
New Views on the Allocation of Assets

Afterburner Developments
After the Financial Crisis

1. QUALITATIVE EASING and where are the Limits?

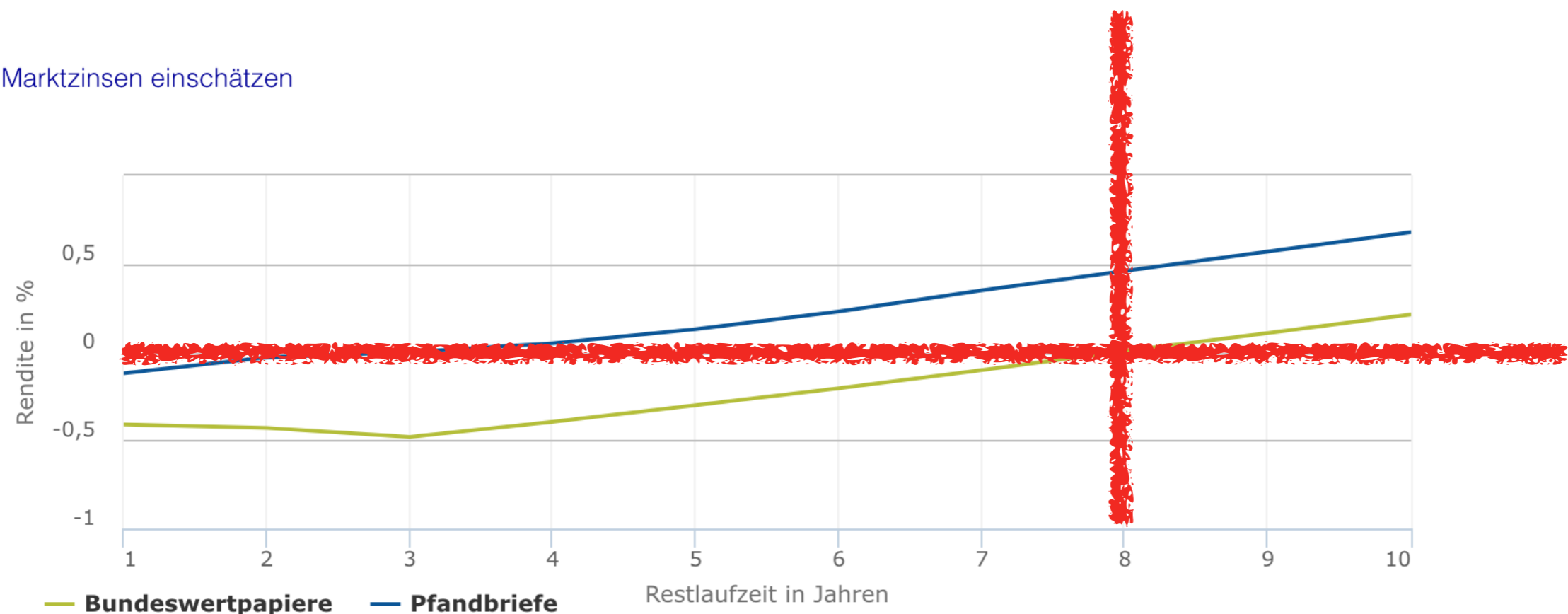
Sounds sophisticated, means: No or Negative Interest Rates :
New Instrument since 2.500 Years in the Money System



Present Negative Interest Rates Germany

Zinsstrukturkurven

Marktzinsen einschätzen



Eine Zinsstrukturkurve gibt die Rendite einer Anlagengattung in Abhängigkeit von der Restlaufzeit wieder, und zwar für einen Zeitraum von 0 bis 10 Jahre. ►

Quelle: Deutsche Bundesbank

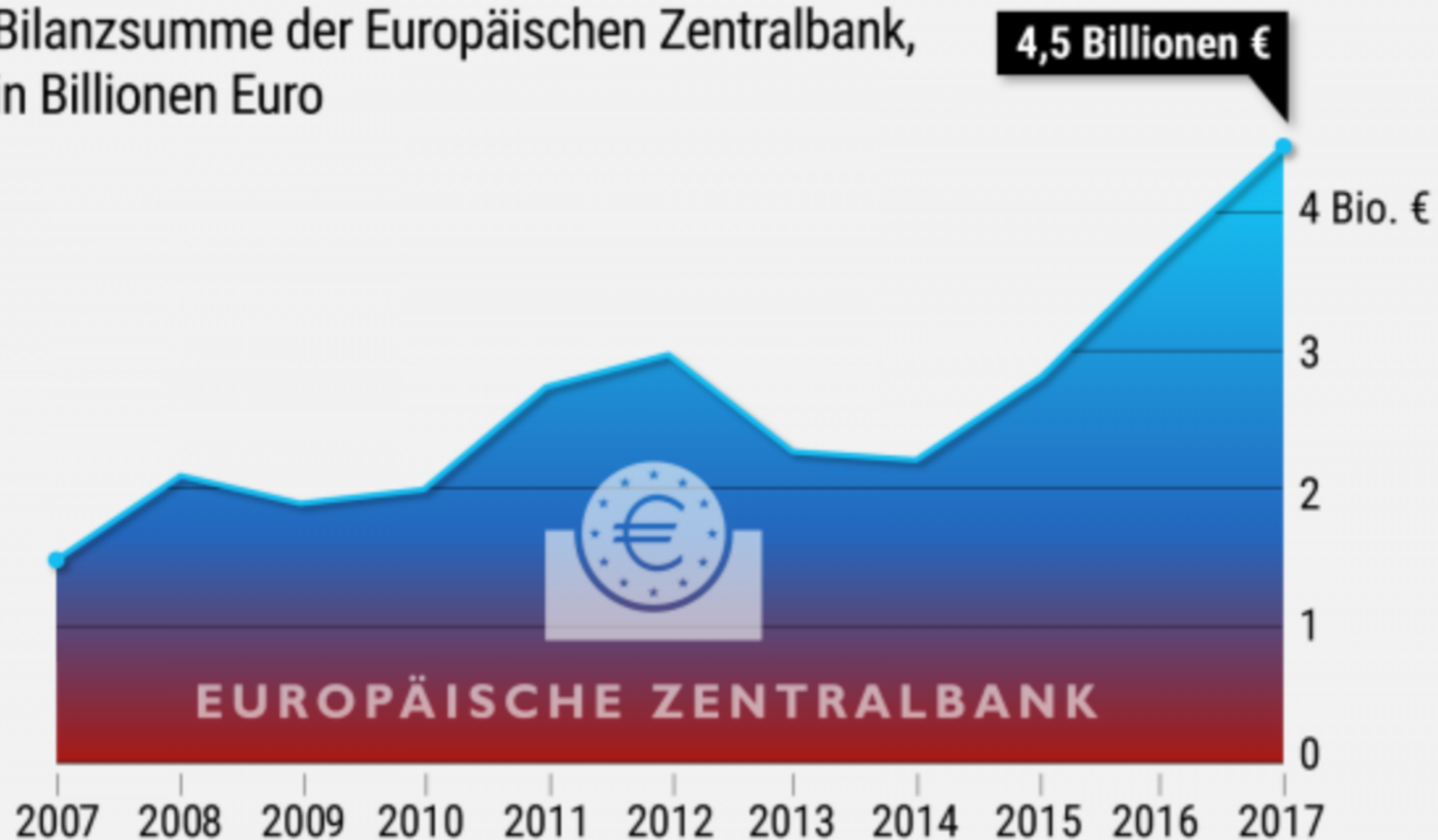
Restlaufzeit in Jahren	1	2	3	4	5	6	7	8	9	10
Bundeswertpapiere	-0,410000	-0,430000	-0,481000	-0,395000	-0,301000	-0,205000	-0,102000	0,006000	0,108000	0,213000
Pfandbriefe	-0,120000	-0,030000	0,000000	0,050000	0,130000	0,230000	0,350000	0,460000	0,570000	0,680000

