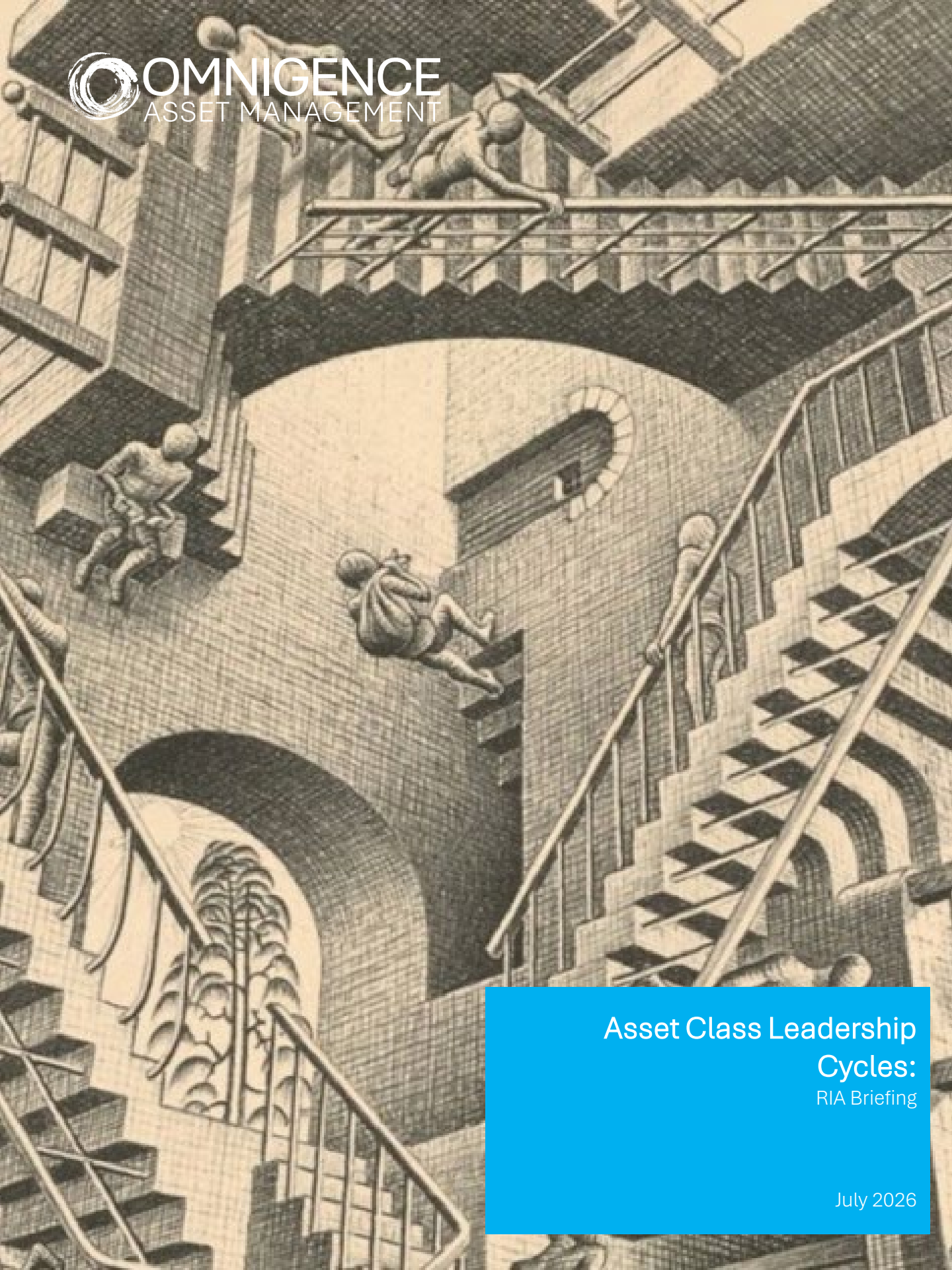
OMNIGENCE
ASSET MANAGEMENT



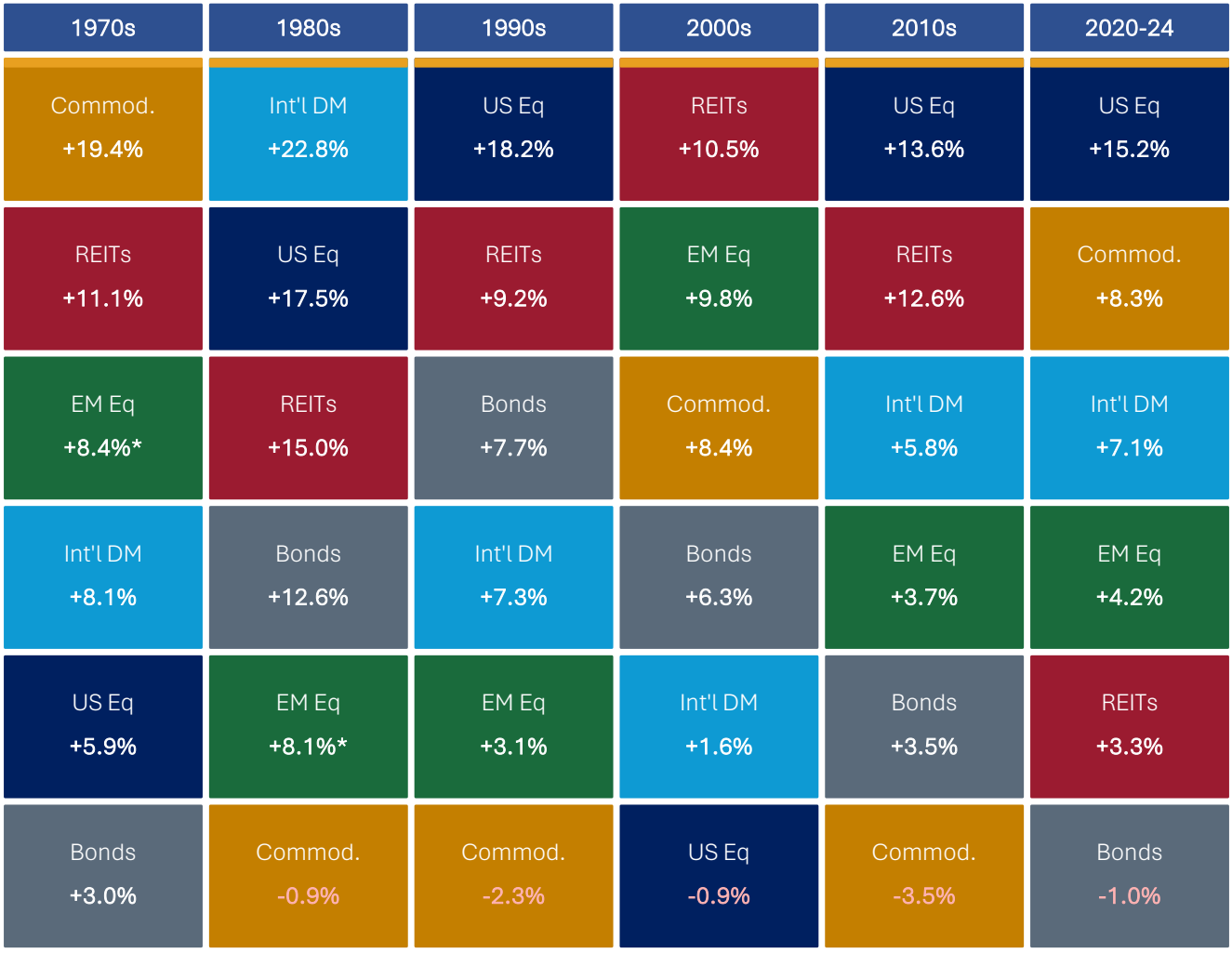
Asset Class Leadership Cycles:

RIA Briefing

July 2026

Asset Class Leadership Cycles

No single asset class leads every cycle. Diversification is not a hedge against loss - it is the acknowledgement that next decade's winner is unknowable. The 2000s 'lost decade' for US equities was a banner decade for emerging markets and commodities. The 2010s reversed it completely. The investor who stayed in last decade's winner consistently arrived late.



Three structural lessons: (1) Commodity cycles are long - the 1970s and 2000s commodity booms each ran ~10 years, driven by supply underinvestment + demand shocks; today's energy transition + deglobalization may be constructing the third. (2) The 2000s 'lost decade' for US equities was the best decade in 30 years for EM and commodities - these are not diversifiers, they are the alternative return source. (3) Bonds delivered positive real returns in 4 of 5 complete decades shown; the 2020-24 period is the exception, not the historical rule - but the exception coincided with the worst starting conditions (0.9% yield at end of 2020).

Sources: S&P 500 Total Return Index (US Equities); MSCI EAFE Net Total Return (Int'l DM); MSCI Emerging Markets (EM, from 1988; pre-1988 = estimated proxy*); Bloomberg Commodity Index / CRB (Commodities); NAREIT All Equity REITs Total Return (REITs); Bloomberg US Aggregate Bond Index (Bonds). Returns shown are approximate annualized total returns per decade in USD. 2020-24 = 5-year annualized through December 2024 (approx). Past performance is not indicative of future results.



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