

The Age Of The Individual Investor

by *Guy R. Fleury*

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Other Publications

My Books on Amazon:

[Build The Retirement Fund You Deserve. *Be Rich, Be Happy*. Amazon, 2023.](#)

[Reengineering Your Stock Portfolio. Amazon, 2019.](#)

[Beyond the Efficient Frontier. Amazon, 2018.](#)

[From Zero-Beta to Alpha Generation. Amazon, 2017.](#)

[A Quest for Stock Profits. Amazon, 2017.](#)

[Building Your Stock Portfolio. Amazon, 2017.](#)

[Stock Trading Strategy Mechanics. Amazon, 2016.](#)

[Trade Slicing Stocks. Amazon, 2016.](#)

Aknowlegement: Special thanks go to my friend Murielle Gagné for her support, editing help, and keeping me motivated.

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My Papers (Free):

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INTRODUCTION

In my last book, **Build The Retirement Fund You Deserve. Be Rich, Be Happy.** there is a rather short section on what might be coming next titled: “*Financial Fiction*” as if it was some fictitious fantasy, a conspiracy, or some intentional collusion.

It is not so much the case. It is more like drawing a conclusion on the use of the future value formula when applied by a few of the major market participants. It becomes more the outcome of seeking a return on investments where everyone is looking for their self-interests, not the result of some orchestrated secret society.

Anybody in finance knows the future value formula. We use it all the time to evaluate past investments. Make estimates and return projections. We could use the equation to represent anything exponential. The future value formula is:

$$FV = PV \cdot (1 + g)^t \quad (1)$$

It is rather ordinary and has been around for centuries. It starts with the present value of some asset to which we apply a growth rate (g) over a number of years (t). We can use it outside finance, like evaluating population growth, analyzing time series, and using it on stock prices or portfolio management.

We can use the formula on any asset that appreciates or depreciates over time. A house’s value tends to increase with time, while your car’s value depreciates unless it is a rare collectible.

The primary purpose of this paper will be to show that this formula, all by itself, will significantly impact the world in the coming decades like it never has before. It will change the very fabric of society and how we live.

At first glance, it might sound nonsensical. Nonetheless, that equation will set boundaries. Never in history have all the components been gathered that will change so much how people will behave. However, this paper is not a societal thesis. It is only about what an ordinary equation’s impact could have over the next century.

My first objective in writing this is to have anyone do the same calculations and reach the same conclusions. I will use rough estimates and simple assumptions, which should be enough to make the points. It is not an academic paper; it has no such pretensions. Notwithstanding, it will follow or, more likely, be limited by the outcome of the future value formula. I will only make a few references or citations. Most will be common sense, ordinary things supported by fundamental equations.

Asset Value

People assign value to assets. Some things are more valuable than others. Any price tag will attest to that. Some assets appreciate with time, while others decay and wither away. If you buy a banana duct taped to a wall for \$200k, you will not have a piece of art that will appreciate with time. You can be sure of that. Value is not in the eye of the beholder, value is measurable, and one measure is how much that asset is worth and how much someone will be ready to pay for it, thereby expressing it in monetary terms.

Should we remain alert and skeptical of what we are offered as assets and investments? Most definitely. There are so many scams and frauds that you should always be on your guard, do your investigations, and at least do due diligence.

Do not take what will be presented here for granted, either. Question it all. Make your calculations, and build your own scenarios. Eight billion people seeking wellness for themselves and their families make it a very complex world.

The only person you need to convince is yourself, nobody else. You are also a person you can trust. Therefore, the conclusion is simple: do your homework, question, and verify everything.

Let's Get To It

We are all chasing future growth when building wealth, a business, or any long-term fund. And as presented in my latest book¹, you can take charge of your retirement fund and do pretty great things with it.

All people do not start on the same footing with the same abilities, amount of initial capital, portfolio management skills, or available opportunities. That will not change; it will only amplify in the future. Learn what you need to learn and build from there. That should be the mantra. You will find out it was relatively easy anyway.

In building investment funds, some have a head start and are more knowledgeable about financial matters. However, you do not need PhDs to be an investor. Usual cognitive talents are more than enough.

Common sense is a superpower in the investment field. If you are delusional, it will translate into your investment style, and that shows little promise even though you could win the game anyway.

Regardless, some do not stand a chance, not because they are not bright enough but because they need more capital to make it worthwhile.

¹ [Build The Retirement Fund You Deserve](#). *Be Rich, Be Happy*.

That would be more than 90% of humanity, some 7.2 billion people. It is closer to 95% of the people will have insufficient funds to build a decent retirement fund. But who is counting, and who has those numbers? That is a dire prediction saying that most people will be relatively poor with all it implies.

The difference between two compounding functions is another compounding function. And in the future, the gap between rich and poor will get wider and wider to higher levels never seen before. Furthermore, this spread will only increase and accelerate since it is compounding.

The future value formula implicitly says who owns what asset, how much it is worth now (F_0), and how much it could appreciate up to a future date, whether it be months, years, or decades. Knowing its present value and appreciation rate, you can always get a time-stamped estimate on any asset.

Speculation is when you do not know the actual growth rate since the other two terms of the formula are usually known.

Nonetheless, assets are not eternal either. They do have a life expectancy. Stocks rise and fall. Some companies prosper, and others go bankrupt. Nations default on their debts, blow up in hyperinflationary periods, or get invaded or conquered.

This paper is not about all those things. It is more about portfolio building and asset management with replacements. It will impact our lives and the lives of our loved ones. That was the main focus of my last book². Helping people who can help themselves make the best of what they have and, in the process, build a legacy for their children.

Looking at past data, you can quickly determine an asset's growth rate. You know its current and initial value and how long it took to reach its present value. Move the variables around, and you will get: $[FV/PV]^{1/t} - 1 = g$.

Equation (1) has a trivial case: $g = 0$, which will give $FV = PV$, meaning no appreciation at all. It also says: no loss of value either. Having a zero growth rate is not the same as putting one's money under the mattress.

Money depreciates over time due to inflation. The higher the inflation rate, the faster money depreciates. Look up figure #1 in the following [article](#). It shows that \$100 dollars in 2000 was worth only \$56.90 in 2022. It is worth even less today. The last chart in the mentioned article is also relevant. It showed the return on a few asset classes over the last 200 years. Those secular trends should also continue going forward.

² [Build The Retirement Fund You Deserve. Be Rich, Be Happy.](#)

Growth Rates

For $g > 0$ in equation (1), you get appreciation. The initial value is a scalar. The higher the growth rate and the longer it is applied, the more the formula will give.

We have over 8.0 billion people on the planet as of 2023. A 2% increase for 100 years would give: $FV = 8.0 \cdot (1 + 0.02)^{100} = 57.96$ billion people.

A population growth rate of 1% gives $FV = 8.0 \cdot (1 + 0.01)^{100} = 21.64$.

A 1% difference in population growth could account for 26.32 billion more people on the planet in 100 years. A 1% forecasting error can make quite a difference.

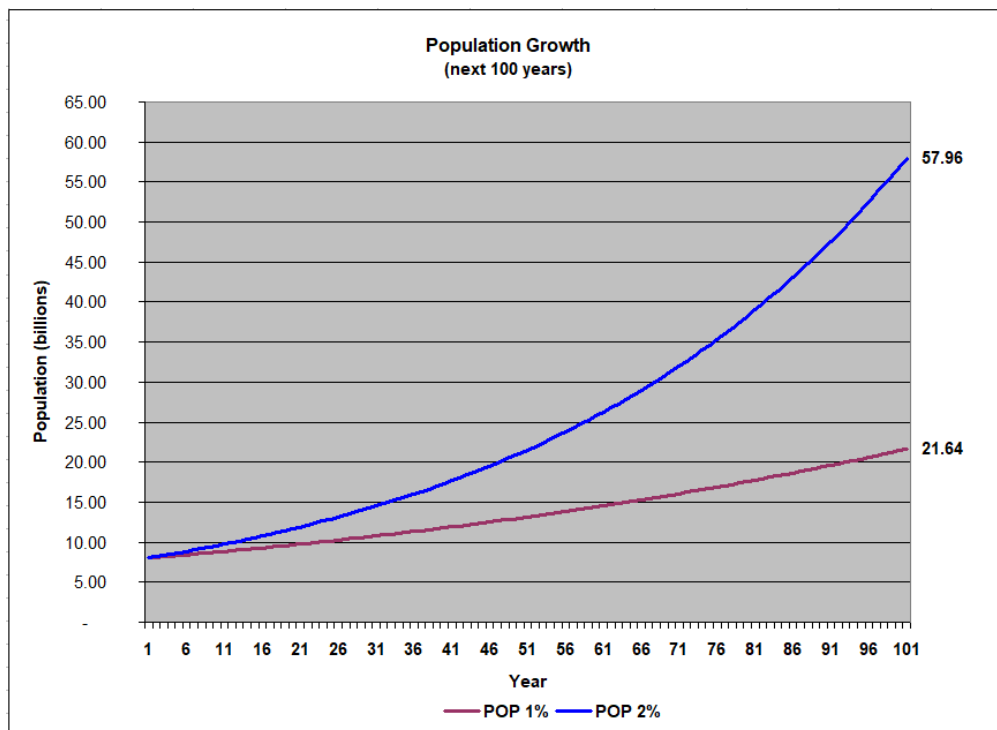


Figure 1: Population Growth Over Next 100 Years

Political decisions today on limiting population growth can impact everything in the future. Care to make a prediction? It would take to be off by 1% on population growth estimate to erase 26.32 billion people from existence over the next 100 years. It is people that are the engine for everything. It is answering all their needs that is pushing humanity to higher heights.

What will it be? Do we project future population growth at 1%, 2%, something higher, something between, or maybe something lower? Which will it be? Should we not prepare for such an outcome, whichever it is? Or should we have only a short-term vision of what is coming next?

The current world population growth rate is about 0.94%. Using equation (1), it would give: $FV = 8.0 \cdot (1 + 0.0094)^{100} = 20.39$ billion people. We will continue to use the 1% growth rate simply because it is easier to write and close enough to what might be. In the past, say in the early 1970s, the growth rate was closer to 2%. Therefore, in the '70s, some 50 years ago, some could have made projections with a growth rate at that level, and they would have been wrong.

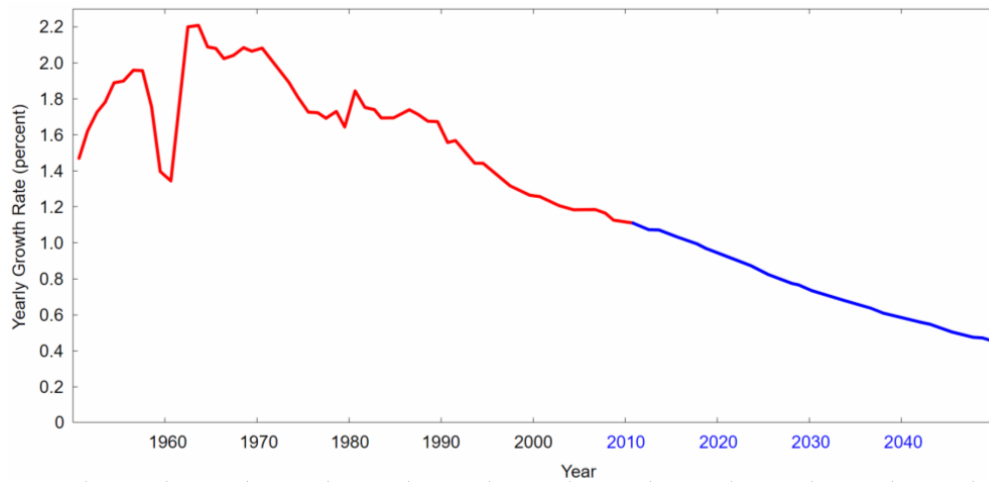


Figure 2: Population Growth Since 1950

Figure 2 shows the population growth rate since 1950. For sure, that curve is not rising. Have we deliberately tried to slow down population growth? I remember the Sierra Club in the 1970s was talking about it. Did they do something in that direction following their studies and stated objectives?

A hundred years might appear far away. The first 50 years would look like figure (3). That 1% difference would still represent 8.08 billion people, which is more than the people we currently have. In 50 years, do we get 21.11 billion people or only about 13.03?

Suppose we made a 10-year forecast. We would get figure (4) where the growth rates are the same as in figure (3), but where the duration is only ten years. Even though those lines appear almost straight, the lines emanate from the same exponential growth rates.