2. QUANTITATIVE EASING and where are the Limits.

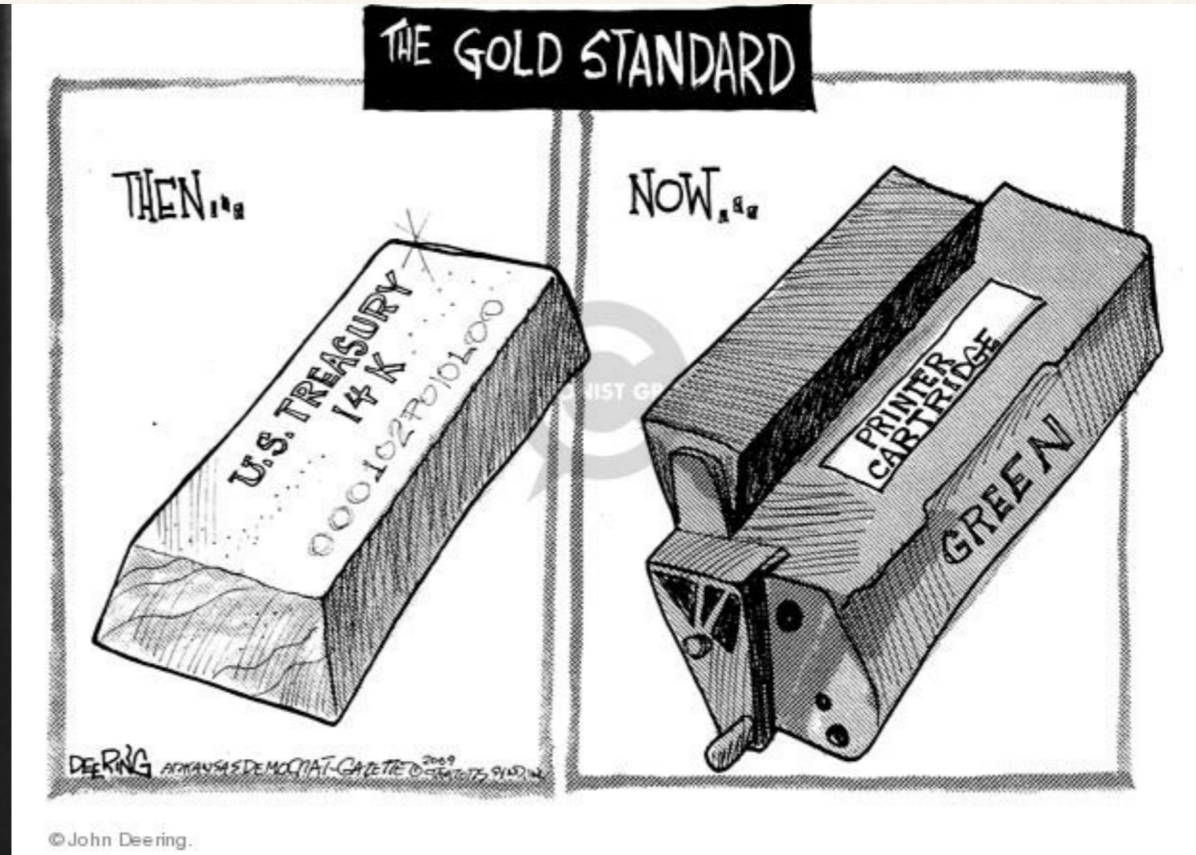
Sounds sophisticated - means : Money Printing

EZB: die aufgeblähte Bilanz

Bilanzsumme der Europäischen Zentralbank,
in Billionen Euro



Gold Window Closed - Bretton Wood Money System terminated 15. August 1971



I have directed Secretary Connally to suspend temporarily the convertibility of the dollar into gold or other reserve assets, except in amounts and conditions determined to be in the interest of monetary stability and in the best interests of the United States.

1. What are the Limits of QUANTITATIVE EASING (Sounds sophisticated: Means Money Printing)

What are the Consequences of Unlimited Money Printing and Unlimited Balance Sheets of Central Banks ? :



