

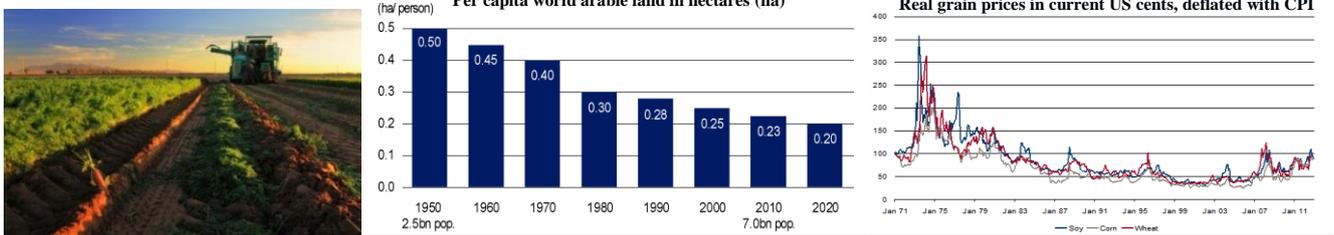
Global agricultural assets

From “ag infrastructure” to water to non-US farmland, harvesting “scarcity”

January 2014

Across the fertile plains, per capita arable land is dwindling, real grain prices remain historically subdued and outsized (re)emerging market-based grain demand growth continues.

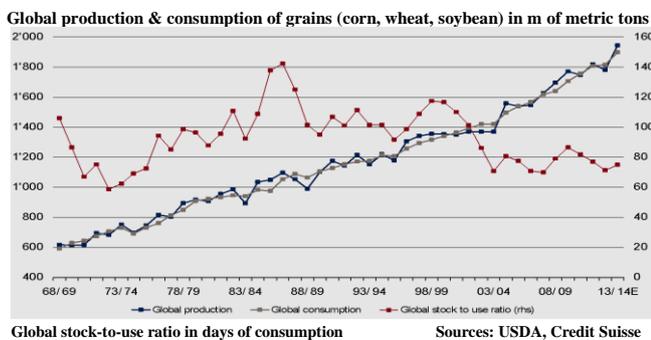
Sources: FAO, UN, Bloomberg, CS



The supply challenge and the investor appeal:

Global growth in millions (m) of metric tons (MT) of grains consumed (grey line below) has been averaging roughly 2.5% p.a. over the past 15 years, approximately double the global population growth rate of 1.2% p.a. over the same time period. Global rice consumption has also been compounding at similar rates, although rice tends to be more of a “fiercely guarded” domestic/regional market than the other grains. Sources: USCB, UN, FAO, USDA.

Meanwhile, growth in global grain production (blue line below) over the past 20 years has generally lagged grain demand growth. This development has precipitated a multi-decade reduction in the global grain stock-to-use ratio (red line):



The widening divergence between grain production and the global stock-to-use ratio (days’ sales of inventory), broadening agricultural resource constraints, and persistent beyond-population-expansion grain consumption growth all suggest increasing secular grain scarcity. This bodes well for firm grain prices on the one hand, and upwards trending “agribusiness” or “agricultural infrastructure” (fertilizers, herbicides, seed technology, farm equipment, irrigation systems, grain processors, etc.) asset values on the other hand. Said differently, global grain supply constraints, if sustained, and their “cousin,” rising grain prices -- from historically depressed real levels as visible above -- will be responded to by farmers via increased capital spending. The seven-fold increase in the human population over the past 210 years (up 180% since 1950 to 7bn; middle chart above) juxtaposed against a finite endowment of accessible arable land, fresh water, and fertilizers associated with

robust crop yields brings the quintessence of our strategic “agricultural asset scarcity” allocation story into relief.

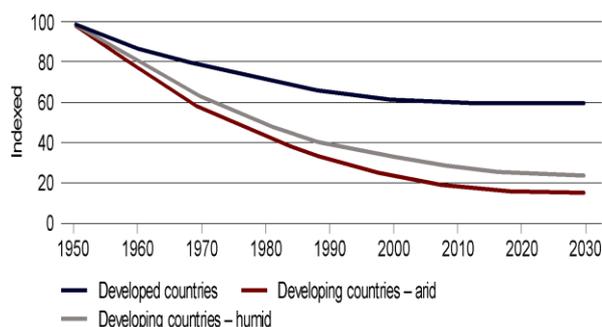
Investments in agricultural assets are, in essence, a constrained supply or scarcity story. Scarcity assets rise in value over time, i.e., until capital gets attracted by high prices and the related expectation of outsized investment returns. The high real grain prices of the mid-seventies, coupled with the 1978-based Chinese agricultural reforms (decollectivization, a shift to substantial farmer retention of crop sales proceeds, selective liberation of price controls), underpinned the very expansion in global grain production that exerted pressure on real grain prices for roughly two decades (please see chart above). In short, markets, when unfettered, tend to work well in terms of “debottlenecking”/allocating resources efficiently via “the invisible hand of Adam Smith.” Ultimate beneficiaries: the economy, consumers, and the wealth of a nation. So why should it be any different this time around, i.e., why may agricultural scarcity prove more intractable, our strategic allocation assumption? Let us take a closer look:

