

# The Ten Surprises of 2018

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# The Ten Surprises of 2017

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1. Still brooding about his loss of the popular vote, Donald Trump vows to win over those who oppose him by 2020. He moves away from his more extreme positions on virtually all issues to the dismay of some right wing loyalists. He insists, “The voters elected me, not some ideology.” His unilateral actions throw policy staffers throughout the government into turmoil. Virtually all of the treaties and agreements he vowed to tear up on his first day in office are modified, not trashed. His wastebasket remains empty.
2. The combination of tax cuts on corporations and individuals, more constructive trade agreements, dismantling regulation of financial and energy companies, and infrastructure tax incentives pushes the 2017 real growth rate above 3% for the U.S. economy. Productivity improves for the first time since 2014.
3. The Standard & Poor’s 500 operating earnings are \$130 in 2017 and the index rises to 2500 as investors become convinced the U.S. economy is back on a long-term growth path. Fears about a ballooning budget deficit are kept in the background. Will dynamic scoring reducing the budget deficit actually kick in?
4. Macro investors make a killing on currency fluctuations. The Japanese yen goes to 130 against the dollar, stimulating exports there. As Brexit moves closer, the British pound declines to 1.10 against the dollar, causing a surge in tourism and speculation in real estate. The euro drops below par against the dollar.

## The Ten Surprises of 2017 (continued)

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5. Increased economic growth, inflation moving toward 3%, and renewed demand for capital push interest rates higher across the board. The 10-year U.S. Treasury yield approaches 4%.
6. Populism spreads over Europe affecting the elections in France and Germany. Angela Merkel loses the vote in September. Across Europe the electorate questions the usefulness of the European Union and, by the end of the year, plans are actively discussed to close it down, abandon the euro and return to their national currencies.
7. Reducing regulations in the energy industry leads to a surge in production in the United States. Iran and Iraq also step up their output. The increased supply keeps the price of West Texas Intermediate below \$60 for most of the year in spite of increased world demand.
8. Donald Trump realizes he has been all wrong about China. Its currency is overvalued, not undervalued, and depreciates to eight to the dollar. Its economy flourishes on consumer spending on goods produced at home and greater exports. Trump avoids punitive tariffs to prevent a trade war and develops a more cooperative relationship with the world's second largest economy.
9. Benefiting from stronger growth in China and the United States, real growth in Japan exceeds 2% for the first time in decades and its stock market leads other developed countries in appreciation for the year.
10. The Middle East cools down. Donald Trump and his Secretary of State Rex Tillerson, working with Vladimir Putin, finally negotiate a lasting ceasefire in Syria. ISIS diminishes significantly as a Middle East threat. Bashar al-Assad remains in power.

# The Ten Surprises of 2018

These surprises were announced Tuesday, January 2, 2018. The definition of a surprise is an event that the average investment professional would assign a one out of three chance of taking place, but where I believe the event is probable, with better than a 50% chance of happening

1. China finally decides that a nuclear capability in the hands of an unpredictable leader on its border is not tolerable even though North Korea is a communist buffer between itself and democratic South Korea. China cuts off all fuel and food shipments to North Korea, which agrees to suspend its nuclear development program but not give up its current weapons arsenal.
2. Populism, tribalism and anarchy spread around the world. In the United Kingdom Jeremy Corbyn becomes the next Prime Minister. In spite of repressive action by the Spanish government, Catalonia remains turbulent. Despite the adverse economic consequences of the Brexit vote, the unintended positive consequence is that it brings continental Europe closer together with more economic cooperation and faster growth.
3. The dollar finally comes to life. Real growth exceeds 3% in the United States, which, coupled with the implementation of some components of the Trump pro-business agenda, renews investor interest in owning dollar-denominated assets, and the euro drops to 1.10 and the yen to 120 against the dollar. Repatriation of foreign profits held abroad by U.S. companies helps.
4. The U.S. economy has a better year than 2017, but speculation reaches an extreme and ultimately the S&P 500 has a 10% correction. The index drops toward 2300, partly because of higher interest rates, but ends the year above 3000 since earnings continue to expand and economic growth heads toward 4%.
5. The price of West Texas Intermediate Crude moves above \$80. The price rises because of continued world growth and unexpected demand from developing markets, together with disappointing hydraulic fracking production, diminished inventories, OPEC discipline and only modest production increases from Russia, Nigeria, Venezuela, Iraq and Iran.

## The Ten Surprises of 2018 (Cont'd)

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6. Inflation becomes an issue of concern. Continued world GDP growth puts pressure on commodity prices. Tight labor markets in the industrialized countries create wage increases. In the United States, average hourly earnings gains approach 4% and the Consumer Price Index pushes above 3%.
7. With higher inflation, interest rates begin to rise. The Federal Reserve increases short-term rates four times in 2018 and the 10-year U.S. Treasury yield moves toward 4%, but the Fed shrinks its balance sheet only modestly because of the potential impact on the financial markets. High yield spreads widen, causing concern in the equity market.
8. Both NAFTA and the Iran agreement endure in spite of Trump railing against them. Too many American jobs would be lost if NAFTA ended, and our allies universally support continuing the Iran agreement. Trump begins to think that not signing on to the Trans-Pacific Partnership was a mistake as he sees the rise of China's influence around the world. He presses for more bilateral trade deals in Asia.
9. The Republicans lose control of both the Senate and the House of Representatives in the November election. Voters feel disappointed that many promises made during Trump's presidential campaign were not implemented in legislation and there is a growing negative reaction to his endless Tweets. The mid-term election turns out to be a referendum on the Trump Presidency.
10. Xi Jinping, having broadened his authority at the 19th Party Congress in October, focuses on China's credit problems and decides to limit business borrowing even if it means slowing the economy down and creating fewer jobs. Real GDP growth drops to 5.5%, with only minor implications for world growth. Xi proclaims this move will ensure the sustainability of China's growth over the long term.

# The Also Rans of 2018

Every year there are always a few Surprises that do not make the Ten either because I do not think they are as relevant as those on the basic list or I am not comfortable with the idea that they are “probable.”

11. Investors recognize that the earnings of companies in Europe, the Far East and the emerging markets are growing faster than those in the United States while the price earnings ratios in those regions are lower than those in America. Global investments become more broadly represented in institutional portfolios.
12. The Mueller investigation of the 2016 presidential election fails to implicate any members of the Trump family in collusion with Russian operatives.
13. Artificial intelligence gains visible momentum. Service sector jobs are automated, particularly clerks in legal and finance professions, as well as workers in fast food outlets and healthcare. Economists begin to question the unemployment data because the rate drops below 4% while so many people still appear to be out of work and seeking government assistance.
14. Cyberattacks become more prevalent and begin to affect consumer confidence. A major money center bank suspends deposits or withdrawals for three days because its system is penetrated. Numerous retail organizations report that customer personal information has been obtained by hackers. Those invading corporate information systems appear to be smarter and more innovative than the internal employees protecting the computer data, suggesting that the systems themselves need to be upgraded.
15. The regulatory authorities in Europe and the United States finally get concerned about the creative destruction of Internet-related businesses. As a result of pressure from retailers and traditional media companies, they begin an investigation of anti-competitive practices at Amazon, Facebook and Google. The public begins to think these companies have too much power.
16. The risks in Bitcoin are so great that regulatory authorities restrict trading. Among their concerns are: no regulatory oversight; no safety and soundness measures; no recourse in the event of mistaken or miscalculated transactions; high cyber risk; no deposit insurance. (Risk source: Morgan Stanley.)

# “Radical” Asset Allocation

Asset Class	%	
Global large cap Multinationals	5%	Fair value in terms of yield and multiple
Other U.S. long only	10%	Moderate growth continuing
European long only	10%	Some good values
Emerging Market equities	10%	Growth still slow
Japanese Equities	10%	Stimulus working
Hedge Funds (all strategies)	10%	Selected strategies attractive
Private Equity	10%	Competition intense for deals
Real Estate	10%	Taking some profits
Gold	0%	
Natural Resources and agricultural commodities	5%	World standard of living rising
Non-conventional High Yield Fixed Income (Mezzanine, Leveraged Loans, Emerging Market Debt)	15%	Still some value in selective categories
Cash	5%	No return
<b>Total</b>	<b>100%</b>	

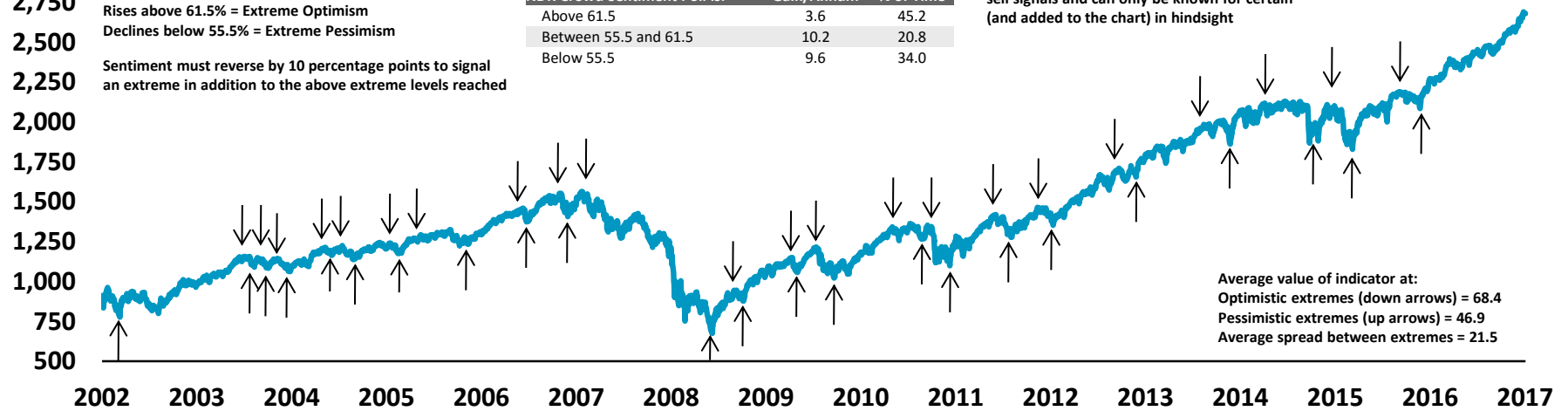
# NDR Crowd Sentiment Poll (7/31/2002 – 12/26/2017)

## S&P 500 Index

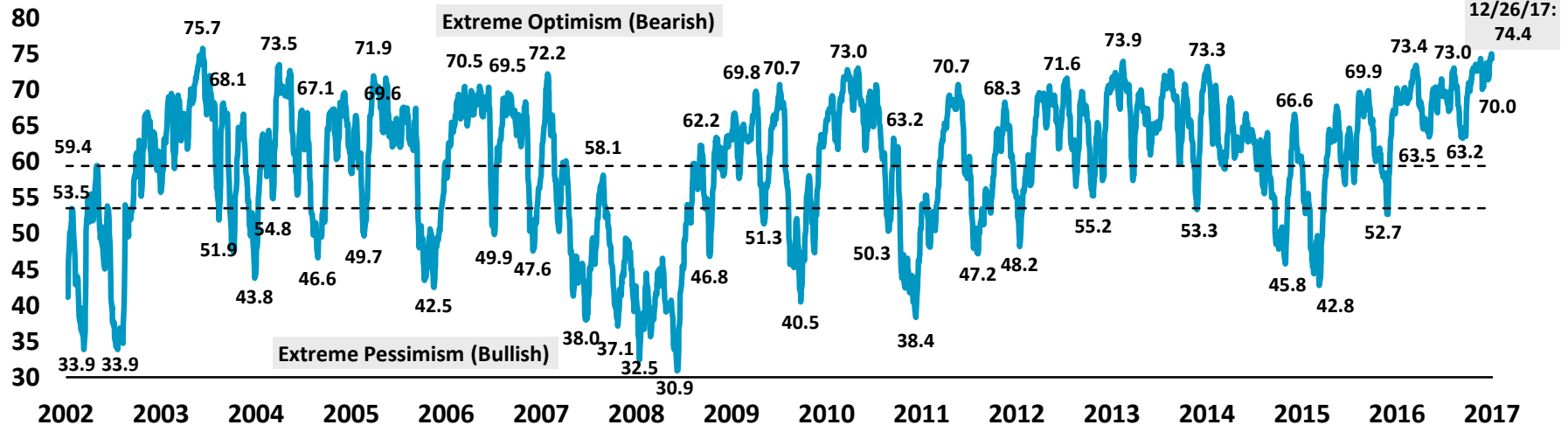
Extremes generated when sentiment reading:  
Rises above 61.5% = Extreme Optimism  
Declines below 55.5% = Extreme Pessimism  
  
Sentiment must reverse by 10 percentage points to signal an extreme in addition to the above extreme levels reached

S&P 500 Gain / Annum When: 7/31/2002–12/26/2017		
NDR Crowd Sentiment Poll is:	Gain/Annum	% of Time
Above 61.5	3.6	45.2
Between 55.5 and 61.5	10.2	20.8
Below 55.5	9.6	34.0

Arrows represent extremes in optimism and pessimism. They do not represent buy and sell signals and can only be known for certain (and added to the chart) in hindsight



