

A PIGGYBANK FOR ETHEREUM

- ADDING TO OUR BLOCKCHAIN BLUE CHIPS PORTFOLIO
- THE CASE FOR OWNING ETHEREUM AND THE BEST WAY TO DO IT



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In January 2014, attendees at the North American Bitcoin Conference spilled out of Miami's chic hotels and into the city.

It was a heady time: Only a month before, the price of Bitcoin had set an all-time high around \$1,150. And the U.S. Senate had recently held hearings to investigate what Bitcoin was and whether it should be regulated.

For those in the know, the most tantalizing invite that January in Miami was to a nondescript rented beach house where a small group of developers were working on an idea that sounded both preposterous and inevitable: a blockchain that could run software. Weeks before, in November, the group's leader, a wiry, intense, 20-year-old named Vitalik Buterin, had circulated a white paper outlining the project. He named the new protocol Ethereum. Conference goers that year would listen to him memorably describe it as a "computer in the sky."

The gray hair among the beach-house denizens at that gathering belonged to 49-year-old Joe Lubin. Lubin had studied electrical engineering and computer science at Princeton University, then moved on to Goldman Sachs, where he worked neither in investment banking nor in trading, but instead in the bank's technology group. His experience gave him an inside view on how modern financial infrastructure worked – and on its limitations.

By 2013, just before the beach-house meeting in Miami, Lubin had left Goldman to explore entrepreneurship in the emerging domains of cryptography, digital identity, and decentralized systems. When Lubin read Buterin's Ethereum white paper later that year, he instantly grasped its potential. Contacting and befriending Buterin, Lubin pulled together and funded the group of collaborators who would launch Ethereum from a white paper to a live blockchain protocol with its own cryptocurrency, Ether ("Eth").

Today, Buterin is widely recognized as Ethereum's founder... while Lubin and a handful of other key players – all present at the Miami beach house that year – are credited as co-founders.

More than a decade since that fateful gathering in Miami, Ethereum has firmly established itself as the second most valuable blockchain protocol in the world. Its market capitalization of \$565 billion dwarfs all other blockchains except Bitcoin, which

has a market cap of \$2.5 trillion. For context, the third most valuable chain – XRP, which astute readers will recognize as the token associated with Ripple Labs and *Tech Frontiers* **SBI Holdings (Tokyo: 8473 JT)** recommendation – has a market cap of \$180 billion.

But Ethereum's position as the second-largest blockchain by market cap understates its true importance. That's because the world's dominant stablecoins – including USDC (Circle Internet) and USDT (Tether) – settle on the Ethereum protocol. As we'll see, the tsunami of growth in stablecoin adoption will almost inevitably mean parallel growth in Ethereum.

If the nearly dozen years since its creation in 2014 have catapulted Ethereum to supernova success, they've likewise been storied years for Joe Lubin. Having made himself a billionaire through his early holdings in Eth, Lubin went on to found ConsenSys, arguably the most important private company developing Ethereum infrastructure. ConsenSys's Metamask is the leading Web3 wallet, while its Infura developer platform provides backend connectivity for a large share of all Ethereum applications. Many notable Goldman Sachs alumni notoriously struggle to continue their success at the bank after leaving, but Lubin's experience has been the opposite – a move from strength to greater strength.

If you've missed out on Bitcoin's and then Ethereum's meteoric rise, this month's issue is for you.

If you've ridden these meteors, congratulations – this issue will offer you a thoughtful way to diversify your gains and stay onboard. That's because this month's recommendation is Joe Lubin's latest venture: **SharpLink Gaming (Nasdaq: SBET)**.

Let me explain...

In May of this year, Lubin became chairman of SharpLink and, taking a page from Michael Saylor's playbook at Strategy (MSTR) – formerly MicroStrategy – transformed SharpLink from a sleepy gaming software company into a pure-play Ethereum treasury – effectively, a piggybank for Eth. SharpLink's sole business today is accumulating Eth, holding it, and staking it. In short order, SharpLink has become the second largest Ethereum treasury in the world.

To understand why SharpLink is a compelling investment, we'll look at –

1. The Big Picture case for building a blue-chip blockchain portfolio
2. Why Ethereum is an essential component of any such portfolio
3. Why SharpLink offers the smartest way to own Eth today

Let's begin.

