MANWARD*letter*

Volume 5, December 2021

# The Promise – and Riches – Inside the Unbreakable Spirit of Capitalism

## Plus... This Tiny 10X Stock Could Blow Amazon Away

Dear Reader,

There's a new flat tax in effect in America.

It wasn't passed by Congress. The president never signed off on it. And yet it's taking 5% or more out of every paycheck, every savings account and even every real estate deal.

I said it would happen.

Here's what I wrote in January for our annual "big prediction" issue.

> *Within the next 12 months, our political leaders will stand before us and warn that we all must "share the burden."*
>
> *It will come in the form of a flat tax... a tax that not a single politician will vote for. It will give them the perfect out... the ideal excuse to lie to you and say, "We didn't create this mess, but we all must dig our way out."*

I was talking about inflation, of course. And, boy, has the idea come to life. In October, consumer prices rose at the fastest clip in 30 years.

It's proof that there is nothing free in life. Oh sure, Washington spent much of 2020 and even part of this year cutting checks to anybody with a heartbeat (and even to some without). But now we're all paying it back.

That $700 check the president put his name on last year doesn't mean much when the monthly grocery bill goes up by $200... the electric bill surges by $100... and, in general, it takes an extra $5,000 each year just to get by.

As I said in the January issue, "Prices will rise, wages will stagnate, and taxes and fees will dominate the headlines."

They sure are.

But I also said something else. Something that deserves to be said again... and again... and again.

### Our Way Out

It was the conclusion of the whole idea:

> *My advice... Own stocks. Own lots of them. They're the best way to ensure your standard of living does not get crushed by the odd times ahead.*

**Andy Snyder** is the founder of Manward Press, the nation's premier source of unfiltered, unorthodox views on money. An American author, investor and serial entrepreneur, Andy cut his teeth at an esteemed financial firm with nearly $100 billion in assets under management.

Known for his outspoken market commentary, Andy's been a keynote speaker and panelist at events all over the world, from four-star ballrooms to Senate hearing rooms.

Today, Andy's dissident thoughts on wealth and investing can be found exclusively in *Manward Financial Digest*, as well as in the pages of *Manward Letter*. He also helms the award-winning investment advisory services *Alpha Money Flow* and *Venture Fortunes*.

## Inside...

When we published the issue, the S&P 500 was at 3,800. These days, it's closer to 4,700... nearly 25% higher in less than a year.

You can thank the developments I just mentioned. Rising inflation is almost always good news for the stock market. But while the broad indexes are surging higher, many individual stocks are doing even better.

Just look at our portfolio.

But don't overlook crypto. Please don't overlook it.

Bitcoin and its altcoin brethren are having a tremendous year thanks to all that money printing and the inflationary pressure it stirs.

Don't forget... the No. 1 play in our model portfolio right now is a crypto.

We're up 150% on our stake in **Monero** (XMR).

Again, the folks who followed the allocation strategy I outlined for our Modern Asset Portfolio had a very good year.

Many folks scoffed when I said that deeply negative real yields pointed to an oversized allocation to crypto.

But the folks who followed my instructions and put 10% of their portfolio toward digital currency just had a record-shattering year.

I hope that was you.

I'll have another "big prediction" issue for you next month.

## The Free Market Solution

Right now, we must turn our focus to the words ahead.

I'm biased, but they're spectacular this month... especially the candid thoughts on capitalism and its many merits. Joel Salatin, Alpesh Patel and I answer some unique questions on the topic with some equally unique thoughts and ideas.

In my eyes, it all ties together.

**Inflation... crypto... record-breaking stock market gains... They all are tied to the unbreakable spirit of capitalism.**

Imagine if the free markets couldn't maneuver around the sticky topic of inflation. Imagine if individual fear and greed were manipulated by the force of government. And imagine if consumers weren't able to put their money in the place it would be treated best... even if that place were new and speculative.

It'd be hell. We'd all be in trouble.

But, instead, the free market and its capitalistic ways offer a counterbalance to the heavy-handedness of our elected and, too often, unelected keepers.

Sure, it's quite clear that Jay Powell and his team at the Federal Reserve have kept rates too low for too long. And, yes, it's equally obvious that they printed too much money and papered over too much debt.

We don't have to suffer through it, though. The free market has its own solutions.

Again, just look at our portfolio.

That's what we celebrate this month: the alternatives and the solutions.

## A Big Issue

We'll start with a stock recommendation that is a capitalist's delight.

Its products create a valuable market that offers a win-win solution for everybody involved. It lowers prices while increasing revenue... long a recipe for shareholder wealth.

After that, we dive into the ideas of capitalism and what they mean to our nation and her soul.

