WEGELIN & CO.
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Where can we look for hope?

1. History tells stories

It may be in the nature of the way we deal with crises, and are ultimately able to overcome them, that we need to tell them as stories. Sometimes as short stories, such as we read every day in the papers: Merkel and Sarkozy, Sarkozy versus Cameron, Schwarzenberg on Berlusconi, and so on. But increasingly in heavy, more literary volumes devoted to an intransparent and corrupt financial system. There is a sizable selection published just in time for the Christmas trade. It ranges from stories with a degree of local colour (*Rütlischwur* by Michael Theurillat, from Ullstein) via novels with an obvious Greek connection (*Der Schwur von Piräus* by Markus A. Will, from Reinhardt, and *Faule Kredite, ein Fall für Kostas Charitos* by Petros Markaris, from Diogenes) to thrillers such as *The Fear Index* by Robert Harris (from Random House), in which Geneva's red-light district plays a particular role. So, plenty of entertainment for long winter evenings within our own, secure, four walls – unless, of course, we are already fed up with the whole subject.

Stories, not analyses: where monsters lurk, explanations are obviously no great help. Mythology replaces sober consideration. When there is no sign of heroes anywhere in the real world, we begin to invent them. This is how the Swiss sagas of the Middle Ages "explained" the destructive forces of nature and – in fantasy rather than reality – allowed particularly brave and bold heroes to triumph over the monsters. Now, it is the incorruptible, all-seeing heroes of the novels that are to save the financial system, and thus the whole world, in the nick of time – and so to bring hope to mankind in dark times.

Reality, however, looks a good deal more down-to earth, and, sadly, a good deal less hopeful. No question of triumphant heroes here. Au contraire: the increasingly helpless and febrile gaggle of heads of government and finance ministers scuttle like headless chickens from one conference to the next. Last month, under massive pressure from the European Union, the governments of both Greece and Italy were replaced. Even if in one instance the outgoing prime minister was felt to be no great loss, there remains a very large question about the democratic legitimation of such a process. De facto, Lukas Papademos and Mario Monti have been installed as viceroys of Brussels. Their job is to carry out the austerity programmes decreed for their countries. The financial markets oscillate between a punitive scepticism over the technocrats' euphemisms and efforts at faith-healing on the one hand, and on the other, sighs of relief at the renewed and ever more plentiful liquidity support from the key central banks around the world. Viceroys and febrile, helpless heads of government – but no sign whatever of the hero or heroine who might overcome the ever-lurking danger of bankruptcy for Italy, or even France. The ups and downs on the financial markets resemble the flickering ghost-fires that flash images of demons and bloodthirsty Furies: we wait in vain for the promising gleam of genuine solutions to our problems.

2. Loss of two investment categories

We do not propose to offer any further analysis of the crisis in Europe here: firstly, we have done that sufficiently already, and secondly, vast numbers of other commentators are now also doing it. What we would rather do is tell a story of our own, as it were. This is the story of our clients and investors, and their increasingly desperate search for vehicles in which they can invest their personal, and often hard-earned, assets with sufficient security. Their story is also our story for, as their advisors and asset managers, we strive to maintain, and where possible develop, the substance of their assets. The sober truth is that the possibilities for doing this properly in the current environment have shrunk enormously.

The background to this state of emergency is undoubtedly the paradigm shift that has caused states regarded for far too long as absolutely risk-free to become the most threatened of all groups of debtors. Even worse: states are not only dangerous on an individual basis; rather there is now a high degree of risk correlation between various states. So, the effect of diversification has been

correspondingly relativised. If Greece goes down (even only partially) then Italy, and even France, are on the slide. The European rescue mechanism resembles a Titanic-like ocean liner. After a collision with the first iceberg, the captain opens all the bulkheads in order to distribute the water flowing through the hole as equally as possible throughout the hull. As a debtor state that has been holed and is listing, France is a serious problem for many portfolios. While the case of Greece, Portugal, or even Italy might be greeted with a shrug of the shoulders, because one hadn't invested there anyway, or if so, had long since got rid of the junk, French debt is far from uncommon in most portfolios.