A “Forever Portfolio” Of Blockchain Blue Chips

Subscribers familiar with Porter’s work know his belief in building a stock portfolio that consists of the world’s best businesses, then holding those businesses “forever.” The time is right to expand this concept to include not only stocks, but also blue-chip blockchain assets. To be clear, I’m not talking about speculative cryptocurrencies, meme coins, or other trading instruments. Instead, I’m describing the blockchain equivalent of The Hershey Company – assets you can buy today and hold with an intention to pass them on to your children and grandchildren.

Your Forever Portfolio needs to encompass blockchain assets today for three crucial reasons:

1. They provide a key complement to gold as a defense against ongoing fiat-currency debasement and the death of the U.S. dollar
2. Their share of global institutional asset allocation is still tiny and will only grow, providing a massive, long-term tailwind
3. Over time, they will become the platforms on which global finance runs – much as the internet became a platform for commerce beginning in the 1990s

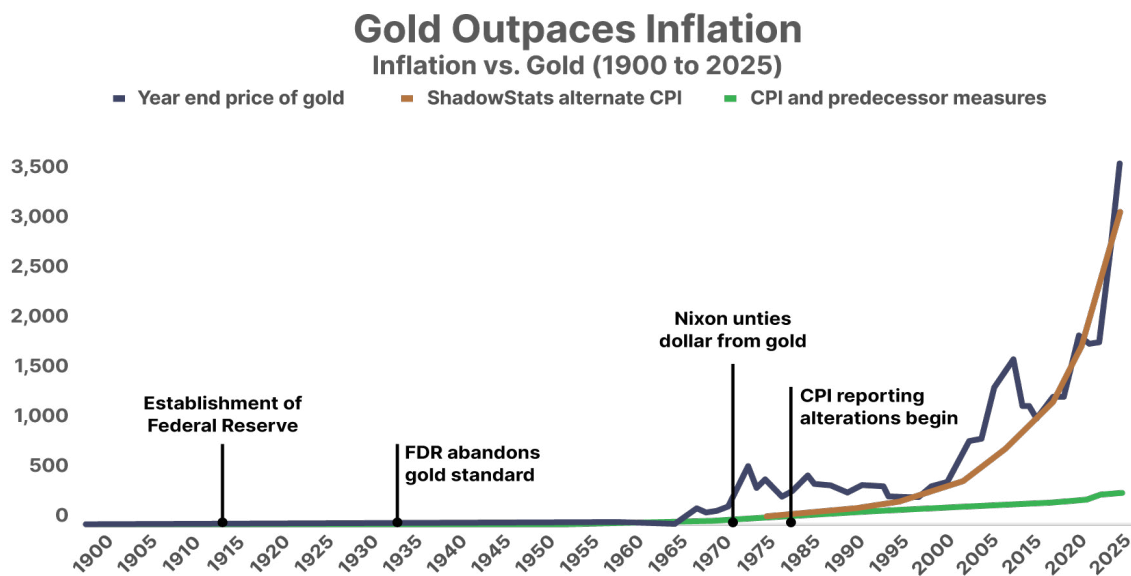
Let’s explore each of these reasons one by one.

Reason #1: Blue-Chip Blockchain Assets As Digital Gold

Longstanding readers of our work at Porter & Co. know that the U.S. government’s debt trajectory has entered a danger zone from which there is no painless exit. Federal debt now exceeds \$35 trillion, rising nearly \$1 trillion every 100 days – a pace unprecedented in peacetime. Interest payments alone have become the nation’s second-largest budget item, surpassing defense spending and soon to eclipse Social Security. The problem is not merely the magnitude of the debt, but its arithmetic: with nominal GDP growth below the blended interest rate on Treasury securities, the debt can no longer compound sustainably.

Historically, nations in this position have faced two choices: default or debasement. Default is politically unthinkable, and because the U.S. dollar is still the global reserve currency, also not a position another government could force ours into. That leaves monetization – the quiet form of default in which the central bank prints the difference.

In the short run, debt monetization takes the form of stimulus and liquidity support. Over long run, it manifests as fiat currency debasement, structurally higher inflation, and erosion of real purchasing power – all trends that are becoming entrenched in the U.S. today. For investors, this unfolding reality marks a generational turning point: one that will favor scarce, hard, or self-securing assets and penalize unanchored paper money.



We need only recognize gold’s recent all-time high above \$4,000 per ounce to understand how far along we already are in this sad story. Gold, of course, is the oldest hedge against paper money debasement, and it’s an effective one. But as most holders of the yellow metal know, the U.S. government has a history of confiscating privately owned gold, which President Franklin Roosevelt did by Executive Order in 1933. History rarely repeats itself exactly but it is still important to identify other hedges besides gold that are similarly effective.