## NDR Crowd Sentiment Poll



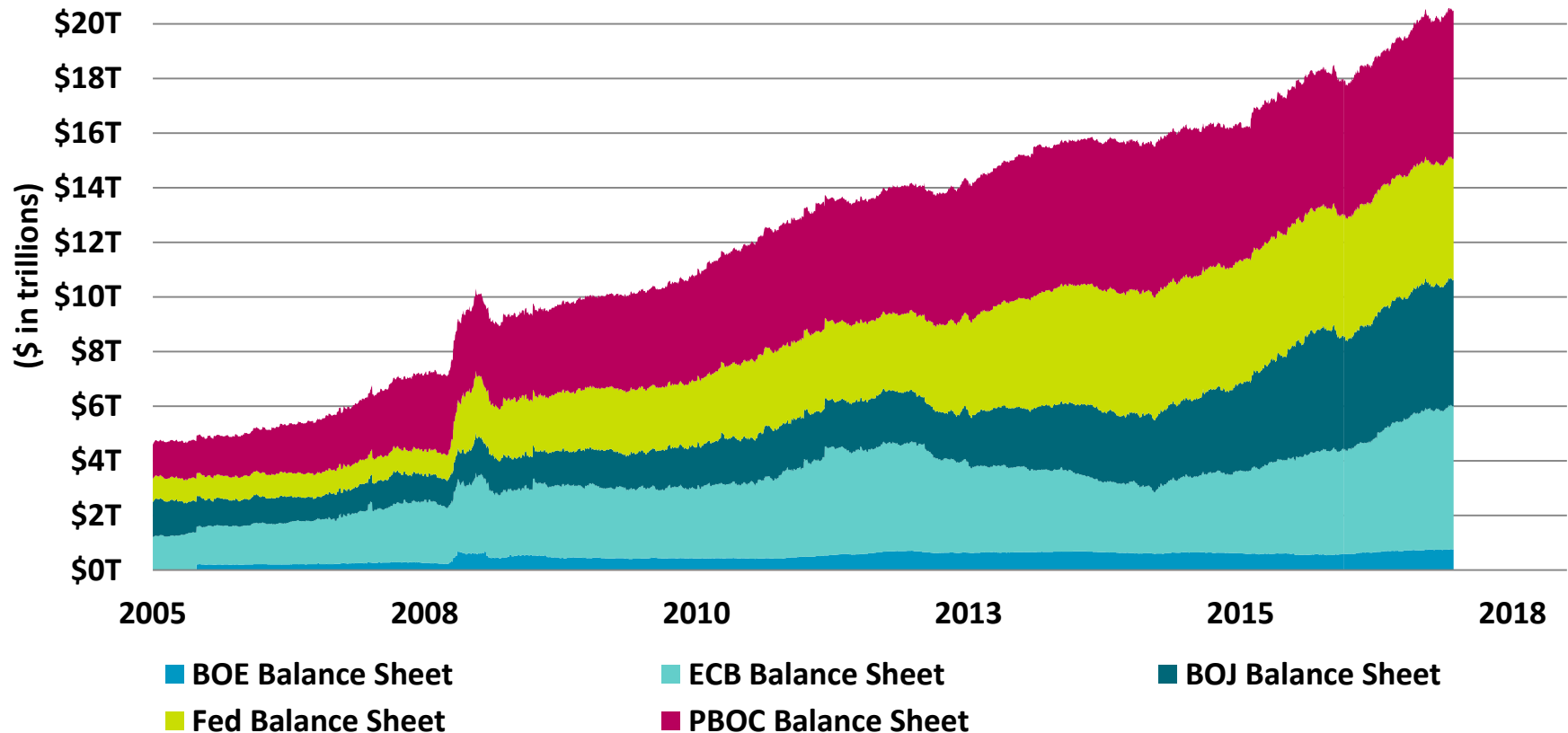
Source: Ned Davis Research (December 2017).



# Central Bank Balance Sheets

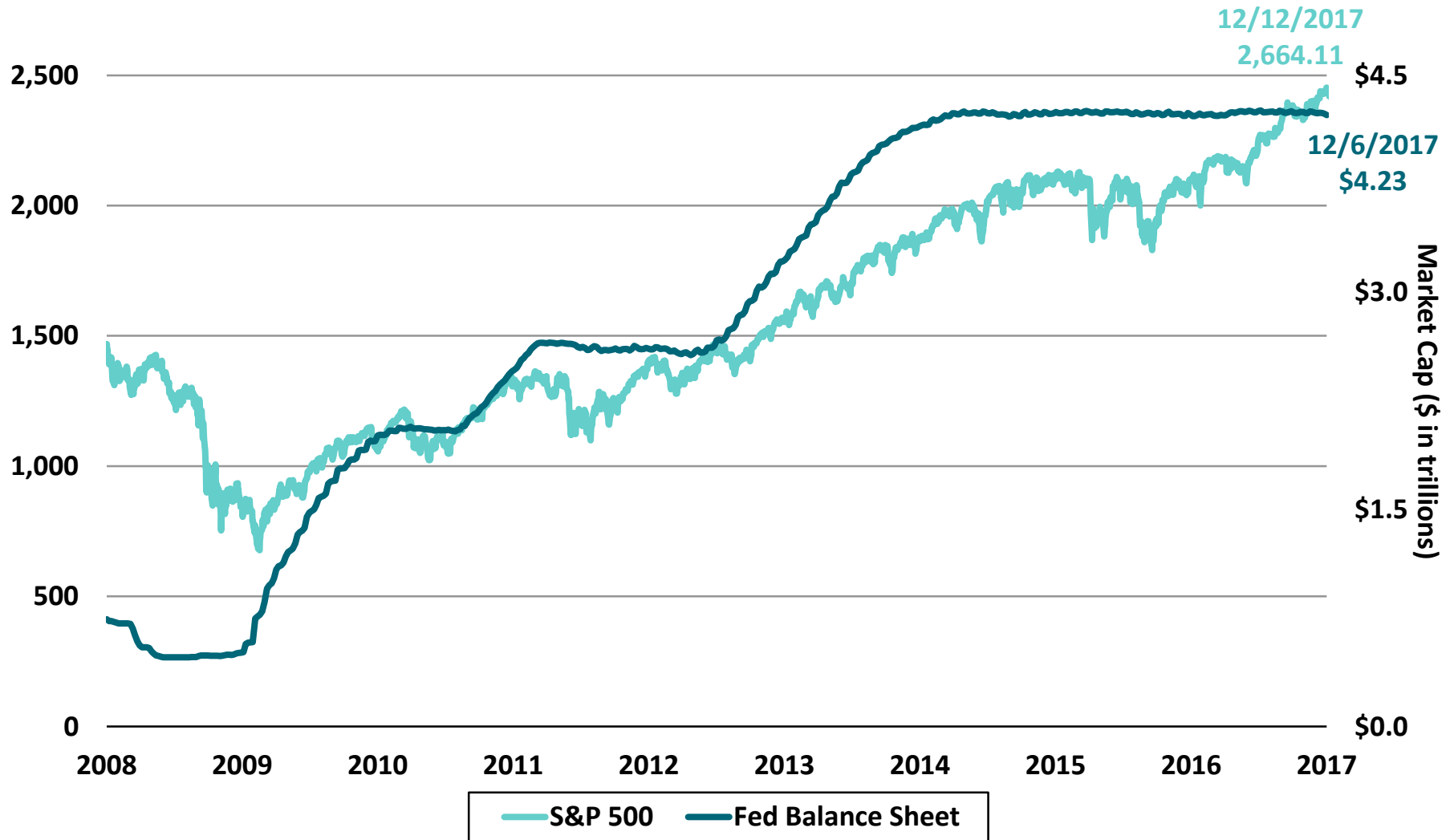
The chart shows the combined assets of the “big five” central bank balance sheets (PBoC, Fed, ECB, BoJ and BoE). Currently they have over \$18 trillion in assets

## Cumulative Central Bank Balance Sheets



Source: Fed, ECB, BoJ, BoE, PBoC, SNB Bloomberg, Bianco Research (December 2017).

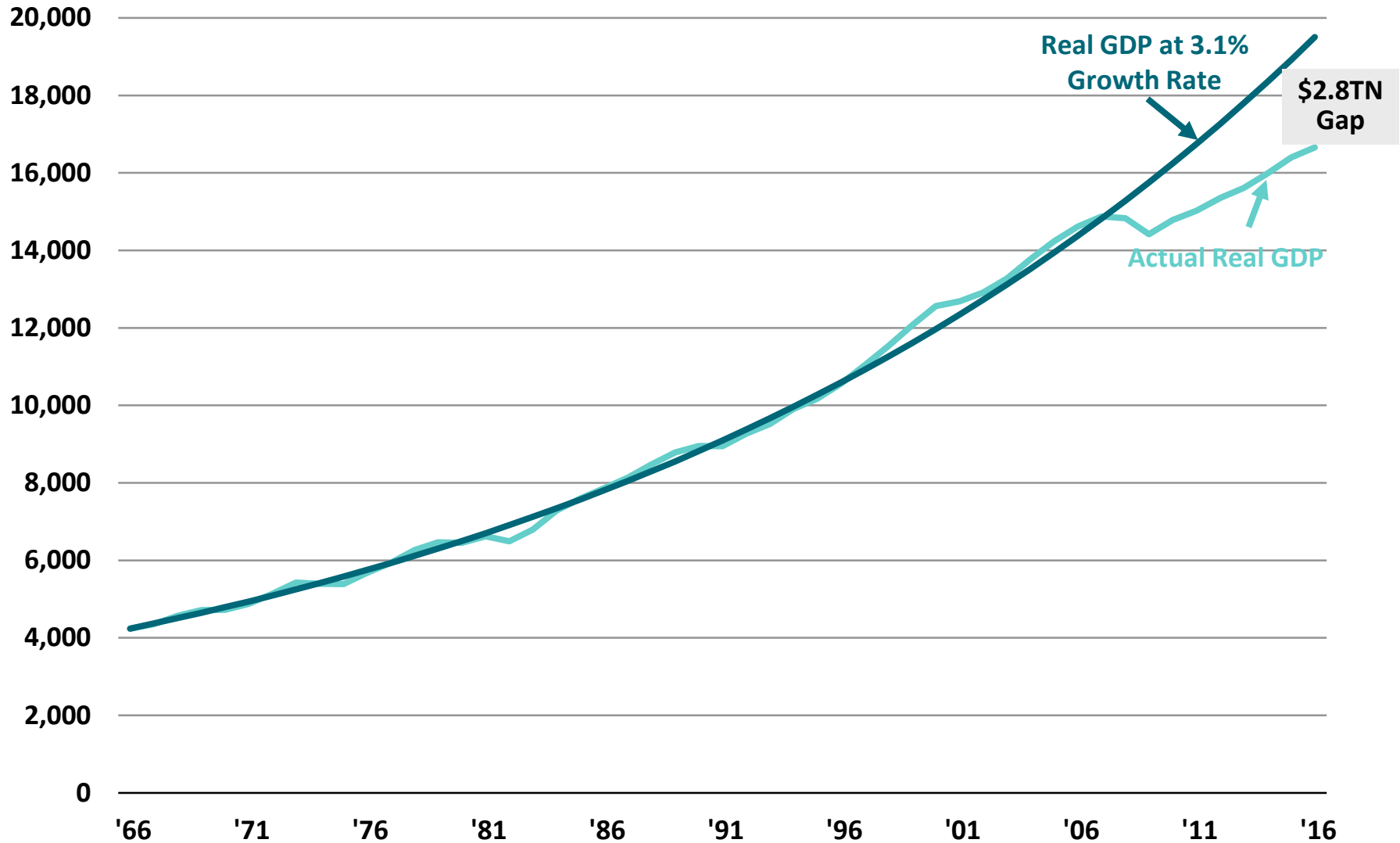
# Fed Balance Sheet versus S&P 500



Source: GavekalResearch, Evercore ISI (December 2017).

# **The Outlook for the U.S. Economy**

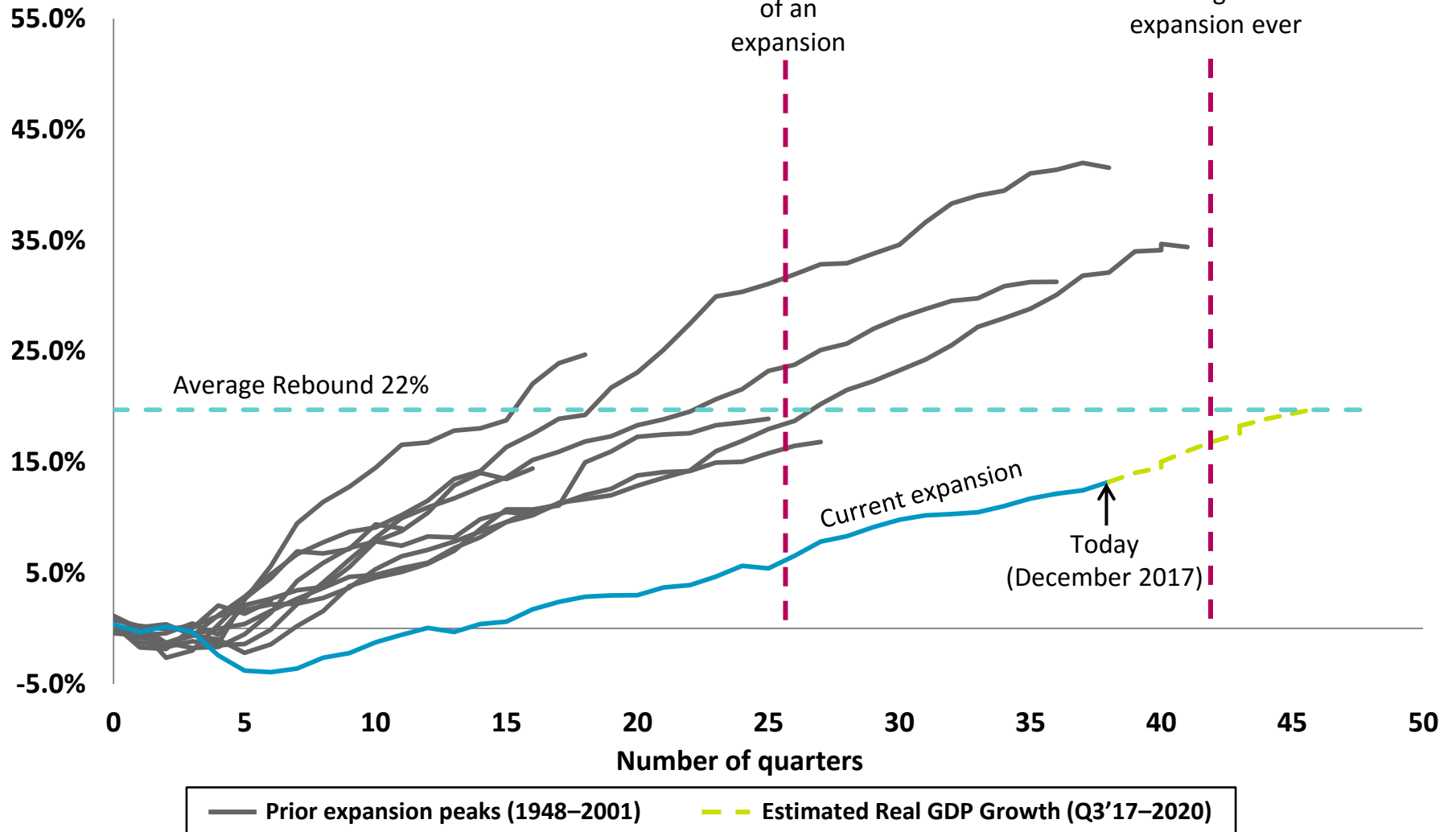
# Real GDP Growth Has Broken from Its Trend since 2008



Source: Strategas Research Partners (December 2017).