Furthermore, these supposedly risk-free states are led and governed by people who understand only decrees from on high, and have no idea of how to deal with market forces. The notion that there is a system that reacts not at all, or even antagonistically, to orders has not dawned on even the brighter among the politicians. A typical example of this was the so-called "voluntary" acceptance of partial losses by private creditors holding Greek government bonds. This might have avoided the nominal insolvency of Greece, and the associated total default of debtors on the balance sheet of the European Central Bank (ECB) and the commercial banks. At the same time however, this fudging of state bankruptcy resulted in the Credit Default Swaps (CDSs) not falling due. What the politicians celebrated as a success became a serious problem in the next spasm of the crisis: on account of the prospect of also falling victim to such a "voluntary" hit at some future date, and the effective impossibility of being able to insure sufficiently against default by means of CDSs, the bond markets raised the risk premiums for most state debtors in the eurozone by a substantial amount. The "Titanic effect" and this "voluntary premium" combined to form the most dramatic peak in the crisis so far: on Wednesday, 23 November 2011 the Federal Republic of Germany was no longer in a position to fully place an auction of treasury securities on the market.

For investors, government bonds have become the hybrid financing instruments of an infection-prone collective. In addition to the intrinsic counterparty risk, every bond now also contains the additional danger of an uncontrollable partial or total confiscation. Voluntary action can be enforced by decree. And the value of CDSs may be close to zero. What happened with Greece may also happen with Italy or France. We do not believe the now higher risk premiums (which are disastrously high for the refinancing of debtor states …) yet sufficiently reflect this political risk.

And not only that: in the wake of Financial Crisis Version 1 – that is, the banking crisis of 2008/09 – the financial institutions were linked very closely to the state, and obliged by regulatory constraints to take up government bonds. The lever for this development was the systematic preferential treatment of supposedly risk-free state debt in the assessment of bank balance sheets and the repo system, in which, for example, Greek government bonds could still be placed as acceptable collateral. Unhappily, the regulatory requirement for the banks to hold more equity, sensible in itself, had a similarly unbalancing effect to the benefit of state debtors. For private-sector lending requires additional backing. Under these conditions it is hardly possible for it to be further expanded.

In the context of the state debt crisis, the banks' "forced labour" activities with government bonds has resulted in a parallel exposure of the whole financial sector. We are again faced with a Lehman Brothers-type banking crisis; the concerted intervention by the central banks last week avoided the worst. For there was a serious danger that the banks would again no longer be viable counterparties for bank credit – with sadly familiar impact on world trade and the global economy. This danger has been avoided for the time being. But serious questions remain about banks, and perhaps also insurance companies, as a possible investment substrate for stock or bonds. Debt from the financial sector has become just as much the hybrid financing instrument of an infection-prone collective as has the debt of states that are indissolubly linked to the financial system. In this instance the life-threatening virus is transferred to the suckling with its mother's milk.

Or, put differently and even more plainly: the investment universe has been radically changed and reduced. The straightforward, easily forecastable "risk-free" state investments no longer exist. Banks as unobjectionable counterparties for financial instruments of every kind: those days are gone. The fixed-interest portion of a portfolio has become a highly asymmetric matter: high-risk, but as a result of the excessively generous monetary policy of the central banks, with far too little interest. Even the risk premiums now being demanded on the markets are far from covering the potential total systemic default resulting from contamination.

What is left is corporate bonds. So far in the crisis, they have proved extremely resistant, even if we have seen a rise in risk premiums in recent weeks. This is probably due to the fact that the market

does not quite know what effect the reduction or a rating, a restructuring of debt or the insolvency of a country would have on the private debt of companies in the country concerned. And of course, over the eurozone still hangs the Damoclean Sword of the exit or expulsion of a member country, however often this is dismissed by the politicians: in what currency would the bonds then continue? In drachmae, lire, pesetas, francs or euros? This state of affairs has generated a new concept: "redenomination risk". We shall come back to it in the following section. So, corporate bonds also exhibit certain "hybrid characteristics".

The story of the desperate investor (and his advisor ...) in effect tells us that they have been partially robbed of two investment categories, namely cash and fixed-interest investments. The repayment of principal and interest with no ifs and buts has mutated into a "possibly", a "perhaps", a "voluntary" enforced waiver. As a consequence of Financial Crisis 2.0, some so-called fixed-interest investments have become neither fixed nor interest-bearing, but rather represent merely indefinite, non-binding contingent commitments. "Fixed-interest" investments of this nature no longer belong in the fixed-interest risk/return category; they may have a place in that part of the portfolio where higher and (uncontrollable) risks belong: in the highest risk category, which we colour red.

