



Minutes of the Advisory Board Meeting

August 31st, 2023

**BRICS – Has the West Sold Out to
the DragonBear?**



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Key Take Aways:

- **The Russia-China cooperation block, or “global south” is growing and strengthening. The Belt and Road initiative, the Shanghai Cooperation Organization and BRICS are all examples of the global south formalizing their alliance.**
- **Together, these countries control a significant portion of global resources and manufacturing. Furthermore, they are growing in population and economic output while the west is stagnant.**
- **The 15th BRICS summit did not deliver on expectations for a new BRICS related currency; however, the groundwork is being put in place for such a currency. The Euro took more than 10 years from conception to being used in trade, these things take time.**
- **BRICS could be working on a currency that is linked to the price of gold, but we await further information.**
- **Contrary to popular opinion, Russia seems to be winning the war in Ukraine and, safe from a significant event in Ukraine’s favour, this should remain the status quo. The war is likely to drag on into 2025 or 2026.**
- **The US election in 2024 might be a significant catalyst for the war in either direction, but US politics are in turmoil and it is hard to attempt any kind of prediction.**

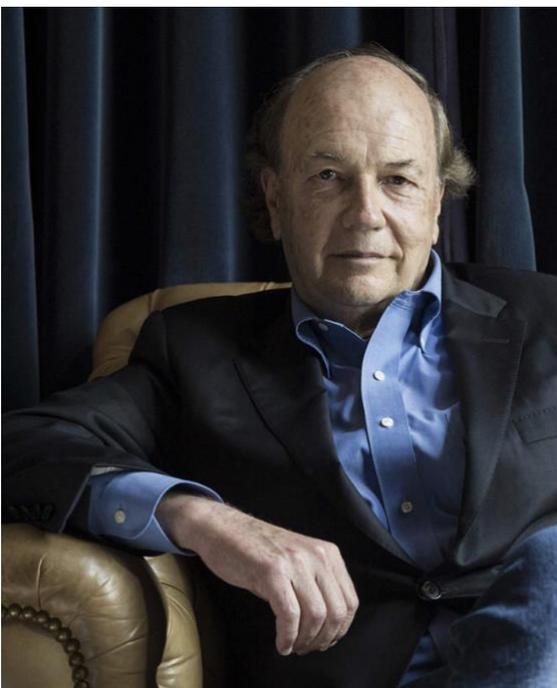


Biography of our special guest: Velina Tchakarova



With over two decades of professional experience and academic background in security and defense, Velina Tchakarova is an expert in the field of geopolitics. At her consultancy FACE, Velina utilizes her extensive network of experts and real-world experience to offer customized solutions for clients to navigate the geopolitical landscape and make informed decisions. She helps clients plan for potential risks and trends that may arise from the geopolitical environment of their country, region or sector, while preparing scenarios for their business amidst the complex challenges of the future.

Biography of our special guest: Jim Rickards



Jim is the author of Wall Street Journal and national bestseller, *Aftermath* (2019), three New York Times best sellers, *The Road to Ruin* (2016), *The Death of Money* (2014), and *Currency Wars* (2011), *The New Case for Gold* (2016), and most recently: *Sold Out: How Broken Supply Chains, Surging Inflation, and Political Instability Will Sink the Global Economy*.

Jim is a recurring guest on our board calls, most recently last year in Q3, exactly a year ago, when we had a talk with him and Lawrence Lepard regarding the weaponizing of commodities and especially energy.



Ronnie Stoeferle

Ladies and gentlemen, it's a great pleasure having you here for our Q3 Advisory Board meeting. It is an even greater pleasure to host Velina Tchakarova for the very first time. We know each other for quite a while, actually, my wife plays tennis with Velina, and we just talked about a very pleasant dinner that we had together with Jim over here in Vienna. Velina, thank you very much for taking the time.

Velina Tchakarova

Thank you very much for the invitation. It's a great pleasure being with you today and discussing one of, I would argue, the most interesting developments in the world of geopolitics and geoeconomics, which certainly is also very interesting for investors.

Ronnie Stoeferle

Thanks, Velina. Also here with us, our regular board member Jim Rickards, nobody has to introduce him. You all know his fabulous books, the National bestsellers and the New York Times bestsellers Road to Ruin, The Death of Money and Currency Wars, one book that was really influential for us. You also wrote The New Case for Gold, and most recently, Sold Out, how broken supply chains, surging inflation and political instability will sink the global economy. But as our special guest is Velina, I would like to introduce her with her biography.

With over two decades of professional experience and academic background in security and defense. Velina is an expert in the field of geopolitics. At her consultancy firm, FACE, Velina utilizes her extensive network of experts and real-world experience to offer customized solutions for clients to navigate the geopolitical landscape and make informed decisions. She helps clients plan for potential risks and trends that may arise from the geopolitical environment of their country, region or sector, while preparing scenarios for their business amidst the complex challenges of the future. Velina, you're now also self-employed, you're an entrepreneur, so all the best in this new challenge, and I know that you will be very, very successful running your own business.

Also here with me, my dear partner, Mark.

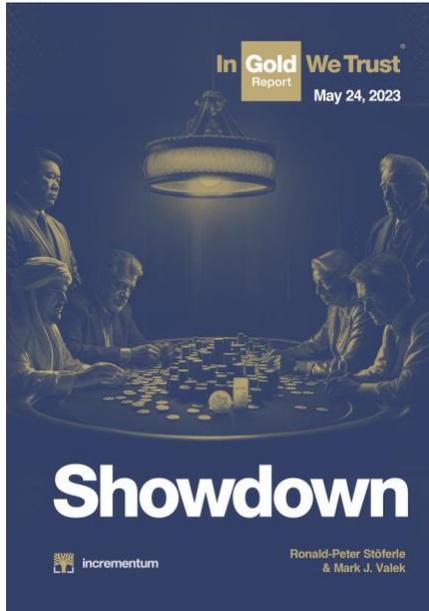
Mark Valek

Hi, everybody. Hi, Ronnie, Velina. Hi, Jim.



Ronnie Stoeferle

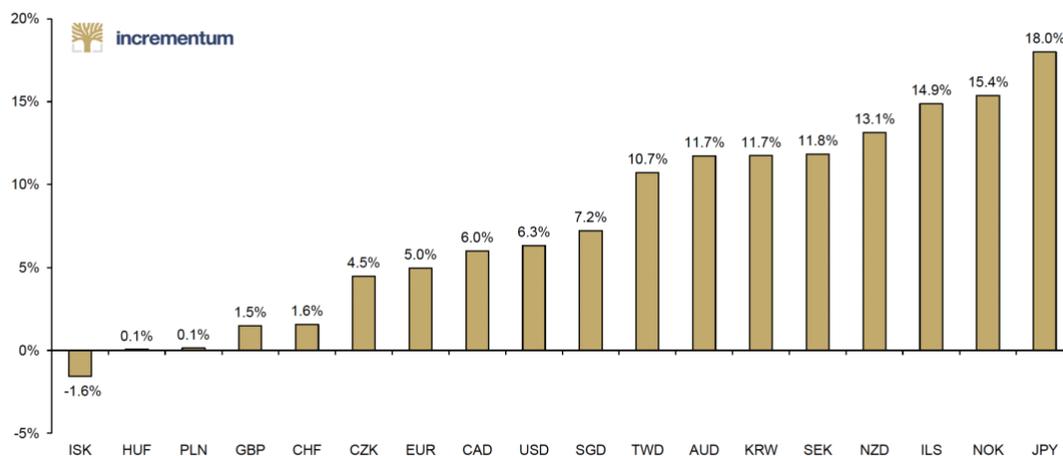
We'll do some very quick housekeeping before we jump into the discussion, that will focus on the topic of the BRICS summit and its key messages, but also what's not obvious and perhaps a little bit hidden. On our end, since our last Advisory Board call that we had with Russell Napier, we have published our new In Gold We Trust report on May 24. It's been a great success. The title and



leitmotif of this year's report was Showdown. We explained three different showdowns. First of all, the showdown central banks versus financial markets stability versus the economy. The second showdown was basically what we will discuss today, the East versus the West, developed versus emerging markets. And then the third showdown is about the price of gold itself, that has made new all-time highs in basically every currency except in US dollar terms. Now, as we speak, we're trading around \$1950, so we're not too far away from new all-time highs in US dollar terms. But what is pretty interesting is that it seems to me that people couldn't care less about gold at the moment, which is a pretty interesting divergence between the chart picture and public interest into the topic of gold.

