Minutes of the Advisory Board Meeting

January 25th, 2022

THE GREAT ROTATION.

SHORT TECH -

LONG RESOURCES?

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Highlights of the conversation:

Fred Hickey:

- History shows that when stocks perform well, gold does not, and when gold performs well, stocks don't.
- Current bubble in tech stocks is greater than what we saw in 2000.
- Fancy financial engineering in tech companies suppress their P/E ratios, but real P/E ratios are far higher than in 2000.
- Whenever the Fed tried to end QE in the past, it didn't end well. There was market turbulence each time, the market already anticipates trouble even before they start reducing QE.
- The Fed will have to choose between high inflation and supporting the markets, at some point they will have to let the markets go.
- You can't let inflation get out of control; it is very difficult to reign it back in.
- Tech stocks benefitted extensively from the Covid crises, maintaining those revenue numbers this year will be impossible.
- Big tech stocks were the last to plummet during the 2000 crises, we might be seeing the same today.
- In an inflationary period, the two best performing sectors are gold and commodities, oil in particular.
- Gold miners are undervalued for various reasons. They are similar to a leveraged play on the gold price and could see huge gains.
- When choosing gold mining companies, geographical location is extremely important. Canada, USA, Australia and Finland are the safest bets. Good management is also a key factor.

- **Ronald Stöferle:**

- We published our new Bitcoin chart book right before Christmas, it's about the halving cycle.
- We now have a Youtube channel for our English content and another channel for all our German content.
- We now have a page with our most interesting charts on the Incrementum website.
- US Household ownership of equities is at record highs of USD 45trn, it is at twice the size of the US economy. This will make a 20% dip in stocks feel like 60%.
- Only when markets realize that inflation is stickier than they believed will we see a breaking point. Then, long-term inflation expectations will rise and we could see a run in the gold price.
- This is the healthiest setup that I have ever seen in the gold mining space, but the market hasn't realized it yet.

Mark Valek:

- So far, commodity prices are holding up very well relative to equity prices. This could be the start of a significant change.
- When asset prices fall, historically this has caused a drop in CPI numbers. It is likely this will be the case again in this cycle.
- This could help the Fed by bringing inflation down to more acceptable numbers.

Biography of our special guest:

Fred Hickey

Fred Hickey is the editor of the newsletter The High-Tech Strategist, which he has published monthly for the past 35 years.

The newsletter focusses on general macro issues, technology and precious metals. He was a member of the renowned Barron's Roundtable for a decade. Prior to founding the newsletter, he was employed by General Telephone & Electronics (GTE) in various financial roles for over ten years.

Fred graduated from the University of Notre Dame with a degree in business administration/accounting. He resides with his wife Kathy in their homes in Nashua, New Hampshire and Playa Hermosa, Costa Rica.

Subscribe to Fred's newsletter by emailing him here:

thehightechstrategist@yahoo.com

Or follow him on Twitter: @htsfhickey

Transcript of the conversation:

Ronnie:

Ladies and Gentlemen, Happy New Year! It's a great honor to have "The High-Tech Strategist", Mr. Fred Hickey, here for our Q1 2022 Advisory report. Fred, thank you very much for taking the time.

Fred:

My pleasure, glad to be with you.

Mark:

Welcome Fred.

Ronnie:

Hello Mark. We are missing Jim Rickards today, as he is fine tuning and editing his new book. Jim, best of luck for the final stages of publishing the book.

It's exciting times, today is the 25th of January and we are finally seeing some volatility in financial markets again. There are very interesting developments in the tech, commodities, gold and crypto space.

First, let me introduce you, Fred. (Ronnie reads Fred's introduction as seen above)

Now on to some housekeeping:

As many of you know, we now published our new Bitcoin chart book right before Christmas. It's about the halving cycle, and we noted that there seems to have been some downside in the crypto space.

Now onto something new. We have separated our English and German YouTube content into different channels. You can find them via these hyperlinks: English, German.

On the Incrementum website, we now have a page with our most interesting charts. Our latest charts feature real interest rates, a wide range of different ratios, a chart of gold compared to various currencies and charts on the mining sector.

We have launched a new share class for one of our funds that distributes the income that we get from writing options in the bitcoin space. Last year this returned 15%. We could discuss this with Fred later as he also uses options a lot…

Lastly, we are already working on the latest ***In Gold We Trust* report**, it will be published on the 24th of May 2022. We will publish a preview chartbook of the report, probably in early March. We already have an English, German and Mandarin version of the report, this year we will also publish a Spanish version.

Mark, what did I miss?

Mark:
I think you got everything, thanks for the introduction, let's jump into the discussion.

Welcome once more Fred, thanks for taking the time. As far as I know, you bring some unique insights into the precious metals market insofar as you are not only very experienced but you have a very colorful background when it comes to investing. Could you describe your evolution as an investor? Your background could be very valuable in the current macro situation, thinking about current valuations in the tech space, equities and in the precious metals space.

Fred:
You're right, I do have an odd background. I started as a tech guy, because I grew up in the "Silicon Valley of the East" (Eastern United States). I was still young and in my 20's, I was investing in the "mini-computer craze", which was Wang Labs, Prime Computer… you may not know all of these names… Digital Equipment. They were the hot stocks of the day and I found out you can make a lot of money in tech if you are in them at the right time, and I did. I spent twenty years as solely a tech guy. What changed? It was the central banks.

It started with Greenspan in the late 1990s when he was intervening in the markets, through the various declines in long term capital, the Russian crises, and then there was the "created crises", the Y2K crises that they were reacting to. Then we had a long period of easy money, and what happened was, in my world, it went crazy, it was insane. We had the great tech bubble of the late 1990s and into 2000, and it then crashed. That was no surprise to me, I was long all the up to the very end. I had my own Y2K stocks, they were the last ones I owned, I sold those in late 1998. I didn't participate in the tech part in 1999 which was very difficult, as I was a tech guy. But I knew it was a great bubble, and I knew it would crash. I was using options then, put options against that. They didn't work in 1999, but they did work afterwards, thankfully. When that bubble then crashed, as I anticipated, I knew then that tech was going to likely be out of favor for a long time. I said, "I need to be in something else", and as the tech bubble was getting crazier, because of the central bank's actions, I bought my first gold coins in 1999. So, I was not a gold bug originally.

So in 1999 I start buying gold in the USD 250-300 range and in 2002 I started buying gold miners as well. In the summer of 2002, I wrote to my subscribers, and I said: "I'm taking a big position in metals now, because I have to protect myself against the central bank debasement that I think will occur, easy money, and the deficit that the US will accumulate." And I did that.

So I have had one foot in tech and one foot in gold ever since, and this last 20 years I have been primarily invested in the mining area. I would dabble in tech when there was value. In October 2002 I bought some tech names, in October 2008 I also bought some tech names, I should have held on to some of them longer. I held on to Microsoft for 4 years and it didn't take off until the 5th year. I would take various positions on and off but my primary positions were in metals. This all worked out very well for me because the first 20 years I was benefitting from the great bull market in stocks and tech from 1982 all the way to the late 1990s. Then we went into the "lost decade" for stocks, 2000-2010, so it was the right thing to do, to get out of stocks. Most of the time I was mostly out of tech stocks, and I thought that gold would do well in a period that stocks did not. That's the history of it, **in the 1970s we saw that gold did very well and stocks didn't. In the 1980s through 2000 period, it was a great bull market for stocks and a bear market for gold.** So, it's a ying and yang thing for tech and gold. For me at least, it has worked out very well.