We could have in 100 years some 58 billion people farting every day. Talk about a venting problem, or how about the issues generated by so much methane gas emissions into the atmosphere. It would be 7.25 times more gases than what humans produce today. Also, where will we put all the garbage that humanity will generate? Trash, rubbish, and waste are on an exponential curve too. We have years, if not decades, to solve those problems and many more. Regardless, those problems are coming.

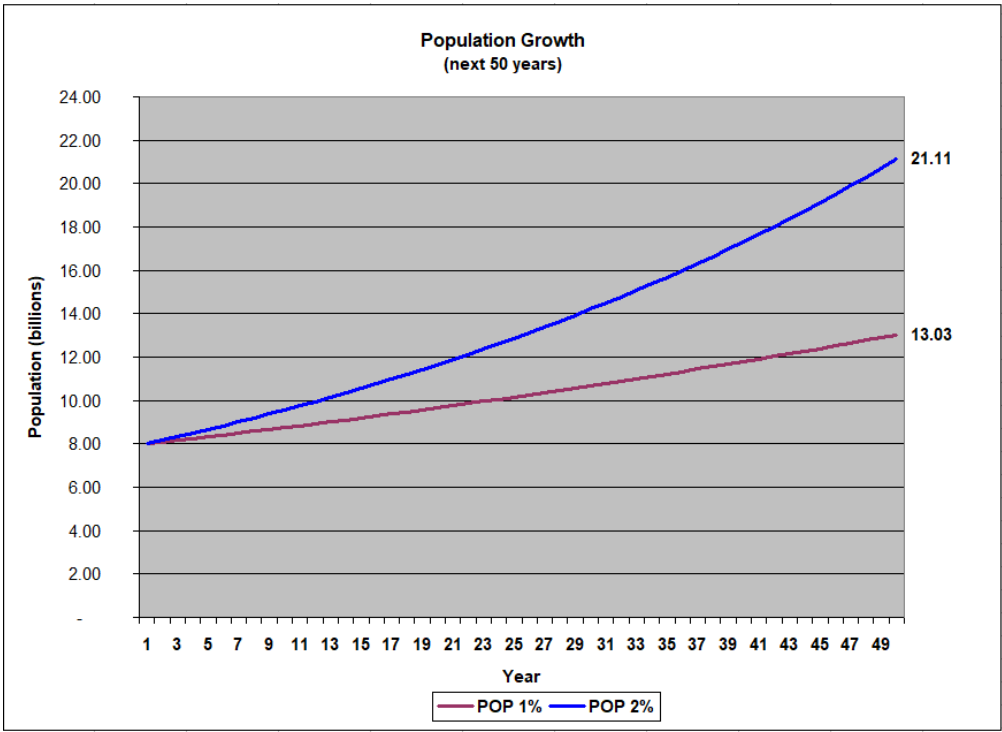


Figure 3: Population Growth Over Next 50 Years

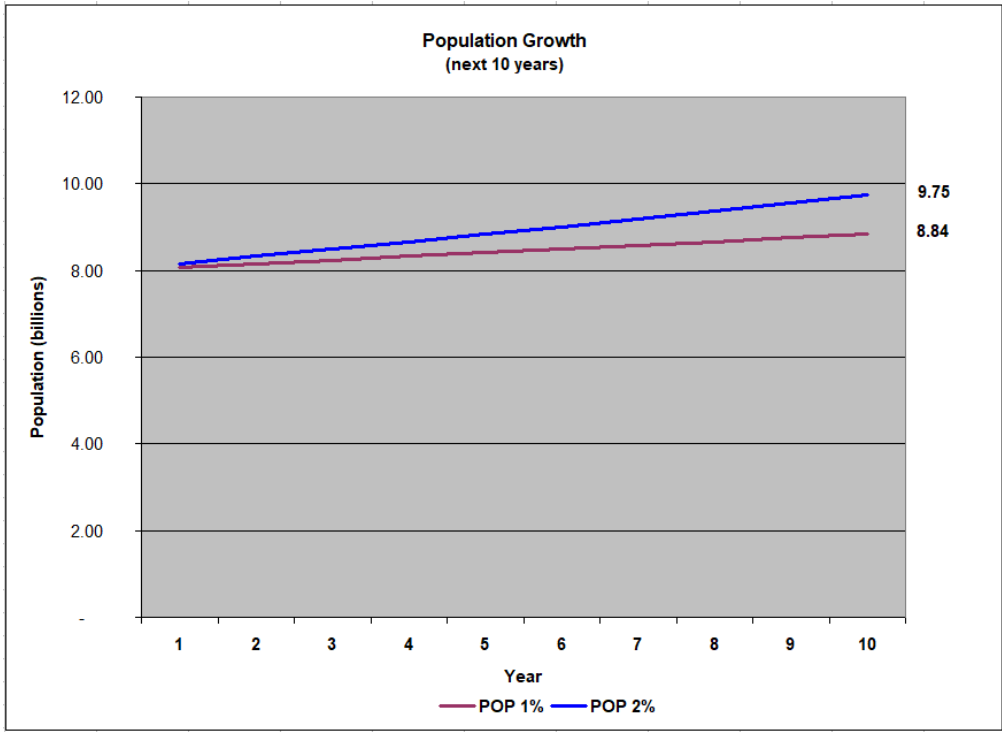


Figure 4: Population Growth Over Next 10 Years

You look at a 10-year projection as in figure (4), and the immediate question is: what is the big deal? Only when you extend the number of years can we see how big that 1% difference could be.

Negative Population Growth

We could also have negative population growth, meaning $g < 0$. It would represent a decaying function with the final value tending to zero the more time you give it.

A 1% decay on population growth would give: $FV = 8.0 \cdot (1 - 0.01)^{100} = 2.93$. While at a 2% rate, in 100 years, the total population would be: $FV = 8.0 \cdot (1 - 0.02)^{100} = 1.06$ billion people. See figure (5).

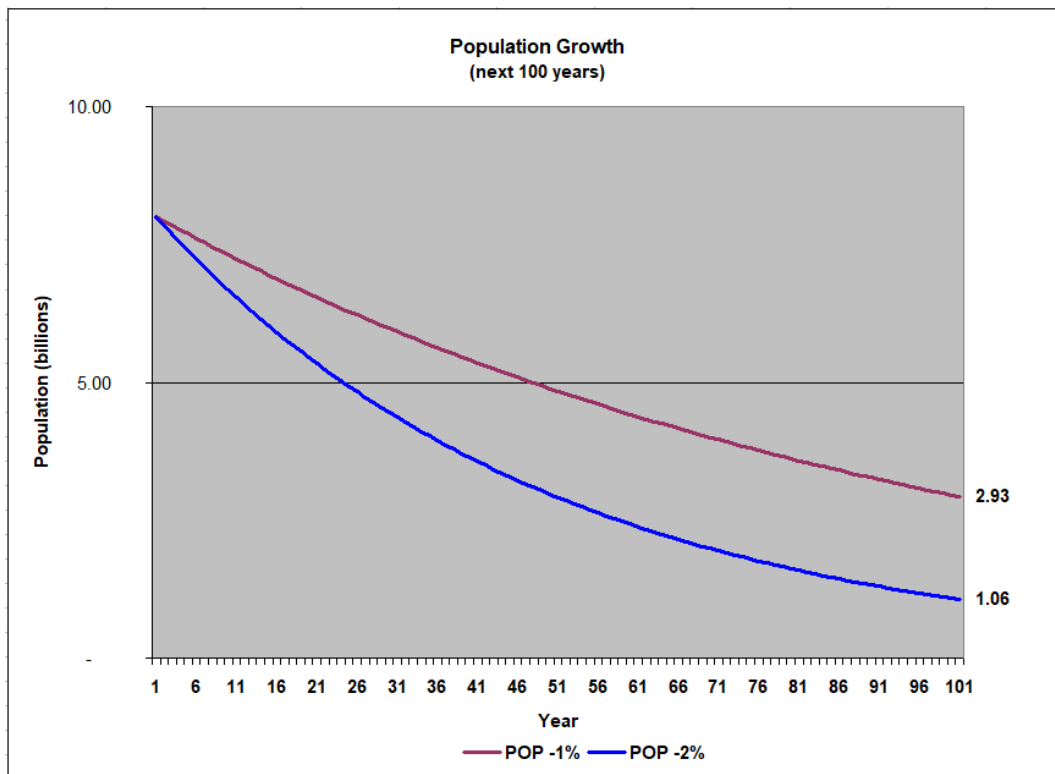


Figure 5: Population: Negative Growth Over Next 100 Years

Should that be a desirable outcome? I certainly hope not! That would be terrible. Killing people somehow, like spreading a long-lasting sterilization virus, should never be considered. We should learn to live in harmony, help one another, and tolerate each other to a certain extent. That is why we have laws to say to all that what you just did is outside acceptable limits set by your peers: those who govern who were democratically elected or part of some political regime.

So the real problem is: who will set the laws? Are they biased to one side and favoring one group over another? So many real societal questions?

This new world order under construction is for our children. We can make this world peaceful, or an actual apocalypse where crime is rampant and your survival is not assured. Unfortunately, we are literally leaving our future in the hands of some unscrupulous and tainted politicians with little moral integrity. It is simply a disaster in the making. We have seen what they can do over the last three years just in handling Covid-19, and they certainly can do much worse going forward. They now have practice and created the precedent they need to go even further next time. We should not let them. Our children's future will depend on it.

It is not by declaring what will be a nuclear war that what they do will help our children live free and in a better world.

If you want to trust them, go ahead. But, I will not follow in your footsteps. I will never again put any trust in what they say. I will always check and question every word they utter.

They lost credibility and intellectual integrity (at least the political machinery) just like mainstream media, which repeatedly uttered lies after lies over the last few years. It will take quite some time for them to regain trust. Trust will not be given back so easily. I will not excuse their selling out, and I will not forget how incompetent they were, either. Overall, they contributed by their ludicrous policies in killing so many people. I do not use the word lightly. Let's just all say: never again will we let them do something like that. The first step in doing that is to not re-elect those people.

If you elect the same people again, you will deserve what you get. Nonetheless, it remains your choice. You can always vote for what you want to see going forward, even if it turns out badly. But note that it will be your choice. If that were the case, I would find it inexcusable.

Why The Population Estimates?

Why put population estimates on the table? People are the main drivers of the planet. We prosper because so many of us are working our butts off to support ourselves and our families. We are not there to support organizations, even though we will work for them for pay.

To a great extent, we might have lost trust in mainstream media, woke corporations and elites, politically inclined pseudo-scientists, and politicians. As said before, the only person you can trust is yourself. Most people are decent people. Lies, deceptions, scams, frauds, and criminality are rampant. People are perpetrating those crimes. Even if it is a small minority, they nonetheless harm other people.

Based on the charts above, which growth rate will be applied will matter. Does the population expand at a 2% rate, 1%, or less? Over 100 years, the difference between

two or one percent will be 26.32 billion people, and they will need shelter, food, health care, work, and entertainment. That one percent growth difference is about 3.3 times the number of people currently on the planet.

Some estimate that population growth will stabilize over the next 20 to 30 years at around 10.5 billion people. Who could say as a definite answer what the world's population will be in 50 or 100 years? The world's population growth rate has exceeded 2% in the past (see figure (2) above). Will it happen again in the future?

If the population growth rate should have been 2% and governments had made every effort to reduce it to 1%, would we not deny 26.32 billion people the opportunity of life? Are we not just authorizing preselective abortion, even before conception? It does not remove a woman's right to abortion as long as it is her choice. But I would be against the government forcing sterilization on people, limiting births by decree, forcing abortions, or forcing what they might call assisted suicides for the poor or mentally ill.

I remember reading an archived article from the 1870s that dealt with the population explosion due to immigration. The reporter advocated it could not continue; there would be too many people on the planet and insufficient food and shelter for all to survive. And that the government should put a stop to it. That was in 1870 when the world population was about 1.2 billion. Currently, with 8 billion people, there are more than 6.6 times as many, and they are alive.

This debate will come again and again. Some societal problems have been solved. Buy so many remain. In 100 years, there might be some 50 billion people on the planet. Then maybe not, depending on the growth rate. What will they call it, then?

Our civilization should already be advanced enough to address any problem, whether it is environmental, technological, or societal. We have spent centuries doing just that, and look at all we, the people, have accomplished since then. Just over the last 200 years, the world has undergone a massive transformation. Nonetheless, we will undoubtedly have to do more.

