



We had 3 decades of falling interest rates - largely so.

We had 3 decades of globalization - low inflation.

We had 3 decades of expanding government balance sheets - always liquidity.

We had 3 decades of demographic tailwinds - the baby boomers' labor participation years.

We had 3 decades of uncontested reserve currency.

Post 2019, we are entering a different regime on all counts. What worked (and was easy) 1990-2020. Will no longer work as well.

It is a different game. A different part of the long-term debt cycle, a different interest rate regime, world order, and demographics.

And we are saddled with debt, which confiscates tax dollars, with interest payments soon to surpass the defense budget.

We are also saddled with political leadership past their expiration date. Trillion-dollar yearly deficits are baked into the cake as are 50 trillion total debt by 2030.

Debt will be monetized, meaning your dollar will buy less and less, even if your returns look good. Don't get fooled by the optics - the numerator is simply trying to keep up with the ever-diluting denominator.

This is nothing new, but a revisited part of the long-term debt cycle.

Prepare for market returns in the 2020'ties to be subpar, like a necessary reset before the cycle turns.

So what to do?

The game now is to keep order in your financial house. To preserve wealth, to seek efficiency. -To invest time into the game of money that you must play. To invest in yourself.

We will muddle through - no worries if you are prepared. We will be better for it on the other side.

Tom