ANALYTICAL & WORLD ECONOMIC CONFERENCE

DECEMBER 3RD & 4TH, 2011 AT THE

The Westin Philadelphia

99 South 17th Street at Liberty Place

Philadelphia, Pennsylvania 19103 Phone: (215) 563-1600

Register by sending email to: ArmstrongEconomics@HotMail.COM

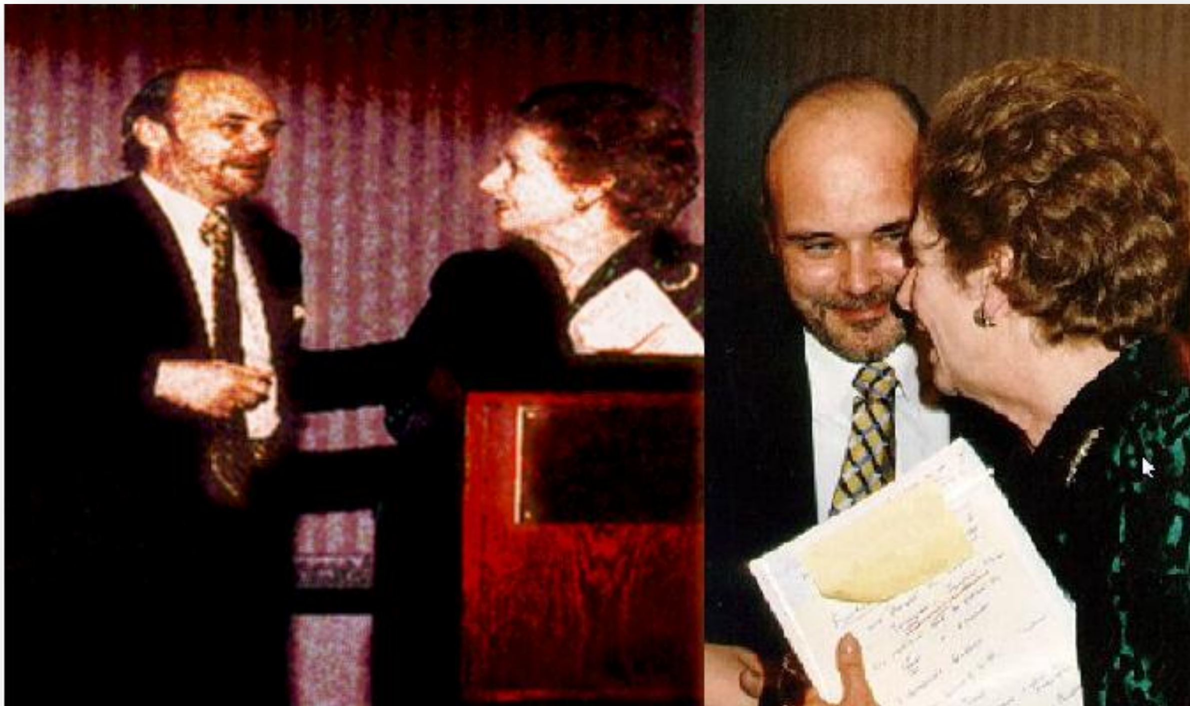
Seats $2500 each for two days: $750 for Only World Economic Conference

Thank you for your reservation for the **Analytical & World Economic Conference** being held in Philadelphia, December 3rd and 4th. This will be held at one of Philadelphia's finest hotels located in the heart of the city within walking distance of Independence Hall, the Liberty Bell, first Bank of the United States, US Mint, the Constitution Center, and of course Ben Franklin's print shop and his grave.

The price of $2500 for the weekend is a substantial reduction from the normal $10,000. However, we are trying to open this up to private individuals and fund managers in addition to the institutional clients. To preserve limited space, we are compelled to limit the attendance to 3 seats per institution.

The price will include luncheons for both days and a cocktail party Saturday night for everyone to get to meet one another. These "***networking***" sessions have been very popular over the years.

We have a room block to 50 rooms. The capacity of the hotel is about 200. To reserve a room you may contact Samantha McPherson smcpherson@westinphila.com. They will be on a first come first served basis.



