PORTER & CO. CONFERENCE 2025

Three Historic Tsunamis and How to Ride Them

Erez Kalir | Porter & Co. Tech Frontiers Lead Analyst

Technological "tsunamis"

Porter & Co.

*In every human lifetime, we encounter a small handful of **tsunamis**, the proverbial **100-foot-tall waves** that **change everything** . . . Across technology, economics, culture.*

*The thing about these tsunamis is – if you're relatively early to them, understand what they're about, and are able to identify the right financial instruments to ride them, you can earn **generational wealth**. For example, investing $1 million into a basket of Amazon, Google, Microsoft and Apple in 2003 would have generated $50 million today.*

*Another thing about these tsunamis is, they're not only about generating wealth, but also about **understanding the world we live in as it changes**. There aren't many sectors of the stock market where novel developments are going to change how human beings live. This isn't true, for instance, about property-and-casualty insurance of financial services. But it's true about technology.*

We are living amid three epic technological tsunamis today

Artificial Intelligence is transforming **how we work**

Blockchain is transforming **money,** and how we **bank** and **transact**

Biotech is transforming how we approach **health** and **disease**

The AI tsunami

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AI is gaining adoption faster than any technology in recorded history . . .

Facebook reached 100 million users in **4 years, 6 months**

Instagram reached 100 million users in **2 years, 4 months**

ChatGPT reached 100 million users in **2 months**

. . . and Chinese AI knock-off **DeepSeek** reached 100 million users in **7 days**

The AI tsunami

The scale of investment in AI has very few precedents . . .

A history of the next big thing

Selected tech bubbles, estimated impact

1 Capital expenditure as % of GDP*
2 Asset durability Depreciation rate of investments
3 Systemic risk Links to rest of economy

Low ▪▪▪▪▪ High

Decade / Type	1	2	3
1840s Railways, Britain — Spark: Technological	■	▪	■
1860s Railways, Britain — Political	■	▪	■
1860s Railways, US — Political	■	▪	■
1870s Telephone, US/Britain — Technological	▪	■	▪
1880s Electric light, US — Technological	▪	■	■
1920s Electricity/radio, US — Technological	■	▪	■
1960s Electronics, US — Technological	■	■	■
1980s Consumer tech, Japan — Political & technological	■	■	■
1990s Dotcom, US/Europe — Technological	■	▪	■
2020s Covid tech, Global — Political	▪	▪	▪
2022- AI, Global — Technological	■	■	■

