



Registered Investment Adviser and Fiduciary

WHAT IS THE FUTURE OF FREE MARKETS IN RELATION TO DEMOCRACY AND FREEDOM?

July 2025

The table below was derived from crucial macroeconomic factors that support the health and stability of global and U.S. free markets. The U.S. currently ranks quite well in most categories. However, the overall macro-microeconomic trends are an increasing serious concern in relation to our quality of life and civil liberties.

Factor		Global	U.S.
Democracy Index Lower is Better	Status Trend	1 to 167 Higher	28 Higher
Freedom Index Lower is Better	Status Trend	1 to 165 Higher	17 Higher
Middle Class % Higher is Better	Rate Trend	35% to 45% Stable to Higher	51% Lower
Income Inequality % Lower is Better	Rate Trend	40% to 50% Lower	30% Higher
Literacy % Higher is Better	Rate Trend	86% Stable	79% Lower
Education Index Lower is Better	Status Trend	1 to 205 Higher	1 to 15 Higher
Quality of Life Index Lower is Better	Status Trend	1 to 88 Higher	15 Higher

Disclaimer: There are many methods to define and analyze the factors above. Midwest Asset Management believes that the conclusions in this analysis were compiled and prepared in a highly unbiased manner. However, it cannot be responsible for incorrect data or errors.

Please go to www.quantmanagement.com/free-markets/ for this file as a pdf with link sources.

Updated August 14, 2025 Data calculated to period ending December 31, 2024 when possible.

WHAT IS THE FUTURE OF FREE MARKETS?

Midwest Asset Management is a for-profit, impact investing Registered Investment Adviser. We seek a partner/buyer with an open-minded vision to capitalize on the enormous financial and non-financial opportunities in the highly inefficient \$260 trillion global public securities market. The investment management segment has more than \$1.3 trillion in needless annual expenses, which is not sustainable in a free economy.

Three of the largest obstacles are:

1. [Persistent subjectivity](#);
2. [Egregious annual fees](#);
3. [Designed inefficiencies](#). For example, many financial corporations and government entities increasingly create “investment illusions” and “breed poverty” rather than build sound investment goals. As the financial sector is the backbone, and dominates all other economic segments, these issues must be addressed now. If not, our **free markets and freedoms will continue to decline and probably implode**.

This is mentioned because **the financial sector and its managers have enjoyed trillions of dollars in net profits over the last 40 years**, and their non-profit endeavors are appreciated. In the same breath, they are now being asked to reciprocate in a financial and non-financial manner before it is too late. This can be done in a profitable manner, and will increase diversification in most portfolios.

SUMMARY

The Financial Sector, its Former and/or Current Managers, are Sorely Needed to Help Reverse the Negative Trends in our Democracy to Save its Free Markets

To address the inefficiencies, Midwest has developed two products which should be of interest to long-term generational investors:

Our [Fair Share Market Model](#) analysis on page 4 calculates that **long-term investors all too often lose 50% or more of their profits to needless fees - before taxes and inflation - while taking 100% of the risks**. John Bogle, the founder of Vanguard (the world’s second largest asset management company) conceptualized the idea in 2006, Midwest built a unique model in 2021. Only a few managers worldwide show these facts.

Our [QuantVal U.S. and International Opportunities](#) unique quantitative value equity analysis with separate large, mid, and small-cap versions in the in the \$60 trillion global value segment. It had various ten-year rolling period returns that averaged 2.0% gross annually over the U.S. Russell value indices without increasing risks until funding was lost (GIPS® firmwide independently verified by ACA). **The international inefficiencies are far reaching and significant**, and combined with the U.S. their market cap is more than 20% of the global public securities market.

