

BRUCE VONCANNON

A GUIDEBOOK FOR TODAY'S ASIAN INVESTOR



THE COMMON SENSE GUIDE TO PRESERVING
WEALTH IN A TURBULENT WORLD



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Bruce VonCannon

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The Common Sense Guide to Preserving Wealth in
a Turbulent World

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PREFACE

This book is devoted to the thousands of young hardworking adults who through their efforts are moving forward in their lives each day providing for the wellbeing of the ones they love. Today as this book goes to press there are approximately 15 million millionaires in the world. That number is growing at a pace of about 6% per year. That is, at its current pace, an additional 900,000 new millionaires are being created globally each year. They are growing in every country and community in the world where there is high level of industriousness and thriftiness. Estimates are that in the coming five years, another four and a half million millionaires will be created. I am convinced that our society today, hardly perfect and really deficient in many ways, benefits enormously from millionaires and those who aspire to achieve great wealth. It is wealth in the free markets that allows more choice in lifestyle, more choice and influence in how our political leaders are selected and lead, and creates higher likelihood for better educational standards, health standards, and breakthroughs in science and technology. When man is poor, his choices are limited. When man creates wealth, the tide of opportunity for himself and those around him rise in tandem.

This book is also devoted to the corps of private bankers and wealth managers around the world who each day try to do their best to offer good advice and wise counsel to their clients. In recent years, it has become fashionable to trash bankers and wealth managers. No doubt the economic downturn in 2008 had an impact on how many in our society view banks and financial institutions. In the post-2008 period, I became dismayed over how negative the rhetoric towards bankers became. In my

nearly 30 years of experience, I feel just the opposite about the character and integrity of most private bankers and wealth managers. I know the majority of them to be very honest and hardworking and put their clients' interests first and foremost each day. My good friend, Pascal Bourqui, with whom I worked so closely in the industry for 20 years, once called the majority of our work colleagues "pearls in a necklace." While society today often venerates and creates hype for superstars, Pascal promoted the concept of a team that was comprised of individuals who more closely resembled pearls rather than diamonds. Diamonds no doubt are often beautiful pieces of jewelry and surely stand out. However, Pascal as our team leader always encouraged us to see ourselves as pearls (rather than diamonds) because a pearl tends to look better when paired together with other pearls like in a necklace. Pearls exhibit the qualities of blending in with the team to create superior quality through teamwork, high level of trust, and loyalty to fellow staff and clients.

Finally, this book is intended to be a practical guide for persons who really want to understand the important fundamentals of managing one's wealth. If I have done my work correctly, you do not necessarily need to have a college degree to understand the concepts that I have introduced here. This book is intended to be suitable for reading by everyone young or old. It is also intended to be a book for those who have inherited wealth from loving parents, a relative, or friend or for those who are self-made. It is also for those just starting to build a nest egg and want their savings to expand and grow over time. While I think some of the underlying principles in this book are possibly scholarly, it is intended to be understood by all. Basically, as long as you can read and whether age 16 or 96, this book is for you. I will only offer one warning: If you are reading this book in order to derive a "get rich quick" secret, then please go ahead and throw it in the trash basket or trade it in at a book mart for another book. One thing I have learned about accruing great wealth is that there are few (if any) "get rich quick" gimmicks for wealth accumulation. Aside from those who inherit wealth, the vast majority of wealthy persons who accumulate great wealth do so because they work hard and stay committed to a way of life that abets saving and wealth accumulation. So, if you are reading this book to pick up on some successful methods for understanding the financial markets and using them to your advantage, then I advise you to keep this book nearby your nightstand or morning coffee cup. I and my fellow work "pearls" invite you to read on!

ACKNOWLEDGEMENTS

I have been blessed in my lifetime by many good people and some really great mentors. I should start by thanking my parents, the late E. J. “Buddy” VonCannon Jr. and Doris Hoffman Allred, for providing the appropriate environment for growing up in Piedmont North Carolina and always emphasizing education. They both grew up in the Great Depression in the 1930s as salt of the earth people experiencing the cruelty of economic hardship and the challenge of growing up with limited access to higher education. They passed along a lot of love and encouragement to me and my sisters and ensured a pathway to higher education.

I should also thank many other mentors that I had in my younger years. They included the late Morris Whitson, Jim Leighton, and my college tennis coach, Dave Benjamin, who through his role modeling taught us the importance of education and how it might shape our lives in the future after the halcyon days of university life.

My career in finance and wealth management started later than many as I was not one to rush to Wall Street immediately after graduating from university in the rebellious days after the Vietnam War in the 1970s. Nor was I one that would have overly impressed anyone with my knowledge of financial theory in the novice stages of my career in banking and finance. Whatever success I achieved later in my career was in large part due to some good breaks that occurred as I hunkered down and just tried to do my job well. My work career was greatly abetted by the encouragement of people like Sandy Trentham, who early on taught me many social skills in the business world; by Ben Moyer and Jim Vaughn who placed great faith

in me and gave me chances to advance my career when (frankly) not many others might have thought it justifiable to do so.

I thank a few other great personal friends, General Ma Kan, Howard Brewer and Faye Angevine, and H.C. Tang for their philosophical and intellectual exchange over the years. Many thanks to Sumi and Anna Chang and their sons Daniel and Simon for their personal friendship and professional guidance over the years as well as Harald VanHeel and Cindy Leung whose humor, wisdom, and enthusiasm I have appreciated over coffee each morning as we review the overnight markets.

I also thank so many of my Swiss colleagues with whom I worked for many years in Asia and Geneva. For the most part, they were consummate professionals. If ever one business culture does not venerate superstars, it is the Swiss corporate culture that places a high premium on team work, consensus decision making, sharing credit and glory, and doing so without drawing so much attention to oneself. Within this cluster of close friends, I thank Balz Kloti, Marcel Kreis, Bernard Schaub, Pascal Bourqui, and Nick Ng. I also pay tribute to some of the finest women that I have worked with in this industry including Bella Lee, Judy Lee, Ping Yang, Theresa Tobias, Jennifer Lui, and Annie Tam.

Thanks would not be complete without thanking my beautiful and loving wife, SanSan, who has remained steadfastly behind me all these years through the peaks and valleys of my personal odyssey and business career. One of my favorite private banking clients once joked to me that my greatest accomplishment was probably being married to her—something I have come to mostly agree with after our 35 years of marriage! I also thank our two children, Max and Tiffany, who have been the most wonderful children that a parent could ever ask for.

I also wish to cite the extraordinary support and assistance of those who played a critical role in helping me bring this book to completion. These persons include Frank Lavin, a consummate business leader, diplomat, and strategic advisor who was a towering beacon of guidance on the finer points of authorship. Words of gratitude are due to Dan Kadison whose psychological and legal tips were helpful. I thank Mindy Hsu, who patiently and tirelessly helped me early on with research and formatting; Tom Pyle, a great friend who was always available for a quick phone call and 360 degree perspective on just about any topic; Ed Tiryakian, a true scholar who exhorted me to reach deeper and challenged me to seek a higher degree of excellence; Bill Lunsford, one of my oldest friends dating back to childhood for his outstanding artistic assistance preparing many of

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As the great English philosopher Sir Isaac Newton once said, “If I can see afar it is because I have sat on the shoulders of giants.” I know this is true in every sense.

Bruce VonCannon

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