Workshop Brochure

Fall 2022
Economics & Investment Workshop

The "End Of Abundance" (?)
& Eight Externalities

Indianapolis/Carmel, IN
October 22-23, 2022

Presented by Daniel R. Amerman, CFA

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Fall 2022 Workshop Overview

The End Of Abundance (?) & Eight Externalities

When it comes to economics and the investment markets, we are currently living in very rapidly changing times. There is no path back to the markets of recent years, there is no way back to the 2000s or 2010s.

As we will review at the October workshop, it is now looking likely that the conventional financial planning model will badly fail sometime within the 2020s, in a process that is already underway. Tens of millions of retirees and those saving for retirement are unlikely to achieve their financial goals in inflation-adjusted terms, particularly if they continue to invest for a past that no longer exists.

As this brochure was being prepared, President Macron of France in a major speech said that we have reached “the end of abundance”. What is on the way in Europe this winter - unless something changes and soon - is likely to be very painful, even transformative, and there will be major implications for the US and around the world. On a longer-term basis, there is a bit of irony here as Macron is a prominent advocate of the long-term policy changes for energy and agriculture that will help to force the end of abundance.

Macron is far from alone, particularly in Europe. Long recessions are being discussed, and multiple winters of economic pain, as the economies are forced to transition to new forms of energy. Now, that does not mean that “the end of abundance” is inevitable in the US (hence the ?), but it is currently the dominant direction, and given the multiple issues going on in practice right now, it is worth taking a long look at where this path may be taking us.

Where this becomes particularly problematic is that almost every aspect of conventional long-term financial planning in the US is dependent on the assumption of unending and ever-growing abundance. When one follows the underlying numbers, what Social Security promises, public & private pension promises, and most retirement investment strategies are all based upon is the purported certainty that the real US economy will (on average) keep growing wealthier at an exponential rate over time.

While most people who are counting on the future income don’t realize this is that what these promises of future wealth have in common is that our current wealth isn’t enough to pay them. They aren’t fully funded and there has to be a substantial growth in the abundance of wealth over time. Remove that real economic growth - and the numbers fail in every category, whether it be Social Security, pensions or retirement investments. The farther out we go in time, then the greater the shortfall and the worse the failure. The result is that everything breaks in a process over time, regardless of what political promises have been made. Participation is mandatory, whether someone has any idea of the assumptions underlying the long-term promises or not.

As regular readers know, I've long argued against accepting a false dichotomy between blind mainstream investment optimism and doom and gloom pessimism. Yes, there is a possibility of sudden financial and currency collapse, but the more likely path is a long process over the course of many years. It is this long process that may break most conventional financial plans - even as it opens up new opportunities.

Impoverishment is already increasing, with one in six households reported as being not able to pay their rising utility bills, even as credit card debt soars upwards as households attempt to keep up with inflation. However, this impoverishment is not and will not be uniform. There will still be vast wealth in the United States. Some investment strategies will fail, and others will succeed. For those who are not of retirement age, who are building wealth and financial security, they will be facing an environment where opportunities will still be there - but there will be fewer of them, and often in different places.

As we will be exploring at the workshop there are eight externalities that are overriding the assumptions that conventional financial planning is based upon. We will be integrating the externalities, the physical supply effects, and the monetary responses. This will then give us the impact of each externality - in sequence - upon inflation, the economy, and the investment implications for the four major investment categories of stocks, bonds, real estate, and precious metals.

The following is an overview of some of what we will be exploring at the workshop. It is not comprehensive and more can found in the topic outline on pages 19 to 20.

1. Stagflation & Sequence Of Returns Risks

With two quarters of official economic contraction, the United States economy is now in a recession. There is quibbling over the definitions, but the economy is getting smaller, not bigger, this has been going on for six months, and in terms of what matters that is indeed a recession.

At the same time, inflation remains at forty-year highs and has gotten worse since the Russian invasion of Ukraine and the related sanctions. The United States is therefore in an environment of stagflation, to an extent not seen since the early 1980s.

Most people have never experienced stagflation as an adult, it is a novel environment for them. This novelty is also true for the markets and the institutional knowledge of stagflation - few of the current professionals for Wall Street and major investors have any knowledge of stagflation, other than perhaps being something they briefly studied when they were in college.

Historically, stagflation is not an anomaly but rather it can become quite *persistent*. The core problem is the relationship between fighting inflation and fighting recessions. As we will be exploring at the workshop, the traditional tools for fighting high rates of inflation often create recessions as a natural byproduct. And, the traditional tools for fighting recessions in an already inflationary environment can create still higher rates of inflation as a natural byproduct. These are not unfortunate coincidences - they are built right into the unavoidable and quite direct conflict between fighting inflation and fighting recessions.

Stagflation - and the attempts to cure it - can destroy almost every aspect of traditional long-term investment planning. As regular readers know, I've been stressing for some years now that what history shows us over the long term is that Sequence of Returns Risks can be the dominant factor in determining standard of living in retirement, rather than long-term average asset returns. Chapter 20 (link below) is a good introduction to this topic.