- Globally, despite “the West” having won the Cold War, the world is moving further away from free market capitalism, the rule of law, sane regulatory and tax policy, and, by extension, property rights: <http://online.wsj.com/article/SB10001424127887323981504578177913940268102.html?KEYWORDS=America+as+rule+of+law+nation>; <http://robertstoweengland.com/index.php/books/1042-a-nation-adrift-from-the-rule-of-law.html>; <http://skrason.wordpress.com/2011/06/02/the-erosion-of-the-rule-of-law-in-contemporary-western-culture/>; <http://www.opendemocracy.net/openindia/vijay-nagaraj/indian-constitutional-democracy-freedom-in-crisis>; <http://www.ibanet.org/Article/Detail.aspx?ArticleUid=f81c9310-243a-40a9-8a95-6506cb7f96fe>.
- The trend towards greater economic/political interventionism (price controls very much included) and “government by fiat” in progressively more of the world make it harder to “debottleneck” supply constraints; in reality, the heavy hand of government interference generally serves to increase both scarcity and the associated (global) prices. This construct tends to benefit big cap, globally-active “crony capitalists,” something our agricultural (“ag”) strategic asset allocation conviction incorporates in no uncertain terms. The motto: “if you can’t beat them, join them.”
- Pivotal, 1.3bn people-strong China, a nation which was food self-sufficient for over a decade and a net exporter of agricultural products in 2002, is becoming

increasingly dependent on grain/food imports. That same nation has become the world's biggest importer of soybeans. The USDA expects Chinese soybean imports (please see p. 5) to rise by nearly 40% over the next decade, to 95m tons. Meanwhile, Chinese imports of corn are expected to nearly triple over the next ten years to over 19m tons. The rising food dependency is at least partly due to increasing supply constraints, be they pollution-related, water shortage-related, or labor-related (the Chinese surplus of rural workers has fallen to 20m from about 150m previously; meanwhile, the nation's old age dependency is set to more than triple within forty years to a world-leading 38%). Sources: www.cfainstitute.org/learning/products/publications/contributed/economics/Documents/kurz_relocalization_private.pdf, pp. 5 - 6; https://www.credit-suisse.com/asset_management/downloads/marketing/trends_05_2010_dossier_eng.pdf, first two pages; www.forbes.com/sites/jackperkowski/2013/04/25/feeding-chinas-population/.

- Globally, since 2000, increases in crop yields (kg per ha) have moderated to 1.4% p.a. as overall agricultural productivity over the same period (ag value added per worker in \$ terms) has been *declining* by 0.3% p.a. on average (Sources: <http://wdi.worldbank.org/table/3.3>);
- To further invigorate global crop yields, more pervasive application of key natural fertilizers potash and phosphate -- i.e., in addition to the game-changing Haber-Bosch process of artificially synthesizing nitrates that was so critical in spawning the green revolution (https://naplesam.com/uploads/Dense_energy_11_28_13r.pdf, p. 6) -- will be necessary. It has been estimated that as much as 60% of the crop yield depends on soil fertility (www.cropnutrition.com/why-cropnutrition.com). Fertilizer-based enhanced soil fertility improves root strength and disease resistance while enhancing the taste, texture, and color of food (potash). It also aids in photosynthesis and speeds crop maturity (phosphate). Fertilizer application is an annual affair. This provides the dominant companies, PotashCorp and Mosaic, with a recurring revenue stream and constructive margins, especially given substantial potash-based barriers to entry: economically mineable deposits are rare, capital costs are high, and lead times are long.
- Fresh water per capita has plummeted, especially in developing (emerging) countries, thanks mainly to a developing country-centric population explosion (180% more people since 1950). As fruit, vegetable, and grain harvests are essentially "water harvests" or exports featuring up to 90% water content, declining global fresh water availability reinforces agricultural production limitations:

