



INVEST BETTER
with **BRENTHURST**

IN THIS ISSUE

Global fears of a “market crash” overlook the real issue: fiat currency has been losing value for decades. While cash declines, productive assets consistently grow. Staying invested in quality assets and riding out cycles remains the most reliable way to preserve and build wealth.

INVESTING WITH SA'S

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THE REAL CRASH HAS BEEN HAPPENING IN FIAT CURRENCY, NOT THE MARKET

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There’s been no shortage of talk lately about whether markets - especially those linked to AI and technology - are in a bubble. It’s easy to understand why people feel uneasy after such strong returns, but context matters.

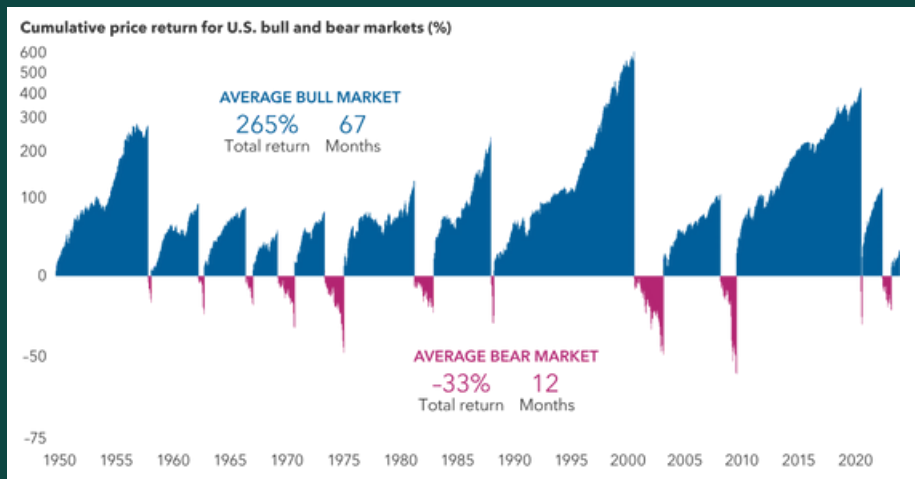
Calling a market a “bubble” is a little like saying a car will eventually run out of petrol. Of course it will. But what matters is how far it can still go before it does - and that’s what investors often miss.

For nearly three years now, we’ve been hearing predictions that the market would crash “any moment”. Yet, here we are. History shows us that these warnings sound wise, but seldom help investors achieve better results. And as the saying goes, “Bears sound smart, but bulls make money” and “bad news sells”.

The real crash isn’t a dramatic fall in stock markets - it’s the silent collapse of fiat currency’s value. While markets recover, holding cash quietly erodes your purchasing power. Real wealth lies in good assets that endure time.

THE POWER OF LONG-TERM THINKING

BEAR MARKETS ARE PAINFUL, BUT BULLS ARE POWERFUL History of Bull and Bear Markets - S&P 500 1949-2023



OVER TIME, BULL MARKETS HAVE LASTED FAR LONGER AND DELIVERED FAR HIGHER RETURNS THAN ANY BEAR MARKET IN HISTORY.

The bull market that began in 2022 is considered current and is not included in the "average bull market" calculations.

The real question investors need to ask themselves is: "AM I PLAYING TO WIN, OR PLAYING NOT TO LOSE?"

Avoiding volatility might feel safe, but it often means missing the very cycles that build wealth. Long-term success in investing has always come from owning good assets and staying invested, not from trying to sidestep every correction.

Even the most powerful financial minds can't predict when markets will turn. In December 1996, then Federal Reserve Chair Alan Greenspan — the single most influential voice in global finance at the time - warned investors about "irrational exuberance". Yet over the next three years, the S&P 500 doubled in value before any major correction occurred.

Source: X.com, TD Ameritrade



If the world's top central banker couldn't time the market, what chance does anyone else have?

