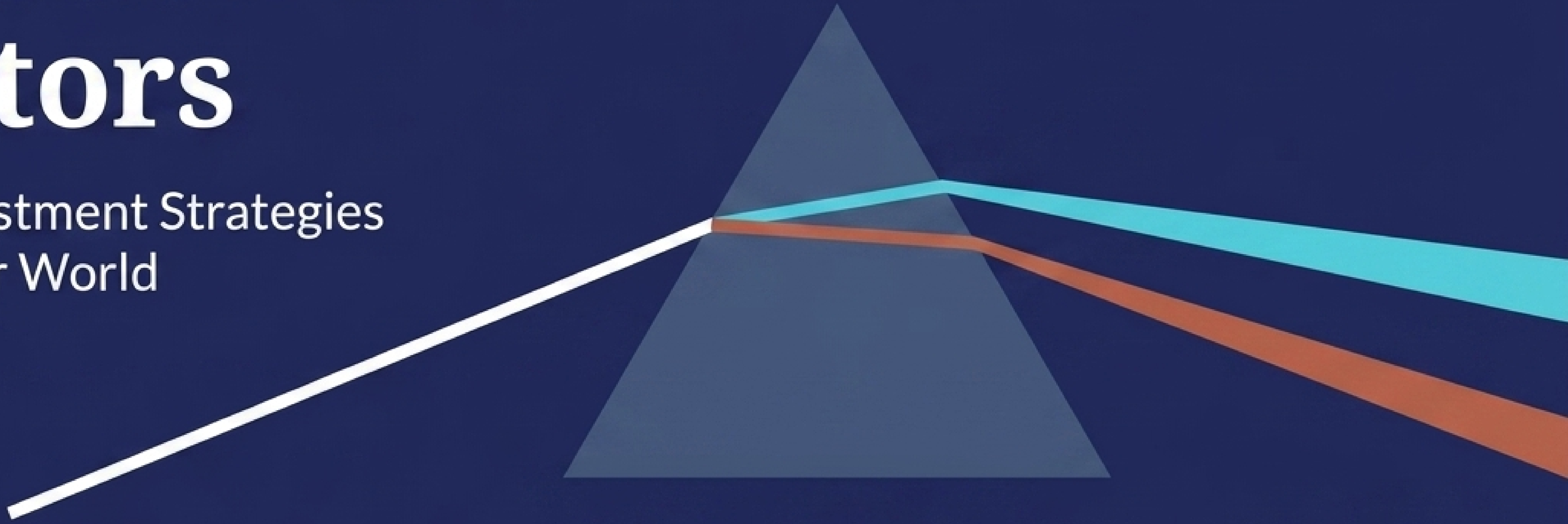
A Tale of Two Investors

Bifurcated Investment Strategies for a Post-Labor World



The investable universe will cleanly bifurcate under two converging systemic shifts

Core Idea

Four converging technologies form a single combined architecture. Investors will split into two distinct camps regarding this infrastructure.