And, finally, what so many folks have asked for... we take a unique – yet fun – look at the crypto market and some of the many opportunities it holds right now.

Sure, there's plenty to be worried about. Prices are going up. And the folks in charge seem entirely unworried about the inflationary mess they've created.

That's okay.

The free market has a grand solution.

Keep reading and we'll show it to you.

Be well,

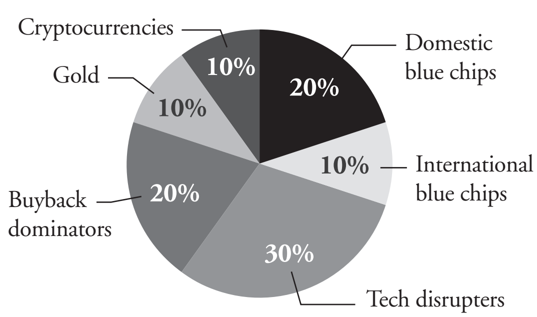
Andy

# 10X and Just Getting Started

## This Small Cap Disrupter Has What It Takes to Be the Next Amazon

As we come to the end of a year that can only be described as powerful, we've put together what is sure to long be one of my favorite issues. And it includes one of my favorite stocks. It has everything our Modern Asset Portfolio demands when real interest rates are this low – sitting just above record lows.

**A Modern Asset Portfolio for Negative Real Interest Rates**




It's a price-slashing tech disrupter. Thanks to internet technology and a simple yet oh-so-powerful platform, this company is lowering prices and creating a competitive edge that traditional sources cannot touch.

It brings buyers and sellers together in a way that was once thought impossible. And it is also, get this, a buyback dominator.

The company's top brass recently launched a $10 million share buyback plan. It creates a form of "ghost" demand that will keep shares buoyant and floating higher. Best of all, it's a company that most folks have never heard of.

### A Problem Solver

**Liquidity Services** (LQDT) is a capitalist's delight. It has created a massive market out of an unserved but highly in-demand niche opportunity.

It allows one group of customers to earn more for what they have. And it allows another group of customers to buy goods and products at prices far lower than traditional markets would allow.

We know the last 18 months have been quite tough on the American economy. Many companies were forced to liquidate and go out of business. But without the aid of a company like Liquidity Services, the problem could have been much worse.

Take a construction firm that we studied while digging into the company. As the COVID-19 crunch hit, its plans to expand into the nation's oil drilling sector fell flat. Suddenly, the firm found itself millions of dollars in debt with no real source of revenue. It had to sell its equipment.

Instead of doing it alone, it called Liquidity Services, whose team went to the construction firm's various sites, looked at the equipment and created a unique plan to sell it.

In the end, it found 10 times the number of assets that could be sold than the troubled company initially recognized. It led to a strong sale and the elimination of nearly $1.8 million in debt.

Thanks to Liquidity Services, the company was able to avoid bankruptcy. Again, it's a capitalist's dream come true – a firm solved a big problem and earned a big profit.

### The Highest Bidder

But it's *how* this liquidation-focused company sells that first caught my eye. As a business owner, I've been a fan of several of its products for many years.

For instance, it owns GovDeals.com... a site where the general public can purchase unused assets from governments of all sizes across the country and even the world.

It's a place where ordinary folks can buy everything from unused boats to large lots of lumber and office supplies.

You can even bid on all the goodies that the TSA confiscates from fliers. But that's just one part of the company's business. It also owns...

- IronDirect, a selling platform for heavy construction equipment
- Machinio, a worldwide search engine for used heavy equipment
- Secondipity, a leader in what it dubs the "reverse supply chain," giving retailers a place to sell their surplus products
- GoIndustry DoveBid, a global outlet for high-end industrial equipment.

And that's just a partial list. In all, the company has offerings that focus on more than 500 product categories. Spend time on any of them, and you'll quickly see why I say the company is such a competitive force and is responsible for falling prices across every industry it touches. It has created a massive venue for discounted goods.

What's most interesting about the business model is that it has also created an economy of its own. Remember, many of the products being sold would either go to the landfill or simply rust away without the sort of outlets created by Liquidity Services.

But because of this platform, there is now a successful business model that hinges on buying discounted goods from one of the company's outlets and then selling them into the discount retail market.

For example, when a customer returns a product to a big-box store, the chances are slim the product will ever be put back on the shelf in that store. Instead, it will likely be sold through one of Liquidity Services' channels to a retailer that focuses on selling such surplus.

It's why most of the company's platforms aim at businesses... not consumers. Again, a capitalist's dream come true.

