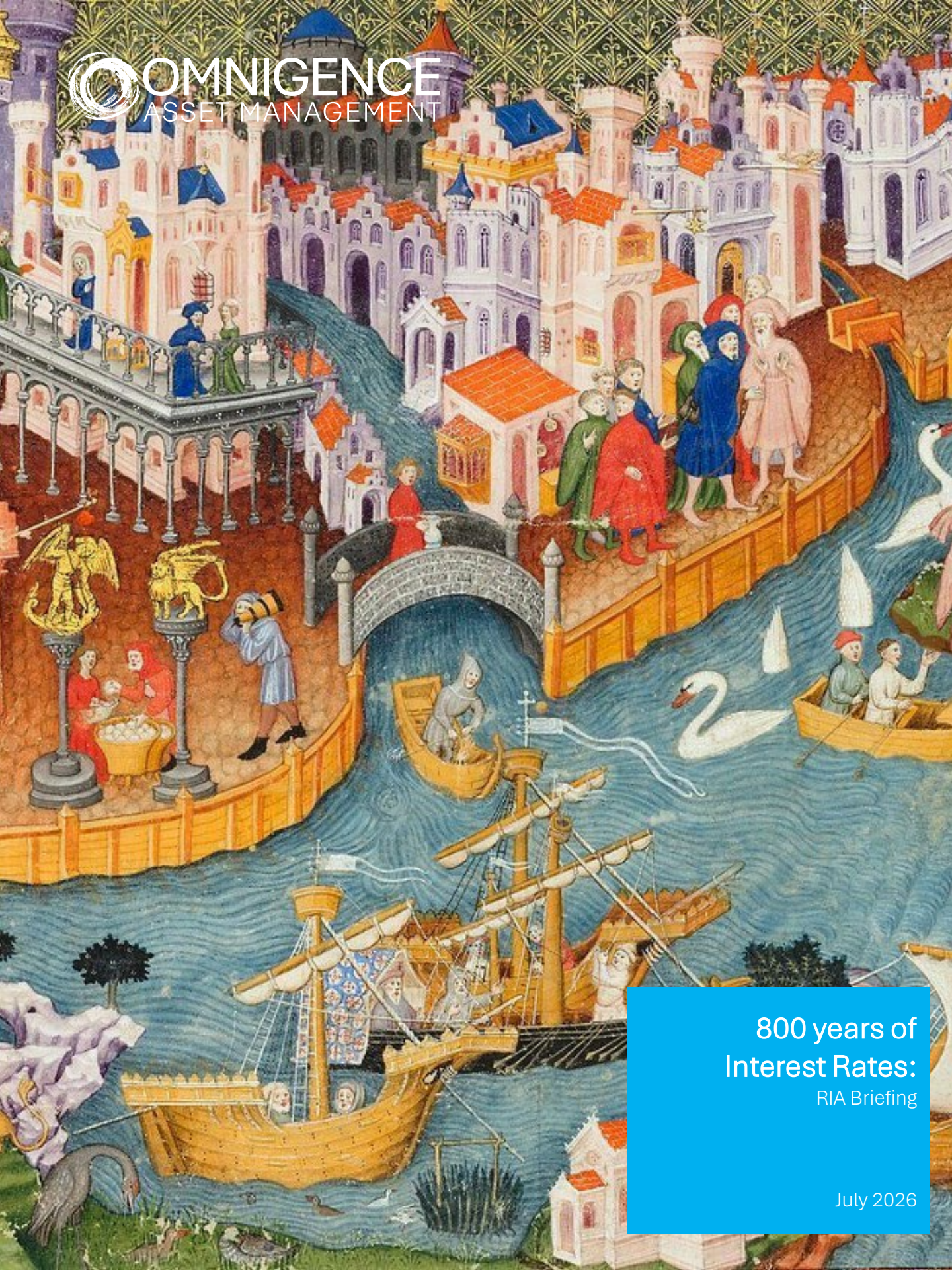


