WALL STREET UNPLUGGED

AUDIO TRANSCRIPT

Frank Curzio: How is it going out there? It's Wednesday, August 9th. I'm Frank Curzio, host of the Wall Street Unplugged podcast where I break down the headlines and tell you what's really moving these markets. So, this Wednesday, hanging out in my office, researching on a few companies and industries, and my wife walks in. She does ask me a question. She says, "Honey, I got a great idea." She says, "The kids are going back to school next week. Why don't we take them to Disney for two days and, you know, maybe hit a couple of parks?"

I've been married to my wife about 10 years so I know she wasn't actually asking me to go to Disney with the kids. She was telling me that you're definitely driving us to Disney whether you like it or not. Plus, she used the word honey. Married people out there, especially if you have kids, never call their spouse honey unless they really want something. I saw it in her eyes. I was like, "So, yeah, of course." I was like, "Honey, no problem. You just have to make sure I get back by Saturday night," again this is last week. So, I work on Sunday and Monday [around 00:01:26] my Curzio Research Advisory, which you should have in your mailbox right now if you're a subscriber. It was an amazing issue. 10 pages, really cool stuff.

So, we left Thursday night and I wind up buying the annual Florida platinum pass for the family, which probably costs the same as if I rented a private jet and flew down to Australia. So, the pass gives me unrestricted access to basically, there are six parks. So, it's Magic Kingdom, Hollywood Studios, Animal Kingdom, and Epcot, that's their four main parks and they also have two water parks. The past two years, you know my family, we bought the Florida Resident Universal pass, which gives access to their two parks, which is Universal Studios and Alice Adventure. It used to be SeaWorld, it's no longer, but they just opened up a water park.

So, this time, I chose to buy Disney since we went to Universal a lot which is basically a two-hour drive from here, so it's better to get the passes. We can go there a lot and just take a day or two around the parks. Now, what my wife failed to mention, again this is her brilliant idea, is that everyone who lives in the State

of Florida were basically at Disney the same exact time because they also thought, just like my wife, it will be a great idea the last second to take their kids to the Magic Kingdom just before school starts, which I still have no idea why school starts in early August in Florida. I don't know if that's everywhere or just here.

You wonder why its school systems are the worst in the country, maybe it starts at the top since summer break is not really a summer break in Florida. It's like a half summer break, so I don't know why they call that in Florida. I don't know, maybe they love teaching or driving to school at 100 degree weather. I don't know. I mean, is that much of a necessity to go back to school during the absolute hottest time in Florida of the year? Again, still trying to figure out Florida. Just started not to use my blinkers anymore. I never ever show up at time, drink Pabst Blue Ribbon, so people are finally starting to talk to me here after being here six years, but still trying to figure out. Haven't yet.

Then we decided to go the Magic Kingdom. I love that name. So, it is magic how Disney can charge each person $300 on average to get into their parks. So, you're looking $1,500 for a family of five. Think about this, $1,500. Most families when they go to Disney, they're going to go to at least three parks. They're not going to go and fly there and go to one park. Never happens, right? They go to at least three and it all costs over $100. So, for me, I think it's magic how they get people to say $6 for a couple of soda, $10 for chicken nuggets, $20 in parking, these are all extras... $10 for a locker, and you'll only get special privileges if you stay at one of their Disney resorts which costs like 4 or 5, $600 a night on average. I guess there's nothing more magical than that.

So, getting back to my passes, yes this a rant. It's going to get better. When I bought them they tell me, "You could have special discounts on food, on this, on that." I thought I'll have access the skip the long lines, that you had that with Universal when you bought those passes. But apparently, even though I paid a fortune for these things, I have the same access as anyone else who would walk in the park, which allows me to basically go in their app and get a fast pass for just three rides the whole at the park and after you're done, you could do one at a time after that.

Of course, all the best rides are not available because the 100,000 people, and I'm not lying, 100,000 people, who were there that day with us, next to us booked their rides like 10 days in advance, which you're allowed to do. Actually, you could do it as much as 30 days in advance. So, we couldn't get on any of the good rides at all because we decided oh, my wife decided it's a good idea to go here

the last minute. Then it gets even better. When I go to buy drinks and food at several stations, because it's 100 degrees, we need drinks, none of the stations were giving us discount. They're like, "Sorry, it doesn't work here. It only works if you go see this person or that princess," or whatever. Of course, look, there's a line of like 500,000 people on it.

But it's insane. I paid $3,400 for four passes. Think about that. It allows me to go to these parks as many times as I want, I go 100 times throughout the year, and that is one of the top passes or the top pass, but you would think that it would entitle me to a few special benefits, which I thought I was going to get. If you look at that price, it's the same cost to become a season ticket holder for the Jacksonville Jaguars, which I've done in the past, which would put me at the fifth of the yard line about 15 rows from the field. I know it's painful to watch the Jags, but still that includes A-games.

But you're looking at Disney who reported this morning and it wasn't pretty, stocks down. I don't know how the stocks is down, they're raising price for everything. But if you look at it, it has to be the biggest racket I've ever seen and I'm going to be honest with you, I don't know long it could last. I have no idea how most families or an average family are able to afford this. When they raise ticket prices every single year, it's $120 now with tax for a one-day pass into Disney and your looking at the experience, it's no longer fun. You have to wait forever on every single ride because there's just too many people there. You account for food, hotel, flights. Think about that. You could probably spend the same amount of money taking your kids to Europe. I'm not even kidding here.

The best is when we were there, we decided to leave Magic Kingdom at 9:30-ish at night. We're like, "Let's get out ahead of the crowd," since the fireworks just started going off. My kids had no interest in fireworks. They just don't like fireworks. I don't know. I can't explain. So, we rushed off to beat the crowd and apparently, we only beat half the crowd. So, there's like 50,000 people waiting for the tram, 50,000, and probably another 20,000 people waiting for the ferry.

So, down in Magic Kingdom, you can't just park your car and walk into the park like you can in every other amusement park they have at Universal or Disney. The Magic Kingdom is different. You have to either take a tram or a ferry to get to the island, and then you have to take it to get off, and then once you get off, you got to take another one of those little Trams that they drive, those little carts, to your car and then it takes you another half an hour to get

out of there or an hour to where we got to go with the traffic.

Now, it's 100 degrees out. I had to carry my youngest daughter, who's exhausted, on my shoulders while basically shoulder to shoulder in a crowd of 50,000 people waiting for I think it was like six trams before we actually caught one. So, I'm in the middle of the crowd, I'm just looking around. I just don't remember all that being in the brochure and I actually said it out loud. I'm like, "I don't remember this being in the brochure. I didn't see this part. The Magic Kingdom and everybody happy, bringing their kids." It was funny, there's four or five families turned around and looked and they started to join the conversation with myself, but they were like, "Yeah, I don't remember seeings this." Well, everybody is arguing and yelling and at end of the day, Disney, it's insane.