http://danielamerman.com/course/a/taTWENTYcd.html

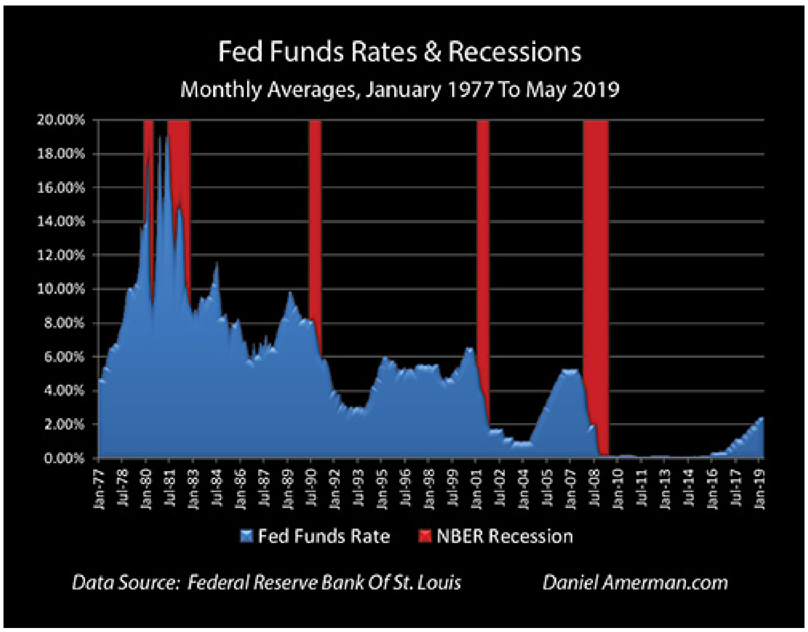
At the workshop, we will be taking a thorough look at stagflation and the relationship between stagflation and secular sequence of returns risks, including both vicious circles and virtuous circles. This is a new environment for most investors, and the most expensive way to learn is the hard way, taking losses that can't be made up while learning the quite different investment environment. At the workshop, we will be taking a different approach, that of an in-depth financial education up front, while still in the early stages of what could become a long-term investment environment.

2. The Expected Pivot From Fighting Inflation To Fighting Recession

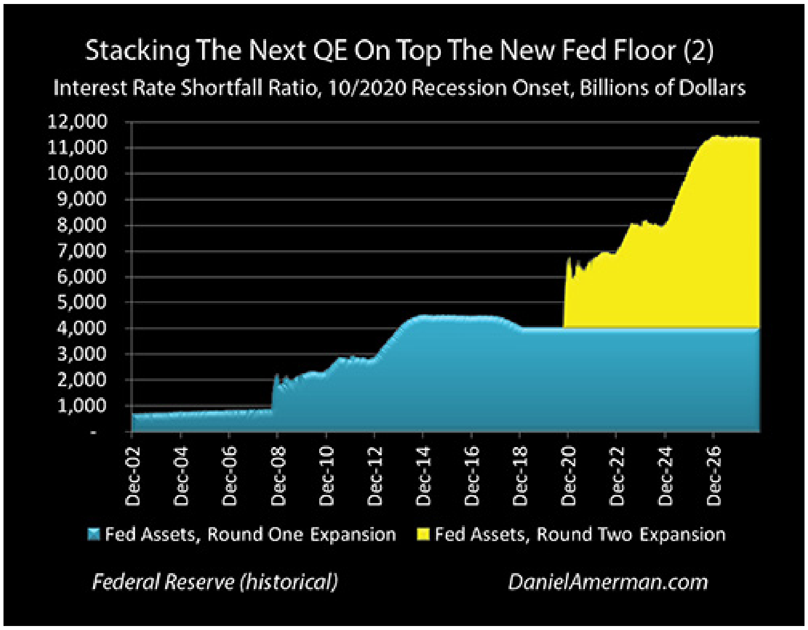
As useful as it is to know how stagflation has worked in the past, we know that the past will not - and cannot - be repeated. When the Federal Reserve was given access to the spending power in our bank accounts in 2008, it used that spending power to take unprecedented control over interest rates and the markets, even as its size increased by what would become about ten times (so far). This process was explored in detail in my book, "*The Stealthy Raid On Our Bank Accounts*", and as discussed in the book, this control effectively redistributed an unprecedented amount of wealth from Main Street to Wall Street and the government.

One price of that change in money, markets, and interest rates was to greatly limit the power of the traditional methods that the Federal Reserve used to fight inflation - and to fight recessions as well. This is not a new development - it has been baked in right from the beginning, even if the Federal Reserve and government didn't want to think about it. The analysis from almost three years ago, "*Next Recession: The New Risks & New Profits Of A Grand Experiment*" (linked below), covered in advance the problems that a new recession would cause, and the unprecedented scale of the new interventions that would be used in the attempt to contain it.

http://danielamerman.com/va/ccc/E3GrandExperiment.html



As described in the introductory analysis (and explored in far greater detail in the 2018 and 2019 workshops), the Fed's pursuit of very low interest rate policies left it without its traditional recession-fighting powers. This remains true today, even with the current rapid pace of interest rate increases.



Knowing the Fed could not use its traditional inflation fighting tools, Chapter 8 of the online free book, “Stacking The Next QE On Top Of A $4 Trillion Fed Floor” used the graph above to illustrate an example of what would happen instead. There would be a fantastic expansion of the Fed balance sheet, where the Fed borrowed the money (from our bank accounts), to buy government bonds, thereby simultaneously funding unprecedented government spending even while forcing down interest rates for medium and long-term bonds.

It’s interesting to note that the graph, first published in March of 2019, illustrated a crisis in October of 2020, with a Fed balance sheet expansion in the first couple of years to about $8 trillion - which turned out to be within seven months (3/20) and $1 trillion ($9 trillion) of what actually happened. Not bad for illustrating *in advance* what would become the largest government financial intervention in history, and would be funded by the most radical monetary move ever by the Fed.

Note that we are still in the comparatively early stages of the stacking, and it goes much higher, up to about $11 trillion in this somewhat prescient example. The 2020 intervention is stacked upon the prior intervention, which never was paid down. Then there is another massive borrowing stacked on top of the 2020 intervention, which is also never paid down.

This brings us to an interesting question. The markets are currently anticipating that the Federal Reserve will be forced to pivot in 2023, and abandon its current inflation-fighting strategy in favor of a recession-fighting strategy. How, exactly, and from whom, exactly, is the Fed going to get the trillions to do that? And what happens to the current rate of inflation when the Fed slams interest rates back down, goes on another bond-buying spree, and the U.S. government floods the economy with trillions more in stimulus?