## Huge Growth Potential

Of course, anytime a company is able to lower prices, create new markets or create entirely new business models, its owners are rewarded handsomely. Two companies with similar disruptive natures quickly come to mind – **Amazon** (AMZN) and **eBay** (EBAY).

I don't have to tell you what they've done for shareholders. Liquidity Services is following in their footsteps. When it IPO'd in 2006, its valuation was a mere $70 million.

Today, it's more than 10 times higher. But I am convinced its fastest and most substantial growth lies just ahead.

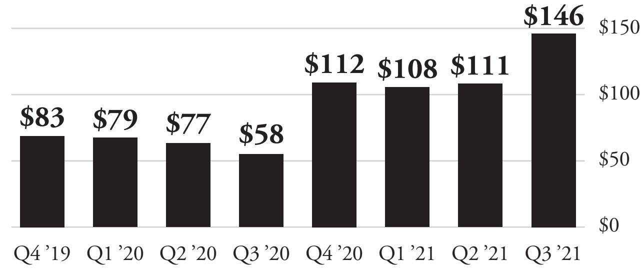
The current economic conditions are perfect for a disrupter like this one.

It's why the company has seen a huge 152% surge in gross merchandise value (or GMV) for its GovDeals business. That means the cash flowing through the business is up 1.5 times over just the last 12 months. The company gets a cut of every dollar that comes through.

Looking at a chart of pre-COVID and post-COVID GMV for the segment, we can see the crisis has created a big boost in sales.

**Cash Flowing Into GovDeals Is Surging**

**Liquidity Services' GMV for GovDeals segment, in millions**




Source: Company reports

In fact, looking at each of the company's main business lines, we see the same trend... steady and increasingly faster growth. But, as I've said so many times, sales growth doesn't mean much to shareholders unless it trickles to the bottom line. In this case, the news is even better.

Comparing the first nine months of this year with the same period of last year, total GMV has surged 50%. The company's cut of those online transactions equates to a 25% surge in revenue (that's $187 million in sales so far this year). But it's the bottom line that's eye-popping.

During the first nine months of last year, the company's profit was nil. It was right at breakeven. So far this year, it's up to $31.5 million, with another strong quarter in the works. The company is now strongly profitable.

## Place Your Bids

If you've followed small cap companies like this one (yes, with a market value of just $900 million, this is a small cap), you know that it's often crossing this profit threshold that sends share price surging.

Once profits are a reality, many of the cash flow, dilution and "going concern" issues go out the window – or, at the very least, take a back seat to widening growth expectations. In other words, where Liquidity Services is right now is where we tend to see a company's strongest, most aggressive growth. We're already seeing it with this one.

In early November, Liquidity Services announced a big acquisition. It bought Bid4Assets, an online platform that governments use to sell real estate. The company already has exposure to the industry, but this move does a couple of big things. First, it removes some stiff competition. And second, it helps to solidify the company's footing in a fractured marketplace.

But acquisitions are not the only growth the company is focused on. It also just announced a major new distribution site in northern Pennsylvania. It will serve as the Northeast's hub for retail and e-commerce clients. It's where those returns and surplus goods will go as they are distributed to their new owners.

Bottom line: While government auctions and heavy equipment sales may not sound like the "great American tale of capitalism," this absolutely is. The company is using 21st-century technology to create new markets without the need to create new products. It's the essence of so many of the deflationary forces that have sent the tech sector soaring over the past decade.

I'm convinced this stock is the next great story. Because it's lowering prices dramatically and using new technology to do it, it deserves a spot in the **Tech Disrupters** allocation of our Modern Asset Portfolio.

**Action to Take:** Buy shares of **Liquidity Services** (Nasdaq: LQDT) at the market's price. We will use our standard 25% trailing stop on the play.

# Four Tough Questions About Capitalism for Three of Its Staunchest Supporters


Amanda Heckman

Lots of folks are debating the value of capitalism these days.

The mainstream press has aimed a bony finger at its supposed shortcomings... while glossing over its powerful merits. The idea has, of course, trickled onto Capitol Hill, where there has never been a more capitalism-weary group of elected officials.

With that idea in mind, I asked each of Manward's contributors for their answers to four important questions on the subject. I knew the answers would be equal parts entertaining and informative. As usual, they did not disappoint.

**Q:** ***Our country owes much to capitalism. Where would America be without it?***

**Andy:** Imagine if the folks on the Mayflower had moved over here then sat around waiting for the folks back home to tell them what to do. Imagine if John Smith hadn't grabbed a crew and gone looking for better opportunities.

America wouldn't be America without capitalism. We were founded on the idea that each of us has a God-given right to pursue whatever we want... for whatever reason we want. So often, that reason is money.