Because we are trying to keep the costs down on this year’s conference, we will not be having any guest speakers as we have done over the years. Day two will be the **World Economic Conference** priced at $750 per seat whereas the entire weekend is $2500 per seat. The **WEC** on day two will be a special forecasting event given the crisis we face on a global scale. Attendance is already booked with people flying in from Singapore, Thailand, Hong Kong, Japan, London, Paris, Frankfurt, Switzerland, and Greece among many other nations. This will be a great get together as always like a mini-private United Nations of the financial world.

As always, there will be no local advertisements in an effort to keep the session exclusive and low-key. Reservations are mandatory. Unlike the **World Economic Conference** of 1987 where there was so much demand for seated following the ’87 Crash so we had three sessions back-to-back that is not possible this year. This will be a onetime event.

Imperial Hotel Tokyo

This **Analytical Conference** will provide real world analytical tools for making your own trading and major strategic investment decisions. This will include technical analysis that is cyclical based and by far not the normal uptrend, downtrend charting techniques. This will include channel analysis that will enable you to visually dissect any chart and see the trend much clearer. This will also include cyclical analysis showing above all how to understand **TIME** and how it actually moves dynamically.

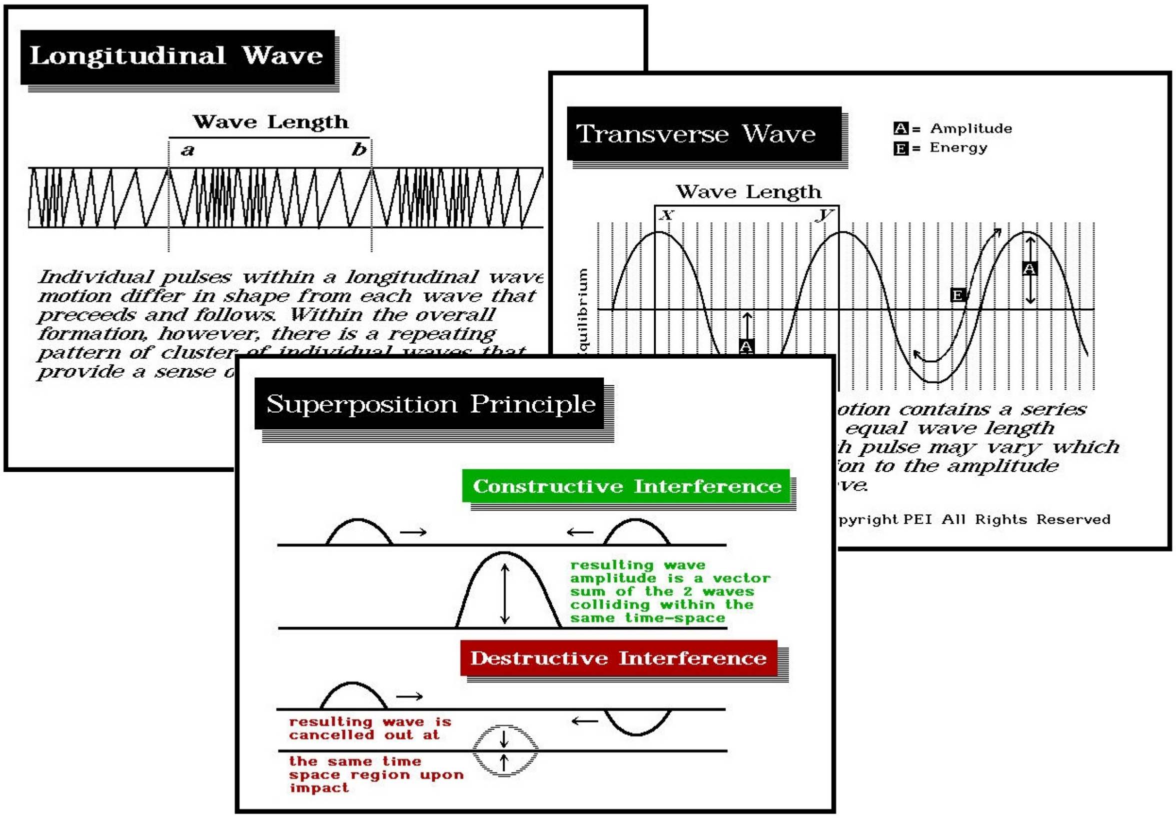
Cyclically, we will explore the **Economic Confidence Model** and reveal its deep secrets and how there is so much more regularity to **TIME** than just the major turning points.

