

## Now we need imagination

### 1. Is four years enough?

Anyone whose parents were keen on hiking will recall those expeditions that led ever upwards on seemingly endless hills. After every knoll, every twist in the path, one always hoped to catch sight of the final summit, and the higher one climbed the more confusing the track became, as it led on and on over alpine meadows full of boggy hollows, with apparently no end in sight. At last, and this counted as the climax of the family outing, the clouds began to obscure the view, requiring the greatest trust in the head of the family and his map-reading ability – could this perhaps have been a deliberate didactic exercise? Often enough, when one finally seemed to have reached the summit, the pause for refreshment and the packed lunch were the only signs that one had really reached the top.

This is rather reminiscent of the current rise on the stock exchanges. We know we have been going for four years now. So this can't go on for ever. Drifting clouds and boggy hollows belong as much on the stock exchange as they do on the heights of the Swiss alpine landscape. Skillful map-readers are scarce. There is, however, one important difference: when hiking, one is generally relieved to have got to the top – not so on the stock exchange. For falling prices are only welcomed by those who hold no stocks at all. Furthermore, on the stock exchange there is no celebratory pause for the announcement that one has reached the summit. As we know, stock exchange peaks tend to be passed unnoticed, and no sooner do we think that we have hit another of the many boggy hollows on the way up than we find ourselves on the slippery slope of a slump.

But, more or less appropriate comparisons aside, the problem of the universal, and very broadly based, boom of recent years is that it cannot be accused of being fundamentally unjustified. It may seem contradictory to describe this as a problem: if anything it would be a fundamentally shaky boom that should raise questions. Not so.

For that sort of boom can indeed be assessed in terms of a mountain hike. What goes up must come down, and as for the gains: easy come, easy go. Things are different when there are good reasons for a higher valuation. Then, it becomes necessary to examine carefully what may prove sustainable and what not – or, to put it differently, whether we have really reached a high plateau from which we can go on going onwards and upwards. Experienced investors with an eye to genuinely long-term investments are aware that all stock exchange developments resemble the – often strenuous – ascent of ever new and higher plateaus, rather than roller-coaster rides that always return to the same level. Equity must, because it is always exposed to high risk, generate a positive return on average, and this positive return is characterized by a series of higher and higher plateaus.

So, what are these good reasons that justify the ever higher valuations over the past four years? In our view, there are five:

- Firstly, the period of low inflation is proving sustainable. The reasons for this lie in the continuing extension of globalization, and in the massive rises in productivity due to the communication revolution. Constraints in most factor markets are either non-existent or at most regional and temporary in nature.
- Secondly, interest rates remain low, as a result of the low rates of inflation. Last year's rise in interest rates had economic origins, and was a consistent monetary policy response by the central banks and the interest rate markets to the faster pace of the economy. Interest rate discontinuities of the sort we saw in the 1970s and 1980s are unlikely.
- Neither the US trade deficit nor the current collapse in American real estate prices appear to seriously threaten the positive basic tendency of the global economy. There is clearly a tendency, based on obsolete, nationally oriented economic notions, to overrate the impact of regional imbalances.
- The financial and material condition of most businesses is excellent. The balance sheets are

solid, high margins provide a robust profit situation, the worst governance problems seem (for the time being) to have been overcome – at least, there have been no more major incidents. And all successful businesses are profiting greatly from the progress of globalization.

- The unsolved problems in the political arena – Iraq, Iran, international terrorism, North Korea, Venezuela – appear to be less important than the media would have us believe. All in all, we seem able to live with these risks, after a fashion anyway.

The pessimists, skeptics and realists among our readers will no doubt object that stability – a state of certainty regarding these positive elements, so to speak – is by no means assured. In every area, from inflation rates to global political problems, we are on exceedingly thin ice: our high plateau could collapse at any moment into a yawning chasm. True enough. There are no steady states, and certainly no assuredly steady states. Everything must always be regained, recovered, recaptured. But the fact that all this has been possible in the wake of the catastrophe of 2001 suggests that it may also be possible in the future. Four years of rising prices on the stock exchange is not necessarily enough.

## 2. What can still get better?

Plateaus themselves are, however, not enough over time. They are barren, or in the language of investors: without seriously endangering the level currently reached, one would like to continue to see attractive performance. This is, though, only possible if new, previously unrecognized positive elements become generally recognized standards, or previously open wounds are healed, trouble-spots successfully tackled, problems solved. Whatever is already recognized on the financial markets, and seems unlikely to change significantly in the future, cannot provide either positive or negative impact.

