The Unintended Consequences of Index Investing

In the Economic War Room®, we emphasize the importance of having a financial advisor to help navigate through all that it is happening in today's economy.

With the success of Index funds, it is easy to believe passive investments are the way to go. Index investing have been a highly effective tool for years, but the risks may be growing.

- What happens in a down market?
- Are we seeing a bubble in Index funds like the subprime mortgage crisis?
- Do Index funds give the power to a handful of giant institutional investors with potential voting control of every large US corporation?

We're in uncharted waters. Indexing is more prominent than it has ever been before in history. Only time will tell if this possible passive investing bubble will threaten the market structure, future performance, or both.

It is critical your financial advisor is paying attention and that they understand all the potential market dynamics. If you own Index funds make sure you are developing your financial game plan now for multiple scenarios.

For your briefing this week Kevin Freeman offers his perspective on the risks ahead and how to beat them.

Your Mission: **To be aware of the potential risk and rewards of Index (passive) investing to your portfolio and America. In addition:**

1. **If you have a financial advisor, ask them if you can nominate them to participate in the National Security Investment Consultant Institute (NSIC) training. This will be a significant opportunity for their financial practice and their clients.**

2. **If you do not have an NSIC advisor, find one and ensure you have a financial plan.**

"Maybe the greatest betrayal comes when someone you should be able to trust stabs you in the back with your knife. The sad thing is that it is happening in a major way today. In essence, we may be funding our own demise." -Kevin Freeman

Ep. 5-162 (OSINT) Open-Sourced Intelligence Report. This is an exclusive teaching series with Kevin Freeman. Kevin is considered one of the world's leading experts on the issues of Economic Warfare and Financial Terrorism. He has consulted for and briefed members of both the U.S. House and Senate, present and past CIA, DIA, FBI, SEC, Homeland Security, the Justice Department, as well as local and state law enforcement. His research has been presented in critical DoD studies on Economic Warfare, Iran, and Weapons of Mass Destruction presented to the Secretary of Defense and the Under Secretary of Defense, Intelligence. He has traveled extensively with research trips to Russia and China and throughout Europe and the Americas. He is also a Senior Fellow at the Center for Security Policy and a Contributing Editor to *The Counter Terrorist* magazine.

Prior to establishing his own firm, Kevin Freeman wrote a business plan for Sir John Templeton in 1990 and helped build the Templeton Private Client Group from inception, ultimately leading the firm as Senior Managing Director. During his decade-long tenure, he served as Senior Associate Portfolio Manager, developed, and managed the Portfolio Consulting Group, and co-developed and managed the Portfolio Operations Group. Under his leadership, the firm raised and managed nearly $2.5 billion.

Experience

Kevin Freeman has been in the investment business since 1982, first as a research analyst for an advisory firm, then as author of his own investment newsletter. From 1990 through 2000, he helped develop and build the Templeton Private Client Group. From 2000 through 2003, he served as Chairman of Separate Account Solutions, Inc. He founded Cross Consulting and Services, LLC in 2004 and launched Freeman Global Investment Counsel in 2006. None of his comments should be construed as financial advice, in favor or against any investment. Instead, Kevin Freeman urges all readers and viewers to access their own financial advisor to determine the best approach for their investing.

Credentials

Kevin Freeman holds the Chartered Financial Analyst (CFA) designation (1997 to present).

1. **Index Funds are the darlings of Wall Street, but in so many ways they have been weaponized to destroy your values and America's future.**

   Index Funds are a great concept:

   » Essentially, they offer investors a way to buy the whole market or at least a sector of it at once. With online trading, you can buy shares in 500 or more companies with a click of a button and as little as $100 or even less.

   » No more having to bet on individual stocks. And they work beautifully, at least when the stock market is moving higher.

2. **Understanding the Background and History of Index Investing.**

   The idea of Index Funds began in 1960.

   Edward Renshaw and Paul Feldstein published a paper with the title *The Case for an Unmanaged Investment Company* in the Financial Analyst's Journal.

   » The paper was a shocker. At the time there were just 250 mutual funds, including one from Kevin Freeman's old boss John Templeton.

   » Renshaw and Feldstein thought that 250 was too many choices. [There are around 10,000 today.]

   The idea of buying the whole Index rather than a single stock was not entirely new in 1960. It had been tried and abandoned in the Great Depression.