Besides that, have been doing, as always, a lot of chartbooks, webinars and interviews. Now, going

Gold in Various Developed Market Currencies, 2023 YTD



Source: Reuters Eikon, Incrementum AG



forward, we're preparing for pretty intensive fall season, with lots of traveling and also going to Dubai. I will be going to the Precious Metals Summit in Beaver Creek very soon, meeting more



than 60 mining companies. Mark will be going to El Salvador to a Bitcoin Conference. Safe travels hope you'll come back well, and then obviously we'll do lots of keynotes going forward. We all look forward to quite a busy season.

But now let's jump into the discussion. Mark, do you want to start first with a question for Velina?

Mark Valek

Love to! Thanks, Ronnie. Our focus topic today, as Ronnie mentioned, will be the BRICS Conference, which concluded a few days ago. It was the 15th annual BRICS conference. I think it



was pretty clear that this one had a more significant role than a lot of the previous summits. Also, because the new geopolitical reality which we are in, for I'd say about 18 months, roughly. We've been seeing the BRICS institution formalizing and

expanding, a lot of new candidates, which had formally applied. I would just want to pass it on to Velina, what was your view of the summit, generally, did it go as you expected? Were there big surprises? What were your main takeaways?

Velina Tchakarova

Thank you very much, Mark, if you allow me, I would like to share a few slides just to give you some perspective into what we political strategists love to do, namely showing maps. While I'm doing that, I will also be giving my main takeaways from the most recent Summit. You mentioned correctly, this is not more or less surprising of a summit in terms of expectations, it has been gradually building up over the last 15 years of Summits. If you take a look at the footage, as I did, you will see the usual suspects at the table for the talks. Because at the core of BRICS, we have, first and foremost, the RIC format. RIC is the famous format between the foreign ministers of Russia, India and China. It is a very, kind of, behind the curtains, format, given the fact that India and China, on the one hand, are actually natural rivals and have been involved in various border conflicts, military conflicts with the use of force. They have an agreement from 1997, in which it



says that troops are not allowed to use weapons against each other. Why? Because of the fear of escalation that may result in a nuclear exchange, both are nuclear powers.

They also have a lot of water conflict, so it's a lot of geopolitical dynamics behind this tandem of China and India, at the same time, we have another very interesting tandem, that is Russia and China. In fact, I've been arguing, and Jim would confirm, that this is probably one of the most overlooked geopolitical developments from the last 10 years since Xi Jinping came to power in 2013. This gradual and steady buildup of the relationship in all strategic domains and key fields has manifested now with the war against Ukraine. What I argue is the emergence of a Cold War 2.0 scenario between United States and China. More about that a little bit later.

To get back to the questions, given the interesting dynamics within RIC, we also have Brazil and South Africa. Why is it so important to have representatives from Latin America and Africa? South Africa being at the top of the African countries with the second biggest GDP and significant international exposure. And Brazil, significant commodities powerhouse, not only in the region. Here is the first message I have for you and that is that the role of the so-called "Global South" will be rising, if we consider the dynamics, I just outlined for you, namely the biggest mega trends in geopolitics. US-China, China-Russia, China-India. Unfortunately, the so-called Global South will be the most competed terrain for global interactions. That also has positive effects, not only negatives, and BRICS is such a positive story. Currently, China and Russia on the one hand, are trying to create an anti-Western and specifically anti-US narrative. They are trying on the one hand to do this for ideological reasons, because they do not want a unipolar global order in which the United States has the say, but also, they are doing this to present an alternative. So, it goes both ways. For that matter, BRICS, which is not institutionalized, serves these purposes. It serves these purposes because it has this appeal, specifically towards the global South, because of the colonial past of most Western powers. It serves these purposes also because it gives more opportunities to these countries to hedge against their competitors. That means that at regional level, as we are already observing this scenario, for instance, in the Middle East, they have more options on the table, they could reach out to the United States and say, we need a better deal, because we have China around the corner.

In the Russian case, it is more about geopolitics rather than geo-economics, in the Indian, and in the Chinese case, is really about geo-economics primarily, specifically, because they are now trying to penetrate new markets. They are trying to present new, let us say formulas for business. In the famous case of China, this is of course, very much linked to the PRI strategy was announced in



2013. You see already the nonconfidential similarities of the launch of certain initiatives, in 2013 another key launch, namely the BRI, at that time, One Belt, One Road, and here, once again, the BRICS is just part of it next to the creation and the strengthening of other important regional organizations. Think of the Shanghai Cooperation Organization (SCO), this is the most institutionalized one, contrary to BRICS, which is a very loose format, which is also meant to stay that way. We can discuss this a little bit later, why this is going to be the reason, a little bit like what we've experienced with this year's strengthening of the so called "QUAD" format by the United States, which is a quadrilateral format, between United States, India, Japan, and Australia.

In that way, much symbolism is meant to happen. So, a lot of what you are going to read, I do not recommend you read the declaration BRICS declaration 2.0, because they were struggling to agree on BRICS Declaration 1.0. So, Declaration 2.0 has already more than 90 bullet points, some of them are quite long. A lot of the symbolism is meant to be exactly that. To create a perception of something because in the geopolitical world, the perception of power is power. In this case, the projection towards the global South is that China has a bigger role to play. China has also managed through this modus vivendi of coordination with Russia, think of Russia as this experienced, former superpower that has all these relevant networks from the time of the Soviet Union, when it comes to Africa, when it comes to the Latin American continent, when it comes to a lot of Asian countries.

The exposure there is thanks to the diplomatic know-how, thanks to the intelligence services and penetration. This of course, gives access to what? Raw materials, mining corporations and business deals. What we are experienced right now in this transition period, in which I argued that the equation of global power is being reset, and we still don't know exactly the outcome of this power struggle or whether we will end up with something that would be kind of a Pax Americana 2.0, or whether we will be sliding towards more of a bifurcated global order, with these two powerful centers, which are facilitating their structures right now. Because BRICS should be seen also as a future structure to deal with the so called Third World and the gray area of competition between the two powerful centers.

So again, like what was being observed during the Cold War. Again, here we have a question mark, in a sense that we are in the middle of these processes, we may end up with something that is in between, and that will be a kind of multipolar mass, some countries with their own story, being engaged in fluid geopolitical and geo economic constellations, while trying to hatch against one another. I will give you an example, a particularly good example of such a fluid, geopolitical constellation is the relationship between Russia and Turkey. Now, they are natural rivals, they have



a lot of competing geopolitical and geoeconomic interests in various regions and neighborhoods. And at the very same time, they have many shared geoeconomic interests, when it comes to energy, when it comes to nuclear power and when it comes to commodities. And once again, from what we have heard yesterday, President Erdogan is going to visit President Putin in Russia, even though Turkey is the key strategic ally of the United States in the region.