Over 15 years, Bitcoin has evolved from a cryptographic experiment into the current answer to gold, a borderless store of value that no central bank can print or manipulate, with a fixed supply capped at 21 million coins. Because Bitcoin can be owned and transacted anonymously and moved across borders in minutes, it’s arguably much harder for governments to confiscate. Little surprise that many now refer to Bitcoin simply as “digital gold.”

But Bitcoin is only part of the story. Other blockchain protocols have, like Bitcoin, sought to immunize themselves against inflationary manipulation. And in the years since its founding, Ethereum has quietly evolved into a form of digital hard money in its own right.

Unlike fiat currencies whose supply expands at the whim of central bank policymakers, Ethereum’s issuance is mathematically constrained and transparently governed by code. Since its 2022 transition to proof-of-stake – a consensus mechanism in which validators lock up (“stake”) their ether to secure the network and earn rewards – new Eth is created only to compensate those validators for their work.

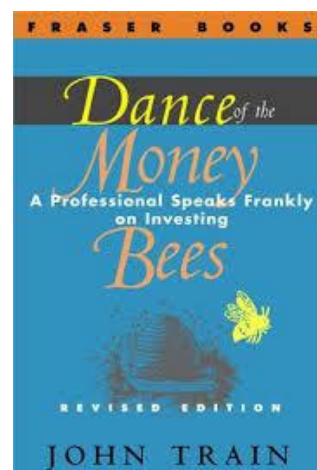
At the same time, the network burns a portion of each transaction fee, permanently removing that Ether from circulation. The result? Ethereum is a self-balancing monetary system: When network activity is low, Eth supply expands modestly. When usage surges, burned fees exceed issuance, making Eth net deflationary. Because its supply cannot spiral out of control and its economic rules are open, verifiable, and enforced by decentralized consensus rather than political decree, Ethereum now functions as a programmable form of hard money.

Investors seeking security from fiat-currency debasement – and that should be all of us – need to approach the problem not with a single hedge, but with a carefully chosen basket of hedges. Just as a prudent investor wouldn't rely on gold alone but would also hold some silver and precious metals mining stocks, subscribers should approach blockchain assets with a similar diversified mindset.

Bitcoin remains the digital analogue to gold itself. But the broader family of blue-chip blockchain assets, led by Ethereum, offer complementary forms of digital hard money – each immune from central bank manipulation of their supply and each poised to benefit from the transition away from paper currencies. Investors today should own more than one of these blockchain blue chips... and if you are looking to expand your portfolio beyond Bitcoin, Ethereum should be the first thing you add.

Reason #2: Blockchain Blue Chips Will Grow In Institutional Asset Allocation

One of my all-time favorite books on investing is the 1974 classic *Dance of the Money Bees*, written by legendary investor John Train. In it, Train describes how institutional capital, like a swarm of bees, never rests – it simply moves from one blooming field of opportunity to the next. When the nectar of one field has run dry, the bees lift off in search of fresher blossoms. Train's metaphor captures the eternal rhythm of markets: capital flows inexorably toward better returns and new frontiers of innovation. Half a century later, that same migration is underway again: this time toward the blockchain ecosystem, where the world's next great field of financial opportunity is coming into its season.



At present, blockchain assets represent a small fraction of global institutional capital. The combined market capitalization of all cryptocurrencies stands at roughly \$4 trillion. Yet the world's total financial assets – including equities, bonds, and professionally managed funds – exceed \$300 trillion. Taking a conservative measure of assets that are being institutionally managed (about \$125 trillion) and the institutional share of crypto ownership (5% to 7%), blockchain assets today account for less than 0.2% of total institutional capital.

In other words, for every \$1,000 managed by global institutions, only about \$2 resides in blockchain assets, an allocation so small it hardly even registers on the radar of traditional portfolio models. This imbalance exists not because the opportunity is small... but because most institutions remain constrained by inertia, red tape, or an entrenched legacy infrastructure. The slow response time of institutional investors presents us with a strikingly asymmetric window of opportunity.

Over the coming decade, blockchain's share of institutional capital is likely to expand dramatically as the asset class becomes normalized within large portfolios. A reasonable estimate is that blockchain assets will represent 5% to 10% of global institutional assets by 2035 – conservatively, \$15 trillion to \$30 trillion in value. Two complementary forces will drive this growth: the migration of existing financial instruments (e.g., bonds, funds, currencies) onto blockchain rails, and the accelerating adoption of Bitcoin, Ethereum, and other blue-chip blockchain assets as inflation hedges and strategic reserves.