Above all, cyclical analysis will be presented to reveal the dynamic fractal structure of the global economy. The limitations of ***Western Linear Thinking*** will be pulled back and you will see the world around you as it really is, a vibrant dynamic purely nonlinear complex system.

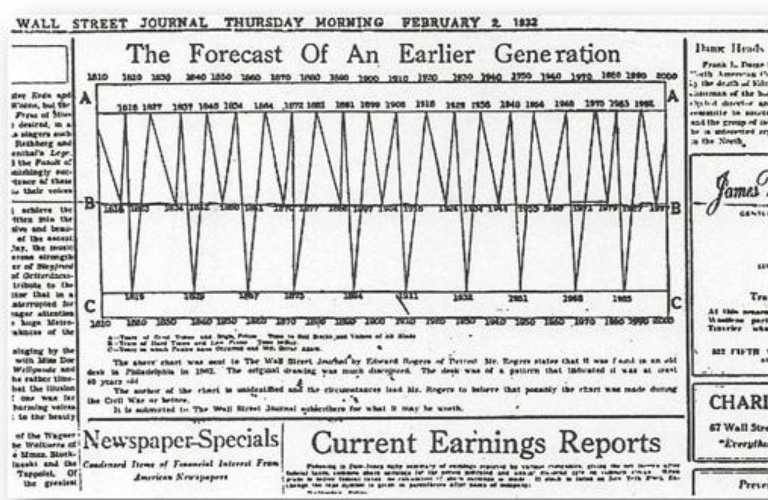
Once you understand how to dissect **TIME** itself, you will be able to see you have to learn how to flow with the market trend. The markets tell you what they will do if you pay attention.

Those that refuse to even explore **TIME** are far too biased. The mark of intelligence is always willing to learn, which is what makes life interesting. If there is no new dimension to explore, life gets boring as just the same old thing.

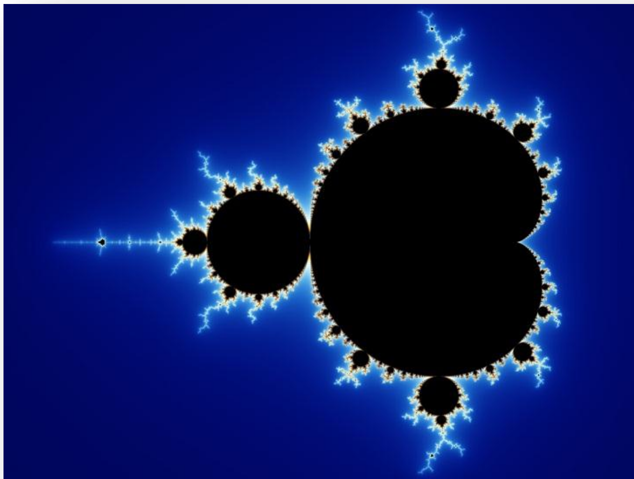
CERN just clocked nutrinos traveling faster than the speed of light. Under Einstein's ***Theory of Relativity*** (E-mc^2) that is not supposed to happen. This proves above all else, that we must always keep an open mind for a closed mind promotes stagnation. People resist change. That is just the way it is.



We will look at wave structures and perhaps the most important aspect of all – the **Superposition Principle**. Not all waves are symmetrical (transverse) and the formations can get complicated when dealing with Longitudinal structured wave formations as pictured here by the Wall Street Journal in 1933. Here the turning points are by no means symmetrical but vary introducing complex repeating wave patterns. The amazing aspect of this avenue of research has been the denial of many questioning even the existence of such dynamic complexity. To just admit the existence of complexity is to in fact defeat much of what politics desires – ***to always control the masses.***

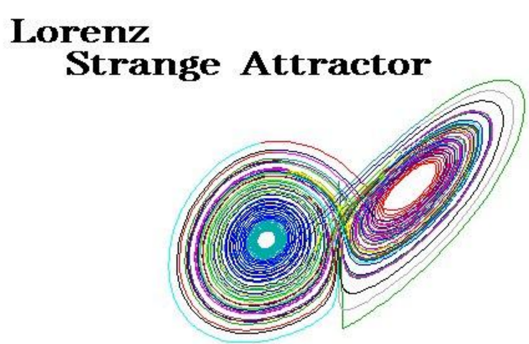


This is why cyclical analysis has been largely ignored in economics because it adds a whole new complex dimension to Adam Smith's ***Invisible Hand*** - (Free Markets) that are opposed to government manipulation.