With regard to the five positively assessed elements – low inflation, an unproblematic monetary situation, overestimated US problems, excellent company health and generally lower relevance of political problem areas – it may be that there is a return-relevant difference between market perception and the author's assessment: if, that is, the author is actually correct and if the market, in the face of the continuing media enthusiasm for the possibility of a crash, eventually arrives at the same conclusion. This sort of "forecasting power"

is to be expected of any self-respecting stock exchange commentary.

But scaling new heights, and possibly attaining new plateaus, will only be possible if, beyond these differences in perception, fundamental improvements in conditions become conceivable or even probable. Let us now consider some anecdotal examples that indicate that the creation of the world is by no means yet entirely accomplished, but that, on the contrary, there is enormous potential for change and improvement in all sorts of areas of our social and business life. Capturing this potential will continue to require – in addition to a great deal of hard work and imagination – perhaps an even greater supply of capital than has so far been needed. Good news for all those who are ready to run the risks associated with the provision of capital.

## 3. Literary award vs. poetry slam

Let us begin, perhaps somewhat surprisingly, with an example far removed from any narrow economic perspective – one from the literary scene. Here, on the one hand we have a cantonal office for cultural affairs (COCA) inviting a selected circle of citizens to the award ceremony for a poetry prize, awarded to a deserving exponent of the poetic art. This demonstrates that the Office does have a *raison d'être*, and indeed concerns itself with the more marginal aspects of cultural life. One feels obliged to attend – because everyone else is going – and is thus also obliged to spend one and a half hours listening to a pompous and effusive eulogy and the no less incomprehensible excerpts from the lyric creations of the celebrated artist, in silent prayer that the torture of struggling against sleep will soon be over, so that one can spend yet more time over cocktails in once again expressing one's appreciation of the efforts of both the award-winner and COCA in a few well-chosen words. Anyone possessed of a degree of critical ability and unprejudiced honesty would immediately be aware of having taken part in a festivity at the dead end of a cul-de-sac. For what right to survive has poetry that consists of a series of empty and incomprehensible phrases strung together; a literature that can only get into print by means of extensive subsidies, and, when it appears in book form is hardly likely to leave the bookshelves, unless to be pulped?

On the other hand, in some contrast, we find a gathering of at most 25-year olds, met together in a scruffy, smoked-filled and probably not entirely dope-free bar, with no formal invitations and certainly no support from any COCA to – do what exactly? To smoke, drink and get stoned, no

doubt. But also to take part in a poetry competition. Noisy, improvised, disrespectful, aggressive perhaps, but also poetic, lyrical, rhythmic. This is known as a “poetry slam”, and such gatherings occur, as can be seen from the relevant Internet pages, not merely on a regular basis all over the country, but also internationally within language areas. The prize for the best slam poet usually consists of a bottle of whisky, to be shared with the other contestants. The jury follows rules generated spontaneously on the scene. Poetry slams have their origin in the rap-dominated areas of Chicago, and it is already clear that this is a coming literary form. Even recited at high speed, this type of poetry remains comprehensible to the audience through the repetition of its phrases. One fascinating element is the way it has recourse to apparently obsolete metres such as iambics, trochees or dactyls.

So, what does all this have to do with the potential for global improvement? A great deal. For poetry slams provide evidence that a literary “best practice” supposedly carved in stone – empty, incomprehensible, anemic, subsidized phrases – can, over night, be overtaken, indeed, totally overrun, by something entirely new and challenging. This gives rise to hope. For if innovation can occur with such energy in literature, then it can happen elsewhere too. The creation of the world is by no means accomplished. “Best practice” is a highly questionable concept, and one that could only have been invented by a saturated society, to the extent that it attempts to define a condition, and not an aspiration always to be open for whatever is newer and better – even when it’s an in-yer-face poem.

#### 4. What democracy?

As we know, democracy has been elevated to the status of governmental “best practice”, and in the wake of the “War on Terror”, we have set out to export this “best practice” to the half of the world that does not enjoy genuinely democratic government. The Iraq War was started with, among others, the intention or, one might also say, the pretension of democratizing that patchwork state. It is the case that most members of the UN are nominal democracies (according to Freedom House, 64 percent of all states, including Venezuela and the like), and representatives of the civilized world interact, without batting an eyelid, with criminals and semi-criminals whose ministerial or diplomatic status is apparently legitimated by this form of government. Overall, though, it is generally admitted that reality is far removed from the democratic ideal, and it is indeed often

said that the export of democracy has been a failure.