Indexed per capita water availability compared with 1950



Source: World Bank

For additional perspective on the scale of the water scarcity challenge as regards crop production, it is worthy of mention that the agricultural sector accounts for approximately 70% (source: UN) of humanity's water consumption. As such, the composition and breakdown of the globe's water endowment is especially pertinent: 97.5% of it is saline and only 2.5% is fresh water. Some 69% of the earth's fresh water, or 1.7% of all water, is stored in virtually inaccessible glaciers. This leaves an increasingly pervasive human race with but 0.8% of the entire globe's total water endowment to work with! Yet it gets even more challenging: about 97% of the available fresh water happens to be deposited in aquifers, which took millions of years to form/fill. Those same fresh water aquifers are thus "glacially slow" to replenish themselves, constituting the equivalent of a depleting resource for us. And depleting them at unsustainable rates, as evidenced by falling water tables, is precisely what we are doing. (Sources: World Bank, International Water Management Institute, www.grida.no/publications/other/geo3/?src=geo/geo3/english/265.htm)

If we drill down to regional/continental levels, it becomes easier to appreciate the widespread nature of our pervasive and worsening global fresh water shortage -- and this is prior to an estimated 600m Indians and 300m Chinese (<http://worldnewspress.net/on-world-toilet-day-world-bank-warns-over-600-million-indians-defecate-in-the-open/>; www.futurewecreate.com/water/includes/DOW072_China%20White_Opt1_Rev1.pdf) gaining access to potable water, which sustained urbanization will underpin; urbanization increases average per capita water consumption five-fold to 230 liters/59 gallons per day (sources: Prof. Alexander J.B. Zehnder, www.worldwatercouncil.org). Today's fresh water scarcity is also preceding substantially higher EM per capita meat and dairy product consumption, both of which will call for stepped-up grain and thus water resources, as we will examine later in the demand section of this report.

Let us commence our brief regional fresh water scarcity (desalination is very energy/infrastructure intensive and thus extremely expensive) overview "close to home." Specifically, with the Ogallala Aquifer, believed to be the biggest in the world, which spreads from the Texas Panhandle north to the Badlands of South Dakota.

The Ogallala formed between two and six million years ago, is generally from 50ft (in parts of northern Texas, between 0 - 50ft) to 300ft deep (parts of Kansas and Nebraska), doesn't replenish itself, yet is associated with 20% of US crop production (the US is the biggest agricultural producer and net exporter on the planet). Since new well technology began to exploit the Ogallala in the early '50s, the water equivalent of more than half of Lake Erie has been drained, according to David Brauer of the USDA. As a result, the average Ogallala water level has declined from 240ft sixty years ago to about 71ft today. The water level of the Ogallala is dropping by nearly 3ft a year, suggesting that the currently intense water draw -- which has been accelerating thanks to the rapid growth of fracking -- is sustainable for a mere 20 - 24 additional years. Obviously, erstwhile arable land, such as in the parched Texas Panhandle, is already being desertified. Upshot: arable US land is bound to diminish quite substantially over time with negative grain harvest implications and bullish grain price repercussions (source:

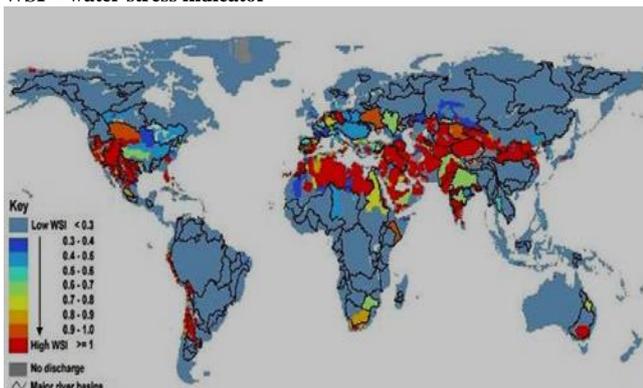
<http://www.telegraph.co.uk/earth/8359076/US-farmers-fear-the-return-of-the-Dust-Bowl.html>.

Shifting to Asia, home to 60% of humanity: here the risk of widespread water shortages is rising as water tables fall thanks to local farmers in the rice bowls and cornfields of Asia pumping out groundwater faster than nature can replenish it. This has been exerting pressure on crop yields while underscoring the need for massive step-ups in water infrastructure spending, very much including more efficient irrigation systems (buttressing crop storage and processing facilities so as to minimize rot-related crop loss issues is also a constructive ROI proposition in numerous EM).