*Over a five-year adjusted period
Sources: Census Bureau; "Engines that Move Markets", by A. Nairn, 2018; NBER; Odlyzko, 2024; OECD; "Boom and Bust", by J.D. Turner and W. Quinn, 2020; UBS; World Bank; The Economist
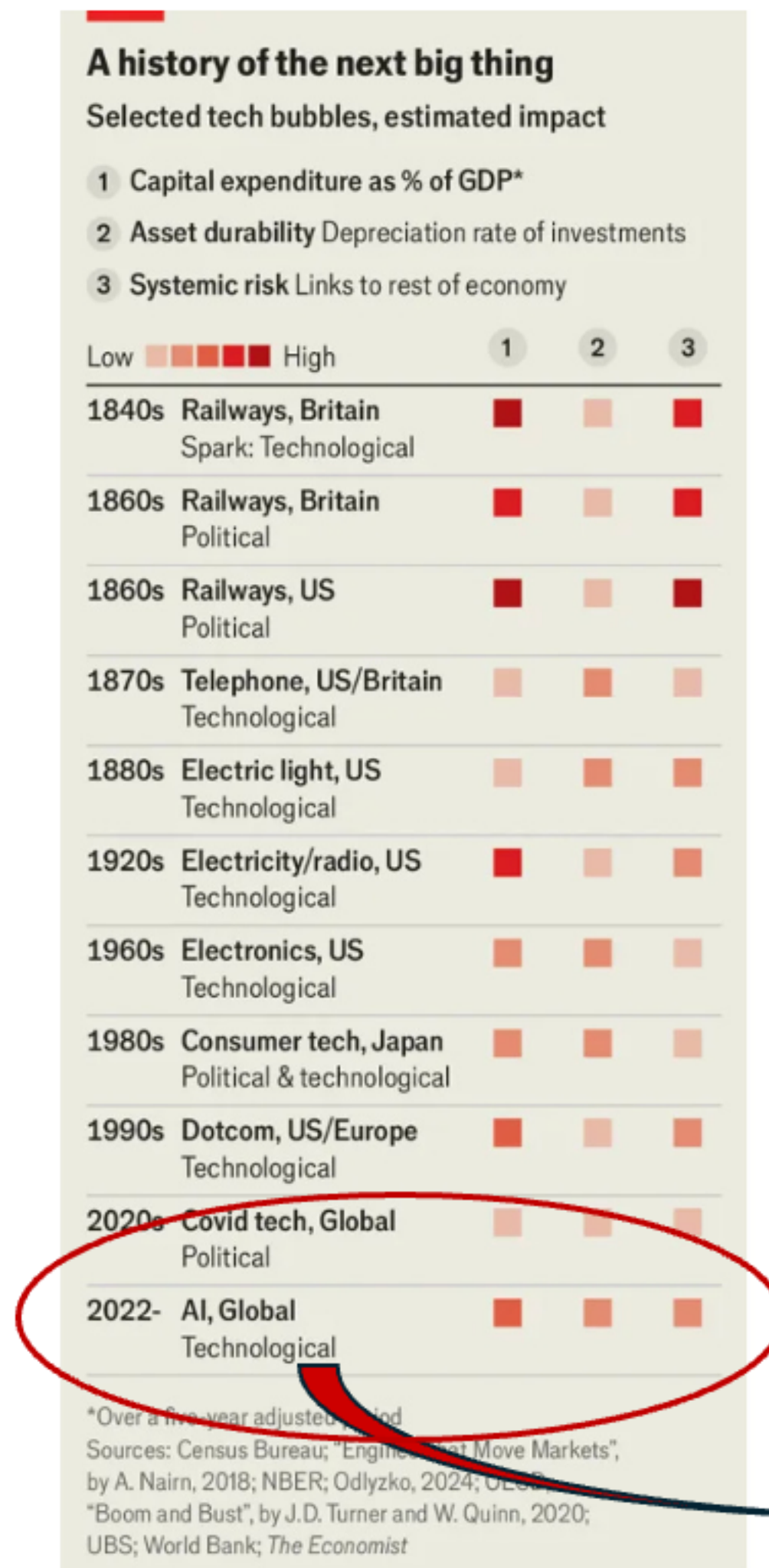
CHART: THE ECONOMIST

Four Big Tech Firms (Alphabet, Amazon, Meta, and Microsoft) will spend $365b+ on AI CapEx in 2025

This is more than the entire global pharma industry spends annually on R&D ($240b)

It's also 3x Apple's total R&D spend over the past decade

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AI's biggest impact will be on employment and work . . .

The Great Human Replacement: How AI Will Create the Largest Political Crisis Since the Industrial Revolution

Here's what my models predict for the next three years:

- **Accounting and bookkeeping:** 78% job displacement by 2027

- **Legal research and document review:** 84% replacement rate

- **Financial analysis roles:** 71% automation potential

- **Marketing and advertising:** 62% algorithmic takeover

- **Customer service:** 89% AI replacement (already happening)

That's roughly 47 million jobs in the United States alone.

Source: AI of the Coast newsletter, July 23rd, 2025 – available on Substack

The AI tsunami

AI can now do in a few minutes what until recently would have been a day's work for a junior investment banker or consultant at Goldman Sachs or McKinsey

> **E** Good evening Claude. Could you please build me a DCF financial model for the public company Marketwise, which estimates the value of the company's stock using a reasonable set of assumptions for your model?

Financial Projections & Cash Flow Analysis

METRIC	2025E	2026E	2027E	2028E	2029E	TERMINAL
Revenue ($M)	429.1	459.2	495.9	535.6	578.4	592.9
EBITDA ($M)	77.2	82.7	89.3	96.4	104.1	106.7
EBIT ($M)	68.7	73.5	79.3	85.7	92.5	94.9
NOPAT ($M)	51.5	55.1	59.5	64.3	69.4	71.1
Free Cash Flow ($M)	55.8	59.7	64.5	69.6	75.2	77.1
PV of FCF ($M)	50.5	48.9	47.8	46.7	45.6	Terminal PV