Now, it is not unimportant, not least from an investment perspective, whether this perception of failure is really accurate or not. For one of the really big global players – the People’s Republic of China – still awaits the constitutional reform that must, in whatever way, give more rights to its people and less power to the thin layer of the communist nomenklatura. The last thing the world wants for China is anarchy drifting into chaos; but nor would the replacement of the ruling oligarchy by a nominally perhaps better legitimated new ruling class suffice to assure sustained prosperity and growth.

The problem with “democracy” is twofold. The first aspect concerns the established Western pattern. For the view that the prevailing organizational form of parliamentary democracy – a maximum period of office of four years, election (or dismissal) of the government by parliament, the power of the majority mitigated by the second chamber – is necessarily “best practice” is erroneous. The defects of this constitutional system are familiar enough. For one thing, because of the asymmetry of incentives between individual interest groups, it is subject to a systemic tendency to the growth of the state as against business and society; for another it generates an excess of regulation, so that what we are ultimately left with is a Gulliver bound and gagged with an immense number of the finest cords. Furthermore: subsidiarity as the principle of solving problems at the lowest level (i.e. at the level closest to the citizen) is at best propaganda. The trend towards centralization is evident, in both the USA and Europe. So, no question of “best practice” here. Rather, the almost hopeless power and complexity of Western political systems raise serious institutional questions that are in urgent need of an answer.

Where emerging economies and Third World countries are concerned, the question is not so much “whether or not democracy” as – and this is the second aspect of the overall problem – “what democracy?” It is obvious enough that it is the parliamentary form of democracy that has led, among other things, to those undesirable, nominally democratic oligarchies with their weakness for overweening military and police establishments. Traditional – and absolutely democracy-like – forms of government already existing in such areas, like the palaver of tribal chiefs, were largely suppressed. But nor have forms of direct democracy, such as have long proved their worth in a country like Switzerland, or plenary systems,

as practised in the “Landsgemeinde” of some of the smaller Swiss cantons, or at German universities, gained the attention of those who, as representatives of international organizations, drive forward the democratization of the world.

The fact is that only in a relatively small part of the world – the Western civilization part – do we encounter a fairly satisfactory exercise of power by the general public, and that precisely here this exercise results in an increasingly hopeless self-gagging tendency. Those who, under this impression, would deny a very significant improvement potential on behalf of both the civilized and the less civilized world, and who believe that history has defined “best practice” once for all time, are simply wrong. It will however take imagination, and the courage to break taboos. One area of democracy ripe for reconsideration and further development, for example, would be the unequal distribution of voting rights: additional votes for families, the restriction of voting rights to property owners or tax-payers, or even voting rights weighted by tax burden.

Different situations probably require different systems. If, as is often the case with Third World countries and emerging economies, a country is rich in raw materials, its constitutional system must ensure that the exploitation of this wealth cannot be restricted to a small group of citizens, or a single generation. In such cases, short-lived regimes will always attempt to enrich themselves and their friends and relations in the shortest possible time. One of the most difficult problems in political economics is how to ensure the property rights of future generations. Friedrich August von Hayek recommended some form of “council of the elders”, as older people are perhaps less driven by direct interests than younger. The fiduciary preservation of third-party interests has its roots in both the Roman and the Germanic legal traditions. And this tradition is maintained in the private business arrangement of the Anglo-Saxon trust, though not in national law. A country, like Switzerland in the 19th century, that is grindingly poor, and above all possesses no raw materials, so that there is little to distribute, is by contrast most in need of a form of government in which the people themselves can decide very directly on what should and should not be done, and in particular on the behavior of their rulers. Brief periods of assessment, similar to those of business enterprises, characterized the political culture of the Swiss cantons governed by “Landsgemeinde”, and the fact that their rulers were obliged once a year to look the citizens very directly in the eye, and that the citizens came armed to the assembly,

preserved a good few politicians from an unbridled lust for power. Countries whose geographical and ethnic composition call for decentralized solutions should not be held together at any price on the grounds of the inviolability of their frontiers. There is also a shocking deficit in the institutional debate on the issue of secession, as it is driven by those interested in further centralization, with its associated increase in power.

