JIM RICKARDS'

STRATEGIC INTELLIGENCE

Making the Complex Simple

THE ASSET EMANCIPATION SYSTEM:

SECURING YOUR SOVEREIGN WEALTH AND FREEDOM

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"I found diamonds sewed into the seams of shirts. But everyone in my family was killed. I don't even have a picture to remember them by."

— *Raymond Fisher, Jewish WWII Survivor*

A Portfolio for Extreme Conditions

When civil order breaks down, so do property rights.

During riots, looting and other forms of unrest, might often makes right. That's especially true when it comes to official "confiscation" of assets.

During WWII, the German officials made a special point to both tax Jews punitively and also to confiscate their wealth systematically. That came to include every scrap of wealth they had, right down to their gold teeth in some cases.

Fourteen-year-old concentration camp prisoner Raymond Fisher's entire job, for example, was to search the clothing of executed prisoners. There he found diamonds, jewelry and other valuables sewn into compartments in the bottom of coat pockets, socks and hats.

Fisher survived to tell his story and it serves as a dark reminder not only of governments' tendency toward totalitarianism, but also of the need for individuals to transact under extreme conditions.

Of course, there is no more extreme example of such conditions than World War II Germany. But what if a totalitarian government were to take hold, say, in America? What if elements within that government were able to seize your bank account… your checking account, your IRA or 401(k), even your stock brokerage account?

What if a digital dollar was created that would dramatically expand the power and influence of the federal government and Federal Reserve?

With this digital dollar as our mandatory currency, it would be so easy for the government to confiscate assets and freeze accounts at will.

Think this is far-fetched?

Well, all of this is underway right now.

And you need a way to "sidestep" this type of digital dollar and total surveillance state that is coming soon.

A way to protect your freedom and your savings.

That's why the time to prepare is now, before it hits.

This report will show you some "off the grid" ways to protect your wealth and keep it out of government's sight.

So, let's get started…

A New Kind of "Off The Grid" Portfolio that Could Generate Enormous Returns

To protect your assets from both government seizure and civil unrest, we've created the Portable Portfolio. (**Note: The allocation numbers in this report are based on a $1.1 million dollar portfolio. But don't worry if your assets aren't valued at that amount. The examples and allocations can be easily adjusted according to the value of your own personal assets**).

This portfolio can help you:

1. Secure up to $1 million in wealth inside a hollow “soda can” safe (more on this in a moment)

2. Provide you with liquidity and spendable wealth for any immediate needs in the aftermath of the coming digital currency

3. Provide some amount of diversification, to spread risk

4. Give you possible investment upside as events unfold

5. Ensure that you maintain wealth — regardless of external conditions

Of course, the amount of wealth you store in your portable portfolio is entirely up to you.

But having some of your assets secured —and “off the grid” now —will mean you’re prepared for whatever comes next.

We’ll take a closer look at the portfolio and how the assets break down in a second. But first, let’s talk about where you’ll store your wealth…

A Primer on “Diversion Safes”

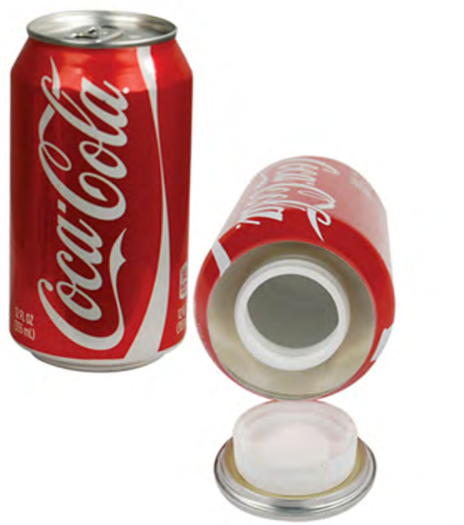
First, you need to choose a container. This sounds unusual — and it is. That’s the point. This portfolio isn’t designed for normal conditions. We’ve designed it for the extreme conditions we’re likely to see during a massive failure of our financial — and possibly political — system.

