

WIND OF CHANGE

Klaus Meine and The Scorpions sing one of my favorite rock tracks, Wind of Change. The band recorded the song in 1990 as an anthem for the fall of the Berlin Wall (Nov. 9, 1989). Today they sing it in support of the Ukrainian people and the fight against communism.

*I follow the Moskva (Russian Navy Flagship vessel) down
to Gorky Park (downtown Moscow)*

Listening to the wind of change

An August summer night, soldier passing by

Listening to the wind of change

The world is closing in

And did you ever think

That we could be so close like brothers?

The future's in the air, I can feel it everywhere

Blowing with the wind of change

Some 15 months ago, Patriot Asset Advisors penned our “Special Report”, How will ESG Impact Your Investments? We believe, wholeheartedly, that this war on fossil fuels by the ruling class was a root cause of the disastrous investment year that was 2022. I will not take the time to go into the details, but you can find our ESG article on our website: patadvisors.com.

Well, the wind has certainly shifted. We are not ready to put the stake into ESG yet. However, there are some encouraging signs. Vanguard, once a proud participant in the ESG movement, walked away from the “Net Zero Asset Manager initiative.” This group has over 300 financial firms as signatories with a Commitment to reduce investment in fossil fuels. A complete list is attached to this letter. You likely do business with companies on this list.

Again, we are all in favor of clean air and water. I don't believe the standard of living for all Americans should be in jeopardy over these policies. In case the global elites have forgotten, China and India are building Coal-Fired power plants at the rate of 1 per week.

Over the past 80 years, we have witnessed countless examples of the dangerous power of groupthink, with examples from Hitler to Jonestown. Of course, these representations are of the evil extremes, but groupthink can evolve in the investing world too as remarkable belief systems emerge – en masse – think ESG.

In the autumn of 1975, as the cooling night began to usher in turning leaves, things were stirring in Washington's Mariner S. Eccles Building. The building, housing the Federal Reserve, had quite the buzz as the Fed was preparing to report that the Money Supply (M2) had kissed \$1T for the first time.

45 years later – on the doorstep of the Covid-19 Pandemic, M2 surpassed \$15T. It exploded to nearly \$22T by March of 2022, earmarked for the war on climate.

Three years and an extra \$7T comes with a price, it's NOT Free.

Shameless Promotion

Patriot Asset Advisors presents the Money Minute with Mike Cornell, Monday's at 5:10pm. Each week, we briefly chat about celebrities and money issues on [KOOL 101.7](http://KOOL101.7). Tune in to hear how your favorite rock stars handle money.



To save you time with the math, yes, 40% of ALL U.S. dollars ever created were done so in 2020-2022. As investors, we yearn for yesterday, we want to believe the wicked witch that is inflation is dead. We want our 201K's to return to 401k's.

In the 1970's, our pal **Warren Buffett** would contrast killing

inflation was like losing 20lbs. The first ten come off like a massage, the last 10 — feel more like a root canal.” This may well be our new world. While we celebrate the first stage of this inflation battle, we must realize this will be a LONG fight. The M2 money supply didn't reach these levels overnight and will take a concerted effort to reign in the excess.

While things have moved quickly here in the states, there is a GREAT big world beyond our borders. Global interest rates are becoming increasingly correlated at the fastest rate in over a decade. The U.S. bond market is NO longer the only game in town. Significant changes have happened in Japan. For two-decades global economies have seen expansion at the expense of the Japanese. An entirely new global bond market regime is forming; and it will have significant implications for nearly all investment markets.

During the disinflation era 2010-2020, on the global stage - the best-looking girl in school has been U.S. equities (stocks). For over a decade, all of the sweethearts of the U.S. stock market (Tech/Growth Stock) had the wind at the backs and attracted boat loads of investment capital. In recent years, U.S. equities were rewarded by a near 5-1 advantage. Global equities looked like a rounding error (afterthought). On an earnings per share (PE Ratio) some U.S. stocks were 50-100% more expensive than companies in other Developed Markets.

The deflation premium the U.S. stocks have enjoyed is evaporating. With the new era of inflation and higher bond yields, everything has changed. We believe a significant migration out of the USA is in the early innings. Stateside, the U.S. stock market will have increased competition from the U.S. bond (High-Yield bonds are offering equity-like returns).

Over analysis can lead to investing paralysis. You will not want to be on the sidelines as the paradigm begins to shift. As for the U.S. growth (tech) stocks, TINA (There Is No Alternative) has left the building. Yesterday, there were compelling reasons to over-own U.S. assets, NOW comes the great global rebalancing. Winds are changing, don't waste capital running against the wind.