- We will need food: urban vertical hydroponic farming, fish farming.
- We will need energy: nuclear, solar, wind, water, wave, hydrogen fuel cells, and thermal energy.
- We will need water: ocean desalination, rainwater capture, water recycling, and iceberg harvesting.
- We will need shelter: urban densification, floating and underwater cities.
- We will need to reduce CO₂: CO₂ capture engines, recycle the carbon and release the oxygen O₂.

Note that the amount of CO₂ in the atmosphere is about 0.04%, not 5% to 8%, as environmentalists in front of the US Congress recently advocated. Could we at least have real experts instead of political hacks?

The point is: we will find ways to support ourselves. We will develop the technology and find the resources to accomplish the tasks. Even though there might be monumental challenges, we can meet them as a community, which will only help us.

The birth rate has been decreasing since the 1970s. It is why we have forecasts that the population is stabilizing. However, as said earlier, population growth is the driver of humanity. You stop the growth, and it is not just the growth rate you stabilize but everything else also.

You enter the age of replacements. You do not need more schools, so there is no need to build any except to replace them. You do not need more housing, except replacements; almost everyone has a home. Moving from one house to another does not build houses. So for the housing market, you are left with renovations and rebuilds. You do not need more hospitals, roads, planes, or bridges. Population stabilization is a minor societal driver.

Everything should stabilize by holding the cap at 10 billion people. To stabilize the population, you need the birth rate to equal the death rate. But then, you must find work for all those people since they still need food, shelter, and health care.

We need more than just wishing to stabilize population growth. In the last 200 years, because of population growth, we invented toilets and toilet paper, running water, electricity, elevators, cars, airplanes, telephones, the radio, television, computers, wireless communications, cellphones, and the internet. We are not done; there is much more to do.

Without more people, you remove the motivation, the incentive, or the prerequisite to do more. Look at the things you will do for your kids. You will get up in the morning and go to work to support them. Go to work doing what exactly? Eight billion people repairing and replacing stuff. Will that work?

Patents and inventions build new stuff but often recycle or build upon previous innovations. There are some 11 million recorded patents in the US alone. Having the cellphone you have today required the first cellphone in the 1970s, which needed wireless communication, microchips, and so on. To build such a device, you also had to have all the necessary science accumulated over the last two or three centuries. In all, it is quite a feat. But still, there is much more to come.

Financial Control

In the financial fiction section of my last book, I presented the potential case of BLK (BlackRock), whose stock has had roughly a 17% CAGR since 1999 and now has some \$9.7 trillion in assets under management.

Letting BLK do what it usually does at, say, an average 15% growth rate in the future, it might hit in some 50 years: $F(t) = \$9.7 \cdot (1 + 0.15)^{50} = \$10,511$ trillion. In 50 years, that would be about 1.24 times as much as the value of all worldwide recorded assets. We can see there is an immediate problem there.

Worldwide assets could grow at an average 5% rate over the next 50 years. Over the past 60 years, the average has been closer to 3.5%. Therefore, this would be an optimistic appraisal of the situation.

The math says: $F(t) = \$470 \cdot (1 + 0.05)^{50} = \$8,486$ trillion. To obtain the same amount over those 50 years, BLK would need to reduce its average growth rate to 14.51%. Adding just 50 basis points could bring in almost \$2T more.

*It would take BLK 40 years to manage half of the assets on the planet.
And only eight more years to get the rest should they maintain their growth rate, which they will not be able to do.*

In less than 50 years, everybody could potentially have a new boss: BLK. And this is just one of the possible scenarios.

It would not be a government but a corporation managing all assets. You can expect they will have their own money as a digital currency. Electronic monitoring will be 24/7. They will effectively control your life and whatever assets you thought you might have had. They will have control of your hospitals, your banks, your workplace, your entertainment, the food you eat, and everything else. They will control your life, and you will have to do as dictated or else.

That is the same vision as the head of the WEF:
"You will have nothing and be happy".

You do not obey the mandates of their internal compliance committee, and you might be digitally erased at the push of a button. You would be left with no access to your money or recourse since they would be the court. Your credit and debit cards or phone passwords would no longer unlock anything. You could not even buy food at any store, take a taxi, travel, buy clothes, or see a doctor. You would have been digitally deleted from the world's data banks by some AI program you had never heard about.

That looks like total fiction, doesn't it? Is that coming our way? Well, yes, it is. If it is

not BLK, it will be someone else, another corporation, or even a government. I can see China doing it even faster than BLK.

Will governing politicians allow this without intervening? I think not. They would aggressively counter such a move. Instead, they would let their central bank put out their own digital currency (CBDC) and give themselves total control.

Already, many countries are preparing the groundwork needed for their CBDCs. And, at one point, the transition will be mandatory. That is coming soon. Look at FedNow from the Federal Reserve and do read between the lines. Underneath it all, a digital financial war is brewing, and you are the only target.

Maybe, and it is a big maybe, one of the potential positive side effects of it all might be no more wars. But the cost would be enslavement and the loss of freedom for all peoples and nations. Everyone would have to obey their new lord or be digitally limited, canceled, or erased and ultimately and literally turned into compost or even recycled as food (Soylent Green³ anyone, or something like 1984⁴).

Could it be believable that a single equation that has been at work for centuries will finally dramatically change our world?

Asset Distribution

It will all change going forward. But currently, the US owns about 31% of the world's assets, while Europe has 23% and China 18%. These are the premier contenders.

The US represents 4.2% of the world's population. China has a population of 1.45 billion people, which is 18% of the world population, while Europe has 9.3% with its 748.87 million.

Based on the future value formula, the average growth rate and the capital at work will make a difference. Which one will grow the fastest? Are other contenders ready to take on the challenge?

The world's total assets have an estimated value of \$470 trillion. Giving it a 5%⁵ growth rate, we should have in 100 years: $F(t) = \$470 \cdot (1 + 0.05)^{100} = \$97,311$ trillion. It is 11.46 times what it will be in year 50 and 131.20 times the initial value at year 0 (2023).

The first question should be: who has the highest value in current assets? As stated, that would be the US with its 31%.

³ Soylent Green, a 1973 American ecological dystopian thriller where people are recycled as food.

⁴ Another dystopian movie about totalitarianism.

⁵ The average over the past 60 years has been about 3.5% as said previously.

Other participants that could take part in this race are BLK with \$9.7 trillion, Vanguard with \$8.1, and Fidelity \$4.2. To see some of the contenders, follow this [link](#) on the top AUMs, or this [link](#) for the list of the top sovereign funds.

Another question is: if they manage, do they own? Do they actively manage or invest as silent partners? The more BLK acquires stock from all those companies, the more it can influence their decision-making.

There is a limit on how many assets are out there and their value. It is not infinite. And who owns or manages them is crucial since they could set the rules. Already we are seeing traces of this with BLK's bent on ESG (Environmental Social Governance). Is ESG where all corporations and governments are going? What kind of impact will they have on the funds they manage? Are CBDCs (Central Bank Digital Currency) inevitable? What if that central bank emanates from BLK or some other corporation? What if China became the central banker of banks and set exchange policies using its own CBDC?

The world is changing fast. It is on an exponential curve, and the more we give it time, the more it will accelerate. That is part of the nature of an exponential function. It has a doubling time. At 5%, the average doubling time is about 14 years and three months. It means, on average, every 14.25 years, the world's total assets could double in value.

Increase the appreciation rate, and you will reduce the doubling time. For instance, at 7.5%, the doubling time would be about 9.6 years. Meaning that every ten years or about, total world assets could double in value. Should world assets grow at a 7.5% rate, it would give: $F(t) = \$470 \cdot (1 + 0.075)^{100} = \$1,023,477$ trillion. While at the historical 3.5% rate, we would have: $F(t) = \$470 \cdot (1 + 0.035)^{100} = \$23,082$ trillion. In 50 years, at the same rate (3.5%), total assets would be: $F(t) = \$470 \cdot (1 + 0.035)^{50} = \$4,133$ trillion.

We are making estimates where a small percentage difference could significantly impact our society. But did we not have BLK exceeding total available assets within 50 years? Here is a recall: $F(t) = \$9.7 \cdot (1 + 0.15)^{50} = \$10,511$ trillion. There are other challengers for the top spot.

The Country Challenge

The leading contenders for world domination are the USA and China. Which will it be? Why not consider Europe as well? The answer is that many countries are part of Europe, and a consensus of purpose would take more work and time. It is not the case for China. Still, Europe is a contender with its 23% of worldwide assets. It is just that it is not concentrated in a single country like the US or China.

In 1973, we had a book titled: "Quand la Chine s'éveillera... La terre tremblera."

by Alain Peyrefitte. Translation: *When China Will Awaken. The World Will Tremble.* Well, it has awakened. It is buying and is the second-largest economy in the world. It is also growing faster than the US, which is not a good omen for the US or any other country.

If we set that world assets are growing at the same rate for China and the USA, say at 5%, we would have a status quo. As illustrated in figure (6), the US would maintain its lead at 31% of world assets while China would keep its 18%.

The chart is missing Europe with its 23%, which would make it a stronger contender than China. But, no country in Europe exceeds China's 18%. Nonetheless, Europe would be between the US and China on that chart.

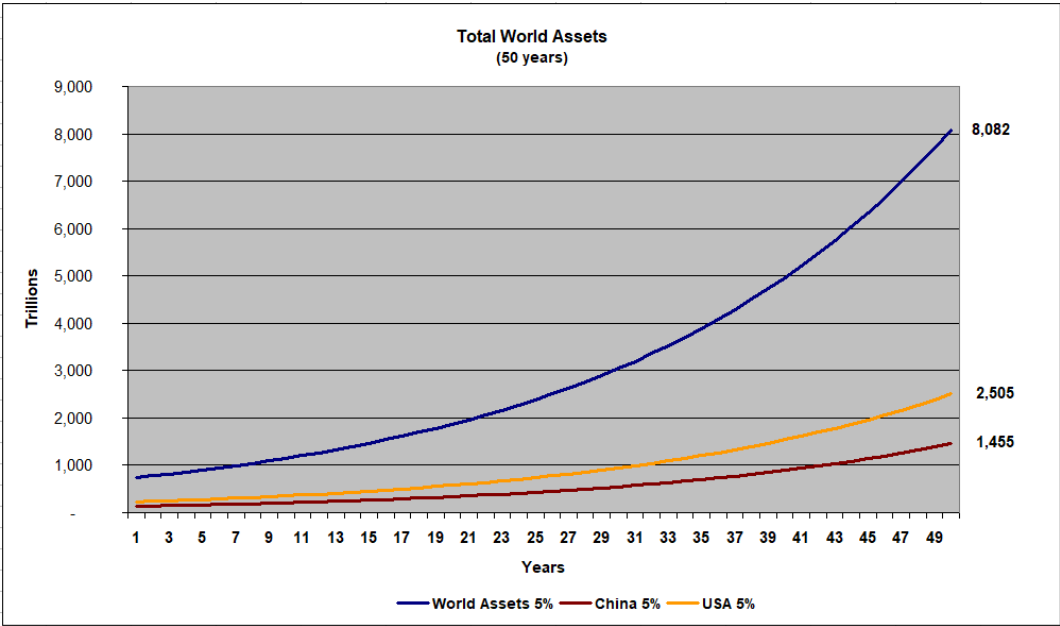


Figure 6: World Asset Growth Rate 5% Next 50 Years

We could easily change the above picture. Raise China's growth rate to 6.5%. That is 1.5% more, not what we could consider an exaggeration or some hyperbole. With only a 1.5% advantage, China would take the lead at year 39, as shown in figure (7).

You increase China's growth rate by half a point to 7%, and it will push China to have control over 46% of world assets in 50 years (see figure (8)). China would overtake the US by year 29. That is ten years earlier than at the 6.5% rate.

Reaching the 50% mark in 50 years would require raising the growth rate to 7.17% while making the crossover in 27 years instead of 29. It would be a relatively minute change (0.17%) with a tremendous overall impact. Within 30 years, China could accumulate over 50% of the world's assets. Furthermore, they would not stop there.