Main Findings

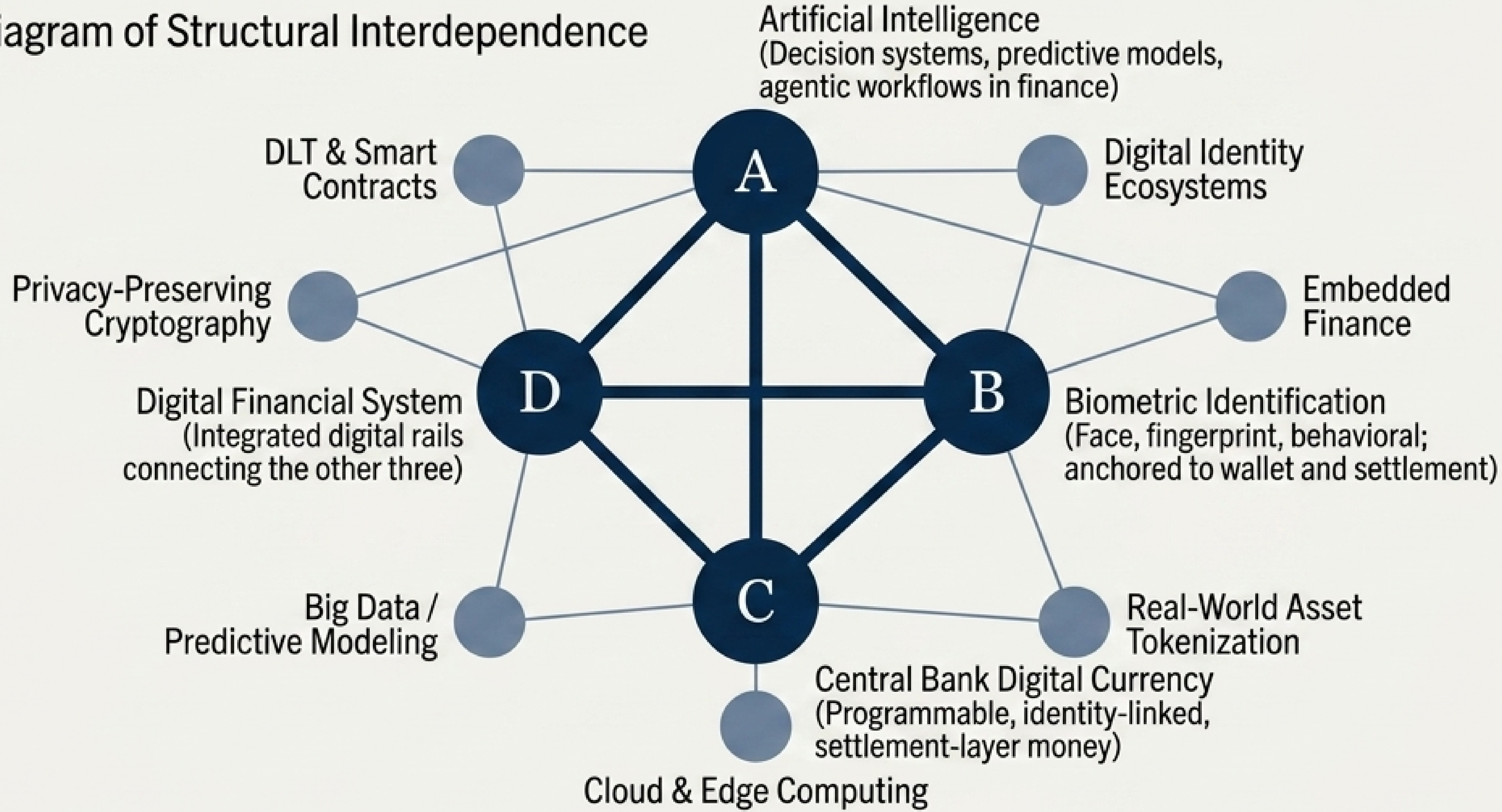
A Resistant camp emerges with two sub-types. Ten technologies form the investable core. Five exit-vector categories exist for wealth preservation. Five plausible end-states range from continuity to extinction.

Novelty

This is the first peer-reviewed synthesis to integrate all four systemic components with the post-labor contingency and an investor-typology argument in a single analytic frame.