   » When reintroduced in 1960, it was very controversial. In fact, a few months later, another article appeared in the same Journal explaining why Index Fund investing made no sense.

   » Ironically, the author of that article, hidden behind a pen name, was none other than Jack Bogle, the man who later founded Vanguard, the real pioneer of Index Funds.

3. Vanguard built an empire on the concept of Index Funds.

Staring in the mid 1970s, Vanguard built a powerful empire from the idea that it was better to buy the entire market, or at least an entire sector, rather than trying to pick winners and losers among individual stocks.

» A major new industry was born in 1976 and in the 45 years since then, Index Funds have come to dominate the stock market.

» In fact, just two years ago the total invested in Index Funds surpassed the assets of actively managed mutual funds.

4. A Look at What Drove Index Fund Performance and Growth.

There are plenty of good reasons for Index fund growth. The biggest of these is what led John Bogle to create the industry.

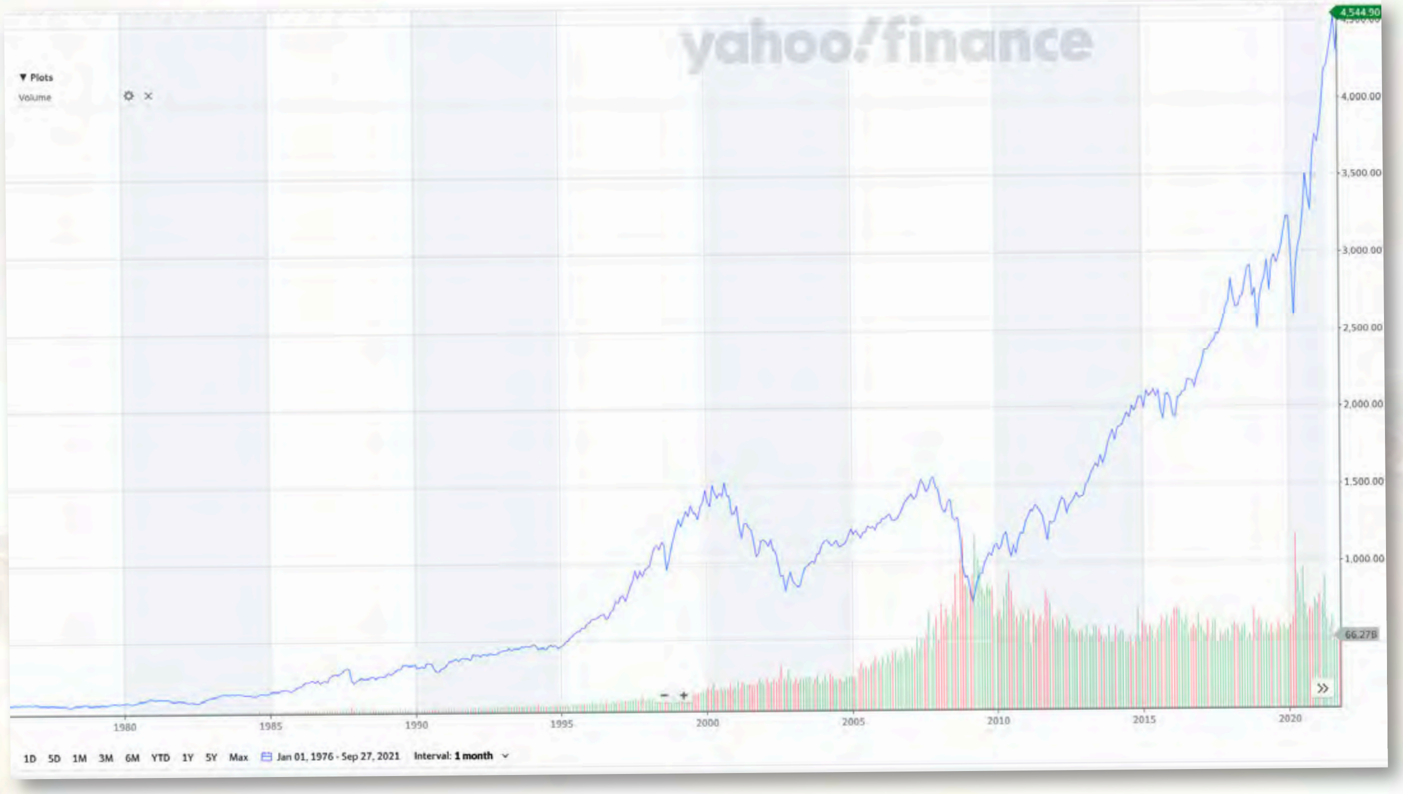
> **"The fact is that the average money manager underperforms the stock market. And the average underperformance matches closely with the fees being charged and the cash being held." –Kevin Freeman**