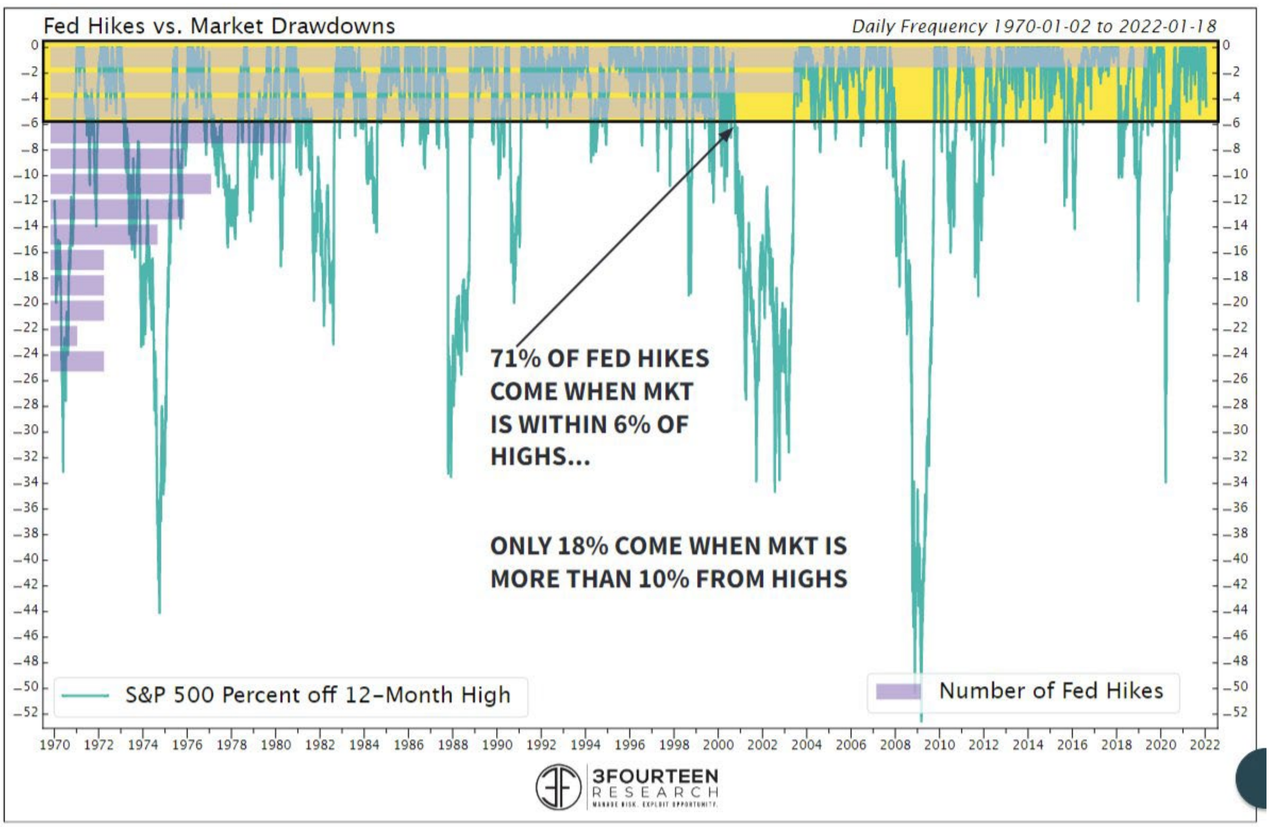
What I could never imagine in 2000 and 2002 was the extent of what the central banks would end up doing. Since 2009 the Fed has increased their balance sheet by a factor of 10 times. I never thought we would have QE 1, 2, 3, 4 and a couple trillion US dollar created in 63 days as they did in 2020. The debasement only got worse and worse as each of the attempts to stabilize the system created more problems, more malinvestment, another bubble, another crash and all this has gone on, up until now. I think one of the reasons why it was ok for them to do that is because they have never had to deal with inflation. They had asset inflation, which they liked, everyone likes asset inflation, but they never had to deal with serious consumer inflation. Finally, last year we began with 1%, then inflation hit 5% by mid-year, and at that time it was so called "transitory", and now its 7%. With 7% inflation you lose 50% of your money in 10 years, that's serious inflation, it's the worst we have seen in 40 years. It has now forced the hand of the Fed, finally, to do something and we are going to get to a moment of truth here, I think, finally, where the Fed is going to have to choose. **I think inflation will remain higher than their target levels of 2%**, for a lot of reasons that we can discuss later. **I think the Fed will have to choose between letting inflation go, or letting the stock market go. One OR the other**. They haven't had to make that choice up until now. So this is a fascinating time, basically we're back into another bubble. Well… not basically, we are. (Laughs from Ronnie and Mark) Jeremy Grantham, the great bubble historian called it "one of the great super bubbles", with the others being 1929, 1989 Japan and then the great one in 2000. **I thought the bubble in 2000 would be the greatest bubble I see in my lifetime, but it isn't, because this one is**.

On a price/sales basis, we are 35% above where we were in 2000, on a market cap to GDP, we're even higher than that versus 2000. The only thing that wasn't higher was P/E ratio, where Shiller P/E went as high as 40, and we were at 44 in 2000. The only reason we are not a lot higher than 40 is because the companies have gotten cute with their financial engineering. They strip out a lot of costs, they strip out a lot of stock-based compensation, they strip out amortization on intangibles, which I think is a crime because when you are a software company, you're buying other software and that's your primary business, you should be writing that down, but they are not taking those costs into the profit and loss calculation. Thus, **real P/E ratios are far higher than in 2000**.

So we are back in another bubble, bigger than before. The 2000 crash began in March, but the whole market didn't break down until later. Presently, I say, the bubble burst for all the crazy stocks, in Feb 2021. But the S&P continued on right up until December, it was up 27% last year. It has only been in the last three weeks, now that we are getting closer to Fed rate hike time, that the markets are starting to get really crunched. It's crazy stuff we see day to day. So this is a big moment. Markets don't like a Fed rate hike; they don't like the fact that QE is ending. **Whenever they have tried to end QE in the past, it didn't end well. We had market turbulence each time, so the market already anticipates trouble even before they start reducing QE**. Then they are also talking about reducing (the Fed) balance sheet. I don't think they will be able to do any of that, they haven't been able to do it in the past. It will come to this moment where it's decision time. What are you going to do?

Ronnie:

Fred, that is obviously the big question. Dave Rosenberg had some really interesting stats regarding the household ownership of equities that is at record highs of USD 45trn, it is at basically twice the size of the US economy. The long-term average was USD 14trn, a decade ago the household sector was at USD 12trn. **This would make a 20% drawdown feel like a 60% plunge, or basically, three times tougher than a "normal" correction**. That also implies that the Fed will have to back down and make a U-turn even quicker than usually. I assume that you are not in "Team transitory" and that you assume that inflation is much more sticky than what mainstream economists would suggest. One chart that I thought was really interesting, it's by 3Fourteen research, I found it on Twitter, it answers the question: ***"Will the Fed keep hiking if market pressure intensifies?"***



History argues no, because 71% of all Fed hikes have come when the market is within 6% of its 12-month high. Only 18% have come when the market was down 10% or more. That is a big catch-22, I think over at the Fed the market protection team is pretty nervous at the moment.

What is your take, is there any way out for Jerome Powell at the Fed without losing the last tiny bit of reputation and without losing face? Jerome Powell tried to sound more hawkish recently, he said inflation is perhaps not “transitory”. Is there any way out for Powell and the Fed?

Fred:
There is a way out, but none of them are easy. As you mentioned, if you go back to 2000 again, I was in my early 40’s and I’m in the middle of the baby boomer bubble and when people lost all their money in 2000-2002, there was a lot of time for people to catch up. Now, the people in the baby boomer bubble, they are a lot older and they do not have the time to rebound like they did. Because the Fed has been so aggressive, **I mean, they took rates to 1%, which is an historical low after 2000, but then they went to zero and they maintained it at zero. When you do that, bonds become unattractive, they are usually an income generator but now you can’t go there. There was no alternative to stocks and that has been the problem**. There are all kinds of people that have taken risks that they would not normally have taken at their age and they are very much dependent on the stock market maintaining these kinds of levels. They couldn’t take a huge loss because they will be financially devastated. On the other side, the Fed is losing credibility, so they are in a very difficult situation, they really are trapped.

Every step they have taken up until now, when they are under pressure, was to support the markets and I would guess that unfortunately, because longer term that creates a bigger problem, they will keep doing so. In the longer term this could lead to even higher inflation than we have today and we might even see some sort of hyperinflation if this continues. They have to stop at some point, **at some point they have to let the markets go**, I doubt it’s now, but we’ll see.

Mark:
Let me jump in here. What we saw the last few cycles, for instance looking at 2006-2008, the CPI was elevated, not as much as we see today, but still elevated. The Fed was in a sense bailed out by the asset price deflation that pricked the bubble and this deflation also came back to a certain extend to consumer prices, causing CPI to come back into a range where they (the Fed) felt comfortable. How do you see it play out this time? If asset prices come down rapidly, what do you think the impact will be on CPI?