The ABCD Architecture emerges as four mutually reinforcing technological systems

A Nodal Map Diagram of Structural Interdependence

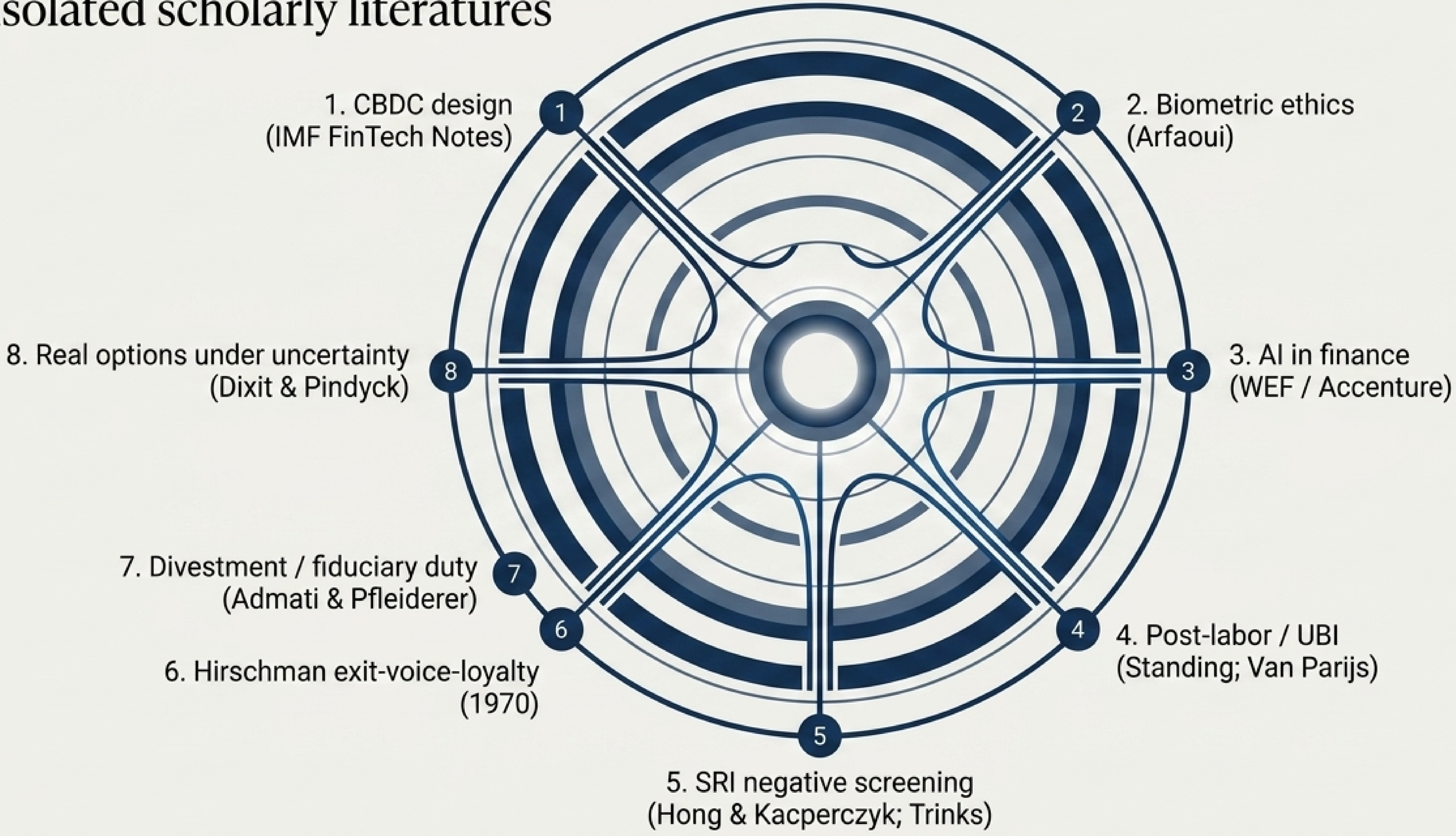


Key Insight: These are not independent trajectories; they are increasingly co-designed in policy and mutually reinforcing in operation.

Two macro conditions, considered jointly, force the investor divergence

If both conditions hold, the financial ecosystem undergoes a structural split.

The framework integrates eight traditionally isolated scholarly literatures



Theoretical grounding maps directly to established behavioral frameworks

Hirschman (1970)