# Cumulative Real GDP Growth Since Prior Peak

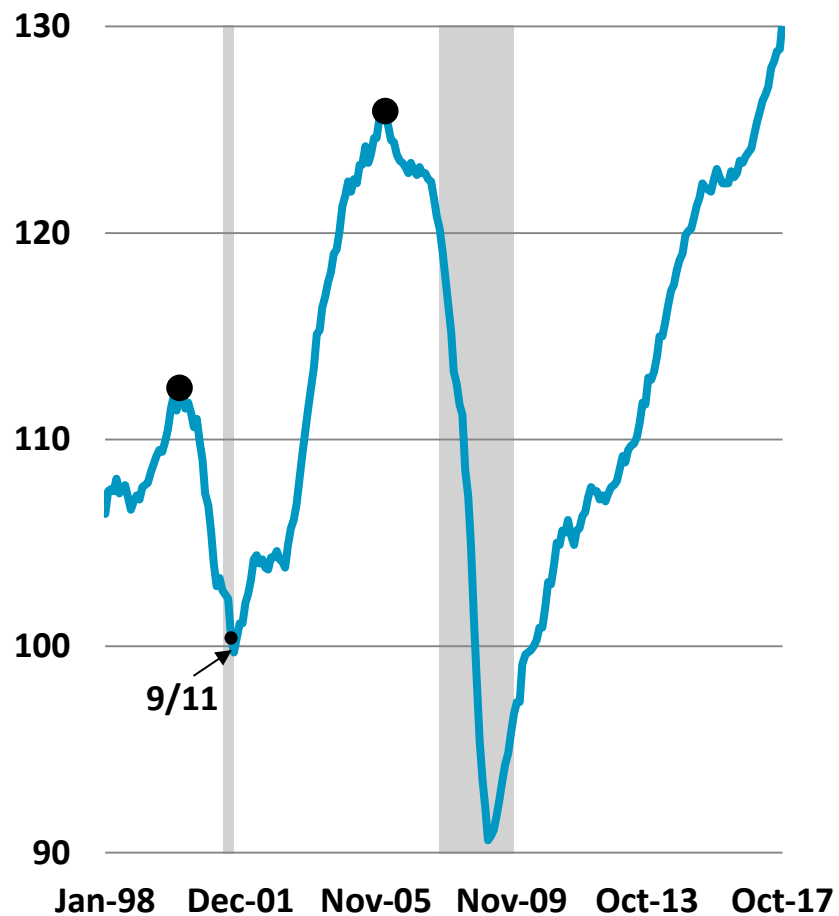
Today = Quarter 37



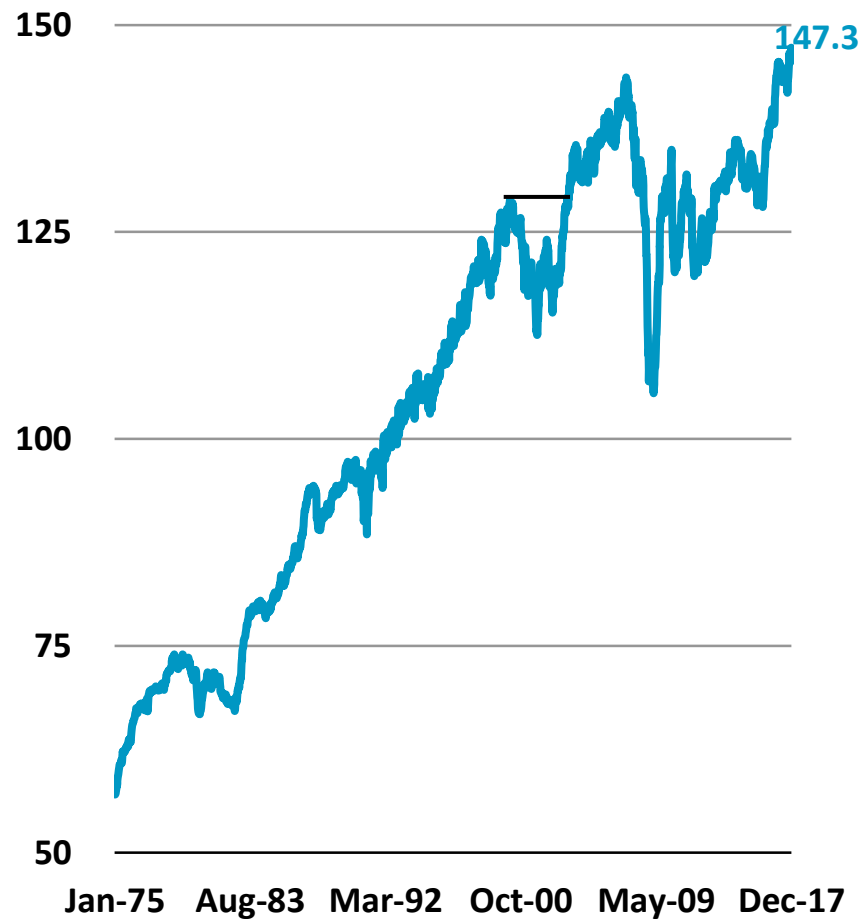
Source: National Bureau of Economic Research (NBER), J.P. Morgan Asset Management, Bureau of Economic Analysis, Strategas Research Partners (December 2017)

# U.S. Leading Indicator and ECRI Weekly Leading Index

## U.S. Leading Indicator



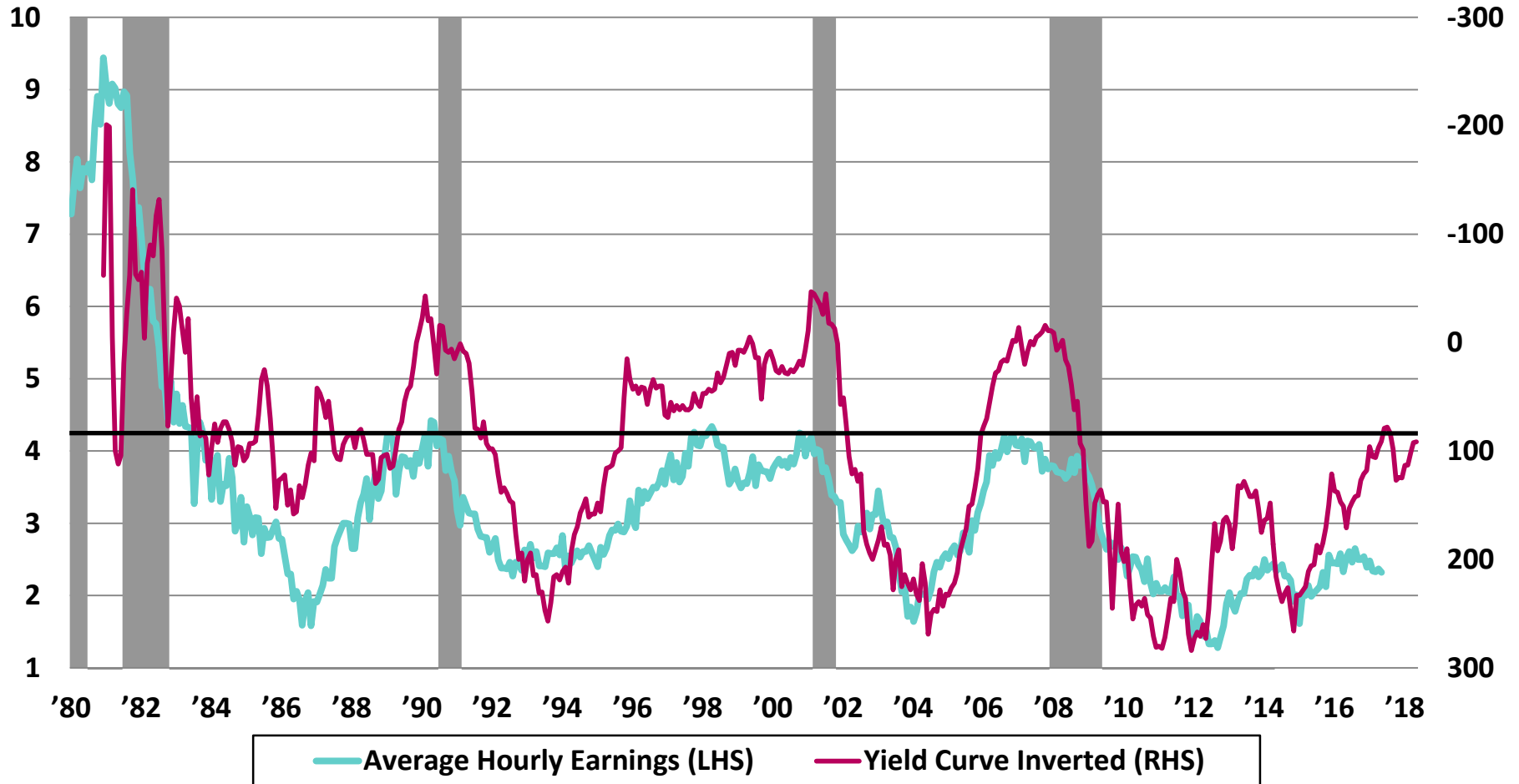
## ECRI Weekly Leading Index



Source: Evercore ISI (December 2017).

# Average Hourly Earnings: And The Yield Curve

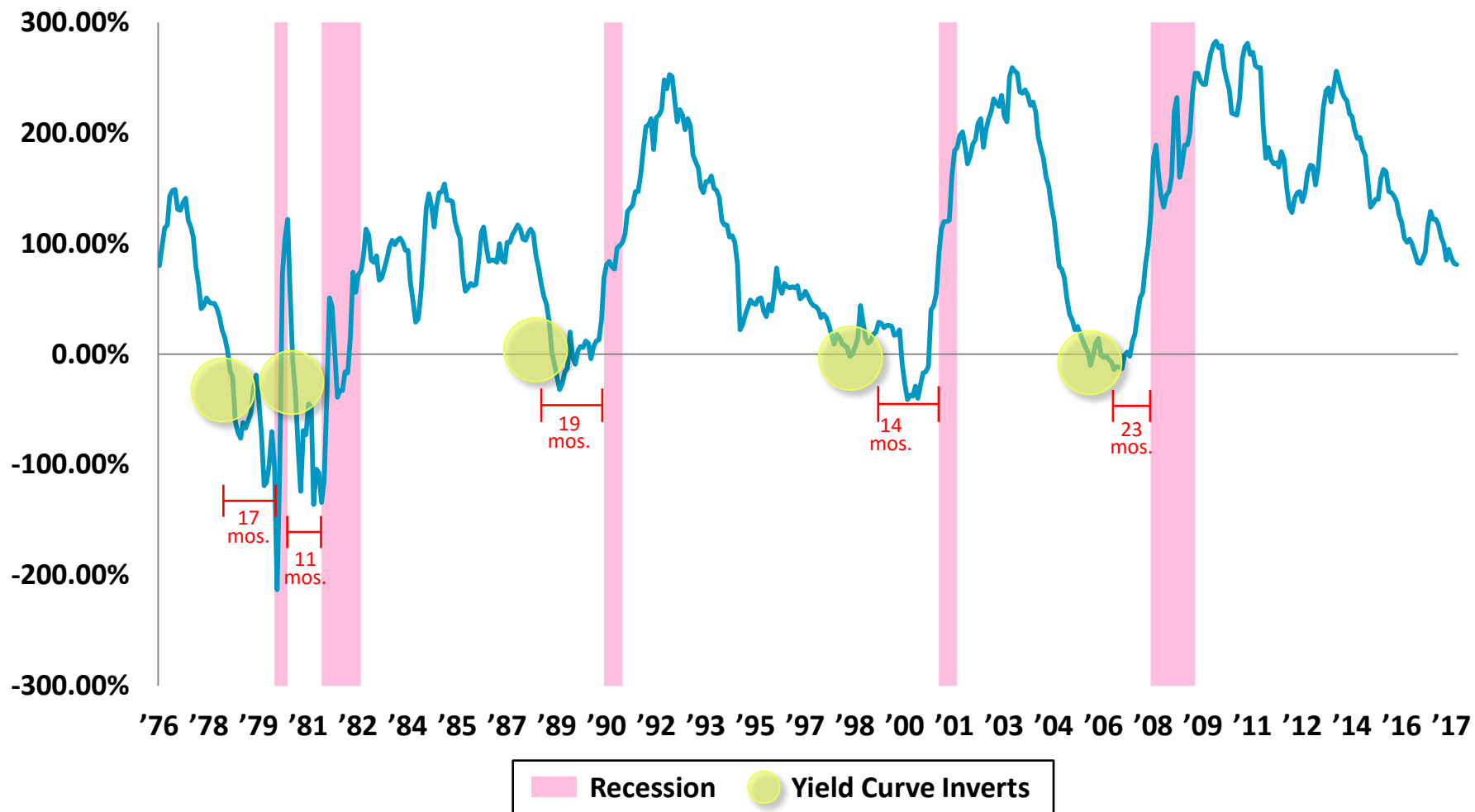
(YoY, SA, \$/Hour) vs. 10/2 Spread (bps, 12 Mo Lead)



Source: Strategas Research Partners (December 2017).