But if you look at Disney, it's the greatest company on earth. I mean, it's the only one I know that could basically rob you blind and make it seem like that magical experience was well for you. I mean, it's almost like I paid Mike Tyson to kick the crap out of me and then bragged about it to all my friends on Facebook because that's what they do after they go to Disney. "Oh, look at my kids." It's insane. Anyway, in the middle of the crowd, my daughter on my shoulder, in more sweat I've ever been, I just looked at my wife and said, "Listen, here's the deal. June, July, August, if you ever want to take the kids to Disney during these months, you're going by yourself." I don't care if that means I have to clean the house for two weeks. I don't care if it's whatever I have to do, whatever. It's worth it. There's absolutely no way I would ever do that again.

[There's just 00:09:49] about every person in the State of Florida, which by the way, which we didn't check, but there was no black out dates. There were all waived, so anyone with a Florida resident pass as well as every tourist whose kids are on summer break had access to these parks on the same day that we were there even though we had the best passes. I mean, 100,000 people are there. Think about 100,000 people. I mean, how can you have fun in something like that? Anyway, I was talking to my wife and said, "The next time you have a bright idea, keep it to yourself."

But for those of you out there thinking about going, a word of advice here about Disney. Don't fall into the trap of having to take your kids to Disney World. I mean, it's almost like you have to take them there. I know your friends are going to post pictures of Mickey and Minnie with your kid on Facebook and oh, she looks so cute. They're having so much fun. It's all BS and there's no family with young kids that has fun at Disney, especially if you stay there until dark and I'm being dead serious. I've been there numerous

times. I'm the idiot that keeps going because I'm like, "Oh, let me take my kids." Take them someplace else.

One day people will really post the real, real pictures on Facebook of all the yelling, kids screaming, dads staring at the ground dazed that they just spent a fortune to sit in 100-degree weather and wait over an hour to get a signature from Pocahontas. Are you kidding me? You're not going to see that posted on Facebook. People don't post that stuff on Facebook. Oh, look at the kid with Minnie Mouse. Yeah, right. Seriously. Wait 'til you walk out of one of those parks, you'll know exactly what I'm talking about. But you're better off taking them to a place like Fun Spot which has many amusement parks, half the price has great rides with barely any lines on them or take them to the water park, which we did one day for a half day, since even if it's crowded they could still go in the wave pool, keep cool in the extremely hot weather.

Let me move on here since I could probably take a full hour with my rant on Disney and its magical experience of making me broke. But man, it's insane. I have no idea how they didn't meet earnings estimates today. What's going on there? They're going to raise their prices again. Moving on. I do have an amazing guest for you today who's actually in my podcast 18 months ago. That was his only appearance and the reason I didn't add more is because he's a very busy man that lives in New Zealand. That's where we're doing the interview from. Technology is awesome. Now, when he was on 18 months ago, he shared some of his ideas. One of them include why you should buy BitCoin. I know right now you're like, "Oh, big deal."

Now, I'm talking 18 months ago, guys. 18 months ago, he's trading at 500. Now, he's coming off a downturn or he was skeptical about it, by the way, BitCoin is $3,400 now. But when I went back and looked at the report and the reasons why he said to buy, not a [permeable 00:12:50] on BitCoin, he just knew the right person that were kind of interested in it and it made him do even more research. So, it wasn't like an arrogant call that's like, "Oh you need to buy BitCoin, if you're not, you're going to ... " It wasn't that. I mean, he's not a permeable one that he just looks from different situations and markets that [are disrupted 00:13:06] where black swan event can appear.

But when it came to BitCoin, he explained, and this is about why it's going to be better than gold, how it's part of a blockchain, a term few knew at the time which was being mentioned every day, but few people talked about it early 2016. He laid out his thesis and he laid it out so well that I actually thought of buying BitCoin,

something I was negative on back then. Of course, I didn't and BitCoin is up 600% since this call. Hopefully, a lot of you listen. But it made me look more into BitCoin and say, "Wow, this guy could be right." I love that when I have a negative opinion or even a positive opinion and you know someone's a good writer or if you talk to them, and they're good analysts if they could kind of change your opinion on it based on the facts, not just saying, "Oh, this is great."

People tell me the McGregor fight. "McGregor is going to kill him." Why? "Because he is. He's crazy. He's strong." No. Give me a reason why. It doesn't matter how strong he is. He's not going to win that fight. He's not going to win that fight. He's not going to beat Mayweather. The greatest fighters in the world came and touched Mayweather because he plays great defense. So, throw facts on me and tell me what is going on. Somebody's sparring or whatever, use this as an example. It would be funny if McGregor wins. I'm getting a million email, but he's not going to win.

But for Chris, and this is who I'm talking about here, is Chris Macintosh. For Chris to write that piece and actually make me think more about that, that's what I love about analyst. That's what I love about so many different things because you have different opinions, we all do. You're not going to agree with everything I say and I get great reports back from you guys and great feedback from people in the industry and a lot of times, I will look into it even more, which will improve my thesis, which will have me look even further.

I mean, that's very, very important in the analysis. I say this all the time to you guys. If you're bullish on the stock, don't talk to the 50 people who are bullish because you're going to high-five. You talk to the guy who's really [bearish 00:14:56] on it because it's going to make you dig even further and that's what I did with BitCoin. I still didn't buy it. I should have bought it. Again, it's up 600%. So, you look at Chris Macintosh, a guest that has an amazing track record for finding major disconnects in global markets and investing in them at the right time.

This guy worked at several investment firms like JP Morgan, Lehman Investment Asset Management. A world traveler, a hedge fund manager who has a huge rolodex that includes some of the largest hedge fund managers and market experts in the world. The founder and editor in chief of Capitalist Exploits Investment Research where he writes an amazing newsletter [tell 00:15:33] to finding those black swan events around the world and investing in them early. Now look, Chris is a brilliant guy. We're going to cover

a lot today in this interview. He's not your typical fast talker like me, originally from New York, but this interview is going to take up most of the podcast because there are so many great topics we're going to touch on including private equity, which he says why you should almost never invest in an IPO or invest in a company once they put it on public and he gives you great, great reasons why, which makes so much sense.

Chris is also going to break down his methodology for finding those sectors, those stocks, those markets that have those huge disconnects where you could get five to one of your investment while also taking on as little risk as possible. He's also going to break down his top idea, which is to short something that's been in the bull market for decades. So many people have tried the shortest market and they've been wrong time and time again. Well, definitely going to bring Chris on after this interview to see if he's right, which will be amazing. This is going to be an awesome, awesome interview and you know what, you could see for yourself right now. Here is Chris Macintosh live from New Zealand.

Hey, Chris. Thanks so much for joining us again on Wall Street Unplugged.

Chris Macintosh: It's a pleasure to be here, Frank. It's been too long.

Frank Curzio: It has been too long. You know, the last time you're on I think was, I went back and looked, March 2016. That was like the research [pass 00:17:00] gas and what they said and stuff like that. Let me get to a lot of really cool stuff in a minute. But over the past year, we got a lot of new listeners to the podcast. I've been very grateful it had spread, word of mouth, and there might not be too many people who listened to that interview. So, I was wondering if you could do me a favor, which is always hard to do, but I was wondering if you could tell us a little bit about yourself and your background, maybe in terms of being a world traveler, someone who has amazing contacts, your investment banking background, how you're expert at finding market disruptions. I mean, just to get familiar so we can really get into this interview because I think you have an incredible background.

