



# Presentation to Economic Club of Phoenix

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**OppenheimerFunds®**  
The Right Way to Invest

# Agenda

- > 2011 Outlook
- > Globalize Your Thinking
- > Potential Headwinds
- > Q&A



**2011**

**Market**

**Outlook**

# Top Stories Likely to Shape the Global Economic Backdrop

- > It's not 1937 again
- > Companies start spending the cash
- > European debt crisis further integrates Europe
- > Emerging market inflation moderates, long-term expansion intact

# What These Trends Mean for Investors

- > Global Fixed Income – Credit over Treasuries
- > Municipal Bonds – Compound Tax Free Income
- > Global Equities
  - Increased U.S. Exposure
  - Global Growth over Global Value
- > Alternatives - Gold and Other Hard Assets



**Globalize  
Your  
Thinking**

# Opportunities No Longer Have Borders

- > How many companies are there in the U.S. with a market cap of over a billion dollars?

The answer is: **1200.**

- > Now, how many billion-dollar companies are there *outside* the U.S.?

The answer is: **3800.**

# Revenues No Longer Have Borders

> Coca Cola and Nestle generate the majority of their revenue in North America

> True or False?

The Answer is **False**



- Only 32% of Nestle's revenues come from "The Americas."
- Only 25% of Coca Cola's revenue is generated in North America.

# Emerging Market Facing Companies

## Consumer Products



**BURBERRY**

**LVMH**  
MOËT HENNESSY · LOUIS VUITTON

## Capital Goods

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**SIEMENS** **ALSTOM** **ABB**

## Select Natural Resources

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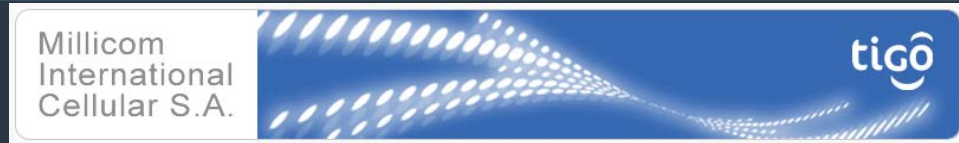
**RioTinto**

The mention of specific companies does not constitute a recommendation on behalf of Oppenheimer International Growth Fund or OppenheimerFunds, Inc. As of 9/30/10, Oppenheimer International Growth Fund had 1.00% of its assets invested in Unilever, 1.75% in Burberry, 1.31% in LVMH, 0.87% in Siemens, 0.87% in Alstom, 1.47% in ABB, 1.61% in Vale and 1.28% in Rio Tinto. Holdings are subject to change.

# What's New in New Technology

> Millicom is:

- a) A Luxembourg Company
- b) A U.S. Company
- c) An Emerging Markets Company
- d) All of the Above



The answer is: **All of the Above.**

- Not only that but Millicom also operates in Central America (El Salvador, Guatemala, Honduras), South America (Bolivia, Paraguay, Colombia) and Africa (Chad, Congo, Ghana, Mauritius, Rwanda, Senegal and Tanzania) and Laos.

# Fortune Global 500

> How many U.S. companies are in the Fortune Global 500 top 20?

The answer is: **7**.

(The lowest number ever.)

> How many Chinese companies are in the Fortune Global 500?

The answer is: **37**.

(Up from 6 in 1998.)

# Fortune Global 500

## > Top 20: 2009

1	Royal Dutch Shell		Netherlands	11	Japan Post Holdings		Japan
2	Exxon Mobil		U.S.	12	General Electric		U.S.
3	Wal-Mart Stores		U.S.	13	China National Petroleum		China
4	BP		UK	14	Volkswagen		Germany
5	Chevron		U.S.	15	State Grid		China
6	Total		France	16	Dexia Group		Belgium
7	Conoco Phillips		U.S.	17	ENI		Italy
8	ING Group		Netherlands	18	General Motors		U.S.
9	Sinopec		China	19	Ford Motor		U.S.
10	Toyota Motors		Japan	20	Allianz		Germany

Source of chart data: Fortune Global 500 annual rankings from July 20, 2009 issue.

Top 20 based on revenues. The mention of specific companies does not constitute a recommendation on behalf of any Fund or OppenheimerFunds, Inc.

# Many Top Shareholder Value Creation Companies Are Domiciled in Emerging Markets

- > How many of the top 10 value creation companies over the past five years come from outside the U.S.?