7 Asset classes or 2 Asset classes

— asset classes overview



Asset Classes

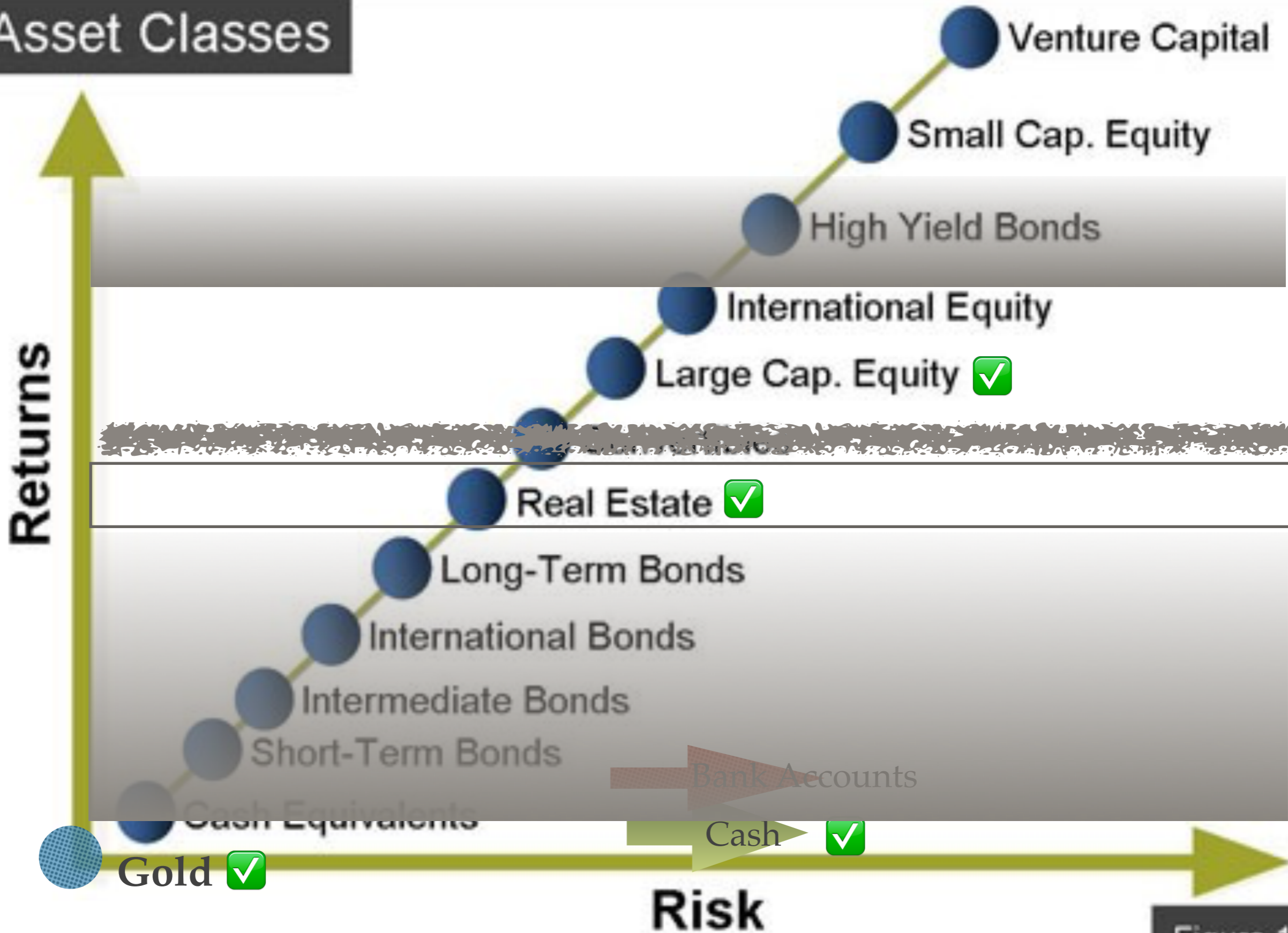
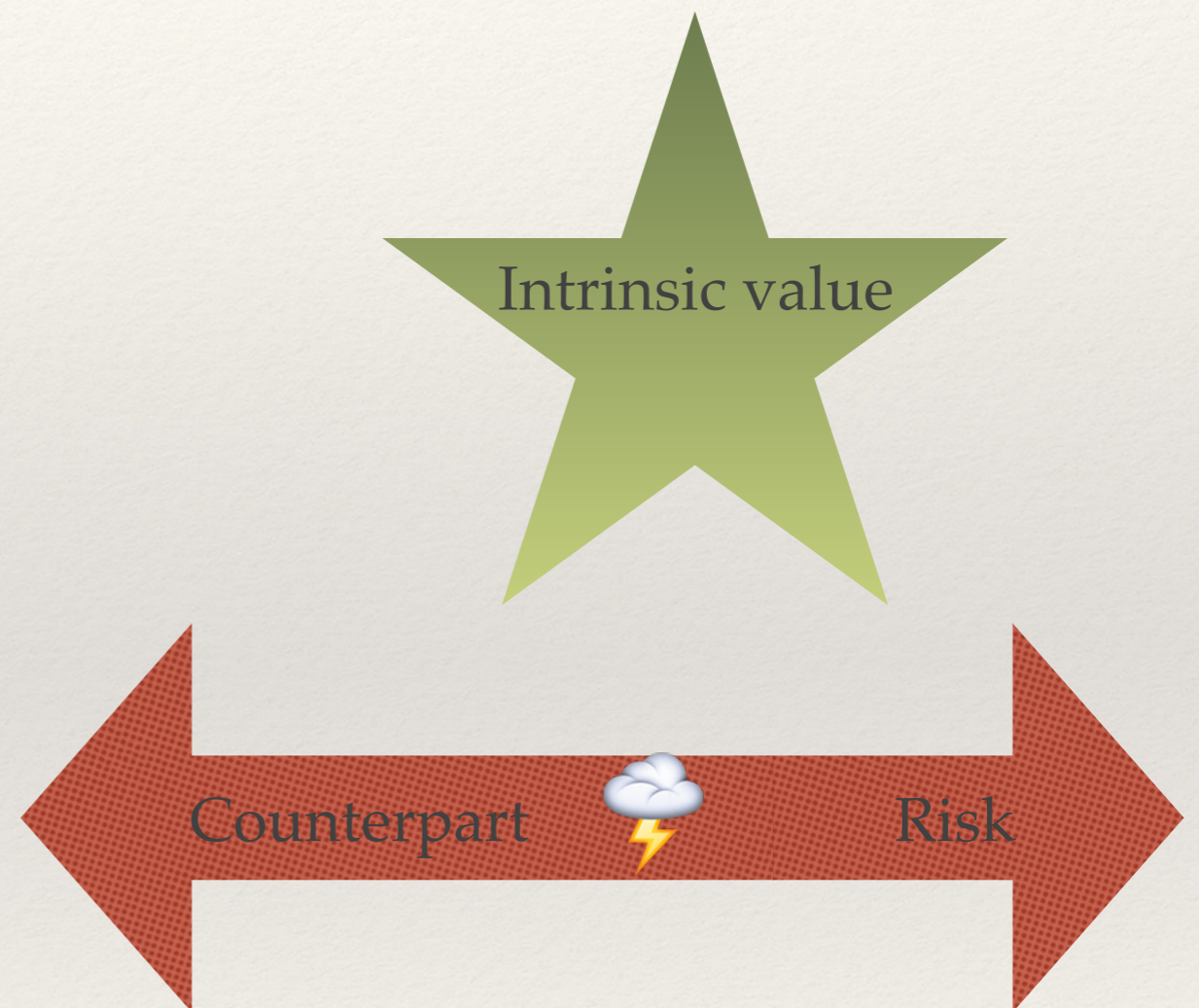