Of course, you could choose just about anything to contain your portable portfolio.

But I’ve designed the portfolio to fit inside of a 12-ounce soda can.

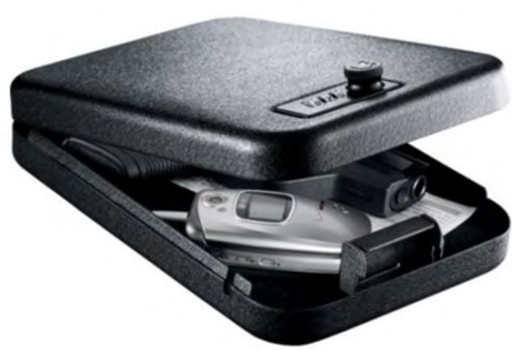
In particular, it will fit inside a soda-can safe, which you can purchase for less than $20 from several online sources.

Here’s an example of what I’m talking about, the Can Safe:



That's one option, but there are countless others. You can find them in the form of hollowed-out books, kitchen cleansers, D-batteries, surge protectors… the list goes on and on.

For example, there's the GunVault NV300 Nanovault, seen here:



They're called "diversion safes" — because they're designed to look like thing that don't merit a would-be thief's attention. Simply choose the right one for you and get started.

So how can you fit over $1 million inside a soda-can safe?

Let's take a look at the portfolio breakdown. We structured this portfolio into two main categories: liquid and store-of-value.

The liquid portion is meant to give you flexibility and freedom in the short term. The store-of-value allocation is meant as a longer-term repository of wealth. As time passes, you can arrange to exchange illiquid assets for liquid assets, according to your needs.

We've included a percentage with each type of asset. This percentage is the amount of your Portable Portfolio we suggest you put into that asset (for example: 1% of $1.1 million would be $11,000). Please keep in mind that the Portable Portfolio is not meant to replace your regular portfolio — this is a portfolio designed for very extreme circumstances.

Liquid Asset #1: Cash (1% / $11,000)

This might sound counterintuitive. But cash in the form of U.S. dollars will remain fungible and in use, at least during the early stages of the coming digital dollar crisis.

Remember, when the next collapse hits, we'll adjust our portfolio, strategy and tactics as new information comes online. But at the outset, we recommend holding at least some cash.

In this case, $11,000 in $100 bills is a good place to start. That stack will be approximately 0.47 inches high. When rolled up, it will consume a large portion of your diversion safe. But it will also provide some measure of security during the early stages of the coming surveillance state.

At some point, Washington could ban the use of physical money. This would merely follow the cash-ban trend we've seen erupting in places such as Scandinavia, India and Venezuela.

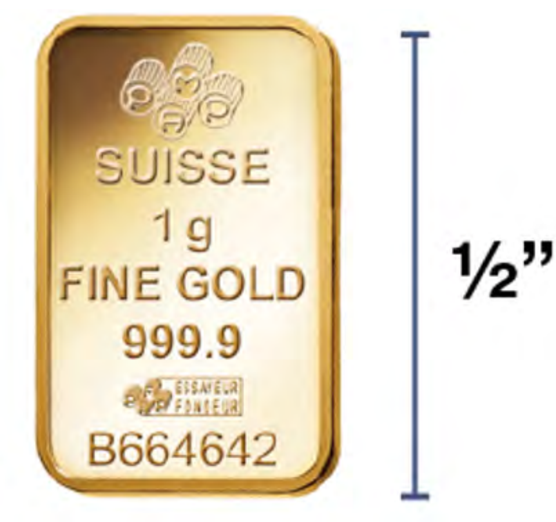
But for now, cash remains an important asset.

Liquid Asset #2: Gold (1.5% / $16,500)

Gold has proven the ultimate calamity-proof investment through the centuries. It never loses its fungible quality. It never loses its luster. And it never loses its universal appeal as "real" money.