Why Investment Advisors have Cash on Hand –

» Let's talk about the cash part of investing first. Managers picking stocks always keep some cash on the sidelines as "dry powder" in case something good becomes available or to hedge against a market drop.

» Index funds are fully invested all the time. Because the market has historically gained ground over time, that cash can be a drag on performance.

This is especially obvious when the market is hitting all-time highs as it has in recent years and has been basically up since Index Fund investing began in 1976.



Lower Fee Structures with Index Funds Also Drove Growth-

- Beyond being fully invested, mutual funds also have generally lower fee structures. They rarely have transaction costs because they are "buy and hold" as long as a stock remains in the Index.
- The average Index Fund may charge about 0.15% per year while an actively managed portfolio can have total fees as high as 1% or 2% per year.

The results today in a CNBC article reported...

"After 10 years, 85% of large-cap funds underperformed the S&P 500, and after 15 years, nearly 92% are trailing the index."
https://www.cnbc.com/2019/09/19/why-index-funds-are-a-smart-investment.html

There are some investment advisors who have built their entire careers by selling clients on the many, very valid advantages of Index Funds!

ETFs, another version of Index funds, have made buying the market easy and affordable.

- The Index Industry has really taken off with the more modern invention of Exchange Traded Funds, also known as ETFs. These are the simplest to use form of Index funds and as a result, ETFs now have over $9 trillion. https://www.wsj.com/articles/global-etf-assets-hit-9-trillion-11628769548

- ETFs, combined with online trading, have made "buying the market" simple, convenient, and affordable." And as long as the market keeps moving higher, owning an S&P 500 ETF has proven very profitable.

All the above looks great! Index Funds and ETFs have democratized investing and given all Americans access to Wall Street!

5. **Unfortunately there are Index risks developing today that should no longer be ignored.**

Some of the potential risk is related to structure.

Those who invest in an **Index Fund are known as "passive" investors.**
That is compared to **"active" investors, who will buy and sell individual stocks.**

> "At some point, if all investors were passive, there wouldn't be anyone left to compare the companies in the Index, look at earnings and growth, or even trade the individual stocks. We aren't at that point, and we might not ever get there." –Kevin Freeman

If you had all passive investors, who is analyzing the companies? We are not there yet, but the theory makes sense and has some people quite concerned.

- This theory has sparked a huge debate between active and passive managers and investors.
- Has the market begun to move with a herd mentality? If we had a major market drop, would everyone panic and sell at the same time? Who would be left to pick up individual bargains as they emerge?

- Will the larger companies get the most capital simply because they are in the Index?

All the above may be real risks to our market. But they are not the only risks. And they may not even be the most critical ones we face.

WARNING: There may be a sinister force at work, ready to use the Index Fund structure to take political power and sell out to America's enemies.

6. **Why this massive industry may become a threat to your wealth and our nation's future.**

Index Funds, the great democratizer of Wall Street, have grown to become the dominant force in investing.

ALERT: There are some maybe unintended consequences and clear risks emerging. And some bad people are hijacking the industry, putting your wealth and our nation's future at risk.

Since the Index Fund phenomenon began in 1976, it has taken Wall Street and investors by storm.

- In less than 45 years, Index Funds surpassed all traditional mutual funds in assets.
- They have outperformed the vast majority of actively managed fund by a decent margin over the long term.

<u>**We expect that if the stock market continues rising, active funds will continue to outperform.**</u>

Next, we will review the potential Index Fund risks ahead.

A. **Market Decline Risk: The first risk you should be aware of is the risk of a market decline with Index Investing.**

- Passive investors will make a great case that the market has always bounced back, and betting against America and our stock market is a loser bet.
- They may be right. But the reality is that there are many forces at work today, with the market at all-time highs, that could be a real threat, especially with the risky political environment.