We will explore the **Fractal Nature of Time**. The most fascinating discovery has been the ***Fractal Structure of Markets*** revealing that society and thus the economy operates on the very same rules that govern the rest of everything around us. Unfortunately, the program we use to sell that allowed you to take a data series of any market and search out the fractal structure and display it as a picture is an old DOS program that requires updating to run on the new 64 bit systems. In the future, perhaps that will be made available once again. It is an excellent tool to display the hidden order behind what appears to be random chaos. This hidden order is why there is no validity to Random Walk, Efficient Market Theory, or other concepts that are based on the inability to see complexity thanks to the myopic one-dimensional observation.

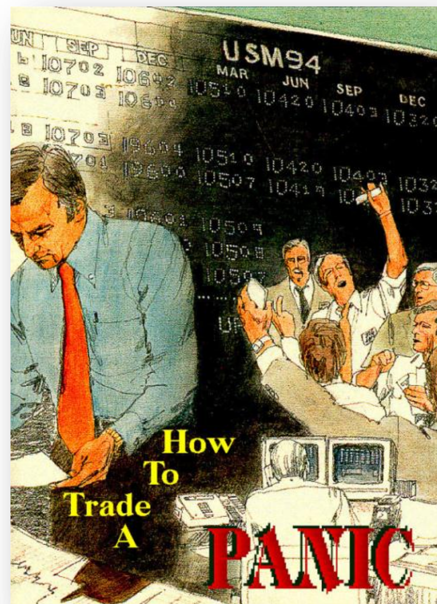
We will also explore **Strange Attractors**, which is the principle behind the **Reversal System**. Pictured here, is the famous **Lorenz Strange Attractor** discovered when analyzing weather data. You would think the weather system certainly appears to be random. It is not. Taking data and analyzing it produced the revelation of a structured order behind the cyclical movement of the seasons and the daily environment. When plotted, there emerged strange points that were invisible which the system was attracted to and moved around them. Investigations into the economy revealed the same interesting occurrences. To discover these points took centuries of data. They do not pop up with just a few years of data. These are all aspects that reveal that the economy is no different from any other system within nature. It too is not isolated from weather since food is directly linked to the whims of ***Mother Nature***. This is the proof that the system is by no means just random. To a large extent, what develops compels us to react in the same patterns over and over again. History repeats, as Machiavelli argued, because the ***Passions of Man Never Change***. It is like a Shakespearean play that is performed for centuries. It is always the same plot; only the actors come and go.



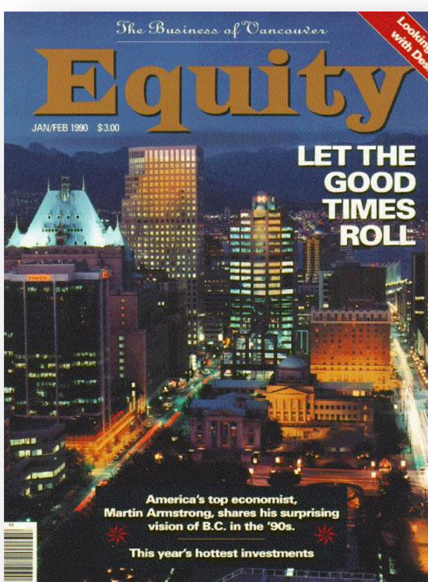
The Lorenz Strange Attractor was discovered while attempting to analyze weather system in 1963. This illustrates the hidden order that exists within the overall random appearance of our environment.

HOW TO TRADE A PANIC

You cannot learn to trade a **PANIC** unless you understand **HOW** a wave is structured. Understanding the cyclical wave formation allows you to **TRADE**. Like a surfer sitting on his surf board waiting patiently for the right wave to ride, trading markets is the same. You will acquire the necessary "***feel***" to ride a wave **ONLY** when you understand the nature of the beast.



It is true that the **Magnum Hedge Fund Reporter** had named Armstrong hedge fund manager of the year in 1998 as reported by **New Yorker Magazine** October 12, 2009. But this was not just because of producing the highest returns. Armstrong managed three Hedge Funds two for Deutsche Bank and one for Magnum. There was no funds management at Republic National Bank for all such accounts there were **PROPRIETARY**. The actual funds management took place outside of Republic.