A few cases in point may help drive home the Asian water shortage story. For example, Beijing, which gets about two-thirds of its water from aquifers, is increasingly having to pump water from wells that are more than 1,000m (3,280ft) deep. India, in turn, has been pumping water from wells that are over 400m (1,312ft) deep on average, while well depth has increased up to 30m (98ft) in some regions. Plus, in the recent past India has been extracting water from aquifers at an annual rate that has averaged some 2.5 times the annual precipitation-based replacement (source: <http://news.nationalgeographic.com/news/2010/02/100217-groundwater-crisis-nasa-satellites-india-environment/>).

Globally speaking, the regions that have displayed the greatest water supply stress (please see chart below) have included Central and Northern China, Northeast India, parts of Pakistan, much of the US, North Africa, and the Middle East (ME). Annual fresh water withdrawal by many ME countries in the late '00 years as a percent of annual renewable water resources was in excess of 100%. Cases in point: Israel, 121%; Saudi Arabia, 722%; UEA, 1,150%, and Kuwait, 2,200% (sources: UN, FAO, WSI). For a very very recent manifestation of Iran's unsustainable fresh water draw, please see: www.nytimes.com/2014/01/31/world/middleeast/its-great-lake-shriveled-iran-confronts-crisis-of-water-supply.html?_r=0.

WSI = water stress indicator

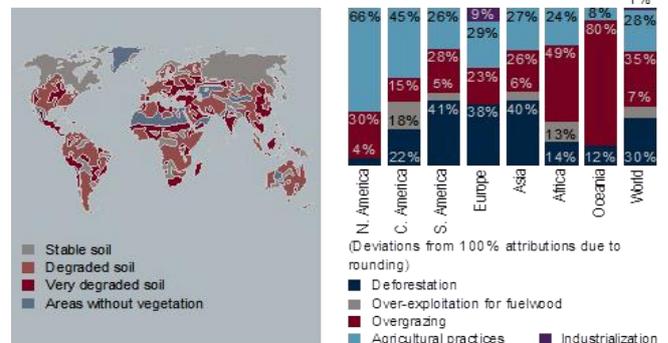


Source: International Water Management Institute

Water and arable soil go hand in hand. Yet various factors have come together to pressure our top soil resources beyond water scarcity or outright desertification, such as occurred in much of China's Manchurian region after the Japanese invasion in 1931 of that erstwhile fertile region. Those factors, as of 2002, are depicted below. Given ongoing stresses over the past 11 years associated with continued population growth and man's "spreading urban footprint" on the one hand and with the "non-renewable" nature of top soil on the other hand -- it takes about 500

years for nature to replace 25mm (one inch) of top soil -- there is little doubt that cumulative soil degradation has continued, despite heightened conservation efforts such as the introduction of "no-till" farming, or other improved agricultural practices (www.washingtonpost.com/blogs/wonkblog/wp/2013/11/09/no-till-farming-is-on-the-rise-thats-actually-a-big-deal/).

Soil degradation

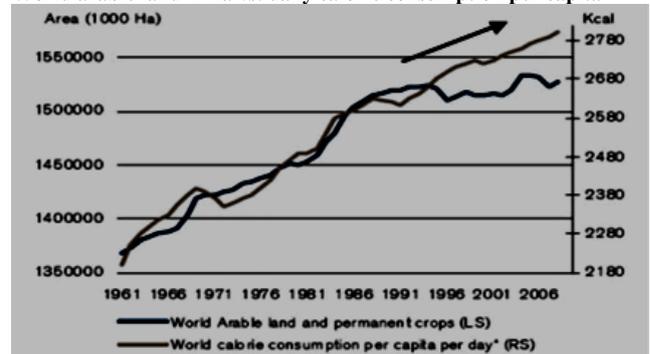


Sources: World Summit on sustainable development, <http://www.isric.org/>

To summarize our global agricultural supply challenges, let us depict, in the chart below, the widening gap between the rising daily global per capita calorie intake (reflective of grain consumption trends impacted by a richer, better fed developing world, home to nearly 90% of the global population) and the "flat-lining" of world arable land associated with urbanization and soil degradation. The FAO continues to peg the annual worldwide loss of arable land at 0.6% p.a. or 5.8% per decade.

The expanding gap between arable land and rising calorie consumption per capita implicitly incorporates global population growth (about 0.7% p.a. currently) which will, at the very least, serve to further constrain arable land availability in hectare or "ha" (1 ha = 2.47 acres) terms. As a result, it appears that consumption in both per capita and in aggregate, global terms will continue to outstrip growth in accessible arable land. This will call on the ag industry to invest progressively more in optimizing yields (kg of grains per ha) to address this secular supply scarcity issue, which is the essence of our strategic agricultural scarcity allocation story.