Exit · Voice · Loyalty

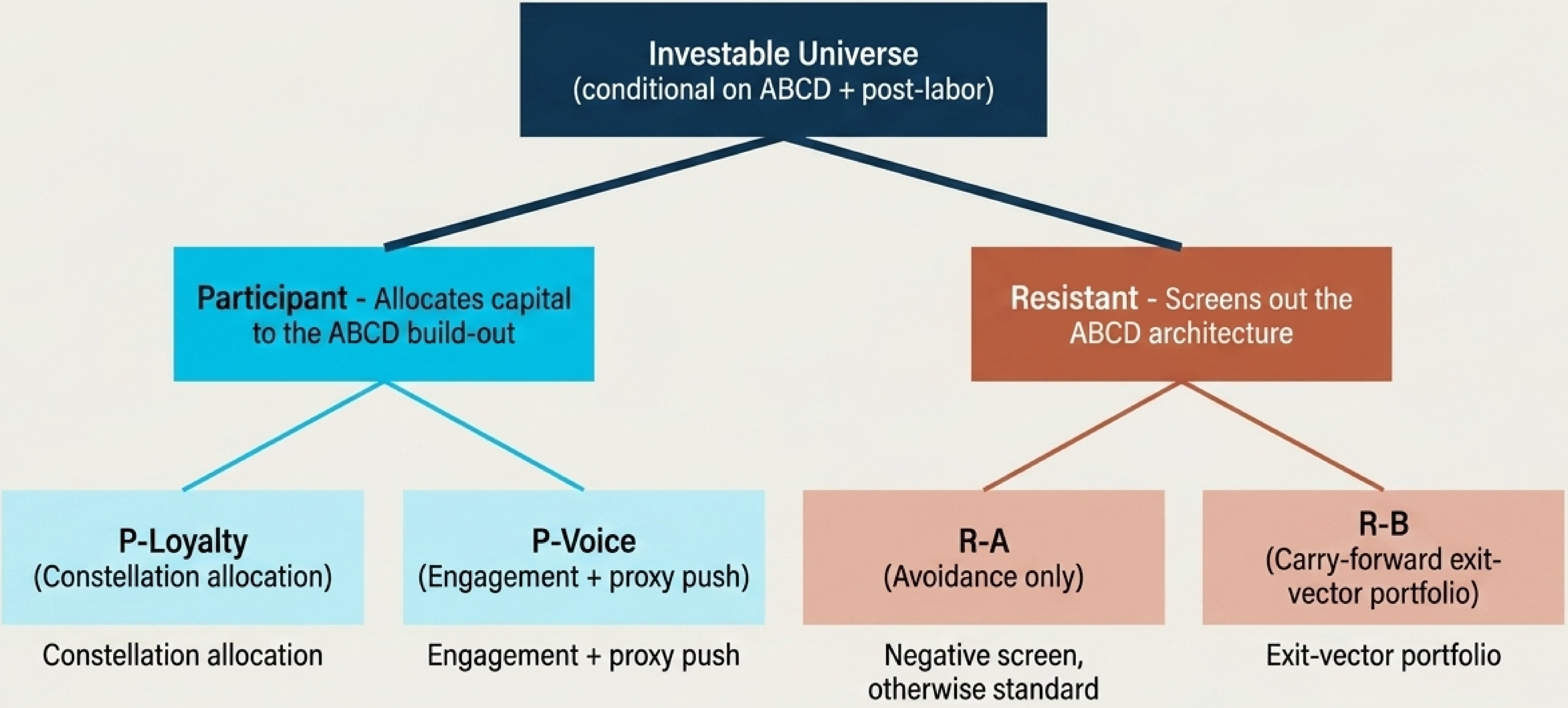
- Grounded in the canonical framework about responses to organizational decline.
- Resistant = Exit
- Participant-Voice = Voice
- Participant-Loyalty = Loyalty

SRI Negative Screening

Hong & Kacperczyk · Trinks & Scholtens

- The ABCD-aversion screen is methodologically analogous to traditional sin-stock exclusion (alcohol, tobacco, gambling, weapons).

The central claim organizes capital into two fundamental archetypes



Contrasting the operational mechanics of the Participant and the Resistant

	PARTICIPANT	RESISTANT
Capital Stance	Allocates capital to fuel the infrastructure build-out.	Deploys categorical exclusion of all ABCD-complicit assets.
Sub-Modes	Voice (active engagement/proxy pressure) & Loyalty (passive allocation).	R-A (negative screen applied to standard portfolio) & R-B (screen + defensive apparatus).
Hirschman Analog	Voice & Loyalty.	Exit.

