Workshop Brochure

Overcoming Monetary & Political Risk

Chicago/Schaumburg, IL
July 30-31, 2016

Presented by Daniel R. Amerman, CFA

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The World In 2016

We live in a world of rapid change, and early indications are that 2016 could hold some of the biggest changes that the world has seen in recent years.

In December of 2015 and after many delays the Federal Reserve finally made a very small and hesitant increase in the targeted interest rate range for Fed Funds. They didn't make more substantive changes, such as selling any of the $2.5 trillion in US treasury obligations held on their $4.5 trillion balance sheet, but they did nonetheless make their intent for 2016 crystal clear - it would be quite different than any other year since the financial crisis of 2008.

In January of 2016 global stock markets panicked for the second time in less than five months, as concerns about China led to the worst start to a New Year in the history of the equity markets in the United States. The Chinese are attempted to reboot an increasingly stagnant economy through currency warfare, by rapidly dropping the value of yuan in order to make Chinese workers and companies more competitive.

In doing so, they have just created a whole new level of global financial risk by increasing the magnitude of the "Divergence", with the United States alone pursuing a policy of strengthening the value of the dollar by raising rates, which is already crippling the growth of US exports, even while the rest of the world competes to take jobs from each other via quantitative easing, negative interest rates and currency devaluations. At the same time, the crises in emerging world economies, energy and commodities continue to develop.

In Europe, 2016 began with the assaults in Cologne and elsewhere, followed by the attack in Brussels, which also followed the second major terrorist attack in Paris in 2015. These events greatly exacerbated the political turmoil associated with the arrival of more than a million migrants in the EU in 2015 - even as the conflicts in the Middle East and North Africa that help create the migrant crisis continue to multiply and escalate.

Meanwhile, the anti-austerity parties of the left made major gains during 2015 in the heavily indebted Southern European nations of Greece, Portugal and Spain, even while voters moved to the right in the United Kingdom, France, Poland, and the Netherlands. This means that the power of the previously dominant political center is rapidly shrinking, even as the game-changing possibility of a "Brexit" nears.

Because the stability of the global financial system depends on political consensus in Europe, these fast developing double political schisms relating to migrants and to the simultaneous rise of the left and the right could very quickly become all of our financial and economic problems, rather than just European problems.

These risks to global markets come at an inopportune time for retirement and other long-term investors in the United States. An average of about 10,000 Boomers a day are leaving the workforce and beginning retirement. Most don't have significant savings, but those who do, are usually flipping over from buying to selling.

Investments in 2016

Investors in 2016 face an interrelated series of major dilemmas.

Governmental interventions prop up bond and stock market price levels, which necessarily create a low yield environment for interest rates and dividend levels. Investors are starving for yield, and many have reluctantly accepted increased risk in order to find more yield.

Yet, systemic risk remains high, even as the economy continues to fail to return to the “normal” of decades gone by. This combination of high risk and low yields is the result of massive governmental interventions which reverse the relationship we would expect with free markets, and cheat investors out of the higher yields they should be receiving for investing their money in this dangerous environment.

If high rates of inflation do occur in the future, they will indeed produce high inflation taxes which can easily consume all investment earnings, as explored in some of my other educational materials. However, there is much more to this relationship than simply the rate of inflation. When governmental interventions artificially lower real yields – as they currently are – then even a moderate rate of inflation can be enough to create confiscatory tax levels, where real wealth in after-tax and after-inflation terms steadily shrinks over time for many investors.

As we will discuss there has been a shift in the chances for financial calamity in 2016, and high stresses on governmental attempts to contain economic and fiscal dysfunction leave the ongoing possibility for a sharp breakout to the downside, and even potential collapse. So for conventional investors, this potentially becomes a lose-lose situation in which they face a potentially catastrophic loss of wealth in the event of financial meltdown.