With that freedom, of course, comes a cost. Our forefathers surely knew it. In fact, they lived it. With the right to pursue whatever we want comes that double-edged notion of being on our own.

We can't have the freedom to pursue wealth and still be smothered by the safety blanket of heavy-handed keepers. Our nation was built on the idea. Men and women took great risks in their pursuit of capitalist dreams. America wouldn't exist without capitalism... and it won't exist without it.

**Alpesh:** As a student at university learning about U.S. politics, I read Alexis de Tocqueville's *Democracy in America*. It was clear that America had capitalism in its soul.

The entrepreneurial spirit underpinning the Founding Fathers' search for a better life meant capitalism would be essential.

Neither religion, which they soon separated from the state in their wisdom (though the U.S. is one of the most religious countries in the world based on most metrics), nor communism nor socialism would find any strong root.

Without capitalism, America would not be the world's largest economy and would not be able to project the power she does around the world. Indeed, so imbibed is capitalism in the political culture that you see in the hunt for communists a visceral hate.

The question is not where would America be without capitalism but where would the world be without a capitalist America? Capital drives innovation, so consider no Silicon Valley. The state cannot for long force innovation. It never has for any length of time anywhere in the world.

**Joel:** America would not be the entrepreneurial engine of the world. The dream of return on investment is what drives creativity and persistence. Without an ability to capture economic benefits from decisions, people are reluctant to make decisions. The hardest thing in life is making a decision.

Capitalism rewards people who make decisions. This seems almost too elementary, but the essence of capitalism is the unfettering of decision making from forces that sabotage decisions: political, regulatory, social, religious. Only when a person has the freedom to capitalize on decisions is he willing to risk making decisions.

A society that hampers decision making wallows in its problems and frustrations rather than finding a way out. That is why freedom to choose and capitalism go hand in hand and why less freedom to choose hampers creativity, entrepreneurship and problem-solving. Being able to leverage capital to invest in an idea, unfettered from bureaucratic meddling, is the heart and soul of American ingenuity.

**Q:** ***Capitalism has created trillions of dollars in wealth and helped build better lives for many. What is its biggest success story?***

**Andy:** So far, it's the huge healthcare breakthroughs made by the private sector. But soon it will be the space sector. I can't imagine the cruelty of a government-managed healthcare system. If cancer research, vaccines and all this crazy imaging technology today were left to the same bodies that run NASA, we'd still be using 1950s medicine. I'm convinced of it.

Look at what the private sector has done for space in just the few years NASA has allowed for fair competition. It's huge. There's a reason the world looks to America for its health breakthroughs. It's the world's truest capitalist economy.

**Alpesh:** If I had to name one, it would be innovation as a concept that comes from the drive that the owner of capital has to get a return. The employee, after all, knows he gets paid either way. No, it is capital's owner who demands a return and who needs more sales. Implicit in that is innovation. That necessity of return on capital is the mother of invention. Passionate scientists are nothing without capital's spark to convert imagination into reality and return.

**Joel:** The family farm as conceived by the founders of our republic. Jefferson dreamed of a land peopled by intellectual yeomen. American agriculture dominated the world because in this capitalistic culture, landowners could produce what they wanted, as much as they wanted and when they wanted, then do with it what they wanted and sell it to whom they wanted.

Those freedoms had never really been afforded a culture in history. The full capacity of farmers had never been unleashed in an unregulated, non-tyrannical context. The self-owned, self-financed family farm spawned the Industrial Revolution through Cyrus McCormick's farm blacksmith shop and led to the highly productive farms of today. It tapped reservoirs to bring irrigation water in dry areas and invented processing to speed up kitchen work.

**Q:** ***Socialism – and even communism – is growing in popularity. Why are so many (mostly young) people shunning capitalism?***

**Andy:** They're shunning it because they hate the fear of failing. We've created a generation of uncompetitive folks who would rather succumb to the curse of mediocrity than work hard and sacrifice for the rewards inherent in capitalism.

When I see kids protesting, I see a generation of folks who have benefited immensely from the power of capitalism. They've got cellphones, great healthcare and cars with features we couldn't even imagine two decades ago.

Sure, they could get so much more, but they'd have to risk losing. Losing hurts. So they'd rather rely on a big, stumbling government to provide for their needs and punish the winners. Under the system they lust for, they'd never lose... but they'd certainly never win. It's sad. We'll never know how much this wrongheaded drag on innovation is costing us. But it's a lot. I'm sure of that.

**Alpesh:** Yes, capitalism can have excesses... It creates through wealth the worst excesses in human nature – but not as excessive as national socialism or communism.