Chris Macintosh: Okay. I'll do my best. I grew up in Africa and then I went over to Europe where I could basically manage to actually live and study without taking on massive debt. So, that was my [style 00:17:50] and I got into investment banking there, a world that I left in the early 2000s to start my own gigs, and I had an experience with a boss of mine who turned around and said to me, "Chris, you don't belong here." This was from a guy that absolutely loved me and

he took me. He moved between from well, From Robert Fleming's, which is the last standing British investment bank, to Chase and then they got swallowed by JPM, and he kept moving me with him and getting increasingly good roles. The reason that he said it was just because I'm not a corporate man. A great guy.

I took that to heart and at the time, I'd already gotten involved in real estate in London and built up a portfolio of assets there while I was still working and I got to the point where that was actually generating me more income than my job was, which was a nice thing to do. So, I realized that I didn't need to be a slave to somebody else's wishes and desires. So, that was kind of start and then traveled the world quite a bit with my now current wife. We landed up in this part of the world, Australasia, and we've kept a home here in the Land of the Long White Cloud for nearly 15 years now. I mean, we have lived between here and various parts of Asia and during that whole process, one of the things, when I look in hindsight, that's worked for me was just identifying major trends in global capital flows.

So, on the back of that, I got very heavily involved in real estate right through up until mid 2006 when things got really silly and the structural reasons for all of that were quite evident. At the time, of course, you think they're evident and so you take advantage of them, but you'd never really, really know for sure until well after the fact and we can all look at the craziness that [we're 00:19:58] on now and we can see all of the various pieces of that puzzle that formed that scenario.

So, coming out of that, I sold everything up in mid 2006 and basically sat on the beach to try and figure out what I should be doing and I then felt that there wasn't going to be ... because I've been head down, bum up in that particular sector and so I went back and started spending a lot more time on the global macro landscape politics, everything that goes into this wonderful ecosystem that is global finance and I felt that there would be a movement of capital into the private space, in fact, it had already begun out of public markets, and a lot of that was bureaucratic red tape, which we've just seen accelerate. There were a number of structural reasons why that was taking place and so I wanted to take advantage of that and I began investing in very early stage private businesses.

Long story short, I built a business out of that with a partner, which I felt by the time sort of 2015, I was getting concerned with that space. Nothing lasts forever and we'd seen enormous capital flows into the private space that just did not justify valuations, and

metrics, and so on and so forth. We're still at that stage now, but it is coming off the boil a wee bit. So, the funding of a business that is just an idea and giving them evaluation of $20, $30, $50 million is what concerns me. I didn't find other opportunities at the time much more in the listed space.

So, I set up a hedge fund with a buddy of mine, which we launched back in September of last year and that was just literally family and friends and our own capital with the concept that we would go out and build ourselves a track record because one of the things, Frank, that I've had is I've always managed my own money and I've always ran my own capital. But in the fund management space, I've never built myself a track record. Well, not one that you can utilize for marketing purpose, for example. So, even though I've got my own track record, it's illegal for me to go out and say, "Hey, I've done this then the other thing and you should invest with me," because unless it's an actually set up as a hedge fund and is audited and everything else, you can't utilize any of that [nest 00:22:56] fund.

So, the intention was look, we'll just go out and we'll spend probably two years building a track record and then take it seriously, so to speak, and go and get an institution money. So, we're now just coming up a year on that. So, the first year end 2016, we knocked at nearly 40% on that and then we're up about 15 for this year. The themes that I spend all my time on are those which I then started writing a newsletter about and we can talk about that a wee bit later. But essentially, what I'm looking for are structural major trends that are at the forming or changing course, so to speak, that present you with an asymmetric type of raw payoff where essentially, your capital at risk is maybe a dollar and you built a potential to make $5 or $10 or something of that nature.

So, it's not just looking for something that has massive potential, but it's also looking for your downside risk. There's a combination of two. There was something that I'd always been spending time on for the last two, three years and I just managed to bring it all together into what I'm doing in the fund and in what I'm doing with the research advisory. So, that's kind of it in a nutshell and it's been a lot of fun. We've got some very exciting and, you know, potentially worrying times given what's taking place in the global economy, but I'm not one for taking ... I don't like taking a view on how I think things should be.

That's all intellectual masturbation. All that really matters is what is actually likely to take place. Investing is a matter of probabilities

and I'm just very focused on what is the probability outcome of anything and then just looking for that asymmetric reward because sometimes, you have this situation where you can see a probability and that probability could be incredibly high, but if it's already priced into the market, then oftentimes, it's not particularly worth diving into the tray because if you're risking a dollar to make a dollar, that's just not a smart move.

So, that's really what I'm very focused on and, you know, I got a team here that dives into all of the data and I combine that, a little bit of technical analysis really just at the end of a due diligence process and I use a lot of behavioral psychology. I think that's one of the major things that I found incredibly useful for developing thesis over a long period of time because I'm not interesting in day trading. I don't really give a toss what's happening in the next two, three, four months. I'm interested in, mainly, the structural changes and trends that are going to accelerate well for over a 5 to 10-year timeframe.

Frank Curzio: Chris, let me stop you there because everything that you're saying I got to bring into this one example because when you were on in March 2016, everything that you're saying now, what you look at, even technicals, even when you look at disruptions in the market, you made an amazing and quite controversial call. It was controversial at the time at least, but you say that BitCoin is a strong buy. We're looking at March 2016, it was trading around 500 and it's now 3,400. So, we're looking at 600% gains in less than 18 months and I know my subscribers that listen are all very thankful.

Now, I want you to hear me out before you comment because you wrote a report and I think it was towards the end of 2015, early 2016 talking about things that we are hearing today that nobody else was talking about, how BitCoin will be bigger than gold. It was probably a crazy claim at the time. Now, you have a lot of people saying it. How there's no better payment processors since it's better, faster, cheaper than any of the method used today. Again, you're saying this in early 2016. Also, how nobody is really viewing BitCoin and looking at it as a share in the blockchain, a term that a few people heard of back then, widely talk about it now at every place.

Let's bring it together here with everything that you [comment 00:27:52] on. What was your fascination with BitCoin at the time and explain to us about the timing of this investment because BitCoin was a little bit hated when you recommended it back then. I think it was an action at downtrend and you came on and I was skeptical of that investment. I remember after that interview,

you talked me into being bullish on BitCoin or looking more into BitCoin after I spoke with you.

Chris Macintosh: Look, when you first look at any particular investment, the first thing I'll do is I'll bring up a chart and you get an enormous amount of information in a chart, but then you got to try to break all of that down and try to understand the underlying pieces of that puzzle that make up the chart. The chart is just the [in 00:28:35] the picture. So, if you do pull up a chart, setting people up a chart with BitCoin now, it's very easy to discard it and look at that and go, "Oh my gosh, this is crazy. This is a parabolic move. All parabolic moves end the same way. It's a basically a digital beanie baby. It's a hype, but it's tulip bubble," et cetera, et cetera.