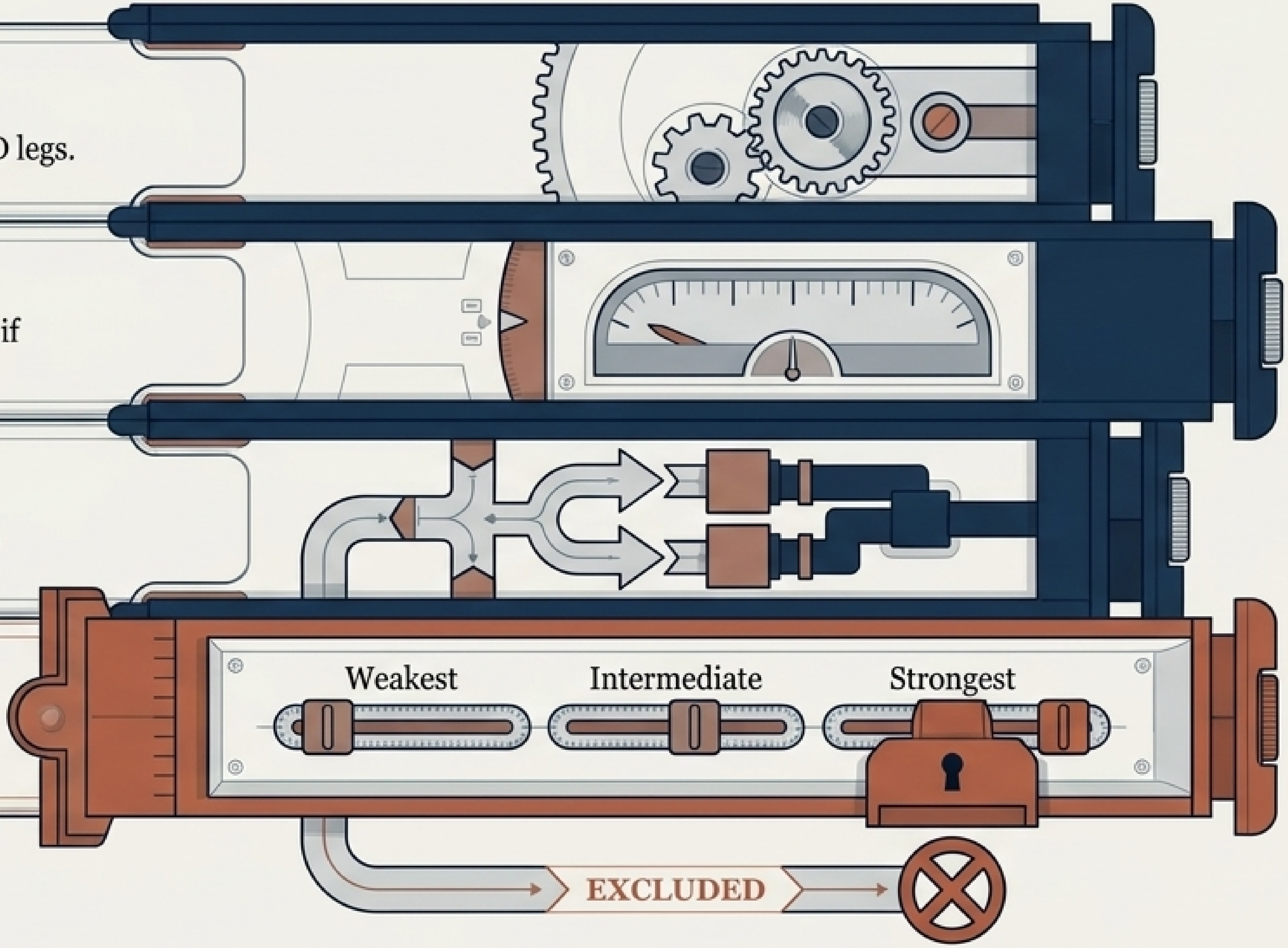
The ABCD-Aversion Screen operates as a rigorous four-part exclusion mechanism

1 **Architecture Complicity**
Direct involvement in building any of the four ABCD legs.

2 **Materiality Threshold**
Revenue share / role significance test to determine if the involvement is a core business function.

3 **Categorical Scope**
Sector and conglomerate handling rules (managing holding companies vs. direct subsidiaries).

4 **Stringency Setting**
Calibrated across Weakest / Intermediate / Strongest thresholds.



The architecture relies on an investable core of ten technologies

1 Artificial Intelligence	2 Biometric Identification	3 Central Bank Digital Currency	4 Digital Financial System

5 DLT & Smart Contracts	6 Real-World Asset Tokenization	7 Embedded Finance
8 Cloud & Edge Computing	9 Big Data / Predictive Modeling	10 Privacy-Preserving Cryptography

Capital allocation patterns reveal a drastically constrained universe for the Resistant

	AI	Biometric	CBDC	DFS	DLT	RWA Tok.		Embed Fin.	Cloud	Big Data	Priv. Crypto
P-Loyalty	A	A	A	A	B	B	A	A	A	A	B
P-Voice	A	B	B	A	B	B	B	B	A	A	C
R-A	—	—	—	—	C	—	—	C	C	C	A
R-B	—	—	—	—	C	—	—	C	C	C	A

A = Heavy, B = Moderate, C = Light, — = Excluded.

The ABCD-aversion screen materially limits exposure to the era's highest-growth technological sectors.

The Resistant archetype is driven by five distinct motivational profiles

Privacy & Civil-Liberties

Surveillance opposition; data-sovereignty grounds.

Religious-Conscience

Faith-tradition commitments; eschatological concerns.

Libertarian-Austrian

Monetary centralization critique; sovereign-money commitments.

Geopolitical

Foreign sovereignty risk; jurisdictional diversification rationale.

Operational Skepticism

Practical doubt about implementation, resilience, and systemic security.