# Recessions Peak to Trough

(Monthly Frequency)

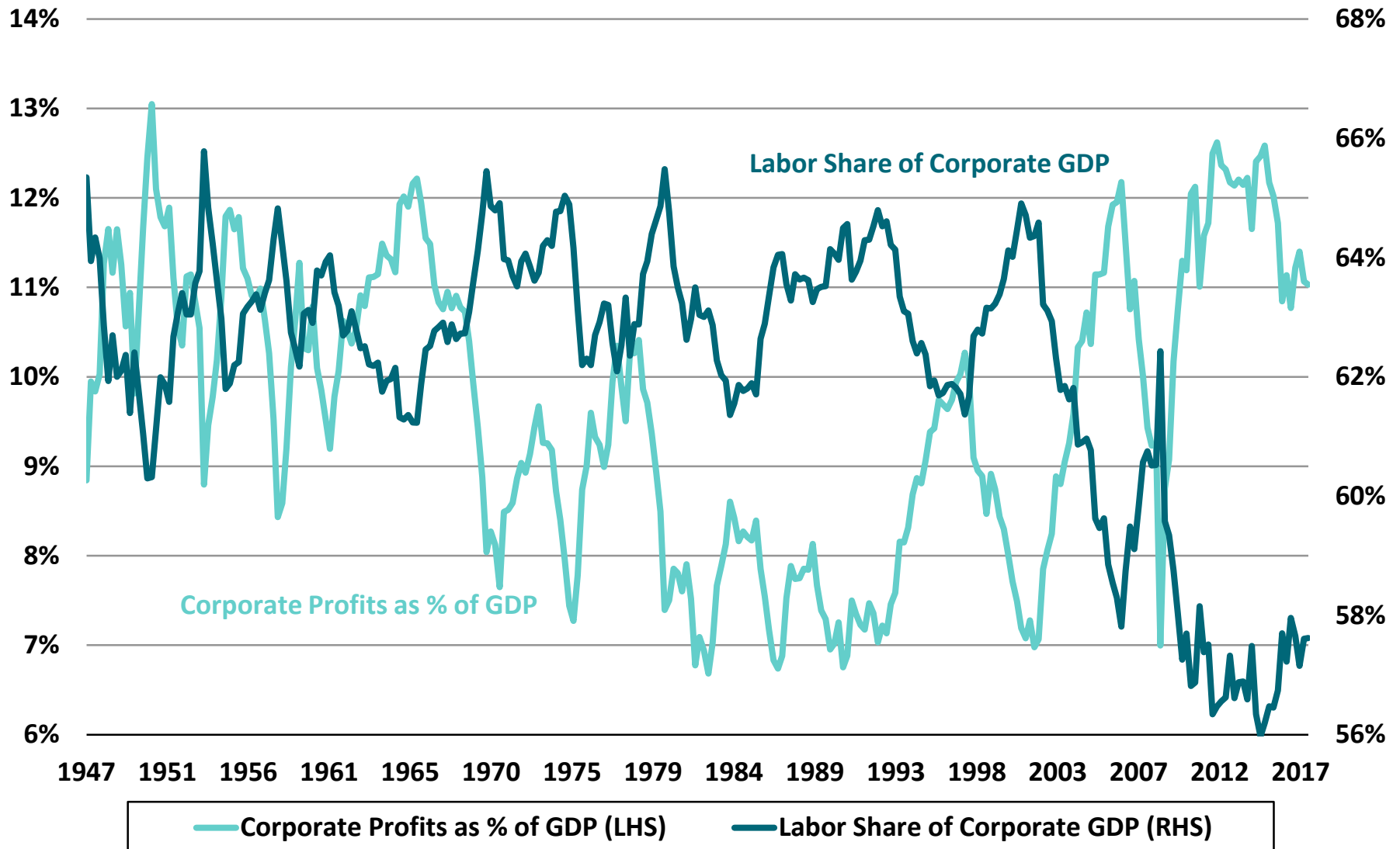


Source: Federal Reserve Bank of St. Louis, Strategas Research (December 2017)



# Corporate Profits as % GDP and Labor Share of Corporate GDP

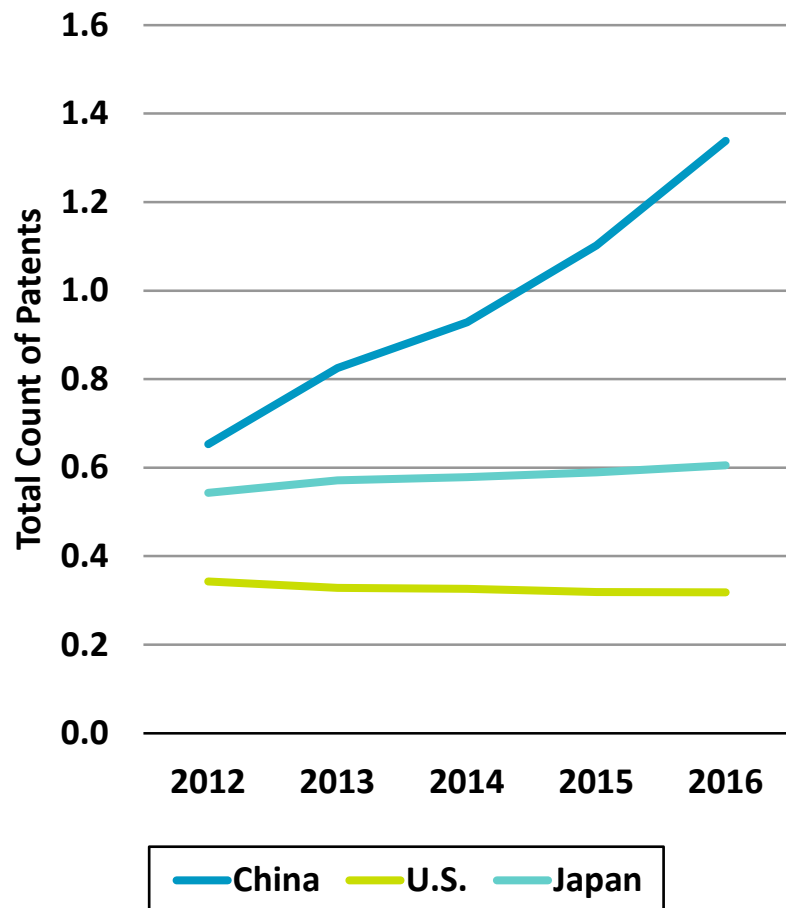
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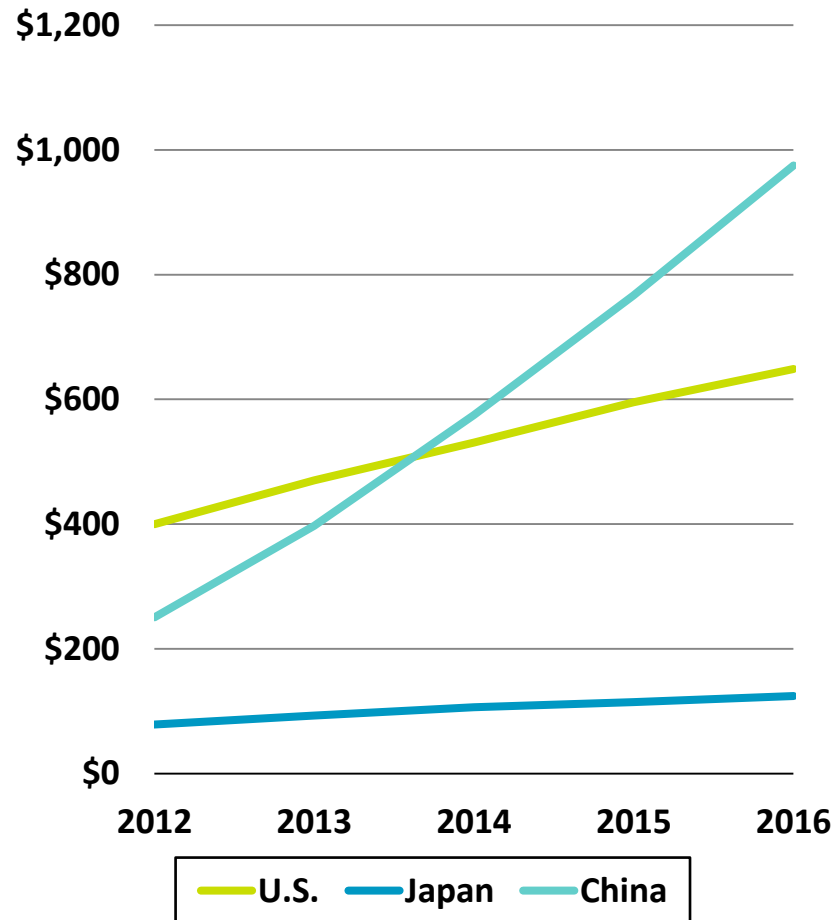
Source: Strategas Research Partners (December 2017).

# Patents and E-Commerce

Patents Filed<sup>(1)</sup>  
(count in millions)



E-Commerce Sales<sup>(2)</sup>  
(\$ in billions)

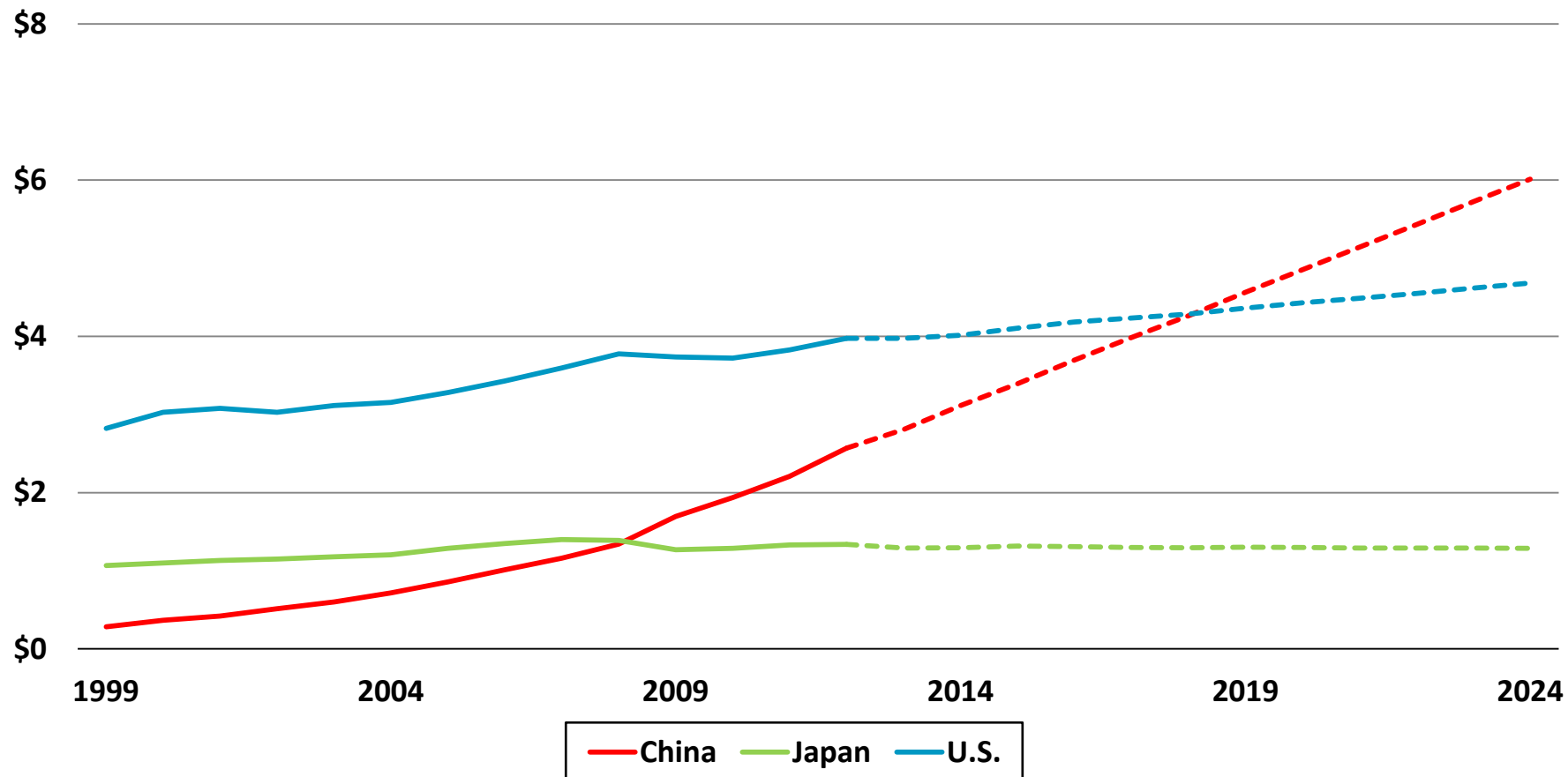


(1) Source: World Intellectual Property Organization, Strategas Research Partners (December 2017).

(2) Source: Bank of America and U.S. Census Bureau, Strategas Research Partners (December 2017).