Valuation Summary

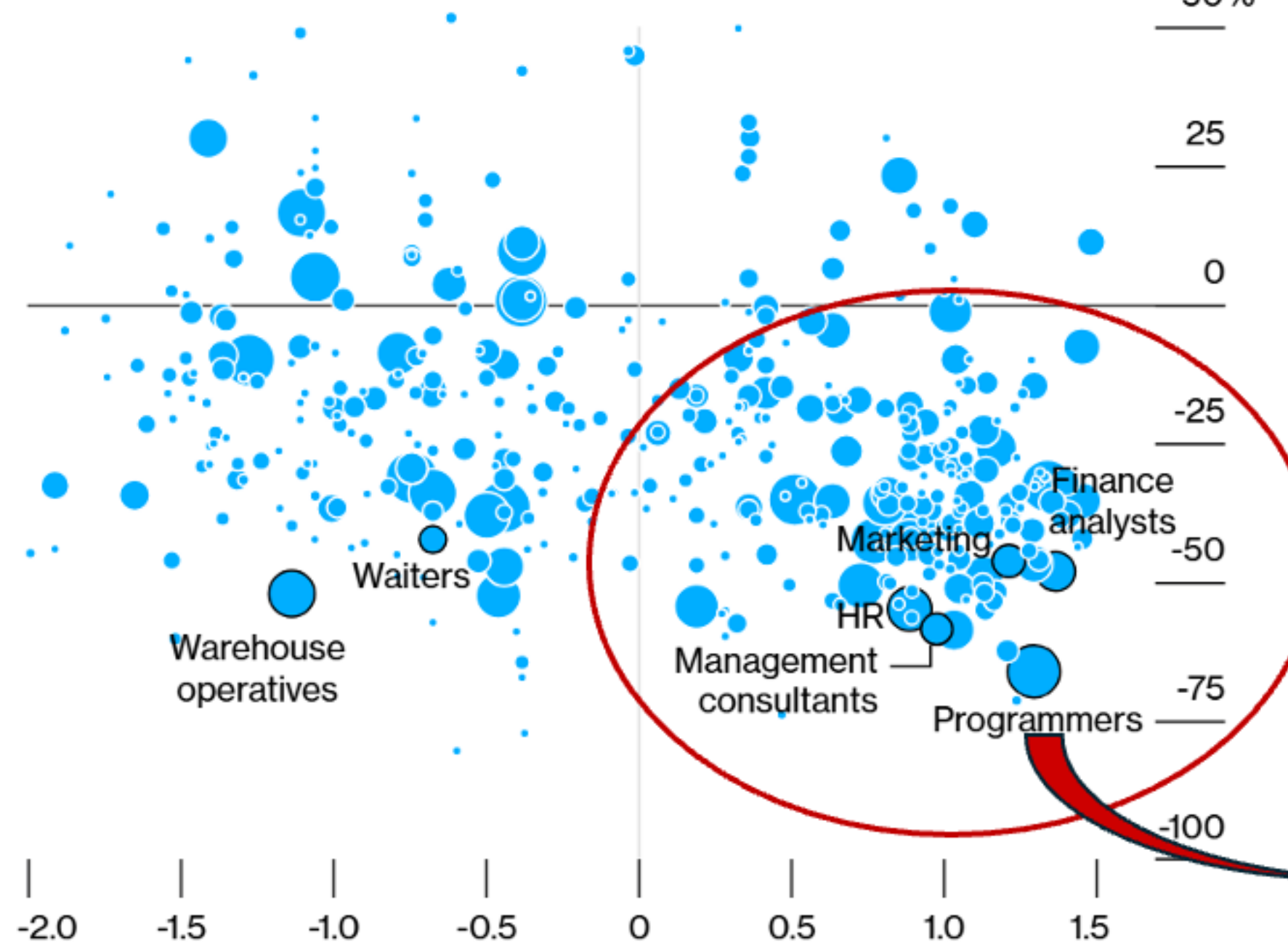| Enterprise Value	Equity Value	Fair Value Per Share	Current Market Price
$824M	$922M	$23.41	~$13.50

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We already see evidence of AI's impact on the job market . . .

