C*u*Bit™

Hedge Against Volatility-C*u*Bit™ Hedges Your Wealth

January 2024

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**Hedge Against Volatility:** Volatility is when the value of something changes dramatically, usually in a short period of time. It can make your wealth grow dramatically. It can make your wealth disappear into thin air. When you buy a stock, or crypto, and the value goes up you are happy to see your wealth grow. But, when the value plunges, you weep as your wealth evaporates. C*u*Bit™ hedges your wealth.

Perhaps your wealth is in stocks, bonds, or crypto investments. You protect your accounts with passwords to keep people from stealing your money. No security system can protect you from the thief of volatility. Worse, when volatility steals from you it is totally legal. No Sheriff is coming to arrest volatility and return your wealth to you.

# ***Realizing Gains***

A wise investor knows that you can never lose money when you sell on a gain. Disciplining yourself to periodically harvest your gains instead of just reinvesting them is hard. Unfortunately, it is even harder to find a place to store your gains where they aren’t being filched, little by little.

Storing your wealth in so-called safe-haven fiat currencies has been the go-to position for smart investors for many years. Unfortunately, it is trading one thief for another. It locks the door to volatility while inflation keeps right on stealing. Inflation steals wealth from you every day. Federal Reserve Chairman Alan Greenspan said that inflation is confiscation. That’s a fancy word for theft.

# ***Hedge Against Volatility – Keeping Your Gains***

For thousands of years owning real estate was something only the rich could afford. Smart, wealthy people converted their easily stolen gold, silver, and jewels into land purchases. A thief can’t pick up a plot of land and carry it like he can a bag of gold. Land gets more valuable over time. It is so valuable today that to buy a home or piece of land costs so much money that most people must get a loan.

Unfortunately, buying, maintaining, and selling real estate is a complicated and risky business. It requires so much sophisticated knowledge that the US Consumer Protection Bureau and other regulators impose many strict rules on lenders. They want to protect you from lenders using their knowledge of real estate risks to steal from you.

# ***CuBit™ Protects Your Gains***

When you store your wealth from highly volatile assets in C*u*Bit™, you hedge your wealth against the ravages of extreme volatility and the incremental theft of inflation.

C*u*Bit™ is backed by real estate. Real estate values are not devoid of volatility but, they are historically far less volatile than most investment opportunities.

# ***Hedge Against Volatility – Real Estate Bubbles***

Right now, one big risk of real estate is the value bubbles. Home values shoot up and then collapse, this is volatility wearing another mask. Fortunately, this is usually just a neighborhood thug. The fancy term for this is concentration risk. Most of us know it from the aphorism, “don’t put all your eggs in one basket.”

The nation-wide real estate market is so fragmented that bubbles tend to be isolated and have little effect on other regions, even regions just a few miles away. This is one reason why real estate investors consider it axiomatic that “like politics, all real estate is local.”

The highly localized and fragmented valuation of real estate is a systemic insulator against widespread volatility. Universal Real Estate Wealth Protection Solutions, LLC™ (UREWPS™, the Company) buys real estate all over the USA to back the value of C*u*Bit™. Geographic distribution of the assets allows the stability of real estate values to transmit themselves to C*u*Bit™ to restrain significant and sudden changes in value.



# ***Growing Value While Storing Value***

While storing your wealth in C*u*Bit™, you don’t get returns or dividends. C*u*Bit™ gives you a currency backed by tangible assets. You can use cryptocurrency exchanges to exchange fiat currency and other cryptocurrencies for C*u*Bit™ just as you might use a Foreign Currency Exchange (FOREX) to exchange your US Dollars for Euros, Yen, Rubles, etc. You will want to exchange your inflationary fiat currencies and volatile cryptocurrencies for C*u*Bit™ to protect your wealth against the volatility or ongoing devaluation of those currencies. C*u*Bit™ appeals to you because you understand the value of having a currency whose value is backed by a defined reserve of real-world assets, i.e., real estate and real estate related instruments. The desirability of C*u*Bit™ as a currency is further strengthened by the visibility of those reserves in the C*u*BitDAO™ Asset Ledger.

# ***Gold, Silver, and CuBit™ Oh, my!***

Gold used to be the commodity backing the USD. The government kept a supply of gold in Fort Knox. In theory, this meant that someone could redeem their USD for a specific amount of gold. With the Bretton Woods agreement of 1971 the USD and nearly every other currency in the world relinquished the gold standard. Instead, they backed the value of the USD with nothing more than the faith and credit of the USA. This is the essence of so-called fiat currency. Its value is what the government says it is.

As C*u*Bit™ is backed by tangible real estate it can be redeemed for value just like gold standard currency. Ordinary redemption comes by exchanging C*u*Bit™ for [ETH](https://dirticoin.com/DirtiDictionary/ethereum/), BTC, or USD. In the unlikely event that the Company were to totally liquidate, to redeem your C*u*Bit™ the Company will sell its real estate, add that to our liquid assets, and give you your money. The wealth you store in C*u*Bit™ is backed by assets that have real world value. That backing is more substantial than the “faith and credit” of any country.