What are my main takeaways from the BRICS Summit? First, BRICS is here to stay and is going to rise in terms of influence and exposure. The business world and investors, and we can compare this with the period 10 years ago, when I was also following these developments, are paying attention! And that tells a story. The second key takeaway is that BRICS will try to coordinate without institutionalizing this relationship. They will try to coordinate certain relations between main BRICS members, and this was anticipated, so it is not a surprise for those who have been following the trends. They are now expanding, not coincidentally, towards the Middle East and North Africa. Why? Because this is the natural terrain for exposure and for expansion, as seen from China, primarily. And second, from Russia's point of view, this is the natural vertical axis of expansion of the Russian geopolitical and geoeconomic interests. Third, India is very much in the boat as well, because Indian geoeconomics has been witnessing immense growth and immense exposure on the African continent, specifically in the Eastern side of the African continent.

It is an overlapping interest here to expand towards these countries. And these are not coincidental countries, the new members are turning BRICS into a commodity superpower bloc. Most investors have been paying attention to the story linked to energy. Now think about the fact that we are in the middle of an energy transition, being steered by the West, and yet, global oil still has a big story to tell. At the same time, when we talk about the superpower commodity block, given the enlargement, BRICS is also turning into a food commodity superpower. So, we have the oil suppliers, and we have the biggest oil importer in the world being part of this. A natural takeaway would be that these members will be inclined to trade in the future in their own national currencies or they would come up with a mechanism that would enable them to trade accordingly without sticking to the petro-dollar system. I would like to leave this for later, because this is a noticeably big discussion. My answer to his decisive point, food. You should not underestimate the importance of the food commodity story. Because the world was witnessing a global food commodities crisis last year, amplified by the launch of Russia's war against Ukraine. Now actually having these members within the BRICS bloc, and having Russia being at the core of the block, we are anticipating the possibility of a food crisis 2.0. So, once again, what they are discussing amongst



each other is certainly not the story that the West would like to have, in terms of global commodity markets. I would argue that this is resulting in immense geoeconomic leverage.

Ronnie Stoeferle

Velina, thank you very much for your initial statement. Let me head over to Jim, I think one point that you mentioned is really crucial. The new members of BRICS, Saudi Arabia, Russian

Chart 2: Nyet Zero
Emerging Markets vs. Developed Markets (% of world)

Source: BofA

RESEARCH

Federation, United Arab Emirates, and Iran. They're responsible for 50% of global oil exports. I think this is an important point which we haven't heard much about, yet. Perhaps this is something that we could focus on later. Jim, I wanted to ask you, before the summit, especially in the gold community, many people were pretty excited as the Russian Embassy in Kenya, put out a tweet regarding a gold backed BRICS currency. So, everybody was quite excited about the topic, and I think expectations were pretty high. But if you have a look at the final declaration that Velina already mentioned, it's point number 44. We will link to the declaration, where they basically state: "We welcome the sharing of experience by BRICS members on payment infrastructures, including the interlinking of cross border payment systems, we believe this will further enhance cooperation



amongst the BRICS countries and encourage further dialogue on payment instruments to facilitate trade and investment flows between the BRICS members as well as other developing countries."

This is kind of vague. But then, point number 45 says, "*We tasked our finance ministers and/or central bank governors, as appropriate, to consider the issue of local currencies, payment instruments, and platforms and report back to us by the next summit.*" Which will take place in Khazan in Russia. So, Jim, when it comes to the currency question, do you think it was kind of a nothing burger? Or did it exceed your expectations regarding some sort of renewal of the global international monetary system?

Jim Rickards

Well, actually both, but before I jump in on that I just want to say what a privilege it is to be on the same call with Velina. Just for the record, she's been working on the Russia-China relationship under her brand that she invented, the "DragonBear", which I love. It's a great way to summarize it. But she's been doing that for 10 years or longer. Now that BRICS are in the headlines, let's talk about Russia and China, Velina's been doing that in depth for a very long time. She's probably the greatest scholar of the importance of the Russia-China relationship within global geopolitics since, I would say, Henry Kissinger and Helmut Sonnenfeld in the mid 70s, and before that you probably have to go back to Halford Mackinder at the turn of the 20th century. I think it's important for the audience to know what a great scholar we have on this call. I agree with everything Velina said about the BRICS, so I don't need to repeat it, but I would expand on a couple of things. I consider it much more institutionalized than Velina was describing.

The Shanghai Cooperation Organization and the Eurasian Economic union, kind of Putin's answer to the EC, they've got secretariat. So, they've been around, they have treaties and agreements. They are more institutionalized. But let's not forget, the BRICS set up the New Development Bank in 2014, which, if you look at its mission, it's really the World Bank. They are saying, hey, we're going to have our own world bank. And there are stockholders in the New Development Bank that are not members of the BRICS. They opened up that capital subscription, they have \$100 billion of subscribed capital, \$50 billion paid in and \$50 billion callable, and the ability to issue bonds in any currency, which the World Bank also has. So, their leverage potential is quite high. And Dilma Rousseff, the former president of Brazil, is the head of the New Development Bank. I think that deserves some credence and then they have the Contingent Reserve Arrangement, which they set up in 2015. Also \$100 billion, which is a clone of the IMF. The original mission of the IMF was not to lend money to Ukraine, it was supposed to be a swing lender for people with balance of payments



difficulties, to give them the cash to maintain a currency peg until they could change the policy. That's what this Contingent Reserve Arrangement is. Again, it's a \$100 billion. So, they've got their own World Bank in the form of the New Development Bank, they've got their own IMF in the form of the Contingent Reserve Arrangement. They do have a secretariat in Shanghai.

We are very focused on the currency point that you raised, Ronnie, but this is the Leaders' Summit, the 15th Leaders' Summit. It's a very big deal. But they have 100 BRICS meetings a year, they do sports, climate, women's rights, trade, etc, they cover a lot of issues. I would suggest that they're more institutionalized, further along, have more of a structure than just a club that gets together once a year. What I would look for, and Velina mentioned this, I expect that as the BRICS expand their membership, they will, in effect, absorb the Shanghai Cooperation Organization and the Eurasian Economic Union, it doesn't mean those organizations go away, I'm not saying that. I'm saying that those members will become members of the expanded BRICS. Now, they added six members at this meeting, and I'll come back to why that's a big deal in terms of the currency, but they have a waiting list of about 20. Velina mentioned Turkey, Turkey is on the waiting list, and Malaysia and quite a few others. So, at each successive meeting, I would expect there to be three or four more members. This is more than BRICS, or even BRICS plus this is the Global South.

This is the significant step in the direction of a bipolar world, not involving the West versus communism, but involving an effect the Global North or the collective West, including Japan, and the Global South. It's a very, very big deal, as far as that's concerned, Velina talked about some of the bilateral relations within the multilateral organization, and those are quite important. Now, as far as the currency is concerned, this is my main focus. Velina has a broader geo-political as well as geo-economic perspective on this, I was very focused on the currency, and you mentioned the "leaks" or whatever, coming out of Kenya, but I would refer to Sergey Lavrov, who was there in person because Putin was in some legitimate fear of being arrested under a warrant from the International Criminal Court. By the way, India is not a member that, so India hosts the G20 next year. Next year Russia hosts the BRICS Summit. Putin is invited to that I am not sure he's going but if he does, he has no fear of arrest, because India is not a member of the International Criminal Court.



But what Lavrov said is that we're going to have a common currency, and it will be, now this is important, I would say gold linked. There was a lot of misunderstanding about this. Everyone's saying gold backed, you know, get your BRIC's here, and let's call it a BRIC. I mean, I don't know what they're going to call it. But, one unit is defined as a weight of gold, and we don't know what the weight is, so I'll just say an ounce. It could be a kilo, I don't know. I don't know what they're going to call it and I don't know what the weight is, but one unit would be defined is a weight of gold.

