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GEOPOLITICAL STRATEGY

Geopolitical analysis is an essential component of any sound investment strategy. Ongoing deleveraging in the West and the 'crisis of expectations' among Emerging Market middle classes reinforce the view that geopolitical risk to markets is not a fleeting fad but an entrenched trend. BCA's Geopolitical Strategy (GPS) service provides clients with clarity, understanding, and a tailored global investment strategy.

Competitive Advantage

- › GPS combines the firm's sixty years of macroeconomic research experience with geopolitical risk analysis. No other provider of geopolitical analysis has a stronger grounding in macroeconomics or a long-standing tradition of conducting investment-relevant research.
- › The GPS analytical framework regards geopolitics as either a risk or an opportunity, recognizing the need to preserve capital and/or seek profits as risks are mispriced.
- › Geopolitical risk analysis is relative, not to national interests or normative concerns, but to the investment positions of our clients, and GPS coverage is global insofar as it relates to investment opportunities.

Methodology

GPS focuses on the geopolitical and macroeconomic realities that constrain policymakers' options, zeroing in on the investment implications and consequences of their decisions. While 'tail risks' get much airtime in most market research, GPS concentrates on the lurking endogenous risks that affect the political assumptions that underpin investment views. This is important for investors because the market is prone to fixating on exogenous 'tail risks' and overlooking the incorrect or outdated assumptions upon which investment views are built. As Mark Twain said, "It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so."

Deliverables

MONTHLY REPORTS: Our monthly publication provides a Global Overview of the current geopolitical risks and opportunities, concentrating on the major asset classes. Each report also highlights a specific forward-looking geopolitical theme in our In Focus section. Lastly, the Geopolitical Calendar outlines events that could evolve into market catalysts. In addition to monthly reports, GPS clients can expect *Special Alerts/Reports* that delve deeper into key geopolitical themes.

PERSONALIZED SERVICE: GPS provides customized political analysis, intelligence research, and tailored investment recommendations. Private conference calls and client meetings are a critical component of the GPS service, allowing us to provide clients with real-time analysis of specific geopolitical themes or issues.

Chief Geopolitical Strategist: Marko Papic

Marko Papic joined BCA Research in 2011 and is Chief Strategist of the *Geopolitical Strategy* service. Prior to joining BCA he was a Senior Analyst for STRATFOR, a premier global intelligence agency, where he shaped the firm's global geopolitical strategy. He is a sought-after geopolitical strategist, having been interviewed by numerous media organizations, including *The New York Times*, *The Wall Street Journal*, CNN, BBC, CNBC, Al Jazeera, Reuters, Associated Press, and others. Before joining BCA, he helped create the Center for European Union Studies at the University of Texas at Austin. Marko holds graduate degrees from the University of Texas at Austin and the University of British Columbia, and he has lived in eight countries on three continents.