3. Debt crisis or currency crisis?

People talk generally about the "eurocrisis". No distinction is made any longer between the over-indebtedness of certain countries in the eurozone and the supposed problems of the euro as a currency. Is this right? In our view, a priori, no, it isn't. For a currency is fundamentally something other than the degree of indebtedness of certain members of a currency area. It is perfectly possible to imagine a situation in which debtors of every shade could default in all sorts of ways and to differing degrees, without this necessarily casting a poor light on the currency concerned. Always provided that the debt problem is not internalised in the sense of the "Titanic effect" described above, and thus collectivised, and also provided that the central bank responsible for maintaining the value of the currency remains immune to the effects of the crisis. This would require that it did not take on debt from its own currency area, or if it did, it protected itself continuously against defaults with a sufficient (additional) safety margin.

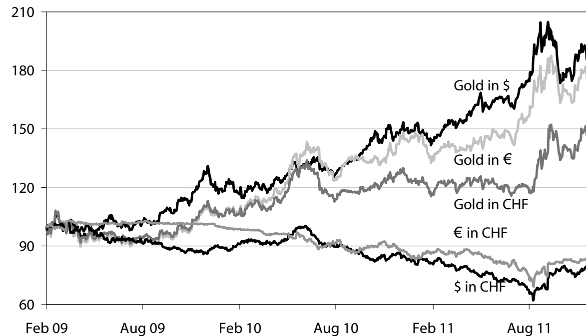
The ECB no longer fulfils either of these conditions, which is why it is correct to speak of a "eurocrisis" today, and not just of a "state debt crisis in the eurosystem". As a result of buying up debt in its own currency area, the ECB is sitting on 200 billion euros worth of dubious-quality securities. That is simultaneously a lot and not much. A lot, in that according to the classic concept, intervention by a central bank in its own bond market is anyway ruled out. A lot also inasmuch as value adjustments lie ahead. As we know, the ECB did not participate in the "voluntary" restructuring of Greece's debt. Not much, though, when we consider the eurozone's total debt problem, amounting to 2,000 to 3,000 billion euros. Not much, also, when we consider the debt purchases of the US central bank, the Fed. There, the "own" debt, including Treasury bills, amounts to a good 1,600 billion dollars. A lot or not much – what do we know about the additional risks for the ECB from the securities lodged with it by the commercial banks? And what about the margins we mentioned? Are they being revised on the basis of (mostly lower) market prices? A lot or not much – what do we know about the approach of the new head of the ECB, Mario Draghi? Will he keep his promise to protect the bank's balance sheet? Question after question...

Critics of the ECB point precisely to its reluctance to intervene as the biggest problem. It should either go for a *tabula rasa*, in the style of the Fed – in other words, buy up all outstanding debt – or leave well alone. Anything in between will only send confusing signals to the market. The *tabula rasa* model, already referred to as the "big bazooka", would have the advantage, according to its proponents, that, given the superior clout of the central banks, the markets would calm down at once, so that intervention would not be needed to its maximum extent. The counter-argument is that such a policy would effectively reward the excessive accumulation of debt in Europe, and would put a definitive end to the credibility of the central bank and its independence from politics.

We need not continue this discussion – which, nota bene, has transnational connotations – here. For the continuation of our investor's story, it is enough to note that currencies too have become fairly hybrid instruments. While some have already verbally anticipated the end of the euro, others are still hanging on to the die-hard slogan that "If the euro fails, Europe fails". Our own view is this: the euro is in a bad way; indeed, a very bad way. And things do not look much better for the alternative, the US dollar. Only the fact that it is the sole genuinely liquid reserve and exchange currency in the world offers the US dollar a few plus points in the comparative advan-

tage table. So, we have something like a stalemate of disadvantage. This is reflected in both currencies' loss of value against gold.