Resistance bifurcates further into passive avoidance and active preservation

R-A

Resistant-A (Avoidance Only)

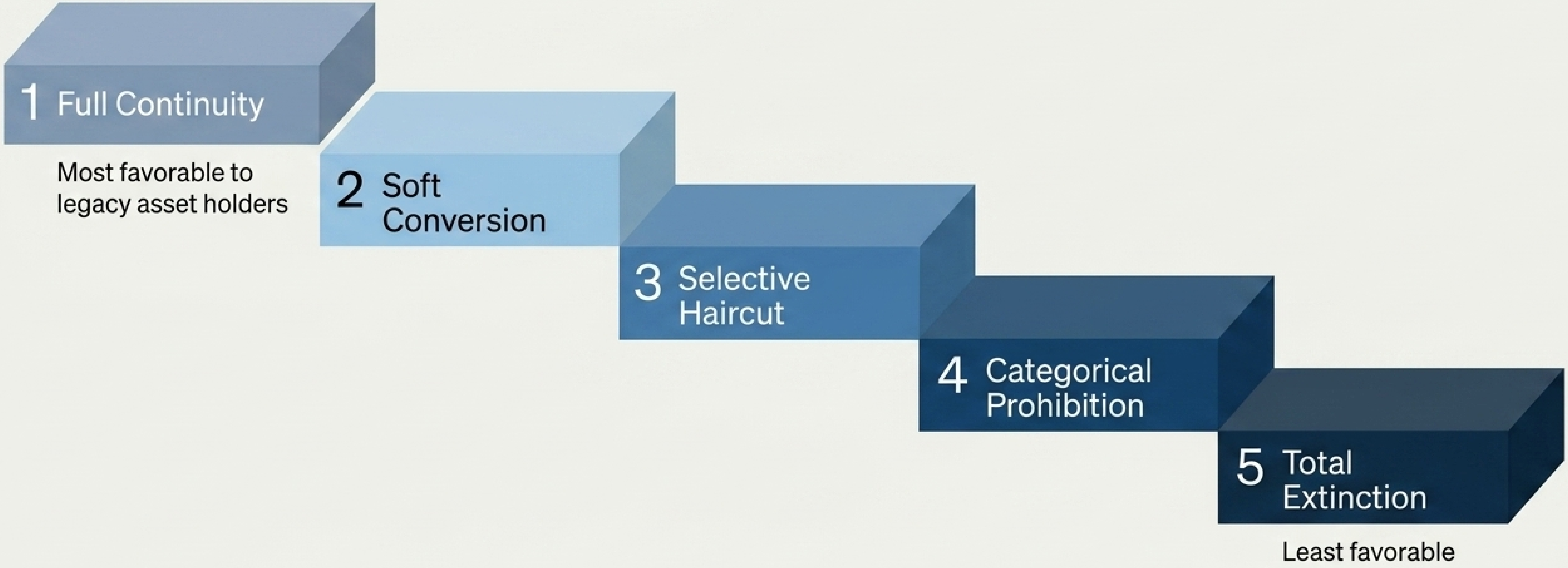
- Applies the categorical ABCD-aversion screen.
- Otherwise holds a conventional, standard portfolio.
- Stance: Lives with the architecture, but declines to fund it. Numerically the larger sub-cohort.

R-B

Resistant-B (Avoidance + Carry-Forward)

- Applies the screen AND constructs a defensive apparatus.
- Designed to preserve wealth across an adverse end-state.
- Stance: Asset preservation is the operational concern. Behaviorally more demanding.

The Asset-Continuity Spectrum models five plausible end-states for legacy holdings



Key Insight: Legacy assets must cross an ABCD transition threshold; survival of value is not guaranteed across all regulatory paradigms.

Historical precedents for adverse transition states and asset confiscation

1933 — **US Gold Prohibition**
EO 6102; private gold compelled into the Federal Reserve

1948 — **Occupied-Germany Currency Reform**
Reichsmark → Deutsche Mark, large-scale asset destruction

