

HSBC Think Wealth Visionaries

Ida Liu, CEO of HSBC Private Bank and **Laurence D. Fink**, Chairman & CEO of Blackrock

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Welcome to Think Wealth. I'm Ida Liu, the Chief Executive Officer of HSBC Private Bank. And I'm absolutely thrilled to be joined by Larry Fink, Chairman, CEO and Co-founder of BlackRock, the world's largest asset management firm with \$15 trillion of AUM and growing. Larry, I'm so delighted to have you here with us.

I know you speak passionately about the importance of long-term investing, so share with us your philosophy around long-term investing. I think the foundation of my belief about long-term investing really came from my formative years as a child, watching my father, who owned a shoe store. But he consistently invested whatever savings that they were able to have.

He put it in equities. He had a long-term view that the global economy was going to grow, and he wanted to participate in it. Where it became really a highlight for me and how I thought was when my parents passed within a ten-month period of time to each other, and my brother and I were going over their estate, and we were astonished how much capital my parents had from my father's investing over time.

It was just the effect of compounding over tens of years investing in companies. And I'm not sure that all the investments turned out well, but the sum of the portfolio over tens of years translated into a formidable amount of money, way beyond what my parents ever earned in their own careers.

I can't think of a better way to grow your economy, but to invest in long-dated assets like equities. And through that process, you'll grow with the world. I would also have to state that I am a long-term optimist.

When you read all the negativity that is presented to you in newspapers and in whatever source of media that you attain, those negatives actually translate into a positive. Because I think as human beings we actually solve most problems, and so when you read things in the newspapers, to me you're identifying problems but we generally mitigate those problems.

What I worry about most of the things, I don't read in the newspapers. We're starting to see rising of interest rates a little bit. And people are starting to talk about fiscal discipline for the first time in tens of years. And to me, that was one of the long-term issues that I've always been worried about.

The growth of deficits, the growth of other things. The value of being an optimist in investing over the long run has proven almost in every cycle. We constantly say you should be investing as a process, it should not be periodic. It should be a process of putting whatever excess savings you have and investing over time.

So you average during market extremes, whether one extreme or the other one, to a point where you can grow with your economy. Larry, I love the story that you shared with us about your father and investing in the power of compounding, which is so incredibly important. It's also so important that, as you said, clients and investors are invested and think in the long term, because really, there're only two points that matter: when you get in and when you get out.

And another thing that is another observation is capital had been outperforming wages. I think this is a big issue. And I believe capital is going to outperform wages in the next ten years. I'm not saying that's societally good. It can become better if we get more of our society to invest with their country. Couldn't agree more.