Fred:

That depends on how far the market goes down, I don't think they will allow it to go down that far. If they let it go down 80% or 90%, then you will have another great depression. I think a lot of the inflation right now is sticky. "You can't let inflation go" is Henry Kaufman's warning about this. You can't let it get out of control; it is very difficult to reign it back in. You can look at oil prices right now, that's a big driver of inflation. Capital investment in oil peaked in 2014 and then oil went down to zero in the last year. In the crash, they cut capital expenses by 35% plus. I own stock in all the majors: Exxon, Chevron, ConocoPhillips. They are all cutting capital expenditure, and they are all planning to keep production flat, at best. Yet demand is going to still be there, it will take a while for the electrification of cars to have a real impact on the global demand for oil. I would say oil prices could easily go higher here, unless you have a real serious decline, but I don't think they are going back down like they were. Wages are now up. From 2009 onwards, the stock market basically went straight up, which led to the greatest wealth inequality the country has ever seen, and finally once Covid came around, the time came for labor to start getting its share. Politicians wanted that as well and there was pressure to get the money down to the people, that's when we saw the trillion-US dollar packages. Now **we have a wage price spiral going on where you can see the higher prices are leading to demands for higher wages**. I don't think that with the wealth inequality we have that that will be put back into the box either.

Then you have food, which is another key part of inflation and we have a fertilizer problem and energy prices have soared in some cases in Europe for natural gas up to 10 times, but certainly in the rest of the world 3 or 4 times. There is talk of shortages of food, potentially, in the world, in the next couple of years. So I don't think food prices are going down.

If you take all these pieces, you could see a reduction year over year, just because of the spike that we saw, but **I have a feeling that they will not be able to get inflation down like they did in the 2008 scenario.**

Mark:
I agree. I think that on a macro view it's very interesting to observe what commodity prices in general are doing, and especially in reaction to risk off sentiment. So far, I think commodity prices are holding up very well relative to equity prices. This could be the start of a significant change.

This brings me to my next question. We often hear about the "great rotation" (growth vs value) within the equity markets, what are your thoughts on that?

Fred:
When the tech bubble burst in 2000 we had one of the greatest value periods ever. The first several years, value stocks did very well. **Commodity stocks did very well, they are part of the value group. We have already seen this (in this cycle). This rotation already started last year.** We saw the market shift from high growth stocks to value stocks, that's one of the reasons why I'm in the energy sector. When I bought them, they were ridiculously cheap, something I have never seen in my lifetime. I shifted position in 2020 when gold got a little bit spikey and went to the high of USD 2065. I took a chunk of my money out of gold and put it into energy and some other areas. I am in some communication stocks, Verizon is paying a 5% dividend with a 10 P/E, for example. They just reported today, good numbers again. But all of these are cheap, banks are cheap.

A lot of the institutions I know, hedge funds and such, are making this shift from the very overpriced tech stocks to the value stocks, assuming that another big shift will happen. Over time, value stocks outperform growth stocks, but this is over long periods of time, it could be a decade or two decades that growth will outperform. But when it gets that crazy, I mean, Apple just peaked three weeks ago, on a USD 3trn market cap and it was USD 1trn in 2018. This with a 33 P/E ratio and a 2% estimated growth in earnings, insanity. Institutions are seeing this and making a move. It's been in fits and starts, but when this thing happens it usually goes on for years.

Ronnie:
Fred, another interesting characteristic of these crazy markets is that the S&P is behaving like the biggest stock and less like the average stock and we know that underneath the surface the market structure was already very weak. You gave a terrific interview for NZZ The Market, you warned about this market structure, with the market internals that are already weakening.

Half of the total return of the S&P 500 last year came from 5 stocks.

Fred:
All tech stocks.

Ronnie:
Exactly. The general market is behaving like these couple of tech stocks, that basically means that having more exposure to the larger stocks will benefit the index when those stocks outperform, as has been the case. But it would also negatively affect the market when these stocks under-perform. The question is, will the leaders of today be the leaders a decade from now and what will this mean for the S&P?

If we compare the market leaders from 1991 to today, there is basically no overlap at all. This is also a consequence, to some degree, of the ETF mania that we are seeing. From your point of view, how might this end? We both agree that in this environment we should de-risk portfolios', shift up in quality, move into defensive and lower beta stocks.

Would you regard this setup as an opportunity or more of a threat, because I think that most people don't have a clue that the Russel 2000 is trading at significantly lower levels than at the beginning of 2021. So this like some kind of Potemkin village where people think the market is doing ok, of course now there is a correction, but underneath the surface its already tremendously weak.

Fred:
It happens in every bear market, if you go back to 1990, the tech stocks, at that time they were: Compaq, Intel, Microsoft, and Oracle. They were the four favorites and they held up until the very end, and then they fell between 40% and 60% in three months, when that happened that was the end of that bear market. If you go back to 2000, tech stocks broke in March, the market investors then shifted, they said: "Well, the internet is still going to be a big thing, even though the dotcom's have gone crazy, so we're not gonna invest in them anymore." That was in March. They held up all the way through. By the end of the year 2000, the Janus Group, for example, every type of fund they had from value funds to small funds to large growth funds to dividend funds, they were all in the same four stocks: Cisco, Nokia, Sun Microsystems and EMC. They rotated them. In December of 2000, John Chambers told everyone that he was never more bullish and 3 months later he was laying off 25% of his workforce.

They say bear markets are a process, it takes time. Bull markets are a process as well, they both are. Those stocks then crashed and none of those four stocks I mentioned ever came back. Intel was the first one that crashed, it crashed on Labor Day from USD 70 to USD 40, boom. Then in 2001 Cisco fell 90%, EMC and Sun Microsystems fell 96% and Nokia fell something like 90%. Tremendous losses, but it wasn't until later. Then, in 2001 the S&P was holding up and it wasn't until 2002 that everything really got crushed. That is just the way it is, people are enamored with these tech stocks and they don't lose faith in them. They rush into them when they are called a "safe haven" and they are calling Apple a "safe haven" now. Apple is not a safe place to be. You can't justify the P/E ratio and what we have now in the tech world is, not only do we have valuations that can crash and pop as typically happens, but I see trouble on the horizon economically. If the stock market declines a lot, I think it will, before the Fed can even react, it's going to have an impact on economic activity. When the 2000 tech bubble burst it had an impact on economic activity, because there is all this malinvestment in the Dotcom's. Today we have this malinvestment in SPACs, we have had record IPO's and NFT's and Virtual real estate, those are all companies, they all got funding, those people all have jobs and when that starts to crash, the economy does too.

The other problem is, we had such a sugar high in 2020, when the Fed printed as much money as they did and handed it out to people, and also the stay at home, work at home factor there, that inflated the tech companies' numbers. These big tech companies were huge beneficiaries of Covid and of the money printing. People were forced to stay at home and spend all their time on computers, iPads and smart phones to entertain themselves. An example of what happens: sales in PC units have declined for 7 consecutive years, from 2012 to 2019, it was considered to be a dead industry. In 2020 and 2021 sales growth went up into the mid-teens, and a year ago, this time, we were seeing 50% growth. We had this explosion in activity, for Apple itself. Apple had been growing at 2.7% compounded from 2015 to 2019, then it grew 33% last year. Why? Well, smart phones exploded, that had been a saturated stagnant market, that went up to 25% growth. Mac sales went up 70% last year, after being flat. iPad sales were up 79%. Just huge increases a year ago.

All of these big tech companies, Amazon was obviously a big beneficiary, everyone was buying stuff and having it shipped to their homes. Google, Meta they were huge beneficiaries, people were watching YouTube and spending more time online generally. Microsoft, which is still a big PC company, Nvidia, which is a gaming company, people were gaming. **Every one of those big tech companies, they all benefitted here, and that is one of the reasons why their numbers**

were so fantastic. That is how you get to Apple with a 33 P/E, they were growing at that level and now they are growing at nothing.

The analysts are now estimating that apple will go back to single digit growth, and they are too optimistic. This year I think it will be negative. If you look at the numbers they will be comparing with, Q1 2021, its just dramatic, there is no way. Even when Apple went to record highs last year, they refused to give guidance because things were too uncertain, and things will remain uncertain, they might not give guidance here again. I think the Q1 2022 numbers will be OK, but when comparing them to Q1 2021 it will be dreadful.