» Those who love Index Funds will quickly and accurately counter that there have been plenty of threats before, like a Great Depression, World War, other wars, severe inflation, terror attacks, pandemics, and political upheaval.

» Yet, despite these problems, the stock market is higher today than any point in prior history and that is a valid point.

» This also demonstrates one of the counter points. **If you take a measurement when the market is at an all-time high, it will seemingly always favor passive management. But depending on the time period, if stock prices are down sharply, as does happen, active management can look better for that period as well.**

Remember the Wall Street adage, "past performance is no guarantee of future results."

» Starting with the market at an all-time high, if we were to see a drop from here, you can bet that many active managers will beat the market because they will hold selected stocks, some hedges, and cash.

» If the market rallies to new highs later, of course, the passive managers will again likely take the lead.

Individual performance can be debated all day. **But you should know that a falling market is at least a short-term risk to owning an Index Fund or Index ETF.**

There are other risks, and some of these may be worse than just taking a short-term loss.

Market Buzz - What is being said in the industry about passive investment risk:

Just Google "Index Fund Threat," and you will see a whole host of articles in reputable publications debating whether or not the extraordinary success of Index Funds threatens the overall market or economy.

Index Fund Risk Headlines:

» Bloomberg: The Hidden Dangers of the Great Index Fund Takeover
» Forbes: Are Index Funds A Threat To Your Wealth?
» Market Watch: Index funds may hold more danger than you realize
» Seeking Alpha: The Danger In Index Funds
» US News: Has Passive Investing Become Fraught With Risk?
» Math Investor: Does indexing threaten the market?

Kevin Freeman summarizes the concerns these recent publications raise.

B. The Index/Passive Investment Bubble:

CAUTION: There are some who believe that Index Funds are a big self-fulfilling bubble. This is from Michael Burry, the guy behind" The Big Short," has been one such believer. https://www.cnbc.com/2019/09/04/the-big-shorts-michael-burry-says-he-has-found-the-next-market-bubble.html

According to a 2019 article in CNBC

"Passive investments are inflating stock and bond prices in a similar way that collateralized debt obligations did for subprime mortgages more than 10 years ago, Burry told Bloomberg News. 'Like most bubbles, the longer it goes on, the worse the crash will be,' said Burry. 'The theater keeps getting more crowded, but the exit door is the same as it always was. All this gets worse as you get into even less liquid equity and bond markets globally,' he said."

"Burry makes some strong points and the market has gone even higher since he made them. If this is a bubble, it has only gotten worse. And remember, this is a man who saw the risks of the housing bubble and made a literal fortune." –Kevin Freeman

C. The Threat to our investment structure and efficient allocation of capital:
Some believe that the popularity of Indexing threatens our entire investment structure and the efficient allocation of capital.

- Price discovery comes from the agreement of a willing and knowledgeable buyer meeting a willing and knowledgeable seller. What they agree on becomes the official market price at any given point.
- Having a larger market of buyers and sellers creates better efficiency and price discovery.
- That makes sense. If there is just one seller and one buyer, you really don't get a good idea of the fair market value.
- By definition, though, passive investors do not make decisions based on price.
- They just take what the market offers regardless of price. And if all, or a large majority of investors, become passive, you lose the benefit of robust price discovery, leading to a less efficient market. This "group think" can even lead to an "Emperor's new clothes situation" where prices get inflated for the largest companies in the Index whether or not they have real value.
- This happens because most Index Funds are "capitalization weighted." That means that the biggest companies in the Index get the largest allocation of new investments.
- Over time, the enormous amount of money that flows into the Index causes that entire Index to swell. But because investment capital is limited, Index investing denies capital to those companies not in the Index. This becomes a potential hindrance to an overall efficient market (and economy).

"It's sort of ironic. Passive investing has become popular because the market is considered efficient. The saying has been that "you can't beat an efficient market." But the popularity of Index investing has now become a threat to that very efficiency. You can see that there is an impact because when a stock enters an Index, it generally goes up in price even if there are no changes in the fundamentals. Similarly, a stock removed from an Index generally sees its price decline. This is known as the Index Effect. There is a real Index effect. But there is also a serious debate over whether or not it is important enough to threaten market efficiency to a meaningful degree. One thing is certain, however, and that is that we are in uncharted waters. Indexing is more prominent than it has ever been before. Only time will tell if this possible passive investing bubble will threaten the market structure, future performance, or both." –Kevin Freeman

D. The Voting Control of Every Large U.S. Corporation Controlled by Giant Institutional Investors.

VANGUARD FOUNDER SPEAKS OUT – INDEX FUNDS TOO SUCCESSFUL FOR THEIR OWN GOOD.