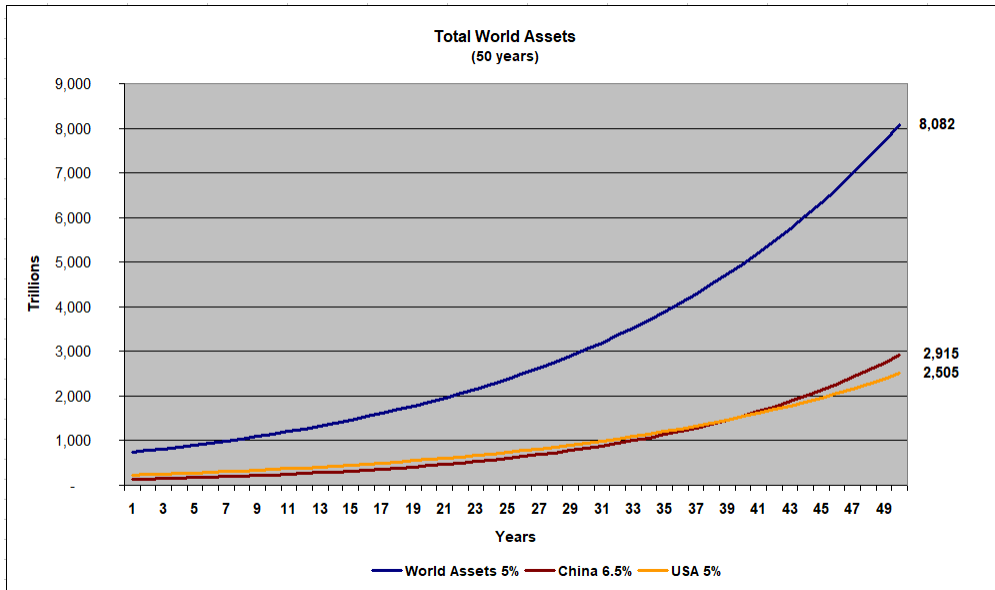


Figure 7: World Asset CAGR: China: 6.5%, US: 5.0%. Next 50 Years

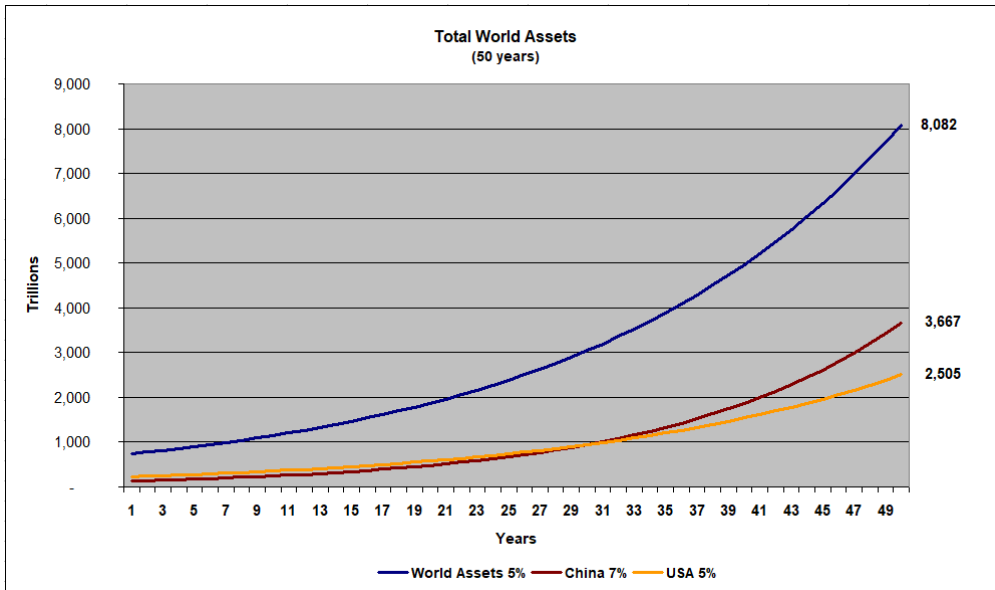


Figure 8: World Asset CAGR: China: 7.0%, US: 5.0%. Next 50 Years

We are not talking about extreme changes. A few percentage points and the balance of power can change drastically within a few decades. Not due to political changes or wars, but again due to the need to profit from invested capital.

Extending the last scenario (China: 7.17%) to 100 years will change the picture considerably. At that rate, China would have control of the totality of the world's assets by year 84. And China would overtake the US by year 27 (see figure (10)).

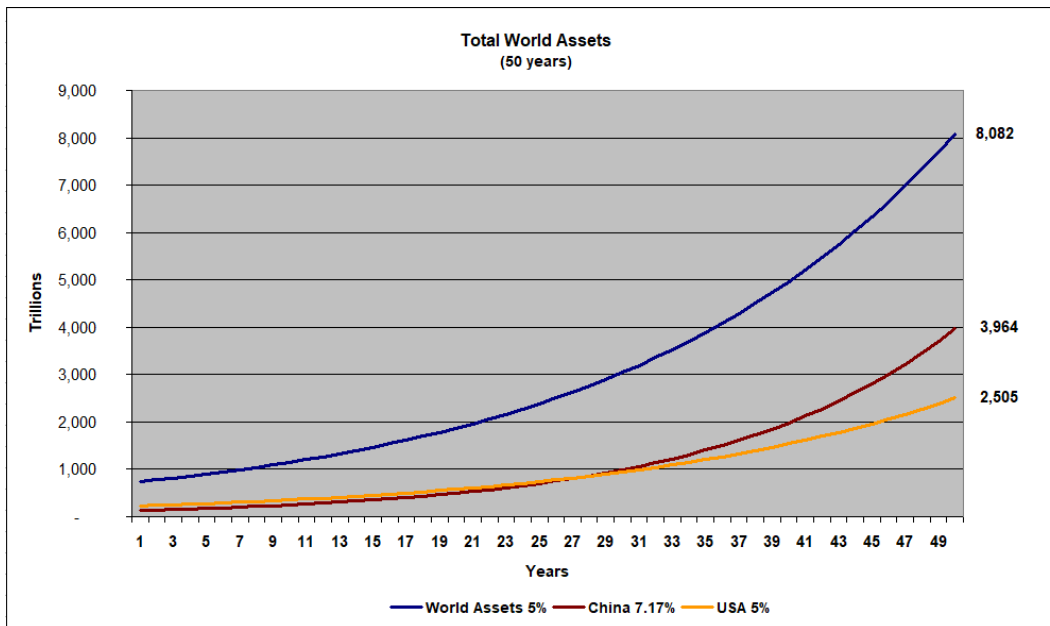


Figure 9: World Asset Growth Rate With China at 7.17% Next 50 Years

It should be evident that it will not happen that way, even though both the US and China can manage to do so. In the real world, they would have to compete for those assets. And we would have this tug of war with continuously changing boundaries.

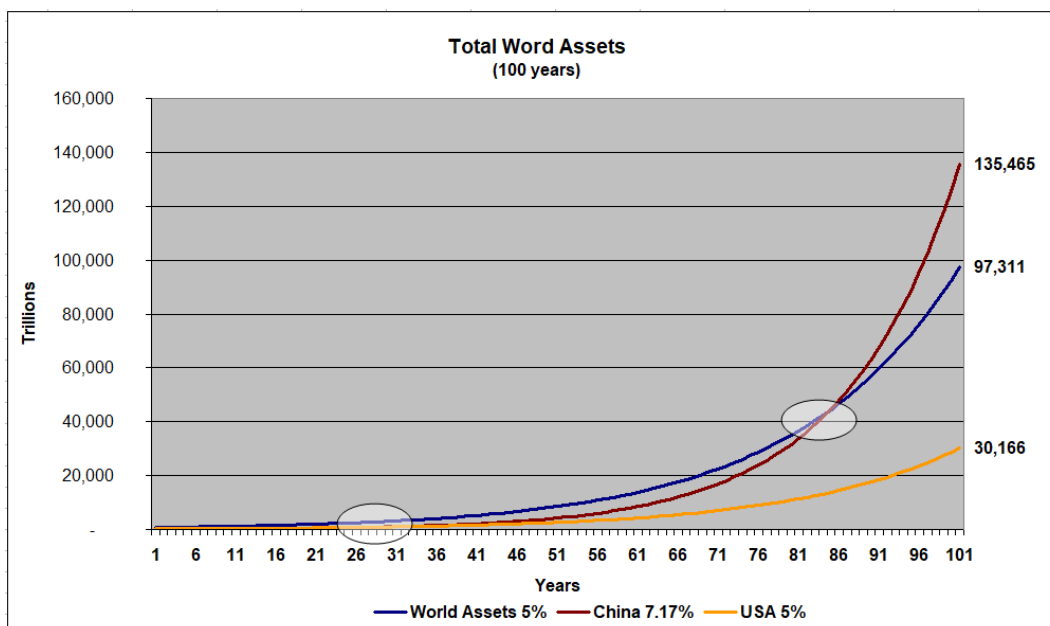


Figure 10: World Asset Growth Rate With China at 7.17% Next 100 Years

Should their respective growth rates be less, you would see about the same exponential curves, except it would take longer to achieve the same result. We would be just moving the goalposts.

What Is The US To Do?

Figure 10 is unambiguous. We have moved China's growth rate from 5% to 7.17%, and within 30 years, China will have surpassed the US. And in 50 years, it would manage half of the world's assets. What is the US to do?

It is a race for who will control the most and the fastest. For one thing, they should raise their growth rate **if they can**. The outcome of this race can have a tremendous impact, not only for the US but also for the world. No country should have the desire to be collateral damage.

It is not a trivial problem. We have with figure (10) that the world will be dominated by what China wants. China will be able to make the rules it wants. Economically, China will impose its exchange and reserve currency (CBDC). Levy whatever tariffs and set regulations that will help its long-term objectives. Socially, China will set its moral values and laws, which might not be the same as the rest of the world.

That China's growth be 7% or 7.17% is not what would change history. All it does is change the year China will exceed the US's share of the world's assets. As well as the year China gobbles up all the world's assets by year 84. It would change the dynamics of finance since China would have embraced its digital currency (CBDC) long before then and made it the world's reserve currency.

China could relegate the US to the status of a wannabe world power within 50 years. To counter that trend, the US will have to raise its growth rate or be left behind and suffer the consequences, whether they like it or not.

The US is not on that course. It is growing at a 1% to 2% rate compared to China's 6% to 7%. If continued for some time, that gap will be the undoing of the US.

Presently, it would require the US to raise its growth rate from about 2% to 5.0% or better yet to 6.5%, which could be sufficient to maintain them in the lead for the next 50 years (refer to figure (11)⁶). However, their current growth rate has been more of the order of 1% to 2%. That does not help the US in the long run. What would it take for the US to increase its growth rate beyond 2%? Let alone exceed 5% or even reach 7%?

Figure 11 suggest that over the next 50 years, if the US could attain and maintain a 6.5% growth rate or better, they could remain the dominant power with 63% of the world's asset. However, things do not add up since China would also claim 50% of those same assets. And this, not considering any other participants.

Currently, the US growth rate is less than 2% while China is at about 7%. For

⁶ Remember the US is currently near 2%. That would be quite a big move.

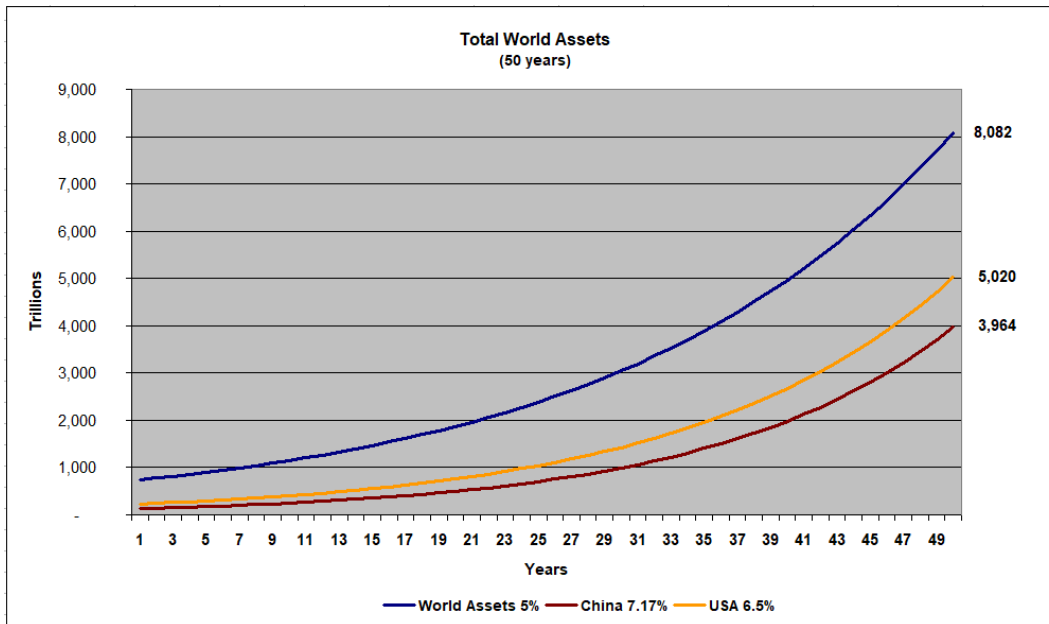


Figure 11: World Assets: China at 7.17%, US at 6.5% Next 50 Years

comparison, I added a 3% growth rate line to figure (11), which produced figure (12). The US has this choice: do they stay below the 3% line or move above the 6.5% line? Because if they do not, as shown in figure (12), they will no longer be a relevant contender.

