

THE GOLDEN ERA

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June 2025

In his 2025 inauguration address, President Trump declared that the **"golden age of America begins right now."** While a reboot of America will create tremendous opportunity, I believe an even broader global transformation is underway, a **"Golden Era"** which will reshape the prosperity, social norms, economic policy and geopolitical alignment.

What makes this moment in time extraordinary is that we are standing at a rare inflection point where all of these transformative forces are converging simultaneously. A perfect storm, where cyclical catalysts of the financial markets align with fundamental structural shifts in society.

Together, this represents what I believe is **the most compelling wealth creation opportunity for frontier assets** that we will see in a generation. The following analysis explains why this convergence creates such extraordinary conditions and why positioning correctly today could define the investment outcomes of the next decade.

STRUCTURAL LONG-TERM DRIVERS

Three fundamental forces are reshaping the global investment landscape over the coming decades, creating sustained demand for frontier assets. These secular trends transcend market cycles and form the foundation of our long-term investment thesis.

1. The End of US Dollar Hegemony

For the first time since the Bretton Woods Agreement of 1944, the U.S. Dollar reserve currency faces existential challenges on multiple fronts that suggest we may be witnessing the twilight of American monetary dominance.

- a. **Unsustainable Debt Trajectory:** U.S. federal debt has exploded from \$10.6T in 2008 to over \$34T today – a 220% increase in just 17 years. More concerning, the debt-to-GDP ratio now exceeds 120%, surpassing levels that historically triggered sovereign debt crises in other nations like Greece. Interest payments alone now exceed \$1T annually – nearly 15% of the federal budget. To make matters worse, the Congressional Budget Office projects that without dramatic fiscal reforms, debt-to-GDP will reach 180% in 2040. Even Warren Buffett, historically optimistic about American prospects, noted at Berkshire's 2025 annual meeting that "Fiscal policy is what scares me in the United States."
- b. **Foreign Confidence in the US is Fading:** The bond market – traditionally the most reliable indicator of foreign confidence in the U.S. is sending warning

signals. The 10-year Treasury yield's failure to respond to three consecutive Fed rate cuts since September 2024 represents a breakdown in the traditional relationship between central bank policy and long-term rates. This suggests bond investors are demanding higher risk premiums despite Federal Reserve accommodation – a clear sign of eroding confidence in U.S. fiscal sustainability.

- c. **Acceleration Away from Dollar Dependence:** The weaponization of the Dollar following Russia's invasion of Ukraine has accelerated what was already a gradual shift away from dollar reliance. Countries worldwide witnessed how quickly access to the SWIFT system and dollar-denominated assets could be severed, creating powerful incentives to develop alternatives. Today, BRICS nations represent 36% of global GDP compared to the G7s 30% – a complete reversal from just two decades ago. China and Russia have increased bilateral trade settlements in their own currencies by over 300% since 2022, while multiple nations are developing alternative payment systems.
- d. **Historical Precedent for a Change of Reserve Currency:** As Ray Dalio illustrates in his book "Principles for Dealing with the Changing World Order", reserve currency dominance is not a permanent status. The British pound sterling maintained global dominance for over a century before gradually ceding to the dollar between 1920-1950. These transitions typically accelerate during periods of fiscal stress, military overextension and the emergence of credible alternatives – conditions that mirror America's current situation.

The evidence for the above is already visible: central banks added over 1,000 tons of gold to their reserves in 2023 alone—the highest level in decades – while reducing dollar holdings from 71% of global reserves in 2000 to just 58% today. As confidence in the dollar's long term purchasing power continues to erode, we expect accelerating flight to alternative stores of value. Bitcoin, with its fixed supply, instant global transferability, and immunity to government intervention stands to benefit even more dramatically than gold due to its stronger reflexivity and superior monetary properties.

2. The Generational Wealth Transfer

Perhaps the most overlooked structural driver for frontier assets is the massive demographic shift underway:

Over the next two decades, an estimated \$68 trillion will transfer from Baby Boomers to younger generations—the largest wealth transfer in history. Currently, Boomers control 53% of household equity and mutual fund ownership (\$39 trillion), while Millennials hold just 3% despite representing nearly a quarter of the adult population.

This generational transition coincides with a fundamental shift in traditional asset class returns. Mainstream investments including public equity, private equity, real

estate, and significant portions of venture capital will likely deliver structurally lower "real" returns relative to past decades due to less favorable macro conditions—particularly more elevated long-term Treasury yields as markets adopt increasingly hawkish stances against U.S. borrowing.

