcoin; in fact, he was very skeptical of it in the early days. But once he did come around, he realized the future of value was staring him right in the face, something that even his science-fiction heroes could never have imagined, and he would go all in, more so than he had with Apple and Amazon a decade ago. Bitcoin displayed many of the same traits as those companies. It was disruptive. It dematerialized entrenched industries. It was universally doubted and mocked by many. And it was going higher. But this time, he wouldn't just buy it personally; he would extend MicroStrategy's treasury and add Bitcoin to the company's balance sheet and, in doing so, make the boldest statement yet about where he thought this new asset class was going.

And again, he was right.

I've had the privilege to get to know Michael both professionally and personally. I'm proud to call him a colleague, but I'm prouder to call him a friend. Michael has a gifted mind. It doesn't work like ours. My brain is a Mercedes.

His is a Bugatti. He sees things that others don't and can explain them in simple terms that others can't. He's been a terrific ambassador to the Coin. He's been a trusted source of wisdom for me. He's a genius, and I don't use that term lightly. I cannot thank him enough for guiding me through this new and exciting world. And I could not be happier to include him in this book.