Now, coming into the mainstream, I've seen a lot of that commentary coming through. Most of the time, in fact, almost 100% of the time, the commentators that are making these claims are not people who have actually understood from the beginning. There's one in particular, I won't mention his name, he's a very well-known money manager, I've got a fortune I've got a good friend of mine who knows him and introduced me because he came out claiming that it was a mania and it's basically a tulip bubble and so on and so forth. I reached out and said, "Look, you know, what is it? Can you explain to me what you think BitCoin is?" It was evident in the conversation that ensued that he was viewing it just like you would view a currency that is like a dollar or a yen or euro or anything of that nature, except one that is held by the private sector.

I think that after our discussion he turned around and he said, "I think I might have to go do a little bit more thinking about this, so we'll see what comes up there." But the way that I think about BitCoin and the way that I was thinking about it back in, actually, well before 2016, that was just when I happened to speak to you about it, was if you go back and you think about the internet, now the internet was essentially what allowed the internet to be what it is today was this agreement by a number of parties that we would use the internet protocol. I think it was 1980 when everybody came out and said, "Okay, we agree on the product call that we're going to use to actually network these computers."

Then you had Cisco routers and all their various routers were made compatible with that protocol so that you could speak to each otherwise, you and I might speak on a particular protocol and then Fred down the road is on a different one and we can't

communicate with him and we have to go and hop onto a different protocol in order to speak to him and you don't have the network effect that we have today with the internet. So, that protocol was and is incredibly valuable because it allowed for the network effect to take place. It allowed for all of us to share our data. I can set up a website, you set up a website. Everybody can now search it. That was a consequence of those guys basically building a search mechanism with Google. But the point is that the underlying architecture of it had incredible value and if you look at it today, nobody owns that. Nobody owns that protocol.

Now, when I look at BitCoin, you can't make a statement that BitCoin is a fraud or is a bubble but blockchain isn't. Essentially, the BitCoin blockchain, it's inseparable. There are other blockchains. It's just that BitCoin is the most widely used, and it's the most robust, and it's proved itself because it's never been hacked. Exchanges had been hacked and that's another misconception that people have to go, "Oh no, it's been hacked." BitCoin itself has never been hacked. Exchanges have been hacked. So, it's a little bit like the New York Stock Exchange has been hacked and it gets hacked every day. We just don't hear about it because they don't want people to freak out. But that doesn't mean that the assets that are traded on the New York Stock Exchange are any different. It doesn't mean that Facebook or Google or Apple or BHP or any of these particular companies is any different.

So, if you come back to that analogy of having this protocol of the internet, BitCoin blockchain is the protocol. The different that we have now is that you can own a share in that. So, the other component behind the value if you're going to come build that saying, "What's the value of this network," it's a factor of the various components that are being utilized on the blockchain. So, it's [hashing 00:33:46] power, it's the amount of transactions that are being conducted and, of course, it's the speed at which a conductor, which has an interplay with respect to how much you could use because if you and I are going to use any particular system and it's really inefficient, and it's expensive, and it takes long, then there's less desire for us to use it. We'll look for another system.

So, all of those components' [need 00:34:11] is still being placed. Certainly, the BitCoin blockchain is quite cheaper and it's far more efficient in terms of transferring wealth than any of the existing systems such as Swift, but essentially, so long as those components keep growing, then you're underlying value of the protocol will keep growing. So, when people look at the price and

they go, "Oh, the price is going crazy." Yes, absolutely. There is speculation in the market now. But really, if what you're going to focus on is are these other components still growing and are they still contributing? I wrote a more recent article around this and I went back and I looked at penetration of markets, penetration of particular technologies in markets and you had things like electricity. You had the telephone. You know, if you look at the graphs and all that, you have this pair at a time where you get a massive explosion in penetration and then as time progresses, eventually it reaches a saturation point, at which point the ultimate price tends to reflect that.

But we were a long, long way off that. I mean, that doesn't mean that BitCoin is always going to survive. I don't know and anybody who pretends to tell you that they do know is probably lying to you and trying to sell you something. What I do know is that it is the chosen blockchain by the marketplace at this point in time. In fact, the hashing power that goes toward securing that blockchain is 100,000 times more powerful than the next contender, which is a theorem. But ultimately, I think you can have a lot of these and certainly, there's a lot of businesses at the moment now that are going in, and setting up, and using their own blockchains.

So, it's a revolutionary technology in that space and I think for anybody that has an intellectual curiosity, I think it's an absolute must to get involved in the space and not to try and make money but it's like any sector, if you dive into it and you immerse yourself in it, you'll find opportunities by shared virtue of being there. One of the things that you have in the space is that there almost aren't any experts, Frank. You have developers, and coders, and people that are built on these systems and in that respect, they are experts. But, you know, BitCoin is like a decade old and I see others which are now coming out with their initial coin offerings, which often are built on blockchains such as a theorem or many of the other ones out there or really just a derivative of that. We'll almost certainly see a mania in this space who's often losing enormous amounts of money. That's, I think, a given.

At the same time, that technology is out there. It's like toothpaste and it's not going away, and it is fundamentally going to change the way that finance is conducted and there are so many industries that it disrupts. So, I think it's incumbent on anybody with an intellectual curiosity to get involved. For me, my personal analogy is such that if I've got skin on the game, I pay attention and if I don't, well, you know, I don't. So, even if it's a small amount of skin, I tend to like to put it on the line first as a learning experience and

then once I developed my knowledge around it, then I get more or less comfortable with whatever that is that I'm investigating.

So, that was really the case with BitCoin but that was many, many years ago now and I was fortunate enough to have a business by the time you introduced me to it, unfortunately introduced me to it when it was still on a single digit and I looked at it enough. Oh, I don't understand any of those stuff, but there's many stories like that. It was only around about 70 bucks then that I had started dipping my toe. But it doesn't really matter at what point one going in and certainly, there's been a lot of people who made a lot of money in it. I think it's just trying to understand what it is and how I'd function.

So, that's the BitCoin side of things. I think people need to understand that you have the ability to own these things, go share in that blockchain and that is the chosen one at this point in time. Again, it does not mean that it will always be the one that is utilized, but when the internet was being born, you had the ability to own a share internet, then I would suggest that that might have been a good investment. On the other hand, if you're going to try and pick companies and things of that nature, could you and I, Frank, have picked Google and Amazon out of the maze that existed in early '90s? I'm not confident I could have. So, that's ... and there will be companies that come out of the space that are going to be incredibly valuable.

So, again if you immerse yourself in that world, I think that there is enormous amount of opportunity to be able to take advantage of what's going to come out of it. But if you're not in it, then it's going to be very difficult to participate or to even understand what's taking place. So, it's an area that I'm pretty interested in, but like anything, it's not wise to put all your eggs in one particular basket and there are many other sectors that, at the same time, are quite interesting.

Frank Curzio: Of course, you talk about ... and you know, moving on from the Bitcoin and you did bring up some great points too because even back in technology days, I mean AOL was a pioneer, yet other search engines were pioneers who didn't exist and it's amazing how Google, Amazon are the survivors, but I want to move on because you talk about the global macro being your specialty and understanding the global markets helps you in trying to find the next black swan event, which of course is not easy.