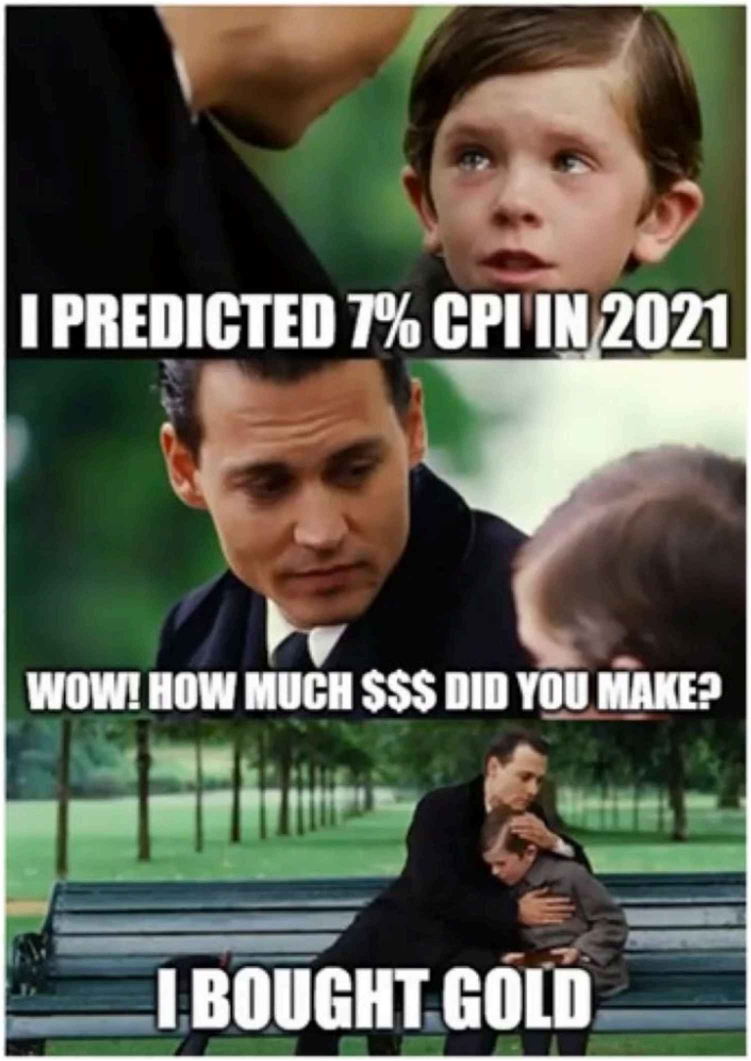
Nvidia went up 10 times in three years. TEN times. It was a semi-conductor company that had a USD 800bn market cap, I've never seen anything like it. It had a 100 P/E on those peak earnings. It was selling at 35x sales. **In the bubbles in the past, I saw a Nvidia go to 35 times earnings, not 35 times sales, for a cyclical semi-conductor company.** This is more insane than anything I have ever seen, but this is not just a little company, it's an USD 800bn company. Now what's happening? Video game sales are declining, PC sales in this last quarter, they fell 5% YOY. 24% decline YOY in the US. Nvidia depend upon PC's and gaming, that's their primary business. How will they maintain these growth numbers? **I don't see these tech companies holding up earnings wise no matter what happens in the economy**.

If the economy turns to the downside, we haven't had a real recession since 2009, I don't count that one month "recession" in 2020 to be anything really painful. If we have a real recession, that I think we're due for, then that alone will hurt them. **All the numbers from these tech companies that drove their valuations, they're not going to be here going forward, so it's a real problem.**

Mark:
Ronnie and I are enjoying your passion, perhaps we can switch gears and tap into the same kind of passion but on the other side of the situation.

What happened to gold? Ronnie wrote a piece called Why Gold Lost its Mojo, I think it was a big disappointment for a lot of investors in 2021. More importantly, what will happen in the future?

Ronnie:
Can you see the slides? (They can see it).



Ronnie:

Fred, I think this slide describes it pretty well. I knew many people who thought that now that inflation has become a topic, gold should be taking off. We wrote a special piece called "The Boy Who Cried Wolf: Is An Inflationary Decade Ahead?". We published it in December of 2020. At the time the CPI rate in the US was at 1% and one year later it was at 7%, but still, gold didn't perform as expected. What is your take on that? As you can see here (in the slide below), gold is now one of the most hated assets.

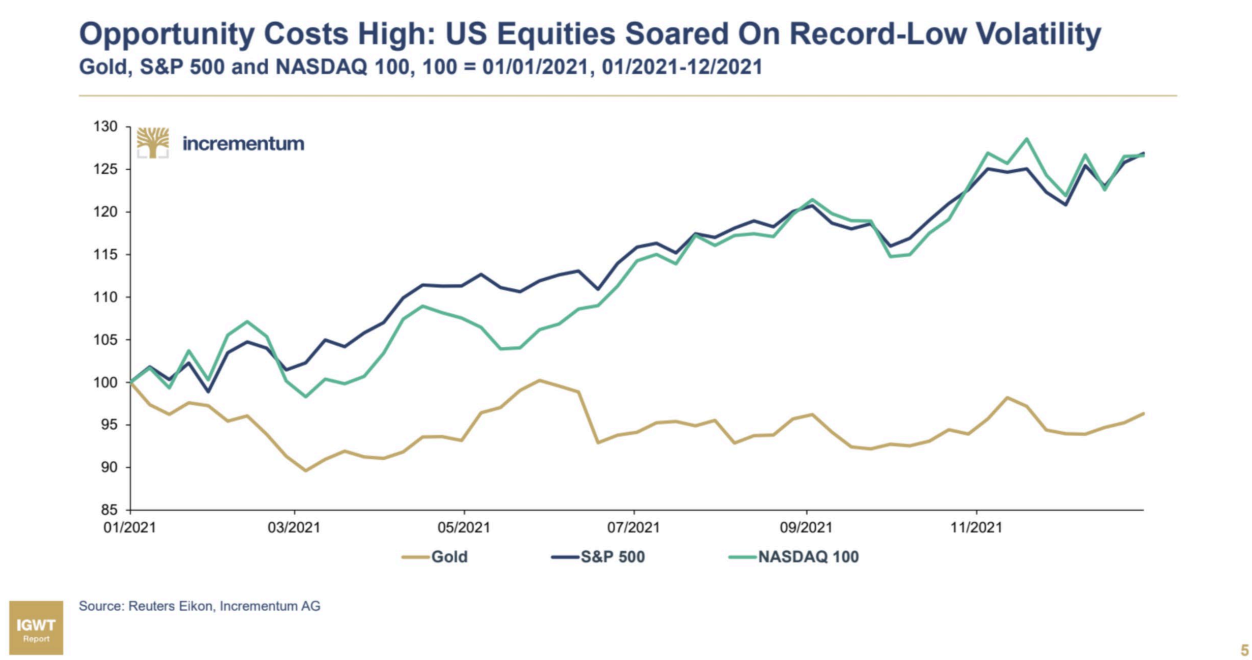
Fred:
It certainly is, but I love it when I see these kinds of headlines, it usually means good tidings. Again, I want to go back to 2000, when gold was hated after a 20-year bear market. All the money was going into the tech market, it was sucking in all the money. **When the tech bubble broke, when the markets started to crash in 2000, 2001, gold didn't do anything.** Gold was up one year by 2% and down the next by 5%, it basically ended up unchanged over those first two years. It wasn't until 2002 that gold started taking off, now why is that?

I think it's because when all that money goes into tech, they don't give up easily. They shift the money from one tech company to a safer tech company, it takes time for that shift to occur. Now what have we seen here from March 2020; we have seen those eight tech names go from USD 4trn to almost USD 12trn in market valuation if you include Tesla. All of the money from the institutions was piling into these big names, just as they did in 2000. It wasn't just the US, it was a lot of international that was chasing, because there was no way to make money anywhere. Yields are zero or negative all around the world. There was no place to make money unless you were in these high growth tech stocks. You were always going to underperform unless you owned these small number of tech stocks. So, it takes a while, that's why I talk about the "lag time". They always get crushed at the very end.

When everyone was shifting into those tech names and their earning and everything else were great, during the Covid times, where was no interest in gold. There was a little at first, when gold had a nice run in 2020 when it went to that USD 2065 peak, but after that all the interest was in the tech names and I think that's changing. Apple has been down for three weeks now, it had a high of USD 182 three weeks ago and last time I looked it was in the USD 150's, so it has come down some, but it certainly is loved and people were calling it a "safe haven" two days ago. **It takes time and I think as this bear market evolves, gold will do well, everything is in place for gold to do well**. We have the deepest negative real interest rates, which is the key driver, they are even deeper than they were in the 1970's. It would be nice if the US dollar started to decline and in theory, it should. Against the euro there is the problem that they are as bad or worse than we are in many ways, but against the Asian currencies I think the US dollar will decline given all the deficits we have and usually gold does well with huge deficits. **We have been running USD 2trn-USD 3trn budget deficits and in a week or two we might hit USD 30trn in US Federal debt. These are all propellants for gold.**

So I think gold should do well, it has just been held back by all the focus on tech stocks and the S&P 500 was up 27% last year, that's only three week ago.