World arable land in ha vs. daily calorie consumption per capita



Sources: Food and Agriculture Organization (FAO) and CS

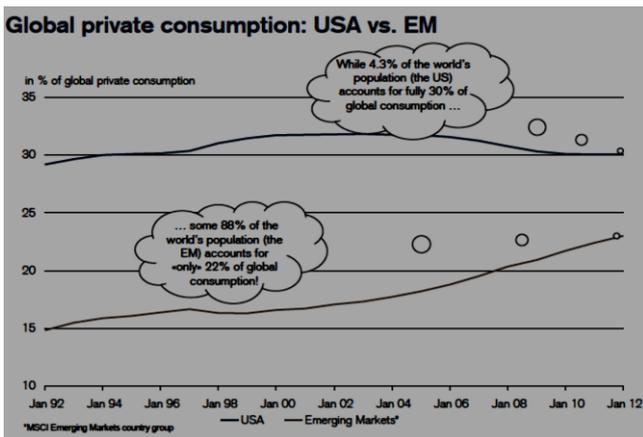
Grain demand growth beyond population growth:

As commented on in the opening paragraph, worldwide grain demand growth of approximately 2.5% p.a. over the past 15 years has been roughly twice as high as the global

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population growth over the same period. This has been driven largely by the much increased per capita wealth of EM over the past two decades. Rising wealth per capita ultimately leads to higher consumption.

As regards EM, while private consumption has been rising materially for the past two decades, it appears that there is substantial “consumption function” runway ahead of us (please see chart below). This is due to both the “law of small EM consumption numbers” and due to much healthier aggregate (private and government) balance sheets of EM versus OECD countries -- the globally unrivalled private consumption leader, America, very much included.

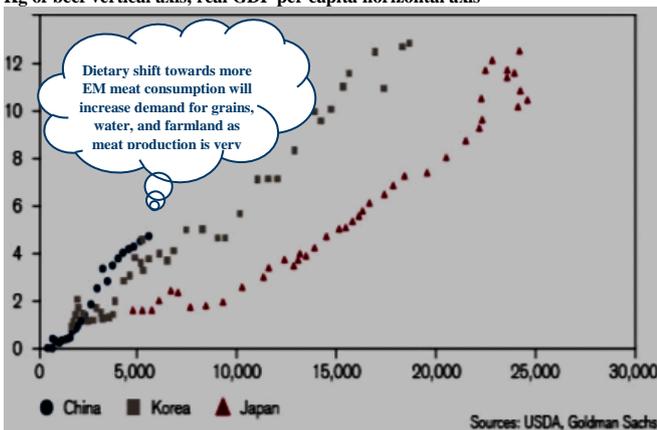


Sources: Datastream, CS

One of the first sectors that has benefited from rising EM consumption has been food outlays. Diets, especially those of “white goods-enabled” urban dwellers, tend to shift towards increased consumption of dairy, meat, and processed food. And the ranks of urbanites has swelled: Chinese urbanization since 1978 has resulted in approximately 260m farmers moving to the cities, leaving the Middle Kingdom with “just” 500m agrarians today. Two hundred and sixty million additional farmers are forecast to leave the countryside in the coming decades! (Source: www.forbes.com/sites/jackperkowski/2013/04/25/feeding-chinas-population/.)

Let’s take a look at historical per annum, per capita beef consumption (in kg terms; 1 kg = 2.2 lbs) trends in Japan and Korea during the post WWII period, in which GDP per capita rose four to five-fold:

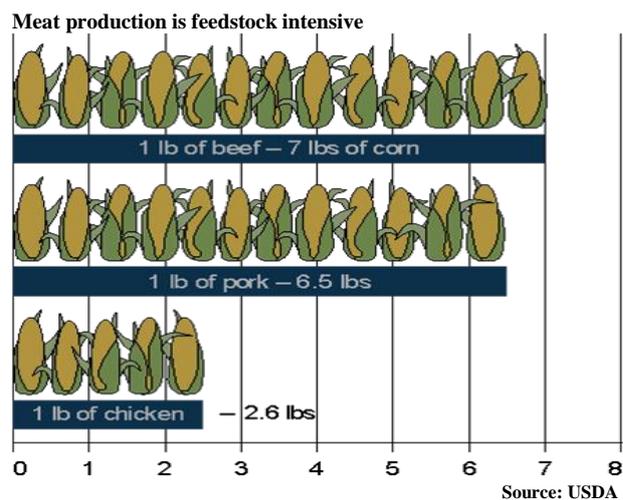
Annual beef consumption vs. real USD GDP per capita in PPP terms
Kg of beef vertical axis, real GDP per capita horizontal axis



The relevance: China, with 19% of the world’s population, is likely to continue to show similarly pronounced increases in beef (and other meats, especially pork) consumption per capita as was the case in Japan and, later, in South Korea. Those countries saw, within a time span of approximately two generations, an increase in annual beef consumption from an average of 2kg per capita at a per capita GDP of \$5,000 (USD purchasing power parity based) to an annual average of 12kg per capita at a per capita GDP of between \$20K - \$25K. Noteworthy: the “ramp-up” in EM per capita GDP has been happening at an accelerated rate when compared to Japan’s and even South Korea’s progression in this regard during the post WWII period. (Source: www.daff.gov.au/_data/assets/pdf_file/0006/2259123/food-consumption-trends-in-china-v2.pdf.)