UK Jobs Slowdown Is Concentrated in AI-Exposed Roles

Online ads in May 2025, 3-month average
≤1 10 20K+

Job ads, March ▲ to May 2025 vs 2022
50%
25
0
-25
-50
-75
-100

Finance analysts
Marketing
HR
Waiters
Warehouse operatives
Management consultants
Programmers

-2.0 -1.5 -1.0 -0.5 0 0.5 1.0 1.5

AI exposure score ▶

Source: Office for National Statistics; Department for Education; McKinsey

Microsoft is cutting **30% of its workforce** because AI can now perform those jobs

The AI tsunami

One of the best ways to play the explosion of AI is to focus on "picks & shovels" . . .
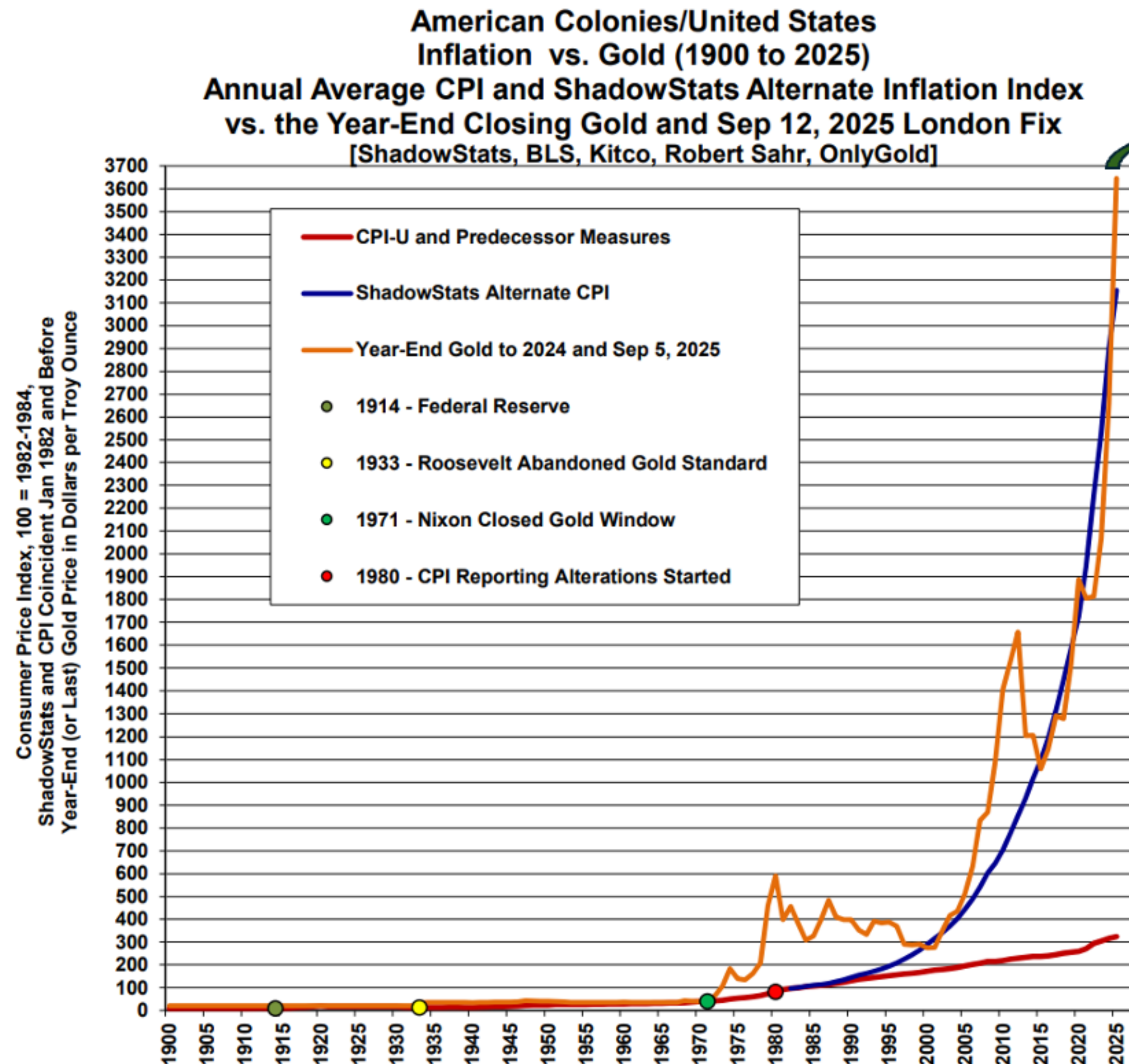
Case study: AI data centers

➤ The world will spend approximately $6 trillion on AI data centers over the coming 5 years

➤ Approximately $1 trillion of this investment will happen in China

➤ The player best positioned to benefit from this boom has a US ADR that could plausibly appreciate ~10x+

Source: McKinsey & Co.

