

Emergo Wealth presents



The INVESTMENT

Expert Conference 2014

Ladies and Gentlemen, it is with great pleasure that I welcome you to Emergo Wealth's 2014 Investment Expert Conference. Thank you for coming.

Emergo Group is a multinational organization with deep roots. From its early beginnings in the venture capital industry the Group quickly became a notable player in the private equity industry. Emergo's history spans from being the largest foreign exporter of oil in Russia in the early 90's (through its investment in Fracmaster) to being the world's largest consumer of Fuji paper (through its US based retail chain, Portrait Innovations.). Today, the group still operates in both the venture capital and private equity marketplace.

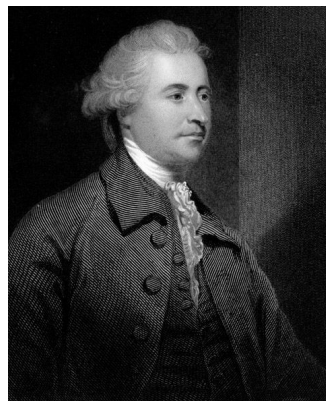
We have a long-term vision and we are proud to be able to make short-track decisions that are aligned with the needs and strategies of our partners and investees. We are proud of our Cypriot pedigree, we have built a global brand based on one of Cyprus' most recognizable trade symbols, and we have taken our Kyrenia ship around the world pursuing private equity and venture capital transactions.

As wealth management customers we learned what was missing from the current service offerings. And with this in mind and a keen interest in finance, several Emergo executives decided that they could do better. Which gave rise to Emergo Wealth. Regulated by the Cyprus Securities & Exchange Commission, Emergo Wealth provides personalised financial services, previously only available to the very few. We like to think of ourselves as the private investment practice for everyone. In response to our clients needs, we have developed a range of products and services that, in our opinion, are underserved areas such as: Portfolio & Wealth Management, Personal Financial Planning, Corporate Advisory, Management Consulting & Research. To deliver these, we have built our organisation on world-class professional expertise, integrity and transparency. These are all labour-intensive and costly to produce services, but we look at the longer term and are willing to invest in you, in the hope that you will invest in us.

Back to the subject at hand.

Wealth is such an interesting concept, at various points of our lives we find that we have enough while at other times we could use a lot more. As recent events have shown us, we can lose wealth in a relatively short period of time. But gaining it, takes considerably longer.

A lot has been written about the crisis resulting from the March 2013 events and a lot of time and effort has gone into researching what exactly happened and why.



"Those who do not know history are destined to repeat it"

-Edmund Burke

This is paramount, we have to know our history, we have to know what happened and why, but most importantly, we have to make sure that this will never happen again. But with crisis comes opportunity; an opportunity to regroup, to re-strategize to set new goals and to grow bigger, better and stronger. Collectively and individually, we have to select our affinity; are we embracing the opportunity or do we let the crisis turn into a disaster.

This can be the new paradigm, a time to internalize the lessons learned and to look – and plan ahead. As Cyprus looks towards a stronger future and the legislative changes and reforms take hold we have to be ready to rebuild our wealth so that the economic gains will strengthen our portfolios while proper diversification will protect us from future downturns. Whether it is through implementation of reforms, attraction of foreign investment, exploitation of natural resources, diversification of key sectors of the

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economy and incentives of all kinds. Progress is being made and Cyprus is on the mend. Now is the time to look to the future. But how do we look to the future?

"The essence of strategy is choosing what not to do."

-Michael Porter



The problems in Cyprus have hit us hard; they hit us professionally, personally and emotionally. They hit colleagues, friends, neighbours and families. They hit institutions, provident funds, companies, partnerships and proprietorships. It is our collective duty as professionals to implement a strategy that minimizes our exposure and protects us and our portfolios against the worst case scenario. We have to understand our environment and the inherent risks contained therein.

Today we are fortunate to have **Dr. Petr Zemck**, Director of Economic Research, at Moody's Analytics in the UK who will share his outlook on the European and global economies. We have to understand the risks we are willing to take and act accordingly. **Mr. Gautam Chadda**, Director and Investment Counselor of the Royal Bank of Canada Wealth Management in the UK will encourage you to think about global asset allocation in order to drive the maximum return for risk assumed. We have to take active steps to protect our individual and collective wealth from any future pitfalls so that we can balance our exposures or offer some protection to those adversely affected. We all know the basics but sometimes we choose comfort over common sense, we are creatures of habit after all. For some of us, the opportunity in this crisis is to share our knowledge and experience to help those around us implement a proper wealth management strategy.

Today not many of us feel wealthy (or as wealthy as we used to) and this brings with it a keen sense of awareness. We become more conservative, we try to protect what we have left and we start to evaluate what our needs are going forward. We need more wealth, and while more is better... how much is enough? Housing, children's education, vacation homes and many other expenses we face in a lifetime should be balanced: by wages, investments, inheritances and lottery tickets. We have to make sure

that we, or those we are responsible for, can enjoy a comfortable life throughout their childhood or retirement.

I have not forgotten the audience and I know that this is the wealth expert conference, which means that you are keenly aware of all of these questions and the technical answers that come with them. But if we know the questions to ask and the answers to give why are we currently in an environment where, in our estimation, only a small percentage of the provident funds are properly diversified? Later this morning my close friend and colleague, **Dr. Constantinos Neophytou**, will share our thoughts on Cypriot provident funds and talks about what provident funds needs to do to optimize the investment strategies.

Why do we keep hearing that in the current climate it is a good investment strategy for provident funds to take advantage of the 'low real estate' prices or the 'cheap' local stocks? Today we have the opportunity to hear from **Dr. George Theocharides**, an Associate Professor at the Cyprus Institute of Marketing and a Member of the Board of CySEC, about some true investment opportunities in Cyprus, and how to navigate in an effort to identify the opportunities that are most likely to add to your wealth.

Buying low and selling high is a great investment strategy. But one that fails to appreciate the risks involved and does not result in properly diversified portfolio structured for long time wealth preservation. A proper portfolio contains a mix of asset classes, each with its own characteristics, dynamics, opportunities and threats. Today, **Mr. Phoebus Theologites**, the Chief Investment Officer of SteppenWolf Capital in Switzerland will speak about the good, the bad and the ugly of global equities; my friend, **Mr. Yannis Matsis**, a Partner with Point9 Ltd., will show us how to navigate fixed income investments and **Mr. Olivier Kintgen**, Chief Investment Officer, Europanel Research and Alternative Asset Management in France, will talk about Alternatives, an important element in any investment portfolio and a very efficient way to optimize returns.

I am in awe with the collected expertise gathered here. We are deeply honored to welcome a group of experts that will educate and inspire us to manage your wealth in an efficient and risk adverse manner.

Thank you.

Dr. Mike Balm
Managing Director

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