Some blame the political system for all ills in society – whether capitalism or democracy. They are misguided. A drop of dirt in the ocean does not make the whole ocean dirty.

Yes, there is disparity in wealth, but what does it matter to you that Jeff Bezos is rich... other than envy? Yes, capitalism has not yet removed poverty, but it remains our best hope – as long as it is a caring capitalism and we recognize that capitalism is not greed.

It is a balanced drive for a better world and environment... not just profit at all costs.

Capitalism has evolved. Business is business for good. Capitalism is gentler, and governments provide boundaries to direct its power. Capitalism is close to God's work – to help uplift all.

Capitalism can find the answers and balance the needs of all.

**Joel:** Because capitalism has no soul and no ethics when viewed through the agricultural system I mentioned.

While capitalism unleashed the family farm's entrepreneurial capacity, it did not offer a balance sheet of the commons.

In this capitalistic race to exploit resources, to turn the commons into cash, it created unprecedented soil erosion, water degradation, nutrient deficiency and a sick population, not to mention animal abuse on a scale never imagined in human history.

Without a moral and ethical framework, capitalism is not inherently better than any other economic or political system.

Spiritual constraints on physical possibilities are what create boundaries on human creativity. Freedom to do what we ought is far different from freedom to do what we want.

A train without tracks may appear free but is in reality catastrophically dysfunctional. This is why no defense of capitalism can be complete without a discussion of ethics and moral responsibilities. Raw, unbounded capitalism has destroyed much. I would say that, without a spiritual dimension, capitalism facilitates degradation of the commons as fast as any other economic system.

**Q:** ***What will capitalism look like in 50 years?***

**Andy:** Capitalism won't change. The idea of folks controlling their own destiny as they pursue their own form of economic happiness won't change. But the orb of power around it will change. We're already seeing it. Capitalism is becoming a foul word... as if the idea of our own pursuit of happiness inherently holds the other guy back.

The best case in 50 years is that all this talk of love and happiness opens people's eyes to realizing that we all want the same thing.

A true capitalist wants his neighbor to be rich. He wants his community to succeed... immensely.

And he wants the poor to thrive on their own. When that happens, we all win. If we do that, capitalism will be a great source of national pride in 50 years.

If we fail to get there and if we fail to educate folks on the promises of truly free markets, the increasingly perverse form of capitalism that we're facing today will continue to be the scapegoat for oh so many failed government policies.

**Alpesh:** It will be even more caring. The trend is clear as humanity learns that profits must protect not just the owner of capital but the workers and the environment too – we are all interconnected.

**Joel:** On our current trajectory, it appears that capitalism will be completely replaced by socialism and general poverty dominated by a handful of elites.

What would be nice to see is a revival of food and farming ethics based on stewardship and healing that steer all capital investments.

Imagine if bankers asked businesspeople what their endeavors would do to the earthworms.

Imagine if doctors asked food processors what their products would do to diabetes, obesity and cancer.

Imagine if consumers asked pharmaceutical and chemical companies what their concoctions would do to salamanders, frogs and pollinators.

Imagine if farmers asked John Deere what their machinery would do to soil and actinomycetes.

These questions provide noble, sacred direction to something called capital. Ultimately, to be successful, a culture must love something besides money.

It must love resilience, renewal and righteousness.

Now it's your turn. How would you answer these questions? Send your responses to **mailbag@manwardpress.com**, and we'll follow up next month with the most thought-provoking answers.

# Capitalism, Religion... and Bitcoin

## How an Old-World Fight Tells Us How High Crypto Will Go

Catholics vs. Protestants...

Capitalists vs. commies...

And now Bitcoin evangelists vs. everybody else...

These are the battles of the ages – the topics that are sure to anger, offend and, if I do my job, make you some money.

I love Alpesh's answers to capitalism in the previous section.

It ties to so much of what we do and exemplifies why my team and I worked so hard to have the "queen's Dealmaker" join us.

As you may know by now, Alpesh has an incredible background. He works with royalty... hobnobs with the world's rich elite (many of his closest friends are billionaires)... and is one of the leading experts on entrepreneurialism.

In fact, he interviews roughly 100 CEOs each year in his pursuit of the best minds in business to bring them deals within the U.K.

The breadth of his knowledge is incredible.

So when it comes to capitalism, the famed Brit knows all the arguments for and against.

But look at the previous section again.

We didn't just ask him about capitalism... We asked him about American capitalism and its effect on American history.