# R&D Spending

(\$ in trillions)



Source: OECD Science, Technology, and Industry Outlook 2014, Strategas Research Partners (December 2017)

# 5 Fastest Supercomputers

2012

① Titan



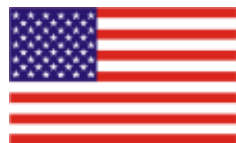
② Sequoia



③ K computer



④ Mira



⑤ JUQUEEN



2017

① Sunway TaihuLight



② Tianhe-2



③ Piz Daint



④ Titan

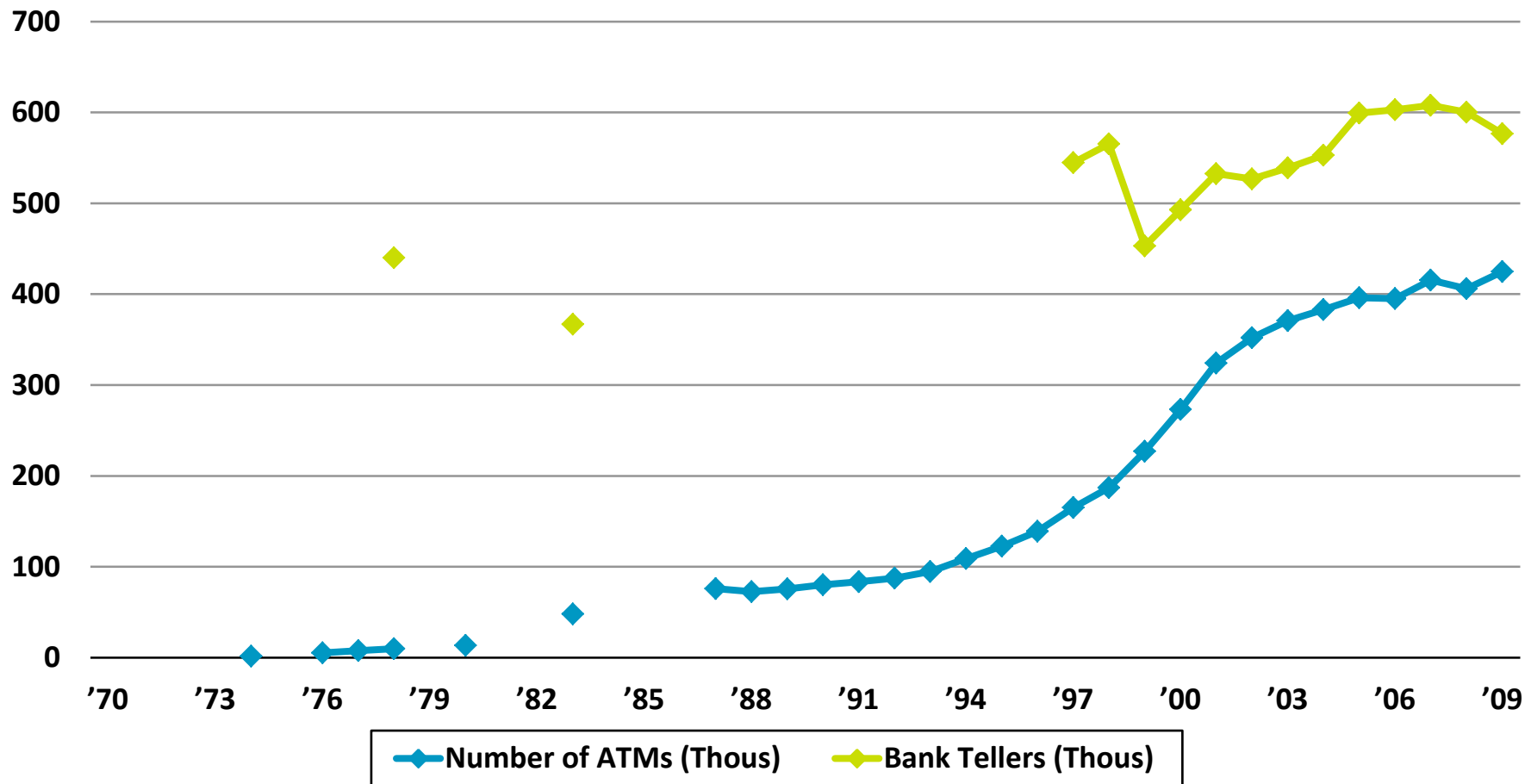


⑤ Sequoia



# Human Bankers Hold the Line

(in thousands)

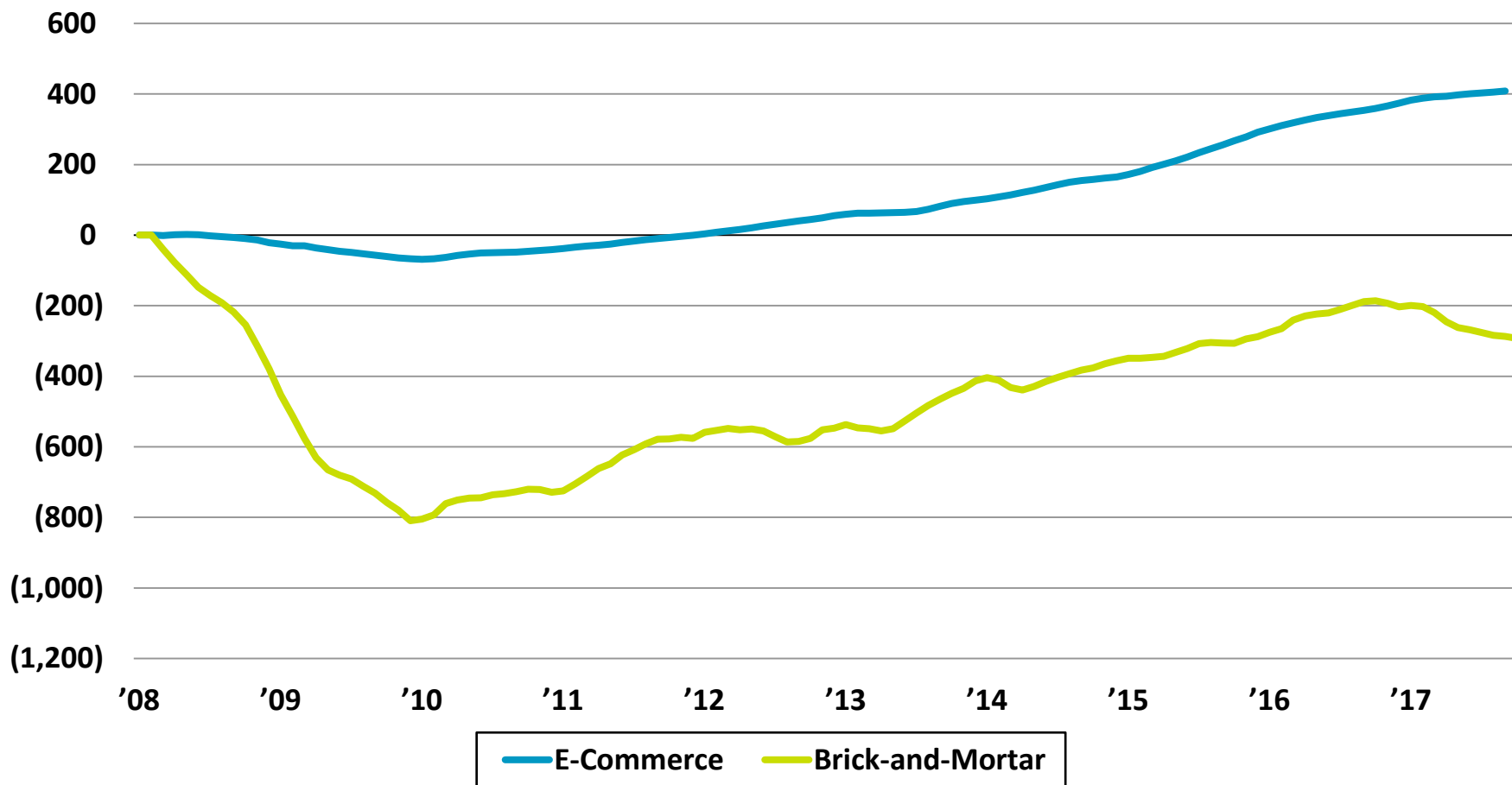


Source: BIS Payments Data, Red Book, Country U.S., Strategas Research Partners (December 2017)

# E-Commerce Employment vs. Brick-and-Mortar Employment

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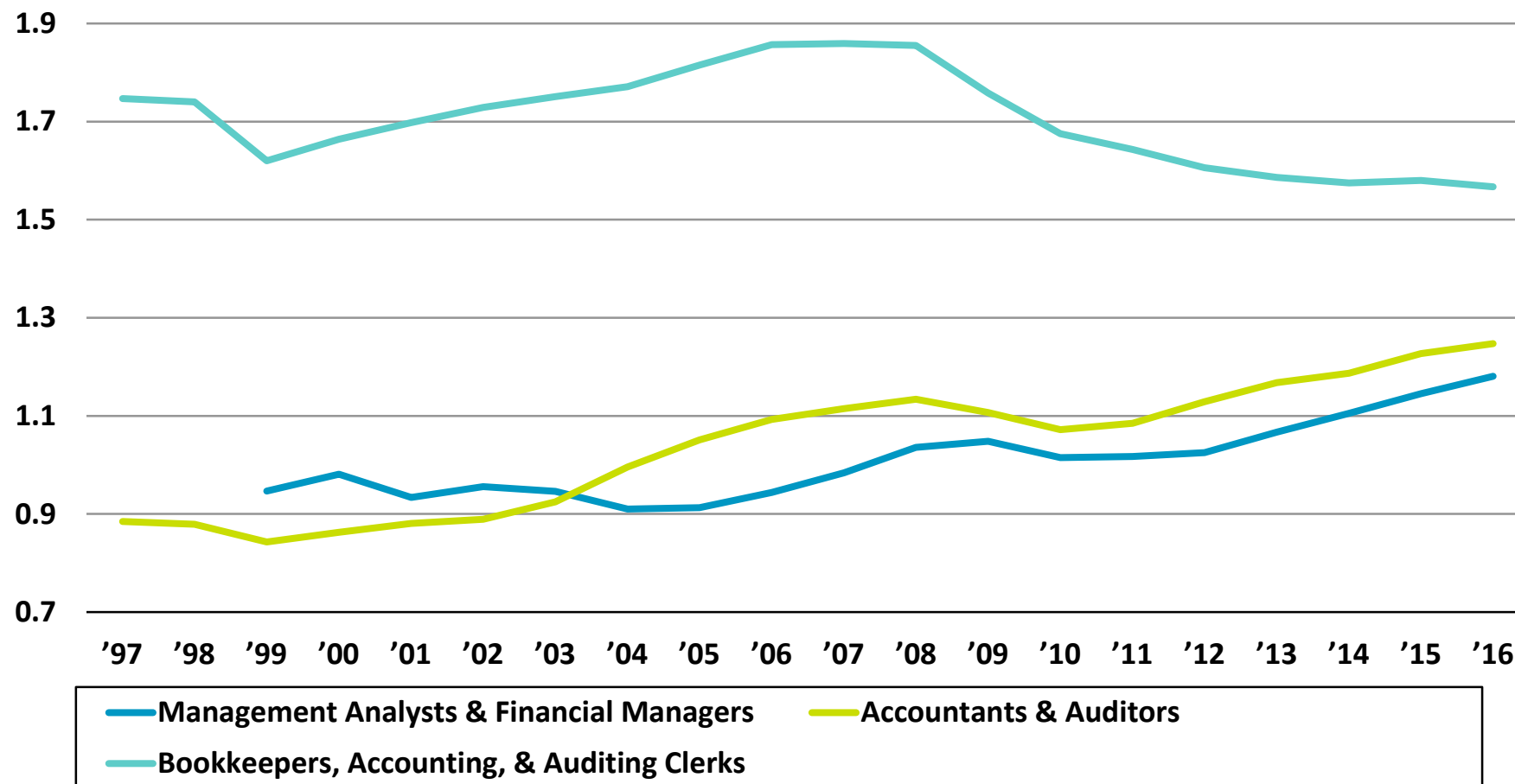
E-Commerce Taketh Away and Giveth  
(3M MA, in thousands)



Source: BLS, Haver, Strategas Research Partners. (December 2017)

# The Spreadsheet Apocalypse

(Jobs in millions)



Source: BLS OES., Strategas Research Partners (December 2017)

# S&P 500 Cos. Enterprise Value to Employee Count Ratio

## S&P 500 Cos. With Highest Enterprise Value to Employee Count Ratio

Company	EV (\$MM)	Number of Employees	Ratio
PNW Pinnacle West	13,171	39	148.0
COG Cabot Oil & Gas	11,694	421	27.8
EOG EOG Resources	61,334	2,650	23.1
CXO Concho Resources	20,552	1,085	18.9
FB Facebook, Inc.	307,072	17,048	18.0
MO Altria Group, Inc.	141,347	8,300	17.0
NAVI Navient Corp	115,164	6773	17.0
RAI Reynolds American	91,247	5,500	16.6
XEC Cimarex Energy Co.	13,525	856	15.8
CME CME Group Inc	39,349	2,700	14.6

## S&P 500 Cos. With Lowest Enterprise Value to Employee Count Ratio

Company	EV (\$MM)	Number of Employees	Ratio
WMT Wal-Mart Stores	257,874	2,300,000	0.1
WFM Whole Foods	9,522	87,000	0.1
KSS Kohl's Corporation	13,702	140,000	0.1
SPLS Staples, Inc.	5,989	75,371	0.1
GPS Gap, Inc.	10,485	141,000	0.1
BBY Best Buy Co.	8,063	125,000	0.1
DRI Darden Restaurants	9,014	150,000	0.1
HRB H&R Block, Inc.	5,577	94,800	0.1
RHI Robert Half	6,022	231,400	0.0
NTRS Northern Trust	-1,825	17,100	-0.1

