

## 2025: INVESTING WITH \*AI\* (ACTUAL INTELLIGENCE)

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As we've explained before [1], our strategies are Market-Regime Navigators. Rather than viewing market activity as purely random or fully deterministic, our approach sees it as organized into large-scale waves—coherent clusters of market conditions that persist over time and span broad market segments. These regimes exhibit sustained directional bias—bullish or bearish—and shift over time. Our aim is to cut through market noise, detect these shifts, and invest with adaptability, risk vigilance, and tax awareness.

Two of our strategies (CORE, FOCAL) rely on our macroeconomic model, while a third (QUAD) draws on proprietary tools that assess market functioning. We call this dual approach “investing with AI—Actual Intelligence.”

Here's how it has helped investors stay oriented during the formidable challenges of 2025:

First, this year's central macro challenge has been the unfolding tariff tangle. Though tariff wars appear throughout history—and are deeply embedded in our strategies' data library—in March, we launched an innovative simulation to test the dynamics between Consumer/Importer and Producer/Exporter nations.

In contrast to most Wall Street views, our simulation showed the Consumer/Importer nation has a decisive edge—over 90%. This insight not only explained the current conflict but also illuminated past trade wars, despite countries switching roles. It was swiftly confirmed by market action—both before (April-end) and after the start of the official trade talks [2].

Second, from a market standpoint, our strategies are grounded in an extensive library of historical patterns, updated in real time. One key pattern that guided their adaptation was the knowledge that, since 1950, markets have experienced double-digit intrayear corrections in most years (55%). Yet, despite investors' apprehension, 61% of those years still ended positive—often strongly so, with double-digit gains in nearly two-thirds (65%) of those cases.

While these patterns are only probabilistic, our strategies also draw on a suite of proprietary indicators to re-contextualize them. They signaled that the pattern of the sharp drawdowns around the tariff announcement reflected a highly reversible, crash-like episode within an ongoing bullish market, not a bearish market regime shift, an assessment confirmed by the V-shaped market rebound that followed.

In the era of \*AI\*, we call on investors to explore our approach—engineered to extract \*Actual\* market \*Intelligence\* from innovative macroeconomic research and indicators that continuously recall and validate relevant market patterns.



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Data source: YCharts

[1] <https://fa.wellsfargoadvisors.com/gnh-capital-group/mediahandler/media/651694/GNH%20Capital%20Group%20-%20Scaling%20the%20Investment%20Tree%20-%20Insights%20from%20Our%20Process.pdf>

[2] <https://fa.wellsfargoadvisors.com/gnh-capital-group/mediahandler/media/707307/GNH%20Capital%20Group%20-%20Who%20Blinked.pdf>

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