Figure 1

Lorem Ipsum Dolor

Reduktion to Two Asset classes

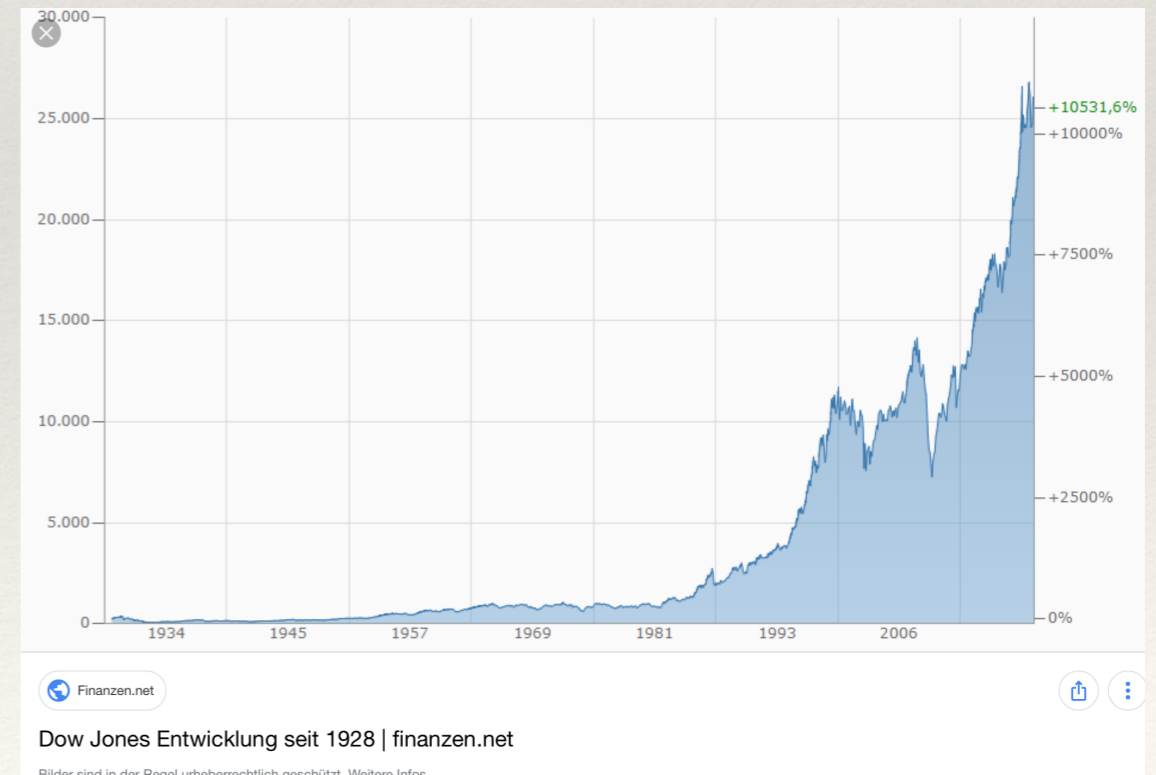
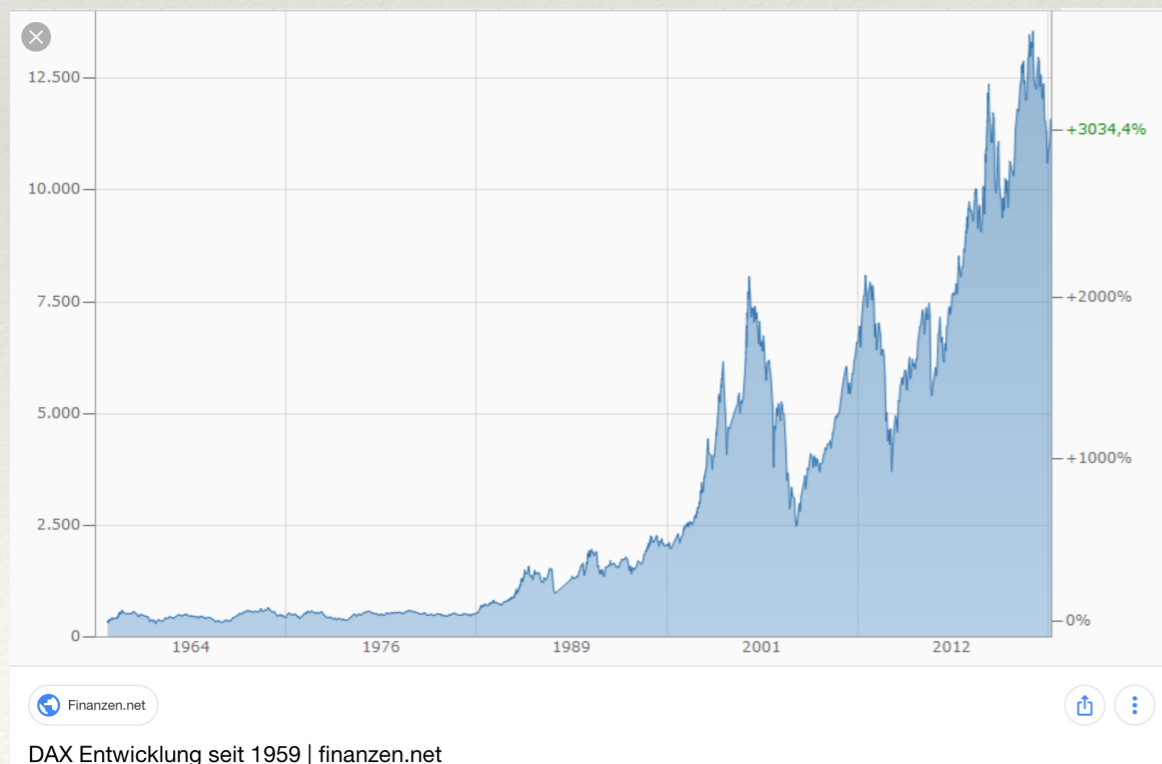


