

Keynote Speech:

Long-Term Investment: The Beauty and the Beast

Issues and criteria specifically affecting risk-adjusted returns in the long-run and how to intergrate them in existing valuation models.

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...risk-adjusted returns in the long-run?



Increase returns

- Look beyond the horizon of the next quarter
- Consider macro trends like climate change

Reduce risk

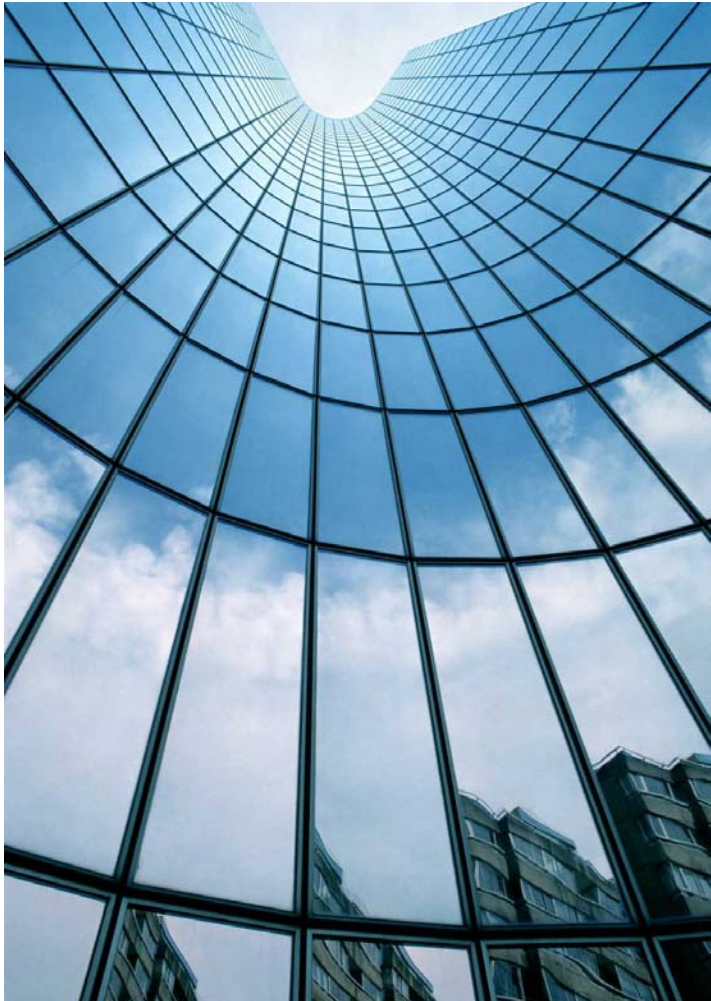
- Question the long-term orientation of a company's business plan

....a long-term view?



- Look at the market/companies from a fundamental point of view, not just with the usual set of quantitative ratios
- Learn from foundations and investment funds that should have a long-term view
....in their own interest and for the sake of future generations
- Integrate long-termism into the operative framework of the company

But how is reality?



- Measurement is short-term, but is used for qualitative evaluation as well.
 - The market is very focused on measurement and performance
 - The market, and as a consequence the investment products, are characterized by cycles that are rather medium than long-term
- ➔ Let's work to resolve this dilemma.

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