The Deutsche Bank track record publicly audited by them (next page) showed 4.4% return for 6 months in 1995, 19.37% 1996, 74.38% 1997, 32.41% in 1998. However, the drawdowns were less than 2% during any of those years. The funds were not trading most of the time, just sitting there waiting for the wave. This style management produced the most conservative approach to futures trading. This is accomplished by understanding the wave structure. Armstrong was named Economist of the decade for the '80s by **Equity Magazine** after correctly forecasting the peak in interest rates 1981.35, gold to the day January 21, 1980, forecast of the Dow would rise from 1000 to 6000, end of deflation 1985, takeover boom, the 1987 **Stock Market Crash**, and the bubble top in Japan 1989.95.

Princeton Precious Metals & Capital Markets Fund

IOOF Australia Trustees (N.S.W.) Limited		Marketing Contact	
Level 9, 3 Spring Street		Email	
Sydney, N.S.W. 2000		Web Site	
Australia		Source	User
Phone Number	Fax	From: Jun-1995	To: Sep-1998

Information

Management Fee	5%	Hurdle Rate	No	Firm Assets	$40,000,000
Minimum Account	$10,000	Lockup	No	Domicile	Sydney, Australia
Incentive Fee	25%	Investor Type		Structure	
Subscription	Weekly	Redemption Notice		Guaranteed	No
High Water Mark	Yes	Reportig Style		Last Audit Date	
Redemption	Weekly	Currency	AUD	Legal Description	
Offshore Vehicle				Strategy Details	

Sector Description

Composite	Event Driven	Relative Value Arb.		Offshore	
Convertible Arbitrage	Fixed Income	Sector		Leverage	
Distressed Securities	Foreign Exchange	Short Selling		High Watermark	Yes
Emerging Markets	Fund of Funds	Index Option		Hurdle Rate	
Equity Hedge	Macro	Managed Futures	Yes	US Investors	
EQ Market Neutral	Market Timing	Onshore		Non-US Investors	
Equity Non-Hedge	Merger Arbitrage	Onshore w/ offshore		Hedge Fund	

Annual Performance

	1995	1996	1997	1998	Average
Annual Return	4.40%	18.04%	72.78%	32.41%	38.29%
Growth of $1000	$1,044	$1,232	$2,129	$2,819	
Assets (Mil.)	$0.00	$0.00	$0.00	$40.00	$12.00
Max. Runup	4.64%	19.37%	74.38%	32.41%	39.24%
Max. Drawdown	-0.23%	-1.67%	-1.18%	-0.24%	-1.00%

Risk/Return Analysis

Risk Table	Month	Quarter	Annualized
Compound ROR	2.63%	8.08%	36.47%
Arithmetic Mean	2.71%	8.27%	N/A
Standard Deviation	4.21%	9.99%	14.59%
Semi Deviation	2.74%	5.83%	9.49%
Gain Deviation	4.31%	10.05%	14.92%
Loss Deviation	0.47%		1.63%
Down Dev.(10.00%)	0.84%	0.92%	2.90%
Down Dev.(5.00%)	0.62%	0.52%	1.63%
Down Dev.(0%)	0.41%	0.18%	1.43%
Sharpe(5.00%)	0.55	0.70	1.89
Sortino(10.00%)	2.18	6.15	7.55
Sortino(5.00%)	3.60	13.24	12.48
Sortino(0%)	6.34	45.54	21.96
Sterling Ratio	3.55		
Calmar Ratio	23.91		
Losing Streak	0.00%		

