Twitter Thread by Meltem Demirors

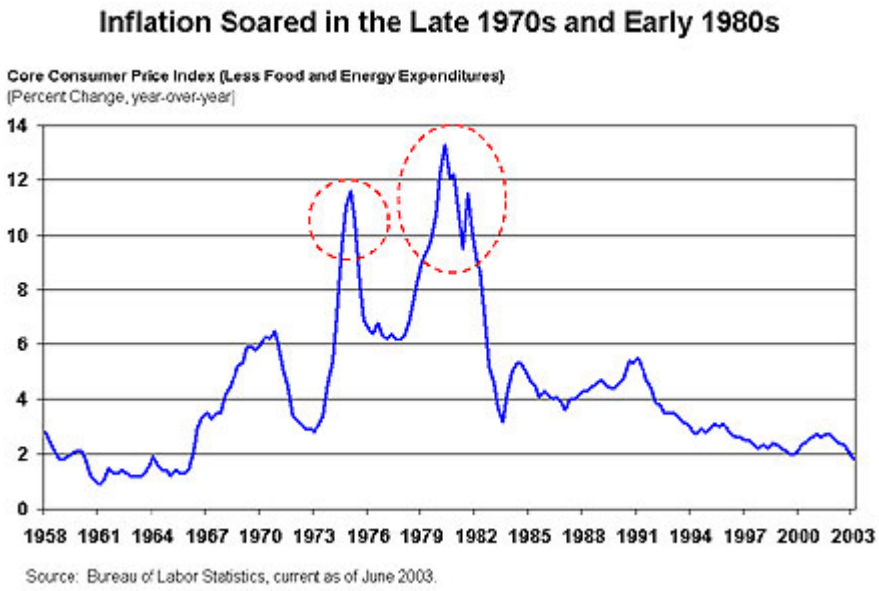


Meltem Demirors
@Melt_Dem

1/ @Square buys $50M of #Bitcoin w/ its balance sheet ■

let's untangle what corporate treasurers do and why this matters...

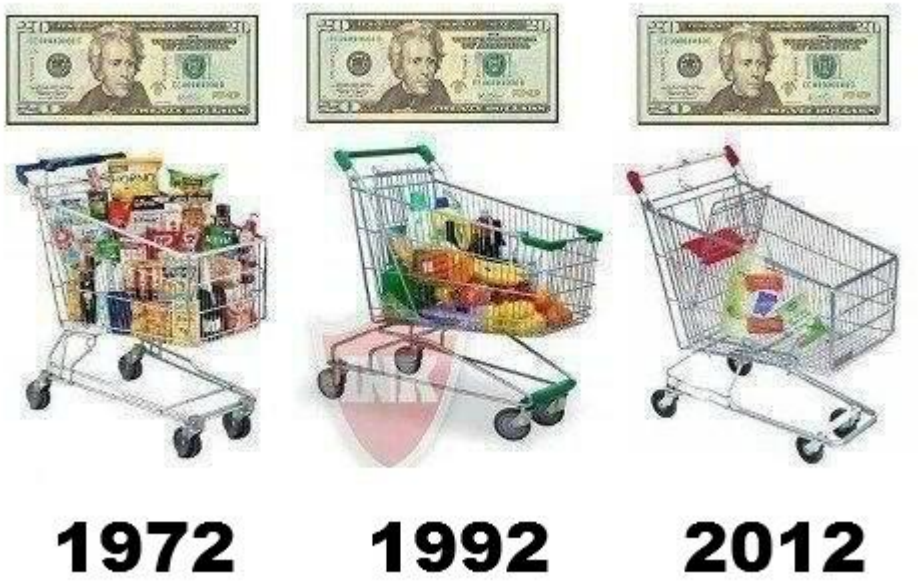
the role of corp treasurer didn't exist until the 1970s, when co's faced high inflation and financial uncertainty



2/ in this environment, companies with no cash management or treasury strategy were losing 10-12% / yr to inflation

modern corporate treasury is typically focused on cash management and managing the opportunity cost of capital