So let's say one BRIC, if you want to call that, equals one ounce of gold. Now, I go back to Aristotle, who kind of invented the transitive law, and this is the brilliance, and this is all Russia behind it. They didn't invent chess, but it is their national sport. So, if you say one BRIC equals an ounce of gold, and the weight doesn't matter, it's just math. We know that a weight of gold has a dollar value, because the global gold market is in dollars, and you can even buy gold with euros but all the pricing, the futures, the derivatives, the unallocated forwards, all the junk that JPMorgan sells, all that is in dollars. So, if a BRIC equals an ounce of gold, and an ounce of gold equals, \$1950 give or take, through a simple transitive law, you get a BRIC dollar exchange rate. But here's the key, you're not linking the BRIC to the dollar, you're linking the brick to a weight of gold, which means that as the dollar-gold value fluctuates, and one BRIC is pegged to gold, the BRIC dollar exchange rate is floating through a transitive law, but the BRICS don't have to do any work.

In other words, make the dollar investors the United States do all the dirty work. They have to maintain the market, they have to speculate, they have to hedge, they have to commit capital, the BRICS are just free riders, they just sit there and say hey, "we are an ounce of gold". So that's part of the brilliance of this, and by the way, this is exactly what John Maynard Keynes proposed to Bretton Woods. And Keynes went through the same path. I read all his papers, he wanted something called the BANCOR, he did not want the dollar linked to gold, and everything else linked to the dollar, which is where it ended up. Because the US dollar guy, Harry Dexter White was a Stalinist who wants to destroy the British Empire. He didn't want any of that, he wanted real world money that could be issued by the IMF, called the BANCOR. He started out with a commodity basket, so many barrels of oil, so many tons of wheat, so much corn, etc, and he pretty quickly



encountered all the difficulties that you would expect, which is; even so-called commodities are not completely homogeneous. I mean, there's 72 kinds of oil around the world, based on sulfur and viscosity and transportation costs, insurance, etc. Keynes pretty quickly got to gold, not because it's shiny and pretty, but because it's an element, gold is gold, you don't have to worry about the sulfur content of gold, if has sulfur, it's not gold. BRICS are going down the same path, because they, and this comes from Lula and Lavrov and others, they looked at the commodity basket. In fact, I think it's the most recent "on the record" stuff. They looked at the commodity basket, and the minute I saw that, I said they're going down the same intellectual path that Keynes did in 1944, they're going to end up with gold.

That is what Lavrov said last winter, it was one comment, it came and went, a lot of people got spun up about it, but that's the path they're on. Now, what happened at the summit that advanced that path? I had the misfortune of reading the statement, I should have listened to Velina and skipped it, because it's 50 pages of just diplomatic boilerplate, there's nothing there. And you're right about the two references you made Ronnie, although they're really about payment channels, which are completely different than payment currencies. They're just setting up fiber optic undersea cables. So, they can get out, they can get around Swift, get out from under Fedwire, get out from under the US controlled dollar denominated payment channels, they're building their own payment channels. That's the first thing you would do. But beyond that, what does it take? I had this debate with a brilliant monetary scholar that I follow very closely. I have the utmost regard for his work. He said, the BRICS can never have a currency because they don't have a common fiscal policy. I said, timeout. Have you ever heard of the euro? I mean, there's no common fiscal policy in the euro. You think the Italian and Greek fiscal policy is the same as Germany and the Netherlands? Of course not! You don't need a common fiscal policy to have a currency union or a common currency.

You do need a central bank, you do need an issuer. You can't just have Italy issuing as many euros as they want, and that's the role of the European Central Bank. But that role could be performed and probably will be performed by the National Development Bank, they can set up a new central bank if they want to, by the way, I worked on the development of the euro, coming out of the Maastricht treaty in 1992, I believe, and the Euro was not introduced at an interbank level until 1999. And you couldn't spend it at the grocery store until 2000. So that took nine years to develop, with a lot of smart people working on it, the biggest thing was, what were the conversion rates, the gross rates that we're going to use to convert everything to euros? But that was nine years of research at a pretty high level. One could hardly expect the BRICS to be doing this overnight, although if you want to go back to 2014, with the New Development Bank, I'd say they've got a



pretty good head start. But here's the key: Nothing burger, yeah, there was nothing in the statement that was directly on point, they did not announce a new currency, they didn't say anything about gold, so all that stuff we got nothing. But they did the essential thing they must do before they actually can have a common currency, which is they expanded the group.

There are 19 members of the euro, and I remember back in 2010, I was getting hammered by Nouriel Roubini, Paul Krugman and Zero Hedge and Joe Stiglitz and all these people. They were like, "It's the end of the euro", "Greece is being kicked out, Spain should quit and go back to the peseta, Germany and Netherlands are going to form a northern tier". I was someone who said nonsense. Never, nobody's getting kicked out. Nobody's quitting, they're going to add members. When I said that there were 16 members, today there are 19 members. That's because it's a political project, it's not really a monetary project, it's a political project. If you come back to the BRICS, I'll just end here, you can't have a successful common currency without having a lot of countries in it, for example, right now Russia is taking rupees from India for impairment for oil, but they put the Indians on notice that they are not going to do that much longer, because any currency can be a bilateral trading currency because football cards, it's not a big deal, it sounds hard to do.

The problem is the seller of the goods and services receiving the currency from a single country, you can only spend it in that country. I mean, how much curry does Russia need? Same thing with Saudi Arabia, Saudi Arabia sells oil to China for yuan, what is what is Saudi Arabia going to do with the yuan? Well, okay, China is a manufacturing powerhouse, you can buy some stuff, but not that much is the answer. The same thing with Brazil. But if you get 20 countries, now all of a sudden Russia sells oil to India for a BRIC, they can spend it in Argentina, or they can spend it in China, or they can spend it in IRAN, if they want drones, and that's the point. So, as you get to, I guess 11 countries, but get up to 20. That's a prelude, that's a precondition for a successful monetary union. So, I see the BRICS currency as being on track, I see it linked to gold, not that I'm going to be able to take one and walk down to the People's Bank of China and say, "give me some gold", but I'll be able to buy it from any dealer I want, as far as that's concerned. But the point is, by defining the value to weight, you freeride on the dollar denominated gold market. By the way, you have a vested interest in higher dollar price for gold, because that means the dollar is devaluing relative to the BRICS currency and you're on your way to destroying the dollar.

Mark Valek

Great, May I follow up on this because this currency point is something which we are looking at very closely, and I guess our audience are also very interested in that. Going back to the summit,



we didn't have a great conclusion regarding the BRICS currency, but as far as I understand, it is basically postponed and on the agenda for the next summit, so it will come up again. That's why I think it's worthwhile talking about it in more depth. So, Jim, you wrote in Currency Wars, the first two chapters if I remember correctly, where you describe these "war games". My first question would be the linkage to gold, how could that actually happen? In the scenario you described for during these war games, perhaps you want to expand on that, but if I remember correctly, the issue is a trusted custodian, which the idea was that Switzerland was playing that role in that scenario. That was something which you already thought about 15 years ago in a similar scenario, actually. How can we actually have this link to gold, that would be one part of my question, and the second part of my question, it's not really discussed to be a currency in terms of a medium of exchange, but rather a settlement currency? It reminds me a little bit of kind of the Bretton Woods 1944-1971 arrangement where basically the trade was settled in gold. So perhaps you could expand on these two points?