In 2022 we witnessed the S & P 500 dropping 19.4% and the Morningstar U.S Core Bond Index lost 12.9% (according to Morningstar). We at Patriot are not following the herd as we seek opportunities. **The Patriot Revere Opportunity Portfolio** was created to take advantage of opportunities in any market cycle.

We believe investment selection will be incredibly important in 2023. The model of follow the index and forget it will go into hibernation. Those living in the last decade may well fall further behind. We would welcome the opportunity to provide insight and guidance for your investments. You can reach us at 614-944-5225 to schedule your free review.

*Past results are not predictive of future results. Investors should carefully consider investment objectives, risks, charges and expenses.

What Is M2?

- M2 is a measure of the money supply that includes cash, checking deposits, and other types of deposits that are readily convertible to cash such as CDs.
- M1 is an estimate of cash and checking account deposits only.
- The weekly M2 and M1 numbers are closely monitored as indicators of the overall money supply. Too-fast growth in the numbers can be a warning sign of inflation.
- Another money supply number, M3, includes all of the above plus large institutional cash deposits. The M3 is published quarterly.
- Gold is not counted in M1, M2, or M3. In the modern world, gold is no longer used as a common currency.

Source Investopedia/ Julie Bang

The Net Zero Asset Managers Initiative¹

<u>a.s.r. Asset Management</u>	<u>Axiom Infrastructure Inc</u>	<u>Castleforge Partners</u>
<u>abrdrn</u>	<u>Baillie Gifford</u>	<u>CBRE Investment Management</u>
<u>Acadian Asset Management</u>	<u>BankInvest Asset Management</u>	<u>CCLA Investment Management</u>
<u>Achmea Investment Management</u>	<u>Fondsmæglerselskab A/S</u>	<u>Clean Energy Ventures Management, LLC</u>
<u>ACTIAM</u>	<u>BBGI Global Infrastructure S.A</u>	<u>ClearBridge Investments LLC</u>
<u>Actis LLP</u>	<u>BBVA Asset Management</u>	<u>Close Brothers Asset Management</u>
<u>Addenda Capital Inc.</u>	<u>BentallGreenOak</u>	<u>Columbia Threadneedle Investments</u>
<u>Aegon Asset Management</u>	<u>Bin Yuan Capital</u>	<u>COMGEST</u>
<u>Affirmative Investment Management</u>	<u>BlackRock</u>	<u>Community Capital Management, LLC</u>
<u>AiiM Partners</u>	<u>BMO Global Asset Management</u>	<u>Coutts & Co.</u>
<u>Aker Horizons</u>	<u>BNK Asset Management</u>	<u>CQS</u>
<u>Aktia Bank Plc</u>	<u>BNP Paribas Asset Management</u>	<u>Credit Suisse Asset Management</u>
<u>Aktie-Ansvar AB</u>	<u>Border to Coast Pensions Partnership Limited</u>	<u>Daiwa Asset Management Co Ltd</u>
<u>Algebris Investments</u>	<u>Boston Common Asset Management</u>	<u>Danske Bank</u>
<u>AllianceBernstein</u>	<u>Boston Trust Walden</u>	<u>Deka Investment GmbH Deka Vermögensmanagement GmbH</u>
<u>Allianz Global Investors</u>	<u>Brandywine Global Investment Management</u>	<u>Desjardins Global Asset Management</u>
<u>Alpha Trust</u>	<u>Brawn Capital</u>	<u>Developing World Markets</u>
<u>AlphaFixe Capital</u>	<u>Breckinridge Capital Advisors</u>	<u>DIF Capital Partners</u>
<u>Alquity Investment Management</u>	<u>Bregal Investments</u>	<u>Digital Bridge</u>
<u>Amundi</u>	<u>Bridges Fund Management</u>	<u>DNCA Investments</u>
<u>Anaxis Asset Management</u>	<u>Brookfield Asset Management</u>	<u>DPAM</u>
<u>Angel Oak Capital</u>	<u>Brown Advisory</u>	<u>Dream Unlimited</u>
<u>APG Asset Management</u>	<u>BT Funds Management Limited NZ</u>	<u>DSC Meridian Capital</u>
<u>Apostle Funds Management</u>	<u>C WorldWide Asset Management</u>	<u>DUGUUD</u>
<u>Arisaig Partners (Asia) Pte Ltd</u>	<u>Caixa Gestão de Ativos</u>	<u>DWS Group</u>
<u>Arjuna Capital</u>	<u>Calvert Research and Management</u>	<u>EAB Group</u>
<u>Artemis Investment Management LLP</u>	<u>Camco Clean Energy</u>	<u>Ecofin Investments</u>
<u>AshGrove Capital LLP</u>	<u>Candriam</u>	<u>EQT AB</u>
<u>Ashmore Group Plc</u>	<u>Capital + SAFI S.A.</u>	<u>Espira Asset Management</u>
<u>Asset Management One Co. Ltd.</u>	<u>Capital Four</u>	<u>Ethical Partners Funds Management</u>
<u>Asteria Investment Managers</u>	<u>Capital Group</u>	<u>Ethos Services SA</u>
<u>Astorg</u>	<u>CapitalDynamics</u>	<u>Lombard Odier Investment Managers</u>
<u>ATLAS Infrastructure</u>	<u>Capricorn Investment Group</u>	<u>M&G Investments</u>
<u>Aviva Investors</u>	<u>Cardano</u>	<u>Mackenzie Investments</u>
<u>AXA Investment Managers</u>	<u>IFM Investors Pty Ltd</u>	<u>Macquarie Asset Management</u>
<u>Eurizon Capital SGR S.p.A.</u>	<u>IG4CAPITAL</u>	<u>Magellan Financial Group</u>
<u>EV Private Equity</u>	<u>Impax Asset Management</u>	<u>Maitri Asset Management</u>
<u>Evenlode Investment</u>	<u>Independent Franchise Partners</u>	
<u>Evli Plc</u>	<u>InfraRed Capital Partners</u>	
<u>FAMA Investimentos</u>	<u>Inherent Group, LP</u>	
<u>Federated Hermes Limited</u>		

