



Brazil looking brighter: Opportunities in emerging markets

Colin Moore, Global Chief Investment Officer



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I'm not just thinking about emerging markets geographically. I think that's actually a mistake.

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So I recently went to Brazil and I think it's quite positive, what's happening. We have to remember that this is a country that is rich in many resources, including its people, and with the proper stewardship I really think there can be a tremendous future for Brazil. We did ask a lot of questions about education policy, for example, because again you can have a rich store of human capital but you have to find ways to help that capital be healthy and well educated. But they've got lots of commodities, it's a relatively young population, and I think with better fiscal control we should now be thinking much more brightly about Brazil and certainly much better than we were just one or two years ago.

I'm also quite interested in the rest of emerging markets. Our concern about low, slow growth structurally in the world -- you have to look at where there are pockets of growth. One is certain themes where there is growth around the world: the development of healthcare, the development of infrastructure. When you think about emerging markets, they're going to be at the center of that.

We all got obsessed about BRICs. And when you create these acronyms or you create names like emerging markets, you're assuming a certain homogeneity about how they will perform and how they will act. That's clearly not the case. But if you begin to think within emerging markets about where there are opportunities about the emergence of the young consumer, about the consumption of more healthcare, the development of education, the use of new technology, I think there are many themes within emerging markets that are quite exciting. So the trick will be to move beyond the country definition of emerging markets and understand the thematic approach to emerging markets.

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