Remember - we are in uncharted waters, but some broad strokes are known.
We know what actually worked in the past, we know the proven tools for fighting inflation and recessions. Call them crude, slamming rates up and down, but they worked and they were resilient. So long as rates could go up and down sufficiently, then there could be repeated cycles, alternating between fighting inflation and recession, more or less without limit. That was the story of the stagflationary 70s and early 80s, and it wasn't fun, but it worked, until Volcker ended it using what would later be called the Taylor rule, bearing the financial pain to break the cycles.

Those days are long past. Instead, we have a highly manipulated and controlled economic system in the U.S. and Europe, that would almost certainly break - systemic financial meltdown - if it tried to handle the 10%+ size of the interest rate swings of the 1970s. So, there is no _proven_ method to stop the high inflation, as the markets can't handle the strong positive real (inflation-adjusted) yields needed to do the job. What is worse is that recessions are dealt with by rounds of massive government spending, with each round necessitating extraordinary increases in the national debt, that are never paid down but are successively stacked upon each other.

This new supposedly more “advanced” approach creates a one-way ratcheting mechanism, that steadily builds the financial pressure. Each round of successive stacking to fight recession - because of a lack of alternatives - ratchets the national debt and the pressures on the financial system up another degree of magnitude, becoming that much more unstable and more prone to failure, with an ever greater degree of potential catastrophic losses in the event of failure. There is no protection from this process, everything is in play including every investment category, the value of savings, the inflation-adjusted value of Social Security payments and the governing rules, the tax code, and the rules for IRAs and 401s.

There were dark jokes in 2020 to the effect that if 2020 seemed bad, just wait for 2021. Well, here we are in 2022, and with the return to stagflation even as war rages in Europe, it is quite the year (so far). However, if the markets are correct, and if the Federal Reserve attempts a pivot to fighting recession in 2023 - then we haven't seen anything yet from a financial and economic perspective, compared to what could be on the way.

This is not doom and gloom - but rather far from it. Just looking at a bad situation and simplifying it to certain collapse is a cheap and easy approach, that is usually wrong.

Instead, we are moving through a process, where very few ordinary savers and investors (for good reason) understand the tools and parameters that are likely to govern the process. We have tools that almost everyone (implicitly) thinks the Fed can use to fight inflation and recessions as it did in the past - but that are no longer available. We have different tools - that impact the market in quite different ways - that can now _theoretically_ be used to fight to inflation. We have different tools - that impact the market in quite different ways - that can now _theoretically_ be used to fight recessions. When it comes to the tools for fighting established stagflation (if we get it), then we have a “hot mess”, but the effort will nonetheless be made, with likely the strongest market-distorting and shaping interventions of all, and with the least certain outcomes.

At the October workshop, we will explore the process, the tools, the limitations, and the risks for our current unprecedented and still developing economic and investment situation.

3. Geopolitical Risk, Energy Policies &The Weaponization Of Inflation

Current macroeconomic theories are based upon decades of theoretical “advances” in a process of academics writing papers, often dense with equations. Because economic reality is too complex to be successfully modeled, the equations are based upon a series of *simplifying assumptions*. If enough properly credentialed economists working for the properly prestigious institutions agree on the *assumptions* and the resulting equations, as published in mutually peer-reviewed papers, then we have the Truth, what Experts know to be true. Note that this is not the result of an empirical process, but rather *assumptions* that are postulated by academics to be true, sometimes as a matter of economic philosophy.

Most people - including most investors - don’t worry about these sorts of things. These abstract, theoretical types of considerations seem quite impractical. Instead, many investors seem to (implicitly) think that investments are in some sort of parallel world, a world of time-tested solutions and patterns, where long-term investment strategies mean that “x” dollars of investments can reliably deliver “y” standard of living for “z” number of years. This is what people want, they badly want to believe that there can be some type of assured security when it comes to their personal long-term financial plans. There is an enormous confirmation bias involved in seeking those kinds of “settled science” solutions, and one could argue that the primary business model of much of the financial industry is to serve that confirmation bias.

The problem is that we are in a time of unprecedented governmental and central banking control over the economy and the markets. The old free markets that financial planning implicitly endlessly projects into the future - don't exist anymore.

A very good example is the pandemic shutdowns, the massive stimulus check spending, and the extraordinary increase in the national debt. These changed the economy and the financial world - and they can't be found in history and the usual approaches to financial planning. What happened was massive political and monetary interventions that were "exogenous", externalities that came from outside the normal economy and free markets.

The massive interventions were based on theories. The political theory that national and global economies could be shut down and then started back up again without triggering major consequences - failed. The monetary theory that the central bank could lend the spending power in our bank accounts to the government, in order to flood the nation with stimulus checks, without triggering inflation - failed. As covered in "*The Stealthy Raid On Our Bank Accounts*", the monetary theory in fact dated back to 2002, when a fast-rising Princeton professor named Benjamin Bernanke proposed dealing with recessions by flooding the nation with stimulus checks funded by the government, with the government borrowing the money from the Federal Reserve. According to the accepted simplifying assumptions, this daring monetary experiment should have worked brilliantly.

The two theories in combination - failed badly. The problem is that if Reality is outside of the *simplifying assumptions* and agreed-upon equations, then it doesn't matter what the impeccably credentialed Experts or "fact-checkers" say, an economic system built on that theory can become quite fragile and prone to collapse. This may sound abstract for most people, but as explored in the analysis linked below, 98% of our current inflation was a surprise to the economics profession, because what actually happened when physical supply was artificially restrained by pandemic shutdowns even as the nation was flooded with money was outside of the simplifying assumptions.

http://danielamerman.com/va/ccc/J5InflationMystery.html

As regular readers know, for some years now I've been using an analogy about the real powers of central banks such as the Federal Reserve. In ordinary times, the central bank can seem all-powerful to investors, and this can be true for decades at a time. However, the central bank is really just the tail of the dog, the real power is politics and nations. When the Big Dog of politics gets up and moves sharply, the tail - and the markets - are just along for the ride.

