



## A Rose Between Two Thorns...

While I am a long term advocate of owning stocks, I pay close attention to opinions outside the mainstream that challenge my own point of view. Two attention-worthy opinions come from [Mark B. Fisher](#), CEO of MBF Asset Management, and [Nassim Taleb](#), author of The Black Swan.

### [Fisher's World View](#)

Fisher is bearish and believes there will be a great global "reset" away from paper assets such as stocks and bonds, to real assets that produce things people need such as oil, grain and, to a lesser extent, gold.

Fisher thinks our world has gotten crazily carried away with credit and leverage. Governments are "printing money, printing money, printing money," which will ultimately lead to the devaluation of currencies and paper assets.

While public stocks trade at 15 times earnings, private equity firms pay no more than 6 or 7 times earnings, leading Fisher to believe that such overpricing may correct, taking the Dow down to 7,000.

Fisher believes oil will be the most valuable asset. He notes, "The irony is that every government is trying to regulate the price of energy, but down the line, the price of energy is going to regulate these governments."

### [The World According to Taleb](#)

Nassim Taleb sees the global economy as vastly more fragile today than this time last year. He too believes governments are "papering over" the debt problem by taking on private debt.

With debt-ridden governments around the world issuing more debt, supply will exceed demand. Taleb foresees a "very bad day" when government bonds will just have no takers. To avoid this, he believes governments must reduce dependence on debt and focus more on creating budget surpluses.

So there you have it - two rather negative views on paper assets. Reasonable? Yes, disturbingly so. Crazy? Decidedly not.

If you believe in these two scenarios, what do you do?

### [What to own](#)

Investors must rebalance their portfolios to survive these uncertain economic times.

First, investors should own very short term bonds. Stay away from bonds with long term maturities and fixed rates. Any investment locked-in to today's historically low rates will not keep pace with tomorrow's higher costs of living.

Second, invest in a basket of precious metals – gold, silver, palladium and others. Aggressive traders can buy way out-of-the-money options for gold or silver, and bet against treasury bonds.

Third, invest in producing assets such as agricultural land through sector-focused funds.

### [What to Avoid](#)

Real estate is a non-productive asset, avoid investing in it.

Do not own stocks, long-term bonds or currencies.

Rein in unnecessary expenses, pare down budgets and start building surplus wealth to protect against future uncertainties.

With your portfolio rebalanced, go out and enjoy life. After all, it's only money, and in time this crisis too shall pass.