Time Windows Analysis

	1 Month	3 Month	6 Month	12 Month	2 Year	3 Year	5 Year
Latest	5.13%	22.35%	26.21%	44.72%	128.49%	174.03%	N/A
Annualized				44.72%	51.16%	39.94%	N/A
Count	40	38	35	29	17	5	
Percent Profitable	67.50%	89.47%	97.14%	100.00%	100.00%	100.00%	
Average	2.71%	8.13%	16.84%	40.01%	95.04%	144.51%	
Average Gain	4.28%	9.15%	17.34%	40.01%	95.04%	144.51%	
Average Loss	-0.57%	-0.56%	-0.28%				
Best Period	13.58%	36.59%	53.08%	75.27%	128.49%	174.03%	
Worst Period	-1.67%	-1.31%	-0.28%	21.84%	44.33%	125.72%	
Standard Deviation	4.21%	8.65%	13.48%	19.55%	21.36%	21.85%	
Gain Deviation	4.31%	8.58%	13.34%	19.55%	21.36%	21.85%	
Loss Deviation	0.47%	0.55%					
Sharpe Ratio	0.55	0.80	1.07	1.79	3.97	5.89	
Gain/Loss Ratio	7.53	16.49	62.91				
$ Profit/Loss Ratio	15.63	140.14	2,139.04				
Downside Dev.(MAR)	0.84%	1.09%	1.12%				
Downside Dev.(RF)	0.62%	0.61%	0.50%				
Downside Dev.(0%)	0.41%	0.24%	0.05%				
Sortino Ratio(MAR)	2.28	5.24	10.66				
Sortino Ratio(RF)	3.73	11.27	28.97				
Sortino Ratio(0%)	6.54	34.18	361.40				

Benchmark Analysis

	Alpha	Annualized Alpha	Beta	R	R Squared	Tracking Error	Up Capture	Down Capture	Up % Ratio	Down % Ratio	Profitable Ratio
JP Morgan Global Bond Index	2.61%	36.23%	0.205	0.064	0.004	16.92%	132.70%	176.56%	44.00%	80.00%	108.00%
MSCI World Index TR	3.22%	46.24%	-0.461	-0.414	0.171	23.97%	81.62%	228.51%	34.48%	100.00%	93.10%
Standard & Poors 500 Index	3.33%	48.23%	-0.333	-0.340	0.116	24.32%	61.50%	225.20%	29.03%	100.00%	87.10%

Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1998	3.52%	0.32%	1.02%	1.29%	-0.24%	2.09%	4.00%	11.90%	5.13%				32.41%
1997	11.74%	-0.81%	3.50%	-0.70%	2.81%	10.14%	9.19%	13.58%	-1.18%	10.31%	-0.74%	-0.18%	72.78%
1996	-0.31%	1.75%	3.48%	4.29%	-1.67%	9.97%	0.53%	-0.58%	-0.10%	-0.63%	0.09%	0.42%	18.04%
1995						1.15%	1.44%	-0.03%	0.30%	0.69%	1.01%	-0.23%	4.40%

Drawdown Analysis

Depth	Length	Recovery	Peak	Valley
-1.67%	1	1	Apr-1996	May-1996
-1.31%	3	3	Jul-1996	Oct-1996
-1.18%	1	1	Aug-1997	Sep-1997

Consecutive Profitable Periods

Run-up	Length	Start Date	End Date
40.43%	4	May-1997	Aug-1997
24.90%	4	Jun-1998	Sep-1998
12.31%	3	Nov-1996	Jan-1997

Consecutive Losing Periods

Run-down	Length	Start Date	End Date
-1.67%	1	May-1996	May-1996
-1.31%	3	Aug-1996	Oct-1996
-1.18%	1	Sep-1997	Sep-1997

The Domino Effect

In the '90s, the correct forecasts were the break in the British pound, the shift in capital flows from Japan to Asia, the shift away from Asia 1994.25 with the precise day of the low again in the US stock market as was the case in 1987. The Asian Currency Crisis in 1997, the precise day of the high in the US Stocks Market July 20th, 1998, the collapse of Russia with the Long-Term Capital Management default, and the low in gold in 1999. The bubble top in NASDAQ for 2000, the bottom of that crash in 2002, the peak in real estate February 2007, and the start of the collapse in the debt structure. **NONE** of these forecasts were based upon **PERSONAL** opinion for consistency cannot be achieved by such means. The only way to accomplish this is to see the interconnectedness of the global economy and the wave structure that causes one event to compel the next to unfold in a sequence creating the **Domino Effect**. As long as traditional thinking seeing everything unconnected in isolation, as a society, we will remain blind to the real driving mechanism behind the global economy.

Unless you understand the method to **VIEW** the economy and markets, you will remain blind to observing the patterns. It is a whole new way of looking at the economy that will open your eyes. This is what NY and the Government desperately do not want people to understand.