In 2022, the Big Dog is moving, and politics is arguably the single greatest source of investment risk, for now and potentially for the rest of the 2020s as well as the 2030s. However, it isn't just the politics that matters. Instead, the political decisions are filtered through our current massive monetary experiment, with a Federal

Reserve swollen to ten times its previous size borrowing the money to dominate the markets even while funding unprecedented amounts of government spending.

The really big political factor right now is geopolitics and the war in Ukraine. With regard to the Ukraine, there are currently two distinct wars in progress. One is the physical Russian invasion of the Ukraine, the actual fighting, which is also being characterized as a proxy war between Russia and the West. The other is the global economic war that is in process. Both sides think they can win the ground war. Both sides think they can win the economic war.

This is what we introduced at the April workshop. and it has grown far more important since that time. The new danger is the *intentional* weaponization of supplies and inflation against the weak points in the U.S. and global financial system. This could turn out to be the heart of what some are referring to as the "gray zone" war between the United States and Russia (and possibly China as well). The outcome of this war could potentially become one of the most important financial events of our lifetimes.

To be clear, the workshops are apolitical - this isn't about Republicans and Democrats or political opinions and arguments about who is right and who is wrong. Instead, we have a series of large exogenous interventions underway, where external political decisions from outside the markets are transforming the markets and economy. The government shutting down millions of businesses was an external intervention on an extraordinary scale. The invasion of Ukraine, the sanctions, and the reduction of natural gas deliveries to Europe are all external interventions that can nonetheless transform global economic and investment outcomes.

The attempt to overthrow the reserve status of the US dollar is political in origin, but could have potentially extraordinary economic and investment consequences. The political attempt to radically change energy, agricultural and other policies in the name of fighting global warming - if it happens - could also become the dominant financial and economic force of the 2020s and 2030s, while also dominating retirement investment performance.

In short, it's looking like the dominant determinants of inflation and investment performance in the coming years - which will then determine real standards of living - will be coming from external political decisions that are outside the markets. The problem for both economics and investments is that the simplifying assumptions can't handle this, and this is true not only for economics but also for Modern Portfolio Theory. Again, this may sound a touch abstract - but it is absolutely fundamental, it rules. If someone is following mainstream financial theory - like the overwhelming majority of investors (knowingly or not) - then what is happening right now with a series of market dominating external interventions is excluded by definition. Because this is Reality, however, the foundation of investment theory is broken, and people will have no protection, or assurance of any kind for expected future performance.

4. Integrating The New Factors

So, to get to investment results, if politics and geopolitics are dominating the markets, then we need to start with the external (often political) interventions and move them through the filter of a new and already straining type of monetary policy. This determines inflation and economic growth (or shrinkage), which then dominates the markets and investment results.

One problem is that this is not a natural process for most people. Another problem is that this is happening with multiple issues at the same time, that are part of the same process and are interrelated with each other.

At the workshop we will be integrating all of these factors, using a new graphical approach that I've been developing this summer. As outlined on pages 21 to 22 of this brochure, the objective is to link together in sequence eight different recent, current, and future economic issues that each have the potential to change or dominate investment performance. (As always, the specifics of the workshop can change with developing events, so we will be covering the situation in late October rather than August.)

As shown in the outline, we will use a basic framework of A through F in evaluating economic issues.

A) We will start with the external intervention, which will usually be politically based. In other words, we start with a Reality that is generally excluded by definition from the monetary and financial theories, meaning we start with the pressure point on investments.

B) We will graphically move to the physical, such as the supply of energy and supply chains. This is where modern economic theory has such issues, as it effectively treats abundance as the natural state, with the rest of the world competing to deliver abundance to the US. When this isn't the case - things break and the theory guiding our economy and money system doesn't work.

C) We will then move to the attempt by the Federal Reserve and the government to contain or control the issue, always keeping in mind our starting place of massive government debt, and a Fed needing to borrow by the trillions as it wields purely monetary tools against what can be physical issues, while staying within the boundaries imposed by interest rates, investment prices, inflation, and recessions.

This degree of direct market intervention is itself an ongoing experimental external intervention, where the historic economic and financial track record is lacking.

D) We will graphically look at how this is likely to change the pressures on inflation, and the potential changes in inflation.

E) We will graphically look at how this could be changing economic output, and the potential change in the US economy.

F) We will combine A through E, and look at the potential impact of each of the four major investment categories of stocks, bonds, real estate, and precious metals.

i) This isn't a full category, but there is a feedback loop going on, where political changes create major economic changes that can loop back and influence subsequent political changes. We are living in a time of unprecedented political polarization in the US (for the modern era), this will be coinciding with a time of potentially unprecedented financial change, and the two may merge together. Not the main focus, but it has its own potential life-changing implications, so we will briefly note the potential political pressure points before moving on to the next economic issue.

The ending point for one economic issue will be the starting point for the next, as we move through the 1 through 8 sequence.

5. The Eight Externalities

1. We will examine the intersection between the physical and the monetary, and show how both inflation and the economy were changed by the extraordinary monetary interventions of the Fed and the massive government stimulus. Keep in mind that this is a theoretical but understandable education, in a classroom atmosphere, with huge practical implications as investment performance is dominated by inflation and the economy.

2. We will then move to the externality of shutting down much of the economy. We will again integrate the physical and the monetary, and show how the pandemic physical shutdowns slammed into the monetary interventions to change inflation and the economy - with the quite tangible and investment dominating result of the highest inflation in forty years.

3.The Federal Reserve can't use its usual tools in response, as the necessary increase in interest rates would likely break the financial system, so it is instead doing what it can with what it has. This is new and risky territory for all of us - we will look at how the Fed is trying to move the intersection of the monetary and the physical to bring down inflation, and the inflation and economic risks that are necessarily being created in the process.