» One of the most powerful warnings comes from a surprising source. In 2019, Jack Bogle, the man who created Vanguard and is considered the founder of this industry wrote an important article for The Wall Street Journal shortly before his death.

From The Wall Street Journal: **Bogle Sounds a Warning on Index Funds**
https://www.wsj.com/articles/bogle-sounds-a-warning-on-index-funds-1543504551

"There no longer can be any doubt that the creation of the first index mutual fund was the most successful innovation—especially for investors—in modern financial history. The question we need to ask ourselves now is: What happens if it becomes too successful for its own good?

If historical trends continue, a handful of giant institutional investors will one day hold voting control of virtually every large U.S. corporation. Public policy cannot ignore this growing dominance, and consider its impact on the financial markets, corporate governance, and regulation. These will be major issues in the coming era.

Three index fund managers dominate the field with a collective 81% share of index fund assets: Vanguard has a 51% share; BlackRock, 21%; and State Street Global, 9%.

Most observers expect that the share of corporate ownership by index funds will continue to grow over the next decade. It seems only a matter of time until index mutual funds cross the 50% mark. If that were to happen, the 'Big Three' might own 30% or more of the U.S. stock market—effective control. I do not believe that such concentration would serve the national interest." –Jack Bogle

WARNING: ECONOMIC WAR ROOM views this threat as most concerning as well.

About John Bogle:

John Bogle was the pioneering founder of the entire Index Industry.Warren Buffett thought so highly of him that he lauded him in a 2017 letter to shareholders.

Buffett wrote:"If a statue is ever erected to honor the person who has done the most for American investors, the hands down choice should be Jack Bogle." Later, Warren Buffett described Bogle with the words, "integrity, wisdom, and class."That's high praise and certainly justifies us hearing Jack Bogle's final warning.In a Wall Street Journal article published shortly before his death, Jack Bogle made this point. He said: "Prof. John C. Coates of Harvard Law School wrote that indexing is reshaping corporate governance and warned that we are tipping toward a point where the voting power will be 'controlled by a small number of individuals' who can exercise 'practical power over the majority of U.S. public companies.'"

7. **Has Index Investing become a clear and present danger to our very way of life?**

» Over the past two years, it has become increasingly obvious that both Jack Bogle and Professor John Coates were right.

→ Index Funds have grown in power and control. The "Big Three," of Vanguard, Blackrock, and State Street have unprecedented power over major corporations. They aren't the real owners of the shares, but they have the voting control.

- Bloomberg addressed the same problem in an article last year titled: **The Hidden Dangers of the Great Index Fund Takeover.** https://www.bloomberg.com/news/features/2020-01-09/the-hidden-dangers-of-the-great-index-fund-takeover
- They stated, "The Big Three—BlackRock, Vanguard, and State Street—are the most important players in corporate America. Whether they like it or not."
- The article acknowledges that the Big Three are already dominant and control the most important voting block of shares in existence.

The Investment Funds Say Nothing to Worry About:

"The fund companies say there's nothing to worry about because they don't vote as a bloc. And index funds don't buy shares to pursue any special agenda—they just buy whatever's in the index, usually in proportion to its market value." –Bloomberg News

- But is that answer fair? Bloomberg didn't seem convinced.

  They stated:
  "And yet voting power is voting power. The fund companies' combined votes and back-channel jawboning, in which they make their views known to directors and chief executive officers, could swing the outcome of important matters such as mergers, major investment decisions, CEO succession, and director elections—even if no fund house has the ability to decide the outcome of such matters alone. They're potentially the most powerful force over a huge swath of America Inc. Alarm bells have begun to go off with some regulators, as well as with an ideologically diverse array of academics and activists."

  About two years after Jack Bogle sounded the alarm and less than two years after Bloomberg echoed it, I can tell you that "what they so greatly feared" has already come to pass.

