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Academy Securities Geopolitical SITREP

Geopolitical Flashpoints: The Macroeconomic Impact of the Geostrategic Landscape

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- Venezuela – Military and Diplomatic Relations: 2:48 – 24:06

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Key Points:

- Markets are responding positively to Juan Guaido
- Impact on Venezuelan oil exports will force the markets to respond
- If Guaido wins, and Venezuela opens to the international community, this will be a positive result for investors
- Venezuela remains a wildcard
- Political oppression and an absolute dependence on oil has led to the instability in Venezuela:
 - Wealth is highly concentrated and the political and government institutions are corrupt and ill-equipped
- U.S desire to have influence abroad necessitates a response to Venezuela's downward spiral
- We see Russia stepping up to support Venezuela militarily:
 - The U.S. will exhaust diplomatic pressure before pursuing any military option
- The Trump administration wants to send a signal that all options are on the table
- The Venezuelan military is crucial to Maduro's support and his remaining in power:
 - This support may be diminishing
- The U.S. will need to navigate this situation carefully as not to appear as an imperial power in the eyes of citizens of Latin America:
 - The U.S. must leverage the influence of our partners and allies in the region
- China is supporting Venezuela economically – not militarily:
 - China has provided \$62 billion of aid to Latin America, of which 53% went to Venezuela
- What we see in Venezuela is strategic competition between the U.S., China, and Russia
- Any military presence in Venezuela would be focused on a non-combatant evacuation to ensure the protection of U.S. lives and property:
 - Even this act opens the U.S. to escalation with Russia or its mercenaries
- Any progress in Venezuela will take time:
 - Don't expect an immediate resolution to the contested presidency

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Major General (Ret.) James A. "Spider" Marks is Head of Geopolitical Strategy and Academy Securities' Senior Advisory Board Member. General Marks is the Founder and President of The Marks Collaborative, an advisory for corporate leader development, education and training and has led entrepreneurial efforts in global primary research and national security. He served over 30 years in the Army holding every command position from infantry platoon leader to commanding general and was the senior intelligence officer in the LA Riots, the Balkans, Korea, and Operation Iraqi Freedom. He culminated his career as the Commanding General of the U.S. Army Intelligence Center and School at Fort Huachuca, Arizona. He has been awarded the Distinguished Service Medal, the Defense Superior Service Medal, Legion of Merit with Oak Leaf Cluster, Bronze Star, and multiple combat, expeditionary and service ribbons. General Marks is a Master Parachutist, authorized to wear Korean and Canadian Airborne wings, Air Assault qualified, and Honor Graduate of the U.S. Army Ranger School. General Marks is a national security contributor to CNN and member of the Military Intelligence Hall of Fame.

Lieutenant General (Ret.) Robert S. Walsh retired from the Marine Corps in 2018 after over 35 years of service completing his career as the Commanding General of the Marine Corps Combat Development Command and the Deputy Commandant for Combat Development & Integration. A native of Chicago, Illinois, Bob is a graduate of the United States Naval Academy and he served as an F/A-18 pilot at all levels and was an instructor at the Navy Fighter Weapons School, also known as TopGun. In his last assignment, he was responsible for strategic planning and executing the reorganization of the Marine Corps to meet the new National Defense Strategy roles and missions. Bob often testifies before Congress on subjects such as modernization, acquisition, readiness and training of the Navy and Marine Corps. He created the Marine Corps Rapid Capabilities Office for rapid prototyping, experimentation, and demonstration in accordance with new legislative authorities. His operational and joint assignments as a General Officer included: serving as the Commanding General, 2d Marine Aircraft Wing leading all Marine Corps aircraft operations in Iraq, The Director of Operations, United States Northern Command responsible for ground-based missile defense, partnering with Mexico's military to support counterdrug and counterterrorism operations, and integrating U.S. military support to inter-agency actions during oil spills, hurricanes, wildfires, and multiple disasters.

Peter Tchir is head of Macro Strategy at Academy Securities. He has 25 years in the industry focusing on fixed income. He has traded and structured products ranging from complex transactions, junk bonds, liquid CDS indices, and ETFs. This background helps bring a unique frame of reference to his market strategies and analysis. It helps him focus on what is relevant for the here and now for investors and issuers. He has worked closely with a wide range of investors and portfolio managers since he established TF Market Advisors as an independent firm in 2010. He is regularly quoted in the media for his views on the macro outlook and fixed income strategies. His expertise provides insight into risk, identifying opportunities on a global macro basis, with an emphasis on fixed income. As the Head of Macro Strategy, Peter communicates these opportunities and approaches effectively to customers. Peter received a B.S. in mathematics and computer sciences from the University of Waterloo and an MBA with distinction from Vanderbilt University, where he also won the Matt Wiggington Leadership Award for outstanding performance in finance.

Rachel Washburn is an Associate of Geopolitical Strategy at Academy Securities. Rachel served six years in the U.S. Army as an Intelligence Officer. While serving, Rachel deployed twice to Afghanistan; first as a member of the pioneer Cultural Support Team attached to Special Forces and second as an intelligence Platoon Leader. Since leaving the Army in 2016, Rachel continued to pursue a career addressing global security and instability, most recently acting as a regional director with a nonprofit focused on bringing relief in the wake of disasters and armed conflicts. Rachel is a graduate of Drexel University.

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