holding cash is *not* a strategy



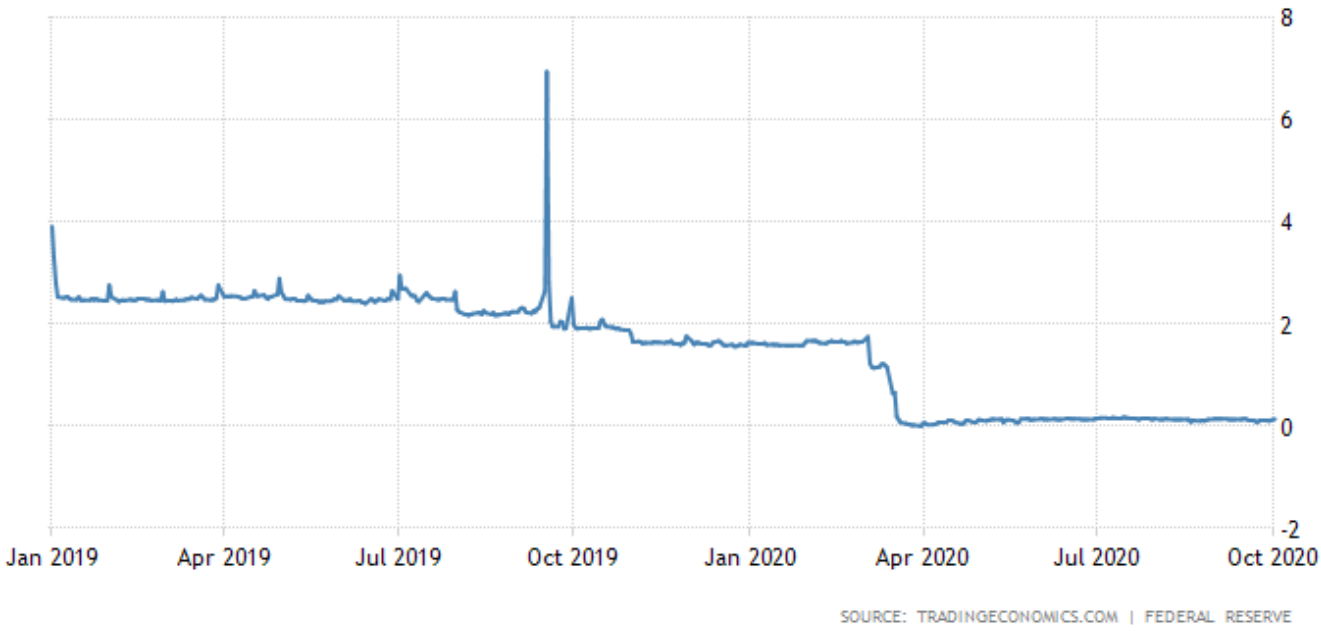
3/ when i worked in corp treasury, we mostly traded the overnight and short term rate markets

we could earn a nice 3-5% return in these very low-risk assets w/ time preference

treasurers today are living in a radically different world!

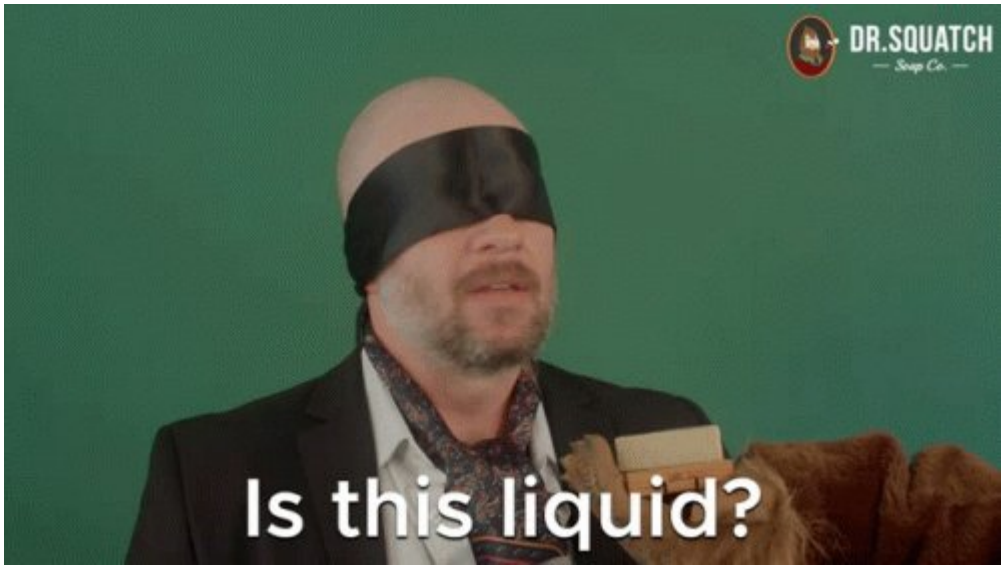
RATES ARE 0

TARGET INFLATION IS >2%



4/ faced with this new reality, corporate treasurers (and all investors) are looking at alternatives

#Bitcoin is a highly liquid asset that trades 24/7 in an increasingly regulated and structured global market - and its an effective portfolio diversifier!



5/ Square’s willingness to hold bitcoin on its balance sheet as a treasury asset speaks to:

(1) the changing landscape that treasurers must navigate, and;
(2) their ability to manage the operational, risk, and compliance requirements of holding bitcoin directly

6/ for those who want to replicate, Square also offered a nice "how to" guide: https://t.co/B89YUmg1SD

our team @CoinSharesCo is well-equipped to provide execution, lending, and custody services, feel free to DM for an intro to our capital markets team ■

7/ At @CoinSharesCo, we believe that as the world changes, bitcoin’s place in it is changing as well.

capital allocators have the challenge of keeping pace with inflation and delivering returns while managing risk in an environment where traditional assets have been gutted.

8/ our extensive research on the role of bitcoin in a portfolio highlights how a traditional 60/40 portfolio can benefit from a modest allocation to bitcoin

it's so exciting to see visionary companies like Square leading the way ■■■■■■

can't wait to see who will be next!