The AI tsunami

Another way is to focus on how governments are likely to respond to AI's impact . . .

American Colonies/United States Inflation vs. Gold (1900 to 2025)
Annual Average CPI and ShadowStats Alternate Inflation Index vs. the Year-End Closing Gold and Sep 12, 2025 London Fix
[ShadowStats, BLS, Kitco, Robert Sahr, OnlyGold]

Legend:
- CPI-U and Predecessor Measures
- ShadowStats Alternate CPI
- Year-End Gold to 2024 and Sep 5, 2025
- 1914 - Federal Reserve
- 1933 - Roosevelt Abandoned Gold Standard
- 1971 - Nixon Closed Gold Window
- 1980 - CPI Reporting Alterations Started

Hold your gold and keep your (bit)coins – but we've also got something better for you
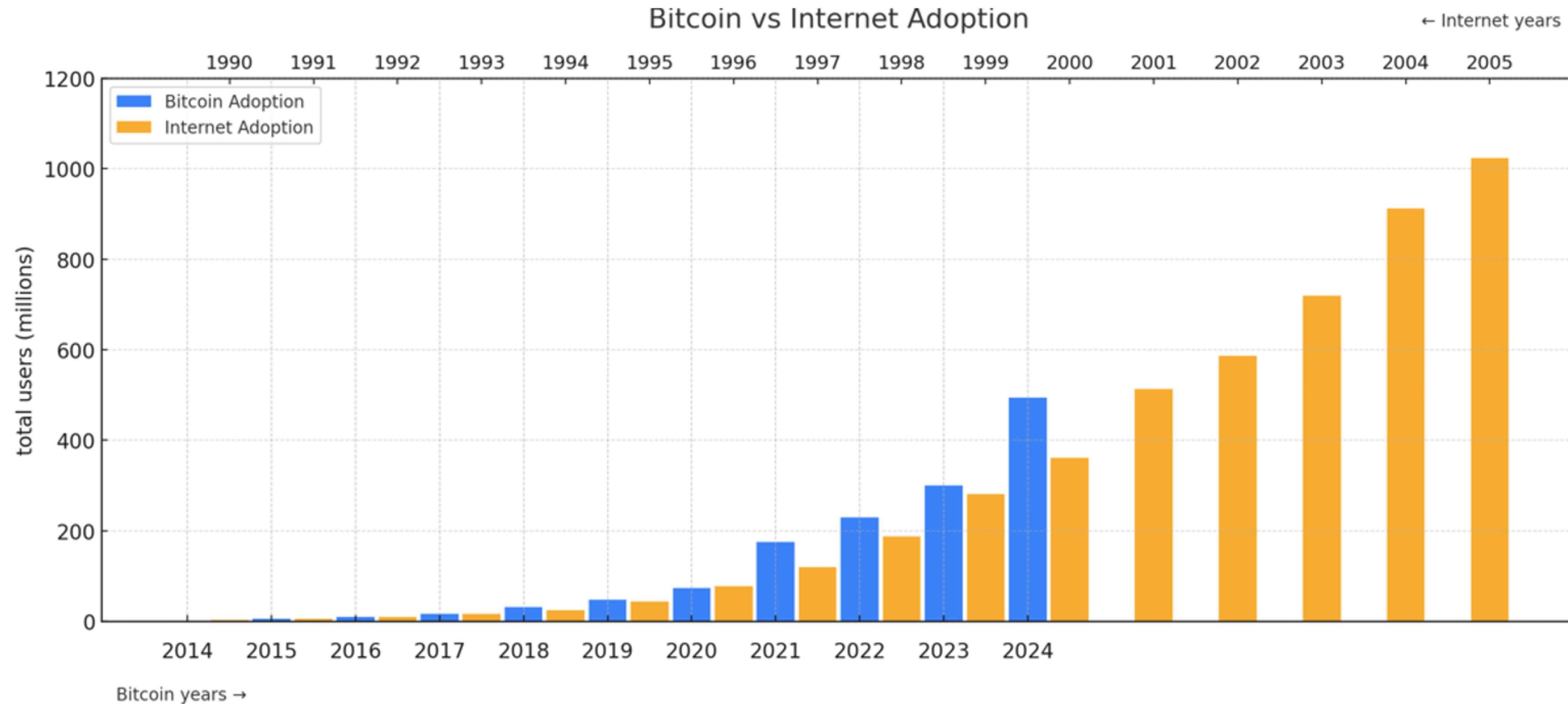
The blockchain tsunami

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Adoption of cryptocurrencies is outpacing early Internet adoption . . .