Stock Market

Dax

Dow

Longterm Chart

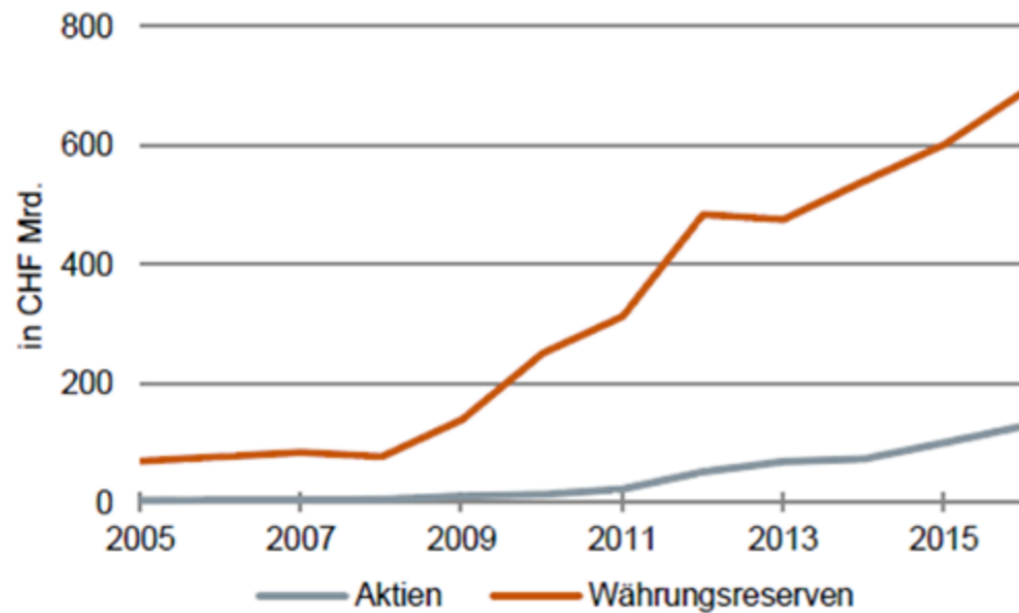


SNB Swiss National Bank

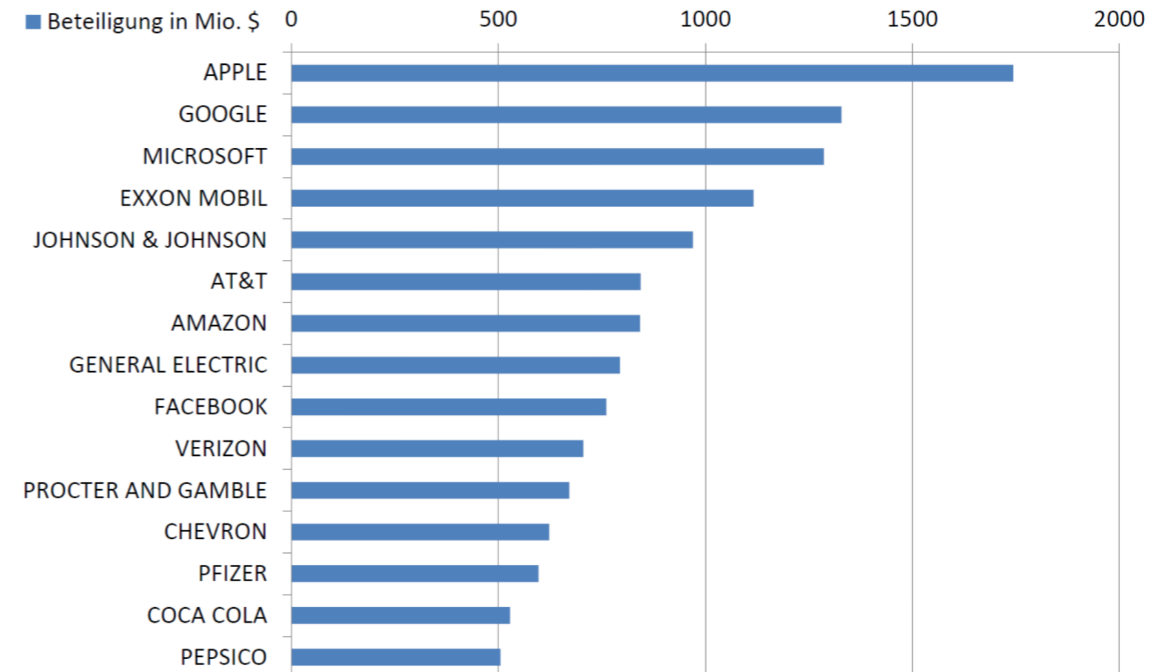
Invested into the **STOCK** Market (= intrinsic Value without counterpart Risks)