So, I'm going to ask you really tough question here. What's something going on right now, maybe global trend, something

that's disrupting markets or maybe something that's about to break down that you feel few people understand and know about? The reason why I'm asking you that is because of your background. You have great contacts. You travel the world. I'm wondering if there's something out there right now that maybe that you're writing about in your newsletter that few people are talking about which could be the next big call that you made like you did, you know, 18 months ago with Bitcoin.

Chris Macintosh: So, it's like, I mean that's kind of what we've focused on, Frank. I guess, there's one in particular which is you know, there's been a lot of people that have been talking about it and it's the bond market and there's been many people who have been calling the end of the bond market for, you know, 20 years, right? Clearly, that's been a disastrous call. That being said, we believe that the bond market turned back in July of last year when we have $13 Trillion and negative yielding debt and the Swiss 50-Year went negative. Now, that we think was the tipping point, but more so than just the fundamentals, the math, right, the math does not work. Everybody noticed that. That's not in question at all. There are various [sovereign 00:42:44] debt issues, whether it be the ECB or the Fed, the Bank of Japan, the Bank of England, none of them are ever going to pay their debt back. Everybody gets that.

What they don't get is or what we don't know for sure we won't know until after the fact is how that changes. So, there's been a lot of arguments put forward as to why that won't change. One of them is demographics. That's probably one of the biggest proponent of this deflation rate trend. As long as you have the demographic decline, you will have a continuous deflation because people of age 65 plus don't spend in the same way that a 24-year-old spend. So, that's prevalent. However, I think what's interesting from my perspective is that if you go back and you look at what are the pieces of a particular puzzle that led us to that event of $13 Trillion and a negative yielding debt, ne of the accelerants to it, because remember the bond boom market's been going up for 30+ years.

One of the accelerants to that was the GFC because coming out of the GFC, there was a coordination between global central banks, the likes of which we have never ever seen in our lifetimes, and if you go back, I'm a lover of history, especially economic history, you'll see that this has never taken place before, not a coordination. The only time we've had a coordination of that sort of magnitude is being war time. For example, World Wide II where the allies had a coordination in terms of their desire to take out the

little German with the mustache. But you have in this environment there's been this massive global coordination. The Bank of Japan had always been doing their own thing. Really, it wasn't so much that they coordinated with the ECB or the Fed or the Bank of England being the major central banks that governed the bond market, it was really just that their policy now happen to be the same policy that the other central banks were enacting.

So, in that environment, since you don't have an escape valve, if you look at any of the particular bond crisis that have existed in a solo capacity around the world, whether it be Yugoslavia, whether it be Argentina, you know, there's dozens of examples, there's always been an exit valve, right? Often that exit valve has been U.S. debt because it's been on a reload basis, it's been much safer. But the problem's basically have been washed away as a consequence of having this ability for people to shift their capital from one broken system to one that is not broken. The unique set of circumstances, Frank, was that coming out of 2008, global central banks not only began destroying their balance sheets but they all did it at the same time in the same coordinated fashion, which meant that you, and I, and many managers all around the world didn't have the ability to find an exit valve.

I've got a friend that works at Temasek in Singapore who runs some of the cash accounts there and he put it to me quite distinctly. He said, "Look Chris, if I need to move $4 Billion in bonds, in fixed income, I only really have three opportunities. I can choose Euro, Yen, or Dollar. I know that they're all broken and I know that their bonds will never be redeemed at full value, but they have liquidity and I cannot – " For example, you can't go into Norwegian Krone. You can't go into gold. You can't go into any of these things because he's going to move the market too much and he's going to hate his own positions. So he doesn't, on a given day, picks the least ugly girl on the platform and takes her home. So, when all of the ugly girls are doing the same thing, you don't have that exit valve.

What's interesting to me to watch has been the political shifts taking place around the world, and I wrote a lot about this coming into both pre-exit and the Trump administration coming to power, and I wrote about how the probabilities of that actually taking place as much as the market didn't seem to think that they were a risk were actually far greater than anybody anticipated. So, it wasn't difficult to see why Trump would be elected and it wasn't difficult to see many of these strongmen positions

coming to power. Remember, Abe of Japan is a strongman, Xi Jinping is a strongman, and coming out of this essentially new political landscape is an extraordinary situation where that global coordination is no longer. It's gone. It's finished and we're just beginning to see the repercussions of that and what that means is that you will have this fragmentation in the market.

That is, I believe, the beginning of the end of the sovereign debt boom market because when you don't have that coordination, suddenly, capital starts shifting from one to the other in a more violent fashion and you have a much greater risk of a breakup. So, for example, post GFC where Europe who's having trouble, swap lines were opened with defeat. There was a flood of liquidity that was pumped into the system to ensure that those markets would remain relatively stable. QE followed and so on and so forth. I believe that the political will for that to take place should have been necessary today is no longer there and that's significant. I don't think most people are paying attention to that.

So, right now, if I look at Europe in particular, we believe, and all our models show that we're going to have a surprise in the inflation side. In fact, we've been saying this for the last 6, 12 months and that is now showing. So, Sweden just printed 4%, just over 4%, and the expectation is around 2. We think the German print is going to be much, much higher. Britain's printed higher. It's going to print higher because the Pound got smashed in the [brink of events 00:49:55], so inflation picked up as a consequence of the devaluation of the Pound. But nevertheless, across Europe, inflation prints are coming in higher.

We think all our models have been telling us that's going to take place and on the back of that we think that the sovereign debt markets in Europe are really, really vulnerable and that's kind of interesting to us. I know a lot of your listeners are U.S. based and there is a bit of a risk sometimes with U.S. based investors who tend to be somewhat U.S.-centric and not look at these global markets and they just look at one market in its solo capacity. So, if you look at the U.S. you find that the bond market is over-valued and all these sort of things. However, I wouldn't be necessary willing to short the U.S. bond market because that capital needs to move somewhere, just like my friend at Temasek, and I think that the risks to European sovereign debt are far in excess of those in the U.S. So, it's possible that we would see capital flow into U.S. debt market, certainly on the short end of the curve, with any problems in Europe and we think that those are coming in at the moment.

You know, coming back to what I was discussing before with asymmetry, the market is not pricing that. I mean, you can go out and you can buy long debt Euro Bull puts or even Euro-Dollar puts. Euro-Dollars you can get out on the European exchange after four and a half years. Euro-Dollars only go after two years, but essentially, the pricing of those markets is ridiculously cheap and if you go back in history, you can have a market moving, you know, 10%, 15% a day and If I look at, I haven't pulled up the Bloomberg now, but I can tell you that on Euro Bull puts, you can get a two-year position there that will breakeven at less than 30%. Now, again, if you go back far enough, you will see that a 30% move is something that can take place in a week. So, if you have two years for that to play out is quite unique and again, on Euro Dollars you can go out even longer. So, that's one of the markets.

Then we look at the periphery, you know, it's not just, okay, should we have a breakup in a Soviet sell-off in European debt, which we think is coming. What are they not going to affect? Who benefits? Who doesn't benefit? So, we've been very heavily positioned in various U.S., Australia, European equities, which have been doing really well as this stage move forward. But there's many consequences, I guess, and we're always knock-on effect and then trying to find that asymmetry because, as I mentioned before, sometimes the market has already began pricing a particular event and you don't have the same risk-reward payoff in your trade. So, we're always looking for, you know, if X happens what else gets affected? If I punch you in the face and your brother's next to me, the knock-on effect is he's going to punch me in the face, right?

