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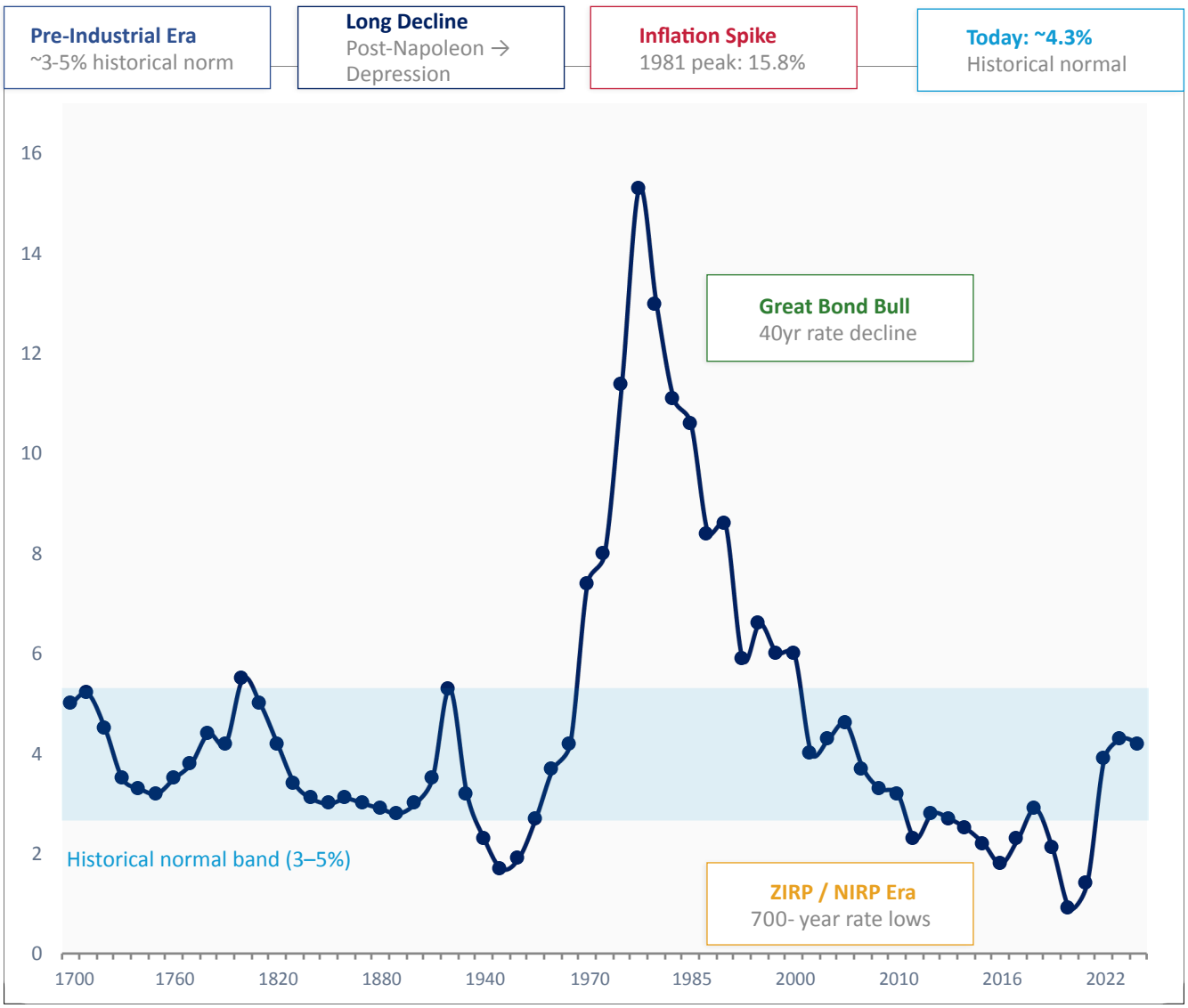
300 years of Interest Rates:

RIA Briefing

July 2026

300 Years of Interest Rates

Three centuries of data deliver one uncomfortable conclusion: the 2010-2021 zero-rate era was as historically historically anomalous as the 1980 inflation spike-just in the opposite direction. Today's 4-5% rates are not elevated. are not elevated. They are the historical norm. The entire post-GFC investment framework --60/40 outperformance, outperformance, duration extension, growth-over-value, venture capital valuations -was built on a 700-year rate 700-year rate outlier.



Four lessons for RIA portfolio construction: (1) Rates mean-revert -the 300-year average sits at 3.5-4.5%, meaning today is not elevated. (2) The 1981 spike was a once-in-three-centuries event driven by double-digit CPI; it is not the appropriate base case for duration. (3) The 2010-2021 ZIRP era produced the lowest sovereign rates in recorded Western financial history -every valuation framework and asset allocation built in that era has a discount rate problem. (4) The path back to normal took a single year in 2022 -investors who treated zero rates as structural rather than cyclical paid the price in bond and growth-equity losses simultaneously, the worst possible 60/40 outcome.