Back Page of the Economist July 1985 ran for 3 weeks to announce the turning point in the world economy

"If more American come to perceive, like Martin Armstrong, that western Europe is threatened on its doorstep by a kind of Indonesia bristling with nuclear weapons, they might take their money home."

Barry Riley

The rubble of the rouble

Europe should be worrying over Russia's troubles

Russia and its problems may seem remote to most of us – why, it is not even playing in the soccer World Cup – but its worsening crisis could be more important for the rest of E[illegible] than we think. It depends, though, on whom you believe.

"No, Russia is not Europe's Thailand," declares Brian Mullaney, at HSBC Securit[illegible] Russian contagion will def[illegible] not prove as virulent as th[illegible] Asian phenomenon. But Martin Armstrong, at Princeton Economics, warns that an imminent Russian economi[illegible] collapse is a bigger threat t[illegible] rest of Europe than the Asian slump. "The real crisis is i[illegible] Russia," he insists.

Or is it? François Langlade-Demoyen, at Credit Suisse First Boston, even manages to find an optimistic angle. He says Russian tu[illegible] and the associated capital f[illegible] "may well prove to be positive for European equity markets."

Certainly, the main continental European stock markets have flourished in recent months, even taking over the bull market's baton from Wall Street. With the first half of 1998 almost completed, the Europe ex-UK index is up 30 per cent, compared with 16 per cent for the US. The Pacific Basin index has fallen a further 12 per cent during the six months.

Indonesia ranks as the weakest stock market in dollar terms this year, but Russia's index decline of 59 per cent is scarcely better. Russia has escaped an Asian-style banking collapse, but it shares problems of rampant corruption and dependence on a shaky currency peg to the dollar. The latter has exposed Russia to the ill effects of a collapse in the oil price which might better be viewed [illegible] want a big devaluation to restore profitability.

Devalua[illegible] [illegible]

> We could be only a Boris Yeltsin [illegible] of the economic reform process

[illegible] short-term finance. Although overall indebtedness is not high, its avera[illegible] term [illegible] short [illegible] each week (well over $1bn), which is why it hoisted interest [illegible] month.

A devaluation, incidentally, would also ruin the financial institutions which live dangerously off the speculative spread between dollar rates of 6 per cent and rouble rates roughly 10 times as high. But the rouble seems doomed, anyway.

Right now, Russian consumer price inflation is only about 7.5 per cent, but there is a recent history of hyperinflation and the rouble might go into free fall if confidence collapses. Although the International Monetary Fund agreed to release another $670m in short-term support on Thursday, a mooted $15bn package remains stalled; the IMF does not want to finance another round of capital flight, which [illegible] probably into dollar cash and bonds than European stocks.

Such [illegible] financial set-up [illegible] to punt their winnings in other high-risk areas. Easy come, easy go but stock market investors [illegible] are often [illegible] cheap on fundamental criteria, it may be [illegible] alone.

Is Europe threatened? The trade impact of a Russian meltdown would be serious for some east European countries for which Russia, on average, accounts for a tenth of exports. western Europe's involvement is fairly negligible, however, except for Germany where Russia represents about 3.5 per cent of overall trade. Germany also is the most heavily involved financially, with some $30bn lent to Russia; indeed Moody's, the rating agency, downgraded Commerzbank this week because of rising European risks.

These economic and financial hazards look containable. Regardless, Germany's DAX index has been hitting all-time [illegible] it could turn out that we are only a Boris Yeltsin heartbeat away from the collapse of the [illegible] busy [illegible] trouble spots el[illegible] Having diplomatically lost at soccer to [illegible] important to them than Russia. Within the past week or so, it [illegible] strengthened, helping to send Wall Street sharply higher despite [illegible] of a poor seco[illegible]

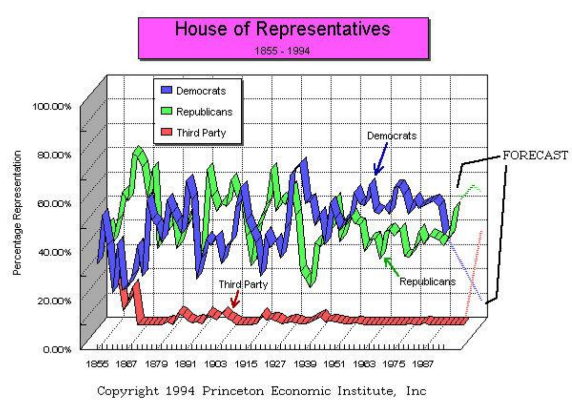
Europe's bull mar[illegible] is intact, but it has very much depended [illegible] flows from the US, with [illegible] investors convinced [illegible] sluggish Europe might somehow embrace US-style restructuring. If more Americans come to perceive, like Martin Armstrong, that western Europe is threatened on its doorstep by a kind of Indonesia bristling with nuclear weapons, they might take their money home, or perhaps send it back to a restabilised Asia.