Ronnie:
As we can see on this chart…



Ronnie:

Regarding volatility in the last year, we saw 17 new all-time highs in the S&P, and realized volatility was the lowest since 2017, so there is no need to have a portfolio hedge. But if we take a step back, I think that gold has sniffed out that something is happening in 2019 already. In USD terms, gold was up 18% in 2019 and 25% in 2020, then last year it was a bit disappointing at -3.6%, but given the fact that it was up 18% and 25% in the two previous years and 2018 it was basically flat and in 2017 and 2016 it was also up, I think that is ok because we shouldn't expect any Bitcoin-like performance from gold. And as we can see here (in the chart below), thanks to Madame Lagarde over in Frankfurt, in euro terms gold did pretty well last year. It was up 3.6%.

Gold Took a Breather in 2021

Gold Performance in Major Currencies, 2000-2022 YTD

Year	USD	EUR	GBP	AUD	CAD	CNY	JPY	CHF	INR	Average
2000	-5.3%	1.2%	2.4%	11.2%	-1.9%	-5.4%	5.8%	-4.2%	1.4%	0.6%
2001	2.4%	8.4%	5.3%	12.0%	8.8%	2.4%	18.0%	5.5%	5.8%	7.6%
2002	24.4%	5.5%	12.3%	13.2%	22.9%	24.4%	12.2%	3.5%	23.7%	15.8%
2003	19.6%	-0.2%	8.0%	-10.7%	-1.3%	19.6%	8.1%	7.4%	13.9%	7.2%
2004	5.6%	-2.0%	-1.7%	1.5%	-2.0%	5.6%	0.8%	-3.1%	0.1%	0.5%
2005	18.1%	35.2%	31.6%	25.9%	14.1%	15.1%	35.9%	36.3%	22.8%	26.1%
2006	23.0%	10.4%	8.1%	14.3%	23.3%	19.0%	24.2%	14.1%	20.7%	17.5%
2007	30.9%	18.4%	29.2%	18.0%	12.0%	22.5%	22.5%	21.8%	16.9%	21.4%
2008	5.4%	10.0%	43.0%	30.5%	28.7%	-1.5%	-14.2%	-0.8%	30.0%	14.6%
2009	24.8%	21.8%	13.0%	-1.6%	7.9%	24.8%	27.9%	21.1%	19.2%	17.6%
2010	29.5%	38.6%	34.2%	13.9%	22.8%	25.1%	13.2%	16.8%	24.8%	24.3%
2011	10.2%	13.8%	10.6%	9.9%	12.7%	5.2%	4.5%	10.7%	30.7%	12.0%
2012	7.1%	5.0%	2.4%	5.3%	4.2%	6.0%	20.7%	4.5%	11.1%	7.4%
2013	-28.0%	-30.9%	-29.4%	-16.1%	-23.0%	-30.1%	-12.6%	-29.8%	-19.1%	-24.3%
2014	-1.8%	11.6%	4.4%	7.2%	7.5%	0.7%	11.6%	9.4%	0.2%	5.6%
2015	-10.4%	-0.2%	-5.3%	0.6%	6.8%	-6.2%	-9.9%	-9.7%	-5.9%	-4.4%
2016	8.5%	12.1%	29.7%	9.4%	5.3%	16.1%	5.4%	10.3%	11.4%	12.0%
2017	13.1%	-0.9%	3.3%	4.6%	5.9%	6.0%	9.0%	8.3%	6.3%	6.2%
2018	-1.5%	3.0%	4.3%	9.0%	6.8%	4.1%	-4.2%	-0.8%	7.3%	3.1%
2019	18.3%	21.0%	13.8%	18.7%	12.6%	19.7%	17.2%	16.6%	21.3%	17.7%
2020	25.0%	14.7%	21.2%	14.1%	22.6%	17.2%	18.8%	14.3%	28.0%	19.5%
2021	-3.6%	3.6%	-2.6%	2.2%	-4.3%	-6.1%	7.5%	-0.6%	-1.7%	-0.6%
2022 YTD	0.5%	1.1%	0.1%	1.0%	-0.5%	0.4%	-0.3%	1.0%	0.5%	0.4%
Average	9.3%	8.7%	10.3%	8.4%	8.3%	8.0%	9.6%	6.6%	11.7%	9.0%

Source: Reuters Eikon (as of January 20th 2022), Incrementum AG

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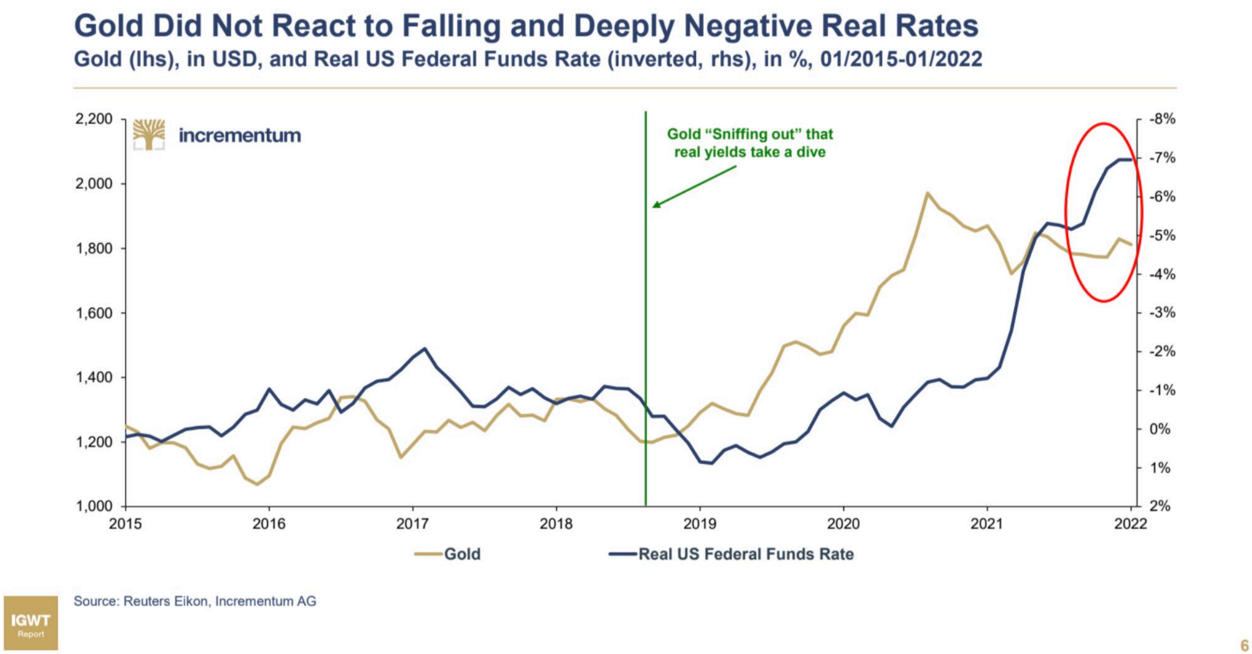
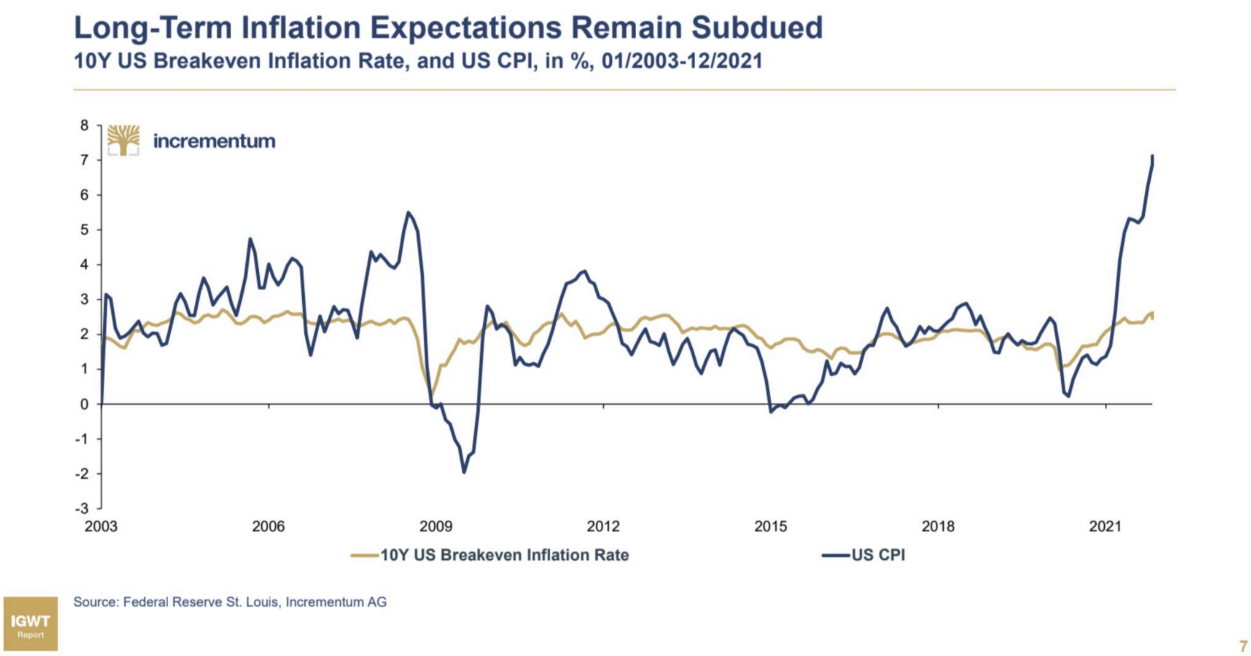
Our take is that gold has been sniffing out that real yields would take a dive as in late 2018 already and basically discounted a lot of those developments, especially the surge in inflation. Given the fact that gold is something special on every continent and in every culture and every religion, I think that the discounting mechanism of gold is superior to most other traditional assets. The collective wisdom of the price of gold might be a ahead of the matket.