Ronnie Stoeferle

Just to add to that, we had a chapter in this year's In Gold We Trust report about gold flows. What we basically said is that the price of gold is more and more influenced and being made in Mumbai and Shanghai and in Dubai, and less so in Zurich, in London and in New York. It was really staggering, we crunched the numbers, and just the number of imports to China and to India, in the last 20 years, was 34,000 tons of gold. So really, really big numbers, and it's obviously not coming back into the Western world. Velina, is there anything that you would want to add regarding Jim's thoughts on the currency question, and especially regarding commodities or a gold backed BRICS currency?

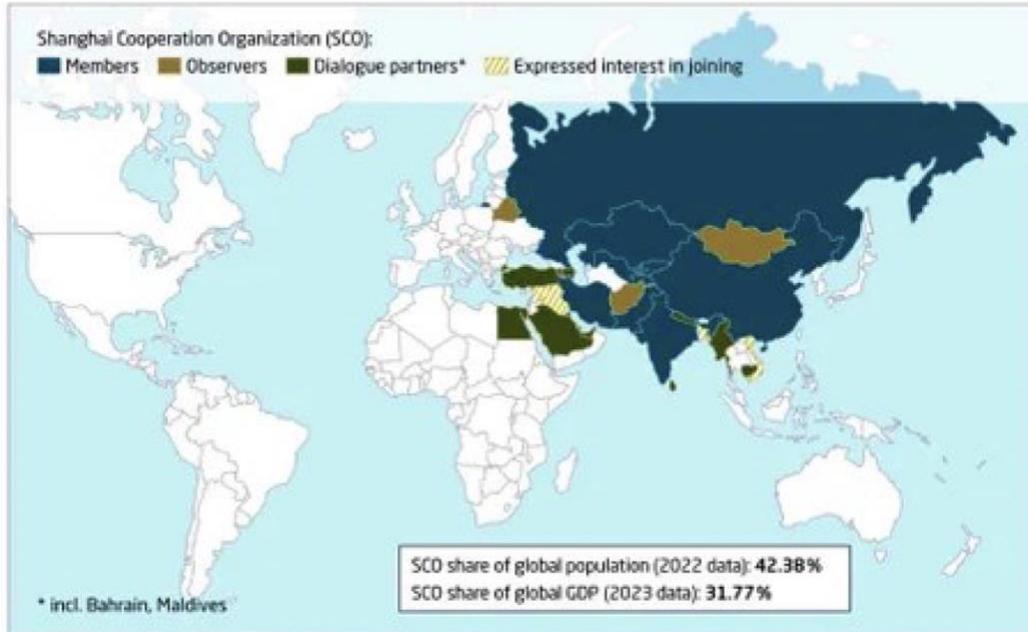
Velina Tchakarova

Yes, Ronnie, I would like to add a few things. There are a few interesting maps that I can show to our audience, and of course I will share the slides. So that they also understand the geographic exposure.

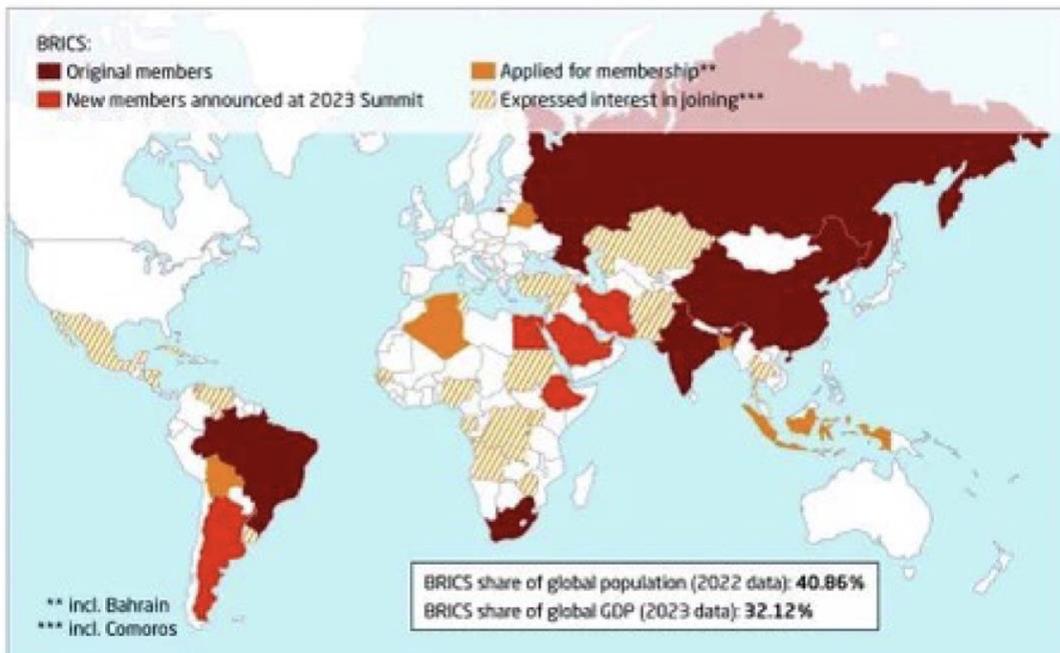


China's circle of friends is expanding

Members, partners and countries that have expressed interest in joining the SCO and BRICS (2023)



Jim already mentioned a few examples, the institutionalized format, with participation of China, Russia, but also India, is the Shanghai Cooperation Organization, you can see that the circle of friends and partners has been gradually expanding. On the slide, the map above is actually the Shanghai Cooperation Organization, institutionalized geopolitical format, in which security issues are also being handled between the members. India is also a member of this club. Iran has also

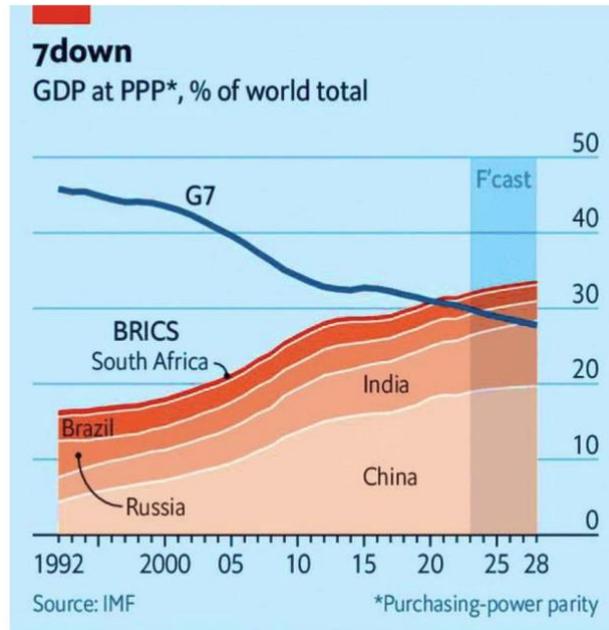




been recently accepted. You see a lot of overlapping between BRICS and the Shanghai Cooperation Organization.

Jim also mentioned the Eurasian Economic Union, I want you to know that this has been a copy/paste project by Russia, based on the way that the European Union has been institutionalized in terms of the waves of internal institutionalization, think of customs unions, think of all the relevant political fields that have become European policies instead of policies of the member states, and even to the point of common currency. That's why I wanted to mention that, because I think it's important to put these developments into context. In fact, the Russian President wanted to launch common currency by the Eurasian Economic Union. Now, meanwhile, the Eurasian Economic Union and the Shanghai Cooperation Organization are two interesting regional formats that we need to closely follow, because Putin has been insisting on the merger of the Eurasian Economic Union and the BRI, the Chinese Belt and Road Initiative into a kind of bigger, institutionalized format. Why? because they entail the Central Asian countries, and as you can see, from the BRICS map as well, it is very much about the Central Asian, the West Asian landmass, and Southeast Asia, and how this connectivity is then being projected through the Middle East towards Africa and Latin America.