Conclusion: improvement potential everywhere we look; in the western world, in the emerging economies, in the Third World. What we currently lack is the slam poets of politics.

### **5. What governance?**

If there was anything good about the financial market bubble occurring before 2001, then it was the insight, which achieved consensus, that the company as a system can get out of control, because the interests of the management and those of the shareholders can diverge, as the calculation periods they use are not the same, and the distribution of risk and control potential is wholly asymmetric, indeed contrary. Essentially, shareholders carry the full entrepreneurial risk, and have only very few, and costly possibilities of exercising control, while the management can get out in an emergency, with the benefit of a nice pay-off, having previously made use of every means of controlling the business up to and including manipulating the balance sheet. The problems of corporate governance are well known, and their potential negative impact on businesses and the national economy as a whole is unquestioned.

In contrast to the issue of democracy in political institutions, in the area of corporate governance there has been an intensive and fruitful institutional debate in recent years. It has had an effect, in part over-hasty and insufficiently focused, on legislation. At least, whereas previously a CEO could rule unconstrained and largely uncontrolled, today reasonably independent board committees are often in place. Where previously an AGM was only of nominal significance, it can now happen that motions proposed by the board and the management are rejected or only just accepted. And where previously hardly any businesses changed hands and hardly ever were the services of a management dispensed with, even “hostile” takeovers are no longer an exception. The excellent economic condition of companies that we have seen for some while now may well be due to this generally positive development, and likewise the overall current economic boom.

What remain, not merely as a nuisance, but as a serious infringement of shareholders' interests, are the sometimes totally incomprehensible figures that, despite all corporate governance, the managers of wholly reputable firms still can enrich themselves with. It is obviously difficult or impossible for directors to determine reasonable yardsticks or to quantify what is appropriate – even if they wished to ... The often monopolistic position of certain managers appears to render this impossible. Nor have the various legislative attempts helped much: the problem is encountered on both sides of the Atlantic, regardless of Sarbanes-Oxley. Indeed, if appearances are not deceptive, the bonus problem has got worse, not better in recent years, which is not entirely illogical. For every additional intensification of the corporate governance regulations reduces the number of candidates who can survive despite all the rules. This is a phenomenon that we are familiar with in the area of criminality: tougher laws may result in the disappearance of petty criminals, but the most cunning and ruthless do even better.

Improvement potential in corporate governance is thus not, or only marginally, to be sought in further institutional solutions. Rather, we believe that we can see light on an entirely different horizon. The economic function of the manager consists in devoting his or her physical and intellectual strengths to a business for a period of time, without, as far as possible, any mental reservations. However, the market clearly functions poorly in fulfilling this economic function. Why? Because it has so far been practically illiquid. Either the selection of managers is restricted to those few members of staff who had managed, through a combination of subservience, skillful tactical maneuvering and the ability to attribute successes to themselves, to get themselves into the right position at the right time, or the search goes external, with recourse to a headhunter, who has himself internalized both the manager's and his own monopoly returns.

There is a parallel market to the market for managers, which also has an economic function of devoting physical and, to some degree at least, intellectual effort over a period of time, while avoiding as far as humanly possible any mental reservations: prostitution. Until a few years ago, this market was characterized by the monopoly returns of the pimps. The Internet has changed all that. The supply side has probably expanded radically, and has acquired efficient structures, through the development of ratings, self-help organizations, agencies, experience exchange via

consumer chat groups and largely transparent pricing. And the unjustified monopoly returns have shrunk or even disappeared. Whatever one may think of the market as such, the fact is that the potential of the Internet has significantly improved the situation.

We forecast a similar development for the market in managers, and indeed believe that there are indications that the process is already under way. To get an idea of this, one can, for example, click on the personal network portal Xing ([www.xing.com](http://www.xing.com)). It functions similarly to a personal ads portal, in that it provides the relevant information in the simplest and most accessible form. This and similar platforms will make the market in competent people more liquid, and as a result of the foreseeable dramatic increase in liquidity it will be impossible in the future when filling positions to ignore the potential of both internal and external candidates who, from an objective perspective, far excel the handful of loyal followers of the party line. We are confident that the coming supply shock will defuse the irritation of high bonus payments, and that in the future it will be possible to discuss one of the most vexatious, because emotionally charged, problems of corporate governance, the remuneration issue, *sine ira et studio*.

