

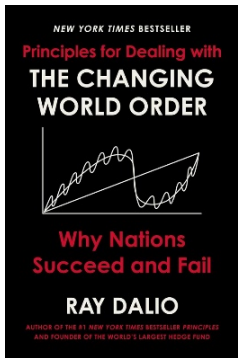


# Jackson Square Book Talks

## Ray Dalio: The Changing World Order

A Commonwealth Club Presentation sponsored by Jackson Square Partners

**“The times ahead will be radically different from those we’ve experienced in our lifetimes, though similar to many times in history. Only by studying parallels in history can we properly prepare for the future.”**



**Ray Dalio**  
Founder, Co-Chairman and Co-CIO of Bridgewater Associates; Author



*In Conversation with*  
**Sir Michael Moritz**  
Partner, Sequoia Capital

[Listen to the replay from 3/1/22](#)

### OUR KEY INVESTMENT TAKEAWAYS

***“I think the first thing is you should have a strategic asset allocation mix that assumes that you don’t know what the future is going to hold.” – Ray Dalio***

- **Paradox of Stable Society** – In an echo of Mancur Olson’s seminal “Rise and Decline of Nations,” Ray notes that *“embedded in the rewards of success are the seeds of decline.”*
- **Money Printing Inevitability** – *“Throughout history, rulers have run up debts that won’t come due until long after their own reigns are over, leaving it to their successors to pay the bill...that is why central banks always end-up printing money and devaluing.”*
- **Cash is Trash** – *“All currencies devalue or die, and when they do, cash and bonds (which are promises to receive currency) are devalued or wiped out.”*
- **Innovation is key** – *“The degree of inventiveness and innovation in a society is the main driver of its productivity.”* This has historically been a huge area of competitive advantage for the US, though China is rapidly catching-up.

- **World Power Life Cycles** – Countries, like people and companies, have discernible life cycles with an ascendant period before an inevitable period of decline. This is shown graphically below – where do you think the US falls?



- **Our take** – Emphasize idiosyncratic risk drivers and key areas of competitive advantage.

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