STEIGENDER AKTIENANTEIL

Währungsreserven und Aktienbestände der Schweizer Nationalbank

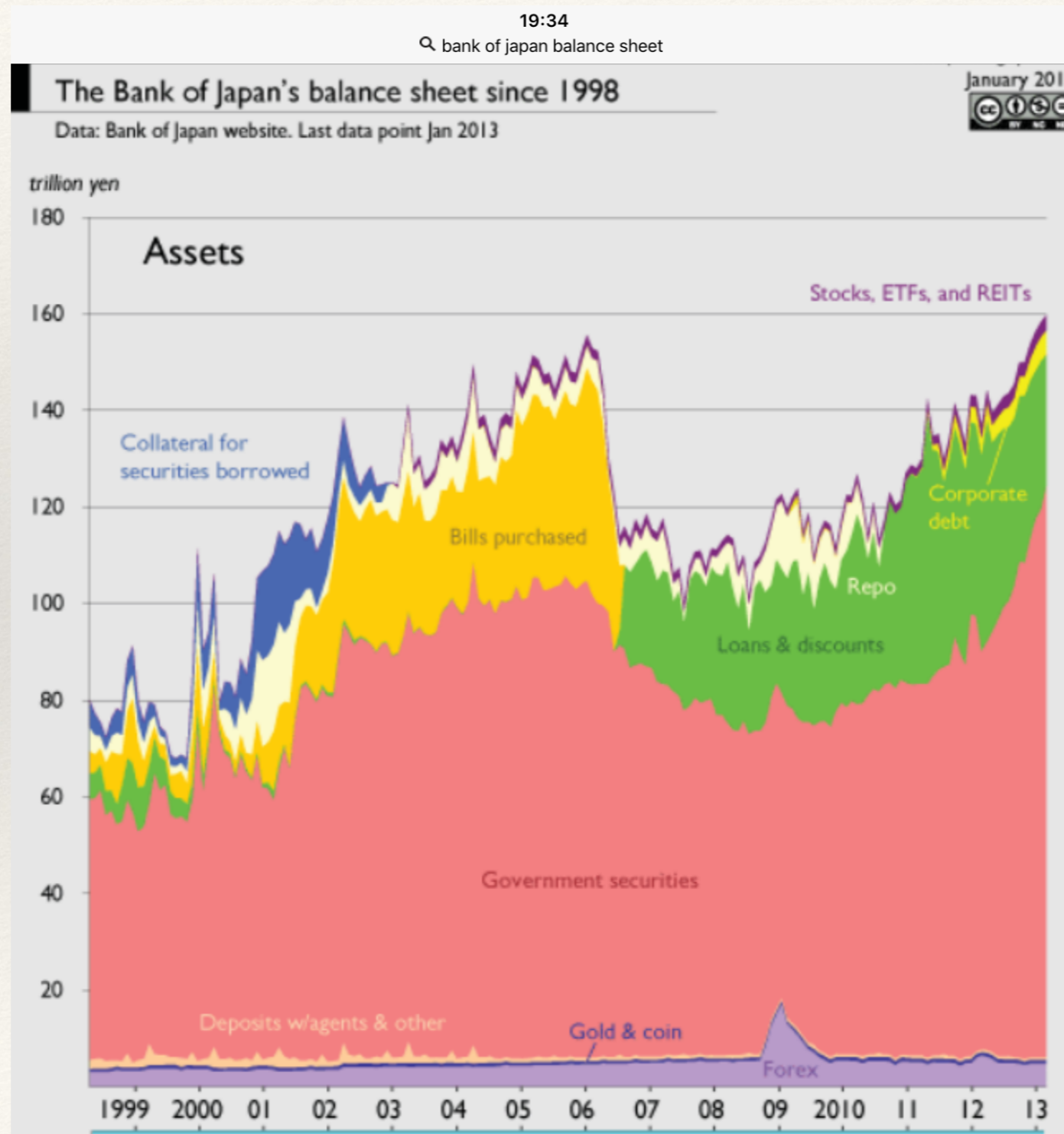


Grösste Positionen im SNB-Portfolio



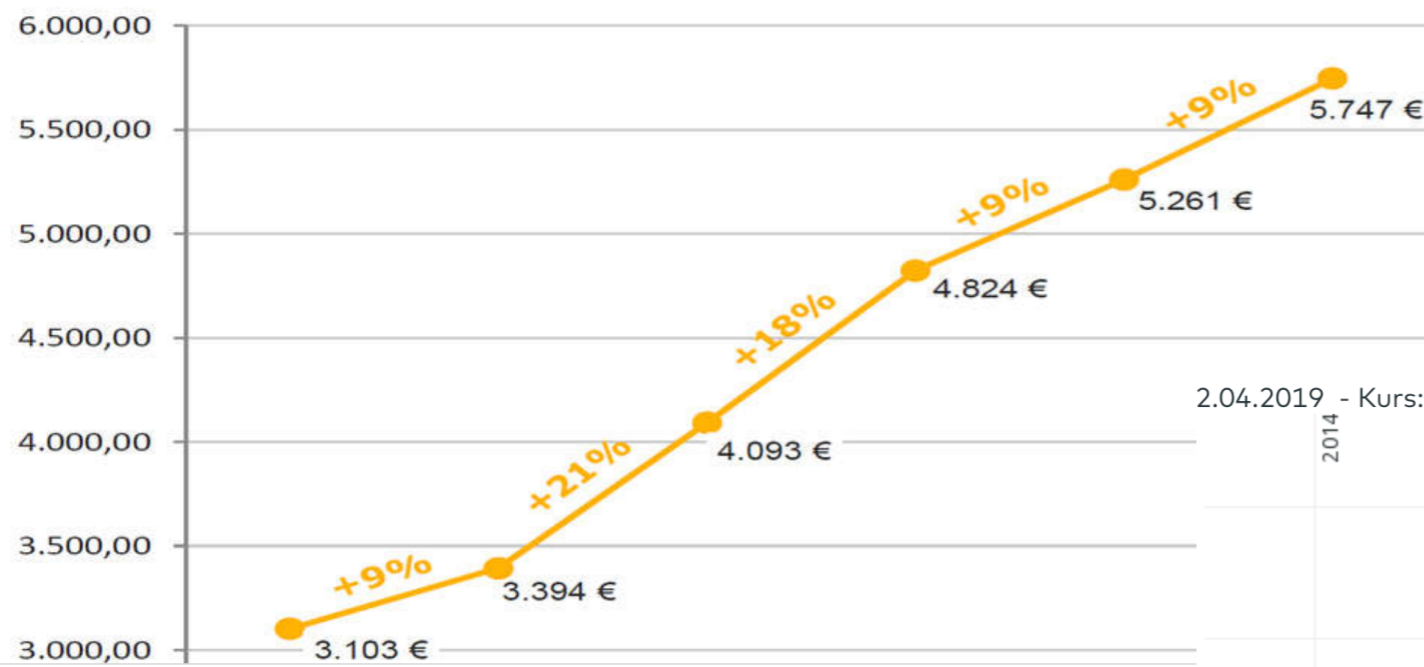
BoJ

Invests into Stocks & Reits



Real Estate Chart

Preisentwicklung von Eigentumswohnungen
in München, 2010–2015



2.04.2019 - Kurs: 46,42



Rediscovery of Gold

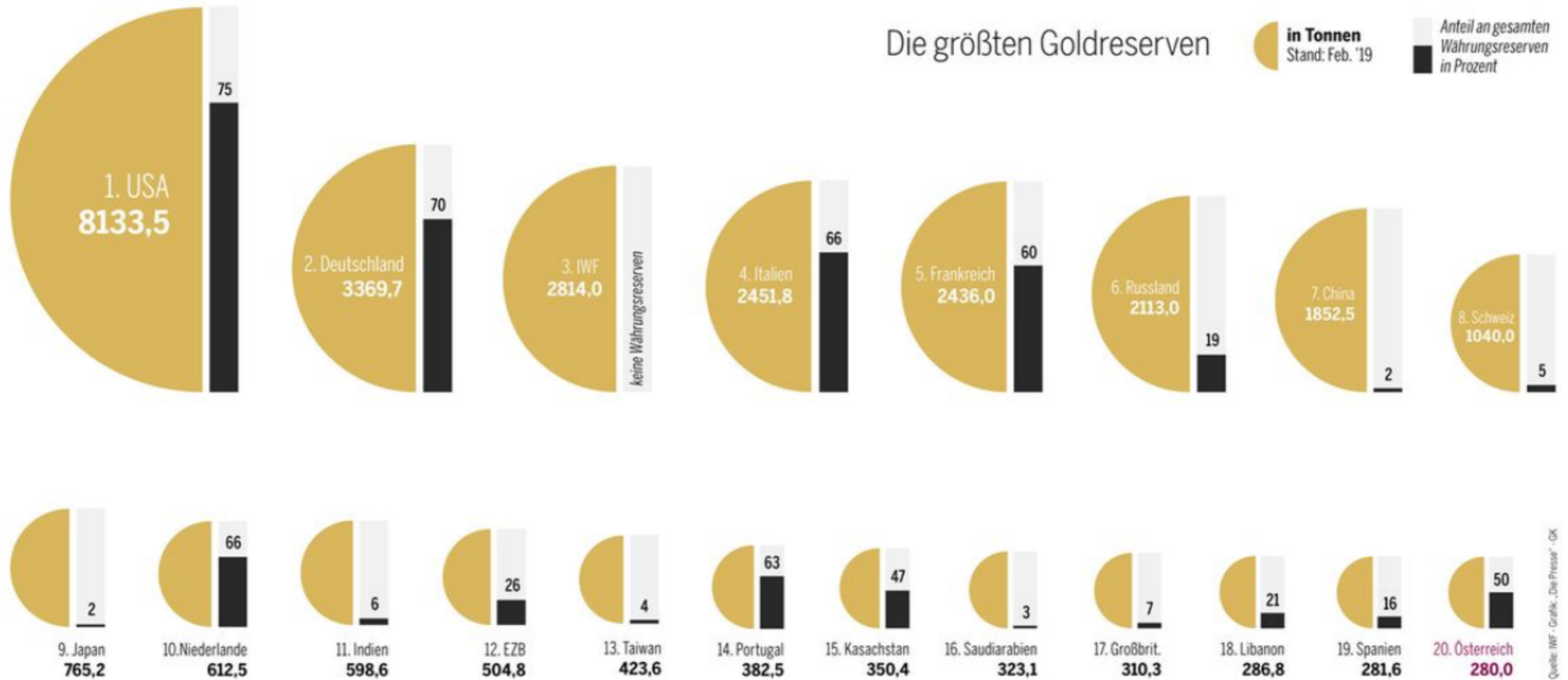
1. No Sell off of existing Gold Reserves by Western States
2. Repatriation of existing Gold Reserves is ongoing
3. Massive Extension of Gold Reserves by Eastern States