Conclusion: the creation of the world is by no means accomplished. The “best practice” that we believe we have been complying with by following very far-reaching corporate governance regulations will not be annulled by changes on the supply side, but it will be significantly relativized. Good news for investors, who will continue to depend on managers and their preferably total devotion over time, but whose representatives on the board will be vastly better placed to select the really good managers.

## 6. Patents vs. open source

It is a given that the “well-meaning West” is continually being done out of its inventions by the “cunning Chinese”. This at least is the China skeptic's mantra: well developed patent rights enable companies in the Western industrial nations to be particularly innovative, but the West's stupendous innovative power is threatened with paralysis if up-and-coming China does not cease ripping off copies of everything regardless. So, an important goal of the integration of China into global trade must be to achieve the universal application of intellectual property rights.

At first glance, the case for patent rights, and the causal connection between the incentive to inno-

vation and its actual economic exploitation seem to be self-evident. Who on earth would embark on research without the prospect of eventually achieving high profits from the application of the patents? First-mover advantage is not enough to justify the horrendous market entry costs of new products such as medications. What is required is the definition of proprietary-like conditions in the area of intellectual endeavor, so that the owner of a patent can enjoy monopoly returns for a long period of time. The better the patent protection and the longer the period of guaranteed monopoly returns, the greater incentive to innovate, the more progress, and so the greater the general prosperity. This is the chain of argument. It is vehemently expounded in those areas of the economy that are particularly dependent on innovation, or at least on monopoly returns. Among these are undoubtedly the pharmaceutical industry, but also parts of the cultural sector (films, music) and the technology sector.

The unprejudiced observer who is largely independent of monopoly returns will, though, not feel entirely comfortable with this apparently logical view of things. Somehow, for a company like Microsoft to be able to grow immeasurably large because it is able to sell demonstrably questionable products at demonstrably high prices all over the world cannot be an example of maximum economic efficiency and well-being. And it cannot be an ideal situation for someone, by means of the timely registration of a program code with the patent office, to be able to keep a gene or its substructure to himself for a long period of time, so that the application of this knowledge is blocked globally for everyone else. And it is in fact extremely problematic – not least from an ethical perspective – when large parts of the world will never be able to have the benefit of new medications and processes when they are needed, because a regime of artificially defined property rights results in monopoly prices that people simply cannot afford in those parts of the world.

Interestingly, the argument that without adequate patent protection there would not be sufficient innovation has recently been significantly undermined by what has actually been happening. Thus, the open-source software Linux has not only become established as an alternative to Microsoft, but has now become its greatest threat. Linux has no specific “inventor” with quasi-proprietary rights to programs or program components, but was created through voluntary cooperations between a global network of geeks. Wikipedia, today the most comprehensive and

multi-lingual reference work, is continually fed by people who, with no direct economic advantage, willingly define new keywords, correct errors and expand entries, or make information accessible in additional languages. For some time now, academic blogs in every area have constituted a sort of global virtual university that would not function if knowledge were not a common good. Thus, research work can be placed in the Social Science Research Network (SSRN) without the need to surmount the often unjustifiably high hurdles set up by the gatekeepers of scientific journals.

Without wishing to preempt any definitive insights from the unavoidable and urgently needed debate on the economic well-being aspects of patent protection and open source: it is patently obvious that there is manifest improvement potential in this area, whether on the theoretical side, with patent protection being regarded less in the context of an incentive to innovation, and more as a blockade against further scientific progress, or on the practical side, with the West, which claims to be so innovative but is perhaps simply being unimaginatively colonialist, being able to find a different, and possibly less inhibited approach to the Chinese copycat mentality.

By the way, aniline, insulin, penicillin, streptomycin, cortisone, paclitaxel (taxol) and many other important pharmaceuticals were discovered without any effective patent protection. Food for thought.

## **7. Imagination and progress in investment too?**

Since 1998 it has been possible to patent financial innovations in the USA. Our bank felt the effects of this legal situation, which is entirely different from that prevailing in Europe, when polite but persistent lawyers attempted to cash in on patent protection not only with the issuers of the certificates but also, and thus double, with the distributors of the products. This is absolutely characteristic of monopoly returns: a good part winds up in the sector that generates the greatest amount of frictional loss within the national economy.

