

The Myth of “Risk-Free” Treasuries

Would you loan money to someone who could just **print the money needed to repay you**? That's what you're doing when you buy treasuries.

Understanding Treasury Instruments

T-Bills

- Short term
- Matures in 4-52 weeks
- Issue Price: Discount
- Trading Price: Premium or discount to match current yields
- Interest Payments: None

T-Notes

- Medium-term
- Matures in 2 to 10 years
- Issue Price: Par (or Face)
- Trading Price: Premium or discount to match current yields
- Interest Payments: 2x a year

T-Bonds

- Long-term
- Matures in 20 or 30 years
- Issue Price: Par (or Face)
- Trading Price: Premium or discount to match current yields
- Interest Payments: 2x a year

When You Buy a Treasury...

You're not buying a tangible asset. You're lending money to a government with over \$37 trillion in debt, hoping they'll repay you with dollars that may be worth significantly less. The return is predictable—but so is the erosion of your purchasing power.

Treasuries are often called “risk-free,” but that only refers to default risk—not **purchasing power risk**.



Gold: The Asset with No IOU Attached

Gold is not a promise—it's a possession. It doesn't rely on repayment, policy decisions, or central banks. In fact, gold thrives when trust in the system weakens. While Treasuries are tied to interest rate manipulation and currency risk, gold is independent of any government's fiscal failures. It's a globally trusted store of value that has outlasted every fiat currency in history.

The Bottom Line:

You can lend money to someone who prints more of it... or you can **own the one asset they can't print**.