

April 2021

Elixir News



CREATING INCOME FOR EVERYDAY PEOPLE BY USING TECHNOLOGY
TO HARVEST VOLATILITY.





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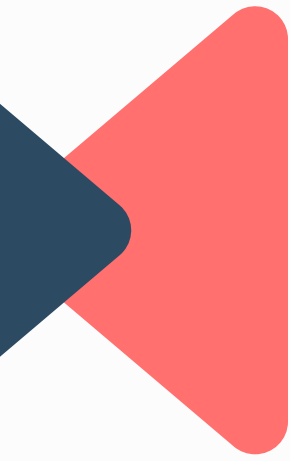
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Hi, everyone.

I trust you are all enjoying the spring-like weather across the country. At Elixir, we have been having a busy month. We have been focused on recruiting for our technology development, preparing year-end financial results and communication and preparing for many topics to be discussed at our next board meeting.

For our shareholders, our next board meeting is on May 18th, and at this time, we will be setting the dates for the annual meeting. After we have developed the date, we will promptly send out a yearly package for your review. If you need to update any of your contact information, please reach out to Andrea directly at andrea@elixiroftechnology.com.

You will note some changes in our current newsletter. Eventually, we are going to upgrade our newsletter to be in more of a digital format. As a hobby in my spare time, I enjoy learning along with the kids about new technologies. Madison, our youngest daughter, is only nine and has her own YouTube channel. This has inspired me to learn about video creation to try to impress the kids. Instead of my usual article about an economic commentary, I share a video I have made instead of a newsletter article. The video presentation gives an overview of the history of the growth of the national debt in Canada. After considering the history, I share some observations and conclusions regarding taxes and risks that Canadian may want to consider. I appreciate any feedback you have regarding video compared to written content.



[Here is the video;](#) it takes about ten minutes to watch

For the rest of the newsletter, I wanted to share an example of how speculative the capital markets have become. You may think I sound like a broken record, but my articles will continue until the capital markets and real estate bubble pops.

Like each month, I have a new supply of shocking examples to share. Since last month I have had several excellent examples of speculation that I could have written an article about. Here is a couple I considered elaborating on:

1 – The value of the Cryptocurrency Dogecoin fell 29.5% during Elon Musk's [May 8th, 2021](#) Saturday Night Live debut. It was noted that the price fell by almost a third because Elon Musk referred to it as "his hustle." So in review, the value of an asset falls by nearly a third of its value on a Saturday night because of an attempt to be funny?



2 – Then there was the New Jersey Deli with \$35,000 of revenue valued at \$100 million in the Stock Market. Take a look at the picture of the place to see what you get for \$100 million. It is interesting to note that the place is only a lease for \$100 million, and you don't get the building.



But the one I chose to elaborate on is Bitclout. This takes the top for me as the most speculative and abstract financial concept I have ever witnessed in my life or from studying history. First, let me explain some facts about Bitclout:



Bitclout has only started this spring and has already had over \$225 Million invested in its trading platform. You can trade and take ownership of people's reputations. It is promoted as being a more effective way of investing in people's reputations. The website (or exchange) explains this: "Your favourite creator has a coin you can buy and sell. The price goes up as more people buy"!

Does that make sense yet? If you are still confused, let me give you an example. Remember, in the old days; you could invest in their company if you like an entrepreneur. For example, let's say you like Elon Musk; you could buy Tesla shares as a way of supporting your feelings for him as an entrepreneur. That was so last decade; in 2020, you could instead buy Dogecoin, which goes up and down based on his comments. Now in 2021, you can instead invest in Elon Musk's direct social media. If he says something brilliant, the price goes way up; if he says something silly, the price goes down.

To buy a piece of Elon Musk's, you have to buy first a Bitclout. You provide the founder of Bitclout real money, and they give you a Bitclout to invest in one of 15,000 social media personas. But you can only buy Bitclout; you can't sell it to anyone; there is no market to sell. This is a mechanism by design to make sure it only goes up in value!


Do you think you are pretty famous? Bitclout will help you create your coin and give you 10% of the people that invest in your coin. Even though they only put your picture on the internet and assign your image a digital coin, they still keep 90% of your revenue. Does this make sense yet? At this point of my understanding, I was still shaking my head, shocked, laughing, and almost sad. But I will provide another example of how this works.

Here is a picture of my neighbour's Toyota 4-Runner.



My neighbour's Toyota 4-Runner

It is a nice truck. Now, I want to sell you an image of his 4-Runner. To be clear, I do not own this 4-Runner, I have not asked permission to take the picture, and indeed you have no right to drive or even reproduce the image of the 4-Runner. To purchase the image of the 4-Runner, I will issue you a non-fungible token. A non-fungible token can be issued for anything, including things you don't own, like the picture of my neighbour's 4-Runner or the social media reputation of Elon Musk. Now, the value of the image of my neighbour's 4-Runner will go up in value because there is a limited number of non- fungible tokens. So, make sure you buy this quickly as the price is going up.



I know at this point you think I am joking and making this all up, but this is real. People are investing and trading millions of dollars on these items. [The New York Times](#) has a technology writer named Kevin Roose's who, as a joke, wrote an article in the New York Times and offered to sell a digital image of his article in the form of a non-fungible token. He reminded everyone that there were no rights or value to his article, but it would include a voice-over greeting from his co-worker. He set the opening bid at \$800, and to his amazement, it would be sold for over [\\$560,000](#). He was in complete shock and agreed to donate the money to charity.



Kevin Roose, Writer at the New York Times

So why am I sharing this story about Bitclout? At the current time, it appears that all levels of objective investing, reasonableness, historical understandings have entirely given way to a casino of speculation in most asset classes from Stocks to Real Estate to even the price of Lumber.

How does this affect Elixir? This is a very challenging period as there is minimal opportunity to make new purchases outside US bonds and US dollars. It is also a tough market to short as it is very little up and down volatility, and it is unknown how high prices can go. Shorting in this market can lead to unlimited losses. But we keep studying and working to adjust our algorithms to help us navigate this current landscape.