High flyers and low flyers



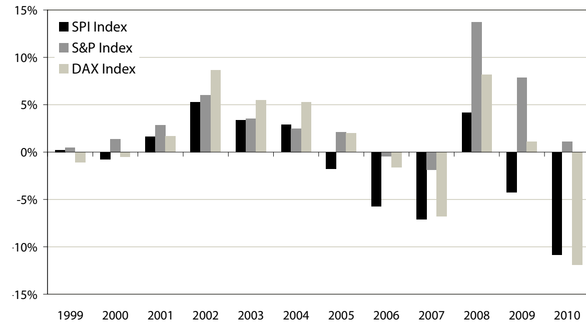
Source: Bloomberg; Wegelin & Co. analysis

The problem for investors is that it is difficult to find investments that do not have a degree of sensitivity to currencies. Cash and fixed-interest investments, already dismissed as "hybrid contingent commitments", are particularly exposed to currency fluctuations. Recognising the urgency of the situation, the central banks began their policy of "quantitative easing", and the associated purchase of bonds from their own currency areas, and have thus created risks of uncertain dimensions for their own currencies. We fear that these risks are not simply cumulative, but multiply one another. The problem can be avoided to a degree with greater currency diversification. Even better, however, would be to have an investment substrate that was relatively independent of currencies.

4. Stocks as an alternative?

For a long while now, those who in these turbulent times recommend stocks as a means of preserving value have appeared foolhardy. Their daring is met with every conceivable objection. For example, investors thinking in Swiss francs have achieved a genuinely positive result only four times in the last twelve years. Starting from all the other years, there has to date been no profit, or even a loss. The table below shows the lean times for stock enthusiasts in various reference currencies.

Stocks: tricky start



Source: Bloomberg; Wegelin & Co. analysis
Note: Total return annualised over the period from purchase of stocks.

The picture is at best disheartening, if not downright disappointing, and one may be amazed that there are still true believers in the supposed salvation of the gospel of investing in stocks. For, on the basis of our own experience, the additional claim of the too-clever-by-half advisors (and investors) that claim they were always able to get into and out of the market at exactly the right moment is, frankly, barely credible. The fact that, in our Wegelin investment process, we allow a bandwidth of just plus or minus 10 percent for the over- or underweighting of the strategic asset allocation reflects our reserve towards the "timing skills" whose superiority is repeatedly asserted. Nice idea. However, in our view, the probability of generating systematic losses through frequent purchases and sales is considerably higher than the wondrous skill of the so-called "golden touch".

In conclusion, then, it is part of the story of our despairing investors (and his advisor) that he does not regard stock investments as particularly attractive. The five or ten years of cumulative disappointments have left their mark. Furthermore, other, alternative purchase or sale indicators, such as those used by so-called "value investors" have been little or no help over the last three to four years. Value investors buy stocks when the market valuation is below that calculated with their own model, and they sell the stocks when they believe that the market prices overshoot. In this way, they try to generate additional returns from market fluctuations, trusting that there is some sort of median price on the market that reflects the intrinsic value of a company over the long term.

This method of investing in stocks often involves great enthusiasm about discoveries in the most awful countries and economic sectors – in precisely those areas where, as a result of exogenous factors, gems of companies have escaped all notice and are undervalued by any conceivable stan-

dards. In Spain, for instance. Or in Italy. But what if the exogenous factors do not gradually correct themselves, as they normally would? What if, on the contrary, the situation deteriorates systematically for years? Like, for instance, in Spain. Or in Italy. Then, value investments need time: so much time that "normal" investors run out of patience. What may be impeccably correct in the long term may turn out to be insupportable in the shorter term. That's the problem.

The alternative to the hectic over- and underweighting of the market-timing specialists, or the ultimately selective process of the value investors, lies in the selection of a very broad index, such as the MSCI World Index, which includes the larger global corporations. It contains 1,600 stocks. It would hardly be possible to be more broadly diversified. Costs are extremely low, for instead of individual stocks, what is bought is an index fund or an Exchange Traded Fund (ETF), which offer a minute share in all these 1,600 companies around the world. On one hand, this is undoubtedly attractive. For firstly, crisis or no, the big corporations in the world are not all going to go down together. Secondly, the global distribution ensures that currency risk is limited. On the other hand, on account of the phenomenon that global recessions, or largely inexplicable contractions of the global stock market, are possible, the timing problem cannot really be avoided. And value-oriented investors are also tempted to weight "more attractive" regions or sectors more heavily than "expensive" ones. Put another way, to a certain extent, the misery we have described is simply located at a more highly aggregated level. Furthermore, look at it how you like, there is something rather anonymous about index-based investing. The idea of one's property being held, via thousands of book claims, in the deposit facilities of investment banks and international depositaries, is a fairly virtual one. And what if a government had the idea of a "voluntary" surrender of book claims?