LINK SOURCES

Democracy Index

["Democracy Index by Country, Show All, Overall Democracy Index Score 2024 and Relative Change 06–23 Tabs," *The Democracy Index*.](#)

["The Road Ahead: Defending Democracy and Freedom Together | *Freedom House*, General Information, *Global democracy recession driven by rise of authoritarian regimes: The Democracy Index – Video* and *"Current status of the U.S. two-party system."* – See Midwest Internal Note.](#)

Freedom Index

<https://www.cato.org/human-freedom-index/2024>

["Freedom in the World 2025," https://freedomhouse.org/report/freedom-world#Data.](https://freedomhouse.org/report/freedom-world#Data)

Middle Class%

[Rakesh Kochhar, "The Share of the American Middle Class," *Pew Research Center*, May 31, 2024.](#)

[Homi Kharas, "The Rise of the Global Middle Class: How the Search for the Good Life Can Change the World" *Brookings Institution Press 2024*, General Information.](#)

Income Inequality %

[Claire Shefchik, "Jamie Dimon Talks Income Inequality, Saying 'The Wrong Part Is That The Bottom 30% Didn't Do Better,'" *Benzinga*, January 24, 2025.](#)

["Gaps in earnings between America's most affluent and the rest of the country continue to grow year after year," <https://inequality.org/>.](#)

[Bogle, John C. "Stay the Course: The Story of Vanguard and the Index Revolution," *Wiley 2019*, p 279. Kindle Edition. – See Midwest Internal Note.](#)

Literacy %

[Magnet ABA, *Literacy Statistics, The State of Literacy in America: A Comprehensive Overview*, 02-28-25.](#)

[MATSH, <https://www.matsh.co/en/statistics-on-global-literacy-progress>, December 26, 2024.](https://www.matsh.co/en/statistics-on-global-literacy-progress)

Education Index

[Education Rankings by Country 2025, *World Population Review*, U.S. News& World Report 2024 data.](#)

[Education Overview: Development news, research, data | *World Bank Group*. April 22, 2025](#)

Quality of Life Index

[UN Human Development Report 2025 | *Human Development Reports*, May 6, 2025.](#)

[Megan Cerullo, Most Americans don't earn enough to afford the cost of living, analysis finds. *CBS*, May 16, 2025.](#)

[Numbeo.com quality-of-life/ rankings by country 2025 and earlier.](#)

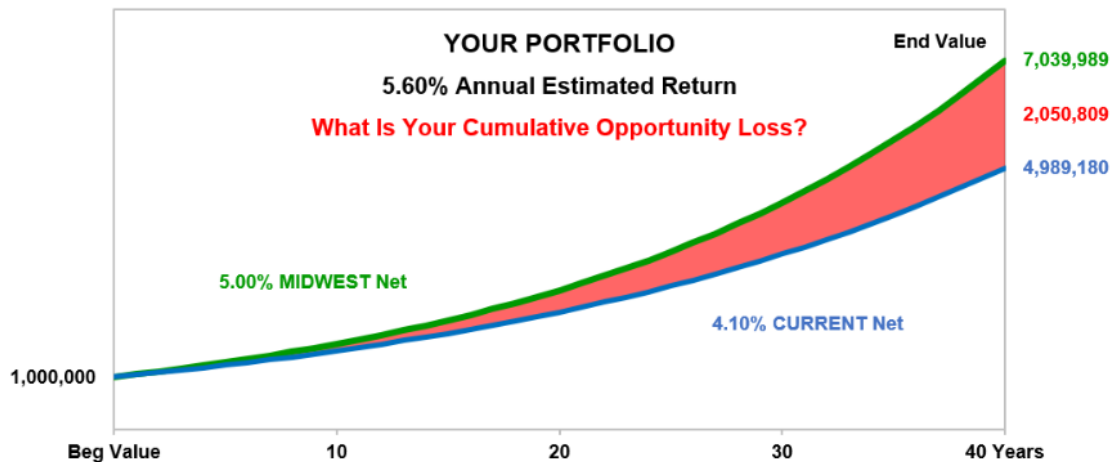
FAIR SHARE MARKET MODELSM ANALYSIS

Complimentary Basic Return, Expense, and Risk

Spanish version
coming soon!