Frank Curzio: Good example.

Chris Macintosh: It's looking for those opportunities and so that's one of the major ones. The other, you said what am I looking at now is I've just done a report which I sent out to subscribers. To explain, if you go back and you have a look at where venture capital money goes, often two to three years later, you'll have a bubble in that sector. Not always, but if you have enormous amounts of capital going in and if you go back and you have a look ... I don't know if you remember, Frank, in the sort of early to mid 2000s, there was a lot of talk about alternative energy.

Frank Curzio: Mm-hmm (affirmative), of course.

Chris Macintosh: At that time, again I look at all these various capital funds and where they're coming in and going and so on and so forth, there was an extraordinary amount of money that went into alternative energy in venture capital in the early 2000s. 2003, 2004, 2005.

2006, 2007, was the peak in that, right? If you remember, that's actually was when Inconvenient Truth came out, which was Al Gore's nonsense take on things which he made fortunes out of. You know, carbon trading, carbon credit trading and all those sorts of things. Now, the interesting thing with any bubble, where you essentially you have capital going in that doesn't have an ability to price the outcomes.

In other words, if you and I invest into Exxon Mobile, right, we can figure out all the PE ratios, we can see the cash flows that have financials. We can figure things out to a certain extent and we can then price it. If you're investing into early stage alternative energy, you can't figure it out. You'll just do [guess work 00:55:19], right? Most of the time this shit was guess work. Nobody knew what the pricing should be. So, then you get this blue model. Look, it's back to the dotcoms, right? It's the TMT bubble. You know, page.com, all that kind of nonsense. The great thing about that, Frank, is that that allows for enormous amounts of capital to go into spaces that are economically and fundamentally probably shouldn't, but the cool thing about it is that what gets built out of that are things which would not otherwise be built.

So, the dotcom bubble was a good example. We had undersea cable that got laid which was never ever economical, right? It was only economical if you believed that trees grow to the moon. Fantastic. So now you got this cable link, it gets laid down, then you have the inevitable bust and guess what, the people that come in and they purchase that cable for cents on a dollar have a completely different operating expenses. If you and I came in and bought it for 10¢ in a dollar, we don't really give a shit what it costs at the [start 00:56:28] because we've only paid 10¢ and that is, essentially, why you and I now can speak to each other across the world for a cost approaching zero because the OPEX that was ...well the CAPEX got wiped out and so the OPEX on that new business model is completely different.

That's the cool thing because then you have the groundwork laid for an enormous view and now we've seen it in the fence, essentially. None of those Amazon, Facebook, all these companies, they would not exist if we had to actually price all of the infrastructure on what it costs. But we're not pricing it on what it costs, we're pricing it on what it got picked up at after the bust. So, if we come back to alternative energy space, the same thing happened. You can pull up any chart on any of the alternative energy stuff and you'll see that 2006, 2007, massive boom. There was tons of money got put in. You had economic

incentives from governments, subsidies, those kind of carry on and what happened was that you had a lot of infrastructure got built. It wasn't economical, right? Then you had the bust, you have a consolidation in the industry and you can go and you can have a look.

I mean, a good example was just last year, SunEdison. SunEdison was the largest solar company that was the ETF TAN which is the solar ETF. SunEdison made up the vast majority of that particular ETF and that went bust, got consolidated, because you know anytime a company goes busted, it doesn't mean that those assets just get chucked down the toilet. Somebody goes and picks up. The creditors, new companies come in and so on and so forth. So essentially, same thing happens. They manage to pick up all of those assets at cents on a dollar and that allows them a completely different OPEX model. Now, if you look in that space, we actually have a situation where alternative energy is sometimes cheaper than fossil fuel. It doesn't provide base-load power, but that's a different argument, but it is cheaper and it is more economical than it's ever been and those cost curves are collapsing and nobody is paying any attention to it.

So, you've got this market pricings of assets which are inexpensive anyways and at the same time, their costs are declining and their technology is getting better at a rate that was low. So, these things will be re-priced and remember, this is also on the back of an energy environment which is, you know, cheap. Oil today is not a $100 a barrel. Any guess? All of these things are relatively cheap. So, should they get expensive, it actually bolsters the case for alternative energy in a way that it wouldn't have otherwise. So, that's another sector that I guess to just try and give your listeners a dive into how I identify or how my team. I just don't pretend it's all me. It's not. How we go about looking for spaces that can present us with opportunity.

Frank Curzio: Now, that's great stuff and once again, we're talking to Chris Macintosh who's doing this interview, like you said, with technology, and you're doing it from New Zealand, right? Now, I'm calling you, which is just kind of amazing when you think about it. "Hey Chris, how's it going?" "Yeah, I'm in New Zealand, what's going on?" When you really think about that, you touch base on that. I want to go, we have about five to eight minutes left. So, I want to try again to many topics as possible.

So, I have so many follow-up questions, but I want to try to get to these topics because you're touching on a little bit of these ideas, how you do it, your team, and stuff like that as you mentioned

towards the end of that last question. I got a chance to look at your newsletter recently, which you were generous enough to give me full access to, and the titles of the reports of the past few months have to do about, one was about Greece ,one was about Australia. Another one is about shorting a high-flying very popular stock. I'm not sure if you want to mention that with my listeners or not. Another report that you ...

Chris Macintosh: I like hate mails, so it's all right.

Frank Curzio: When you give us, and you know as well as I do that, when you get a hate mail, it's usually right. It's the good emails that you get at the recommendation that you have to worry about. You are talking about all these countries, Russia, Brazil, and stuff like that and you've seen folks on every market, every sector, as you're explaining as I'm asking these questions. I guess, could you explain how maybe you find some of these opportunities? Because I know you said your team is there and you look at certain markets. But how are you able to locate some of these and find some?

Of course, you're a humble guy and you've talked about you lose last time, you on the pocket, so not everything always works, especially when you're willing to take on that much risk and I love the fact that you're saying that, you want to be aware of risk and not only if it's a dollar going to five, you want to take on at least risk as possible to achieve those gains. But how do you find the opportunities in terms of your contacts, you have a huge network, you've been in the hedge fund industry, is it just traveling and going and you live, I think, at seven different countries and stuff? Talk about that process, I think, because my listeners probably want to learn more about that.

Chris Macintosh: Yeah, I'll be honest with you. I'm a generalist and I've done a number of different things in my life and I've realized as I've gotten older that my value comes from identifying the trends and then going out and finding the best people that I could find in those particular sectors. So, if you come back to BitCoin, you know when I said I'm going to try to figure out what the hell this thing was, I just thought of researching, and I just thought of reaching out to a lot of people, and I've now built a network of really fantastic people in that space that have helped me to understand the underlying technology and look, when I say underlying technology, I will not even know what code is. I mean, you ask me to code something, I'll break it. I have no freaking idea, but I understand what code does, right? I just don't know if it's 1s or 0s on the page. To me, it's just 1s or 0s. It might as well be Greek.

