

THE National Investor

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A QUICK RECAP...



Where, or where, did 2016 go!?

I guess I'm getting old, too. . .because each new year seems to be getting progressively old, and ever more quickly! Seemingly none like the year just past, however; and that is despite all of our feelings at various times that the craziest U.S. Elections season in memory would NEVER end!

But end it did. And now we will be reckoning with a new president who will be full of surprises, good and bad alike depending on your views. We are already reckoning with the appearance of a drastically altered investment landscape.

For our purposes, 2016 was a successful year, albeit one when things didn't *always* go as planned. Our heavy exposure early in the year to "The Odd Couple" and related holdings -- and having at least some sense to cash in some gains along the way -- helped our total return immensely, even if more recently our residual positions got dinged (as you now know, however, I am anticipating better days near-term for Treasuries, at least!)

We had a few BIG stinkers along the way as far as individual stocks; among the worst, I stuck far too long with the likes of **Tidewater** and **Rent-A-Center**. However, the large majority of our individual stock positions have been winners; *a few spectacularly so.*

Conspicuously, those latter did NOT include **Encanto Potash**, the one company I tapped early on as the one I thought would be this past year's "home run" stock. Instead, that honor was shared by *two* long-time faves: **Cornerstone Capital Resources** and **Sarepta Therapeutics**.

AND -- I *still* love the long-term prospects for *all three* of these.

My biggest "I should have" for the year? I should have taken the rally in energy stocks way more seriously than I did.

None the less, we end 2016 once more with a performance that is *well* ahead of the major market averages for the most part. *Our conservatively allocated portfolio was ahead for the year by 15.9%; in the case of the growth-weighted one, 21.4% was the total return for 2016.* And though there were numerous decisions I'd like to have back, I am pleased overall (and trust that you are as well!) that we achieved such solid results while generally being anchored by a large cash position so as to remove downside volatility.

What do I think might be *immediately* ahead, or nearly so (in the first few weeks of 2017) ?

Generally -- as I discuss somewhat further along as well as in the first January issue, which you'll get quickly on the heels of this one -- I am expecting a more subdued environment as the reality of the world again begins to overwhelm the hope and excitement of the incoming Trump Administration. We're likely to see some further rallies for The Odd Couple as well as some kind of grinding correction for stocks.

As for as for *The National Investor* generally, you'll be seeing some new, enhanced and FUN things shortly!

* **Building an Economic Lifeboat** -- As you know I am NO "perma bear" - I call things as I see them. Nevertheless, as I have explained often (especially in *Understanding the Game*) the nature of the over extended fractional reserve system itself suggests the never-ending M.O. of trying to achieve "growth" by increasing debt won't last forever.

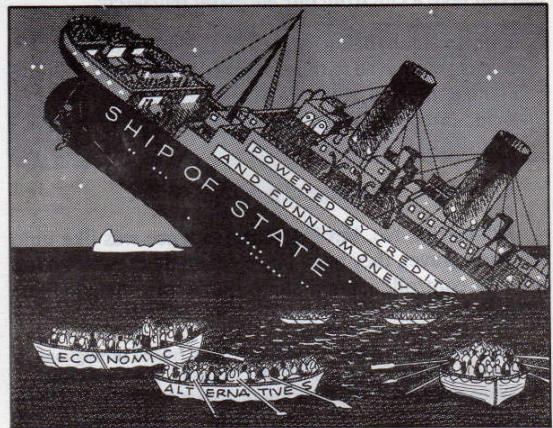
I'll soon be unveiling the "sister site" of *The National Investor* on the theme of "Building an Economic Lifeboat." Far from just discussing investment alternatives, though, we'll talk health. . .self-sufficiency. . .understanding causes and issues outside of the scripted political debate. . .and a LOT MORE.

Best of all, this will be fun and positive! This WON'T be a "the sky is falling" site, replete with warnings of an imminent collapse of the dollar, a cashless society, the "Mark of the Beast" tattooed on you in order to buy your groceries and all that. It won't be angry, pointless rantings against the Powers that Be that leave people frustrated. . .*and without solutions.*

It will be a FUN, positive, pro-active trove of information, services and more enabling you to take back one piece of your life at a time from the top-down control and tyranny of Wall Street, agri-business, the so-called health establishment, political opinion-molders and all the rest.

* **My "Insiders Circle"** -- The most active and engaged investors of you will have some added tools and services. Look for some separate information on this coming SOON!

* **Webinar platform / More video updates** -- As we move into 2017, look for *The National Investor* to further ratchet up its presence in the media generally, social media specifically and the like. Most of all, we'll be doing a LOT more in the way of webinar updates on the markets, tutorials for self-directed investors, interviews with other investment/political personalities, recommended companies and MUCH MORE!!



MISC. MARKET THOUGHTS



A mere seven or so weeks ago, the stock market seemed doomed to soon and yet another lackluster year. For 2015, the S&P 500 couldn't even muster a 2% gain for the year; and around election day that's close to where we were for 2016.

But everything improbably changed with the surprise (to some, if not so much to us) election of Donald Trump as America's 45th president. As of Friday's close, the S&P had moved into double-digit territory for 2016 (about 12% for the year including dividends.)

What's most astonishing is that the stock market's gangbuster performance over the balance of the year occurred together with a surge higher for the U.S. dollar and the most gut-wrenching beating for Treasuries (together with a spike higher in yields) of anything seen for MANY years. Not that long ago, it was deemed impossible to have all these things happen together; indeed, not that long ago, such surges for the dollar and interest rates would have sent the stock market *plunging*.

But the incoming Trump Administration will be taking us into a new world. . .or so it seems. . .

(The above is excerpted from the beginning comments of the final issue of 2016)

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