It's very much an east-west expansion by China, whereas as I mentioned, in the case of Russia, it's a vertical expansion from the Arctic along the eastern flank of NATO, which is the western flank of the Russian armed forces, the Eastern European terrain, the South Caucasus, the Black Sea, Mediterranean and then you see, obviously a lot of overlapping with Chinese interests. There is a very important trend that we have been observing in terms of the rising share of the BRICS countries in the global economy, based on purchasing power and this is something that we need to pay attention to. The share in global GDP is also being converted into economic exposure. This rise is not only out of symbolism or about narratives, but it is actually based on the trade power, on the one hand, within the BRICS members, being big producers of goods, but also suppliers of commodities, and on the other hand, the negative story coming out from the West, mostly, unfortunately, from Europe, not that much from the United States, and that is the shrinking share of Europe within the West, that also translates into shrinking share in the global economy. You can see that this is very much about expanding the footprint in the Global South, where I argue the West and specifically Europe will face further difficulty in actually coming up with any kind of



The Economist

narrative. That means that any operations on the ground, you've seen this with Niger coup, will face a big opposition by countries from the Global South. And as we speak today, a new military coup is ongoing in another African country (Gabon), once again, with all of these international players from United States to China, India, Russia, being already on the ground, because it's about oil and gas operations and about mining operations. And in the future, I argue, as this escalation will increase, be it a verbal one or factual one in terms of military operations in gray zones, and in peripheries, we will see a lot of competition about the access to resources, raw material, rare earths, and so on and so forth.

Once again, you see BRICS are key to future geopolitics, not only as a commodity superpower bloc, but specifically when it comes to rare earth metals, which are critical for energy transition, China alone stands for 98% of those rare earths when it comes to Europe. So, Europe is 98% dependent on China. We mentioned the six new members. So, I've also prepared a map to show you, when it comes to oil reserves, what it really means to have all these countries under the same umbrella. The biggest geopolitical story here is the normalization of relations between Saudi Arabia and Iran, this, in fact, enabled the membership within BRICS, this is my key takeaway, it would not have been possible for them to join BRICS, if the normalization of those ties had not happened, and that was possible under the Chinese umbrella. So, what we are going to see, specifically in that region, and I think this is a very important story for investors, is that the old "Middle East" is no longer called "Middle East", because BRICS all call the region "West Asia", and the new "West



Asia” will become increasingly attractive because of the competing strategies of powerful geopolitical players on the ground

So, the West Asian region is going to witness immense economic growth, because of the pressure for the normalization of relations, we're going to observe normalization of relations between Saudi Arabia and Iran, we are going to see further development of the axis between the UAE and Israel, we are going to probably see some kind of talks between Israel and Palestine. Iran is going to witness further improvement of relations with the United States, because of this pressure. So, you see the cascading effects of a single event, that has been the Chinese mediation in the relationship between Saudi Arabia and Iran. I'm not going to go into the military dynamics such as the Yemeni war, such as the Syrian war theater and so on and so forth, because this is not of interest to our listeners, but you get the idea of the significant positive impact on war developments as well. You also mentioned other possible new members, and you can see out of 40 countries, that there are already 23 countries that have expressed a concrete wish to join BRICS. It's going to be a very, very long-lasting story, and just to not be misunderstood when I said, it's not an institutionalized format, the main reason is that it's just that they do not see the necessity to institutionalize, they will continue to deepen the relationship, they will continue to facilitate a lot of initiatives within the BRICS umbrella, whereas they will not, in my view, see the necessity to have an institutionalized format, similar to, let's say, the Shanghai Cooperation Organization.

When it comes to the currency issue, because this has been an issue for the last 10 years, at least, so they have been talking about it specifically since 2014, when the first invasion of Ukraine happened. So, BRICS was very important to Russia, to actually bypass international sanctions and to actually break international isolation. It was very important because the Russian currency, if you remember, reached the bottom, in terms of comparison with other international currencies, and it was China that did the international messaging and kind of took “whatever it takes” approach to save the Russian currency. So, local currency settlements are going to be part of the game, this was, in my view, a key takeaway. Also, given the fact that I've been following very, very closely what Russia has been doing since the launch of the war in the last 18 months, specifically with two BRICS countries - with India and with China, it is obvious that the trade volume with them will be increasingly based on local currencies too. We've seen this already, Russia has been trading a lot with China, in fact, their trade will have reached for the very first time \$200 billion in 2023

It's a huge milestone, unthinkable just a year ago. And the share of the Chinese currency has been steadily increasing, the same goes for the trade with India specifically, because India started trading



a lot of Russian oil. Here, once again, imagine that India considered even payments in the Chinese yuan for Russian oil, this is a reality, this is what has been happening, because, as we speak, according to my recent research, 39 billion USD are stuck from this bilateral trade between Russia and India only in the trading of the Russian oil in Indian banks. Why? Because of the SWIFT system. Because Russia is excluded, Indian banks are not able to do these payments.

So, I argued that they will find a way, because of necessity, they will have to find a way to somehow initiate local currency settlements. Well, is this the end of the petro dollar system? It will very much depend on the customer, and the end customer here, we know for a fact, is no longer the United States, it's China. It's going to depend also on the readiness of those key suppliers, and now many of them are actually being part of BRICS, to comply with the end customer. So, question mark for you in terms of future outlook. But the de-dollarization trend is here, and it is here to stay, not so much because of the weakness of the US dollar, it is very much the opposite, it is because of the strength of the US dollar, that many of the BRICS countries have to conduct transactions, specifically within BRICS, using other currencies. Because it's just too strong and it creates a lot of turmoil, specifically to meet global and regional energy crisis. It is also, and this is my main narrative and it has been since 2014, a format that facilitates the bypass of US sanctions. We also have Iran, another example of a country, one of the most sanctioned countries within the global community, and Russia has learned a lot of lessons in preparation for the war, about how to bypass international and specifically US sanctions. So, the sanctions policy, which is one of the key tools of geo-economics, is also one of the reasons why BRICS is going to thrive.

To wrap it up here, expansion of this format is going to take place parallel to the rise of other Chinese led formats, China has created a web of such regional organizations and formats, and you need to place it into a bigger context. The bigger context is, however, the bi-polarization of the global order or bifurcation of the global system, if we intel the global financial and capital markets, if we include the global energy and economy, trade, and so on and so forth. A final point from my perspective, you need to look at the current developments as a key indicator for this global system transformation, and in my main scenario, the years 2025-2026 are going to be critical period for this global system transformation, specifically when it comes to the global financial system, and when it comes to the US as a leading national currency.

On the one hand, the future role of the US dollar as a dominant currency, and on the other hand, the growing need for an alternative, is what is going to dominate the global debate about the future of the world order. Jim outlined the main scenarios for such an alternative, whether it's a BRICS



currency, or whether it's a mechanism of national currencies, whether this currency is linked to gold, and so on, and so forth. To conclude, this is a superpower block for commodities and goods. But very often, because of the huge trade imbalances right now, they actually trade based on barter, I will buy something from you and in return, I will deliver something else to you. It's specifically the trade imbalances between Russia-China, Russia-India, India-China, they are significant, in fact they are immense at the benefit of China. That means that when the ballooning of this barter operations conducted in the national currencies, as it is already happening, becomes too overwhelming, it is going to be then the dominating story for the global supply, which we will have to pay very, very close attention to. So, it's really going to be about the global supply that will tell us the story about the trend projection, rather than the global demand side.