Bitcoin vs Internet Adoption

Source: Claude drawing from publicly available data

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The blockchain tsunami

The GENIUS Act is poised to supercharge institutional blockchain adoption . . .

GENIUS Act provision	Barrier it removes	Institutional impact
Defines "payment stablecoins," sets who can issue them, and treats permitted payment stablecoins as not securities.	Regulatory ambiguity over asset classification and SEC registration risk.	Broker-dealers, exchanges, funds, and custodians get a clear, tradable instrument for payments/settlement.
Requires 100% reserve backing in cash or short-term Treasuries and monthly public reserve disclosures.	Counterparty/run-risk and transparency concerns for risk committees.	Greater comfort for corporate treasuries; stablecoins become acceptable cash-management and settlement rails.
Subjects permitted issuers to BSA/AML; allows trading/custody through regulated brokers, exchanges, and ATS.	Compliance/custody uncertainty and limited institutional access points.	Banks and brokers can integrate within existing compliance programs; easier onboarding for institutional clients.
Allows foreign issuers access via a "comparability" determination; extends U.S. oversight to foreign stablecoins.	Cross-border fragmentation and uneven standards across jurisdictions.	Larger, more liquid global stablecoin markets usable by multinationals for payments and treasury.
Directs agencies to issue implementing rules on a set clock (e.g., ~180 days) and creates a unified federal/state regime.	Patchwork rules and slow timelines that stall product launches.	Predictable, near-term path for compliant products; accelerates institutional pilots and listings.
Policy alignment: dollar-backed coins with T-bill reserves, transparency, and prudential oversight.	Concerns about policy support and macro implications of USD stablecoins.	Legitimizes dollar-stable settlement assets; catalyzes bank participation and broader institutional use.

Source: Synthesis of publicly available information and data

The blockchain tsunami

In the not distant future . . .

Every meaningful economic exchange will be paid for with a digital currency or token, transacted through a smart contract, and recorded on the *blockchain*.

. . . Buying a car
. . . Selling a house
. . . Paying and receiving wages
. . . Buying and selling stock
. . . Intergenerational wealth transfer

The blockchain tsunami

The prudent way to approach the shift to blockchain is to build a Blue Chip, "Forever" portfolio . . .

Porter Stansberry's Permanent Portfolio

The Lindy Forever Companies						
	Ticker	Segment Allocation	Portfolio Allocation	Price per Share	Position Value	Number of Shares
Philip Morris International	PM	15%	3.75%	$121.69	$37,500	308
Coca-Cola	KO	15%	3.75%	$71.45	$37,500	525
McDonald's	MCD	15%	3.75%	$300.47	$37,500	125
Johnson & Johnson	JNJ	10%	2.50%	$160.60	$25,000	156
Caterpillar	CAT	10%	2.50%	$378.25	$25,000	66
Deere & Company	DE	10%	2.50%	$406.93	$25,000	61
EQT	EQT	5%	1.25%	$35.16	$12,500	356
Texas Pacific Land	TPL	5%	1.25%	$927.73	$12,500	13
Taiwan Semiconductor	TSM	5%	1.25%	$182.35	$12,500	69
Alibaba	BABA	5%	1.25%	$95.46	$12,500	131
Tencent	TCEHY	5%	1.25%	$52.40	$12,500	239
The Lindy Forever Companies			25.00%		$250,000	

We will build the equivalent of this Forever Portfolio at Tech Frontiers: The Blockchain Blue Chips Portfolio

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AI's application to medicine will enable us to predict individual disease risk much earlier

nature

This AI tool predicts your risk of 1,000 diseases – by looking at your medical records

A new artificial intelligence (AI) tool can forecast a person's risk of developing more than 1,000 diseases, in some cases providing a prediction decades in advance. The model, called Delphi-2M, uses health records and lifestyle factors to estimate the likelihood a person will develop diseases such as cancer, skin diseases and immune conditions up to 20 years ahead of time. Although Delphi-2M was trained only on one data set from the United Kingdom, its multi-disease modeling could one day help clinicians to identify high-risk people, allowing for the early roll-out of preventive measures. The model is described in a study published yesterday in *Nature*. The tool's ability to model multiple diseases in one go is "astonishing", says Stefan Feuerriegel, a computer scientist at the Ludwig Maximilian University of Munich in Germany, who has developed AI models for medical applications.

