



# Pfäffikon CEO: why I prefer Bitcoin to gold

By Ashley Lowe / 27 Aug, 2019



Pfäffikon-based Stone Mountain Capital chief executive, Oliver Fochler is increasing allocations to cryptocurrencies like Bitcoin and Ethereum, believing that an inverted yield curve in the US and major European markets indicates wider problems in the economy.

Talking to *Citywire Switzerland*, he said: 'Bitcoins are the digital version of gold. The difference is that volatility is much higher when it comes to bitcoins because the market is smaller and not yet as well established and regulated as the gold one.'

According to Fochler, who has been investing in cryptocurrencies for several months, crypto strategies have generated the largest returns in their portfolios.

The chief executive also said: 'Bitcoin is 85-90% negatively correlated to the S&P 500, to a higher extent than gold with is approximately 60%, and that's a relationship that has been going on for 10 years, since the foundation of Bitcoin.'

## Private markets

Fochler noted that private markets have been outpacing their public counterparts, saying: 'Private debt funds have reached a record market capitalisation of CHF 740 billion and are scheduled to hit CHF 1 trillion soon.'

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The CEO also believes this asset class allows investors to get stable yields which are uncorrelated to traditional asset classes.

'We are also interested in venture capital, and are invested in some fintech firms,' he said.

'I believe these kind of investments will become increasingly popular.'