The answer is **8 of the top 10**

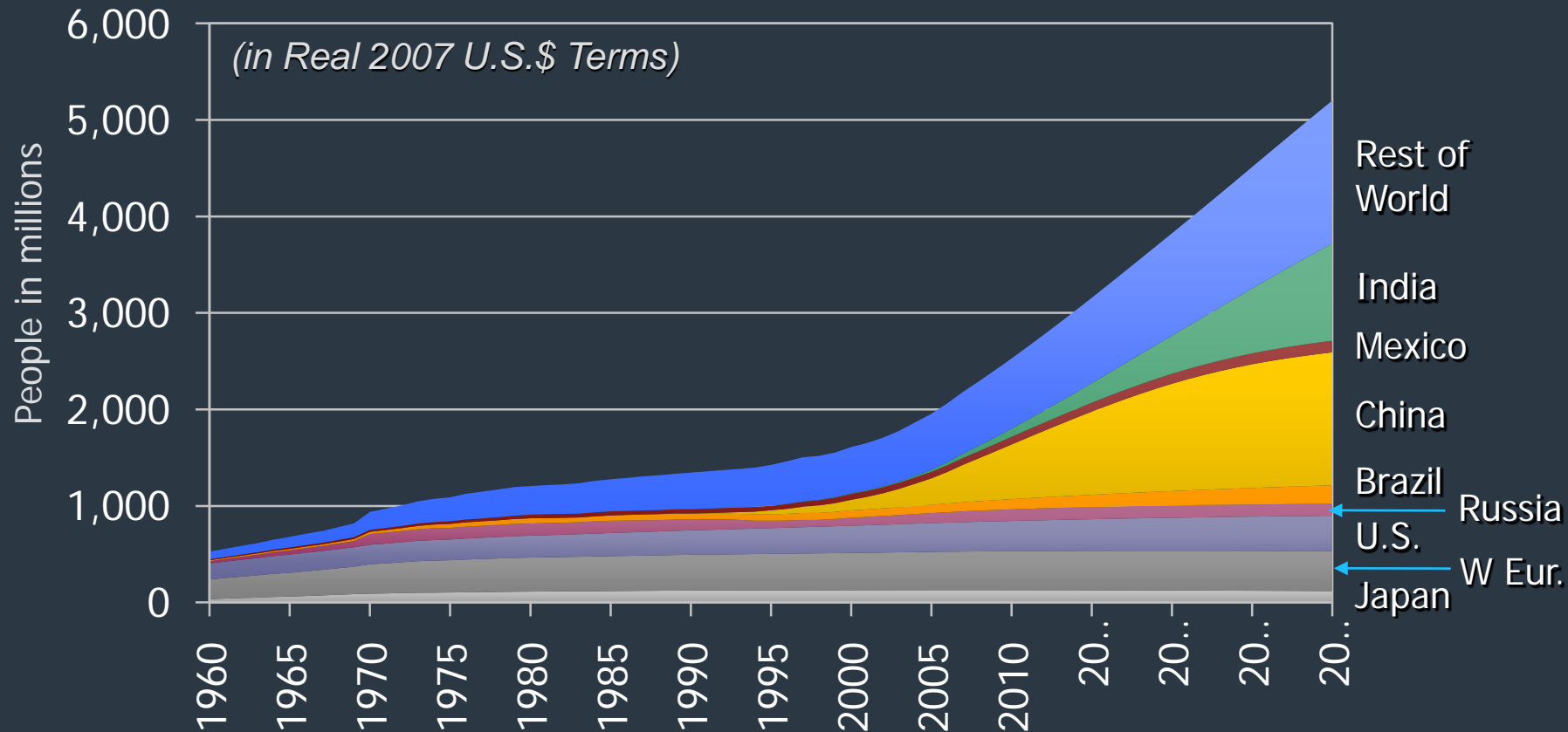
Of the 142 companies included in the 2010 global and industry rankings, 57% are located in the emerging world.

Source of data: Boston Consulting Group.

Past performance is no guarantee of future results. The mention of specific companies does not constitute a recommendation on behalf of any Fund or OppenheimerFunds, Inc.

# Rapid Growth in Emerging Middle Class Consumers

## > Consumers Earning Over U.S. \$6K Annually



Source of chart data: UN Population Division, Goldman Sachs Research, 12/31/09.

# Thinking Globally Has Other Benefits

- > Central bank rates in most of the developed world are 1% or less.
- > Many developing countries are paying 5 to 10 times that.
- > Investors are turning to emerging currencies around the world.
- > As these currencies appreciate, they're creating new opportunities for wealth.

# Globalize Your Thinking

- > Many U.S. investors may be **underexposed** to a wide opportunity set
- > There will be growth to invest in... but it isn't about a **geography** or domicile
- > Growth will be more scarce... but it will be **more valuable**

# Potential Headwinds

- > Trade Protectionism
- > Growing Power of the BRICs
- > Global Regulation

# The Globe is Flattening



# Q & A