His from-across-the-pond answer did not disappoint. It's worth the ink to print it again:

> *Without capitalism, America would not be the world's largest economy and would not be able to project the power she does around the world. Indeed, so imbibed is capitalism in the political culture that you see in the hunt for communists a visceral hate.*

> *The question is not where would America be without capitalism but where would the world be without a capitalist America? Capital drives innovation, so consider no Silicon Valley. The state cannot for long force innovation. It never has for any length of time anywhere in the world.*

It's a very British – and very accurate – take on things. Surely the queen must look at what her ancestors spawned and admire what it has brought the world.

With that, we take a bit of a turn toward controversy. Some readers may get offended. Talk of religion tends to do that.

## Paying for Our Sins

The religious folks in the crowd may know that it was 504 years ago that Martin Luther famously nailed his 95 Theses to the door of the Castle Church in Wittenberg, Germany.

You could say it started a bit of a revolution. In at least one way, it started the capitalist America that we know today.

Going further out on a limb, we can say it was the same glimmer in Luther's eye that sparkles in the lenses of crypto evangelists today.

The ideas Luther pushed against half a millennium ago are the distant cousin of the ideas today's crypto enthusiasts are fighting to fix.

Stay with me...

To get to that oddball idea, I have to introduce you to a man you've likely never heard of. His name is Johann Tetzel. Many say he was a crook. Others say he was doing God's work.

You see, Tetzel was the grand commissioner for indulgences in Germany. The Catholic Church appointed him to be the fella who would grant forgiveness to sinners... for a price, of course. Biblically, the idea has merit. Sacrifice is a way to show repentance.

In theory, like Washington's love of "sin taxes," it should reduce bad behavior... and lead to a never-ending stream of revenue for the church. But in the case of Tetzel, it led to some sin of his own.

He got good at his job... really good. He raised a lot of money for the church. And in perhaps the ultimate form of salesmanship, he ended up selling full forgiveness for sins not yet committed. It's like selling a warranty for a car you haven't yet bought. Or buying a crypto that mathematically promises to rise in value every single day. (Yes, it exists... and no, you should not own it.)

Tetzel was known for a catchy saying: "As soon as the gold in the casket rings, the rescued soul to heaven springs." Seems like a strong fundraiser.

What penny-pinching mourner wouldn't be convinced to toss in an ounce or two if it meant Ma would be set free from purgatory?

That idea and the scandal that sprang from it was surely on Luther's mind as he penned lines 27 and 28 of his famed 95 Theses:

> *They preach only human doctrines who say that as soon as the money clinks into the money chest, the soul flies out of purgatory.*
>
> *It is certain that when money clinks in the money chest, greed and avarice can be increased; but when the church intercedes, the result is in the hands of God alone.*

## Sparking a Revolution

Lots of things have changed over the past 500 years. But lots of things have stayed the same. For one, we still use money to paper over our sins... especially our financial sins.

Despite rising inflationary pressure, Jay Powell, the statist equivalent of the grand commissioner, says he's still not ready to raise interest rates.

Sure, inflation hurts, but the upside of raising rates on a nation in such dire debt would hurt even more.

In just the past 18 months or so, Powell's Federal Reserve has "clinked" $5 trillion in freshly printed money into the nation's "money chest." Thanks to it, once-sinful souls are flying out of purgatory.

The fiscal and monetary sins of the past are being papered over. Fed Chairs Alan Greenspan, Janet Yellen and Ben Bernanke get their reprieve. Their sins haven't been forgotten... but they've been paid for.

Not everybody agrees with such an idea, though. Some folks are paying attention.

Luther – like so many naysayers today – believed that it wasn't up to man to decide the fate of such actions.

There was a greater force, he said. An ultimate force.

So just as Luther hammered his revolutionary work on the church's door and sparked a great split, we're seeing similar actions today.

## Breaking Apart

I can't help but think that 500 years from now, Bitcoin's original white paper may be worshipped by the monetary crowd with such a revolutionary regard.

Is it the idea that opened eyes to traditions gone awry?

Alpesh has it right about capitalism in America. It's what drives innovation. It's what pushes new ideas forward. And who knows what the world would look like if we weren't the leaders in it all.

As I study what's going on in the crypto market right now, I can't help but see the ties that bind all of this together.

A great revolution in technology is underway. The factions are splitting.

Just look around – it's American capitalism that's driving it forward.

Crypto is coming to life. Our great companies and their visionary leaders are making it happen.

Elon Musk... Mark Cuban... Michael Saylor... and even some folks deep inside D.C.

They know the system of yore has gotten dirty and corrupt. They're pushing for something new... something that is held accountable for its sins.

History tells us we are in for a fight of the ages. But things are looking quite swell for crypto.

As Alpesh says, the state cannot force innovation.