Considering the constraints of our $1.1 million portfolio, there's not much space for gold. By our standards, gold's not nearly valuable enough (on a volume basis) to take up much room. So, we're looking at gold mainly for its spendability.

In this case, I'm recommending a mixture of gold bullion in sizes ranging from 1 gram to 5 grams. A 1-gram bar of gold is typically around half-an-inch tall, and just 1/15th of an inch thick. Here's an example from the PAMP mint in Switzerland:



That will take up plenty of space, but forming four stacks approximately five inches tall would provide you with 400 bars of pure gold — worth about $65 per bar at today's prices.

That means your gold allocation will be worth some $16,500 from the start.

Since my intelligence indicates a likely spike in gold prices to between

$9,000 and $10,000 per ounce, the capital gains potential here is great — should extreme conditions break out.

The value of these bars will likely soar 500% to 1,000% higher very quickly in a digital dollar scenario.

In addition, I've chosen the size for easy spendability. If you need gasoline, the ATM's not working… and the guy with the gas isn't taking outlawed cash anymore… he will take a bar of pure gold.

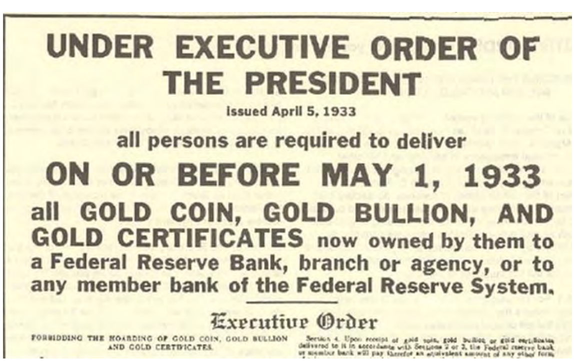
Again, the possibility of seeing such conditions seems remote. But they are coming, in some form or another.

Store-of-Value Asset #1: Jewelry (50% / $550,000)

Remember the story of Raymond Fisher, who became intimately familiar with the value of jewelry as a portable asset.

Jewelry has many advantages during periods of asset seizures, chaos and civil unrest.

For example, President Franklin D. Roosevelt outlawed the possession of gold bullion by private citizens. He did it via Executive Order 6102 on April 5, 1933.


UNDER EXECUTIVE ORDER OF THE PRESIDENT

Issued April 5, 1933

all persons are required to deliver

ON OR BEFORE MAY 1, 1933

all GOLD COIN, GOLD BULLION, AND GOLD CERTIFICATES now owned by them to a Federal Reserve Bank, branch or agency, or to any member bank of the Federal Reserve System.

Executive Order

FORBIDDING THE HOARDING OF GOLD COIN, GOLD BULLION AND GOLD CERTIFICATES.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefor an equivalent amount of any other form

FDR's reason was very simple, and we're likely to hear versions of it again in the coming days.

According to FDR, the economy was being held back by citizens hoarding their money instead of spending it. And their primary choice as a store of value was gold. So what do the elites do when they want you to spend your wealth? They penalize savers and try to force people to spend.

As tangle-asset expert J. Kent Willis writes:

"Our Government made it illegal to do one of the only things that would have guaranteed economic survival for American citizens wise enough to save a portion of their wealth in gold during one of the darkest economic chapters in our history. Keeping gold would have immediately almost doubled their purchasing power at a time when they would have needed it most. Franklin Roosevelt blew out the only candle available to ordinary citizens struggling woefully in the dark days of the depression."

But here's something interesting that history has taught us. The government can outlaw the ownership of gold bullion and has.

But it has never outlawed owning gold in all forms…just bullion.

That means billions of dollars' worth of gold circulated during the entirety of FDR's gold-ownership ban.

Citizens merely owned the gold in jewelry form.

That's why I'm also recommending putting jewelry in your Portable Portfolio.

In this case, we're recommending three primary types

of jewelry:

1. Rings featuring very valuable gemstones, including white diamonds, colored diamonds and emeralds. In addition, you can look for rings featuring extremely rare gemstones, such as taaffeite, which sometimes sell for up to $35,000 per carat

2. Earrings featuring the same value-added gemstones

3. Necklaces where most of the volume and value is in the gemstones

Choosing these pieces comes down to size and discretion, which is why we're emphasizing gemstones over the metals in jewelry.