4. At this point we were already several layers deep in a new process, an all new economic place, and then Russia invaded the Ukraine, sanctions were imposed in response, and the economic warfare got going. What Russia is trying to do is to take an already very difficult situation, and then use the physical to try to push the monetary past the breaking point. We will graphically use the physical and the monetary to integrate this new external pressure on an already straining situation, and see the attempted body blow at rates of inflation and the economy (and then necessarily, investments and standard of living).

Narratives tend to become more extreme in wartime, and in this case what is most extreme is the difference between what is being covered and what is not being covered. The risks to the US and global economy are not in my opinion being adequately covered, due to the impact on public opinion. But yet, the risks are the risks, refusing to cover them does not make them go away - and we will go past the Narrative and look at the uncertainties.

5. When we extend to this winter and into 2023, then the risks potentially get even greater. Europe is more vulnerable than the US, and Russia has the ability to strike a much harder physical blow - to an inherently weaker monetary system whose primary source of strength is the very German economy that will be bearing the worst of the blow. As we will integrate with the physical and monetary, Russia going through the back door - hitting a devastating blow at our closest economic allies with our thoroughly interlinked supply chains and financial systems - if it happens, is likely more dangerous for US inflation and our economy than the struggle through the “front door” that we are seeing right now.

There is another level of integration that is also critical, and it is a key part of why I wrote the book “*The Stealthy Raid On Our Bank Accounts*”. The US and European banking systems are deeply intertwined, this is why the Fed was secretly lending heavily to European banks in the midst of the 2008 crisis, with the beneficiaries of the loans not being disclosed until years later. If the European economy does go deep into recession for the end of 2022, and perhaps all of 2023 as some are expecting, then this will put enormous pressure on the banking system, and there may be large losses. This means the European and US banks may need to turn to their large reserves.

Except the problem is that the reserves have all been spent, as covered in Chapter Nine. Our checking accounts funded the reserves that the banks deposited at the Fed, and the Fed then lent that money to the US government - which the US government spent. It’s gone. The only way to get the bank their reserves back if they need them - is for the Fed to borrow the money. A very similar situation exists in Europe, with the Eurozone banks having their reserves on deposit at the European Central Bank, and the ECB having spent the money. To get more money - they will have to borrow it.

We’ve had a shell game going on with the banks since 2008 (2012 in Europe), where bank deposits are given to central banks as reserves, and the central banks are then passing the money to the governments to spend. From the standpoint of legal and regulatory definitions - the Narrative - these are the safest reserves in the world, as agreed to by experts and fact-checkers. However, from an economic perspective - the reserves don’t exist, as the money has already been spent. This hollowing out of the bank reserves for the benefit of the government can be very stable for many years - until the banking system goes into crisis and badly needs those reserves, as may be happening this winter and in 2023.

It is also critical to keep in mind that Europe will likely be experiencing the most extreme conflict that we have seen yet between the monetary and the physical, with digital balance sheet entries for “reserves” and money creation going up against potentially severe physical shortfalls. Most of the world will be blindsided if this happens. At the workshop, we will bust through the Narrative to see what is happening, as well as the many potential implications for our financial futures and financial choices.

6. This ties into one of the biggest risks of all, which is Wall Street pricing in the belief that the Federal Reserve will be forced to pivot in 2023, and reverse course to fighting recession instead of inflation, slamming interest rates down. As previously reviewed, the Fed does not have access to the full power of its traditional tools for fighting recession or inflation, and in fighting recession, it is left with the one-way ratcheting mechanism of turning to still more money creation, taking more spending power from our bank accounts, and exploding the size of the national debt up that much further, in order to fund still more stimulus spending.

Note that fighting recession with the new methods requires going to the same source as redeeming bank reserves in the event of a major recession - borrowing still more money in each case, both in huge quantities, and both at the same time. So, it’s not just Europe in crisis, and it’s not just the extraordinary pressure of the US resulting from an attempted pivot, but it is the two at the same time, “fishing the same pool” for the same dollars and same limited trick bag of monetary tools, even while the physical drives shortages and recessions. This is an awful design flaw when it comes to the stability of the new global financial system - but it didn’t matter, nobody cared.

It is a major long-term risk that was created by the greed of Wall Street and Washington, they did not think through how the new economic structure could handle repeated rounds of recessions, particularly in a stagflationary environment, nor did they think through a simultaneous major banking crisis in the midst of a severe recession - there was too much money to be made in the short term, and long term risks for the nation were irrelevant. This wraps around to a core part of our April workshop - the supposedly "best of the best" experts making the decisions were and are not taking into account simple second order effects, let alone third order effects. But yet, our new monetary system is inherently more complex and fragile than the old one, it is under high and building stress right now, and it is the second and third order effects that are beginning to take over the global economy.

At the workshop, we will integrate the physical with the monetary, and look at the combined impact on inflation, the economy, and investments, as the Fed attempts to fund the government spending its way out of recession, in the midst of what could be economic stagflation across much of the globe at that point.

7. There is another very important issue that has been emerging as well, although with little discussion of the second order effects. Politicians in the United States and Europe have been talking about the "good" parts of the energy shortages and the surge in energy prices - they are helping to transition the world to an economy that is based on fighting climate change. With what we are seeing now being the early stages of a long process that aims to radically reduce fossil fuel usage for energy, while also transforming agriculture and the food we will eat.

There is a huge debate about this, which we will not participate in at the workshop, but what we will do is integrate the physical with the monetary, and look at the inflation and economic implications of the planned process. There are fundamental financial consequences for the great majority of the US population, it will be far worse for some of the nation than the rest (especially rural areas, small cities, and the Heartland in general), but the current Narrative is to not discuss this in any way. At the workshop, we will connect the dots, and we will do so in manner that focuses not on politics, but on the financial and investment consequences for the nation and for investors. This is a dominant influence, it is an external intervention, it should be central to financial planning - but the second and third order effects of this new economic and investment world are not being taken into account.