We are not looking for trouble. But it is possible (and absolutely necessary) to rigorously review the legal guarantees of index instruments. The question, for example, of whether property is ring-fenced, and the depositary prohibited from lending the securities, is decisive. We live in times when a Lehman Brothers scenario could recur at any time. The question of the legal protection of property is by no means theoretical.

Which brings us to the heart of this Investment Commentary. To the question of whether it is acceptable to regard property in the same way as all the other risk/return categories. Should stocks be treated as just as exchangeable as all the other components of a portfolio? Or, given that they reflect the ownership of property, should stocks have special treatment? If so, is the market price, which reflects precisely their exchangeability, but nothing more than that, the only criterion by which purchase, sale and "performance" should be assessed? We are, admittedly, shaking the very foundations of our business activity here.

5. Paper – or people, land, machinery?

The more we think about the state debt crisis, or – given that it has spread into the banking system – Financial Crisis Version 2.0, the more important this aspect of property ownership seems to be. It has been made superabundantly clear how easily, at the casual stroke of a pen, a "voluntary" surrender of 50 percent of outstanding debt, and with it the surrender of creditors' rights in the event of bankruptcy, and the worthlessness of credit risk premiums, can be achieved. The discussion about the "redenomination" of euro debt in the event of a currency split-up is heading in the same direction: face values can be rapidly eliminated in times of crisis. That also applies for bank notes and account balances.

On the basis of historical evidence, it can be assumed that property is, by contrast, considerably more crisis-resistant. Here too, there are of course no absolute guarantees. Even in property-friendly Switzerland, a campaign has been launched for the introduction of an inheritance tax with retroactive provisions (!) from 1 January 2012. One part of the population is being invited to confiscate one-fifth of the other part of the population's property. And to ensure that the latter cannot escape this, the property is to be firmly shackled. Nor is there any question of abolishing the property taxes already levied. The aim is that the same substrate should be taxed twice. Property is evil, and still more evil are those who own it.

Nevertheless: property is, overall, resistant to wars and crises. It is made up of land, houses, machinery, and the combinations of people who work with such things, and achieve success with them. Arbitrary adjustments to nominal values have only an indirect influence. Property thus only has anything to do with the value of a currency to the extent that the economic value of a business or a property can be changed by the exchange-rate situation or the cost of capital by the interest-rate situation.

The distinction between property ownership and stock ownership lies in the degree of territorial localisation. Property, such as a house, is literally a "fixed asset"; it is, for better or worse, at the

mercy of the conditions prevailing in the local environment. Companies, by contrast, are entities capable of strategic action. In the era of globalisation, even small or medium-sized enterprises are capable of changing the location of their activities. Not only that; the activities can also themselves be adapted. Companies have a management structure, and are thus capable of strategic action. They can take evasive action. They can shift their focus. They can seize opportunities. However attractive localisation in the country of origin may be – loyalty too has its limits when conditions deteriorate massively.

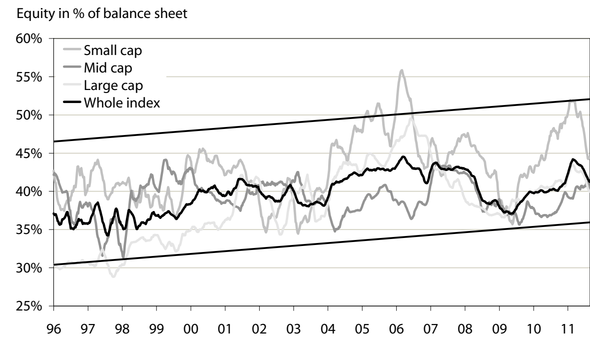
It is this characteristic of strategic freedom of action that, for us, makes stock ownership so fascinating. Because of the aspect of property ownership, stocks represent real options, in a way that bank notes, account balances, bonds do not. We believe, particularly with a view to the ultimately unpredictable crisis, that these real options cannot be overvalued. The probability that assets consisting of part ownership of property will survive the crisis more or less unscathed is far higher than that paper promises will maintain their value during the crisis.

