

Brazil, Russia, India, China: the new frontiers of investing

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Portfolio Construction Forum publisher Graham Rich and Think Global Consulting principal David Thomas have joined forces to educate researchers and investment committee members from dealer groups, platforms and super funds on "thinking BRIC".

Rich and Thomas believe Brazil, Russia, India and China (BRIC) are the new frontiers of investment and they are focusing their efforts on arranging study tours to these emerging markets. The tours will offer contacts with local financial services professionals and an understanding of the opportunities these economies present to investors.

Rich said one of the greatest influences and opportunities for portfolio construction over the coming years would be the emergence of the BRIC economies.

"Just as England grew to dominance during the 1800s and the US during the 1900s, this century we'll see the emergence of the BRIC economies as dominant economic players," he said.

These countries are expected to increase GDP 2.5 times by 2050.

"Portfolio Construction Forum is trying to challenge a particular audience on a range of issues – including markets, portfolios and asset allocation – and in the market area the best contribution we can make is not focusing on the US but to focus on the key emerging markets because they will have the greatest impact on portfolios," Rich said.

"We looked at ways of extending our program [for researchers] this year and decided on bringing, over the next four years, an expert from the different regions."

He said the most immediately important of the four BRIC economies for those building an Australian investor's portfolio was China, hence this was the destination of the 2006 tour. India will be next in 2007, then Russia in 2008

and Brazil in 2009.

In 2006, Rich will also be bringing Chinese national experts to the Portfolio Construction Conference to be held in Sydney in August.

GT Capital executive officer Albert Wong introduced the "Thinking Bric" study tours, speaking to a group of around 50 researchers in Melbourne and

around 105 in Sydney last week. Wong is involved in China's first listed property trust and is involved in the management of other funds management companies. □

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