This necessitates expansion into new asset classes that are simultaneously exploding due to technological enablement. AI, distributed ledger technology, and other innovations are dramatically lowering the cost of financializing assets—effectively allowing the packaging and trading of any asset whether securities, real estate, or services. These emerging frontier investments offer superior return potential while providing lower correlation to traditional asset risk profiles, creating more diversified portfolios for the next generation of wealth holders.

Research consistently demonstrates younger investors' stronger preference for frontier investments. Morgan Stanley's 2024 Wealth Management survey found that 71% of Millennials and 67% of Gen Z express high interest in digital assets and emerging technologies, compared to just 30% of Boomers. This generation experienced the 2008 financial crisis during formative years and witnessed Bitcoin outperform all traditional assets over their adult lives.

Unlike previous generations, today's young professionals haven't experienced significant wealth creation through traditional vehicles like real estate. A 2025 Federal Reserve study shows Millennials own 40% less real estate equity at the same age compared to Boomers, creating structural demand for alternative wealth creation vehicles.

As this demographic-driven capital reallocation accelerates over the coming decades, I expect a sustained structural shift toward frontier investments, particularly digital assets that align with younger generations' technological fluency and investment preferences.

3. The Exponential Age Transformation

The AI revolution represents not merely incremental efficiency gains but a fundamental restructuring of our economic paradigm:

- a. **Zero Marginal Cost Economy:** As AI and robotics advance, we're entering an era where the marginal cost of producing goods and services approaches zero, creating abundance for consumers and completely reimagining business models across sectors.
- b. **Labor Transformation:** The concept of knowledge work is being radically redefined. Historical productivity constraints based on human limitations are dissolving as AI provides effectively infinite labor scaling—transforming entire

industries rather than merely improving existing processes.

- c. **Capital Reallocation:** This transformation necessitates massive capital reallocation toward digital infrastructure, benefiting both traditional technology and decentralized networks that enable the AI ecosystem. Digital asset protocols supporting AI infrastructure (computation, storage, verification) are positioned to capture substantial value during this multigenerational inflection point.

The promise of the exponential age is astronomical. As Elon Musk observed, “AI and robotics will drop the cost of goods and services to almost nothing”. However, the critical question becomes: how will this newfound abundance be distributed?

My base case is that the abundance will not be evenly distributed and will primarily accrue to those who own or control productive assets. For example, AI-driven automation could reduce the cost of manufacturing consumer goods by 90%, but without proper wealth redistribution mechanisms, these savings may primarily benefit factory owners and shareholders while displaced workers face unemployment and cannot afford even the now-cheaper products.

This dynamic points to an imminent tipping point regarding social contracts and government roles, likely resulting in increased asset volatility as societies grapple with these fundamental questions. Those who proactively rebalance their portfolio to take advantage of this technological transformation stand to gain the most while those dependent solely on labor income will not experience the same exponential upside.

CYCLICAL CATALYSTS

Several near-term catalysts are accelerating adoption of frontier asset classes, with digital assets positioned as one of the primary benefactors. These cyclical factors are converging to trigger significant appreciation in the coming 12-24 months.

1. **Broader Financial Market Catalyst**

Macroeconomic conditions are creating powerful tailwinds for frontier assets across multiple dimensions:

- a. **Global Liquidity Expansion:** The intensifying trade war has triggered coordinated global monetary responses. Nations facing U.S. tariffs are devaluing currencies to maintain export competitiveness—China's yuan weakened 5.3% against the dollar in Q1 2025 alone. Global M2 money supply expanded 7.2% year-over-year, creating highly favorable conditions for alternative assets that historically demonstrate strong correlation to liquidity expansion.

- b. **Currency Debasement Acceleration:** As discussed in the previous section, central banks globally are pursuing accommodative policies that systematically debase fiat currencies. This creates structural demand for scarce, non-sovereign assets. The Bank of Japan's continued yield curve control, the ECB's persistent negative real rates, and emerging market currency instability all drive capital toward alternative stores of value.
- c. **Federal Reserve Policy:** Leading U.S. economic indicators point to an approaching slowdown that will force monetary accommodation:
 - i. Inverted yield curve persisting for 16 months—historically a reliable recession predictor
 - ii. Manufacturing PMI below 48 for three consecutive readings, indicating contraction
 - iii. Labor market indicators showing early warning signals of deterioration.

These conditions set the stage for aggressive rate cuts, with futures markets pricing 150-200 basis points of accommodation through 2026. This policy reversal will unleash significant liquidity across risk assets, with frontier assets positioned to benefit disproportionately.

