

Brave New World, Part Two

International Investing: How to Succeed Unconventionally

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What is risk?

Depends who you ask:

- Pension beneficiaries
- Pension sponsors
- Fund managers

An agency problem exists

Which return is more important?

- Long-term, absolute
- Short-term, relative

Conventional investing is expensive

- Turnover
- Too many stocks
- Time horizon

International investing

What is country risk today?

- Economies are integrated
- Companies are global

The possibilities are great

- Different industry opportunities
- Faster growth rates
- Genuine risk diversification

How should a Canadian plan sponsor view the world?

- With low turnover
- With concentrated, global portfolios
- With long time horizons