Those suitcases stuffed with Russian mafia dollars are unlikely to provide an adequate substitute, bulging though they are reliably said to be.

Even those in the press that hate Armstrong because of his track record and defense of the free markets against the organized manipulations of short-term trends in various sectors, cannot deny the record despite trying always to prevent people from reading the truth. Even those at Bloomberg News David Glovin admitted, refused to print, that they verified that the **CIA** had contacted **Princeton Economics** after it correctly forecast the collapse of Russia in 1998. It became clear to many that being able to forecast economic uphevals was of great importance to Intelligence Communities.

The truth is important. **BECAUSE** Armstrong began with a list of **PANICS** that covered the global economy for 224 years, what emerged from the modeling was something far more important than most suspected. This model was able to predict dramatic economic changes. This has opened the door to understanding trading much better, and it pinpoints the periods of great risk and opportunity.

The work into political models called every election correctly including the fall of the LDP in Japan. Here is a 1994 forecast projecting the shift toward conservatism in the present decade.



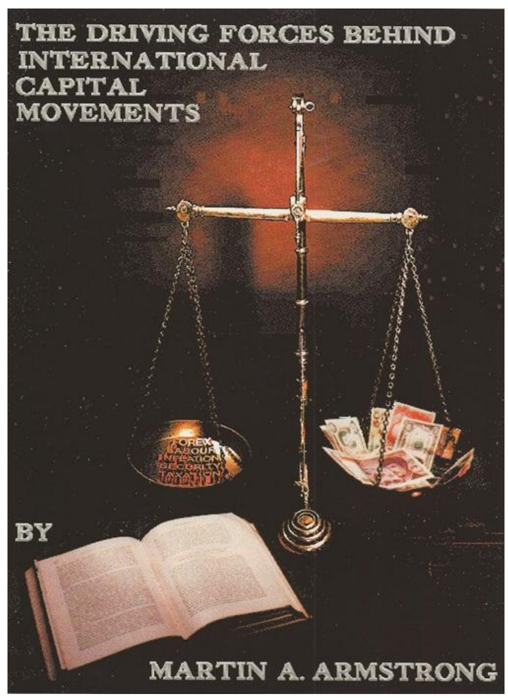
The **World Economic Conference** was held annually between 1983 and 1999. These are events intended for serious investors familiar with the industry and the global prospects of investing. This is not the typical domestic home-spun variety selling Russian bonds, munis, or swamp land. Here the focus is always the **WORLD** providing specific forecasting on a country by country basis. This session allows clients to see the interconnected global economy and to see where the capital flows will take us next.

The audience is usually global and one can feel the capital flows within the room. Audiences are generally limited to a few hundred and seating is classroom style providing ample table space for note taking. These events are usually one day or two days depending upon the time.

Included in this session are computer forecasts, charts, forecast arrays, and reversals on most major world stock indices, bonds, and currencies, commodities that include agriculture, energy, and metals. We will also provide an ***update*** for the following year regarding those forecasts.

This has been our most popular conference. This includes a question and answer format so there is a good two-way flow that helps everyone expand their understanding of the global trends and where capital will concentrate next.

The **World Economic Conference** is a special event. Seating is limited to foster of learning experience rather than a warehouse auditorium. This is a special think tank session where there is always a good two-way flow. You will have ample room for writing, keeping notes, and reviewing the different an international gathering affords. Attendance is generally worldwide and this affords the opportunity also for friendships and networking on a global scale.



These events have often been called mini-UNs. It is this dynamic flow that creates more than just the sum of the parts – it produces a synergy that further enhances the attendance. Often, one can get a real sense in the room of how global capital investment flows.

Those who arrive the night before will be welcome to join a cocktail gathering between the two sessions Saturday evening. Just be prepared to see the world in a much more dynamically connected manner.