Gold Chart

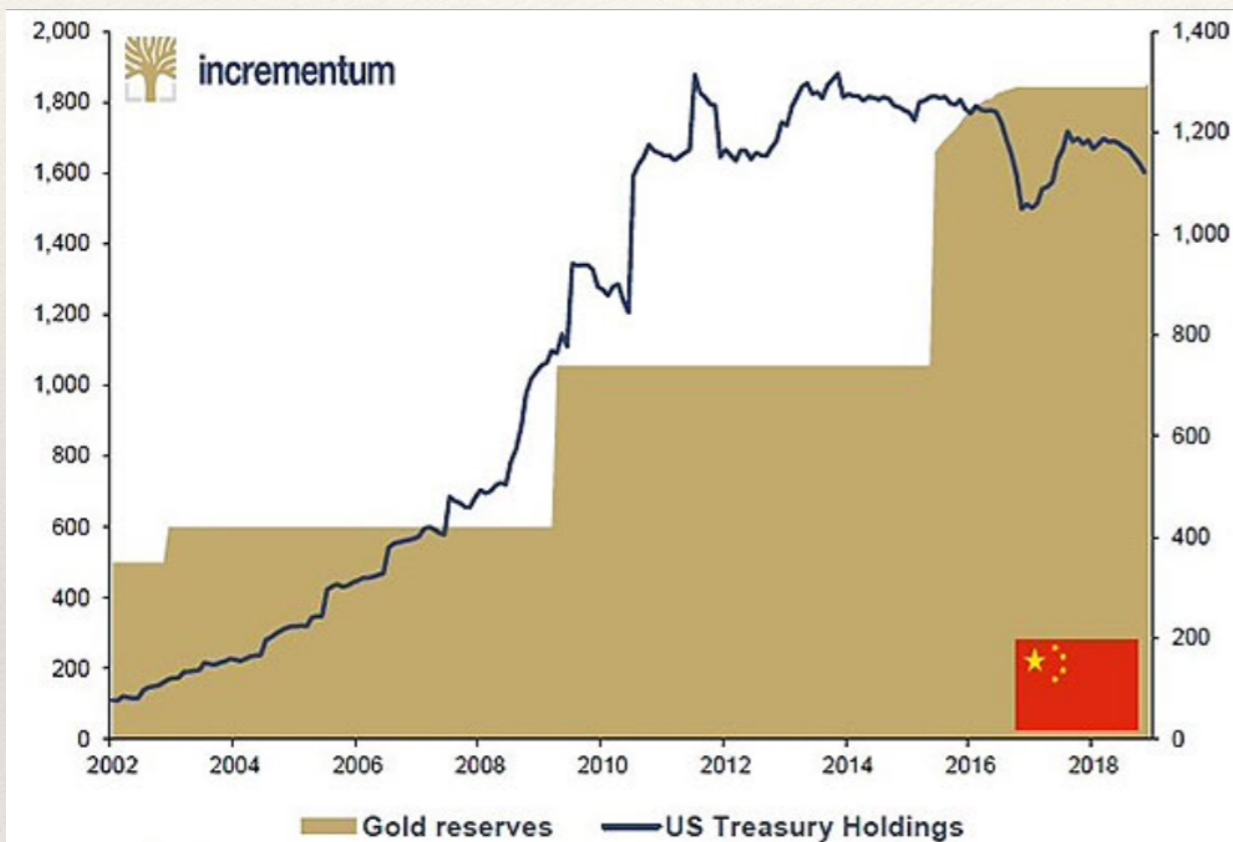
Gold Silver 10m 1h 6h 1d 3d 5d 1w 1m 2m 6m 1y 2y 3y 5y 10y 15y 20y 30y All USD ▼