8. Again, timing is everything. As long-time readers know, I've been examining the demographic aspects of long-term investment strategies for many years now, and something we have long known is on the way is about to arrive. We're going to have a huge "bulge" of sorts go through the system between about the mid-2020s and the mid-2030s, when we will have peak numbers of retirees planning on physically supporting themselves based upon purely financial wealth - whether it be retirement investments, pensions, Social Security or a combination. Now, it's easy to make political promises or to project compounded investment results, but whether this process works as planned has always been dependent on the actual economy at the time, the actual workers and what they are producing, the physical and not just

the monetary or the financial.

So, according to the best information we currently have, we will have a building collision of sorts on the way over the next few years, where the economy and markets will be in the process of being fundamentally transformed by the politically directed process of fighting climate change, at the same time as the peak number of people believe that they will be achieving a promised standard of living in retirement. This merger of two game-changing primary factors will lead to second and third order effects that are likely to be fundamental game-changers for money, investments and financial security. The current retirement plans of the nation are unlikely to survive the collision, including Social Security, pensions and retirement investments. However, at this point, neither the second or third order effects or even the looming conflict are being discussed by those politically driving the agenda, or by the financial industry.

Another way of phrasing is that never before have so many people been building their life plans upon (unstated) assumptions of unending monetary abundance - even as we may be well into an externally directed physical “end of abundance”. The mismatch is fundamental, it may dominate everything, and any long-term financial plans that do not take this into account are likely to fail badly over time - no matter how impeccable the credentials and reputation are for those currently making the projections.

At the workshop, we will do what the politicians, the media, and major financial firms are not doing - we will thoroughly discuss what seems to be on the way. We will integrate the physical and the monetary, explore the second and third order effects, and follow the extraordinary implications for inflation, the economy, and investments. Among other things, what we will find is *Sequence of Returns Risks*. When Vicious Circles occur, they can occur for an entire nation at the same time, and they can be a one-way path for those caught up in it, who were not prepared for it. It should also be noted that for political reasons, public pensions and Social Security are inherently vulnerable to an exaggerated form of Vicious Circles, and this could become a dominant financial and political factor in the 2020s and 2030s.

6. Investment Risks & Opportunities

As covered in the “Workshop Topic Outline”, we will look at the investment implications for five different ways of holding and increasing wealth: cash, stocks, bonds, precious metals, and real estate asset/liability management (ALM) strategies.

We will use the information from the workshop, including such areas as money creation limits, inflation, interest rates, financial stability, and systemic risks, in order to look at the risks and opportunity implications for each of the investment/monetary categories.

As with previous workshops, we will construct and “wargame” a matrix of sorts, examining how each of those main categories of holding wealth could be impacted by the different sources of risk and return. Some of this will occur over the course of the workshop, and some will be reviewed and summarized at the end.

7. More Information

The live workshops are always current - if there is a relevant, major economic or financial development the week or day before the workshop, it will be included, even if it doesn’t make the preprinted manuals.

The workshop is a highly valuable resource for investors who are financially preparing for a future that - realistically - will include some major challenges. There are some crucially important implications for retirement investing in particular. That said, financial professionals, as well as younger individual investors, may receive the greatest benefits of all in terms of how to benefit from a potential generational change in money and the markets.

Workshop participants will receive a manual for the presentation. This will include a detailed outline, supporting graphs, and financial exhibits, as well as supporting articles & analyses with much more detail on some of the subjects covered in the workshop.

The two day workshop presentation will have a classroom atmosphere. The focus is on communication, and attendance will be limited so that participants can easily ask questions and engage in back and forth discussions about what is being covered.

Workshop Topic Outline

1) Current Situation Analyses

- A) See next two pages

2) Potential Risks For Systemic Loss Of Personal Financial Security

- A) Investment Prices & The Interest Rate Trap
- B) Hollow Banks & Financial Crisis
- C) The Liquidity Conundrum (this may be the biggest risk of all in 2022)
- D) Inflation Dam Breaking (if this happens, we haven't seen anything yet)
- E) Lack of Proven Inflation / Recession Defenses (this could be quite problematic for 2022 given the unresolved and possibly growing supply chain issues)
- F) International / Loss of Reserve Status

3) Investment Risks & Opportunities

- A) Understanding Sequence Of Returns Risks & Vicious Circles
- B) Understanding Sequence Of Returns Risks & Virtuous Circles
- C) Stocks Scenario Analysis
- D) Bonds Scenario Analysis
- E) Real Estate ALM Scenario Analysis
- F) Precious Metals Scenario Analysis

Eight Externalities Outline

1. Massive Stimulus & Government Borrowing
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop
2. The Pandemic Shutdowns & Supply Chain Issues
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop
3. The Attempt To Contain The Highest Inflation In 40 Years
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop
4. The Russian Invasion & First Stage Economic Warfare, Stagflation
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop

5. Second Stage Economic Warfare, Europe In Winter, Global Supply & Banking
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implicatios
        i. Political Feedback Loop
6. The Anticipated Pivot To Escape (Global) Recession In 2023
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop
7. Green Energy & The Dominance Of Climate Change Laws
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop
8. Peak Retirement & Cashing Out, Mid 2020s to Mid 2030s
    a. The External Intervention (Usually Political)
    b. The Physical Consequences
    c. The Experimental Monetary Policy
    d. Inflationary Effects
    e. Economic Effects
    f. Investment Implications
        i. Political Feedback Loop

Testimonials From Prior Participants

Because the workshop is new, none of the participant testimonials below are about that particular workshop. The new workshop is the culmination of more than ten years of delivering live workshops while refining the strategies and analyses as well as how to teach the materials - and the testimonials are for earlier versions of the workshop that were part of the development process.