<u>Fidelity International (FIL)</u>	<u>INOKS Capital</u>	<u>Man Group plc</u>
<u>Fideuram Asset Management Ireland DAC</u>	<u>Insight Investment</u>	<u>Mandarine Gestion</u>
<u>FIDEURAM Intesa Sanpaolo Private Banking Asset Management SGR S.p.A.</u>	<u>Intech Investments</u>	<u>Maple-Brown Abbott Limited</u>
<u>Fiera Capital Corporation</u>	<u>Invesco</u>	<u>Martin Currie Investment Management</u>
<u>Findlay Park Partners</u>	<u>Investible</u>	<u>Massachusetts Financial Services</u>
<u>First Sentier Investors</u>	<u>Investindustrial</u>	<u>Matreco Real Estate Investment Managers (Matreco Pty Ltd)</u>
<u>Fondita Fund Management Company</u>	<u>Irish Life Investment Managers</u>	<u>Meridiam SAS</u>
<u>Franklin Templeton Investments</u>	<u>J. Safra Sarasin Sustainable Asset Management</u>	<u>Metrics Credit Partners</u>
<u>Frontier Investment Management ApS</u>	<u>J.P. Morgan Asset Management</u>	<u>Metzler Asset Management</u>
<u>FSN Capital Partners</u>	<u>JGP</u>	<u>MidOcean Partners</u>
<u>Fulcrum Asset Management</u>	<u>Jupiter Asset Management</u>	<u>Mirabaud Asset Management</u>
<u>FullCycle</u>	<u>Jyske Capital</u>	<u>Mirae Asset</u>
<u>GAM Investments</u>	<u>KBI Global Investors</u>	<u>Mirova</u>
<u>Generation Investment Management</u>	<u>Kerogen Capital</u>	<u>Monetalis</u>
<u>GIB Asset Management</u>	<u>Kieger AG</u>	<u>Montanaro Asset Management</u>
<u>GMO</u>	<u>Kiwi Wealth Investments Limited NZ</u>	<u>MUFG Asset Management</u>
<u>Gramercy Funds Management</u>	<u>La Banque Postale Asset Management</u>	<u>Munich Re Investment Partners</u>
<u>Great Lakes Advisors</u>	<u>La Financière de l'Echiquier</u>	<u>Muzinich & Co. Inc</u>
<u>Green Century Capital Management</u>	<u>La Française Asset Management</u>	<u>Navigera</u>
<u>Green Investment Partners</u>	<u>LaSalle Investment Management</u>	<u>NEI Investments</u>
<u>GreenPoint Partners</u>	<u>Lazard Asset Management</u>	<u>Neuberger Berman</u>
<u>Grupo Bancolombia</u>	<u>Legal & General Investment Management</u>	<u>New Forests</u>
<u>Handelsbanken Fonder AB</u>	<u>Lennox Capital Partners</u>	<u>Newton Investment Management</u>
<u>Hannon Armstrong</u>	<u>LGT Capital Partners</u>	<u>Nikko Asset Management Co. Ltd.</u>
<u>Hg</u>	<u>Lindsell Train Limited</u>	<u>Ninety One</u>
<u>HitecVision</u>	<u>Linzor Capital Partners</u>	<u>Nissay Asset Management</u>
<u>HSBC Asset Management</u>	<u>Liontrust</u>	<u>NN Investment Partners</u>
<u>IBERCAJA AM</u>	<u>Local Pensions Partnership Investments</u>	<u>Nomura Asset Management Co. Ltd.</u>
<u>ICG</u>	<u>LocalTapiola Asset Management Ltd</u>	<u>Nordea Asset Management</u>
<u>Northtree</u>	<u>Santander Asset Management</u>	<u>Northern Gritstone Limited</u>
<u>Nutshell Asset Management</u>	<u>Sarasin & Partners LLP</u>	<u>Northern Trust AM</u>
<u>Nykredit Asset Management</u>	<u>Savills Investment Management</u>	<u>Triple Point</u>
<u>Oakham Wealth Management</u>	<u>Schroders Greencoat</u>	<u>Troy Asset Management</u>
<u>Old Mutual Investment Group</u>	<u>Schroders plc</u>	<u>UBP Asset Management (Europe)</u>
<u>OP Asset Management Ltd</u>	<u>SEB Investment Management</u>	<u>UBS Asset Management</u>
<u>OP Real Estate Asset Management Ltd</u>	<u>SG29 Haussman</u>	<u>UBS SDIC Fund Management Co</u>
<u>Orchard Street Investment Management LLP</u>	<u>Shinhan Asset Management</u>	<u>Unigestion</u>
<u>Ownership Capital</u>	<u>SKY Harbor Capital Management</u>	<u>Union Investment</u>
	<u>SLC Management Fixed Income</u>	<u>V-Square Quantitative Management LLC</u>
	<u>SLGI Asset Management Inc</u>	<u>Valo Ventures</u>