Only capitalism can.

## Crypto Update: Capitalism at Its Finest

We've written and reported on a slew of cryptos in recent months. The action has treated us well.

**Monero** (XMR) has now been in our portfolio for more than a year. And folks who bravely followed my advice to get in have had a spectacular go of things. The token continues to hover around a price that for us is a roughly 150% gain. While I'm happy with the action, I do want to see some more upward price movement. If the privacy-focused coin doesn't break out of its range in the next month or two, I'll likely recommend selling it and replacing it with a coin with stronger appreciation potential.

We've certainly got several other plays showing huge profit opportunities ahead.

**Yearn Finance** (YFI) continues to get attention from the press. It's seen some bullish activity recently as it has expanded onto the Fantom network, giving it multichain access. In perhaps even better news, Matt West, one of the leading developers behind Yearn, has announced he is running for Congress. As the first official DeFi-literate candidate, he may give crypto naysayers like Elizabeth Warren a run for their money.

**Cardano** (ADA) continues to grow at a rapid pace. It was back in May that the token's backers were celebrating the 1 million-wallet benchmark. Well, last month, it hit 2 million wallets. The folks behind the Ethereum competitor continue to scale up to meet the surging demand.

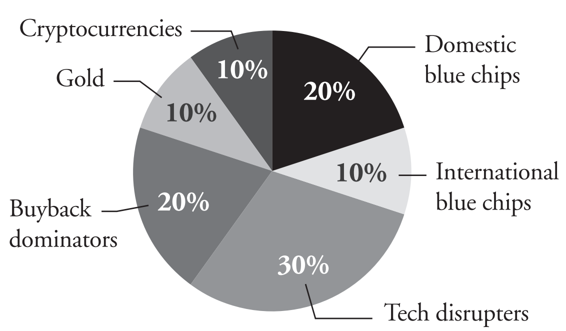
The story is similar for **Internet Computer** (ICP). Its latest expansion comes thanks to a new partnership with United Esports. The two are launching a blockchain-based gaming program. Called Achievement Unblocked, the program's aim is to bring new gaming developers to the platform. All told, more than $4 million will be handed out in prizes. It could be a big boost for the still-new platform.

It's as I've been saying... This crypto game hasn't even started yet. As these starts jockey for position, there's big money on the line. We're watching capitalism work at its finest level. ■

## Modern Asset Portfolio — Negative Real Interest Rates

| Company/Symbol | Rec. Date | Rec. Price | Curr. Price | Rating | Trailing Stop | Total Gains | Category |
|---|---|---|---|---|---|---|---|
| ABB (NYSE: ABB) | May-21 | $32.42 | $35.10 | Buy | $28.49 | 8.27% | Buyback Dominators |
| CME Group (Nasdaq: CME) | Jun-20 | $178.90 | $225.66 | Buy | $170.01 | 30.47% | Domestic Blue Chips |
| CSX Corp. (Nasdaq: CSX) | Mar-21 | $30.60 | $35.15 | Buy | $27.18 | 15.48% | Buyback Dominators and Domestic Blue Chips |
| EastGroup Properties (NYSE: EGP) | Nov-21 | $198.92 | $204.04 | Buy | $154.40 | 2.57% | Tech Disrupters |
| Fiserv (Nasdaq: FISV) | Sep-20 | $99.85 | $102.11 | Buy | $94.91 | 2.26% | Tech Disrupters |
| Gartner (NYSE: IT) | Jun-21 | $233.70 | $332.62 | Buy | $254.77 | 42.33% | Buyback Dominators and Domestic Blue Chips |
| Hercules Capital (NYSE: HTGC) | Sep-21 | $16.61 | $17.07 | Buy | $13.25 | 5.18% | Domestic Blue Chips |
| KBR (NYSE: KBR) | Apr-20 | $21.45 | $45.57 | Buy | $34.18 | 115.38% | Domestic Blue Chips |
| Kearny Financial (Nasdaq: KRNY) | Aug-21 | $12.06 | $13.37 | Buy | $10.27 | 12.60% | Buyback Dominators |
| **Liquidity Services (Nasdaq: LQDT)** | **Dec-21** | **New** | **New** | **Buy** | **25% TS** | **New** | **Tech Disrupters** |
| Monero (XMR) | Oct-20 | $95.52 | $241.53 | Buy | None | 152.86% | Cryptos |
| Qiagen (NYSE: QGEN) | Apr-21 | $49.78 | $55.57 | Buy | $42.62 | 11.63% | International Blue Chips |
| Sandstorm Gold (NYSE: SAND) | Oct-21 | $5.47 | $6.86 | Buy | $5.27 | 25.41% | Gold |
| Physical Gold | | | | | | | Gold |