Your Amount Invested	Your Annual Estimated Return	YOUR Total Fees*	MIDWEST Total Fees*	Time Horizon in years
\$ <input style="width: 100px;" type="text" value="1,000,000"/>	<input style="width: 100px;" type="text" value="5.60"/> %	<input style="width: 100px;" type="text" value="1.50"/> %	<input style="width: 100px;" type="text" value="0.60"/> %	<input style="width: 100px;" type="text" value="40"/>

Double-click on shaded boxes to change inputs.



	MIDWEST Adviser	CURRENT Adviser
Your net \$ gain:	\$6,039,989	\$3,989,180
MIDWEST Advantage:		\$2,050,809
Your net % gain:	77.02%	50.87%
MIDWEST Advantage:		26.15%
Your capital required:	100%	100%
Your ongoing risk:	100%	100%

*Total internal and external fees include asset management charges, mutual and exchange traded fund expense ratios, commissions, mark ups/mark downs, payment-for-order-flow, front running, custodian, etc. **Midwest provides a free detailed analysis for accounts with a minimum \$200,000.**

The best predictor of above-average returns is generally below-average fees.

Neither potential tax expenses nor inflation expectations are included in this analysis.

- ❖ The preliminary 5.60% return was the ten-year 50% stock/50% bond global consensus annual forecast as of January 1, 2025 (the same rate is used for long-term estimates).
- ❖ Midwest products were designed for institutions, non-profits, and other investors.
- ❖ Midwest non-profit goals to stabilize and strengthen the middle-class are also being achieved by those who implement time-tested low-cost strategies.
- ❖ Midwest Asset Management, Inc. designed this proprietary model solely to teach investors about the lower returns and higher risks that egregious expenses can cause significant opportunity losses over the long-term. **Any reproduction or commercial use by others is explicitly prohibited.**

THIS CHART IS FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT REPRESENT ACTUAL OR GUARANTEED RESULTS.

<https://quantmanagement.com/fair-share-market-model-analysis/>

THE VALUE OF AN EDUCATION

Get your sleep, your brain will thank you!

– Oliver Smithies, Nobel Prize Laureate

This simple statement has been verified and given broad acceptance by the medical community for several generations. Years ago I was fortunate to have Professor Smithies as a flying instructor, and his quotes were always relevant and memorable.

In 2007 Professor Smithies shared one-third of the Nobel Prize in Physiology. He was also an avid single-engine pilot. In 1980 he co-piloted the world speed records from Goose Bay, Labrador, Canada to Reykjavik, Iceland, and from Reykjavik to Prestwick, Scotland. **Below is his speech at the Nobel Banquet** on December 7, 2007.

Your Majesties, Your Royal Highnesses, Your Excellencies, Ladies and Gentlemen.

The three of us (Mario Capecchi, Martin Evans, and myself) thank the Nobel Assembly at Karolinska Institute and the Nobel Foundation for honoring us today. And we thank our students and collaborators, whose help was indispensable in our research. But we also acknowledge an *older debt – to our teachers* – which I want to illustrate with three of mine.

The first, Dr. G.E. Brown, taught mathematics at Heath Grammar school in Halifax, England. “Oddy” Brown, as we called him, was a poor disciplinarian, and not much liked. But he loved mathematics, and the calculus, and he conveyed this to at least one student – me!

The second, Field Morey, is a distinguished flight instructor. He taught me to fly 30 years ago, a difficult task because I was over 50 years of age! But he taught me something more important than flying – namely, that it is possible to overcome fear with knowledge!

This same lesson applies to scientists – the fear of failing – which many scientists have when trying something new – can be overcome – in the same way – with knowledge.

The third of my teachers is Dr. A. G. (“Sandy”) Ogston. He was my tutor as an undergraduate at Balliol College, Oxford University, and later oversaw my change from medical school to graduate school in order to take up research. Sandy was an extraordinary scientist, and a dedicated teacher. And he conveyed to his students a view of science, which I quote in closing:

“For science is more than the search for truth, more than a challenging game, more than a profession. It is a life that a diversity of people lead together, in the closest proximity, a school for social living. We are members one of another.”



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Stay the Course

as together we can

Make Our Democracy Free Again!