It is noticeable that since 1998 – that is, since it has been possible to patent financial products in the USA – few innovations have occurred in New York. The danger when issuing a non-standard product of being accused by someone of patent infringement is simply too great. The great expansion of hedge funds took place in the legal no man’s land of offshore locations, and it is interesting that the operators of hedge funds protect themselves not with patents, but with extreme

secrecy concerning their investment strategies. Maybe these most imaginative and innovative contemporary spirits are demonstrating what correlates with a world of open-source knowledge – a significant portion of intransparency and secrecy concerning one’s own intentions and activities.

Anyway, particularly in the financial sector, imagination is the only means of generating above-average returns. And above-average returns are what drives progress, because the concepts will eventually be copied, and then begin to have a general effect. Imagination is synonymous with the ability to think and act differently from the average players. It requires ideas, courage and discipline.

Here is an example of this, from our own innovation laboratory. If one knows from experience, and also conceptually, that there are some fairly clearly definable reasons for inadequate returns on investments, then one can by using imagination – that is, ideas, courage and discipline – apply different methods. The result must logically be above-average returns, which will be achieved for as long as it takes for these different methods to become general knowledge. The sub-optimum approaches we have focused on include:

- Inadequate diversification; that is, the often observed big bets on individual stocks or ideas. According to a broadly-based study by the University of Zurich, 50 percent of the private investors surveyed hold a maximum of three stocks. And 30 percent restrict themselves to one single stock.
- A focus on the currently popular idea. Analyses show that the flow of new money into the significant US technology funds was concentrated on the years from 1999, and continued long after the relevant Nasdaq index had past its peak. And money continued to flow out long after the index had bottomed out.
- Unsuccessful “market timing”; that is, focusing the investment decision on a point in time, not the material background. An American study shows that between 1986 and 2005, with the market going up 11.9 percent p.a., a typical private investor in stock funds achieved a return of just 3.9 percent, as a result of market entry and exit – and this with an inflation rate of 3 percent.
- Active asset management in highly capitalized, highly efficient markets. Almost always, the transaction costs exceed the potential benefit, however clever the schemes may be.

We can somewhat assist the courage and discipline we have referred to by trying to use mechanical schemes to model antidromic effects. Thus with the American example mentioned above, the consistent monthly investment of a fixed sum in a broadly-based index in the years 1986 to 2005 would have generated a 70 percent higher return. The investment strategies developed by our bank in recent years, such as Active Indexing, Active Momentum or Active Currencies, but also uncomplicated funds savings plans, are in effect (among other things) exactly such consistent schemes. And, as we may assume that big bets, popular ideas, euphoria and panic will not go out of fashion, we may also assume that we will be able to exploit this improvement potential in investment opportunities for some time to come, without having to register patents in New York.

## 8. Spontaneous vs. planned

At the beginning of this Investment Commentary we raised the question of where improvement potential might be found, given the generally excellent condition of the global economy, the currency system and the state of companies, all of which are known to the markets, and the reduced importance of potential political crises, which the markets seem gradually to be becoming aware of. For all that counts for the future development of expectation-based market situations is the delta, the probable rate of change against the existing assessment of the current situation.

At first glance, the improvement potential may appear slight, and the possibility that things may get worse than expected, correspondingly high. For rates of inflation that are lower than low are not possible, anymore than inflation rates or currency volatilities that are lower than low. Nor are better company margins easily imaginable. On this basis, it would not be difficult to come up with a crash scenario. But we would reject such a negative view of things just because we are doing relatively well at the moment, and rather detect potential in areas where one would hardly expect to find any.

The five anecdotal examples, from the poetry slam to imagination applied to investment opportunities, have something in common: they are diametrically opposed to the standard behaviors regarded as “best practice”, and they all originate from entirely unexpected sources. For who would ever have forecast that a spontaneously developed software would have caused difficulties for a technology giant? Who would ever have thought that the R&D of established pharmaceutical gi-

ants would be threatened by humble science blogs? Who would have thought that we would ever again see poetry competitions, and who would have expected a small bank in St Gallen to challenge consensual investment behavior?

Progress does not occur where it is planned or expected, but where imaginative, courageous and disciplined people believe that they can change things. The advantage of the present, agreeably

positive economic and stock exchange situation is that the room for maneuver that can be devoted to new and unusual things is infinitely greater than it was a few years ago. We should make good use of it.

KH, 15.01.2007