# ***Oh, my!***

Many people promote precious metals such as gold as a store of value. Dropping real gold bars into a strong box provides good protection against inflation. However, precious metals are notoriously almost as volatile as stocks. Worse, most “investments” in gold are really investments in pieces of paper. Exchanging your paper for real gold bars is often impossible.

# ***Hedge Against Volatility – Appreciation Drives Value***

There is no expectation of profit, dividends, or interest accruing to you through C*u*Bit™. Returns generated from the real estate are incidental to the value proposition of CuBit™. They are used to fund the operations of the Company. They don’t directly affect the value of C*u*Bit™ and are not paid to C*u*Bit™ holders. The value of C*u*Bit™ grows directly from the appreciating value of the real estate bought by the Company.

# ***Appreciation is Slow Volatility***

To be clear, although C*u*Bit™ is designed to provide low volatility, its value is expected to vary slowly over time. As the value of the real estate assets increases so does the value of each C*u*Bit™ you own.

# ***Speculation is Fast Volatility***

The volatility of many investments, especially many recent crypto investments, is often driven by manipulators and speculators (pirates). These pirates often resort to illegal and unethical tactics to buy low, manipulate the price to a high point, and then sell. They sail away with a fat [wallet](https://dirticoin.com/DirtiDictionary/wallet/) and a smirk while everyone else sees the value of their investment plunge.

A significant factor helping these crypto pirates is the complicated or opaque formulas used to express or support their value. Sometimes these formulas are totally self-fulfilling. The cryptocurrency is worth more if the value goes up. When the value goes up, the crypto is worth more.

Pirates don’t like C*u*Bit™. It is built on transparency and a very simple formula anyone can see and use to determine the value of a CuBit™.

# ***Hedge Against Volatility – The CuBit Value Formula***

One (1) C*u*Bit™ = (Real Estate Assets + Liquid Assets) / C*u*Bit™ in Circulation.

The value of the Real Estate and Liquid Assets, as well as C*u*Bit™ in circulation is published on the publicly viewable C*u*bitDAO™ Asset Ledger (the Ledger). The Ledger values are updated each month and are audited by an outside auditor once or twice each year. The audit results are publicly available. This transparency makes it difficult for pirates to manipulate the value of a C*u*Bit™.

# ***Other Pirate Ploys***

As mentioned, pirates typically buy low and sell high. Nothing wrong with that. Unless they used manipulation to drive the prices down, or up. In the crypto world some pirates have taken advantage of decentralized autonomous organization ([DAO](https://dirticoin.com/DirtiDictionary/decentralized-autonomous-organization/)) rules and extremely low unit prices to plunder.

Many crypto coins have unit values that are pennies, or fractions of pennies. These extremely low prices allow pirates a chance to use loans to buy up a majority share of the coins and then manipulate the rules of the C*u*BitDAO™ to facilitate their theft.

One C*u*Bit™ has a value of about $100 USD and an initial circulation of 15 million C*u*Bit™. This means a pirate must bring more than $750 million to gain temporary majority ownership of the available C*u*Bit™. That is not a trivial barrier. But some of these pirates can bring that to the table and will do it if it suits them.

# ***More Plays***

Fortunately for you, with the C*u*BitDAO™ (the [DAO](https://dirticoin.com/DirtiDictionary/decentralized-autonomous-organization/)), it won’t suit them. Everyone storing wealth in C*u*Bit™ is a member of the C*u*BitDAO™. Everyone with at least one C*u*Bit™ can vote in the C*u*BitDAO™. However, even a majority holder of C*u*Bit™ has no power to present proposals to the C*u*BitDAO™ as those must come exclusively through the Company. Even worse for the pirates, proposals are restricted to increasing or decreasing the supply of C*u*Bit™ to protect its value.

# ***Hedge Against Volatility – Conclusions***

C*u*Bit™ is designed to protect your wealth against volatility. Its real estate investment strategies protect you against market volatility. Its transparency and governance protect against pirates who use volatility to steal from you. You can always determine the real value of your C*u*Bit™ by looking at the C*u*BitDAO™ Asset Ledger.

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| [Disclaimers](https://dirticoin.com/2022/06/28/disclaimers)  Although the design of C*u*Bit™ incorporates inherent protections against volatility and Universal Real Estate Wealth Protection Solutions, LLCTM (UREWPSTM, the Company) is committed to support the asset-based valuation of C*u*Bit™, as with any currency there is nothing to prevent speculators from taking unforeseen actions which might cause the price of C*u*Bit™ to vary without reference to the underlying value proposition. The Company cannot prevent and is not responsible for the actions or results of such speculative behaviors. | |
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