If Chinese GDP per head continues to progress along similar/accelerated lines as was the case in Japan and, later, in South Korea, then a sustained increase in per capita beef consumption will be in the cards. Plus, the strong (nearly 1:1) correlation between climbing per capita GDP and climbing per capita meat consumption is not unique to Asian countries that have achieved developed country status along GDP per capita lines; it holds true globally. Perhaps the best proof of the pudding is around the “OECD corner,” as anyone that has eaten or gone grocery shopping in nations on either side of the Atlantic, such as the US, Canada, Germany, and France, is keenly aware! (Sources: http://www.who.int/nutrition/topics/3_foodconsumption/en/index4.html; http://chartsbin.com/view/12730.)

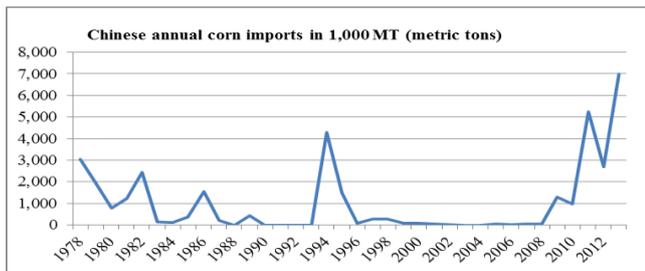
So why is the trend of sharply rising global per capita meat consumption so relevant to worldwide grain demand growth? Quite simply because meat production is feedstock (grain, especially corn) intensive. Translation: a vegetarian/grain-based diet requires fewer grains! For perspective on how much corn is required to produce one pound (0.45kg) of beef, pork, and chicken, please see below:



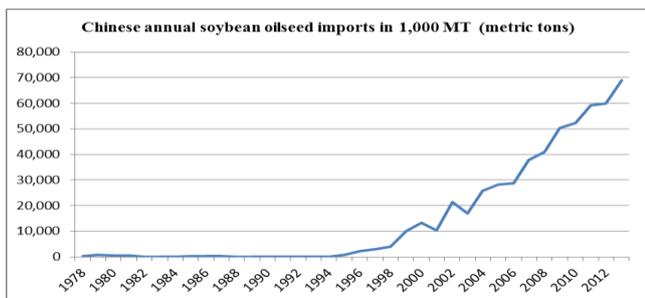
Not just much more feedstock is required for an omnivore diet featuring rising meat consumption; as logic would dictate, a lot more water is also called for as well -- no pun intended. Consider that, dependent upon climate type, between 1,150 – 2,000 liters of water are necessary to produce one kg of wheat. In contrast, some 16,000 liters are required to produce one kg of beef -- or, between 8 – 14x as much water (sources: USDA; Arjen Hoekstra, University of Twente, World Bank, worldwater.org)!

With global and especially developing nation (EM) water availability per capita a mere fraction of what it was over 60 years ago, as shown on page two of this article, sustained outsized (above population expansion) growth in grain demand will not only strain grain production capacity, but it will likely place a rising price floor beneath grains, which, as stated, are essentially “water harvests.”

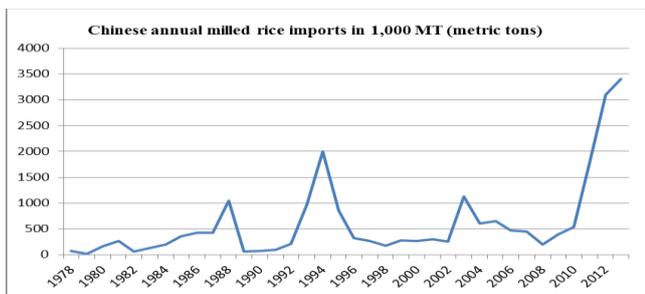
As regards China’s ever more constrained food/grain production capacity, it stands in increasingly stark contrast with rising per capita grain consumption. This is best reflected in multi-decade Chinese grain import trends:



Sources: USDA, www.indexmundi.com

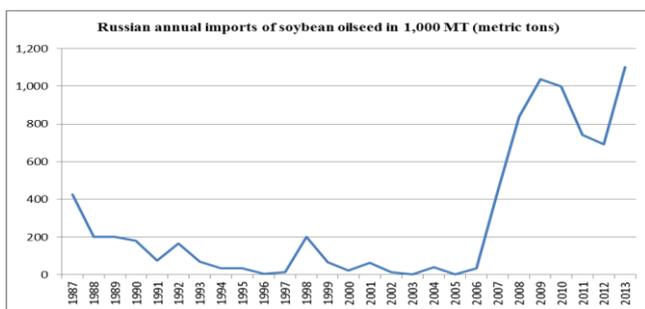


Sources: USDA, www.indexmundi.com



Sources: USDA, www.indexmundi.com

And as concerns EM grain import trends, China is not alone; once agriculturally self-sufficient Russia has also been importing more soybeans, a key source of protein for humans and animals alike:



Sources: USDA, www.indexmundi.com

The opportunity:

To invest in increasingly valuable agricultural infrastructure/agribusiness assets that should facilitate optimal grain harvests/yields in an era of increasingly scarce accessible arable land and fresh water resources. As such, globally positioned fertilizer, herbicide, seed technology, farm equipment, irrigation system/water management, grain processing, ag logistics, and non-US farmland centric equities should, in a diversified stock basket(s)/ETF(s) format, offer constructive strategic return potential for investors.

Such an exposure would be intended for qualified, strategically-oriented accounts capable of making satellite allocations and considering risk primarily as “long-term impairment of capital and/or loss of purchasing power,” instead of near-term market, sector, and/or stock price volatility. For such clients, we would be pleased to draw to your attention the appropriate agriculture infrastructure-based stock baskets (*no synthetic, investment bank balance sheet-exposed baskets/ETFs will be referenced*) that we have identified for this strategic allocation purpose.

Ag asset allocation and stock market risks:

- Pervasive and sustained increases in governmental grain price controls (last seen in 2008), which would deter investment, increase grain scarcity to the detriment of humanity, and punish investors.
- A pronounced increase in rule-of-law endowed, accessible, infrastructure-enabled arable land -- such as in the extremely fertile Ukrainian/Russian “Black Earth Belt” or in sub-Saharan Africa -- could materially alter, over time, the current agricultural supply scarcity. Such a development would negatively impact, probably substantially, agricultural asset values. (Sources: <http://documents.worldbank.org/curated/en/2014/01/18793736/opportunities-challenges-private-sector-development-ukraine>; www.ers.usda.gov/amber-waves/2013-may/research-raises-agricultural-productivity-in-sub-saharan-africa.aspx#UukCyjgo6Uk; <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,contentMDK:21935583~pagePK:146736~piPK:146830~theSitePK:258644,00.html>)
- Select liquidity issues as concerns non-US farmland equities.
- Sharply rising interest rates -- from near generationally low, “QE-impacted” levels -- associated with marked increases in either government solvency and/or inflation issues could offer substantial equity valuation headwind, deeply pressuring NPVs/stock prices.
- “Reversion beyond the valuation mean” (P/E’s dropping below the 109-year average valuation of 16 times trailing 12-month GAAP earnings); historically, new secular bull markets have commenced from P/E’s of 7 to 11 times trailing 12-month GAAP earnings, not from the current 15 multiple (source: S&P) of QE-distorted/QE-inflated earnings.
- Cessation of material stock repurchases would negatively impact, at least at the margin, the supply of and the demand for equities, implying lower valuations (www.factset.com/websitefiles/PDFs/buyback/buyback_12.17.13; www.forbes.com/sites/chuckjones/2013/07/01/share-buybacks-are-not-shrinking-sp-500-share-counts/).
- Reduced domestic (US) demand for equities associated with aging baby boomers increasingly selling stocks to either offset yield starvation-based income needs

and/or to fund retirement may also create secular equity valuation (lower P/E) headwinds.

- The aging business cycle: as regards the post WWII period, we have been in an unprecedented fiscal/monetary stimulus-based economic “recovery” during the past 4.5 years. Historically speaking, at this stage of the business cycle, the likelihood that a recession will commence increases monthly, especially when considering the particularly contrived and thus unsustainable nature of this “recovery.” Earnings, which are but “6% of top line residuals,” tend to plummet (decline 30% – 50%) in a recessionary period, pressuring stock prices.
- Record high, “QE-levitated” corporate profit margins and corporate profit/GDP ratios (please see below) suggest, historically speaking, that broad-based pressure on earnings power could be in the offing. Such a recalibration of earnings would likely pressure equity market caps and, over time, possibly also earnings multiples, a potential “double-whammy” for investors
(Sources: <http://research.stlouisfed.org/fred2/>; <http://greenbackd.com/2013/04/19/jeremy-grantham-profit-margins-are-probably-the-most-mean-reverting-series-in-finance/>).