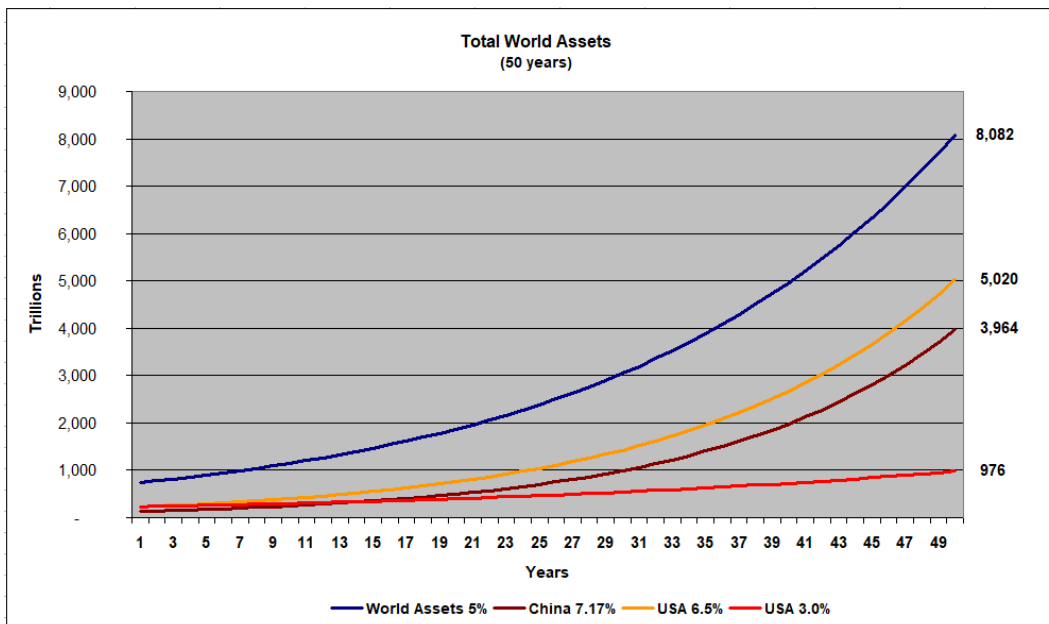


Figure 12: World Assets: China at 7.17%, US at 6.5% Next 50 Years

Figure 13 has China's growth rate reduced to 7% while having the US with a 6% and 3% growth rate. These are minor modifications compared to figure (12).

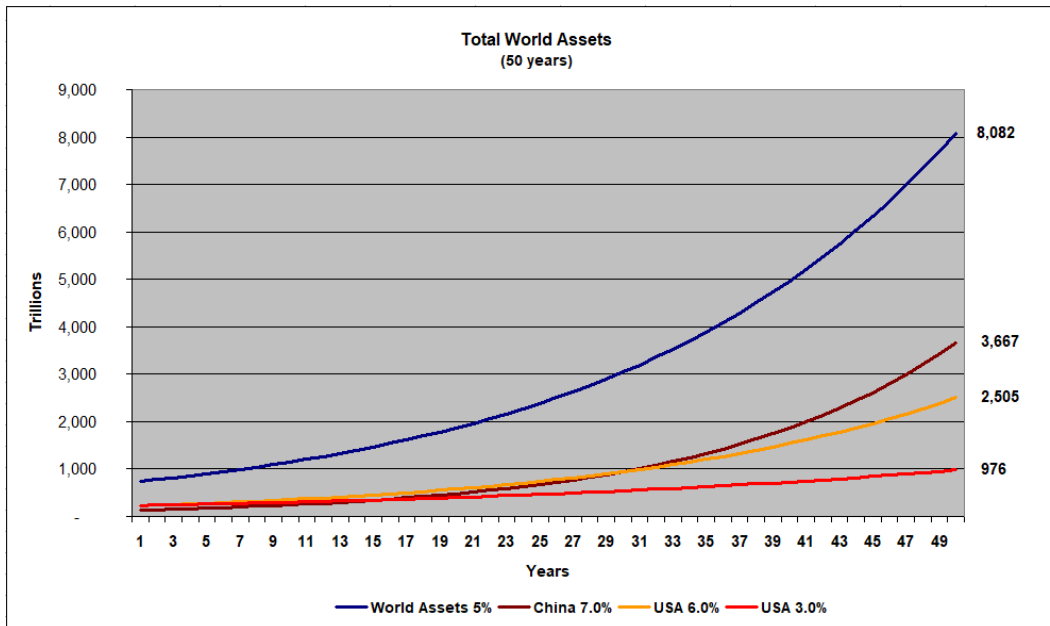


Figure 13: World Assets: China at 7.0%, US at 6.0% and 3.0% Next 50 Years

China still wins that the US growth rate be 3.0% or 6.0% over the next 50 years. If the US remains below 3%, China will overtake the US in 15 years, and at the 6% rate, it only delays the outcome to year 29. At a lesser rate, China will require more time to exceed available world assets, like 91 years.

If the US continues to grow at less than 3% in the coming years, China will overtake the US and relegate it to a minor player status. The stakes are high, and only a few points in growth rates will determine the future rulers of the world.

What will be the future of the US when it gets down to 26% of China's assets and only 12% of world assets in 50 years when in 2023 it held 31% of it? Even at 3%, the US would continue to grow over the years, but at a lesser rate than China. And for sure, it would wield less power than it had in the past.

I am not raising any ideological or political reasons for all this, but only an elementary observation: *everyone is seeking a return on their investments*. From that, you can have all the charts above, starting with figure 6. A single equation expresses it all. Within 50 years, half the planet might be learning either English or Chinese.

You think the world will be different. You know the future value formula and can set your growth rates and compare. Experiment with the 50 and 100-year scenarios. Try to see the impact it might have.

One thing not considered in all those charts was that they are all competing for the same assets, which are limited. Who will have the

largest share since they could impose their will on the other countries? It becomes a real competition.

Suppose trends continue as we see them today for the next 50 years. In that case, China will be the dominant actor in all aspects of world economics, dictating its methods of play and how people should interact with them using their digital currency (CBDC) with their added controllable features, meaning that they could control any of your purchases if your accumulated social credits would show you have been a nice, obeying and compliant citizen.

But say the US gets more aggressive in its asset acquisitions and retakes the lead. What then? Even with a 3% growth rate, it is missing the boat, and its current policies are not bringing them anywhere higher. If we extend these scenarios to 100 years, it gets even more complicated. A slight change of 1% in its CAGR can significantly impact the overall results over such an extended period.

The following chart below (figure (14)⁷) can give an idea of what is coming. China has become the largest trading partner for many countries and will continue to do so. How did the US politicians let it happen? It is as if they gradually sold their own country to China via trade and outsourced much of their manufacturing overseas. You might pay less for stuff from China, but it will still cost you. The actual price is your future.

A 100-Year Scenario

If we look over the 100-year scenario with the same growth rates as in figure (11), we would have figure (15) where both, the US and China, would claim the total world assets by year 84. Those projections do not account for the 51% of assets held by all other countries based on 2023 data.

We can see that the competition will be intense, but it will not be able to last a century. One or the other will want to dominate it all. The people could pay the price, as they always do, for what will be an asset competition if not an outright asset war.

Pursuing profit for the sake of profit on invested capital will be the center of it all. Not because we want it, even if we do, but because we must, at the very least, not only maintain and preserve our purchasing power but go beyond and also prosper.

It is not looking at one's portfolio management statistics but analyzing the global impact of a nation making every effort to profit from any endeavor they may undertake. If hundreds of millions do something for an extended period, they can do almost anything, including buying the world and preserving humanity.

⁷ I do not remember where I got that chart. Sorry.



Figure 14: China's Trading Partners

Is It Time To Say People Get To It?

Leaving a single nation in charge of the world's assets as if they owned it all should not be considered an uplifting scenario since those in power will abuse it. Could it be the second rising of a Chinese empire? Is it what the people of all nations want?

Over the years, many countries have exported part of their manufacturing to China, and now, it is coming back to bite them. They feel dependent on Chinese-made goods such as solar panels, rare earths, steel, pharmaceuticals, and numerous other products. Now that China has the skills and market share, it will continue producing more and more. China will provide you with anything you want for a price.

So, who is going to take them on? The US, EU, BLK, or some other entity? How about Renaissance with its 39% CAGR, Berkshire Hathaway at about 20%, or Citadel, which had an 80%+ return last year? Could any of them be part of the contenders?

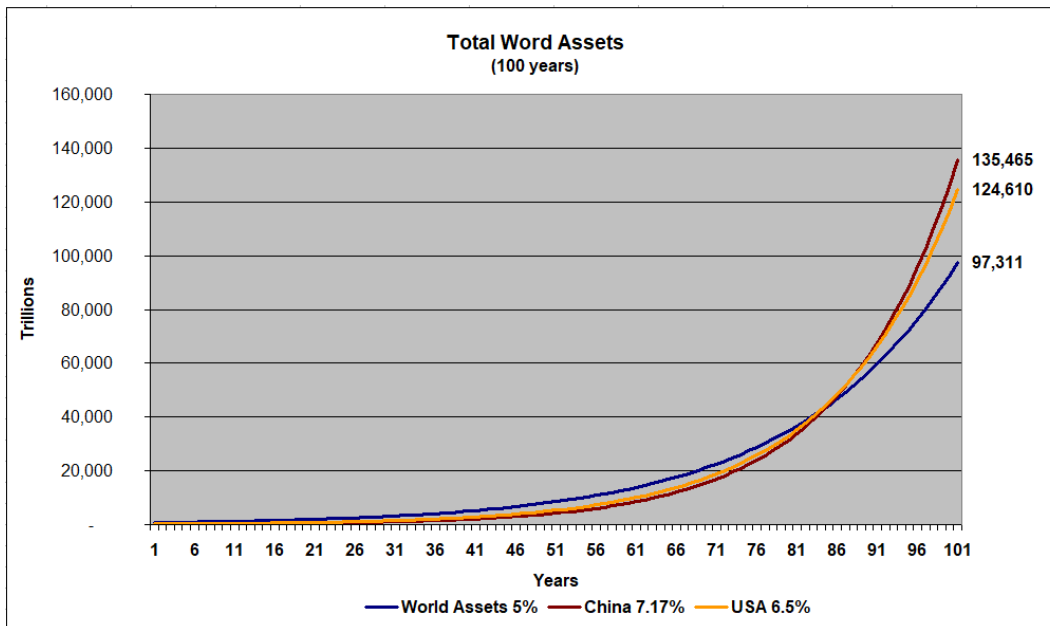


Figure 15: World Assets: China at 7.17%, US at 6.5% Next 100 Years

We have BLK as a contender for the world's assets. It does not measure up. Even with its \$9.7 trillion under management, it only represents 1.3% of the world's assets. Faced with the US or China, it is a lightweight.

However, BLK can generate a higher growth rate, as others can too. BLK has done so since 1999 with a 17% CAGR over the period. I kept the same data as in figure (11) and put BLK at a 15% growth rate. I even added BLK with a 10% growth rate for comparison. It generated figure (16).

Figure 16 says that with BLK at a 15% growth rate, it could take the lead in less than 50 years. However, at a 10% CAGR, it would not be enough, even though they could reach \$1,035 trillion by year 50.

The competition for the world's total assets continues. BLK and others could become world contenders. Who will dominate? A single corporation could dictate to the rest of the world how they should live. By giving it time and doing what it usually does, we can see a corporation like BLK doing nothing extraordinary by all measures still get a chance to dominate it all, including internationally.

If you own or manage most of the world's assets, are you not the one to set the rules?