Ronnie:

I think Fred, that the market is discounting. The market agrees with us that inflation is a threat now, but they are not seeing inflation as a long-term threat. From your point of view, what is going to happen when those narratives change, and when will they change? I think our road map is that due to the base effect, CPI numbers will come down, at least slightly, and this will give some leeway to central bankers. Then markets will realize that inflation is stickier than they believed and I think that might be the breaking point and long-term inflation expectations might shift.

Fred:

Gold was at USD 1180 in 2019, it doubled almost. People have no patience. What we saw was very normal, we had a spike up in 2020 to USD 2065 and to not expect a correction after that would be foolish. So, it happened and if you are a technician, the technicians love it, the one chart I know, it shows the "cup and handle" for the gold chart, it shows a perfect "cup and handle" on the 10-year chart and now we're into the handle. After that, gold should be taking off.

„Tea Time" Might Soon Be Ending

Gold Cup-and-Handle Formation, in USD, 01/2000-01/2022

Source: Reuters Eikon, Incrementum AG

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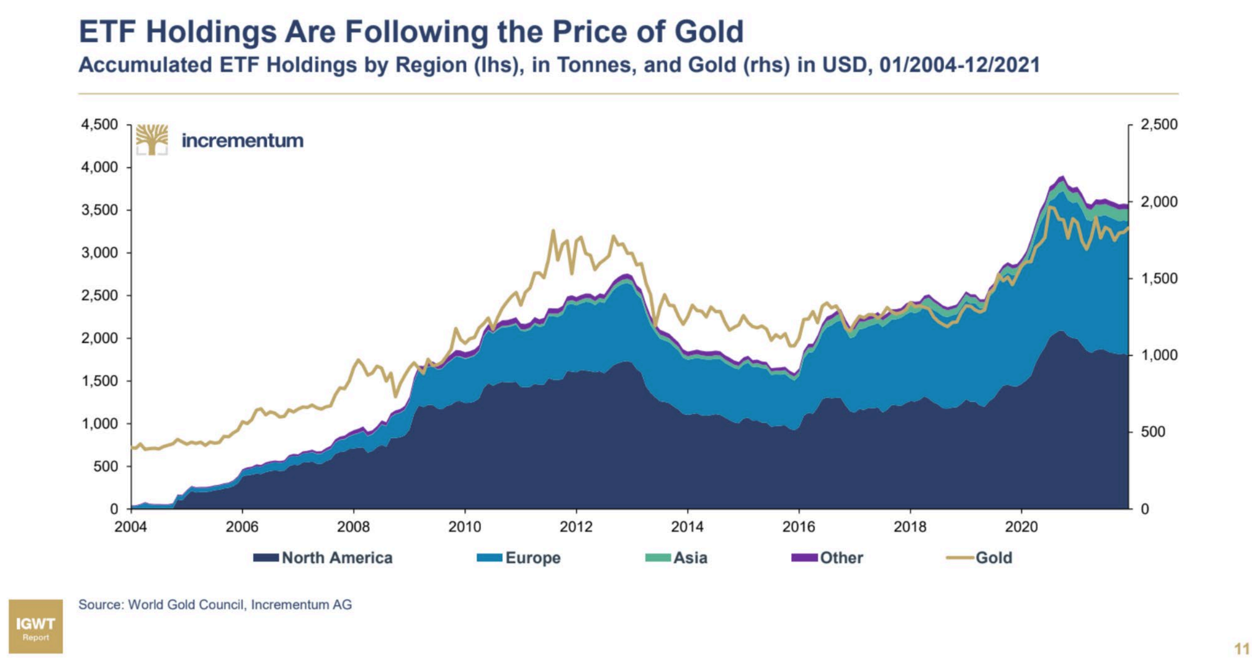
Inflation has only been around now, I mentioned the timing, it was 1% a year ago and it was 5% in the middle of the year. We haven't had high inflation for very long, so it takes some time for investor expectations for inflation to grow. **When inflation doesn't come back towards the 2% level and if the Fed keeps supporting markets, people will realize that this time inflation will be with us for a longer period and inflation expectations will rise**.

One of the other things that I noticed on the chart of the gold prices through the last 20 years was, the 5 years that gold declined since we started the GLD, were in 2013, 2014, 2015, 2018 and last year. Every one of those years we had 1 million ounces or more outflows from the GLD. That is an indication of institutional buying and we lost, from the 2020 top, we lost 300 tonnes of gold and that was institutional selling. We were at 980 tonnes at the GLD at the beginning of the year, we were still around USD 1800 for gold, if I look back at the last couple of times, we were at 980 tonnes and it was in 2016 and we were at USD 1340 for gold, then in April 2020, we were at 980 tonnes and the price was USD 1615, so now institutions have a very low level of holdings, the gold price has been going higher and higher, why is that? It's because all of this buying from others. We have this massive central bank buying that has been going on, where they have added 4500 tonnes and that does not include the Chinese numbers. The Chinese have been adding every month, even though they don't have that reported, I have good sources on that. Last year in China and India, huge amounts, India bought over 1000 tonnes, together they bought over 2200 tonnes. What's happen is the overseas buyers, who buy when the prices are low, have been buying and they have been setting a higher floor without any help from the US institutions. Part of the reason the US institutions aren't buying is because they don't think there is going to be inflation. But when that does kick in, that is usually what drives it. What drives gold prices higher is when US and UK institutions come in, they are always buying at the top and they always have the lowest positions at the bottom.



I thought it was interesting when the stock markets took a very deep dive last Wednesday (19 January 2022). We saw a couple of things. We saw 5 tonnes of gold come in to the GLD, and I said "boy, that's very encouraging", then on Friday we saw 28 tonnes come in. It was one of the greatest inflows ever and that was a day when the market was tremendously volatile, a down day. It was the largest US dollar inflow ever into the GLD. This looks to me like the start of US institutions coming in. **We have seen that kind of thing before, when you see these kinds of numbers,**

that's usually been the beginning and we've had big runs in gold after that. I think it may have already started, as Apple has started to come down.

The other thing is, what did Bitcoin do? You guys are a little bit more favorable on Bitcoin than I am, but Bitcoin has crashed with the markets, it does not look like a store of value. Gold has gone up or flatlined during this decline, but Bitcoin has lost half its value here, cryptos lost USD 1.5trn in a very short period of time. That doesn't look like a store of value to me. It certainly isn't used for monetary exchange, what it looks like is another shiny object that people have been speculating in. Now I know there is a lot of libertarian types that believe in it and I respect that. But so far, all I have seen is that every time the stock market goes down, like 2018, Bitcoin crashed, every time. And we haven't seen a sustained crash here because the Fed has always come in, but what if they can't come in? Bitcoin fell, the stock market fell, money went into gold. I think that's maybe the very beginning of this and that will propel us a lot further.

Mark:
That brings me to a question, I would be extremely interested, since you are covering a lot of markets, you are obviously very bullish on gold, so are we. Would you say it's the sector where you are most bullish? Could you give some kind of a scale in terms of places where you are bullish on?