Sources: Homer & Sylla,A History of Interest Rates (4th ed., 2005); Bank of England,A Millenniumof Macroeconomic Data; Fed eral Reserve FRED (US 10-Year Treasury Constant Maturity Rate, DGS10); Global Financial Data.Pre-1800 data reflects UK Consols / long-giltyields as the benchmark sovereign rate. 1800-1870 uses UKConsols transitioning toUS long-bondyields.1871 onward uses US 10-YearTreasury as primary series.Rates shown are annual averages (FRED GS10) except1981 whichreflects the September monthly peak of 15.3% -the figure commonlycitedin conference presentations. Annual average 1981 was 13.9%. 2024 = approximate year-end.



Toronto Office:
TD Canada Trust Tower, 161 Bay St.
27th Floor, P.O. Box 508
Toronto, ON, M5J 2S1

Calgary Office:
Suite 300, 4954 Richard Road SW
Calgary, AB, T3E 6L1

Montreal Office:
3 Place Ville Marie, Suite 3190
Montreal, QC H3B 2E3
www.omnigenceam.com

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300 Years of Interest Rates

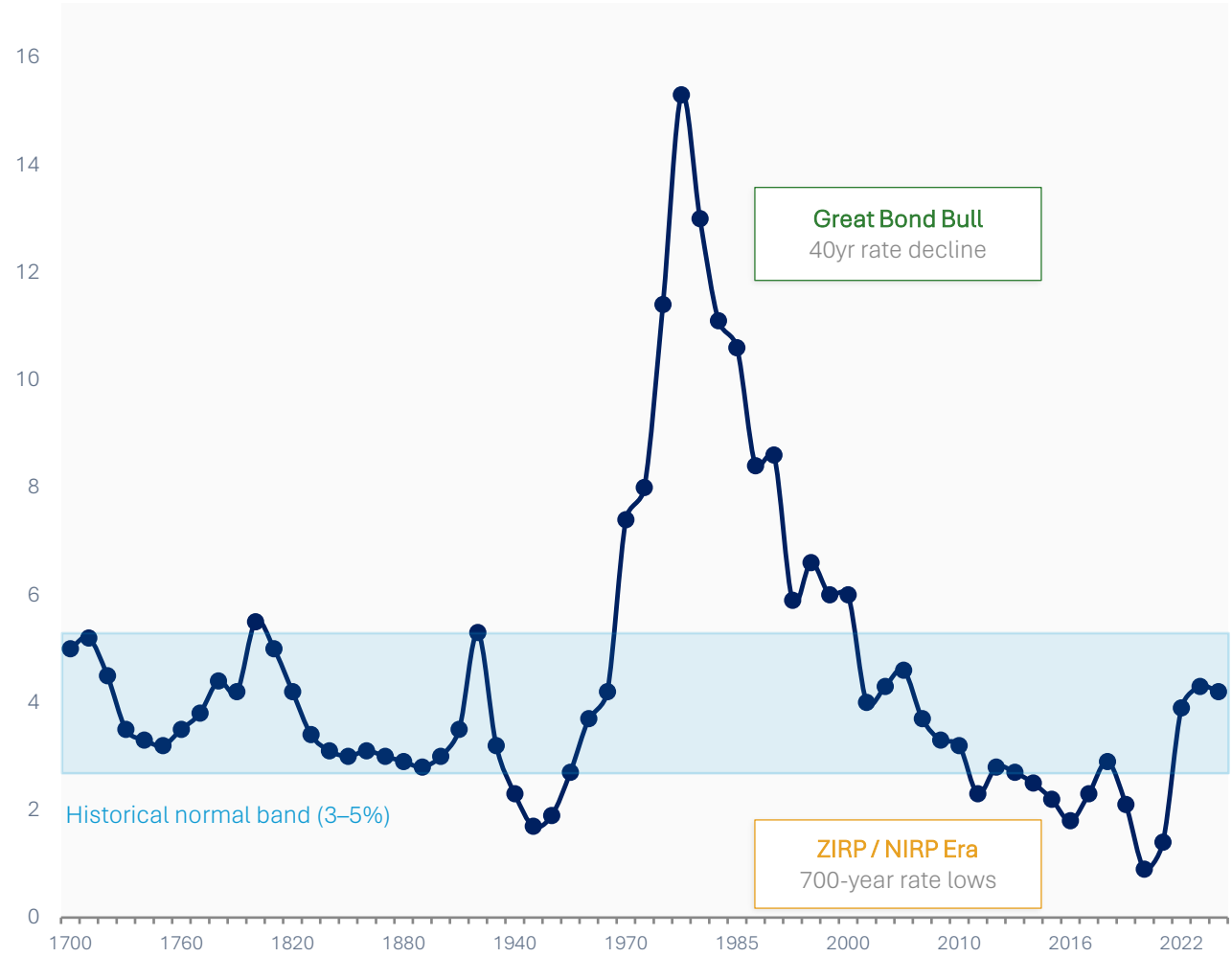
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Pre-Industrial Era
~3-5% historical norm

Long Decline
Post-Napoleon → Depression

Inflation Spike
1981 peak: 15.8%

Today: ~4.3%
Historical normal



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Suite 300, 4954 Richard Road SW
Calgary, AB, T3E 6L1

Montreal Office:
3 Place Ville Marie, Suite 3190
Montreal, QC H3B 2E3
www.omnigenceam.com

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