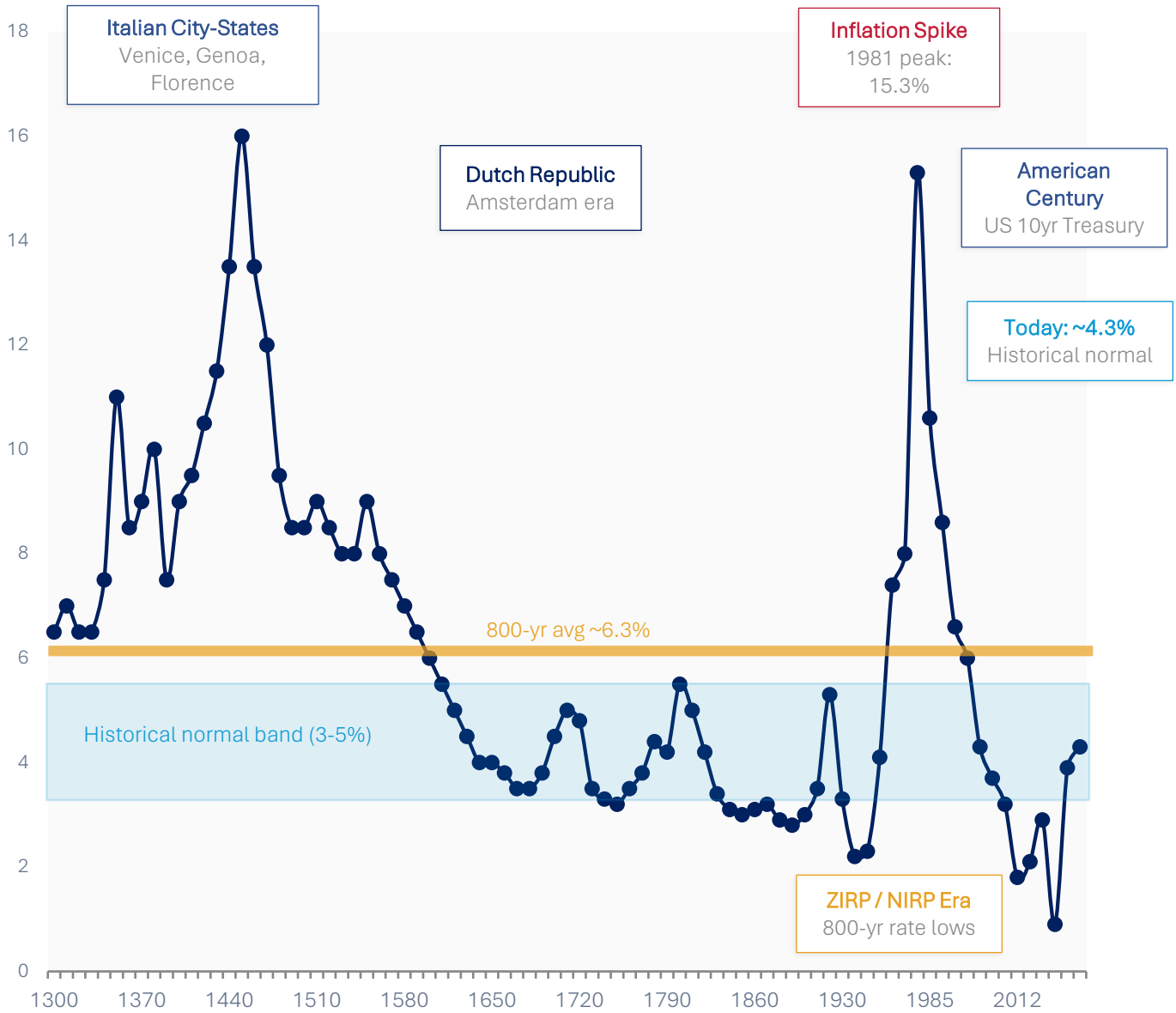
800 years of Interest Rates:

RIA Briefing

July 2026

800 Years of Interest Rates

Eight centuries of sovereign rate data - assembled by Paul Schmelzing at the Bank of England - deliver one verdict: the 2010-2021 zero-rate era was the deepest rate trough in 800 years of recorded Western financial history. Today's ~4.3% is not elevated. It is the return of the historical norm. The entire post-GFC framework - 60/40, duration extension, growth-over-value, venture capital valuations - was built on a 40-year bond bull that was itself noise in an 800-year context.



Four lessons for RIA portfolio construction: (1) Today's 4-5% rates are the historical norm - the 800-year nominal average is ~6.3%, and rates below 3% have been extremely rare outside of the 2010-2021 ZIRP era. (2) The ZIRP era produced the lowest sovereign rates in 800 years of recorded Western financial history - every valuation framework built then has a structural discount-rate problem. (3) Schmelzing's 'suprasecular decline' thesis - rates falling ~1.6 bps/yr since 1311 - may be breaking: demographic aging, fiscal dominance, and deglobalization are structural upward pressures. (4) Real assets (farmland, infrastructure, commodities) have historically outperformed in higher-for-longer rate regimes.

Sources: Schmelzing, P. (2020). 'Eight centuries of global real interest rates, R-G, and the suprasecular decline, 1311-2018.' Bank of England Staff WP No. 845; Homer, S. & Sylla, R. 'A History of Interest Rates' (4th ed., 2005); Global Financial Data (GFD) 7-century sovereign bond index; Federal Reserve FRED (DGS10). 1300-1600: Italian city-state sovereign yields (Venice prestiti, Genoa consolidated bonds, court banker loans) per Schmelzing/GFD. 1600-1700: Dutch Republic general government bonds. 1700-1918: UK Consols / long gilts. 1919-2024: US 10-Year Treasury annual averages. 1981 = September monthly peak (15.3%); annual average was 13.9%. 2024 = approximate year-end. Illustrative representative series; pre-1700 data based on scholarly reconstruction.



Toronto Office:
TD Canada Trust Tower, 161 Bay St.
27th Floor, P.O. Box 508
Toronto, ON, M5J 2S1

Calgary Office:
Suite 300, 4954 Richard Road SW
Calgary, AB, T3E 6L1

Montreal Office:
3 Place Ville Marie, Suite 3190
Montreal, QC H3B 2E3
www.omnigenceam.com

DISCLAIMER

Our reports, including this paper, express our opinions which have been based, in part, upon generally available public information and research as well as upon inferences and deductions made through our due diligence, research and analytical process. The information contained in this paper includes information from, or data derived from, public third-party sources including industry publications, reports and research papers. Although this third-party information and data is believed to be reliable, neither Omnigence Asset Management nor its agents (collectively "Omnigence") have independently verified the accuracy, currency or completeness of any of the information and data contained in this paper which is derived from such third party sources and, therefore, there is no assurance or guarantee as to the accuracy or completeness of such included information and data. Omnigence and its agents hereby disclaim any liability whatsoever in respect of any third-party information or data, and the results derived from our utilization of that data in our analysis. While we have a good-faith belief in the accuracy of what we write, all such information is presented "as is," without warranty of any kind, whether express or implied. The use made of the information and conclusions set forth in this paper is solely at the risk of the user of this information. This paper is intended only as general information presented for the convenience of the reader and should not in any way be construed as investment or other advice whatsoever. Omnigence is not registered as an investment dealer or advisor in any jurisdiction and this report does not represent investment advice of any kind. The reader should seek the advice of relevant professionals (including a registered investment professional) before making any investment decisions. The opinions and views expressed in this paper are subject to change or modification without notice, and Omnigence does not undertake to update or supplement this or any other of its reports or papers as a result of a change in opinion stated herein or otherwise.