Fred:
Well, I like value stocks, as I mentioned I have some communication stocks, I have energy stocks, but my primary positions are the metals. **In an inflationary period, the two best performing sectors are gold and commodities, oil in particular**. I'm in gold heavily, the biggest positions I have are in the miners, they are ridiculously cheap, historically cheap.

HUI/Gold-Ratio is one of the ones I watch, currently at 0.14, during the 2000s bull market it averaged 0.46. It would have to triple to get to the same level that we were. All the valuation metrics of the miners, whether you are talking about free cash flow or dividend yield, the dividend yield for miners is at over 2%, its at 1% for the market, free cash flow is almost double. The numbers are huge, and one of the reasons is gold has been under loved here for this past period of time. Also, when that period of decline occurred out of 2016, we had a big cyclical bull market that began out of December 2015, we had a big move, the gold miners went up something like 100% and then they crashed. That left a sour taste in people's mouths. It was a big decline, its hard for them to come back. So one of the reasons for the severe under-valuation is the history, and people didn't understand that the result of that crash is that companies changed their stripes. **They didn't go**

over spending or overbuilding or anything like that and they became shareholder friendly and they have been increasing dividends and increasing buybacks and all those sorts of things. That's one of the reasons why the dividend yield is higher, the cash flows are higher, they are all so much better but it hasn't been recognized yet by the market. But it will be, it always does. And when you do get the moves, like in the 2000's, I was heavily in the metals and in the miners and they went up 17 times, 1660%, its unbelievable. When the miners go, the go in a big way, even in 2020 we had a 130% move and in 2018 we had a 140% move.

It's a group that goes through great depression fears and great heights as well. At this point, things are very negative. I look at the GDX and the GDXJ every month, they are the two big mining ETFs. The large miners and the small and intermediate miners and the number of shares outstanding on the GDX currently is 400,000, that's it. With all the ETF money that has come in, that is as slow as it was back in 2019, they've had no inflows whatsoever. The GDXJ, I have been monitoring that since 2016, I have never seen it lower, at 100 000. So, all this money pours into mainly tech stocks, and no money goes in, none, zero (into miners). So, I expect that to change too. We've had no inflows at all. Again, this shows the lack of institutional interest in gold and lack of interest in miners, but they will come back in. This is a great opportunity, one of those opportunities of a lifetime, because I think gold will take off and we all know there is huge leverage on the miner's bottom lines and the P&L's are fantastic to start, never mind what they could be with a higher gold price.

Miners: Unloved, But Dirt Cheap

Comparison of various valuation metrics: S&P 500 vs. Arca Gold Miners Index (GDM)

	S&P 500 Index	GDM Index
Price/Earnings	24.34	13.45
Price/Cash Flow	19.24	6.78
Price/EBITDA	14.82	5.89
Price/Sales	2.98	2.70
Price/Book	4.51	1.60
Ent. Value/EBIT	22.87	10.15
Ent. Value/EBITDA	16.58	6.37
Gross Margin	34.70%	41.49%
Operating Margin	14.50%	29.50%
Profit Margin	11.32%	19.10%
Return on Capital	8.44%	10.36%
Free Cash Flow Yield	3.36%	7.32%
Dividend Yield	1.38%	2.31%
Total Debt/Ent. Value	0.24	0.12
Total Debt/Total Equity	117.34	19.44
Total Debt/Total Assets	24.43	13.01
Net Debt/EBITDA	1.13	0.14

Source: Trey Reik, Bristol Gold Group

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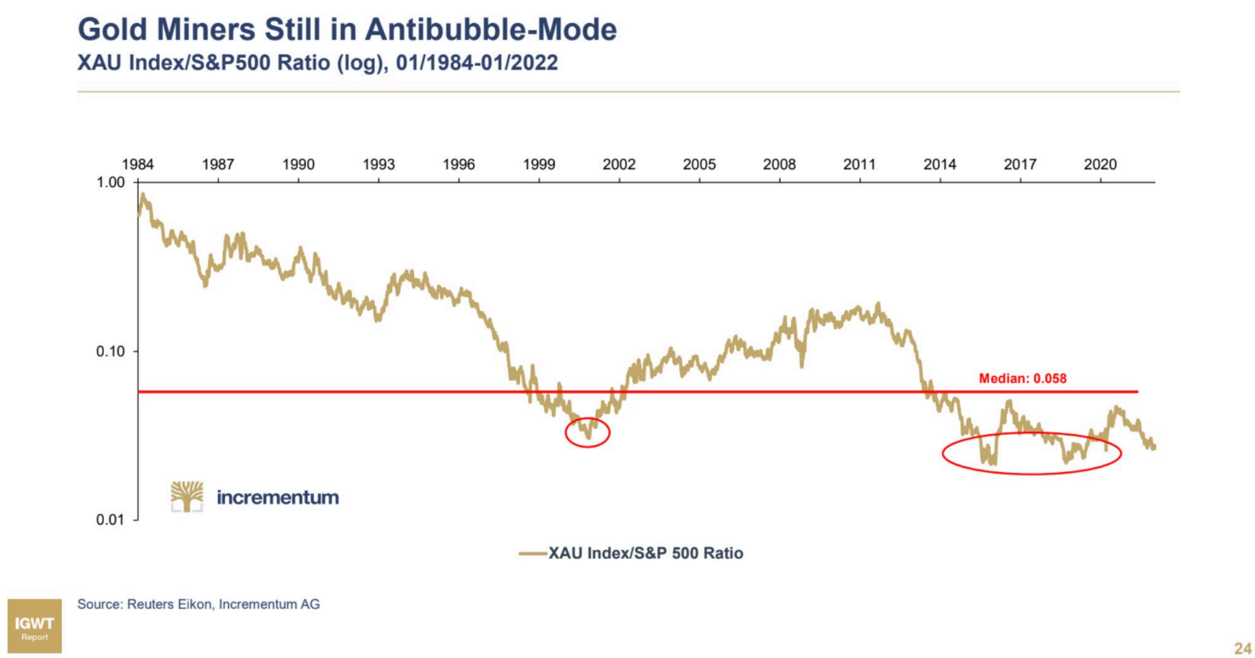
Ronnie:

We couldn't agree more Fred. I attended a couple of conferences last year, the Precious Metals Summit and also Denver Gold, last fall. It felt like… I don't know…. it was pretty empty and there were some good videos and jokes on Twitter about that. But as you said, looking at this (above) comparison between the S&P 500 and the GDM Index, it shows that not only relative to its own history, but also relative to the general market, gold miners are dirt cheap. And I agree, we are seeing pristine balance sheets in the sector, we are seeing high margins, of course inflation is a topic on the cost side, but as far as I see, most of the companies really have their cost structure under control, I think the sector managed to control covid pretty well, so this is probably the healthiest setup that I have ever seen in the gold mining space. But as you rightly said, the market has not realized it yet.



As this chart shows, it is the XAU Index vs S&P 500, this is the biggest anti-bubble what we are seeing and another one that we always show, because it is just a great chart to understand the big picture:

This shows the BGMI, which is the mining index with the longest history, it has been around since the 1930's, and it shows all bull markets. As we can see here this bull market, if we can even call it a bull market, is kind of long now but we are far away from the mania phase that we usually see at the end of every trend (blue, green and orange lines on the chart above). So, it's a pretty exciting setup in the mining space.

Fred, I don't know if you cover the silver space? It's also pretty interesting. Do you regard it as some sort of leveraged play, almost like a derivative on the price of gold? I don't see miners being able to decouple from the price of gold and I don't see silver as being able to decouple from the price of gold. But if we are in a bull market for gold, I am pretty certain that silver will start outperforming. Perhaps it's time to start talking about specific names if you want to, Fred? I know that you are a big fan of Kirkland Lake and I know you like the golden triangle a lot. I think you own Pretium, which is being acquired now.

Fred:
Kirkland too, I'm losing all my favorites.

Ronnie:

Yes, haha. Dolly Varden, also in the golden triangle, I'm also on the board of Tudor gold, in the golden triangle, one of the biggest discoveries of gold in the last couple of decades. Let's talk about your favorite names in the mining space and also the size and scope of the companies? Do you prefer the producers or the developers or do you go into the junior space? What is your take on political risk? Tell us more about your investment process in the mining space?