So, the answer I guess is I realized I can never kiss all the girls and If you try to kiss all the girls, you're going to get into trouble. So, the way that you kiss the girls is that you find people that can help you in any particular sector. Alternative energy, perfect example. So, I've got a buddy that runs an alternative energy fund and they got over $50 million and that's all they do. That's all that they do. So, I spoke with him, and I spoke with a number of his industry contacts, and so on and so forth and so then I get a deeper understanding of what that sector is because when I'm glancing across the world, I can look at things from my models that my analysts bring up and I could say, "That looks really interesting. Let's dive into that. Let's try and get a better understanding," but then next level of understanding really just comes down to the context that are built over the years.

You know, if you're going to say what your most valuable asset, it's just this pair of group of people around the world that, for whatever reason, like me and still talk to me. Of course it goes two ways, because they often contact me and say, "Hey, you know, what do you think about this? What do you think about that?" That's a really, really valuable resource to have and that's one that I cherish deeply. So, to answer your question, it's matter of identifying what we think to be an interesting idea or an interesting theme or an interesting area for any number of reasons and then diving into it and sometimes it comes out and you think, "Aw, I really thought this was going to be great," and you know it is complete shit. That happens and that's even more valuable because the last thing you want to do is go and put your money into something that turns out to be a bad idea.

So, again, it's risk-reward. It's trying to mitigate the risks. I mean I think it was Charlie Munger or maybe Buffett who said that was, you know, one of the most valuable things you can do is not to be clever but just to not be stupid. That was something along those lines. It was not that quite, but that's essentially what it comes down too. So, to not be stupid means just diligence, do your homework, and understand the underlying risks behind any particular deal. So, like I mean, come back to what I was just discussing for the alternative energy, you've got companies which are profitable. They're profitable in the face of they, well, you take solar with 90% decline in the ETF. Look, anytime you got a market, Frank, which is down 90%, I would suggest that it's probably worth to look at and that's the starting point. Look, you could be looking at Kodak, right just before digital camera came out. It's down 90%.

Frank Curzio: Yup, good point.

Chris Macintosh: When you have an entire sector, an entire sector, then you'll ask yourself a question of, "Is the sector going to go away," and that's the second question, because companies go [out 01:06:15] all the time. I mean, that's just part of life, but sectors, entire sectors only have extinction being occasionally.

Frank Curzio: That makes a lot of sense. It really does because you're even seeing things like uranium, that's down a ton, where it is a form of energy. It's used by so many different countries. It's been destroyed down 80%, 90%. So, you do bring out good points where instead of looking at individual stocks, with Kodak of course, and I think we've all been there and tried to find companies that we think are you know just down and trying the bottom fish sometimes, but you know when you look at the entire sector being down, if it's going away, I really like that advice. That's pretty cool to look at it that way.

So, I want to ask one last question here before I let you go and I guess we'll finish with this. So, you have amazing connections within the private industry. We didn't really talk about too much of that. Over the past few months though, we've seen , you know a lot of big name IPOs come out, Willie Prince, Snapchat, where a lot of this growth has been taking place and some of this has been in this industry for well over a decade probably two decades and I followed this industry. What are you seeing in the private equity industry to the point where is that the way to invest in the market these days? Because the time that these companies come out in IPO, that's when most regular and average investors, individual investors get involved. However, you're looking at 89% of the growth already has taken place and guys who are able to invest in these companies have done so well early on before they go public. Are you seeing this as a big trend gigs? Could you go over that a little bit?

Chris Macintosh: That was when I built a venture capital firm. All of those things you've just mentioned were identifiable back in 2010 when I got involved in that space. The problem that we got today is that the gains ... Firstly, a lot of the companies were not going public because of the cost then it takes to go public et cetera, et cetera, et cetera. So, venture capital would come in, would see companies and we're seeing companies at relatively low evaluations, which had asymmetric potential because with the advent of technology, you had the ability to grab market share in a way that was never previously available.

This is a bigger trend of decentralization which I've written about a bunch in the blog, but the point is that that entire cycle has

matured a lot and so the guys getting into venture capital now are just paying a much, much higher price and then when they're finally exiting, the exits always go to retail. So, they dump this stuff on retail. A typical investment bank is going to list probably 10%, maybe 15% of the stock, right? They're going to price it, they're going to underwrite it, and then when they get that 10%, 15% of stock out, everybody that's actually in the fund is still locked up, all of your VCs are locked for six months or whatever the time frame is, but you know and like I mean this is ...

This bogs my mind. This is the throw away, listeners, if you've got an IPO coming out, just go and look at the structures behind that deal because the odds are that about 90% of that stock is locked up and when that lockup comes undone, what you got to remember is that the people who invested previously did not invest anywhere near the pricing level that the IPO is listed at and so what they're going to do is they're going to dump the stock. They're not going to dump the stock maybe because they think the company is bad or anything else. It's just they're being stuck in the damn thing for 10 years and they want some money and they put in a $100,000 and that's now worth $10 million and they want their money. You know what, if they don't get $10 million, Frank and they get 8 or 7, are they going to look and go, "No, I'm not going to dump the stock"? No, of course they're going to dump the stock. They only put in a $100,000. They're going to dump it if it's anything over a million, right?

So, the economic decision is quite different and retail investors just don't think of the stuff on, they continuously get richer. But I guess coming back to your point, that sector's matured a lot. A fight is a bond fight now of venture capital. In fact, if you're going you just look at how many new venture capital firms have blossomed down like mushrooms out of the cupboard over the last 10 years, it'll tell you exactly when you should not be over the long-term. I don't know what the timing looks like, but you're going to get to a point where those evaluations, like people are paying venture capital pricing that is essential already retail.

So, they're going to get to the situation where now they're going to enlist the thing expecting a 2, 5, 10, 15, 20 X return and guess what? It's going to list below what they paid. You've taken on enormous risk, especially liquidity risk, and you're not going to get paid for it. So, that's going to happen. It happens in every cycle, it happens in any re-industry and I think it's going to happen in venture capital. So, it's not to say that you wouldn't get involved in venture capital or not. I still get involved in specific deals with

friends and family ... oh, not family. Rephrase. But as a whole, as an entire sort of sector or market, it's kind of frothy.

Frank Curzio: Yeah, that's interesting. Man, I hate to leave it there. I want to leave it in a positive note, but yeah, because we're all seeing, you know the Facebook and Alibaba they're coming out, I mean those are two examples and we're seeing other small IPOs come out, but when they come out, it's like will you buy-in these companies at that point. Yes, Facebook did come down and come back and they were able to figure out, but you know Alibaba is coming back up too, but to see the massive amount of growth where 80% of it or 70% of it has already taken place and now you're bringing it to the market for investors and like you said, the fact these guys could sell out in a very [untouchable 01:12:38] price, it's just the way the market's been, especially over the past like five years and even longer, like you said since 2010, you know it's a little scary right now for individual investors looking to invest in those companies that come out publicly and come out the IPO.