Yet if calamity does not occur, the combination of low nominal returns resulting from stable-but-manipulated markets, along with inflation taxes, potentially produces negative real returns over the long term, albeit in a form that may never appear directly on a brokerage statement or tax return.

There is the further unfortunate possibility for long-term and retirement investors of a 1-2 combination of being cheated out of their returns with low (or negative) yields and substantial inflation taxes over a period of years, until such time as a calamity does in fact hit, when most of the principal value of their portfolios might be lost as well.

Compounding all of these issues is a lack of relevant education. Even financially successful, intelligent and well-read investors – whether conventional or contrarian – are generally not trained for understanding government-dominated markets, or the numerous ways in which governmental interventions and Financial Repression redistribute wealth between individuals and sectors of society. That's not how the world of finance was supposed to work, and it's not the way that traditional financial education frames it.

Yet that is clearly the world around us. We must therefore make decisions and take actions, regardless of whether we are comfortable with price levels, or with the economic environment, or with the degree of our understanding of some of the complex issues involved.

Participant Requested Topics

What will be presented in this all-new workshop is a thorough integration of the multiple threats and opportunities facing investors. What also needs to be emphasized is that this is a true workshop, with ample opportunities for discussion and participation, rather than just a series of lectures.

As with previous workshops, I will write each participant after they register, and seek to determine what 2-3 topics they are most interested in. I cannot guarantee that all topics will be covered, but make every effort to work in what I can so long as it is a "fit" with the overall workshop and there is likely to be general interest by the group, and with the understanding that we won't be discussing anyone's personal financial situation.

For this 2016 workshop, I polled some of the most regular attendees in advance, and am building their shared interests right into the starting structure of the workshop. These participant-based topics include:

1) Whether Negative Interest Rate Policies could come to the United States, the potential effects on "average" individuals, and how this might fit in with multiple recent developments in the broader area of Financial Repression.

2) There is a keen participant interest in retirement accounts, the potential for more government interventions and manipulations, what to do with money currently in IRAs and 401(k)s, and decisions about drawing down retirement accounts vs using other savings in the near term. There is also interest in related topics such as whole life insurance policies, Social Security and retirement planning strategies.

3) There is a strong interest in income properties, the possible impact of the various economic and political risks on such investments, and the use of asset/liability management to offset risks, particularly within the context of retirement planning.

4) Upcoming US and European elections are of broad interest, as is the possibility of rapid financial and economic change resulting from those elections. There was also interest in the chances that a general loss of confidence in governments and central banks could be triggered, which could have profound effects on currency values, financial markets, and our day to day lives.

5) Whether the value of the US dollar at risk in the near and medium term, whether there may be a move to an alternative currency or backing for the dollar, and the possible impact on contract law for heavily indebted corporations, individuals and governments. (While not a participant question, there is a potential game-changer in process right now, with a bipartisan coalition in Congress threatening to strip Saudi Arabia of sovereign immunity with regard to the 9/11 attacks, and Saudi Arabia threatening to sell 3/4 of a trillion dollars in US assets in response, most of which are Treasuries. Such legislation would almost certainly be vetoed by the current administration, but this also then wraps around right back to the US elections, and if it did happen, there are potentially huge implications for the reserve status of what would no longer be a “petrodollar”, as well as interest rates, the deficit, and inflation.)

6) Whether we will see Bail-Ins of banks, pension funds and other financial organizations in the US, and the forms they could take.

7) Exploration of the prospects for investment categories including real estate, gold, equities, interest rates, and energy.

The participant topics, including those listed above, are one part of a broader presentation.

A Holistic Look At Long-Term Investment

The participant-based topics are a great list, and most would have been built into the workshop structure even without the participant responses.

What we must keep in mind is that they are all interrelated. Whether we are talking about monetary inflation, asset deflation, unemployment, deficits, investments, aging Boomers, the economy, taxes, retirement accounts, Europe and Asia, or the Fed: everything is tightly intertwined, and we need to integrate all of these factors together before we can get to somewhere productive, when it comes to making personal preparations for a future of change that is coming at us all like a freight train.

