

# Investing Through Inflation

## Introduction to a Series of Papers

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## Investing Through Inflation – Introduction to a Series of Papers

***Summary:** Inflation is of paramount importance because it affects the ability to maintain a lifestyle. But surprisingly, and not withstanding how much time is spent talking about it, it is not well understood. This is an introduction to a series of papers written to help understand and manage through an inflationary period.*

There's an important question investors are starting to ask – How do I invest through an inflationary period? My motivation in writing this series of papers is to help investors answer that question. It's a hard question to answer because the bald truth is if you're relying on conventional advice – you can't get there from here. Conventional investment management in an inflationary period will result in a loss of capital. The investment industry talks a lot about risk. The risk I'm talking about is loss of capital – permanent, non-recoverable loss of capital and purchasing power. Conventional advice will work again once we're through the inflationary period and you can revert to the tried and true methods that have worked in the past.

Let's first acknowledge that the inflation we're talking about is price inflation. Let's also acknowledge the reason we're concerned about inflation is because it raises the cost of living for the vast majority of society. That causes stress - in all forms. Stress creates anxiety - in all forms; personally, politically and economically. History provides enough examples to illustrate that when stressed by inflation, flawed political and fiscal decisions are made, often fueling further inflation or leading to new stresses.

Let's agree to ignore that we've been in a period of inflation since the Great Financial Crisis because we see it as “good” inflation – namely asset inflation. But it's still inflation and it still has a negative impact on parts of society. It's ignorable because it's stealthy in the way it affects us. The temporal positive reinforcement of seeing your wealth increase overrides concern about the future liabilities it's creating elsewhere. Case in point, inaccessible housing for the next generation.

In preparing an investment strategy for inflation and in challenging conventions you will have to step out of your comfort zone. This series of papers has as its objective to explain why inflation ~~is~~ was inevitable, why you will need to challenge conventions and if not the conventional way then what way? It's a tough task made tougher as we've trended towards shorter attention spans and 280 character missives. Each article will focus on a single topic. I'll try my best to stick to a format;

In aggregate the series of papers will attempt to explain the why, why not, what and how of investing through inflation. I'll take all feedback and comments and will attempt to answer any queries. I won't be accessible on Twitter, Discord, Slack, Clubhouse, Instagram or Facebook. I have all those accounts but find them to not mesh with how I prefer to communicate. I'll thank you in advance if you've taken any of your valuable time to read my thoughts. Feel free to let me know what you think, what's missing, or any questions.

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