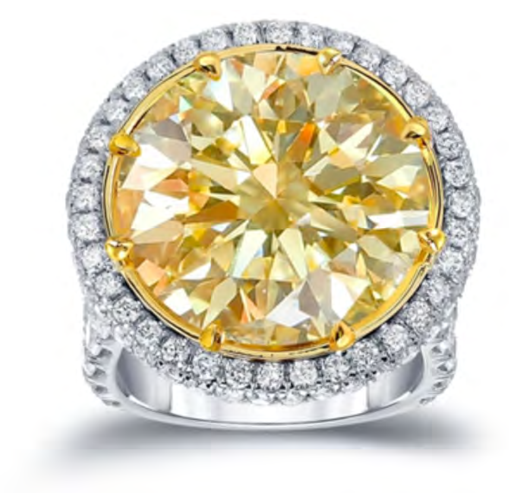
Measured in terms of value-by-volume, gold takes up a ton of room compared to expensive gemstones. Jewelry pieces with highly valuable gemstones are favored for our Portable Portfolio for their ability to concentrate wealth into very small spaces.

One more consideration. When selecting jewelry items for extreme conditions, we recommend a blend of gemstone sizes.

Smaller stones can easily be removed and used as large-

denomination money. Larger stones can store exponentially more value. Having a blend of both is ideal.

For example, this stunning Auriya engagement ring features a 19-carat yellow diamond. But it also features 100-plus smaller white diamonds (total weight of about 3.5 carats).



The price tag: $500,000 on Overstock.com.

Depending on the circumstances, the tiny diamonds could prove even more valuable than the yellow diamond.

Why?

First, nearly everyone has an understanding of a white diamond's value.

That means they'll be easier to exchange for goods and services in an emergency.

Second, they're easier to divvy up — which makes them more "monetary" than the larger stone.

In fact, for this portfolio, white diamonds are an excellent store of large amounts of value in the tiniest of spaces.

That's why they get their own category.

Store-of-Value Asset #2: Loose White Diamonds (47.5% / $522,500)

Before we go further, we want to make something very clear.

Under normal circumstances, *Strategic Intelligence* does not typically recommend diamonds for average investors. The main reason: there are too many ways to lose your shirt with diamond investing.

Some of the problems with diamonds as an investment include:

- Difficulty in ensuring weight and quality (grade/purity)
- Storage security
- Illiquidity
- Inconsistent pricing/valuation

These dangers remain today, despite growing investor interest in diamonds as an asset class in themselves.

As *Fortune* reported not long ago:

Investors are setting their sights on another precious material: diamonds. Excitement has been building in recent months around the potential of diamonds to become a veritable asset class for the first time.

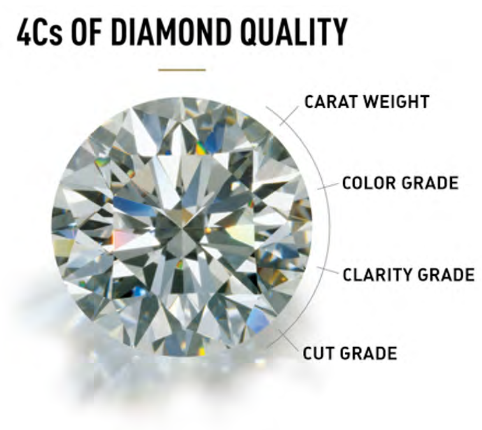
The rising popularity of diamonds as an investment has improved conditions for individual investors.

Perhaps the main improvement is price transparency. Much of the credit for this is due to Rapaport Diamond Report.

At www.diamonds.net it lists updated diamond prices weekly. The price list is a paid product, but pricing information is readily available. Still, the information can be a bit inscrutable — full of inside lingo — so putting together a proper diamond “portfolio” will take some time and effort to do it right.