- d. **Geopolitical Risk Premium:** Escalating tensions between major powers are driving institutional demand for politically neutral, non-sovereign assets. The weaponization of traditional financial systems through sanctions has accelerated this trend, with institutions seeking exposure to assets immune to government interference or confiscation.
- e. **Demographic Investment Shift:** As discussed in the previous section, the ongoing wealth transfer to younger generations is creating sustained demand for frontier investments. Unlike previous generations who allocated primarily to traditional assets, Millennials and Gen Z demonstrate strong preferences for digital assets and alternative investments, creating a structural bid that transcends typical market cycles.

2. Digital Asset Native Catalysts

The digital asset ecosystem is experiencing unprecedented institutional and nation state accommodation across multiple vectors.

- a. **Corporate Treasury Adoption:** Led by Strategy (formerly MicroStrategy) and newcomer Twenty One, corporate treasury allocations are creating structural demand imbalance. Strategy's expanded fundraising targets from \$16.3B to \$56.7B represents potential acquisition of 600,000 BTC—1.4x the total new supply mined during this period. This corporate adoption trend is accelerating,

with publicly traded companies now holding over 1.8 million BTC on their balance sheet, representing nearly 9% of the total supply.

- b. **Institutional Infrastructure Maturation:** Major financial institutions have rapidly built out their digital asset capabilities. BlackRock's IBIT ETF has alone accumulated over ~600,000 BTC equivalent to well beyond \$60B in AUM.
- c. **Regulatory Clarity:** A series of transformative regulatory developments are eliminating institutional barriers:
 - i. SAB121 rescindment eliminates banks' 100% reserve requirements for crypto assets, unlocking institutional custody at scale.
 - ii. Comptroller's guidance legitimizes digital assets within traditional banking frameworks, enabling direct bank participation
 - iii. IRS ruling overturned removes prohibitive DeFi tax treatment, opening decentralized finance to institutional participation
 - iv. Congressional legislation establishes clear jurisdictional boundaries and compliance requirements
- d. **Nation State Integration:** Following El Salvador's pioneering move, multiple sovereign nations are exploring Bitcoin integration into their monetary systems. This geopolitical positioning accelerates as countries seek alternatives to dollar dependency.

TIMING IS OPTIMAL

Current market conditions present an optimal circumstances for holding frontier assets, particularly digital assets, due to multiple converging forces:

- **Market Re-Positioning:** The escalating trade war has fundamentally forced asset allocators to rethink traditional portfolio construction in the face of unprecedented geopolitical uncertainty. Institutional investors are grappling with how to position themselves for a multipolar world where traditional assumptions about globalization, supply chains, and monetary systems no longer hold. This forced reallocation has created significant flows into frontier assets as allocators seek exposure to politically neutral, non-sovereign investments that can perform across multiple geopolitical scenarios. The result has been a systematic shift away from traditional geographic and sector allocations toward assets that offer protection against currency debasement, supply chain disruption, and financial system weaponization—positioning frontier assets, particularly digital assets, as essential portfolio components for navigating this new geopolitical reality.

- **Regulatory Momentum:** The regulatory developments outlined above are removing the final institutional barriers just as major financial institutions complete their digital asset infrastructure buildout. This timing creates a perfect storm where regulatory clarity, institutional capability, and market positioning align for maximum impact.
- **Liquidity Cycle Inflection:** I think it is safe to anticipate an imminent shift from the current hawkish monetary stance to aggressive accommodation as economic weakness becomes undeniable. This transition typically creates explosive moves in frontier assets as institutional capital rotates toward higher-yielding alternatives.
- **Adoption Curve Acceleration:** Digital assets are transitioning from early adopter to early majority phase on the technology adoption curve. Corporate treasury adoption, ETF approval, and regulatory clarity represent the infrastructure necessary for mainstream institutional participation—suggesting we're entering the steepest part of the adoption S-curve.

CONCLUSION

The convergence of structural forces (dollar hegemony challenges, generational wealth transfer, exponential technology transformation) with powerful cyclical catalysts (global liquidity expansion, regulatory clarity, digital asset adoption) creates an exceptional investment environment for frontier assets. I expect substantial appreciation through the second half of 2025 and beyond, with digital assets positioned to capture the majority of this value creation due to their unique combination of scarcity, technological innovation, and institutional accessibility. This represents what I believe will be remembered as the "**Golden Era**" for frontier assets.