For individual investors, this represents a once-in-a-generation realignment in the global asset allocation framework. Those who secure meaningful exposure now – before institutions fully re-weight toward blockchain – will stand to benefit from an epochal trend. We need to arrive at this field before Train's swarm of institutional money bees.

Reason #3: Finance Will Run On Blockchain

The final reason to add blockchain blue chips to your Forever Portfolio is the simplest and ultimately the most transformative: Blockchain is becoming the infrastructure on which the next generation of global finance will run.

Just as the internet provided the rails for information to move freely and instantly around the world, blockchain increasingly provides the rails for value – money, securities, credit, and contracts – to move with similar efficiency. Governments, banks, and payment networks are no longer experimenting on the margins: They are actively migrating core functions to blockchain-based systems because these systems are faster, cheaper, more transparent, and inherently able to be audited.

Stablecoins already settle more transactions each day than PayPal (PYPL). The tokenization of traditional financial instruments – U.S. Treasuries, money-market funds, corporate debt, and stocks – is expanding rapidly, bringing trillions of dollars of legacy assets on chain. In this quiet but decisive transition, blockchain is ceasing to be an alternative technology and gradually becoming the plumbing of modern finance.

As the blockchain infrastructure matures, demand for the assets that secure and govern it – Bitcoin, Ethereum, and other blue-chip protocols – will inevitably grow in tandem. Every stablecoin transaction, tokenized security, or on-chain payment ultimately relies on one or more of these foundational networks for settlement and security. Their tokens

are not speculative instruments. They are the fuel and collateral of the new financial system taking shape. As the world's payments, capital markets, and financial data increasingly flow through these decentralized networks, ownership of the core assets that power them will become as essential – and as obvious – as owning equity in the companies that built the first generation of the internet.

A Blockchain Blue-Chip Portfolio Must Include Ethereum

If Bitcoin is the cornerstone of any blockchain portfolio, then Ethereum must be its next foundation stone. Where Bitcoin was conceived as a decentralized, government-resistant, immutable store of value, Ethereum was built to be something broader: a programmable blockchain capable of running self-executing digital agreements known as “smart contracts.”

Think of it this way: If Bitcoin is a calculator, flawlessly reliable in performing one function, Ethereum is a computer able to run software that can seamlessly facilitate transactions involving pretty much anything – physical property, intellectual property, financial instruments – without intermediaries. Its programmable logic allows developers to create decentralized applications (“dApps”) that can borrow, lend, exchange, insure, or tokenize assets... all on an open, permissionless network. That versatility has made Ethereum not only a blockchain, but also a platform economy: the digital substrate on which much of the on-chain financial system is being built.

Ethereum's programmability has given rise to entirely new asset classes that could not have existed without it. One is non-fungible tokens (“NFTs”) – digital certificates of ownership that have transformed the economics of art, gaming, and digital property. Another, far larger and more consequential, is stablecoins – digital dollars and euros that trade on the blockchain while maintaining a one-to-one peg with a fiat currency. The vast majority of these – including Tether's USDT and Circle's USDC, which together dominate the stablecoin ecosystem – operate on Ethereum or on Ethereum-compatible networks.

Stablecoins are well on their way to becoming the plumbing of global digital finance: They allow individuals and institutions to move dollar-denominated value instantly across borders, 24/7, outside the friction of the traditional banking system. In 2025, these instruments processed more than \$12 trillion in on-chain settlements, surpassing the annual throughput of Visa, the largest payment processor. Each of those transactions burns a small amount of Ether for fees – meaning that the growth of stablecoins reinforces demand for Ethereum's native currency.

Ethereum's incumbency as the foundation for stablecoins and tokenized assets makes it not only a technology platform but also a monetary engine. As stablecoin usage, tokenized assets, and decentralized finance applications expand, every unit of

Ethereum network activity translates into more fees, more Eth burned, and – over time – greater scarcity for Ether. As we’ve previously described, this feedback loop gives Ethereum monetary characteristics that can be even more compelling than Bitcoin’s: as demand for Ethereum’s network grows, Eth supply shrinks.

This feedback loop has pointed implications for Ether’s potential price appreciation. Reasonable estimates for Ethereum’s network growth suggest its market capitalization could plausibly increase from about \$565 billion today to \$2 trillion to \$4 trillion over the next five years and \$8 trillion to \$10 trillion over 10 years. Such market capitalizations imply Eth prices of \$8,000 to \$15,000 and \$32,000 to \$40,000 respectively.