Chris Macintosh: Well, Frank what people need to remember is that an IPO is an exit. An IPO is an exit. It's an exit for the thousands and it's an exit for the venture capitalist, okay? They are the people that know and understand a business better than anybody else. So, it doesn't mean that you might not get involved in an IPO. It just means that, "Hey, your due diligence needs to stop there," with an understanding that you're walking into a den of people who understands this thing better than you ever will, and have a completely different cost base, and who will want liquidity. For them why would you IPO a company? Because if you're going to list the company, you're going public, it's going to cost the company money, it's more expensive, much, much more expensive to be public than it is to be private. Short [again 01:13:39] and give you more access to capital, which is what often business is do.

Look, if you and I had a company that was super profitable, why would we list it? Why the freak would we list it? You just reap rewards yourself. I mean, the only reason you'd list is to get a massive capital payout and look, you're selling your business, right? If you and I owned ... if I was a partner in your business and we decided to list it, we'd have to make that judgment call of saying, "Can we list it? Can we essentially get a better price than the dividend streams that we're getting out of it now?" So, I often think people really can't make those what seem to me obvious judgment calls and you know, we sort of snap.

A buddy of mine just wrote about saying, "Look, this is what's gonna happen. We're gonna have this flood of capital, flood of

stock that's gonna hit the market when the lockup period ends and let's go, yeah, you know, the puts are quite expensive, but you know what, they're still gonna work and this is why, and guess what, you're going to pull up the charts." Look, that's just the way the world works. It has always worked like that and you go through changes and cycles and I think that whole space is a ... there's so much capital that's been fighting to get in at the private space, that it's no longer actually asymmetric anymore. So, that's just the way it is. We'll go back to another situation at some point when nobody's going to want to know anything about venture capital. No one's going to want to know anything about angel investing and you know, I look forward to the time.

Frank Curzio: Well, maybe we should start with that topic because I think we got a whole podcast just on that. But Chris, I want to say thanks so much for doing this interview. It's from New Zealand. Listen, you're a straight-up guy, you tell it like it is, which I like because I'm from New York. You have an amazing track record and for me I just love to thank your mind because you know it always leads to new ideas, a lot of it leads to me researching more and more different things, especially globally. So, I really appreciate coming on and I know, we've touched up on a lot of different topics and I'd love to follow up with you, and hopefully you'd come on again not wait 18 months this time but hopefully you'll come again maybe in the next two or three months to really follow up on a lot of this stuff because they're a lot of great stuff and I really appreciate coming on.

Chris Macintosh: Awesome. Hey, it's been great, fun chatting and yeah, anytime.

Frank Curzio: Hey guys, a few things here. If Chris is doing this interview on CNBC or on another platform, they probably would have cut him off several times. For me, I wanted to hear what he had to say without interrupting. I wanted him to get as many ideas as possible because I've read his newsletter. I read last like 10 issues, it's all amazing. I want to get to as many topics as possible. So, I didn't ask a lot of followup questions on certain topics and I did this on purpose and yes, it's a little different from my other interviews in how I conduct them, but I really want to get a sense of who Chris is because he's really brilliant. He's a humble, soft-spoken person who doesn't say crap from anyone. He speaks through his track record, not by shouting or bragging about everything he'd done right over his entire career.

I mean, last time I had him on, he was talking about his losses. You heard from the podcast, you heard from just past interview that we just did. Him talking about lowering the risk as much

as possible because sometimes you're going to be wrong and sometime you're going to be early to these things and I like analysts like that because that's real. Because you're not going to get everything right, you're going to get things wrong. That's what happens and we're professionals when we do this. So, you want to limit your losses. You want to be very, very careful in this market, but right now, especially now, it's an extremely, extremely dangerous market.

It may be more dangerous on market today than I've seen over the past three, four years and companies are missing estimates. The swings that I'm seeing in stocks, even with little news, of 20% to 25% in a small cap sector is unbelievable and these stocks are flying all over the place. It's extremely dangerous and you have to know that because even the pros are getting it wrong. You'd call ICON investing and hurts in the 30s and 40s, we fell down at 9 and you can go Buffett. Again, lots of examples, IBM, just examples for everybody. I'm not going to point out the losers, I'm just pointing how these are great investors and sometimes they get it wrong. I get it wrong sometimes and that's why you got to be very, very careful. It's always a learning experience. Don't ever, ever get arrogant about your returns if you have a good year, I'm telling you. It's just bad karma. You're going to get crushed. Trust me on that.

So, I love the fact that I can talk to Chris about those things. You get a nice, humble guy. Amazing track record and Chris also writes an amazing newsletter. It's called Insider like Capital Exploits. I've read a lot of issues, especially the past two days because, they were full of really good original ideas and I like to see that. So, I called Chris to see if, "Hey, if anyone's issues newsletter, you know, is there any way that you could offer discounts to listeners because the interview went on very well," and he said, "Yes, no problem." He's actually offering a 75% discount, which is pretty amazing. So, if you're interested in learning more about his work and subscribing, you can find that link, which I'm going to put on our website. It's going to be right underneath the podcast at frankcurzio.com.

So, if you're interested in purchasing Chris' newsletter that's cool. If not, it's also cool. But when I see someone that I trust, someone who does the homework, and having his boots on the ground, has great contacts, and someone who has original ideas or ideas that even intrigue me, a person who researches everything, new ideas, new trends, has great contacts through you, you know, so I have a massive network where I'm able to get to a lot of these trends

early and my boots on the ground, when I see original ideas like that or I'm seeing them and saying, "Wow, this is pretty cool", I want to be able to offer that to you.

Now, I want to offer it to you, I want to make sure that you're going to pay a low price than anyone else in the entire industry. So, you're going to get 75% off if you're interested and to do that, just go to my website frankcurzio.com. It's going to be linked under the podcast to get to that discount. To you Chris, I thought it was awesome, but this podcast is about you, it's not about me. So, let me know what you thought at frankcurzioresearch.com, that's frank@curzioresearch.com.

So, guys real quick here, I mentioned that I'm going to be active and posting a lot more on our new Facebook Curzio Research Platform. Just didn't created this to post comments and rants, but Facebook page is going to be huge for us. You can do a lot more than that. I put live video streaming and my guest when I'm in the field or if they just research something that's pretty cool or videos when I'm at special conferences like the Arizona Value Investing Congress, Delivering Alpha. These are all around $5,000 to attend. We're going to bring you that information and bring that to you live feeds or at least you know, if I hear someone speaking in one of these congress I think is great, go outside and set a live video and say, "Hey guys, you have to listen to this. This is really cool." This time you're not going to see all you're going to talk about really in CBC, I think it's a big deal and you should research more and try to give you that stuff real time.

We're planning to do a lot of live streaming on that Curzio Research Facebook page. In a few months, we're going to start live podcasts, we're going to do sometimes. Hopefully, I'll help you get more engaged since and you're be able to post comments and ask questions and even make fun of me, all live, you can do that. Frank, that's an ugly shirt. What you talking about? You had no idea, so I'm talking about the topic. Feel free to do anything you want, but everything's going to be live, so it'll be really cool. I definitely want your feedback once we get up and running, especially with the live stuff. But for now, you just go to facebook/curzioresearch to see my latest post, research, and of course I'm going to post a lot of free content on that site as well. So guys, thank you so much for listening. I say this all the time, but I mean it, I really appreciate all the support you've given me and I'll see you in seven days. Take care.