6. Companies generally in good form

The Doubting Thomases – and that can be no reproach in such a crisis – will naturally object that that it would be absolutely reckless to recommend stock investments when faced with the threat of recession. Counter-argument: is a recession really that certain? Would a potential European slump really hit globally active companies that hard? Is strategic freedom of action not crassly underestimated? As we said, companies can increase or reduce capacities, can move their operations. Lastly, can potential falls in the price of items of intrinsic value really be equated with potential total losses on nominal values? A nominal value will never be able to recover; a real enterprise, unless put an end to by bankruptcy, can one day recover its value, or even outstrip it.

A look at the economic condition of businesses offers some encouragement. The figure below shows the situation of a selection of listed Swiss companies. The selection is made up of 60 Swiss stocks of reasonable market liquidity, with a minimum capitalisation of CHF 100 million. The averages are, one-third each, for small, medium-sized and relatively large companies. "Small" goes from Gurit (CHF 200 million market capitalisation) via Zehnder (620 million) to Huber und Suhner (950 million); "medium-sized" from Kuoni (around 1,200 million) via Bucher (1,600 million) to Ems (3,700 million); "large" from Barry Callebaut (4,200 million) via Schindler (12,000 million) to Nestlé (162,000 million).

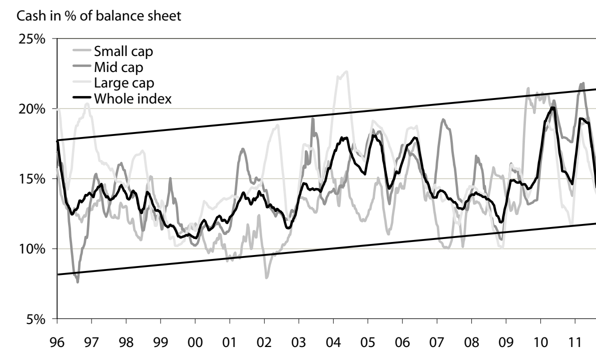
More robust, more stable



Source: Factset, Worldscope; Wegelin & Co. analysis
Note: Indicators calculated rolling over three months.

Conclusion 1: Swiss companies are decidedly better capitalised than they were ten years ago. The equity-to-assets ratio has risen to around 40 percent, with the small companies taking pole position at 44 percent. The lessons of the crisis of 2008/09 have been learnt.

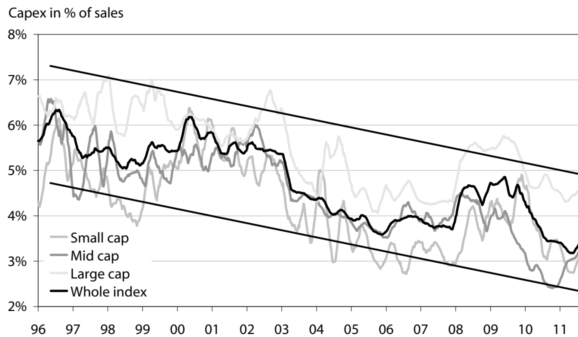
Cash is king



Source: Factset, Worldscope; Wegelin & Co. analysis
Note: See equity-to asset-ratio figure

Conclusion 2: There is certainly no lack of liquidity among most Swiss companies. Swiss companies' cash holdings have risen substantially for around ten years now, and are now at over 20 percent, with the "small" companies again in the lead. This is all the more astounding in that the low interest rates mean that this component of the balance sheet generates virtually nothing. This must mean that operational earnings are that much higher. And here too, we see a rise over the last ten years, if we compare operating profit (EBIT) against operating capital (NOA). Here, it is the big companies that are in the lead, with around 23 percent.

Better investment management?



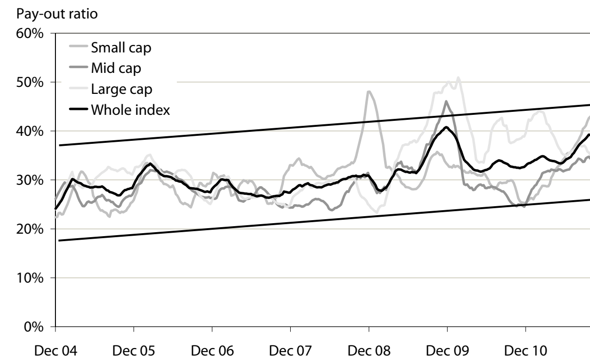
Source: Factset, Worldscope; Wegelin & Co. analysis
Note: See equity-to asset-ratio figure

Conclusion 3: Investments have fallen continuously. Capital expenditure as a percentage of sales has fallen from around 5 to 6 percent to around 3½ to 4½ percent. The significance of this trend is not so straightforward, and above all, not clearly interpretable. What may be an unwillingness to face the future may also be the better utilisation of investments. For our purposes it is enough to note that lower capital expenditure leaves greater latitude for dividends.