“Finding Daniel Amerman was one of the best things to happen to me. I have been concerned for years about preserving the purchasing power of my retirement savings, which is a challenge unto itself. When you add the additional burden of paying taxes on top of any gains, the task seems impossible to overcome. Daniel is the first person I have found that provides an answer to this challenge. He is truly a creative thinker, playing the chess game 5 moves ahead of most people. After reading his Turning Inflation Into Wealth emails, I decided to buy his course. It is one of the best things I have ever done to help me clarify what is going on and have a plan for the future that gives me confidence. It was an easy decision to attend his second course, which is an update of what has happened in the past two years. I found this seminar to equal his first course in terms of original thought and actionable content. Keep ‘em coming Dan.”

Bill C.

“Although I am a financial markets addict, my husband is not and he somewhat reluctantly agreed to attend the workshop with me. Halfway through the first morning, however, his attitude completely changed! Dan’s presentation captivated him. Dan’s precise analysis of current market trends are brought into sharp focus with very practical examples. The unprecedented world of negative interest rates is bewildering to say the least. Not only does Dan help make sense of it all, he provides the tools you need to survive and thrive!

Far from being dry or boring, Dan presents and analyzes the current trends and provides very practical applications. The workshop was packed with useful information. Dan encourages engagement during the sessions. Your questions and comments are welcomed and he incorporates them into his presentation with the skill of a seasoned expert in the field. If you want analysis of the current trends and practical, useful advice on how to navigate them, Dan is your man!"

Sue and Mike B., Ohio

"Following the 2008 financial debacle, I began frantically searching for reliable sources to understand and prepare for what appeared to be instability in the U.S. and world economies. Amazingly Dan Amerman, I discovered, had already been writing about such possible market risks. Dan's gift to take the complex and simplify into meaningful, practical terms provided me an understanding of the various dynamics at the core of the volatility. More importantly, Dan's publications (DVD's, books, and seminars) provided me with actionable insights and strategies to incorporate in my investment and retirement plans. Today I continue to benefit from Dan Amerman's educational tools and insight and highly recommend them to anyone interested in building financial wealth."

Ron K, KY

"My husband and I are both pleased to recommend Daniel Amerman as a singular and top rate financial educator. We are impressed by his ability, as well as his willingness, to provide his students with guided tours into the murky waters of economic theory in a way that is practical, factual, data-driven, and ideology-free. One comes away from each of his trainings and workshops with a little more insight into how both the American and the global economies actually work, and with a little bit of the wool of politics and "common knowledge" removed from one's eyes.

One of the most helpful things Mr. Amerman does is expose how the players at various levels in the financial industry think and act. It is incredibly useful simply to understand the mindsets of those who are in control of the game. He also integrates quantitative with qualitative data to generate insights and perspectives that other economists either miss or dismiss, to the average investor's detriment. The asset/liability management matrix he created to help students "run the numbers" and understand the financial consequences of various investing strategies under different scenarios is, in particular, of great help. That sort of practical education is difficult to come by for those not already in the financial industry.

We will continue to study and find ways to apply Mr. Amerman's work as we chart our financial future in today's very confusing and uncertain waters. We also look very forward to attending future workshops to keep up with changes in economic policy and its consequences. I am happy to say that Mr. Amerman has earned our trust, which is not an easy thing to give to anyone in an industry that is dominated and controlled principally by predators, fraudsters, clueless academics and salespeople posing as "advisors". Thank you, Mr. Amerman, for showing us that all is not lost in your industry, and for giving the rest of us a fighting chance to survive and even thrive in what is becoming an increasingly bizarre and uncertain financial world."

Jennifer CM

"Dan Amerman is a 'banker's banker' in the world of high finance. Be one of the few to see how the real game is played, especially relevant since the 2008 chaos. Study his materials. Attend his seminar to relearn how to apply these unique strategies to your personal portfolio. The seminar attendees are sophisticated and add considerable insights!"

Ron C
Wisconsin

"It was an absolute pleasure meeting you this past weekend. I want to thank you again for all your time and effort in providing such a wonderful learning experience. Your insights and analysis were well thought out and logically presented. They brought clarity to an economic picture that, for most, has been extremely fuzzy. I left the weekend with a much clearer focus on what tactics need to be employed as we move down this uncertain economic road."

Bob R

"Mr. Amerman's workshop changed my life. He brought my understanding of the global economy's impact on my personal financial life to a new level. Due to his workshop, I have made giant changes in the way I save and the structure of my financial plans for the future. I feel much more secure and look forward to a future of prosperity! I can wholeheartedly endorse the time and money spent attending his workshop - it will be returned to you many times over."

Lee Anne S

The testimonials were solicited in follow-up e-mails sent after previous workshops. No compensation was offered in exchange. They are each the full testimonial as received, and have not been edited for content. Not all workshop participants provided testimonials. From those who did provide testimonials, the most positive testimonials were those selected for inclusion in this brochure. Because those with particularly positive experiences are the most likely to provide highly positive testimonials, they are not a random sampling, and nor should they be considered as representative of the experiences of all prior workshop participants.

COVID Considerations

The COVID protocol that will be followed at the workshop is very simple: we will follow the law as it exists at that time for the City of Carmel, and the County of Hamilton, and the State of Indiana - no more and no less. The hotel may institute its own COVID protocols which will apply to its premises, we will follow those as well.

As of August, 2022, the State, County, and City do not have any mask or vaccine mandates, and the hotel does not list any restrictions.

Cancellation

Flexibility seem to be the key to be dealing with these turbulent times, and that includes cancellations from participants. Any attendee can cancel at any time for any reason up through the mid-morning break on the first day. Your workshop payment will be refunded in full.

About Daniel Amerman

Daniel R. Amerman is a Chartered Financial Analyst and finance MBA with over 30 years of professional financial experience. He is the creator of a

number of books and video courses on finance and economics. Articles by Mr. Amerman or referencing his work have appeared in numerous publications and websites, including *Reuters, MarketWatch, U.S. News & World Report, MSN Money, Seeking Alpha, Business Insider, ValueWatch, Nasdaq.com, Morningstar.com, TalkMarkets*, and *Financial Sense*.