8. **The Index Fund industry already has power to dictate to companies their Progressive Agenda.**

   The Index Fund industry already has sufficient control to force companies to toe their line. And in most cases, that line is a Progressive Agenda demanding that all of Corporate America become WOKE.

   » If you wondered why Woka Cola would teach Critical Race theory, this is why! They want to please their market masters.

   » This is why toy companies are calling toddlers racist!

   » This is why Exxon Mobile now has three directors on their board who want to "end the use of fossil fuels," a move that essentially would put Exxon out of business.

   » Of the "Big Three" Index providers, as a company, Blackrock is clearly the largest, now with $10 trillion in managed assets (not all indexed) and they are throwing their weight around!

From The Hill: **BlackRock's choice: Investment fiduciary or political activist?**
https://thehill.com/opinion/energy-environment/495673-blackrocks-choice-investment-fiduciary-or-political-activist

> "Astonishingly, BlackRock now threatens to vote against directors who don't incorporate its views on environmental and social issues, the 'E' and the 'S' in ESG social-investing criteria. (The 'G' stands for 'governance.') BlackRock says it will take a 'harsh view' of companies that fail to provide it with the hard data it demands, even though Fink himself tells corporate CEOs that such reporting requires 'significant time, analysis and effort.' And it proposes to make good on its threat by aligning its proxy vote with single-issue activist campaigners when it judges a company is not effectively dealing with an issue it deems 'material' or might not be dealing with ESG issues 'appropriately.'"

The Hill goes on to say: "This is unprecedented."

9. What ESG really means and what a majority of Americans really want.

» Economic War Room has polling data and investor research that indicates that the average American investor does not want ESG, which we view as a progressive leftist attempt to usher in a version of socialism.

» Look at what ESG really means. Are these your values?

E is supposed to stand for Environment but is really Eliminate fossil fuels.

S stands for social but translates into Social Justice/Critical Race Theory, and

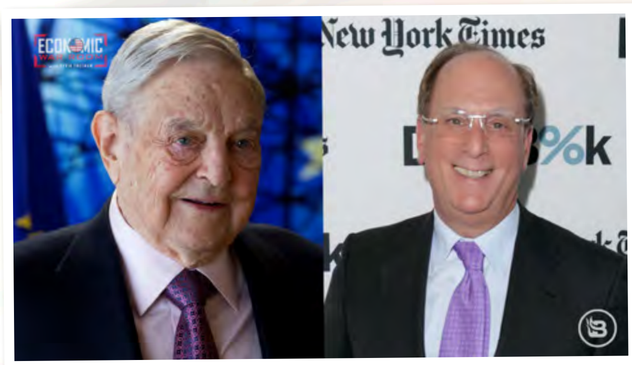
G stands for governance but really is a Gender/Race quota requiring minorities or LGBTQ to be included on every board of listed public companies.

» All the above is made possible, in part, by the power given to the Big Three Index Fund providers, especially Blackrock.

A review of the hypocrisy of ESG positions:
We've covered ESG and Blackrock in previous briefings. We've also covered the hypocrisy of their position, promoting ESG while investing heavily in China. A quick review:

- **Think about China. Are they good for the environment? No!** China is the worst polluter on the planet.
- **Is China good for social? No!** They control their population and even allow forced organ harvesting, social credit scores, and forced abortions.
- **Is China good for governance? Absolutely not!** Their companies often violate all traditional global standards on governance. They aren't even good for the diversity agenda as ESG defines. They recently cracked down on "effeminate men," for example. That is certainly out of bounds for ESG.

Even George Soros has called out Larry Fink and Blackrock as a threat based on their pro-China stance.



This September, Soros wrote the following for the Wall Street Journal:
https://www.wsj.com/articles/blackrock-larry-fink-china-hkex-sse-authoritarianism-xi-jinping-term-limits-human-rights-ant-didi-global-national-security-11630938728

- "The BlackRock initiative imperils the national security interests of the U.S. and other democracies because the money invested in China will help prop up President Xi's regime, which is repressive at home and aggressive abroad." –George Soros

When George Soros can legitimately call you out for supporting the CCP, it must be really bad!