Mark Valek

Thanks so much, Velina. That was very helpful. This is obviously a very dynamic process; I would like to perhaps switch a little bit to the reaction of the West. The US is in the driving seat, I think that's obvious on the western side, perhaps Jim has some insights there. I mean, we are running up on a new election cycle in 14 months, I think, the next US election is taking place, and this probably will also be very important where future policy is heading. My question to you, Jim, do you think it's possible that as a reaction of this formation of the global South, that there could be a major pivot with, potentially a new president, if there should be a new administration in 15-16 months from now? I mean, we are seeing quite an interesting field of candidates, thinking of Vivek Ramaswamy, who actually formulated a very radically different strategy. What are your thoughts? What could be the reaction coming out from the US going forward?

Jim Rickards

Yeah, I'll address that Mark, that's about three hours' worth of material, but I will. I just want to drop a couple of quick footnotes on Velina's commentary, which was, of course brilliant. She mentioned another coup in Africa today and that's right, it's Gabon. Just to put a finer point on it, Niger is the major source of uranium for France, which is one of the two largest nuclear reactor builders in the world and Gabon is a major oil exporter. So, when Velina said commodities are playing a role, they absolutely play a huge role, but I've been to both places and I prefer Niger. The climate is better and in Gabon, cannibalism is still widely practiced. I'm serious, I was warned just to kind of "watch your back" a little bit in Gabon, but they do have oil.

I would add a little nuance of Velina's point about China bailing out the Russian ruble. It is true that after the sanctions, the Russian ruble crashed, it lasted for about a minute, China played a role,



but I would say it's not so much the case that China said "whatever it takes" in terms of business interbank transactions, or foreign exchange intervention, it was more the case that China said "we're not going to join the sanctions". So, once they said that, it meant that they were going to buy oil, they have the dollars to pay for it. You got to work around the payment channels, but the US has never closed the Gazprom bank payment channel for oil and energy exports. They shut down everything else, kicked them out of Swift, that's all correct.

But Russia still gets dollars for oil and natural gas, subject to conditions. But the point is, the minute China said "we're not in the sanctions, we're going to buy Russian oil", and then India pretty quickly said the same, neutral on sanctions. That was enough for the market to say, "okay, Russia is going to get through this". Interestingly, there was a leak from a phone call between Olaf Scholz and Macron, about four or five days ago, and they were talking to each other and they have both been talking to Putin. Putin won't returned Biden's calls, but why would you because Biden can't talk, but anyway, Scholz and Macron are comparing notes on their conversations with Putin. And they said, "we can't believe he didn't bring up the sanctions", like we wanted to say, "are there some wiggle room here", "is there a negotiation?", "we can relieve the sanctions", you know, etc, the beginning of some kind of peace talk, and Putin never mentioned it, not once. That's because he doesn't care. That's because they're not hurting Russia.

I teach financial warfare at the US Army War College, and I did the 2023 select group, about 12 mid-career officers, future big brains. I did the 2023 presentation in April, and I taught the class in April 2022. Not long after the war began. And I said "the US sanctions are going to fail", "here's why", "Russia will be fine", "the ruble will be stable". I got A LOT of pushback, because you know, these are artillery officers and fighter pilots and navy commanders. And they said, "no, we're going to crush Russia". I said, no, we're not. They're going to backfire on us and hurt us more than they hurt them. This year's class, I said, "let me tell you what I said last year", and I was right about everything. The Russian economy is probably going to outperform the US economy this year, we targeting between 2.5% and 2.9% growth. So, the sanctions have been a complete failure.

Coming back to the election, which Mark raised. Europeans in general, Western Europeans in particular, have no idea how dysfunctional the US political system is right now. We really should think about having a separate call on this. Joe Biden is going to be impeached. That's not wishful. These are not political statements; I'll be categorical about it. Impeached for a variety corruption charges. The impeachment proceedings are not going to look like the kangaroo courts they ran for Trump under Nancy Pelosi, it's going to look a lot more like the Nixon impeachment inquiry in 1974.



It's going to be very sober, bipartisan, lots of witnesses, it's going to be prolonged, and he will be impeached. The Democrats actually favor this because they want to get rid of Biden because they know Biden is: A. incapable of performing his job and will probably lose, but you can't do it too soon, because Kamala Harris is a dunce, she's not like a gaffe prone, you know, can't read a teleprompter. She's just not that bright. So, you can't get rid of Biden too quickly, because you'll have a dunce as president, but you don't want Biden to run again, so what's your off ramp? And impeachment serves the purpose really well. Biden will resign Nixon style, maybe Kamala's in there for three months, and then you run with Gavin Newsom?

People in the West and Wall Street are barely prepared for that scenario. It's happening. Europeans don't understand it, and why should they, because you're getting everything kind of secondhand. Trump may be in jail on election day. He's got these four, I mean, I'm a lawyer, so, won a lot of big cases, there's good chance he will be in jail, because they have early trial dates. These jurisdictions were handpicked, District of Columbia 90% Democrat, New York again 70% Democrat, he might be convicted and he might be in jail, so the orange man, in an orange prison jumpsuit, could win. There's nothing in the US Constitution that prohibits a prisoner from being elected president, there just isn't. So don't rule that out, and Russia, there might be a Russian flag over Kiev by the time we get to the election. Everything in the New York Times, The Washington Post, Financial Times, almost everything is a lie. Russia's winning, Ukraine's losing badly, it kind of looks like Kursk.

I mean, it really does, where the Russians are not going on the attack, they've got a defensive wall, and they let the Ukrainians attack, and the US urging, because we have war mongers like Victoria Nuland behind it, and they're being annihilated, 400,000 dead. That's what the US State Department has brought to Ukraine. But when the Russians are ready, when there's nothing left in Ukraine, they have 70-year-old Ukrainians doing tank training in Germany. Now I'm about 70, I could probably learn to drive your tank, but I might need a nap in the afternoon. This looks like the Wehrmacht in 1945, and it looks like the South in the Civil War. Americans are not ready for that. I'm not sure Europeans are either.

Mark Valek

Great statement at the end. Well, let's hand it once again to Velina to wrap it up, Ronnie?

Ronnie Stoeferle

Yeah, I mean, Jim made, as always, some pretty bold forecasts. Velina, you've been pretty much spot on regarding what's going on in Russia, especially what we saw with Prigozhin, and also, I've



been following your tweets for ages, and I have to say that you've been really one of the very, very few analysts out there that really made very, very accurate calls, so congratulations on that. So, what's your view? Jim was pretty sure that Russia is on the winning side, what's your view on how it's going to turn out over the next couple of months?

Velina Tchakarova

Thank you. I will gladly cover this, but let me just try to wrap it up a little bit. Right now, there are three key scenarios for Russia's war against Ukraine, after 18 months, or one and a half years of military activities. We are currently in the scenario of a war of attrition. It's not a stalemate, it's a war of attrition that plays into the hands of Russian interests, for various reasons. Mostly, because this is obviously the player that has more forces, more time, is more patient, has managed to break the international isolation, has enough international customers for the Russian commodities, and at the same time, has adjusted to the reality. So, on the battlefield, given the successes of the Ukrainian counter offences, we are far from the previous phases of the war. War of attrition is, in a sense, bad news for Ukraine if the West refrains from its "whenever it takes" approach in the future. Because, at the last G7 summit, the G7 countries announced publicly that they will take the very similar Draghi's attitude (the Draghi's approach from previous times which marked the turnaround in the euro crisis), when it comes to the military and in general, the comprehensive aid for Ukraine.