These are not independent problems, which when stacked upon each other, guarantee that it is "game over" for the system. Rather, they collectively form the channels through which the future must flow, and in combination they form the outer boundaries within which action and counteraction will be constrained.

The mainstream vision of the future, upon which conventional financial planning is still based, requires ignoring the channels for the reason that it is likely impossible within the channels, it is outside the boundaries of reality.

As one example, conventional financial planning usually ignores the conflicts between the interests of heavily indebted governments and of savers when it comes to interest rates over the long term. Even as the very negative long-term effects of central banks propping up artificially inflated stock markets – which reduce both of the fundamental sources of stock wealth creation by compressing future capital gains even while simultaneously slashing the compounding of dividend payments – are also ignored.

Because if we have low interest returns and low stock yields, and even a low to moderate real rate of inflation, and then add financial fees and expenses to the mix, and then we take into account inflation taxes (as covered in my free book) – there is nothing left when it comes to the creation of real wealth in terms of growth in after-tax spending power.

Which is why, absent a golden era for the economy that goes beyond anything seen in our lifetimes – the mainstream version of the future can't and won't happen, and the results for millions of conventional investors may be the slow destruction of the purchasing power of paper wealth, instead of the compounding of wealth that is the unquestioned assumption driving most financial planning.

At the same time, the combined factors which form the channels of the future do not necessarily lead the financial or monetary calamity that many contrarians believe is inevitable. Some form of calamity is indeed a realistic possibility, but it is far from the only possible path. There are many alternative paths for the future that stay within the channels imposed by reality, and which also destroy the value of money and conventional investments over time, but which do not require systemic breakdown or a sharp burst of hyperinflation.

Those currently in power have enormous incentives to deploy every tool at their disposal to stay on a path which avoids a systemic meltdown, in order to hang on to their own wealth and power. The path we have been traveling since 2008 is not one of meltdown, but multiple, interrelated radical changes to prevent such a meltdown. We have to anticipate that every attempt will be made by those in power to continue to keep us going down this path.

If those in power continue to place their maintaining their own wealth and power as the underlying objective that drives national policy, and if "the lid" can be kept on a controlled descent, then some of the likely developments which are necessary to "keep the lid on" over the next several years could be financially painful on a personal level for those who invest for what they erroneously believe to be certain hyperinflation and political meltdown.

Interestingly enough, as we will discuss at the workshop, when we think through logical government responses to try to contain a substantive worsening of the economic and financial situation, and we then take a look around - key components of the framework for future financial containment are already being assembled around us, with multiple major developments in late 2015 and early 2016, even if it is being done with relatively little notice.

That "containment" attempt will likely include fundamentally changing the rules for money, capital and investment. There is nothing radical in that statement, it is merely an acceptance of reality. Monetary and economic crises and collapses are not doomsday talk, but the real stuff of history. They've happened again and again, and the governmental response to looming potential disaster is to change "the rules".

Thus, those who invest for revolutionary economic changes while assuming that the tax code and the laws governing money and investments will reliably remain the same - may be in for the shock of their lifetimes.

The playing field will change, and it won't be in a "fair" fashion. That's more or less the entire point: the agendas of the people making the changes will be quite different than the agendas of average people trying to hold on to what they have built.

Turning Market Challenges Into Opportunity

I have been working for a number of years now with educating investors about the three-way intersection between dysfunctional fundamentals, governmental interventions and the resulting investment risks and opportunities.

As one of the small minority of financial professionals who were warning the public about the dangers of a derivatives meltdown in 2008, I presented a quite different projection of the likely path ahead, if such a crisis were to occur.

Rather than making the overly-simplistic (and mistaken) case for inevitable doom, gloom and market collapse, I argued that the government would not passively stand by and watch such a potential derivatives collapse take down the financial system.