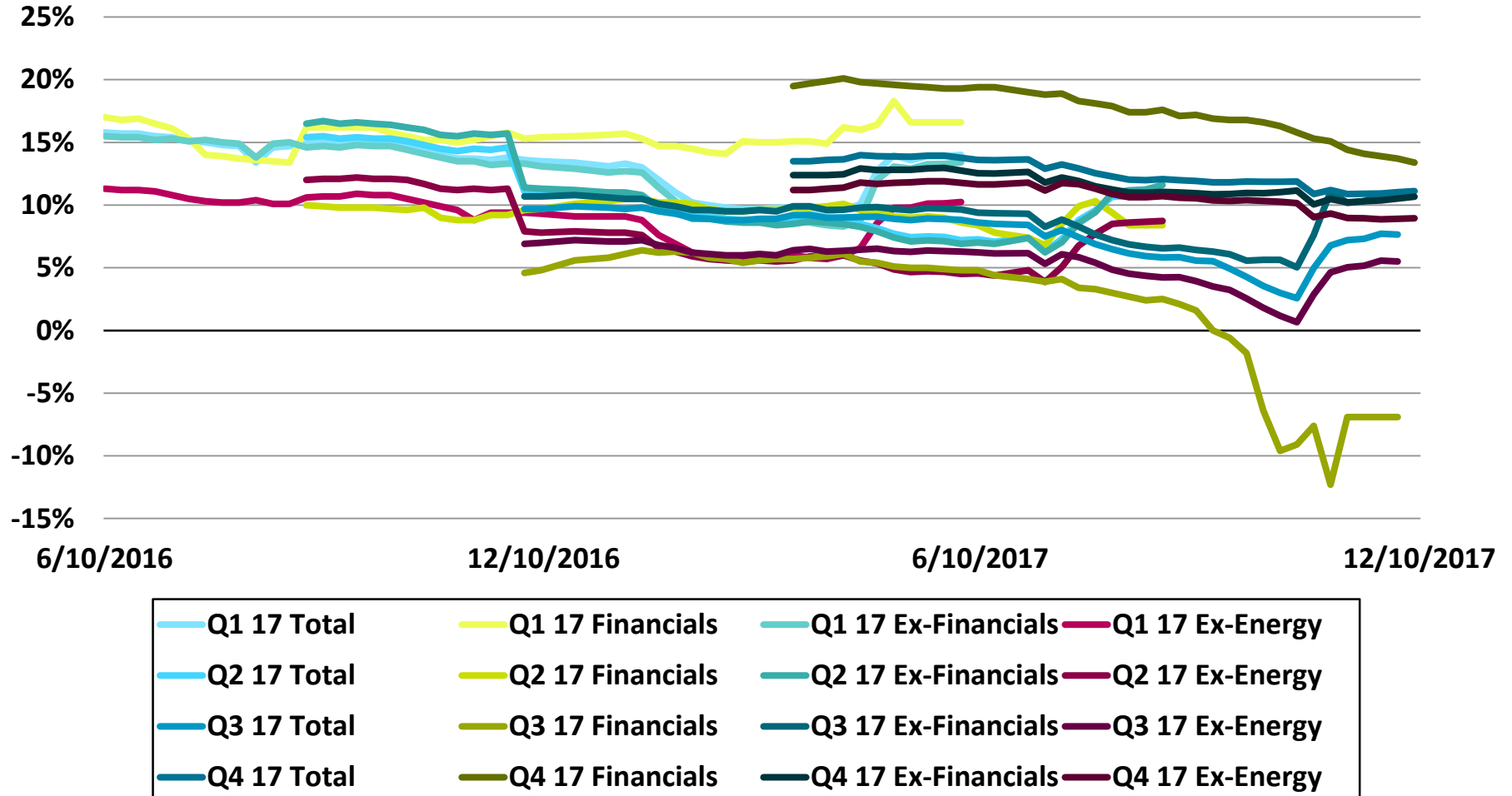
(1) Excludes REITs. Table shows current EV and latest reported number of employees. As of 3/31/2017. Source: Strategas Research Partners (December 2017)



# Market and Earnings Outlook

# Q1 to Q4 2017 S&P 500 Earnings Expectations

## Operating Earnings Estimates YoY Change



Source: Bianco Research, L.L.C. (December 2017).

# Dividend Discount Model

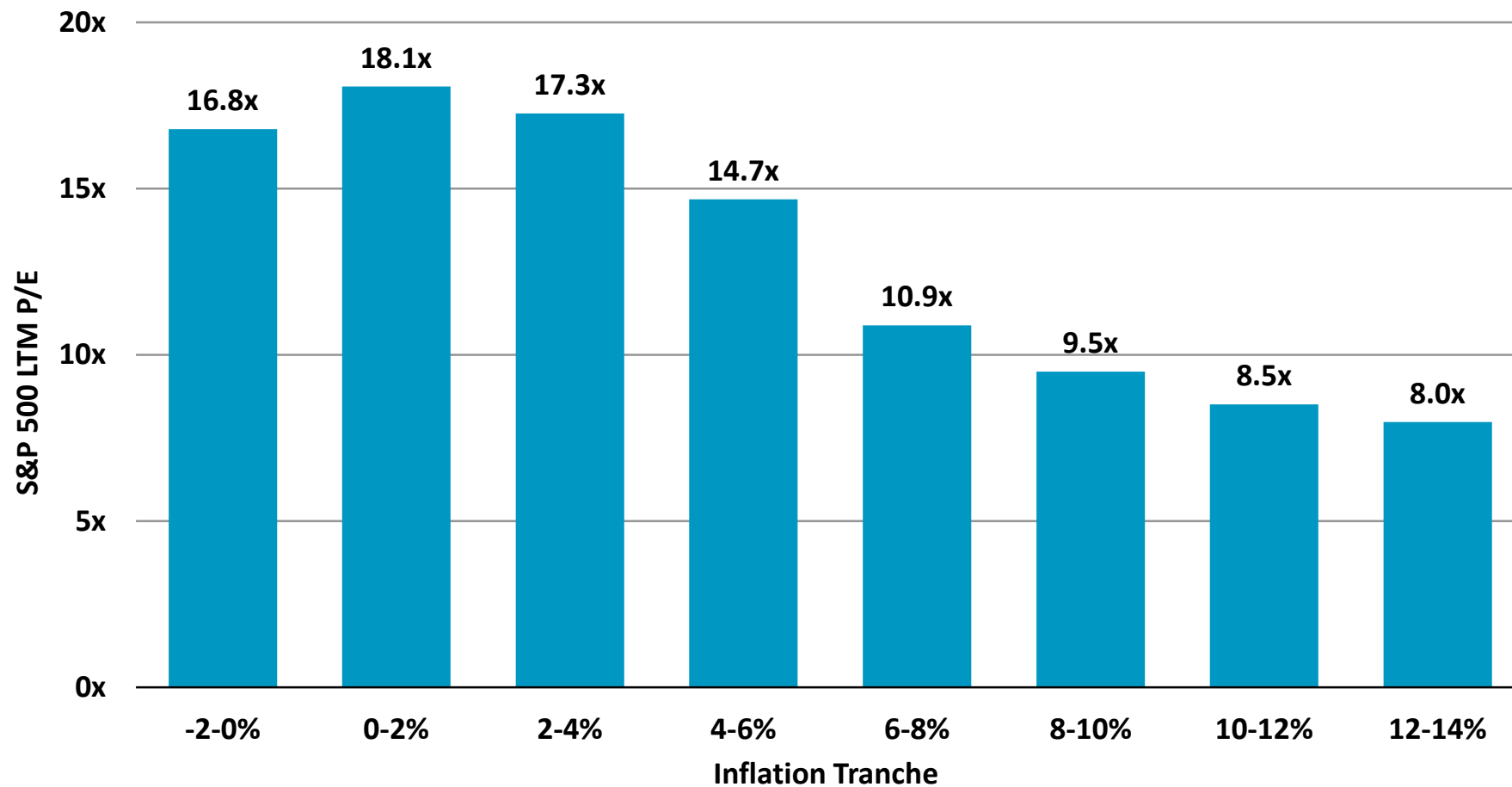
<u>1 Year</u> EPS \$	10-year Treasury Yield												
	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%
120	10,044	6,696	5,022	4,018	3,348	2,870	2,511	2,232	2,009	1,826	1,674	1,545	1,435
122	10,212	6,808	5,106	4,085	3,404	2,918	2,553	2,269	2,042	1,857	1,702	1,571	1,459
124	10,379	6,919	5,190	4,152	3,460	2,965	2,595	2,306	2,076	1,887	1,730	1,597	1,483
126	10,546	7,031	5,273	4,219	3,515	3,013	2,637	2,344	2,109	1,918	1,758	1,623	1,507
128	10,714	7,143	5,357	4,286	3,571	3,061	2,678	2,381	2,143	1,948	1,786	1,648	1,531
130	10,881	7,254	5,441	4,353	3,627	3,109	2,720	2,418	2,176	1,978	1,814	1,674	1,554
132	11,049	7,366	5,524	4,419	3,683	3,157	2,762	2,455	2,210	2,009	1,841	1,700	1,578
134	11,216	7,477	5,608	4,486	3,739	3,205	2,804	2,492	2,243	2,039	1,869	1,726	1,602
136	11,383	7,589	5,692	4,553	3,794	3,252	2,846	2,530	2,277	2,070	1,897	1,751	1,626
138	11,551	7,701	5,775	4,620	3,850	3,300	2,888	2,567	2,310	2,100	1,925	1,777	1,650
140	11,718	7,812	5,859	4,687	3,906	3,348	2,930	2,604	2,344	2,131	1,953	1,803	1,674
142	11,886	7,924	5,943	4,754	3,962	3,396	2,971	2,641	2,377	2,161	1,981	1,829	1,698
144	12,053	8,035	6,027	4,821	4,018	3,444	3,013	2,678	2,411	2,191	2,009	1,854	1,722
146	12,221	8,147	6,110	4,888	4,074	3,492	3,055	2,716	2,444	2,222	2,037	1,880	1,746
148	12,388	8,259	6,194	4,955	4,129	3,539	3,097	2,753	2,478	2,252	2,065	1,906	1,770
150	12,555	8,370	6,278	5,022	4,185	3,587	3,139	2,790	2,511	2,283	2,093	1,932	1,794
152	12,723	8,482	6,361	5,089	4,241	3,635	3,181	2,827	2,545	2,313	2,120	1,957	1,818
154	12,890	8,593	6,445	5,156	4,297	3,683	3,223	2,864	2,578	2,344	2,148	1,983	1,841
156	13,058	8,705	6,529	5,223	4,353	3,731	3,264	2,902	2,612	2,374	2,176	2,009	1,865
158	13,225	8,817	6,612	5,290	4,408	3,779	3,306	2,939	2,645	2,405	2,204	2,035	1,889
160	13,392	8,928	6,696	5,357	4,464	3,826	3,348	2,976	2,678	2,435	2,232	2,060	1,913

Note: The model assumes that S&P 500 Earnings per Share start the period growing at the short-term rate indicated in the rows. The growth rate declines linearly over 2 years to a 4% nominal growth rate then remains there in perpetuity. Analysis assumes the dividend payout ratio remains at the current level of 44% and the equity risk premium is a constant 3.5%.

Source: Blackstone Hedge Fund Solutions Group (December 2017).

# Average S&P 500 LTM P/E by CPI YoY Tranche

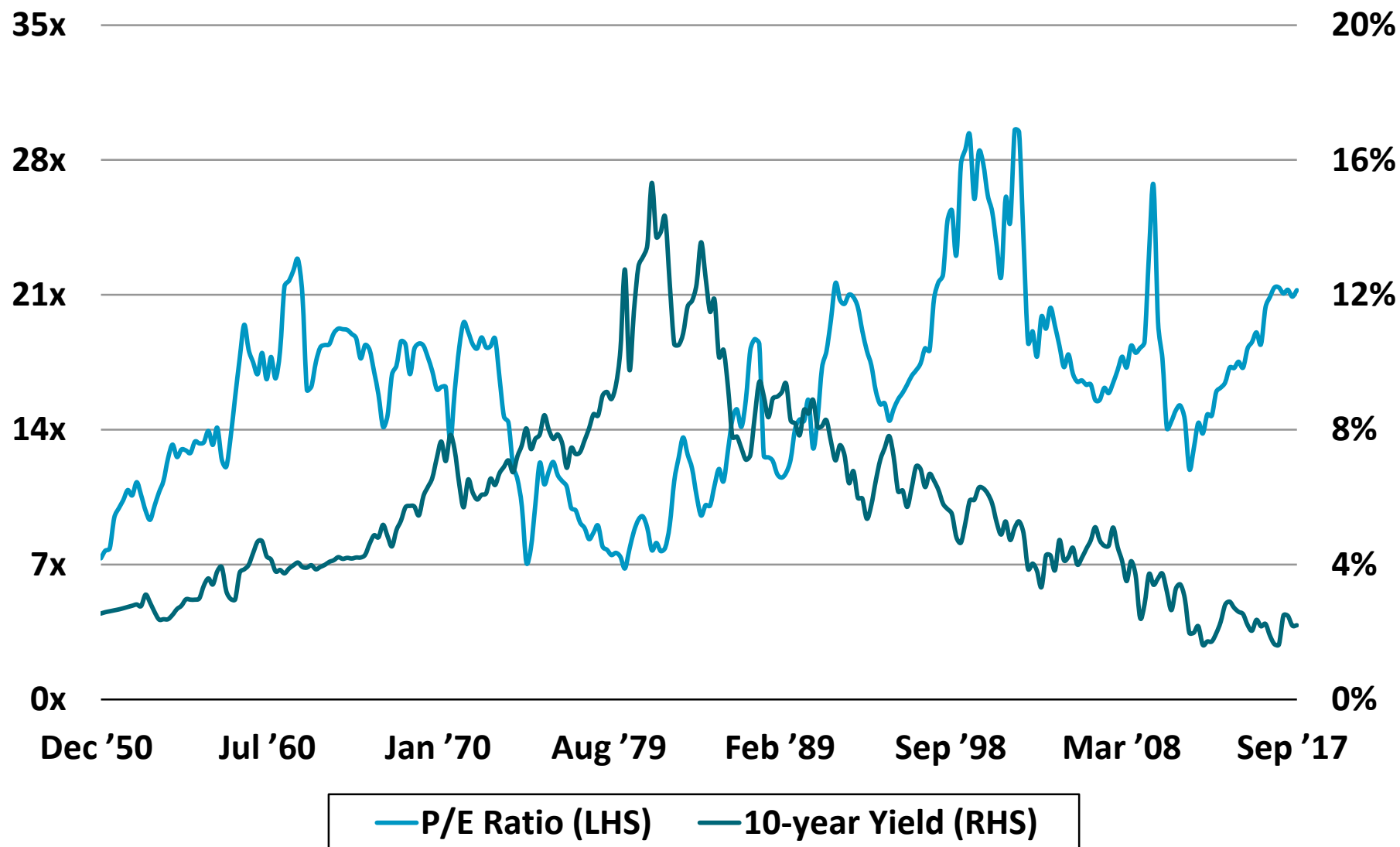
(1950–December 2017)



Source: Strategas Research Partners (December 2017).