That’s one reason we tend to steer clear of them when it comes to official *Strategic Intelligence* recommendations. If you intend to invest in diamonds, you should find a local expert that you trust who can help you determine which diamonds merit your investment.

But we can help get you started with some pointers, starting with a basic review of the Four Cs: Carat, Color, Clarity and Cut.



Carat. Most people are familiar with this. Carat is simply a measurement of weight. As the carat weight of a diamond increases, so does its rarity and therefore its price. However, since we are interested in diamonds that can be resold in a crisis, we recommend sticking between around the 1- to 1.5-carat range.

Color. The best color for a diamond is no color at all.

A totally colorless diamond allows light to pass through it easily, resulting in the light being dispersed as the color of the rainbow. Colors are graded totally colorless to light yellow. The Gemological Institute of America (GIA) grades diamonds on a scale of D (colorless) through Z (light color). All D-Z diamonds are considered white, even though they contain varying degrees of color. The differences from one grade to the other are very subtle, and it takes a trained eye and years of experience to color grade a diamond.

Clarity. The clarity of a diamond is determined by the amount and location of flaws, or blemishes, in the diamond when viewed under 10 power (10x) magnification. Most diamonds contain very tiny flaws known as inclusions. An inclusion can interfere with the light passing through the diamond. The fewer the inclusions, the more beautiful the diamond will be. Flawless is the highest grade of clarity. Then there are very, very slightly included (VVSI, VVS2), and very slightly included (VS1, VS2). The 1 and 2 mark, respectively, whether the flaws are in the bottom-half of the diamond, the pavilion, or the top-half, the crown. The flaws of a VS1 or VS2 diamond may be visible to an expert, but distinction between a Flawless or VVS1 or VVS2 diamond will not visible without magnification, which is why you will need an expert to guide you through your selection.

Cut. This stands for the proportions of the diamond as opposed to its shape. We're not talking about round versus princess cut. Every diamond, regardless of its shape, gets its brilliancy by cutting and polishing the diamond facets to allow the maximum amount of light that enters through its top to be reflected and dispersed back through its top. When a stone is cut too shallow or too deep, the light that enters through the top is allowed to escape through the diamond's bottom. In other words, it doesn't "shine" as well as it should. Cut rankings range from excellent to poor.

This is a very simple overview of the 4 C's, and you need to talk to a local expert to help you identify and chose quality diamonds if you choose to invest.

Martin Rapaport is one of the leading diamond experts on Earth right now. He's the founder of the Rapaport Group, host of the Rapaport International Diamond Conference in NYC each year… the list goes on. Rapaport has brought a great deal of transparency and legitimacy to the diamond market.

So we'll stick with his guidelines for investing in loose diamonds.

The Rapaport Group recommends initial investments in Round, 1.01 to 1.49 carat, D-H color, IF-VS2 clarity, Excellent to Very Good Cut diamonds. These diamonds trade on a daily basis, their prices are well known and they are easy to purchase and sell.

For our Portable Portfolio, you could buy more of the 1 to 1.49 carat diamonds of this description, or slightly bigger 1.5 carat diamonds. Right now, a 1.5-carat loose diamond of this grading description can sell for about $10,000. This means you'd need about 50 to reach a value of $500,000.

Together with the other liquid and store-of-value assets we've recommended, that puts around $1.1 million in the portable portfolio. And it should all fit in something the size of a soda can.

Keep in mind, the Portable Portfolio is not a replacement for your stocks and other holdings. It is meant to protect and provide for you in an extreme situation. If you decide to take advantage of it, find an expert you can trust to work with you through the store-of-value elements, especially the loose diamonds.

In the meantime, you can expect investment ideas and recommendations for your regular portfolio in upcoming issues of Rickards' Strategic Intelligence. We'll make sure you have all the information you need to protect your wealth and profit from the troubles we expect in the days and weeks ahead.

All the best,

Jim Rickards,

Editor, *Strategic Intelligence*