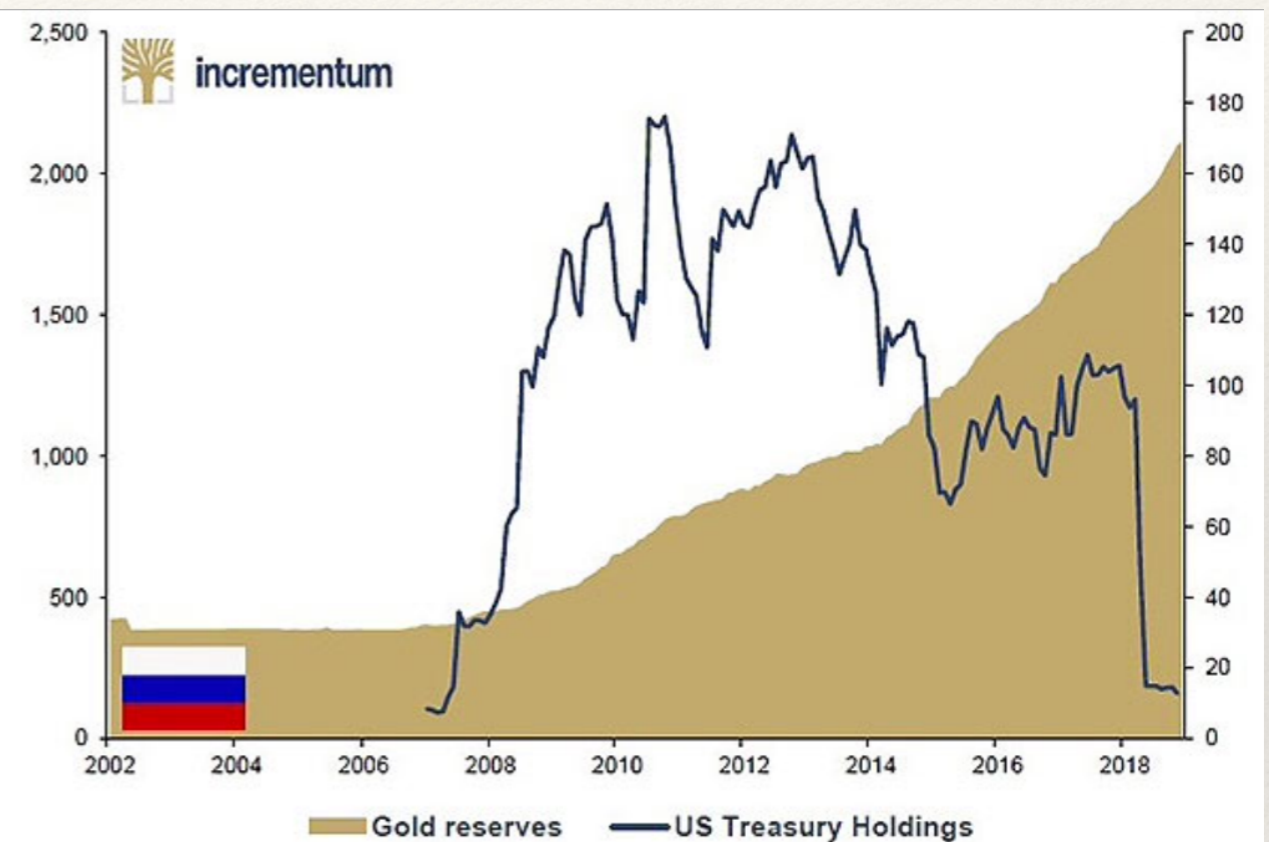
Gold Reserves of States



Gold Holdings and Dedollarisation



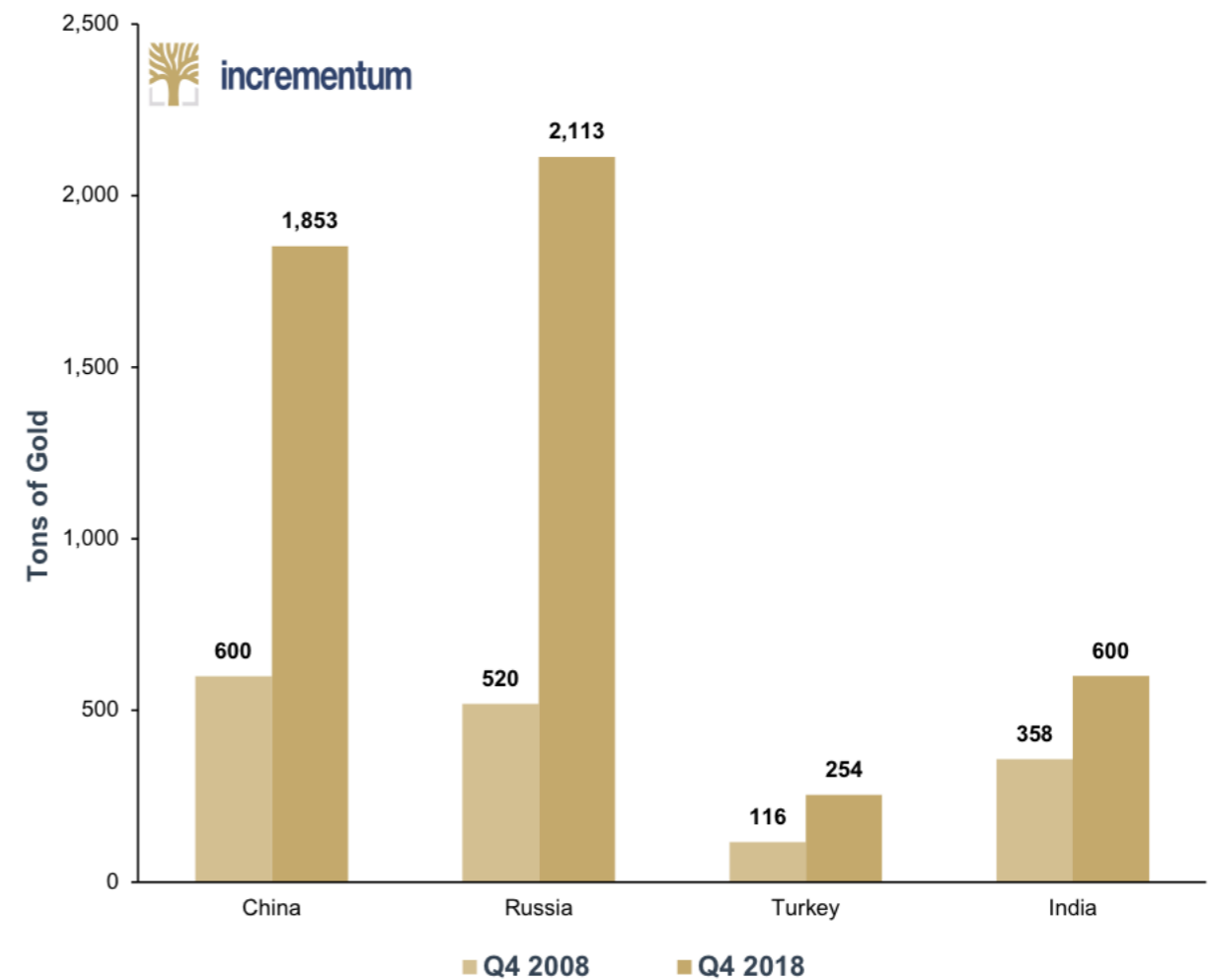
Sources: Goldhub, US Treasury Department, Incrementum AG



Afterburn developments 2008-2018

Change in Gold Reserves Held by Emerging Countries

- In recent years the “*axis of gold*”^{*} countries have questioned the US-dominated global economic order. Their distrust is reflected in the steady expansion of their gold reserves.
- China, Russia, and Turkey in particular have boosted their central bank gold holdings substantially since 2007, by 209% (China), 307% (Russia), and 118% (Turkey). India has boosted by 68%.
- The increase in gold reserves should be seen as strong evidence of growing distrust in the dominance of the US dollar and the global monetary and credit system associated with it.



^{*} A term famously coined by Jim Rickards

Sources: World Gold Council, Incrementum AG

Final Conclusions

1. Substantial Financial Crisis 2008
2. Massive Interventions by Central Banks
3. Instruments: Qualitative and Quantitative Easing
4. Asset Inflation
5. Rethinking of Asset classes
6. Assets with / without Counterpart Risks
7. Capital Markets not yet back to normal conditions
8. Central Banks not yet prepared for a New Crisis
9. Eastern Central Banks Dedollarise and rediscover Gold

Lorem Ipsum Dolor

Money depreciation



Modern Monetary Theory

Taxation of Cash Money

IMF Academic approaches

7 Asset classes or 2 Asset classes

No more Cash Money

ECB



Sweden

India

Abandoning Cash Money

Examples

Sweden

India

Three Questions to the Financial System

.....about sages and bells

Assets with intrinsic value

Lorem Ipsum Dolor

Asset Allocation

Assets with counterpart Risks

Blockchain Technology

Dematerialisation of Bonds

(No more physical Paper-Bonds and No physical custody)

Question :

Where is the Limit?

Wy paper-money and not Blockchain-Money