We are discussing how much each participant starts with and at what rate they will grow their assets. And a simple formula can make all the averaged estimates we want. We are still determining which CAGR will prevail in the end since we would

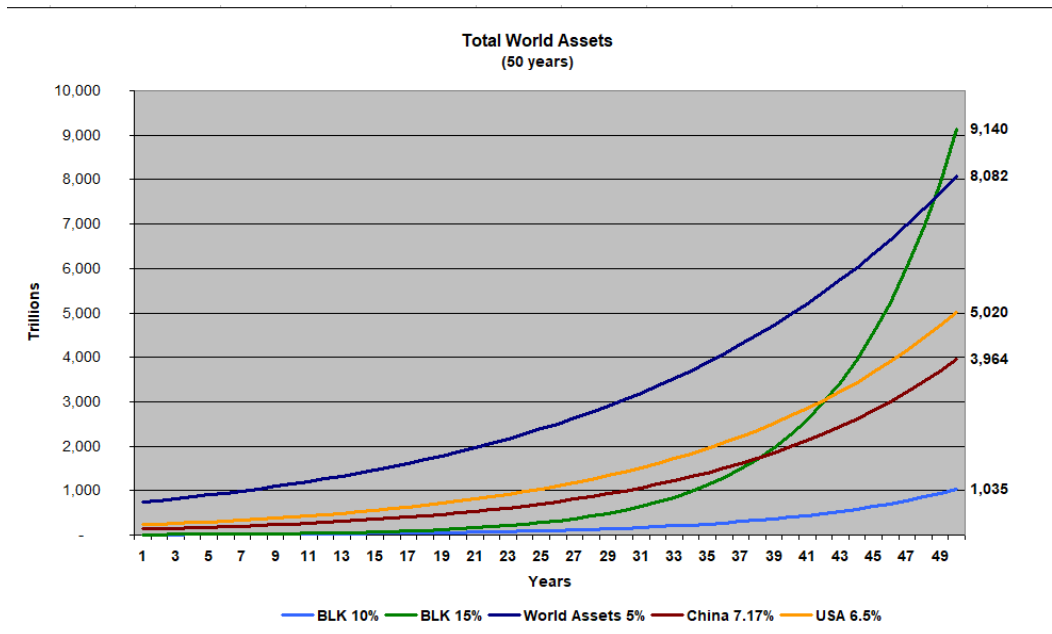


Figure 16: World Assets: China at 7.17%, US at 6.5%, BLK at 15%. 50 Years

need to get there first and then figure out what the CAGR was. I reiterate the formula to get the overall CAGR as illustrated before $[FV/PV]^{1/t} - 1 = g$. To answer that equation, you need the future value (FV).

What Will They Do With All That Power?

Whether it be BLK, the US, China, or any other entity, controlling the world's assets is like being able to dictate everyone's conduct. Either of them could make the rules, and people would have to obey or else.

We know the competition will be intense. World resources are limited. It is the same for the world's assets.

Intrinsically, the whole thing is not a conquest to rule the world. But it becomes, inevitably, a consequence of this search for profit. The status quo would be for all to maintain their current share of all those assets, which everybody knows is impossible. It is not how the world works.

Inequality is built into the system and at all levels. Even the future value formula will attest to that. The PV is different for everyone, and the growth rate is too. That will not change; what will change is the combination of those factors.

We will see more side effects of needing some return on one's investment, but grand scale. Whether it be BLK or any other, their quest is for a profit on invested capital. There is nothing nefarious there. It is just the pursuit of profits, like in any mercantile

exchange of goods and services, as seen for centuries.

Then, why should it matter now? Why can't it all continue as the day before? Those questions too need answers.

Regardless, they are not alone. All countries, all corporations, and all investment funds are on the same profit pursuit. The competition will be even more intense. They all want a piece of the pie. And they will all have to pay for it.

We are again with who has the most significant advantage. A country, a financial management firm, a conglomerate, or a group of individuals?

Figure 16 shows that even a corporation like BLK could be in the race. It would exceed China's total assets in some 39 years and overcome the US in about 43 years, based on the growth rates shown in figure (16). All it would need is to continue with a 15% average growth rate for the next 50 years. Berkshire Hathaway has maintained a 20% CAGR over the last 50+ years, saying, by example, that it is doable.

Are these plausible scenarios?

Of course not.

Even though each group could do it, each was estimated as if alone in the race, which is not the case. What one group will gain will have to come at the expense of another. There are only 100% of assets available. And already, it is all accounted for, all of it.

Then, why are these assets, on average, going up in price?

Civilizations feed on people: more people, then more resources are consumed, generating the need for more and more goods and services. It goes back to the population increases discussed in the beginning. There is a cascade effect: population grows, production of food increases as well as the need for shelter, health care, and public services. They all grow.

Humans have many forms of motivations, of which the most basic is survival, and therefore they will gladly exchange work for money and then money for food and shelter. Real basic needs transform into survival of the fittest or of the circumstances like living in a country full of resources and opportunities.

The invention of money changed the world.

You had a medium of exchange that was almost nonperishable and that everyone could agree on, from coins to paper to the current push for digital money. The future

could evolve into digital credits, a universal form of IOUs: one money, one world. Nonetheless, in the foreseeable future, money will remain our preferred medium of exchange and valuation.

Whatever the nature of assets, they are all convertible to money. However, they are not all liquid assets that you can exchange for cash whenever you choose. You have stocks, bonds, CDs, etc., that are convertible to cash. In the future, they will be convertible to digital money on some blockchain. It will not be that we are changing the means of exchange and storage that money will disappear. On the contrary, it will be even more prevalent in the form of digital money and will move around more quickly. The problem will be who will store it and who will control it.

Another problem is these assets will be in fewer hands in the future, and most people will be left out. You think some people are poor today, wait some 10 or 20 years, and you will see people die by the thousands because they could not buy enough food. That is a humanitarian crisis that needs to be solved before it happens.

Will there be only one to win the race for world asset domination? We should understand that all the major participants will continue to play their game. They technically find themselves without a choice. They want the profit. They need those profits, or else they wither away.

Depending on who will win the race will determine the society our children will have to live in. If China is the winner, your children better learn Chinese and learn to say: yes, sir (*Shì de xiānshēng*). If it is the US or BLK, English will become the language of commerce for all countries. If you want to trade with the US, you will learn to speak their language and the same for China. But you will still have to learn to say: yes, sir.

The acquisition of the world is being played in the background by people behind their desks typing stuff to execute transactions. Can we, as individuals, dictate in which direction it should all go? Can we vote on that?

Millionaires To The Rescue

There are over 10,000,000 millionaires in the US alone. That is at least \$10 trillion, or 1.35% of the world's assets, in the hands of 0.125% of the world population.

If BLK could take over the world with its \$9.7 trillion under management, could a large group of millionaires and billionaires do the same?

You would not need 10 million millionaires to do the job. Even less than 1% of them could do it given the time. Say we have 1,000,000 millionaires (10% of them) generating, on average, the historical market average of 10% over the same 50 years. It would produce figure (17), which is the same as figure (16) to which was added a new line representing those 1 million millionaires.

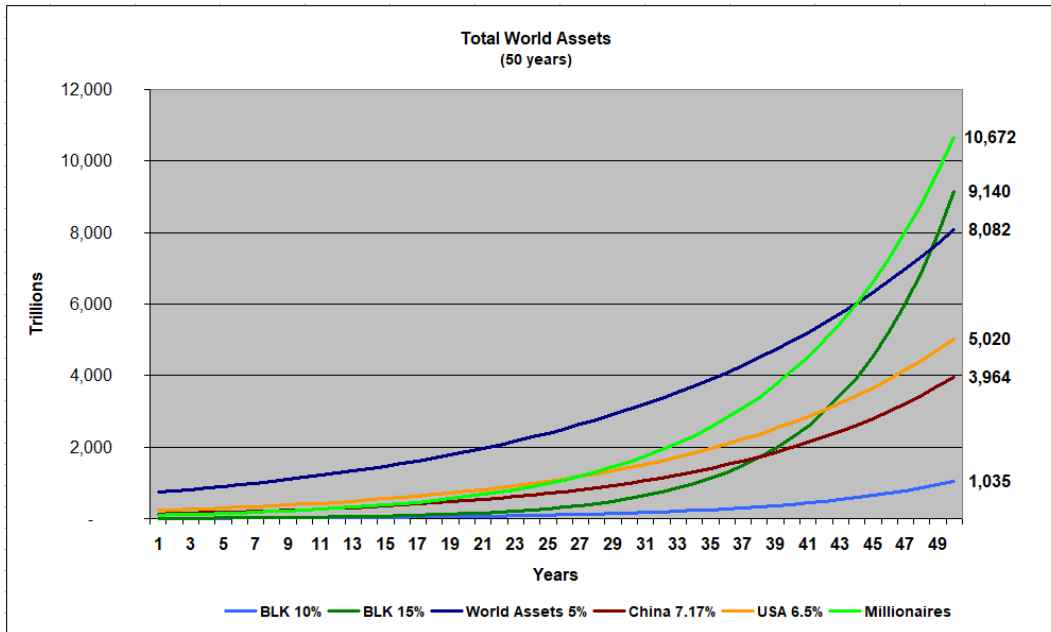


Figure 17: World Assets: China: 7.17%, US: 6.5%, BLK:15%, M: 10%. 50 Years

If you let those 1,000,000 millionaires operate at a slightly higher CAGR, the picture could change dramatically. For instance, adding 2% to their CAGR, thereby pushing their average return to 12%, would give figure (18).

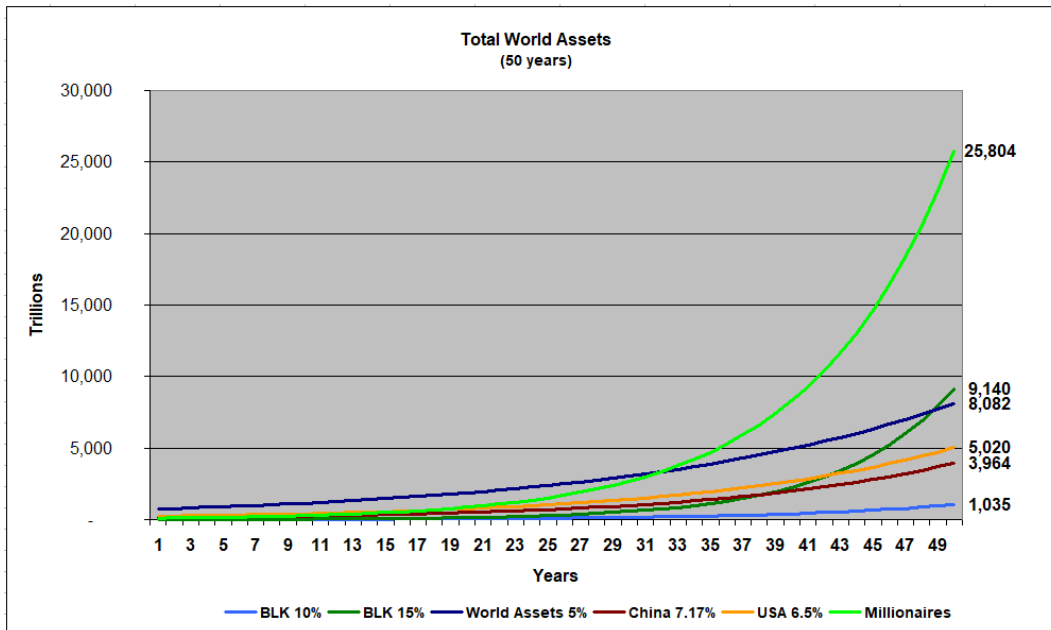


Figure 18: World Assets: China: 7.17%, US: 6.5%, BLK:15%, M: 12%. 50 Years

You could have the same impact if the Forbes 400 were put to the task on which they already are. The Forbes 400, as of 2022, controlled \$12.7 trillion. That is more than

the \$9.7 trillion under management at BLK and more than the 1,000,000 millionaires.

These millionaires could own the world in less than 35 years. To do it faster, they could strive to reach a 15% CAGR, just like BLK, which would generate figure (19). It would take 23 years for them to exceed available world assets.