US corporate profit/GDP



- Higher corporate tax rates to tap record high corporate cash balances in order to “address” bloated spending-based government deficits would pinch net earnings and, by extension, possibly reduce stock repurchases and dividend increases.

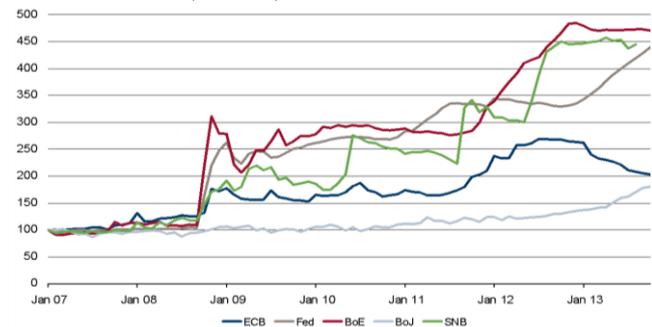
Conclusion:

Big cap, globally active agribusiness (agricultural infrastructure) equities currently offer a nominal, 7% discount to the S&P 500 trailing 12-month GAAP P/E of 15. Equity valuations in the resource/commodity sector have come under pressure over the past year or so, partly due to sector rotation and perception issues, i.e., that the “real asset party” is over. Given the lingering scarcity in pivotal agricultural resources that we project, we beg to differ, at least as concerns agribusiness assets that we can purchase in the form of equities/ETFs. Commensurately, we view the relative weakness in agribusiness and select non-US farmland stocks as a strategic buying opportunity.

While a sharp reversal in a booming equity market featuring increasing normalized earnings valuation froth can occur at any time, *it is our conviction that the discussed “ag scarcity” allocations, devoid of “synthetic structures,”*

will provide for favorable relative and absolute strategic return prospects. This is based not only on constructive agricultural supply/demand metrics and on relatively attractive valuations, but also because this allocation will provide investors with valuable real asset exposure in an era of unprecedented global monetary base expansion/monetary inflation risks:

Central bank assets, indexed, 01.01.2007 = 100



Sources: Datastream, CS

Dan Kurz, blogger

January 2014

My strategic allocation convictions:

The golden rules of client-centric investing are: capital preservation, purchasing power preservation, and the strategic attainment of a real yield (the reward for forgoing consumption).

Contrast this client mandate with today’s monetary policy, which is made for the benefit of debtors, not savers. This holds true for the short end and the long end of the yield curve. At the short end, numerous leading central banks have moved overnight intra-bank interest rates to zero. At the long end, the same institutions have increasingly resorted to “printing money” with which to purchase 10-year government bonds, artificially lowering yields available to investors while bloating central bank balance sheets, thereby creating substantial long-term monetary inflation and misallocation risks. Add to this the fact that G20 government debt/G20 GDP has surpassed 100% with rising structural, aging-based government deficits ahead of us, and investors are also staring rising solvency risks in the face. Last but not least, with current government bond yields into the nominal to zero percent range, those instruments’ durations have lengthened markedly, in extreme cases, to de facto “zero coupon bond” equivalence, thereby dramatically raising capital loss perspectives when benchmark interest rates rise.

In summary, then, today’s strategic fixed income investors must contend with historical yield deprivation and even negative real yields across the yield curve, on the one hand, while having to come to terms with expanding inflation, solvency, and capital loss risks on the other hand. Meanwhile, in the wake of an unprecedented (post WWII) deficit spending/QE-induced four-year earnings recovery, equity investors must contend with what increasingly looks like a recession-induced earnings compression ahead as well as its implications for current valuations. Longer-term, shareholders face anemic real GDP growth -- and thus anemic profit growth -- associated with having to unwind the debt mountains referenced above.

So much for the problem. What about transparent and liquid investment-grade diversification, yield deprivation relief, inflation protection, capital preservation, and real yield solutions (themes) in today’s investment landscape? I am convinced that I can help you identify some compelling, counterparty risk-free strategic asset allocation ideas via my investment depth and breadth and through my expertise in real or “scarcity assets,” balance sheet compositions, and all-important asset valuations (during my Credit Suisse CIO Office tenure, these themes achieved an equally-weighted outperformance of 68% relative to the MSCI ACWI).