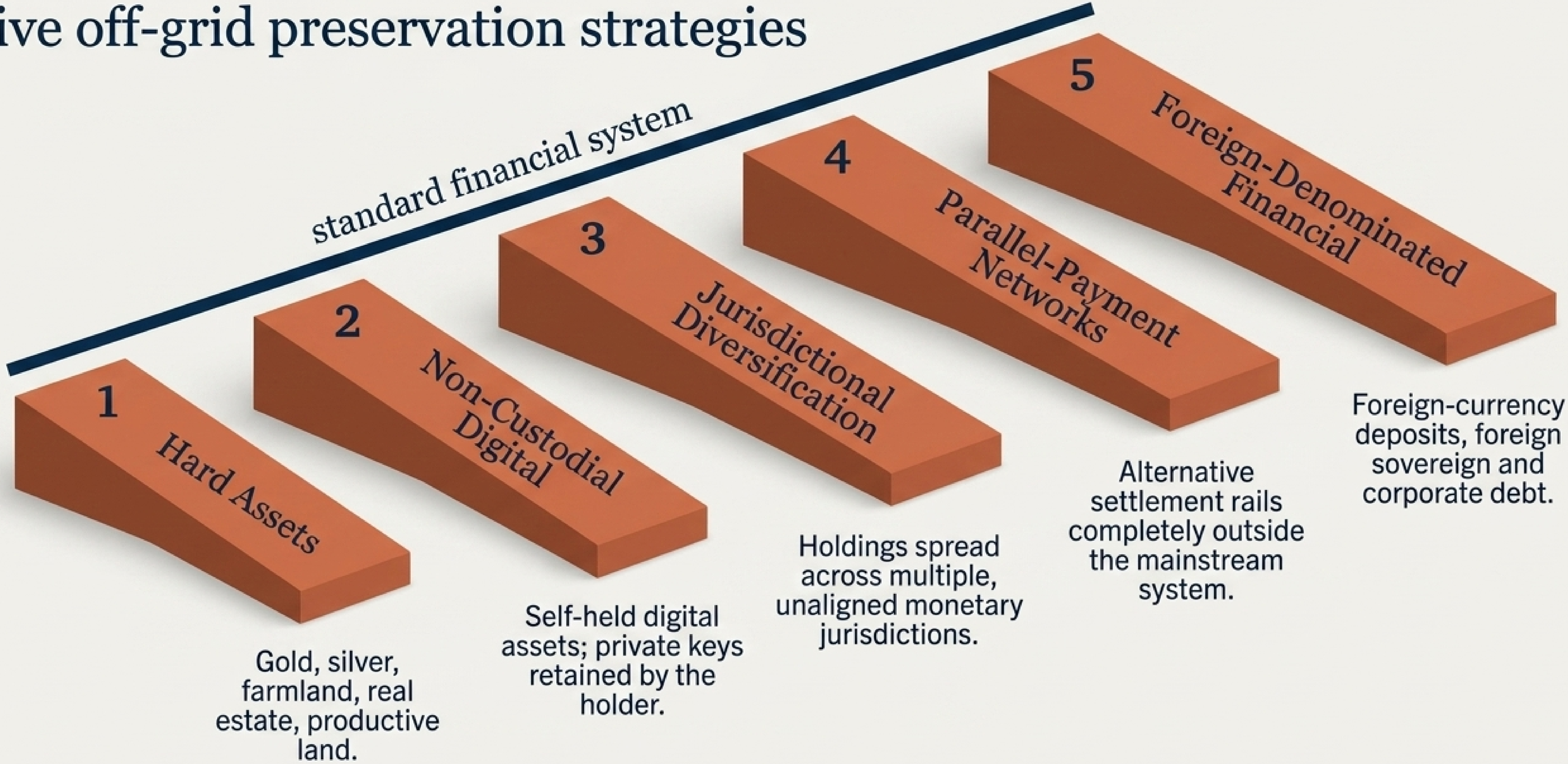
1991 — **Post-Soviet Transitions**
Hyperinflation; ruble breakdown; rapid privatization

2002 — **Argentine Corralito**
Bank deposits frozen, peso-dollar peg broken

2013 — **Cyprus Bank Haircuts**
Insured deposits >€100k levied to recapitalize banks

Disclaimer Text: Partial analogues for the more adverse end-states; not predictions.

The exit-vector portfolio relies on five off-grid preservation strategies



The unresolved tension reshaping institutional fiduciary duty

Standard Fiduciary Rule

- Driven by Modern Portfolio Theory diversification mandate.
- Legal requirement to spread risk across the full investable universe.
- Goal: Maximize risk-adjusted return.