But while Eth’s price appreciation potential is tantalizing, investors should focus even more on the Big Picture take away: Over the coming decade, as stablecoins, tokenized assets, and digital securities become mainstream, Ethereum will be a major winner – almost certainly joining gold, Bitcoin, and U.S. Treasuries as a core monetary asset of the modern era. For investors building a Forever Portfolio of blockchain blue chips, Ethereum isn’t an optional speculation but instead a core “must own.”

SharpLink Gaming: The Smart Way To Own Ethereum

By this point, I hope I’ve convinced you of two things:

1. Your Forever Portfolio needs to include blue-chip blockchain assets
2. Ethereum should be a foundational component of that portfolio

The natural next question that arises is: How should you own it?

You could simply buy Ether directly on a cryptocurrency exchange such as Coinbase, Gemini, or Kraken. This approach has merit, especially for sophisticated subscribers who may wish to re-invest their Ethereum coins (ETH) by staking it themselves. (Staking is the process of locking up your Ethereum to help secure the network and validate transactions, in exchange for earning new ETH as a form of interest or reward.) But for most subscribers – especially those looking for a “set it and forget it” approach consistent with a Forever Portfolio – the best way to own ETH today is by buying shares of SharpLink Gaming.

Let me explain . . .

As we noted earlier, Joe Lubin – Ethereum’s co-founder and now SharpLink’s chairman – has re-structured SharpLink as a pure-play Ethereum treasury. That means the company’s business mission is simply to acquire Ether, hold it, and stake it for yield. Lubin has also indicated that SharpLink may occasionally invest a small portion of SharpLink’s balance sheet into promising Ethereum infrastructure projects.

The first compelling reason to own Ethereum by owning SharpLink equity is that it enables us to buy ETH at a discount. That's because SharpLink currently trades at a material discount to its ETH-based net asset value ("NAV"). From its latest public disclosure, SharpLink holds 839,000 ETH on its balance sheet, with no debt. With those coins trading at \$4,495, SharpLink's NAV is \$3.77 billion. But at \$17.75 per share, SharpLink's market capitalization is only \$3.28 billion. Effectively, buying shares of SharpLink today enables us to acquire ETH at a 13% discount to its spot price – while getting all the expertise that Joe Lubin and his team at ConsenSys can provide on staking and Ethereum treasury management for free.

Subscribers familiar with our report on [SBI Holdings \(Tokyo: 8473 JT\)](#) will recall that the original public company to transform itself into a blockchain treasury – in its case, a Bitcoin treasury – was of course Michael Saylor's MicroStrategy, which has since renamed itself Strategy (MSTR). The Strategy precedent brings us to the second reason to own ETH via SharpLink – the likelihood that SharpLink will eventually trade at a premium to its ETH-based NAV instead of at a discount. For virtually all the past five years, Strategy has traded at a premium to its Bitcoin NAV – and at times, a significant premium that has exceeded 2x.

SharpLink is still in its early days as an Ethereum treasury, having announced this restructuring only in May. As the company grows its ETH holdings, executes disciplined share buybacks or well-timed capital raises, and proves out its ETH staking expertise, there's strong reason to believe it will benefit from a valuation uplift similar to Strategy's in the Bitcoin context.








The final reason to own ETH via SharpLink brings us full circle – back to Joe Lubin and the distinctive expertise he and his team possess. One of the major differences between Bitcoin and Ethereum lies in Ethereum's enormous staking ecosystem, which enables ETH holders to generate significant yields by staking their Ether.

But staking ETH safely requires you to know what you're doing – which many do not. By owning SharpLink, shareholders capture the yield from ETH staking without managing node operations, validator risk, or staking infrastructure themselves. Instead, they can outsource the staking management to Lubin and his team – and benefit from the institutional rigor, risk controls, security, and expertise they bring to these opportunities. SharpLink reports that 95% of its ETH holdings are deployed in staking. As staking rewards compound and ETH's burn mechanics amplify scarcity, SharpLink shareholders stand to benefit from ETH's price appreciation and staking rewards alike.

It's rare that you get the chance to ride alongside one of the co-founders and titans of an innovation as important as Ethereum, and to buy into his vehicle at a discount not a premium. That's not a chance we should pass up.

Action to Take: Buy SharpLink Gaming (Nasdaq: SBET) up to \$19 per share

Our holding in SharpLink Gaming will join our holding in SBI Holdings in a new section of the *Tech Frontiers* Portfolio – Blockchain Blue Chips.