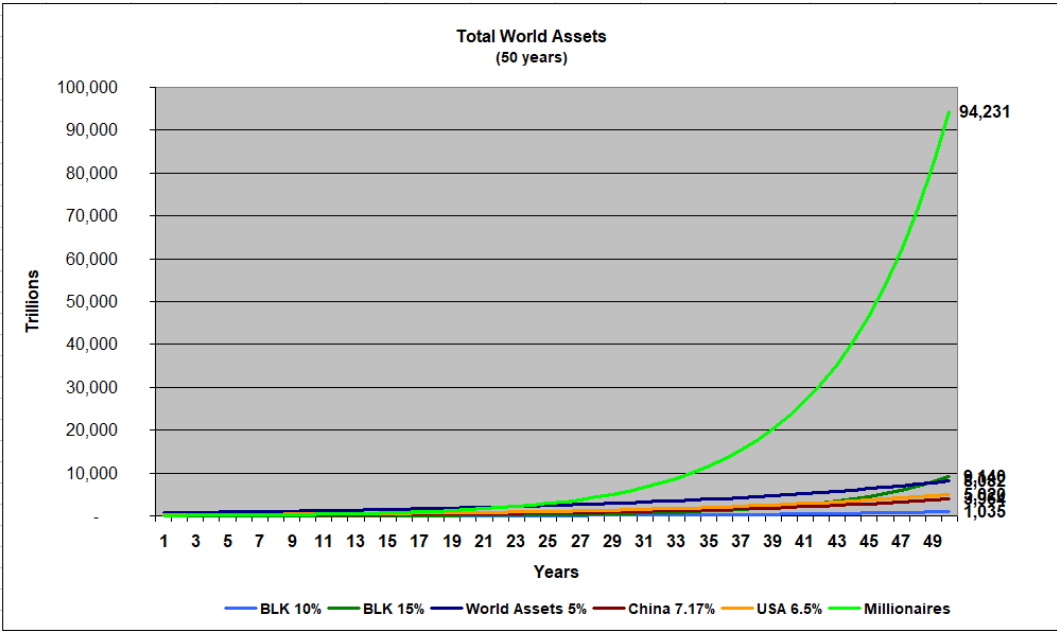


Figure 19: World Assets: China: 7.17%, US: 6.5%, BLK:15%, M: 15%. 50 Years

Evidently, this cannot happen since all participants must compete for all the assets.

There is a limit to what they can acquire, and that limit is the total world assets available. We expect the competition for the world’s assets to intensify in the next few decades. Not because it has to but because all the participants will be looking to profit from their investments.

Note that in these figures: (16), (17), (18), (19), and (20), there is overlapping. Millionaires are part of a country, could be part of BLK, or individuals. We see in these charts the expectation of each group if they acted alone, independent of other participants. The charts only compare the potential of each group.

We cannot know the evolution of this competition beyond a few years. The tug of war in this race for more profits is from all sides.

It is a funny scenario. In 25 years, 1,000,000 people (out of 13 billion people by then) with the same objective (growing their assets) could own the world. By then, they would represent 0.0076% of the world’s population. They better start talking to each other.

Note that 100,000 people starting with \$10 million could do the same job as depicted in figure (19) and obtain the same overall numbers. Also, not to be left behind, the Forbes 400 could do even more and get there sooner.

The same would happen if we had 10,000 people putting \$100 million each into the task. Figure 19 would be the same. The millionaires participating would have more than \$100 million invested instead of ten.

Up to now, we have been very selective. In this contest for the world's financial domination, we have only considered a few actors: the US, China, BLK, millionaires, and billionaires. We have left out Europe and all the other countries. The US, Europe, and China account for 72% of the world's wealth, or at least their residents. We have also left out most people on the planet trying to survive the best they can.

When you combine all the participants in this competition for the world's assets, things change. Everyone wants to dominate, but the task becomes harder and harder. Other participants are trying to do the same thing: profit from their investments. Once an asset is in one's hands, it tends to stay there, often for quite some time.

So, how will it all turn out? If selectively, any of these groups could accumulate all the assets in the world, which group will gain the most, or will they maintain some status quo? That would be doubtful. The pressure would be too high on any of them, and they would maneuver their way to grab more and more of the available assets. One way of doing that is to pay a higher price. Thereby, in the process, making higher prices self-fulfilling and increasing the seller's profit.

The millionaires and billionaires could be a force to reckon with. They would have the ability to grow ten times larger than the total world assets. That will not happen.

But it does say the competition for most of the world's assets will be intense. We will only see some of it happening since those deals are often in the background without media coverage or fanfare. The world will be changing, and we probably will not even notice. How remarkable is that? Rather astonishing.

All these scenarios cannot be possible at the same time. There is a limit to the world's assets; all participants will try to make the best of it all. Nonetheless, a group or a country will get the lion's share. Which will it be?

Let's say, without changing any of the growth rates for these participants, that we extend these scenarios another 20 years. It would result in figure (20).

Figure 20 puts the millionaires ahead if they collaborate. But they do not need to.

They only need to be on the same page, meaning having the same objectives, which

they already have, to make more money. They would not need to know each other, only that they were not alone in doing the same thing. And that is, overall, cutting out their own space. In 30 years, the real competition might be one against another. The same thing that we are seeing even now. It would remain the quest for money and power, with the "little" people unable to do anything about it except work for their aggrandizement.

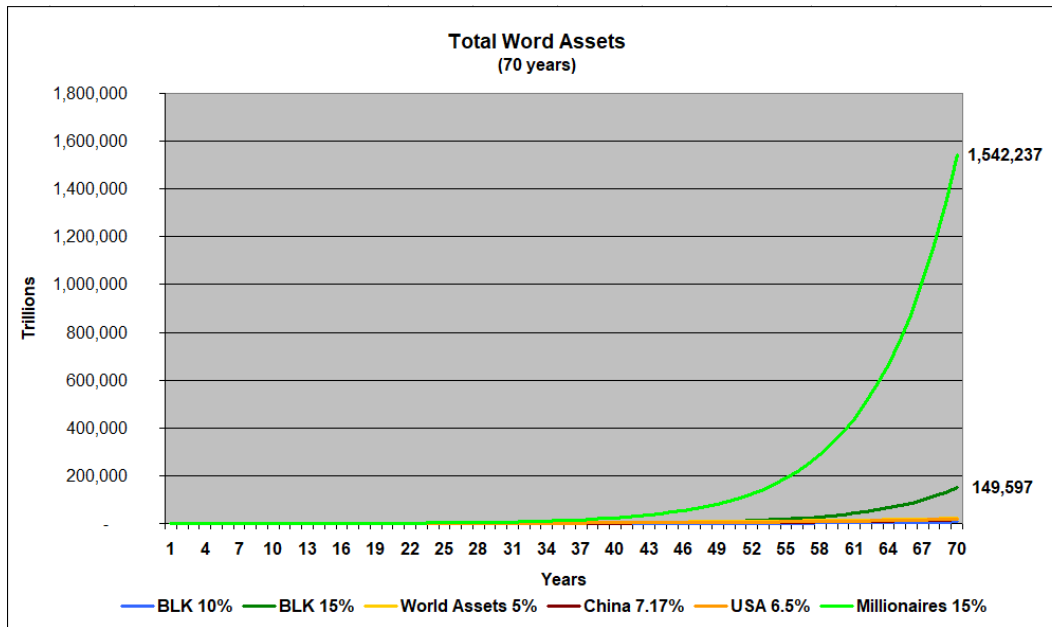


Figure 20: World Assets: China: 7.17%, US: 6.5%, BLK:15%, M: 15%. 70 Years

But are we not currently in that scenario where millionaires and billionaires congregate in Davos at the World Economic Forum (WEF)? Could that be the new boss in town? In 30 to 50 years, will you do as the WEF dictates or be digitally canceled or erased?

A sub-group of the multi-millionaires and billionaires are family offices. Currently, they hold about \$3.7 trillion in assets. That is about 38% of BLK. However, it is only 0.5% of total current world assets of \$740 trillion. They would also flock to the WEF, making more of a case that the WEF might become the big boss.

As citizens, meaning not being a millionaire, you would not even be part of this challenge. For one thing, you would challenge with what? In a world flush with money, keeping afloat will get harder and harder. And you cannot count on your politicians to help you. They will be more inclined to serve themselves first and help their super-rich donors. To convince yourself, ask: what have they done for you lately? Will it change going forward?

All these are not predictions. I see it more as something that could or might happen. We did not exaggerate any of the numbers in the charts. They all followed the future

value equation. However, because most of those numbers are compounding and we are looking at long-term intervals measured in decades, those numbers do get large.

We could see from those charts that the already super-rich will stay that way and win their prize, which is all the world's assets. Not because they were on some conquest to acquire them all but because they were looking to profit from their investments.

You would think that governments would be on our side. Wrong. They are on their side. You, as a citizen, are just in the way. However, they will take your money anytime. They do not ask for it politely either; they take it away through taxes on everything. The most insidious way is through inflation. You are often taxed on things that have already been taxed more than once. But, since you do not see behind the scene, you usually only see the last tax in that series, which you will also pay.

You think you voted for someone to represent you. But once elected, that politician will do as he/she pleases. They will tell you they want to serve you, but all you will see is them serving themselves at your expense. You are not wielding power here.

You might think differently than what I am expressing here. I respect that. We do not have to agree on anything. However, I present this case: the already rich will conquer the world. It will not happen with arms. It will be in the pursuit of profit.

They will effectively do it for the money.

The future remains unknown, but we cannot escape the fact that all the people with enough money to invest in something want a return on those investments.

So, what is the small fish in the big pond to do?

That was covered in my last book: **Build The Retirement Fund You Deserve. Be Rich, Be Happy.** where the individual was at the center of it all. You would still be relatively small compared to the ultra-rich, but you could still have a pretty good life with the luxuries money could bring.

Nonetheless, you need money from the start, not in the millions, but still enough to make it worthwhile. The future value formula is your constraint, and it does set limits. However, as an individual investor, you could raise your CAGR to higher levels than 10% or 15%. My book recommended raising your CAGR to 20%+ and proposed having your retirement fund prosper even after retirement.

The book presented the following equation as the formula for someone 30 years old intending to retire at age 65 and continue his/her fund up to 100 years old with a growth rate averaging 20% and a withdrawal rate of 5% starting at age 65.

$$F(t) = (F_0 \cdot (1 + \bar{g})^{35}) \cdot (1 + \bar{g} - w)^{35} \quad (2)$$

Try putting your numbers into that equation and see how you would fare out. The first exponent is the number of years before retirement. Therefore, the equation can adapt to your circumstances. You do not need precise numbers; the equation could give you a rough estimate of your retirement fund and what is required to get there.

I recently read a piece that said half of the children below five today could live beyond 100 years old. Extending the enjoyment of retirement is not so much a pipe dream. What I find troublesome is having today's kids not building a retirement fund. Only to realize that he/she has reached 65 and has to live their retirement with little income. Some 60% reach retirement age with less than \$10,000 in their retirement fund.

As said before, you should be responsible for what you want to see. You should determine if it is for you to do these things. And if it is not, do not bother. It is your life, and it is your choice.

One thing on building a retirement fund, it takes years and years. It is not an overnight thing. It is why you need to plan for where you are going and how you will do it.

To summaries:

- The US economy will continue to expand and could become the country with the most assets within 50 years if it raises its average growth rate above 6%. We have not seen that yet.
- China could also expand and overtake the US within 50 years and become the dominant power. All they need to do is keep doing what they already do. Grow at a 6% to 7% rate.
- BLK, an asset management firm, could surpass the US or China within 50 years by continuing at their current growth rate.
- A large group of millionaires and billionaires could have the same results even if they do not talk to each other. All they would have to do is continue doing what they do.
- Another group not mentioned, or barely, is the family offices which manage about \$3.7 trillion. They only need to look for their self-interests to be part of the contenders. But this group is already part of the millionaires.
- I left out other groups which could also be contenders in this race for ownership of the world's assets. Notwithstanding, one common trait for all contenders is the search for profit on their investments, and that search will lead to quite a different world than we have now.

A simple equation is slowly changing the world we know. We are like entering a new age of the corporation, and profit has become the prime directive for all, the only mantra they profess.

Corporations will continue to lobby governments to protect their interests. Governments will enact laws that benefit their donors while these corporations become even more prosperous.

It will not matter under which regime you live since if you are not strong enough to defend yourself, they will have the upper hand. That was the main reason for publishing my last book on building your retirement fund so that you could escape all that. And be somehow insulated by your own money.

Take charge. Participate and make it worthwhile for you and your loved ones. You are part of this race.

You could sit back, do nothing, and let it all happen. That scenario will not be to your advantage. You might be left to decide the language you will use to say: yes, sir.

Note that the assumptions made about these groups are reasonable. They all will do what will be in their best self-interests anyway. Also, consider that none of the participants need to talk to each other. Are there ten million millionaires? Yes. Are there 400 multi-millionaires on the Forbes 400 list? Yes. Are there over 100 million investors with at least \$100,000 to invest? Yes, there are. Probably, four times more.