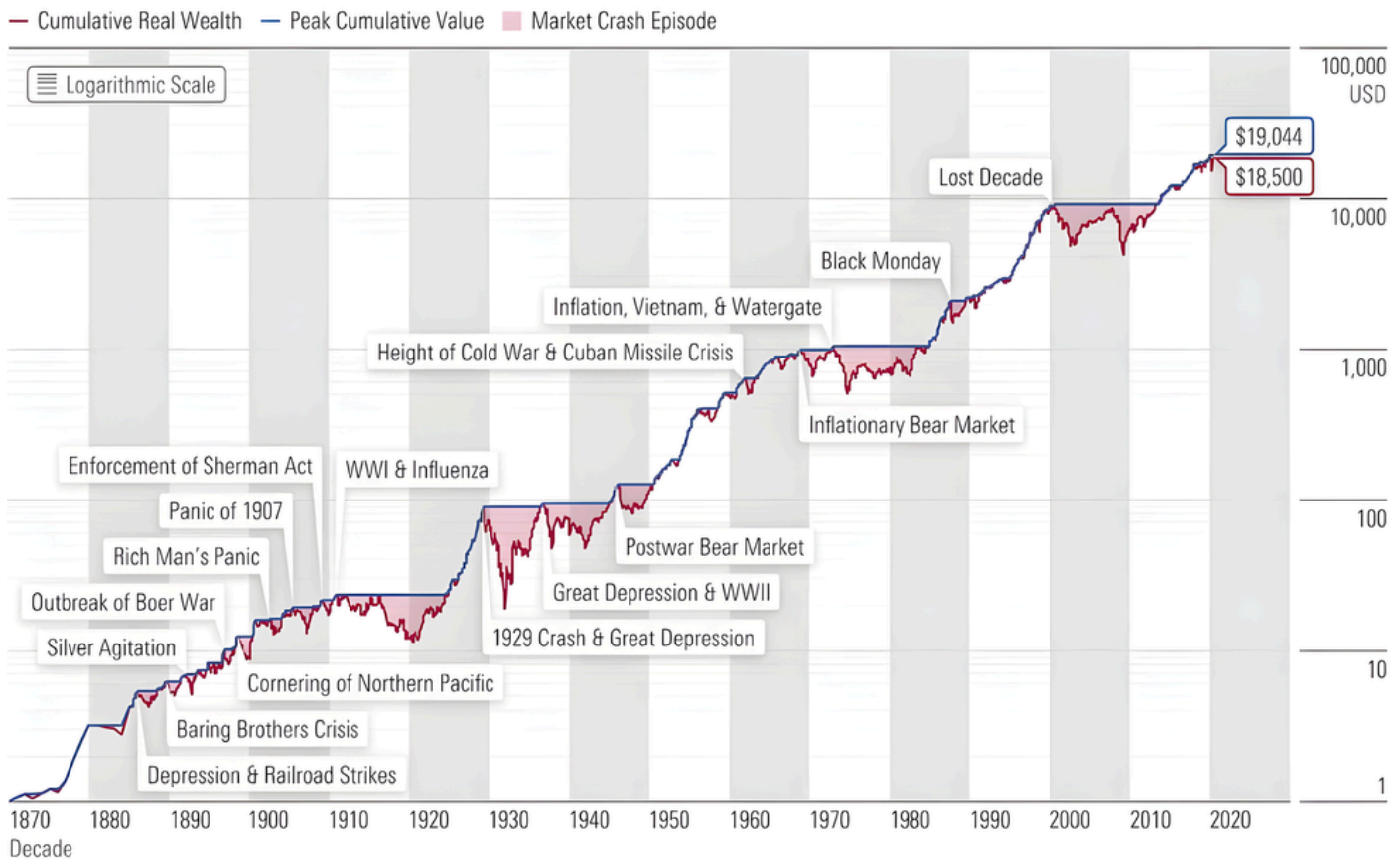
THE LESSON IS TIMELESS: FOCUS ON TIME IN THE MARKET, NOT TIMING THE MARKET.

If we look back 100 years, the trend is clear:

- The stock market's long-term direction has always been up.
- The value of cash has consistently gone down.

Crash Timeline: *Growth of \$1 and the U.S. Stock Market's Real Peak Values* shows that over this period of almost 150 years, \$1 (in 1870 U.S. dollars) invested in a hypothetical U.S. stock market index in 1871 would have grown to \$18,500 by the end of June 2020.

