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Short attention spans. They're everywhere. With clickbait and 30 second hits of actionable ideas, today's world bombards us with expectations for fast results and immediate gratification. It's easy to lose sight of the longer-term nature of long-term assets. Unfortunately, that's not always the case.

This works exactly the opposite of how investors should view the process of building a portfolio.

Awareness of long-term cycles is critical because we believe that some of the extended cycles of the last 10 to 15 years may be coming to a close as a new era for investors begins. Before we look to that potential new era, Let's add a bit to the short termism for just a moment and recap some of the results from a terrific first quarter of 2024.

Global stocks continued their sharp move higher, soaring 8. 3 percent in just three months. The S& P 500 index touched all-time highs on 22 different days without a meaningful pullback. And the yield on the 10-year Treasury note climbed from 3. 9 percent to 4. 2 percent during the quarter, putting pressure on bond prices.

It's wonderful to see higher statement values in our investment accounts, for sure. Let's zoom out and examine three longer term changes underway that we think may already have marked the start of a new market era. First, has the U. S. Federal Reserve successfully killed off the post COVID inflation cycle?

The Fed began raising interest rates two years ago, as inflation touched 40-year highs. These higher rates drove up everything from credit card and mortgage rates to business loans. As inflation cools today, investors are hopeful that the Fed's work is mostly done. However, inflation often arrives in multiple waves, and we, like the Fed, are watching this dynamic closely.

The longer-term question remains. Will inflation and interest rates return to the ultra-low levels of the 2010s? Or will they rebound higher, to the more elevated levels of the 1980s and 90s? This relates closely to a second potential shift, the reversal of a 40-year mega trend of falling interest rates.

Since the early 1980s, the yield paid on bonds has fallen sharply. An entire generation of investors and homeowners, by the way, have only known falling interest rates. Today, this downward trend appears to have stopped and started to reverse. Bond yields are impossible to predict, of course. But a new upward trend of higher rates over the next decade could have big consequences for the global financial system.

A third potential seismic shift, the dawn of a new, more economically productive era. In the past year, we've seen remarkable innovations in AI that will touch every corner of our lives. If this promise of artificial intelligence holds, the impact to productivity and economic growth could spur a new era of wealth and prosperity across the globe.

This type of change will have profound impact on asset prices. But like any new era, there will be challenges to overcome and, likely, winners and losers. It's said that the average investment cycle lasts just longer. However, with these types of changes on the horizon, it pays to start thinking ahead. So, keep your head down, stay alert to the present, but don't neglect looking up and investing for the next decade or even longer.

Your long-term portfolio will thank you.