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Academy Securities Geopolitical SITREP

Geopolitical Flashpoints: The Macroeconomic Impact of the Geostrategic Landscape

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Key Points:

- **Peace in Ukraine**
 - Instability in Ukraine is significant to US interests
 - The ongoing conflict in Ukraine receives limited media attention in the US
 - Russia invaded Europe from the south
 - The February 2014 revolution replaced pro-Russia President, Yanukovych
 - Poroshenko was elected President in June 2014 and Ukraine restored its original constitution
 - After the revolution, Putin annexed Crimea
 - Russia's use of force was "elegant" utilizing special operation and clandestine capabilities
 - Ukraine is better off remaining neutral, acting as a bridge between the East and West
 - It would not be an advantage to Ukraine to join NATO
 - Russia is most comfortable when kicking up problems in its near abroad, distracting from internal issues
 - Russia sees NATO expansion from 12 to 29 members as a threat and its international actions reflect this fear
 - The annexation of Crimea is a violation of international law
 - Russia's oil and gas exports are a key economic issue for Ukraine
 - US military support to Ukraine is a means to an end, helping establish a free and stable Ukraine, that can then act as a neutral broker between Russia and Europe

LIBOR vs. SOFR:

- The Fed clearly doesn't want LIBOR to be the benchmark rate
 - Expect more deals to be linked to SOFR
 - This is the first real threat to LIBOR
- Investors are currently paying a premium as this new system develops

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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 US 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 US 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 US Army Ranger School. General Marks is a national security contributor to CNN and member of the Military Intelligence Hall of Fame.

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 US 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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