Five mega trends affecting us all...

INVESTING PRINCIPLES

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Something about me

- dairy farm experienced!
- South Island experienced!
- first financial planning firm in NZ, 1983
- first funds research firm in NZ and Australia, 1983
- 10 yrs in Australia, brilliant! investment publishing
  - financial alert, NZ
  - PortfolioConstruction Forum, Australia
Something about me

Was this you?
“The biggest hurdle ... is mind-set:
you must believe that your most valuable assets are your experience, smarts and potential.
And you must be prepared to risk it.
The biggest risk of all? That you play it too safe.”

Source: Future Wealth
The big picture…

3 essentials for continuing success

1. Excellence
   +
2. Innovation
   =
3. Anticipation
5 mega trends affecting us all

1. The reformation of regulation
   - Yesterday – command and control
   - Today – market forces
   - Tomorrow – re-regulation

2. The ETA of ESG
   - Environmental
   - Social
   - Governance
3. The turbo of technology

- Yesterday – Moore’s law
- Today – converging technology, nanotechnology
- Tomorrow – 1:1 marketing & product/service customisation
5 mega trends affecting us all

4. The movement of markets

• Yesterday – Britain
• Today – USA
• Tomorrow – USA + BRIC+

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4. The movement of markets

• Big Rapidly Industrialising Markets – BRIC
• Brazil, Russia, India, China – BRIC
• Our journey so far…
• China example
• The GFC and the BRIC’s
5 mega trends affecting us all

4. The movement of markets

BRIC economies to exceed G6 by 2040

http://www.youtube.com/user/BRICplus

OUR JOURNEY SO FAR
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A brief re-counting of the credit, banking and economic crises

- Started with “sub-prime”
- Spread via securitised products, wider spreads, credit tightening, asset write-downs, failures
- Affected housing markets, then credit markets, then share markets, then economies, and then confidence in banks…and then all of the above
Longer-Term Thoughts on the World Economy

• Current problems are mainly cyclical
• Medium-term, more cautious attitudes towards risk, debt etc…until memories of 2008 fade
• Some longer-term consequences – eg bank supervision
• But the world will return to normal – long-term growth of 3.5% with emerging countries outperforming industrialised and US doing better than Europe

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5. The retirement of retirement

• Yesterday
  – I will retire
  – The government must provide for my retirement
  – I will die
• Today
  – I will retire - but probably work part-time
  – I must provide for my retirement
  – I will also provide for my parents, children
  – I will live to 85
• Tomorrow
  – Retirement of retirement
5 mega trends affecting us all

5. The retirement of retirement

What this all means...

1. The reformation of regulation
   - more cost
2. The ETA of ESG
   - more opportunity
3. The turbo of technology
   - more opportunity
4. The movement of markets
   - more opportunity
5. The retirement of retirement
   - more planning
The biggest hurdle … is mind-set:
you must believe that your most valuable assets are your **experience, smarts and potential**.
And you must be prepared to risk it.
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Source: Future Wealth

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**4 actions 4 today**

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