Fred:

Yeah ok, well I'm not a geologist. So I try to stick with what I know. I don't put too much money into the junior miners or explorers; however, I think that they will have the greatest move. If we get what we think we will get, the juniors will go crazy as they often do. As they always do in bull markets. So, I wanted more exposure there and I have been adding to them. You mentioned Dolly Varden in the silver area, but what I like to do is to piggy back on companies that I respect the management of and if they make an investment then it gives me a place to start. Now in Dolly Varden's case, Hecla, the largest US silver maker, they tried to buy Dolly Varden in 2016 and was rebuffed, different management, and Dolly Varden's package is surrounded by Hecla, so it's an attractive miner, and they have an 11% investment in them as well, Hecla retained that investment. I also own Rupert Resources in Finland because Agnico has an investment there and I think they have the best management in the gold business. I also own Maple Gold; they have a joint venture with Agnico.

Geographical positioning is important for me, I start there. I won't be in South Africa, it's just a disaster there. Labor issues and striking, and they have gone from number one to number eleven in the world now. So, I don't want to be there and I don't want to be in Russia, obviously there are issues with Russia right now. I don't want to be in places where they don't respect the rule of law. It had become a big problem in silver right now, the three largest areas are Mexico, Peru and Chile and all of them have turned leftist, with Chile and Peru most recently, and they are talking about significant tax and royalty hikes there. You have to worry about expropriation. I don't want to be in Venezuela. So, this limits me to a certain number of countries in the world where the rule of law is respected and property rights are respected. That would be the US, that would be Canada, Australia, I have mentioned Finland, one of the best rated European countries, so those are the kinds of places where I like to make my investments.

I also like good management, I did mention Agnico Eagle, in my opinion they have the best management out there. I have a very large position there, in one of those senior miners. I have smaller positions in Barrick and Newmont, I think they will do well, their geographical position just isn’t as good as Agnico, whose mines are all in Canada and they have a small position in Mexico and Finland, only in the very best positions. Now they bought Kirkland Lake, also in Canada, also in Australia. It’s just the best located, best managed and its almost half the price that it was not long ago. I think Agnico will be the go-to name in the space. So, I want to own that and it’s cheap. The only problem right now, and this is probably a very good time to buy, because they had to shut down some of their Canada operations because of Covid and I don’t know when they are going to start back up. I don’t know how long it’s going to be, it could be really short, but this will definitely influence this quarters numbers, so there might even be another opportunity to buy that one.

There are some that are very cheap, as I said I lost them last year because of acquisitions because some of the majors are seeing opportunities there in these good locations. Other stocks I do own is Alamos Gold, a strong intermediate company, most of their mines are in Canada, there is a smaller operation in Mexico. Right now the stock is depressed because the Mexican operation called Mulatos is going through a transition and they are going to go to a new pit area called La Yaqui Grande, and when that happens in the second half of the year, the costs are gonna crash, they are gonna be cut in half, the production is gonna go right back up and they will be hugely cashflow positive for the next several years, on top of their very great mines, Island Gold is a tremendous mine, one of the highest rated mines in the world. So, Alamos is great, it’s selling at a fraction of the NAV, like 0.7 and a very low P/E. Wesdome is another one. They are also in Canada, they are basically doubling the size of their company, they have one mine and now another mine is opening up and they are increasing their production dramatically, they are expected to increase their earnings this year by 65% and their P/E is 8. You don’t see these kinds of things unless you are in a bear market low.

I could give you lots of other names, but basically, geographics are very important, I stick to juniors when I get some edge and I like the intermediates, there are a chance for acquisitions there too as we go forward.

Ronnie:
Excellent. I think most of the names you like, we like as well and we own for our funds. Hecla and Agnico Eagle Mines are premium partners of our *In Gold We Trust* report, it’s a great pleasure working with those two companies and two great management teams.

Now Fred, the final question from my side would be… as your newsletter is called “The High-Tech Strategist” and I love reading your material because you are one of the few people that still listens to earnings calls and you are really doing your research, so you probably already have an idea when to start buying into the tech space again. We have seen some volatility recently and I thought it was interesting that the Chinese tech space basically started this whole correction more than a year ago and now some companies in China seem to be at attractive valuation levels. From your point of view, how much of a further correction does it need for some names that you like in general, for you to start buying again?

Fred:
If they get to levels that are cheap, I’ll buy them. Last year I owned Nokia and it went up 60% or whatever, it was good. So even in the bubble period it was a hated stock and it was a turn-around story. Really that is what I’m looking for and we talked about these valuations being beyond belief, I’ll have to see a very serious decline from here before I was to get aggressive. I have bought here and there, if I see things in individual industry, there was one I owned last year called Sensata, which is a semi-conductor company that was benefitting from autos. In 2020 I started buying it. But I am looking for valuations to come down, or if the fed comes in and pours a lot of money in and if that happens, I see that I could be buying as well, one or the other. It has to be valuations, and we are nowhere close, we are just at the beginning of the breakdown of the large cap stocks. I am not interested in buying the garbage that have fell apart, the stuff that fell apart starting in February, that’s not my kind of thing, I buy quality. Unfortunately, I do like software companies and their margins and everything, but these have been crazy valuations. But if I see them coming down then my intent will go up, because I am “The High-Tech Strategist” and it’s hard to take all the criticism because I’m not talking about tech. So, there is some pressure on me to be looking to buy.

Ronnie:
So, you don’t feel like a kid in the candy store in the tech space yet?

Fred:
We are at an early 2001 time-frame here, in the bubble. Only the crazy stuff has broken so far.

Ronnie:
Yeah, I couldn’t agree more. Mark, do you have a final question?

Mark:

Final question Fred, crystal ball… when do you see a new all-time high in gold?

Fred:
I try not to put out target prices and forecasts. I just know that the setup is perfect whether you look at it technically or the valuations or negative interest rates, and the tech part falling apart, it's perfect. So I can tell you they are going higher, when exactly? I'd say this year for sure, because I think thing are gonna fall apart, but when is hard to know. You mentioned that inflation might come down a bit, it might and that could have an impact. Seasonally, we are in a strong seasonal period for gold right now through February, then we might have another dip. It's hard to know and it doesn't really matter from my standpoint because I am a long-term investor and I'm looking for a big payoff here in this area.

Mark:
Brilliant, brilliant final words. Thank you so much from my side, Fred.

Ronnie:
Absolutely, Fred thank you very much. I read in your most recent piece, lots of Ludwig von Mises quotes.

Fred:
Yes, I am an Austrian at heart.

Ronnie:
So, we are Austrians from Austria. One of the quotes, that I actually didn't know… you quoted Mises saying:

"What generates the evils is the expansionist policy. Its termination only makes the evils visible. This termination must at any rate come sooner or later, and the later it comes, the more severe are the damages which the actual boom has caused."

- *Ludwig von Mises. "The Causes of the Economic Crises". 1946.*

Fred:

They really apply today, unfortunately.

Ronnie:

So, Fred, is there anything you want to say to finish off? How can our viewers subscribe to The High-Tech Strategist?

Fred:

If you want to get details on the newsletter, you can send an email to:

thehightechstrategist@yahoo.com Twitter: @htsfhickey

Ronnie:

Fred, you are also very active on Twitter, I really like your comments. Thank you very much for taking the time, you have many, many fans and followers over here in Austria and that is an open invitation to you and your wife, if you should come around, please let us know, we would be happy to show you around and to do the Austrian economics walk here in Vienna. Also, to have some good schnitzel, beer and wine or whatever you would like here in Vienna. Fred, thank you very much and it has been a great pleasure finally meeting you.

Mark:

Cheers.

Fred:

Cheers, bye.

Appendix: Permanent Members of our Advisory Board

James G. Rickards

Jim is the author of the international bestsellers *Currency Wars* and *The Death of Money: The coming collapse of the international monetary system*. He is portfolio manager at the *West Shore Fund*. During his career, Jim has held senior positions at *Citibank*, *Long Term Capital Management*, and *Caxton Associates*.

Dr. Frank Shostak

Frank is chief economist at *AAS Economics*. He has over 35 years of experience as a market economist and central bank analyst. He holds a PhD, MA and BA honours from South African universities. He was professor of economics at the *Witwatersrand University* in Johannesburg. He is one of the world leaders in applied Austrian School of Economics and an adjunct scholar at the *Mises Institute* in the US.

Rahim Taghizadegan

Rahim is the founder and director of the *Scholarium*, an independent research institute in economical and philosophical issues in Vienna. He is a bestselling author and a popular speaker internationally. Rahim studied Physics, Economics and Sociology in Vienna and Lausanne. He has worked in the fields of economics, space research and journalism. He has also taught at the *University of Liechtenstein*, the *Vienna University of Economics and Business Administration* and the *Universität Halle an der Saale*.

Ronald-Peter Stoeferle, CMT

Ronni is 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 the advisory board at *Affinity Metals* (AFF). 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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