<u>PATRIZIA Infrastructure</u> <u>Payden & Rygel</u> <u>Pemberton Asset Management S.A.</u> <u>Pictet Group</u> <u>PineBridge Investments</u> <u>Polymer Capital Management</u> <u>Premier Miton Group plc</u> <u>Pyrford International</u> <u>Pzena Investment Management</u> <u>Quaero Capital</u> <u>Quinbrook Infrastructure Partners</u> <u>Quoniam Asset Management GmbH</u> <u>Raiffeisen KAG</u> <u>RAM Active Investments SA</u> <u>Rathbone Greenbank Investments</u> <u>Rathbones Group plc</u> <u>Redwood Grove Capital</u> <u>Ridgewood Infrastructure</u> <u>River and Mercantile</u> <u>Robeco</u> <u>Rockefeller Asset Management</u> <u>Rothschild & Co Asset Management Europe</u> <u>Royal London Asset Management</u> <u>Ruffer LLP</u> <u>Russell Investments</u> <u>Sage Advisory</u> <u>Salm-Salm & Partner GmbH</u>	<u>Societe Generale Private Wealth Management</u> <u>Sompo Asset Management Co.,Ltd.</u> <u>Sprucegrove Investment Management</u> <u>Stafford Capital Partners</u> <u>Stance Capital, LLC</u> <u>State Street Global Advisors</u> <u>Stewart Investors</u> <u>Stonepeak</u> <u>Storebrand Asset Management</u> <u>Sumitomo Mitsui DS Asset Management Company, Limited</u> <u>Sumitomo Mitsui Trust Asset Management</u> <u>Summa Equity AB</u> <u>Sustainable Development Capital LLP</u> <u>Swedbank Robur Fonder AB</u> <u>Swiss Life Asset Managers</u> <u>Swisscanto by Zürcher Kantonalbank</u> <u>T Rowe Price Group</u> <u>Taaleri Plc</u> <u>Terra Alpha Investments LLC</u> <u>The Rock Creek Group, LP</u> <u>Tikehau Investment Management</u> <u>Tokio Marine Asset Management</u> <u>Trillium Asset Management</u> <u>Triple Eight Capital</u>	<u>Van Lanschot Kempen</u> <u>Vancity IM</u> <u>Veritas Asset Management LLP</u> <u>Veritas Investment Partners</u> <u>Vert Asset Management</u> <u>Victory Hill Capital Advisors LLP</u> <u>Vista Equity Partners Management, LLC</u> <u>Wellington Management</u> <u>WHEB Asset Management</u> <u>Witan Investment Trust plc</u> <u>WTW</u> <u>Wydler Asset Management AG</u> <u>zCapital</u>
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