TECHFRONTIERS PORTFOLIO							
Ticker		Company	Entry D... ▲	Entry Price	Price	Total Return	Status
Biotech							
SGMT		Sagimet Biosciences	01/09/2024	\$5.71	\$7.60	96.38%	Buy Up to \$5.00*
ROIV		Roivant Sciences	02/29/2024	\$11.44	\$16.22	41.78%	Hold
TGTX		TG Therapeutics	07/03/2024	\$18.79	\$35.57	103.19%	Hold^^
SGMT		Sagimet Biosciences	09/05/2024	\$2.62	\$7.60	160.31%	Buy Up to \$5.00***
BCYC		Bicycle Therapeutics	05/07/2025	\$7.78	\$8.35	7.33%	Buy Up to \$8.75
ACET		Adicet Bio	05/07/2025	\$0.49	\$0.89	82.05%	Buy Up to \$0.75
ALNY		Alnylam Pharmaceuticals	06/04/2025	\$305.31	\$457.58	49.87%	Buy Up to \$320
PRME		Prime Medicine	07/02/2025	\$3.07	\$6.69	111.68%	Buy Up to \$4.00**
FBIO		Fortress Biotech	09/03/2025	\$2.95	\$3.00	1.70%	Buy Up to \$3.45
Blockchain Blue Chips							
8473:JP		SBI Holdings	02/05/2025	¥4,315.00	¥6,604.00	56.29%	Buy Up to ¥7,200^
Hedges & Other							
LBRT		Liberty Energy	12/04/2024	\$18.32	\$12.95	-27.57%	Buy Up to \$20.00

Portfolio Review

It's been an eventful month for several of our Portfolio names.

Fortress Biotech (Nasdaq: FBIO) received a Complete Response Letter (“CRL”) from the Food And Drug Administration (“FDA”) for its novel Menkes disease therapeutic, CUTX-101. **We published an update on Fortress** earlier this week and would suggest that subscribers who haven't yet read it please do so carefully. While we're disappointed and surprised by the CRL, which focused on deficiencies the FDA found at a Fortress partner's manufacturing plant, we are optimistic the FDA will approve CUTX-101 with a six to 12-month delay. We are also extremely confident about the value embedded in Fortress's longer-term pipeline, notably in Emrosi and Dotinurad. We've moved Fortress to a Hold until management explicitly clarifies its timeline for re-submitting

CUTX-101 to the FDA. We'll let subscribers know when we are comfortable moving this recommendation back to a Buy, and in turn where we would set a new "buy up to" price. At about \$3 per share, Fortress stock is, despite the setback, still trading above our \$2.95 entry reference price.

Earlier this week, **Prime Medicine (Nasdaq: PRME)** became the latest *Tech Frontiers* holding to appreciate 100% or more from our recommendation's entry price. As is our standing risk-management practice, **we issued an update** suggesting subscribers sell half their position for a 100% gain and hold the balance. Over the past months, Prime's scientific team has reported some very promising developments relevant to the company's cutting-edge gene-editing platform. We'll review these developments in a longer update in the future. For now, we would simply re-iterate our optimism that Prime shares have significant upside left to come. Well above the \$4 "buy up to" price, shares of Prime are currently a Hold.

After moving sideways for over a year, shares of **Roivant Sciences (Nasdaq: ROIV)** exploded higher this past month, as the company delivered home-run Phase III clinical trial results for Brepocitinib ("Brepo") in dermatomyositis. The results strongly suggest Brepo will emerge as a blockbuster drug on approval, capable of generating \$1.5 billion to \$2 billion in peak sales. Roivant may also benefit from upside to come in its longstanding patent litigation against Moderna and Pfizer. At about \$16.10 per share, Roivant shares are a Hold above our \$13 "buy up to" price.

That's all the material news we have to share this month about our **Portfolio** holdings.

***Tech Frontiers* "Best Buys"**

For new subscribers, we highlight current portfolio picks that are at an attractive buy point. The current "Best Buys" are:

1. This month's recommendation, **SharpLink Gaming (Nasdaq: SBET)** – an inaugural member of what we describe as Blockchain Blue Chips, which we anticipate you can and should hold for the very long term.
2. **SBI Holdings (Tokyo: 8473 JP)**, another Blockchain Blue Chip, and one of the most favorably asymmetric opportunities we've encountered in decades.

I look forward to writing to you next month, or sooner if there's relevant news to share in our Portfolio. In the meantime, please don't hesitate to write me with questions or feedback.

Best regards



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