VS

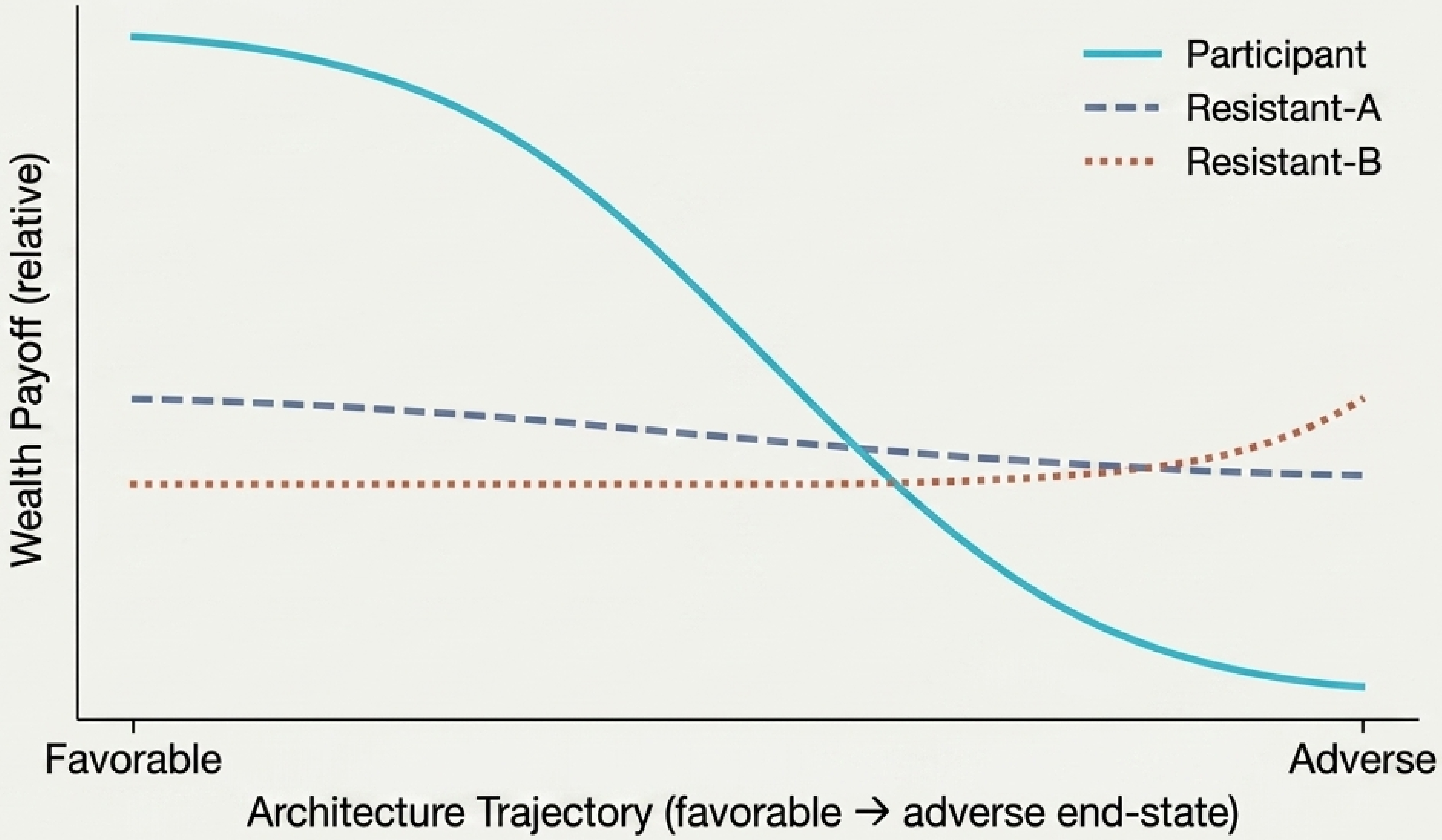
Beneficiary Values-Constraint

- Beneficiary demand for categorical ABCD exclusion.
- Avoidance based on moral or practical grounds.
- Acceptance of reduced diversification for principle-fit.

Synthesis

Pension funds, trustees, and regulators must resolve this conflict as client demand accelerates.

The real-options framing maps wealth payoffs against architecture trajectory



Strategic imperatives across four key market constituencies

Policymakers

Design defaults materially affect the size of the Resistant cohort; surveillance-moderating choices improve voluntary adoption.

Asset Managers

Supply of operational instruments (screened funds, exit-vector custody) lags likely demand; clear commercial opportunity.

Institutional Fiduciaries

Prepare for categorical-exclusion demand; engage the MPT-vs-beneficiary-values tension now, not later.

Individual Investors

Choose a coherent position from the framework menu; calibrate strictly to your own end-state prior.

Scope discipline and directions for future operational research

Limitations

- This is a conceptual typology, not a formally calibrated model.
- The post-labor proposition is treated as a contingency, not a forecast.
- Applicability requires strict jurisdictional parameterization.

Future Research

1. **Empirical Operationalization:** Data on Resistant-cohort allocation behavior.
2. **Formal Calibration:** Numeric estimation of payoff curves.
3. **Legal Analysis:** Evolution of fiduciary-duty doctrine under diversification pressure.
4. **Cross-Jurisdictional Work:** Application where CBDC parameters differ across regimes.