Not only military, but also humanitarian, diplomatic, political, economic, and so on and so forth. And, in a scenario of a war of attrition, Ukraine will always have to fear, for instance, a change in political government, which is very normal for democratic societies. One could think of the scenario that Jim mentioned. If we see a reshuffle in the US administration, and we have a Republican President, I argue, similarly to Jim, that we will see a different stance. There is a Republican part within the current political elite that is very, I wouldn't say directly pro-Russian, but shares a lot of what Russia has been projecting, in terms of norms and in terms of certain values. Think of the Christianity, think of the woke versus conservatism, there are many, many explanations for that. The main takeaway, is that a shift in one of the key governments, same goes for other key supporters of Ukraine, will make the case very difficult because Ukraine is completely dependent on this military aid coming from the West. What are the two other scenarios? Very shortly for you, the one being a new frozen conflict, as many already exist in the post-Soviet space, frozen conflicts in the last 30 years, this is an absolute win for Russia, this would mean the following.

There are negotiations, then, let's say some kind of legitimization of the Russian occupied territories. Currently, Russia controls over 18% of Ukrainian territory, if we exclude Crimea, so even



much more than 18%. And in negotiation, in a scenario where both have to agree on something, this frozen conflict will enable Russia to replenish forces, to strengthen economically, also geopolitically with various alliances and partnerships. At the very same time, it will make the case for Ukraine very, very difficult to come back to the battle fields and try to regain what has been lost. There is a third scenario, and this is a scenario in which Ukraine wins the war against Russia, However, nobody knows exactly what is going on behind the curtains of the Kremlin. It's a closed box, Moscow fully controls 200% of the information flows. So, all of us, also those, as I, who have been covering Russia for the last 20 years are in this situation where they think that a tipping point is also possible – political, economic etc. Thus, we need to also consider this third scenario, and that is a scenario in which Ukraine wins, either because of some kind of a tipping point that could be unleashed on the battlefield, for instance, if there is a significant military breakthrough that is achieved in the next, let's say, around four to six weeks, we have a window here up until October-Mid November.

Then, because of the weather conditions, maybe until the end of October, Ukraine will be pressured to take a break. Or, it could be an economic tipping point, once again, I wouldn't agree with Jim on the matter of sanctions, because we've seen with the trade imbalances that I've been observing with China and India, I see a clearer picture of difficulties for the Russian main sources of revenue, even the oil and gas sector, the agrarian sector, the diamond sector, the gold sector, so on and so forth. So, here again, we could see a tipping point, that could also be a black swan event that could unleash immense pressure on the Kremlin. Black Swan means, of course, a highly unexpected event with significant impact on developments. We are at the intersection between these three scenarios, and we have to closely observe what comes next. What we know for a fact is that the war will likely continue into 2025 or even 2026, which is why I put the rise of the BRICS into this timeframe, which also goes for the Western economies, specifically for the European, I think the European economies will be dragging down the Western story and the Western narrative, as a collective player in the global economy and in global trade. We should be mindful of the fact that there is no short end to the story, and this will have a lot of influence on the events that we've been discussing today, such as the rise of BRICS.

Ronnie Stoeferle

Velina, thank you very, very much for your statements, for your slides, for your views, I think in general, it's basically a big conflict, the rivalry that we're seeing, and that has occupied us since the enlightenment and the French Revolutions. Basically, the insistent forces that want to defend the status quo and the institutions that have been around for decades, and those progressive, young



and new forces that basically want to clean up the institutions of the past and perceive these institutions and these frameworks as some sort of a burden. I think with the growing economic importance of emerging markets, and also with a demographic tailwind, in many of those countries, except for Russia and China, I think going forward, there will be lots of things to consider, to think about, to talk and to write about. We will have plenty of further discussions about these topics that we talked about over the last one and a half hours. Velina, I want to sincerely thank you for attending this advisory board call. Now, let us know how we can learn more about you and your services where we can meet you subscribe to your services. Where should we go to?

Velina Tchakarova

Thank you, Ronnie, very much appreciated. You can go to my web page foraconsciousexperience.com and take a look at some of the products I've announced there. I cover five geopolitical megatrends, which I think are quite relevant for investors as well. They are entailed in my monthly geo-political reports, where I also offer Q&A webinars. When the monthly reports are sent out, for my annual membership subscribers. I also have a free weekly newsletter, where I just point to some of the current developments and try to inform the audience about relevant events from the world of geopolitics and geoeconomics, you can just subscribe to the newsletter on my web page. I also offer one on one sessions, depending on the demand and the specifics of the client. I have international clients, it's not only Europe centric, given my background. I will be doing a workshop on technology and geopolitics in person, in September, in the direct vicinity of Vienna, in our lovely neighborhood, it's not a low entry level workshop, it's meant for those who want to dive into the complexities of the nexus between technology and geopolitics, and would like to use this information for the sake of investments or for the sake of positioning their businesses accordingly. Thank you very much for the invitation today, it was a great pleasure to cover all of these important topics, and specifically with Jim Rickards. I can only recommend his books. I've been in constant exchange with him all over the last decade on many of the topics he has published about and looking forward to our future exchanges.

Ronnie Stoeferle

Velina, thank you very much. You're also a great follow, on Twitter or on X, as it's now called. Thanks again for taking the time. We look forward to hosting you in the future as well. Thank you very much, Mark. Thank you.

Mark Valek

Take care, everybody. Thanks, Velina. All the best.



Velina Tchakarova

Thank you, Mark. Take care. Bye bye bye.



Ronald-Peter Stöferle, CMT

Ronni is managing partner of Incrementum AG and responsible for Research and Portfolio Management.

He studied Business Administration and Finance in the USA and at the *Vienna University of Economics and Business Administration*, and also gained work experience at the trading desk of a bank during his studies. Upon graduation, he joined the Research department of *Erste Group*, where he published his first *In Gold We Trust* report in 2007. Over the years, the *In Gold We Trust* report became one of the benchmark publications on gold, money, and inflation.

Since 2013 he has held the position as reader at *scholarium* in Vienna, and he also speaks at *Wiener Börse Akademie* (i.e. the Vienna Stock Exchange Academy). In 2014, he co-authored the book *Austrian School for Investors* and in 2019 *The Zero Interest Trap*. Moreover, he is a member of the board at *Tudor Gold Corp.* (TUD), a significant explorer in British Columbia's Golden Triangle and a member of board at *Goldstorm Metals (GSTM)*. He is also an advisor to *Matterhorn Asset Management*, a global leader in wealth preservation in the form of physical gold stored outside the banking system.



Mark J. Valek, CAIA

Mark is partner of Incrementum AG and responsible for portfolio management and research.

While working full time, Mark studied Business Administration at the *Vienna University of Business Administration* and has continuously worked in financial markets and asset management since 1999. Prior to the establishment of *Incrementum AG*, he was with *Raiffeisen Capital Management* for ten years, most recently as fund manager in the area of inflation protection and alternative investments. He gained entrepreneurial experience as co-founder of *Philoro Edelmetalle GmbH*.

Since 2013 he has held the position as reader at *scholarium* in Vienna, and he also speaks at *Wiener Börse Akademie* (i.e. the Vienna Stock Exchange Academy). In 2014, he co-authored the book *Austrian School for Investors*.





About Incrementum AG



Incrementum AG is an independent investment and asset management company based in Liechtenstein. Independence and self-reliance are the cornerstones of our philosophy, which is why the four managing partners own 100% of the company. Prior to setting up Incrementum, we all worked in the investment and finance industry for years in places like Hongkong, Frankfurt, Madrid, Toronto, Geneva, Zurich, and Vienna.

We are very concerned about the economic developments in recent years, especially with respect to the global rise in debt and extreme monetary measures taken by central banks. We are reluctant to believe that the basis of today's economy, i.e. the uncovered credit money system, is sustainable. This means that particularly when it comes to investments, acting parties should look beyond the horizon of the current monetary system.

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