10. What you can do now and solutions for America.
At the national level, we can follow the prescription laid out by Jack Bogle in his Op-Ed for the Journal:

Solutions to resolve the issues connected with the concentration of corporate ownership are not self-evident, but a number of tentative possibilities have already been advanced:
- More competition from new entrants to the index field. For the reasons noted above, this eventuality seems highly unlikely.

- Force giant index funds to spin off their assets into a number of separate entities, each independently managed. Such a drastic step would—and should—face near-insurmountable obstacles, for it would create havoc for index investors and managers alike.
- Require index funds to hold just one company in any industry. Leaving aside the dubious ability of either academia or federal bureaucrats to define precisely what constitutes a given industry, such a drastic change would lead to the destruction of today's S&P 500 index fund, by common agreement, the most beneficial innovation for investors of the modern age.
- Timely and full public disclosure by index funds of their voting policies and public documentation of each engagement with corporate managers. This would take today's transparent and constructive governance practices several steps further.
- Require index funds to retain an independent supervisory board with full responsibility for all decisions regarding corporate governance. The problem with this idea is that it is not clear how such a board could add to the present scrutiny of the fund's independent directors.
- Limit the voting power of corporate shares held by index managers. But such a step would, in substance, transfer voting rights from corporate stock owners, who care about the long-term, to corporate stock renters, who do not… an absurd outcome.
- Enact federal legislation making it clear that directors of index funds and other large money managers have a fiduciary duty to vote solely in the interest of the funds' shareholders. While I believe that such a fiduciary duty is implicit today, making it explicit, with appropriate penalties for violations, would be a constructive step.

It is time for public officials to consider the pros and cons of these issues with indexers, the financial community, academia, and active managers alike—and develop national policies that support high standards of corporate governance. It will require their working together constructively and cooperatively.

Here are our Solutions:

- **Vote in the interest of the funds/shareholders.** Bogle was right in saying we should:

"Enact federal legislation making it clear that directors of index funds and other large money managers have a fiduciary duty to vote solely in the interest of the funds' shareholders."

That is **Shareholder Capitalism** as opposed to socialism, aka **Stakeholder Capitalism**.

» **Address the Existential Threats that have been identified with passive investing.**
  - → The threat to our investment structure and the efficient allocation of capital cannot be allowed to fall.
  - → No one is suggesting we ban Index Funds. But we clearly must take some dramatic steps to address the existential risks they are creating.

» **Bubble Risk** – In terms of the "bubble risk," the answer is to educate market investors to avoid bubbles. Being aware of key market dynamics is critical.

Unfortunately, it's hard to know if a bubble really does exist and even if it does, when it might burst.

» Kevin Freeman suggest it is best to have a professional advisor who is aware of and watching out for such risks.

» You are going to need a financial advisor for what's coming.

» It will get complex and challenging.

» A good financial advisor can help you weaponize your money before it's weaponized against you.

» Three things you can do with money:
  - → Spend it.
  - → Give it.
  - → Invest It.

» If it's just you, you've already lost. We need to work together and we need good advisors.

» **Index funds and ESG Threats** – As for the ESG threat to your values and America's future, that is why we started the NSIC Institute:
  - → Our goal is to train 10,000 advisors, $1 trillion in Capital.
  - → This will represent Millions of investors who vote.
  - → We will be working together to Invest in ways that defend rather than destroy liberty.

» We are launching Economic War Room training at Liberty University.
  → Not all advisors will agree. But don't you want an advisor who does agree with you? They will be able to band together in the NSIC Institute, The National Security Investment Consultant Institute and work together to develop solutions to this Economic War.

» If your advisor is not willing to support you in this, find a new advisor. I promise, there are lots of advisors who are looking for new clients.

» If you are an advisor, this may be your niche. Lots of clients looking for a like-minded advisor.

» And don't forget to reach out to your current financial advisors and ask them if you can nominate them to be an NSIC financial advisor at EconomicWarRoom.com/advisor.

» This training is offered by invitation only so nominating your advisor is the first step. Simply use the camera on your smartphone to scan the QR code below..

Why You Should Care:

» ESG guidance is being leveraged to promote the left's progressive agenda and they are using your money to do it.

» There are potential advantages and risks to Index investing that you and your financial advisor should recognize and game plan for different scenarios.

» Imagine an America where all big US corporations are controlled by 3 funds concerned more about their ESG policy than the corporate profits or shareholders. [It may look kind of like the federal COVID mandate with the Federal Government telling companies what they must do, but even worse because it will encompass every possible decision.]