That instead it would predictably take drastic countermeasures in an attempt to prevent collapse, including a massive increase in government spending to help cover over the damage, which would still not be enough by itself, so therefore central banks would create money on a wholesale basis in order to pay for what governments could not afford.

And thus I urged my 2008 workshop participants, along with my reading audience, to "invest for the bailout, not the crisis."

For I believed that the correct analytical framework was that market collapse would be prevented through massive governmental and central banking interventions, and that this would transform the markets – along with investment results – in the process.

This paradigm was highly unusual – particularly before the Financial Crisis of 2008 – falling outside both the usual mainstream and contrarian schools of investment thought.

But yet – it is also exactly what happened – as government interventions to contain crisis have created and dominated the new financial world of 2008 to 2016.

Since that time, I have written numerous articles designed to help people understand this very different world of dysfunctional fundamentals, governmental interventions, and the risks and opportunities for individual investors in this environment.

Relatively few people fully understand these issues – yet they are essential, with quite practical and even dominant investment implications in real time. Thus the focus of the workshop is to identify the ever-changing (and sometimes hidden) opportunities and risks across multiple investment categories that are being continuously created by government-dominated markets.

An Applied Approach

In this workshop we will immerse in an exploration of our new and transformed investment world, with a focus on understanding the often hidden implications of these government and central banking interventions upon five specific investment categories:

1) Bonds & 2) Equities (the usual choices);

3) Precious Metals & 4) Real Estate (the usual alternative choices).

5) Asset/Liability Management strategies for individuals (alternatives to the usual alternatives).

Each investment category is profoundly affected by the intersection between the underlying dysfunctional reality of global economic conditions, and the sometimes radical changes in the nature of money, markets and the laws themselves that are necessary in the attempt to keep conditions contained and stable. We have reached a place where perhaps the number one determinant of risk and return could turn out to be how well one understands the full implications of government-dominated markets.

That said, while there is plenty of political philosophy available about how wrong and dysfunctional the current situation is, even while there are ample resources for investing in conventional markets that assume things will one day return to "normal" again, there is very little useful information available when it comes to aiding in practical investment decisions in this "new normal" world, in which the old "normal" economy doesn't return, yet meltdowns don't necessarily occur either.

Instead, governmental interventions dominate market returns, for year after year. It is a situation that's far outside of conventional financial education, and is also one in which the usual contrarian strategies may badly underperform.

We will bridge this wide gap between traditional financial education and our new reality, within a framework that is designed to help participants easily grasp the relationships between the real economy, governmental interventions and the five major investment categories.

We'll incorporate this highly intuitive framework into the most important recent economic and political developments, and explore the applied implications for investors in terms of the substantial risks and opportunities that have come into being as a result of these developments.

We'll examine the numerous changes in the markets this past year, and their connection to central banking actions and policies. There are enormous investment implications, and again from within our "intuitive framework", we'll place in context the potential resulting price and return fluctuations in any of our five major investment categories, for reasons outside of what might be considered natural market-based forces.

Financial Repression & Retirement Accounts

By definition, we live in an environment of pervasive Financial Repression. Interest rates are being held to near zero as a result of deliberate government policy to minimize government borrowing costs, and this is one of the essential components of classic Financial Repression.

So the situation is that we have the dominant investment vehicle of our day, that of retirement accounts based on free markets in investments. And we have the dominant financial force of our day, that of Financial Repression, which is based on central banks and governments overriding free markets – and in the process annihilating key components of retirement planning principles. Yet, few retirement investors are taking this into account in their retirement planning.

One of the unique and vital components of the workshop will be exploring what may happen to retirement accounts in a long-term and broad framework of Financial Repression - which goes well beyond artificially suppressing interest rates. I have never seen this analysis done by anyone else – and once we go down this path, as participant after participant has found out, it is readily understandable and in a very short period of time can fundamentally change the way that people view retirement accounts and retirement account investing.