## MAP Allocation — Negative Real Interest Rates




### Interest Rate Monitor

| This Month | Last Month |
|---|---|
| **-1.10%** | **-0.96%** |

10-Year Real Interest Rate

**Last Update: 11/17/21. Gains include dividends.**

## Further Reading

"The Untapped Potential of Reverse Logistics," *SupplyChainBrain*: https://www.supplychainbrain.com/blogs/1-think-tank/post/30151-the-untapped-potential-of-reverse-logistics

"Today's Youth Reject Capitalism, but What Do They Want to Replace It?" *The Conversation*: https://theconversation.com/todays-youth-reject-capitalism-but-what-do-they-want-to-replace-it-94247

*Democracy in America*, Alexis de Tocqueville.

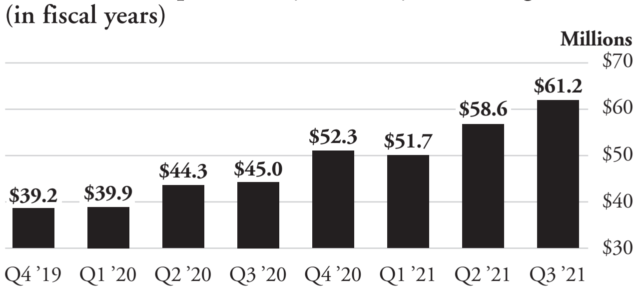
"The Future of Cryptocurrency: 5 Experts' Predictions After a 'Breakthrough' 2021," NextAdvisor: https://time.com/nextadvisor/investing/cryptocurrency/future-of-cryptocurrency

"Politicians Across the World Advocate for Bitcoin as the Benefits Become Obvious," *Bitcoin Magazine*: https://bitcoinmagazine.com/business/politicians-across-world-advocate-for-bitcoin

## Appendix

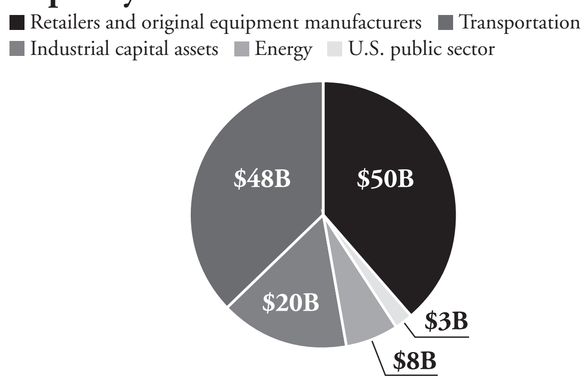
### Liquidity Services: Reverse Supply Chain Driving Long-Term Growth

**19 consecutive quarters of year-over-year GMV growth (in fiscal years)**




Source: Company reports

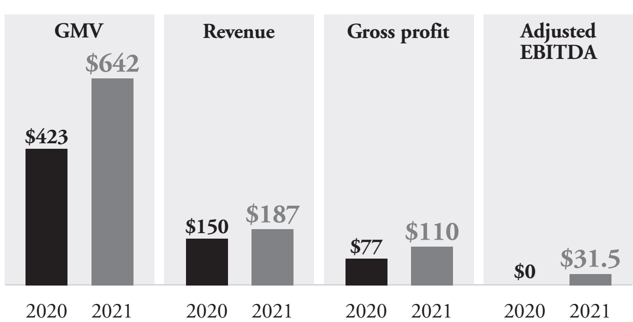
### Liquidity Services' Total Addressable Market




Source: Company reports

### Liquidity Services' Q3 Fiscal 2021 Results

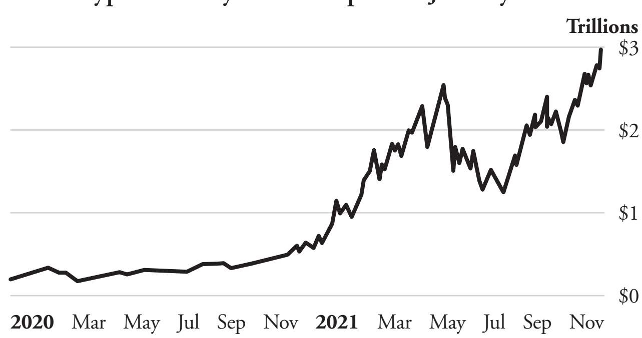
**Nine months ended June 30, in millions**




Source: Company reports

### Andy's $3T Crypto Prediction Comes True

**Total cryptocurrency market cap since January 2020**




Source: CoinMarketCap