# S&P 500 Trailing Price to Earnings Ratio vs. 10-year Treasury Yield

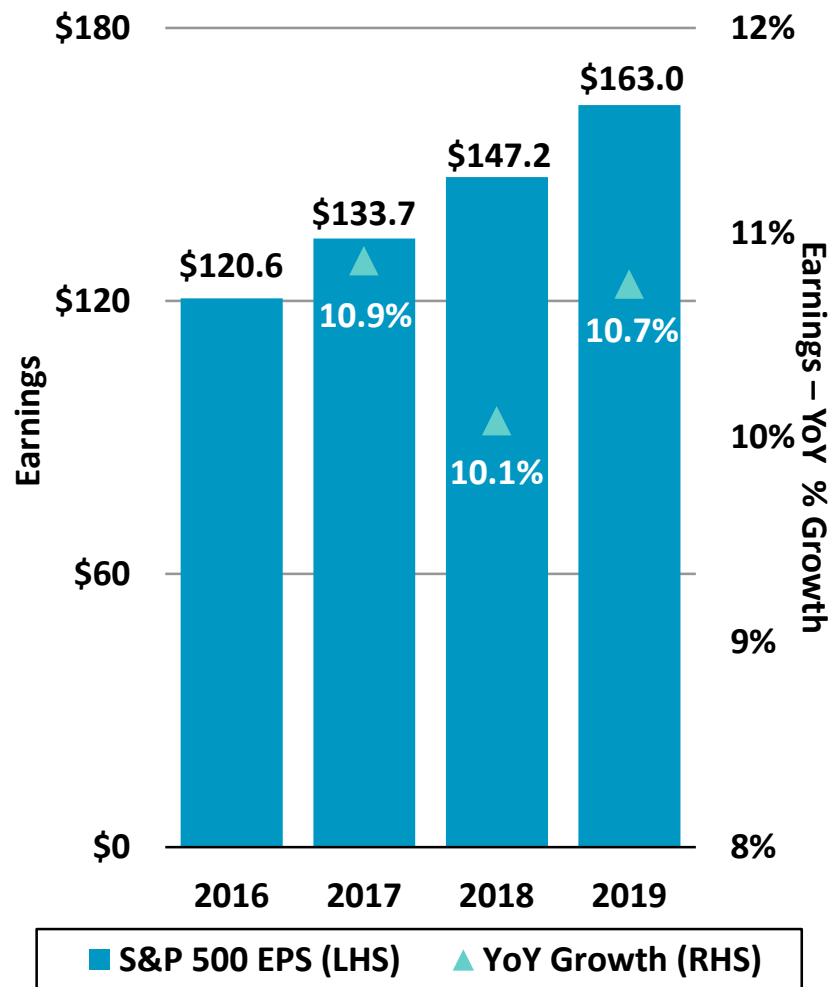
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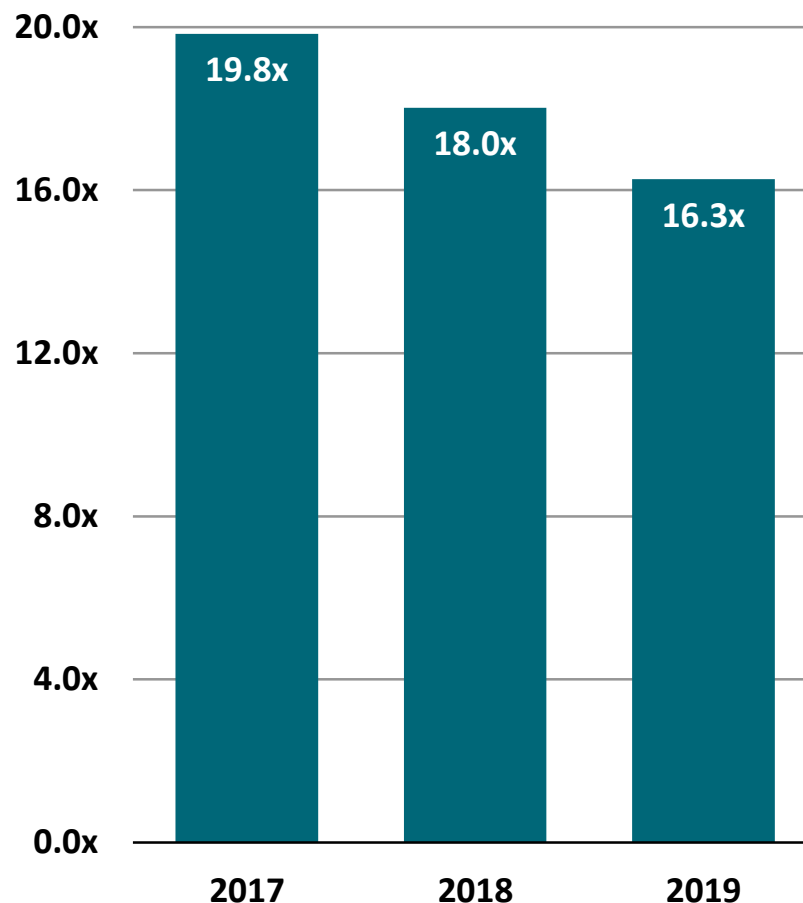
Source: Strategas Research Partners (December 2017).

# S&P 500 Index – Earnings Expectations

## Forecasted Operating Earnings



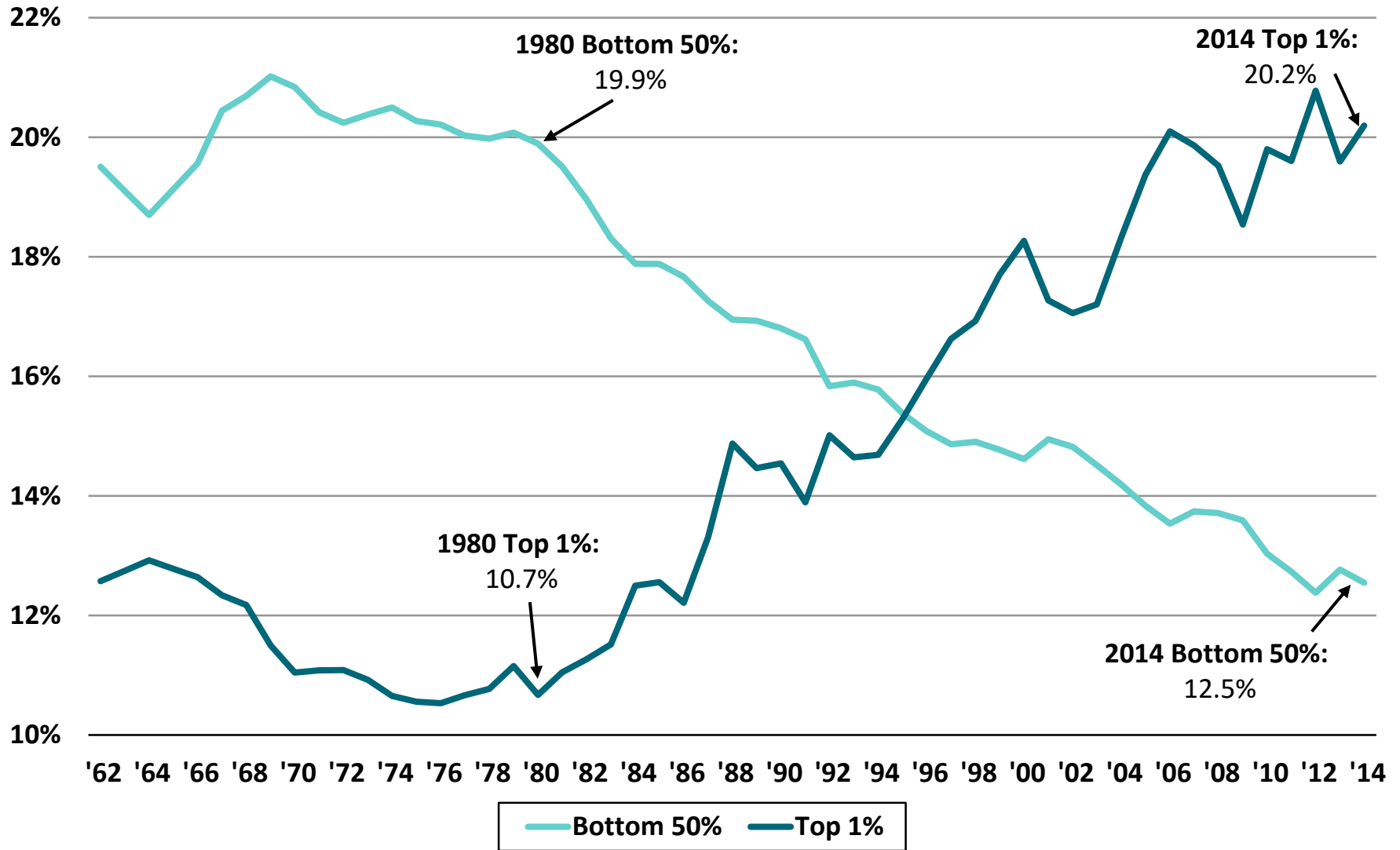
## Current Price to Forward Earnings



Source: Bloomberg and Monticello Associates (December 2017).

# The Trump Presidency

# Shares of Total Pre-Tax National Income



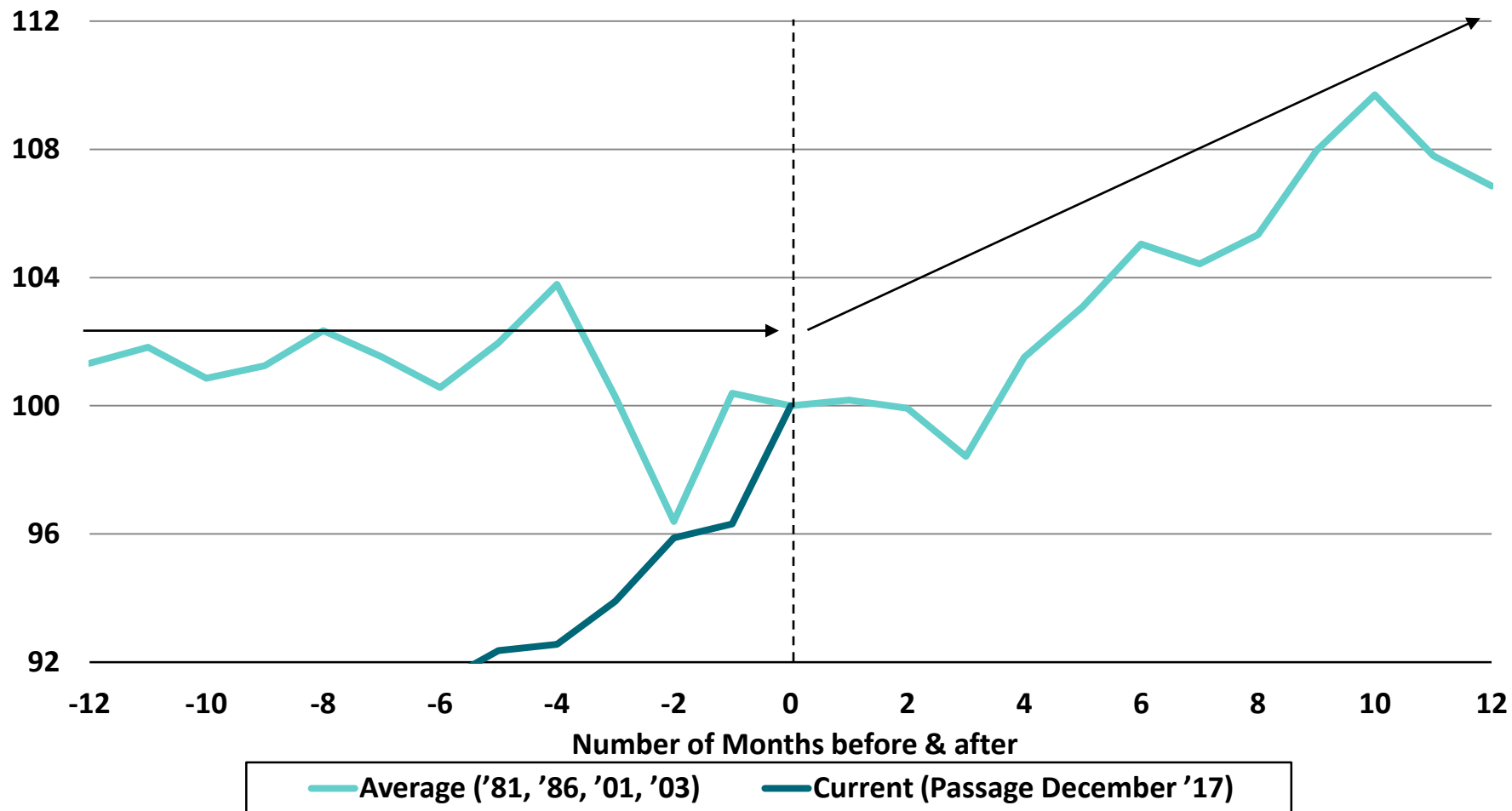
Source: Strategas Research Partners (December 2017).