Source: Nature, August 12, 2025

The biotech tsunami

While new treatment modalities – such as siRNA – while allow us to treat previously "undruggable" diseases

Top 10 Medicines by Sales and Category

Rank	Drug	2024 revenue (US$B)	Category	Main indication(s)
1	Keytruda (pembrolizumab)	29.5	mAb	Cancer (multiple tumor types)
2	Eliquis (apixaban)	20.7	Small molecule	Anticoagulant (atrial fibrillation, DVT/PE)
3	Ozempic (semaglutide)	18.7	Small molecule	Type 2 diabetes, weight management
4	Dupixent (dupilumab)	15.1	mAb	Atopic dermatitis, asthma, COPD, eosinophilic esophagitis
5	Biktarvy (bictegravir/FTC/TAF)	13.4	Small molecule	HIV
6	Jardiance family (empagliflozin ± combos)	13.0	Small molecule	Type 2 diabetes, heart failure, CKD
7	Skyrizi (risankizumab)	11.7	mAb	Psoriasis, Crohn's disease, ulcerative colitis
8	Darzalex (daratumumab)	11.7	mAb	Multiple myeloma
9	Mounjaro (tirzepatide)	11.5	Small molecule	Type 2 diabetes, obesity/weight management
10	Stelara (ustekinumab)	10.4	mAb	Psoriasis, psoriatic arthritis, Crohn's disease, ulcerative colitis

- **The world's top 10 best-selling medicines today are all either mAbs or small molecules**

- **mAbs were first created 50 years ago while small molecules date to the late 19th Century**

- **Within a decade, siRNA's and other Genetic Medicines will crack this list**

Source: Synthesis of publicly available information and data

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The biotech tsunami

The current Bear Market in biotech creates an extraordinary, quite possibly once-in-a-lifetime opportunity: The chance to buy the most promising early-stage life sciences companies with "value investing" style Margin of Safety

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⬇ Export to CSV

Ticker		Company	Entry D... ▲	Entry Price	Price	Total Return	Status
Biotech							
SGMT	🔗	Sagimet Biosciences	01/09/2024	$5.71	$6.73	86.22%	Buy Up to $5.00*
ROIV	🔗	Roivant Sciences	02/29/2024	$11.44	$14.74	28.85%	Hold
TGTX	🔗	TG Therapeutics	07/03/2024	$18.79	$35.57	103.19%	Hold^^
SGMT	🔗	Sagimet Biosciences	09/05/2024	$2.62	$6.73	138.17%	Buy Up to $5.00***
BCYC		Bicycle Therapeutics	05/07/2025	$7.78	$7.09	-8.87%	Buy Up to $8.75
ACET		Adicet Bio	05/07/2025	$0.49	$0.83	69.31%	Buy Up to $0.75
ALNY	🔗	Alnylam Pharmaceuticals	06/04/2025	$305.31	$454.41	48.84%	Buy Up to $320
PRME		Prime Medicine	07/02/2025	$3.07	$5.39	75.57%	Buy Up to $4.00
FBIO		Fortress Biotech	09/03/2025	$2.95	$3.65	23.73%	Buy Up to $3.45
Toeholds							
8473:JP		SBI Holdings	02/05/2025	¥4,315.00	¥6,526.00	54.48%	Buy Up to ¥7,200^

What's coming at Tech Frontiers

We will cover in depth each of these historic "tsunamis" – and help you identify the securities to ride them with favorably asymmetric risk/reward

We will "connect the dots" between these epic tsunamis and what's unfolding in the Big Picture of our economy and markets

Alongside our investment recommendations, we'll bring you interviews with some of the smartest people we know – Nobel laureate scientists and world-class investors

Thank you for subscribing!