MARKET CRASH TIMELINE: GROWTH OF \$1 AND THE U.S. STOCK MARKET'S REAL PEAK VALUES



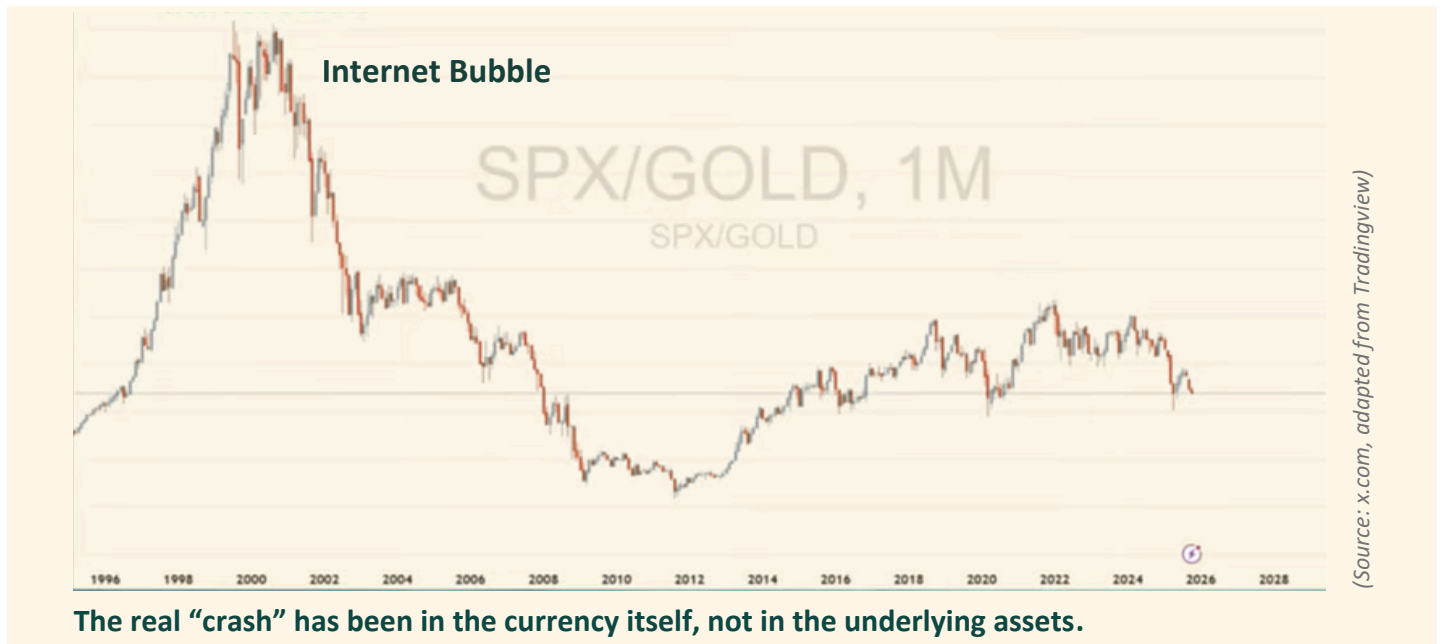
Data as of Jun 30, 2020. Sources: Kaplan et al. (2009); Ibbotson (2020); Morningstar Direct; Goetzmann, Ibbotson, and Peng (2000); Pierce (1982); www.econ.yale.edu/~shiller/data.htm; Ibbotson Associates SBBI US Large-Cap Stock Inflation Adjusted Total Return Extended Index.

HOLDING TOO MUCH CASH IS LIKE WATCHING YOUR PURCHASING POWER QUIETLY ERODE.

Inflation, rate cuts and central bank policies all work against savers over time. We have seen this accelerate post Covid, and that's why investing in productive assets - businesses, infrastructure, innovation and hard assets - remains the surest way to grow wealth and maintain purchasing power.

A GOLD LENS

It is also worth noting that when we look at markets through a different lens - say, measuring it in gold instead of U.S. dollars - it's not nearly as overvalued as headlines might suggest.



CONCLUSION

No one can predict exactly when markets will correct or how long rallies will last — not even the most powerful central bankers.

THE BEST APPROACH IS TO STAY CONSISTENT.

- Own good assets.
- Hold cash for emergencies and to protect against job loss, emergencies and market falls, corrections, bear markets and crashes, so that you do not take from productive assets during those periods – which we will see happen.
- Hold them through cycles.
- Let time and compounding do the heavy lifting.

In short, the goal isn't to avoid the storm; it's to build a ship strong enough to sail through it.

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