Since 2006, Mr. Amerman's work has focused on the financial interests of the median, the productive and hard-working person in the middle, rather than the "one percent" of the insiders who have grown fantastically wealthy even while the size and relative wealth of the American middle class have been in decline for decades. His research is devoted to finding solutions for how the middle class and upper middle class can protect themselves from Washington and Wall Street.

Mr. Amerman's work with inflation and banking began while in college and graduate school, as he learned economics and finance even as the highest rates of inflation in the modern era were raging. After graduate school, he began work with an institutional investment bank that specialized in working with and restructuring savings & loans as well as small banks. These years provided the starting knowledge for what would later become the "*Home Wealth*" series, as he worked with the impact of inflation on mortgages. As an investment banking vice president, Mr. Amerman also became an expert in working with financial institutions and their balance sheets on a national basis.

In the 1990s, Mr. Amerman worked as an independent quantitative analyst, providing expert structural, analytical, and mathematical verification services for the trust departments of major banks, investment banks, and rating agencies, mostly in real estate and mortgage-related areas. During those same years, Mr. Amerman wrote his first two books on investment and security analysis for institutional investors, which were published by McGraw-Hill (and subsidiary): *Mortgage Securitie*s, and *Collateralized Mortgage Obligations: Unlock The Secrets Of Mortgage Derivatives*.

Beginning in 2006, he moved from providing analytical services to some of the nation's largest banks to setting up a website that would later become DanielAmerman.com. This financial education website was intended to serve the needs of the public rather than the financial institutions. The financial education is provided by ongoing analyses, books, and videos, as well as periodic workshops.

As documented in detail in Mr. Amerman's work over the following fifteen years, and now in the current series, for those who understand how to use the tools, the effective control of inflation, nominal & real interest rates, money creation, regulations, and the tax code can be - and have been - used to redistribute the wealth of an entire nation. However, because what is happening is complex and it requires specialized knowledge of finance and economics to properly follow, this means that it has been able to happen in plain sight without the voters fully understanding what is happening - how the channels have been set up so that the new natural flow of the wealth is from the people to the government and major financial institutions.

To fully understand what Washington and Wall Street have been doing requires the ability to actually "follow the dollars", to be able to analytically reconstruct what is going on and who benefits. In addition to being in positions of power with access to vast sums of money, many of the people who are involved in this process do have extensive formal training in finance and economics. They can be experts using the sophisticated tools of those fields, many of which are little understood by the average person. To follow what is happening, it is helpful to have an expert on your side, who also has a sophisticated and analytical understanding of finance and economics.

Pricing, Discounts & Payment Information

Workshop Price:	$1,695
Early Registration Discount (Payment by October 9th)	($200)
Workshop Price Net Of Discount	$1,495
2nd Person Discount	Save 50%

Discounts when related DVDs are purchased (these cannot be combined with Early Registration Discount): Save $500 Or $300

Save $500 on workshop registration when the "Investment Strategies For Crisis & The Containment Of Crisis" DVD set or "Gold Out Of The Box, 2020s Edition" DVD Set is purchased at the same time. See the next page for more information. Please note that the combination packages involve purchasing the DVDs, and then receiving an offsetting discount on registration.

Anyone who separately purchased those DVDs or online video courses has 12 months after delivery to receive a $300 discount on their workshop registration. Please write Mary at the address below to get your credit.

Tax Deductibility: A good question to discuss with your tax advisor

For questions, to select your choice of DVDs for discounted purchase, to receive your discount for a prior DVD or online video purchase, or for information on paying by check, please write to:
mary@danielamerman.com

Space Is Limited, Sign-Up Now:

http://www.danielamerman.com/workshop/payment.htm

Workshop Package Savings

Fall 2022 Strategies Workshop Package - Save $1,200

1) Fall 2022 Workshop, October 22-23, 2022, Carmel, IN
2) Gold Out Of The Box, 2020s Edition
3) Investment Strategies For Cycles Of Crisis & The Containment Of Crisis
4) Five Wealth Strategies (Creating Win-Win-Win Solutions)

- Combined List Price $3,186
- Package Savings: $1,200 (38%)
- Sale Price $1,986

DVD Sets Overview Link:
http://danielamerman.com/Products/DVDOverview.html
DVD Sets Purchase Link:
http://danielamerman.com/Products/Purchase.htm
Workshop Overview Link:
http://danielamerman.com/Products/WkshpOverview.html
Workshops Purchase Link:
http://www.danielamerman.com/workshop/payment.htm

Meeting Schedule & Hotel Information

Holiday Inn Indianapolis Carmel

251 Pennsylvania Parkway, Carmel, Indiana 46280

1-317-574-4600, 1 888 HOLIDAY (1-888-465-4329)

https://www.ihg.com/holidayinn/hotels/us/en/indianapolis/indml/hoteldetail#

Saturday & Sunday, October 22-23, 2022

Saturday check-in will start at 8:15 am, with the workshop presentation beginning at 8:30 am, and lasting until 5:00 pm. There is an hour break for lunch each day, and short morning and afternoon breaks as well.

The Sunday session will begin at 8:30 am, and last until 4:00 pm.

Disclaimer

Please note that the seminar / workshop will be of a strictly educational nature, rather than the rendering of professional advice. The future is uncertain, and there are no guarantees or promises of success or particular outcomes. As with any financial decisions, there is a risk that things will not work out as planned, and with hindsight, another decision would have been better.

The workshop will not include specific investment, legal or any other form of professional advice. If specific advice is needed, it should be sought from an appropriate professional. Any liability, responsibility or warranty for the specific results of the application of the general educational principles contained in the workshop and the written materials, either directly or indirectly, are expressly disclaimed by the workshop leader.