Action Steps:

1. Contact your representatives and encourage them to enact federal legislation making it clear that directors of Index funds and other large money managers have a fiduciary duty to vote solely in the interest of the funds' shareholders.

2. Be aware of potential bubble risk within passive Index investing and ensure you have a plan if there is a significant market downturn before it is too late.

3. Stand for fair investment structures and the efficient allocation of capital. Part of this will be participation in NSIC and weaponizing your money towards what you value. If we stand together, we can make a difference.

4. Weaponize your money toward principles that support Liberty, Security, and Values (LSV) and stay on the front end of new innovations with a Financial Advisor that understands what's ahead. You control your giving, spending, and investing. Nominate your financial advisor to attend our Founders' class.
   - **Investing,** we suggest you get a like-minded financial advisor. We've done surveys and a clear majority of investors want an advisor who matches with their political and cultural beliefs. Unfortunately, Wall Street is pushing for you to just take what they offer to force a leftist agenda on you.
     - "If your advisor isn't willing to match your investments with your values, send them to us for training and education. If they won't do that, I can promise you that there are lots of other advisors looking for new clients." -Kevin Freeman

5. **It is time to fight the economic war we are facing. Nominate your financial advisor at** **EconomicWarRoom.com/advisor** and let them know that you think this would be a great opportunity for them. Classes are launching and our list is growing fast.

6. **Also, if you have not already done so, please sign up for our free weekly Economic Battle Plans™ at** www.EconomicWarRoom.com
     - If you are following Economic War Room you will be on the leading edge as it relates to global threats, geopolitical analysis, and how you can weaponize your money to strengthen America. Your money, livelihood, and way of life are at risk and these tools are designed to mobilize America to protect their economic liberty.

In the **Economic War Room®**, we encourage Americans to be the "small ships that make the difference." You cannot solely rely on the government or the president to solve America's problems. You have to make a difference. It is up to you to help take our country back and create a voice for economic liberty. [The small ships are based on Churchill's Operation Dynamo that rescued the British Expeditionary Forces in the Miracle of Dunkirk.

We need more Economic Patriots on the team! Consider what you can do now to help strengthen America or even help someone in need. Keep in touch with your congressional representatives. Choose from the list or set your own goals:

√ At our Economic War Room® website, sign up to BlazeTV or LiftableTV for our complete weekly shows. Please use our code (**ECON**) from that link for a discount and FREE trial.

√ Follow, like, comment, and share on FB and Twitter. Look for short video segments on FB and Rumble and make sure. We recognize these tools may be compromised at times, but if they are not filtered, they are the major platforms available to reach out to the public. [Know that alternatives to the social platforms listed above are under EWR consideration.]

√ Check out XOTV (https://xotv.me/channels/233-economic-war-room), a new free speech video platform that Economic War Room is proud to partner with. Access is FREE but consider making a donation to EWR on that website to help with Economic War Room's research and production costs.

√ You are welcome to share this Economic Battle Plan™ and our short video segments with friends on FB or YouTube. We set up the Economic War Room® to be your resource for information, preparation, and mobilization.

√ Do this now! Have a financial action plan based on multiple geopolitical scenarios developed now. Advanced preparation is key. Trying to figure what to do when an economic event happens is usually too late.

Shareable Quote:

"What we see as a marketplace our enemies view as a battle space. This is true with your investments as well."

–Kevin Freeman, CFA

The EWR Collection Deck – From Kevin Freeman
(List of resources and external links for more information)

Quick Access Links

[Index Investing History]
[Index Effect]
[Index Performance]
[Index Fund Dominance]
[The Impact of Index Funds on Market Efficiency (Index Bubble?)]
[Index Fund Risks in a Down Market]
[Indexing and the Progressive Agenda]
[About ESG and Woke Corporations]
[Stakeholder vs. Shareholder]
[Index Funds and China Hypocrisy]
[The Importance of Proxy Voting]
[The NSIC Institute Solution: Weaponize Your Money to Protect America]
[Critical Resources to Battle this Risk]

[ ] - Must Read/Watch

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On BlazeTV https://get.blazetv.com/economic-war-room/
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[] Special Bonus Material - Download Free Family Life Plan

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