The main point for disregarding this discussion would be that you would need all these people to talk to each other and coordinate their investment efforts. But that is not the case. All that investors need to do, and this to whichever group they may belong is to build their investment fund. They could all do this with no help from any other participants. But it would be more fun if they did communicate.

Hope

There are more of yous than of thems.

If individually, all the groups presented could make it, that is, conquer the world's total assets. You could also do it as an individual investor because your group is much larger. As a group, you might have less available capital initially, but there are many more of yous.

So let's change the perspective.

If there are 10,000,000 millionaires, there are 100,000,000 with less than \$1,000,000 they can invest. There are maybe some 400,000,000 that could participate (5% of the population). Regardless, we will make the estimates based on the one hundred million.

Individual small investors do not have to speak or coordinate their actions with one another. All they have to do is look for their best self-interests. There is no need to

know what the others are doing, only that they are on the same quest for profits. And to achieve that, they have to invest too. Nonetheless, everyone could learn from one another and gain more know-how, new methods, and investment techniques.

We are not even changing how the world works. We accept it as it is with all its imperfections. The whole point is to make a better world. We can stand on the shoulders of our ancestors who stood on theirs and rise higher.

So let's change the perspective.

The problem is different from those who already have huge stakes. Individuals have limited capital to put to work, and because of that, they are prone to take higher risks. For instance, they might take more concentrated positions. Betting it all on something they think will move higher. They cannot buy 100 different stocks and only put \$1000 on each. They might lose on the benefits of diversification but can make it up by making a better, more targeted, and flexible investment selection.

This new group could do as well as the millionaires depicted in figure (17) or figure (18) where the difference in average return was 2%.

Individual investors, as a group, become contenders for the world's assets. They might not be coordinated or have lobbies, but they can invest in preserving their capital and making it prosper like any other market participant.

I hope individual investors win this game. It is as much their world as anybody else's (refer to figure (21)).

Instead of having all the wealth in a few hands, individual investors could take charge of the planet by building their retirement funds. That is what my last book was about. It allowed small investors in the millions to look at their retirement funds differently.

It is not only for building them up to age 65 but also for continuing to build them up after. Equation 2 show that the portfolio could continue to grow even after age 65 while having withdrawals. It would have the advantage of increasing withdrawals as if indexed by the factor $(\bar{g} - |w|)$, giving the average growth minus withdrawal rates. It was sufficient to have $\bar{g} > |w|$ to have the retirement fund grow at the rate $\bar{g} - |w|$.

The change will take time. It will not be overnight. Individual investors do have some catching up to do. They could be, as a group, a major contender for those assets. They might need some 30 years to play a more significant role.

The best part is that they do not have to collude or have lobbyists or politicians in their side pockets. They only need to pursue their dreams for a better life, not only for themselves but also for their loved ones. We have a world to be saved by the little guy.

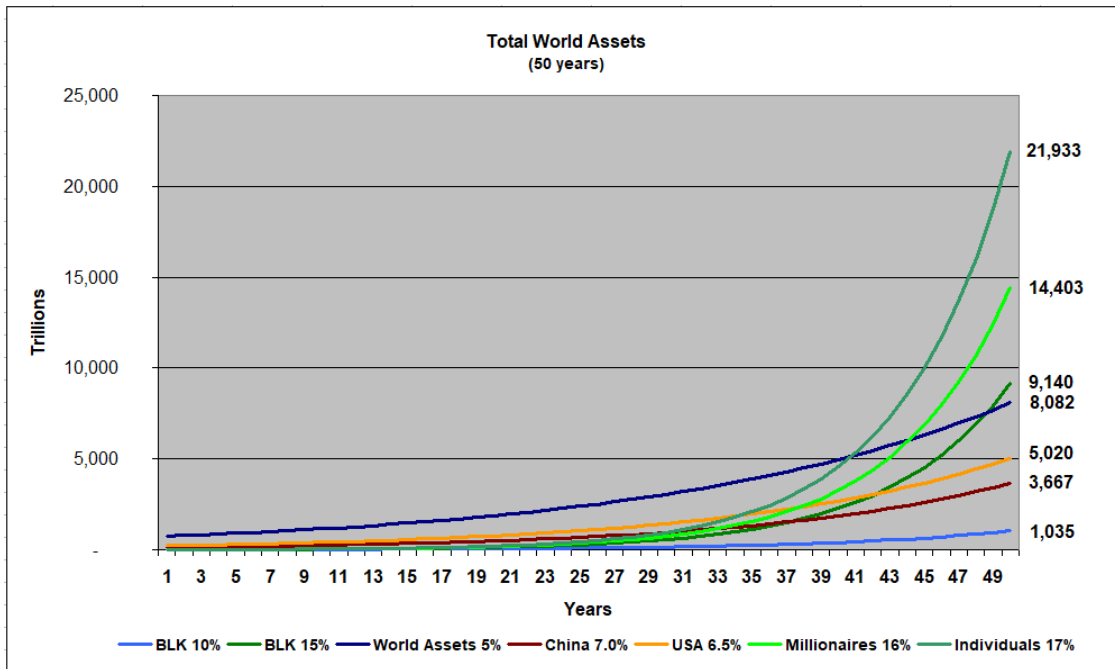


Figure 21: World Assets: China: 7.0%, US: 6.5%, BLK: 15%, M: 16%, I:17%.

Here are some observations for the small investor. You get in the game with what you have but know from the start that it will take a long time to reach the finish line at age 65 or 100. In my last book, the proposed example needed only 5 to 10 minutes per week of your time, and that strategy could survive for decades. Following the principles presented in my book and the trading logic should be sufficient. There was nothing complicated. You could even do it by hand if desired. You could design your trading strategy and do the same or even better. It is all up to you.

Building a retirement fund or any investment fund can be done in any country by any individual. It is all doable. You do not need to convince anyone. These investors only need to continue performing in their self-interests. Money has no sex, religion, or politics. It is just money.

Why do I prefer the individuals taking over the wealth of the planet? Because they will all depend on each other. Because they are small, they can help themselves by buying each other's goods and services. They should not harm their fellow man because it could hurt them and their investments. You might start with 100 million people with all their assets spread out over the world, but they too will grow as a group, and in 50 years at a 5% growth rate, they will become a group of more than 1 billion people. Still, a relatively small group compared to the 21 billion people 50 years from now, but a lot better than the other methods, at least on the societal level and on paper.

What you will find most important are the three variables in equation (1). And

because you are small, you should adhere to your common sense and play accordingly. It is a game you can eventually win just by sitting on your bunnies.

Thanks for having read this far.

Afternotes

You must have noticed much overlap when you looked at all the groups discussed in this paper. An investor can be a stand-alone entity but also part of a family office in the US while being a billionaire or a millionaire. Any of those groups could make it. There is no way to figure out how all those groups will develop and compete over the next 50 to 100 years. We can only talk about each group's potential to accumulate long-term wealth.

However, after looking at all the participants, I got to prefer one group: the small investors, mainly because there are in greater numbers. We could classify them as the little guy group, the sub-millionaires. They might start from behind with less capital at their disposal, but over time they will outpace everyone else as a group for the simple reason that they will ultimately become them. They would win because they would try to raise their average CAGRs to the levels needed to outpace the other groups.

Do you want China to be the most prominent world power the planet has ever known, or do you want it bestowed on the US? None of them currently deserve that honor, but I would still vote for the US side. At least, they might still have in 50 years some semblance of a democracy where all the people can vote to put their elected representatives in power.

Could Europe as a group be a worthwhile contender? Yes, why not? They currently outpace China and could be part of the game.

But for the little guy to win, they must be in numbers. About a quarter of the sub-millionaires from all over the planet are required to make it work. They do not need to unite or even talk to each other. But without the numbers and the same purpose (which they already have), they might be just another group trying to accumulate wealth, leaving the outcome undetermined.

Should the Forbes 400 buy the planet over the next 50 years? That would make 400 individuals "controlling" from 12 to 21 billion people depending on the population's growth rate. What kind of world would that be? Everyone would be practically subservient to 400 superbosses. Many of them would reach a trillion in assets. How much caviar can they eat?

Expand the participant pool, and let 100,000 millionaires take charge. Over the years, those millionaires will become multi-millionaires, if not billionaires. They also

could control the world in some 50 years. But is that not just displacing the problem or spreading it out, flattening the curve? Is it not about the same problem as with the Forbes 400?

Let us go all out. Take 100,000,000⁺ sub-millionaires and let them conquer the world over the next 50 to 70 years. Now, instead of having 100,000 multi-millionaires in 50 years, you might have one billion since that group will also grow as they evolve into family offices, businesses of all types, or outright investment firms.

Any of those groups could buy up all the assets in the world. The real question is: who will it be? I vote for the little guy, as I said before. It is a better wealth distribution. Hopefully, by then, we might have learned to live peacefully with all our neighbors.

A huge business is hiding in all this for the creators of sophisticated software trading strategies that can generate long-term CAGRs above 15%. Whether we like it or not, the world will change considerably over the next 50 to 100 years. As my last book suggested, an average return above 20% could bring that societal change faster. I know it can be done. And you can do it.

Is there a secret sauce to all this? No. Not at all. None. Except if you put common sense in that category. You do not need anything more. You accumulate assets that rise in value over time, that is all. You continuously do that: acquire more assets that can appreciate with time. In a few words: capitalize on your rising equity. You will manage those assets, but that is part of the job. The most crucial point is to do it for yourself and your enjoyment, but also for your children and their children. Pass them a legacy they will remember so they might do the same.

The point is not to be super rich but to have enough money to enjoy life and the freedom to do whatever you want that will not hurt other people. Create businesses, create jobs, build things, and develop stuff. Do what will make you happy. It should not be that difficult. Oh, sorry, there is work implied in all this. You might not like that. Sorry again, but that is the price for those riches: work.

The great comic Will Rogers said about a century ago: "*The way to make money in the stock market is to buy a stock. Then, when it goes up, sell it. If it's not going to go up, don't buy it!*" It turns out he was right. The primary objective of investing is making a profit. If you do not see that profit coming, why buy that asset? Why buy and hold a stock that is going down? The whole purpose of investing is to buy assets that will appreciate in time, and common sense is more than sufficient to distinguish which assets have the potential to go up in value. You do not plan to fail. You plan to avoid failure.

For the estimated 400,000,000 worldwide sub-millionaire investors, go for it. The world is yours for the taking. The most astounding thing is that you do not need to assemble, communicate, collude, coerce, or intimidate any other group members.

You do not need to identify with any subgroups, be they political or religious. Just be yourself. It is enough. You can do your thing as they can do theirs.

Nonetheless, do communicate. You can certainly help each other along the way. It will be more rewarding and more fun.

Your first investment should be in yourself.

We have looked at several groups that could potentially take over the world asset-wise over the next 50 to 100 years, meaning they could individually acquire all the available assets.

However, and hopefully, none of them should achieve their goals.

All those groups compete for the same assets. They cannot all win; assets are limited. It was almost assumed, in all that was presented, that everyone only had to do what they were already doing, and everything would be fine. But that is the hidden problem.

If we let them all do what they have been doing for decades, we will have more of what has happened in the past, which means more deceptions, lies, frauds, and crimes worldwide. The competition for assets and their control will be intense. We will have the impression that all is fine. Today resembled yesterday, and tomorrow will be like today. We can't summarize the activities of eight billion people daily. At the very least, we currently have yet to spread that kind of technology everywhere, even though we are getting there, especially with the advent of digital passports and CBDCs. Everything is being implemented to control the population and what they can and cannot do. All the while, you are electing representatives going in that direction and fast. Why?

Finally, I think China will be the overall winner in all this. The US is declining as a world power. All it does leads to that decline. Its escape hatch would be its entrepreneurs, millionaires, billionaires, and sub-millionaires. But, it might not be enough. More may be needed.

It would be people from all over designing a better world for themselves and their loved ones. There is a lot of misery in the US and around the world. No one is trying to solve those problems simply because those in charge do not care and are inept, incompetent, and politically motivated. They say they are handling it all and that it is under control. But that is not what you can see on the news every day.

I want sub-millionaires to win this quest for the world's assets. At least, get a major share of them. But then, you will need most of them from around the world all doing their best to build their businesses and have the people around them also prosper. It is not like wishing that people change their minding or their behavior. It

suggests that everyone continues to grow and thrive the best they can, starting with what they already have. Find ways to acquire assets that can appreciate with time. Continuously build on their growing equity. Buy stocks, real estate, whatever. It does not matter so much. Then leverage a little what you have to increase your overall long-term return. It is all so simple.

Dear smaller investors, you are badly needed. Could you also see hope?