If we were faced with the choice between investing a given sum in a number of bonds of French state enterprises such as SNCF, EDF or EADS, or in a well put together basket of stocks of sound, globally oriented, alert, flexible companies – which would we be more comfortable with? If we are fixated on the market value at the end of the year, we must buy the French bonds. If we are relatively indifferent to the market value at the end of the year (more or less in the sense that "if it's lower, we can buy more stock more cheaply"), then we'll buy the stocks. Hands on hearts: which home-owner has the current market value of his house calculated at the end of every year? Which entrepreneur who owns his business, and has not the least intention of selling it, is interested in its potential market value at the year's end? Might it not in future be better to ask our client advisor to calculate our current share of the cash-flow generated by the companies in the portfolio, as an exercise in "equity accounting", instead of generating lists of market values? As shareholder and (part-)owner, to behave as if one were oneself an entrepreneur?

Because in a certain sense, that is what we are. Not necessarily thanks to the attempts, of varying appropriateness, to extend shareholders' rights in recent years. Rather, on account of the move on the part of joint-stock companies towards high, consistent dividends. Dividends are the best means of bringing about a degree of polarisation between the board and the management of a company, and thus a very effective instrument of corporate governance. Every loss of cash is painful to the management, who may feel that the funds could have been better used within the company.

Dividends as evidence



Source: Factset, Worldscope; Wegelin & Co. analysis
Note: See equity-to asset-ratio figure

Why have dividends risen so sharply in recent years? We believe that this is because they had to. Many years of inadequate market-value returns simultaneously with high market volatility require compensation. A company's management can influence its market value only to a very limited extent, and not at all in the face of wild goings-on on the financial markets. Cheques for shareholders can be generated by the company. Dividends, and the associated entrepreneurial performance, are the substitute for market value, which has, owing to an excess of exogenous factors of influence, lost its significance for the time being.

If we wish for an answer to the question asked at the start of this Investment Commentary – Where can we look for hope? – then it will be something like this: certainly not to those who are already overwhelmed by their own debts, who have no comprehension of market mechanisms, and who can confiscate by decree. If hope there be, then from that part of our society that can, thanks to its productivity, intelligence and flexibility, survive in practically any situation.

7. A new business model for private bankers?

Consideration of the forgotten property-like characteristic of stock investments leads on to further considerations. Property must be enforceable; otherwise it is illusory. Its enforceability must be crisis-proof, otherwise this property-like characteristic will fail precisely at the key moment. But the ownership of property also involves a right – indeed, an obligation – to exercise influence.

If we take that seriously, then one thing becomes immediately clear: the possession of bonds, structured products and certificates – of nominal values of every kind – may well be organised in the form of an exchangeable mass-market service, a

sort of commodity. But stock ownership, understood as entrepreneurial engagement in a company, requires qualified forms of custody. Whether a shareholder, as co-owner of a company, is listed in the share register or not is relevant. Likewise, whether or not he is represented competently at the annual general meeting. Whether stock ownership is valid also in far-off countries with different legal systems and different customs – and also remains watertight in crises – is decisive in the management of a global portfolio.

Qualified forms of custody stand in sharp contrast to all the efforts in the financial system to make the possession of securities anonymous, and supposedly more efficient. Global custody, with effective concentration of ownership risk with a few central custodians, who could mutate into confiscators at the stroke of a pen – what a nightmare!

Private banking, understood as acting as the owner's representative, must take on precisely this special challenge – beginning with carefully selecting long-term engagements, then monitoring and managing them, and exercising shareholders' rights at annual general meetings, and even vis-à-vis boards of directors. Private banking should be able to ensure, by means of a global network of reliable depositaries, that this property-ownership function can also be fulfilled in Canada, in Norway, and in Hong Kong.

The private banker as the owner's representative: this is a business model that kindles new hope. But not only that: the mere thought of it warms the heart.

KH, 5.12.2011

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