Twitter Thread by Don't follow Shardi B if you hate money

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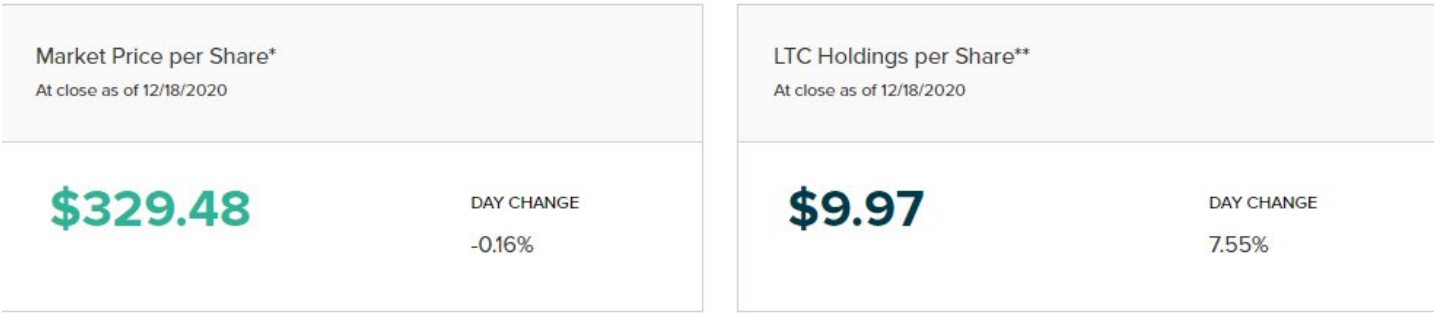
@ShardiB2

1/ Ari is mostly right. The @grayscale vehicles provide an amazing way to get exposure at a fraction of the publicly traded price of these vehicles.

Let's start with $LTC.

The $LTCN NAV is $9.97. This is where LP's get to purchase.
The stock is trading at $329.48



@RaoulGMI @Grayscale 2/ If you put $100,000 into the trust, you get back close to 10k shares of $LTCN.

So immediately your $100k is worth $3.3m approx. Not a bad deal.

BUT, you have to hold it for a year. (the risk)

BUT, how big is that risk? How low would $LTCN have to go to lose money.

@RaoulGMI @Grayscale 3/ You don't have to be a genius to understand that the price of $LTCN would have to drop by 97% or so in order for you to lose. Those are my kind of odds.

Keeping this in mind, if $LTCN went down by 80% in a year, and $LTCN was $65, you would STILL make over 600% on your money

@RaoulGMI @Grayscale 4/ I am not going to say this is truly a case where the rich can get richer, but it certainly favors the accredited investor in a huge way.

You can repeat this with $BCH ($BCHG), $XLM, $XRP, $BTC, $ETH, etc.

Now, history tells us that the premium decreases over time as LP's..

@RaoulGMI @Grayscale 5/ get liquidity. However, using $ETHE as a barometer, while premiums were high initially, they eventually normalized in the hundreds of % points and when the big liquidity push came and investors unlocked it came down around 40%. NOW, with interest revived, back to 200%.

@RaoulGMI @Grayscale 6/ I will take 200% on my $ETH stack any day every 6 months.

There are certain coins that do not have public vehicles yet, like $XRP and $XLM. These may be the best early investments as your 1 year clock starts AT investment so if they go public in 6m for ex. you can be 1st out

@RaoulGMI @Grayscale 7/ We see premium is highest early, so being early is beneficial.

Per @AriDavidPaul's point, $GBTC may be most risky, in that competitive products may be formed in the next 6 months (like Bitwise), and there could be an ETF approved.

If this happens, premium will get crushed..

@RaoulGMI @Grayscale @AriDavidPaul 8/ and could even go negative as a result of the lockup. I don't think that happens however, as Grayscale still provides custody solutions and liquidity on exchange that provides value.

This risk does not exist in the non $BTC products however. I do not think you will see..

@RaoulGMI @Grayscale @AriDavidPaul 9/ An $ETH ETF anytime soon.

Keeping this in mind, the safer solutions are the NON- $BTC Grayscale products.

Now this same opportunity exists with $BITW.

You can buy at the NAV (around $20) while the equity trades close to $70. Need to hold for a year. I see they have..

@RaoulGMI @Grayscale @AriDavidPaul 10/ A host of other crypto products coming soon as well.

$GBTC / $ETHE six month hold

All the rest including $BITW are 1 year.

So there is your risk. You are trading liquidity for premium. Can premium evaporate? Of course, especially if the market turns south. If however,

@RaoulGMI @Grayscale @AriDavidPaul 11/ You believe the market is higher in a year, than it probably benefits you to invest in a trust and grab the premium.

I have held coins for over 4 years and if I flipped them every 6 months with Grayscale with a 20-30% premium, you can

imagine my gains. Rule of 72...

@RaoulGMI @Grayscale @AriDavidPaul Now do that with a substantial sum of $ETH and a 6 month window with a 200% premium.

I start to get dizzy.

These opportunities will not continue to be avail. as people like me expose them more publicly. (idiot!)

1k $eth can turn into 3k $ETH turns into 9k $ETH in a year.

@RaoulGMI @Grayscale @AriDavidPaul Our job is to look for inefficiencies and capitalize on them. There is a big one here and it is not 'too good to be true.'

You simply have to be more knowledgeable than the next person, and maybe listen to that crazy girl with a crazy name on Twitter sometimes.■■■