At the core of Financial Repression (and much of current macroeconomic theory as well as applied central banking policies) is the principle that money and investments exist not to serve the interests of the individual, but to serve the interests of the State. And this applies to retirement accounts every bit as much as it does any other form of money or investments.

There is a well known (supposed) quote from the gangster Willie Sutton about why he chose banks to rob: "because that is where the money is". This very logical approach to theft is well worth keeping in mind when it comes to anticipating future redistributions of wealth - because, in modern America, the retirement accounts are where a great deal of the wealth is.

Now, some people have speculated that there could be a confiscation of retirement accounts, or that everyone might be forced to take their account balances and purchase treasury bonds at near zero interest rates. Politics is a strange animal, and these scenarios can't be entirely discounted.

However, this kind of blatant confiscation is unlikely, not just because it would enrage the voters, but also because it is unnecessary from the perspective of the State. It is equally effective but far more politically palatable to deceive the public by accomplishing the same thing through a series of steps that are sufficiently complex so that the average voter will never understand what was done to them, when it was done, or who did it.

As we review in the workshop, there are a series of very innocuous looking steps (many of which are already in process), which can each be presented as being individually reasonable and even desirable in election campaigns and in the media, with end results that cumulatively get the government to exactly the same place. The government just never quite phrases it that way.

Retirement accounts are, in fact, the perfect vehicle for Financial Repression. And the average voter will never understand how this works. Which is precisely what the government is counting upon.

About Daniel Amerman

Daniel R. Amerman, CFA, is an author, speaker, consultant, and the creator of the Finding Wealth In Unexpected Places series. His articles are a regular feature at contrarian investor education websites.

In addition to "The Secret Power Within Your Mortgage" and "Contracts With Our Children", Mr. Amerman is also the author of "Mortgage Securities" and "Collateralized Mortgage Obligations", published by McGraw-Hill and a subsidiary. Covering subjects usually considered complex, the books were known for their innovative, easy to understand approach and somewhat controversial conclusions. Published in 1993, the first book also made the case that there were major errors in what the public was being told about stock investing, with most of long-term historical yield and safety deriving from the assumed reinvestment of high dividend levels that no longer existed.

The books led to speaking engagements across the country, in front of audiences of bankers and finance professionals. Much of what was once considered "controversial" has since become accepted, and the books have been cited by a number of professional texts, as well as in research papers from the Federal Reserve and Oxford University.

As a former investment banker responsible for new product research and capital market originations, Mr. Amerman was a leader in developing mortgage hedging and synthetic securities strategies for financial institutions, with an emphasis upon integrating the option component within mortgages into overall asset/liability management planning. This work led to numerous speaking engagements and workshops, for sponsors including The Institute for International Research, New York University, and many banking groups.

Dan Amerman is a Chartered Financial Analyst with MBA and BSBA degrees in Finance from the University of Missouri.

Pricing, Discounts & Payment Information

Workshop Price:	$1,195
Early Registration Discount (Payment by July 15th)	($100)
Workshop Price Net Of Discount	$1,095
2nd Person Discount	Save 50%

DVD Pricing For Workshop Participants: Save 30%

Save 30% off the price of the DVDs of your choice with your workshop registration.

Register for the workshop, then write us at the email address below with your selection of DVDs, and we will invoice you for the discounted DVD price.

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

For questions, to select your choice of DVDs for discounted 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

Meeting Schedule & Hotel Information

Chicago Marriott Schaumburg

50 N. Martingale Road, Schaumburg, Illinois 60173
1-847-240-0100 or 1-800-228-9290
Saturday & Sunday, July 30 & 31, 2016

http://www.marriott.com/chisb

Saturday check-in will start at 8:15 am, with the workshop presentation beginning at 8:30 am, and lasting until 5:00 pm.

The Sunday session will begin at 8:30 am, and last until 3:00 pm.

The Chicago Marriott Schaumburg is located in the business district for the northwestern Chicago suburbs. It is about 12 miles from Chicago O-Hare airport, and 35 miles from Midway airport.

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.