# S&P 500 Performance Before & After Prior Tax Cuts & Reform

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(Indexed to 100 on Month Legislation Passed)



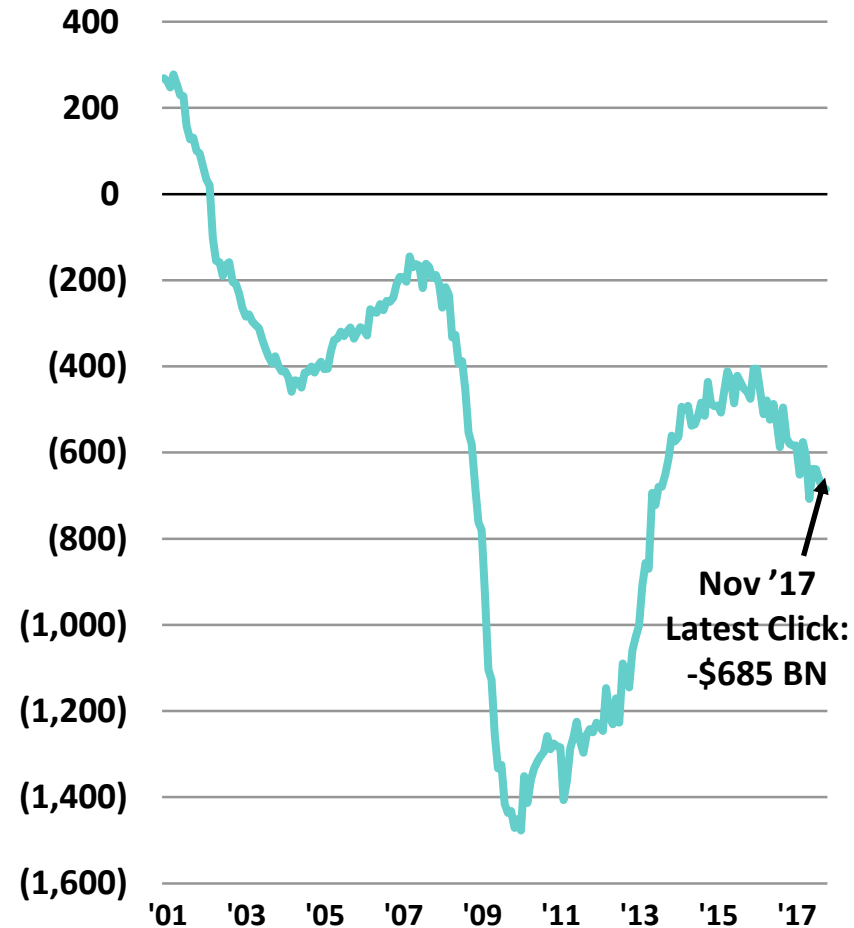
Source: Strategas Research Partners (December 2017).

# Repatriation and the Budget Deficit

Total Unremitted Foreign Earnings of U.S. Companies  
(\$ in trillions)



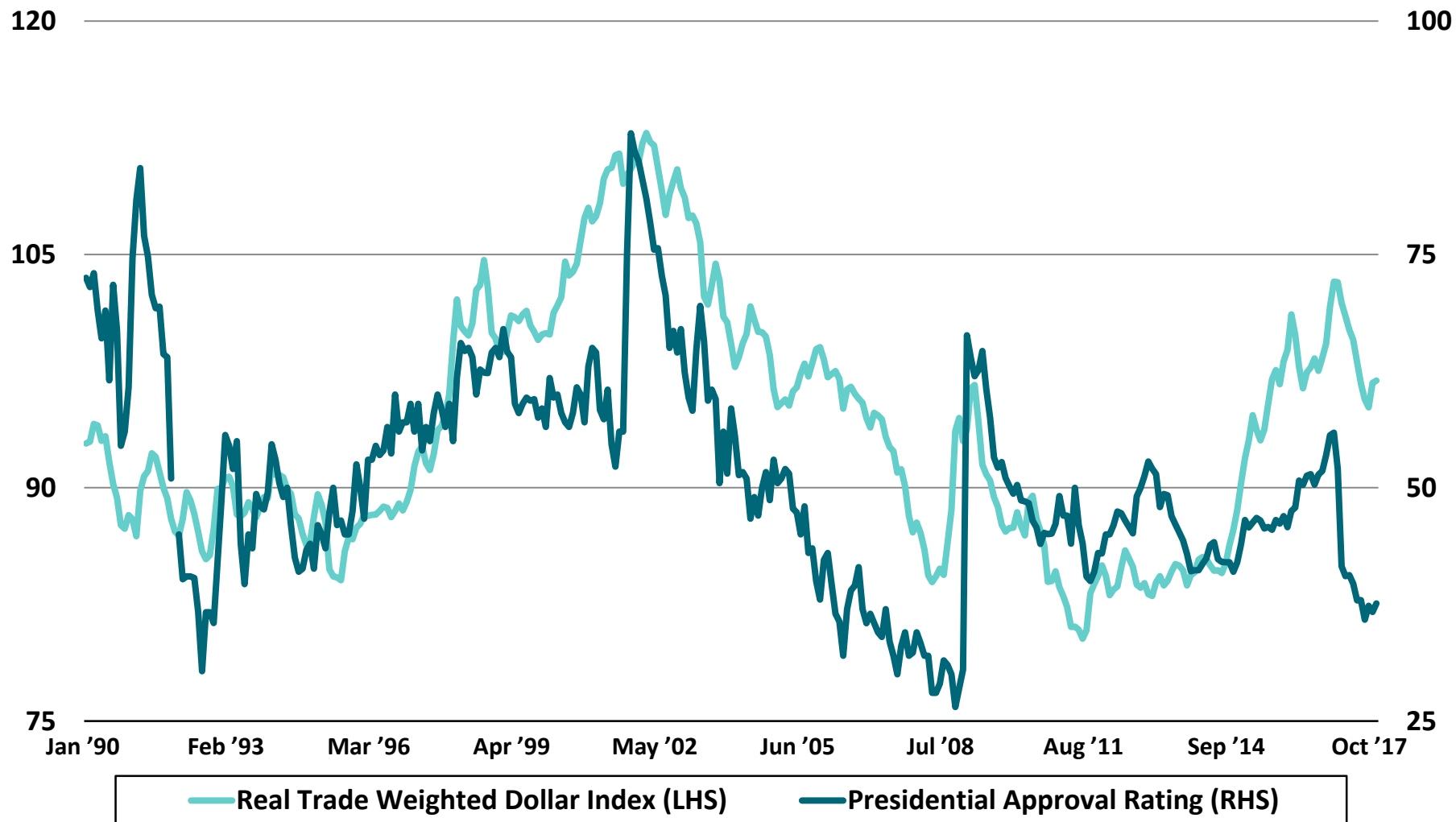
Federal Government Surplus / Deficit  
(12 Mo. Rolling, \$ in billions)



Source: Strategas Research Partners (December 2017).

# Real Trade Weighted Dollar Index & Presidential Approval Rating

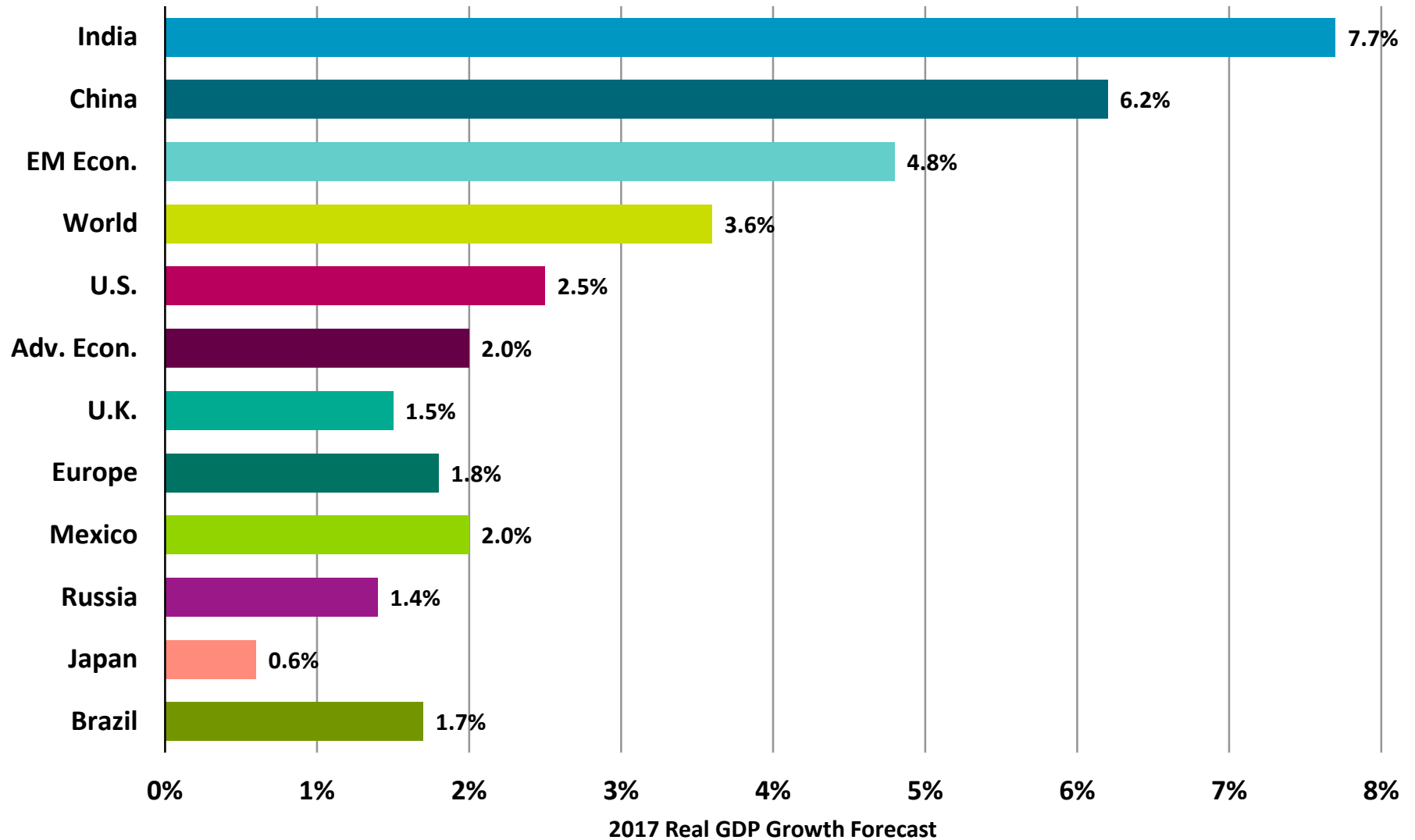
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Source: Strategas Research Partners (December 2017).

# The Status of the World Economy

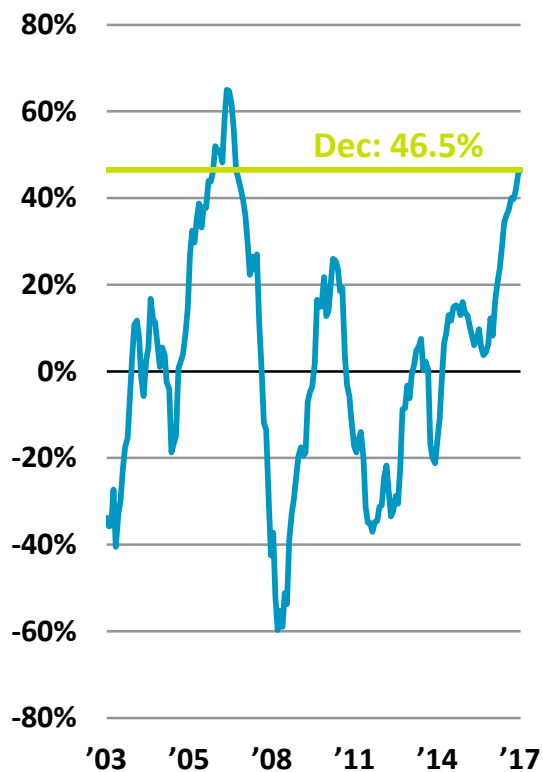
# Global Real GDP Growth – 2018 – Forecast



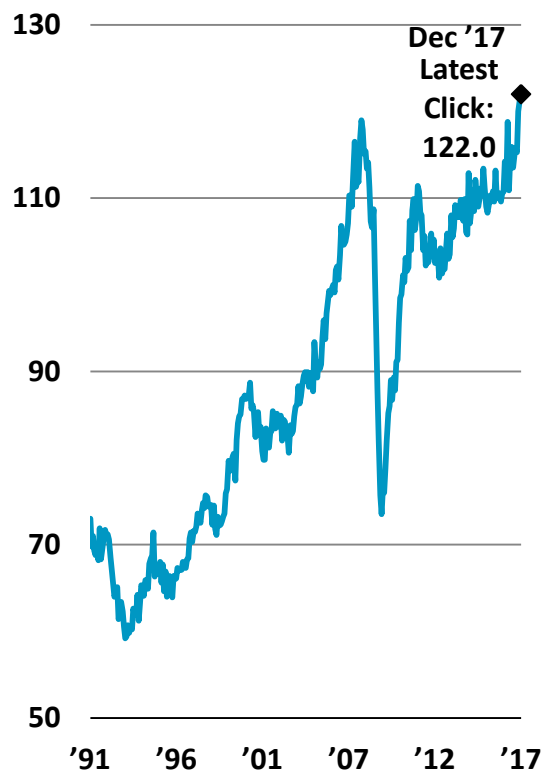
Source: Monticello Associates (December 2017).

# Europe

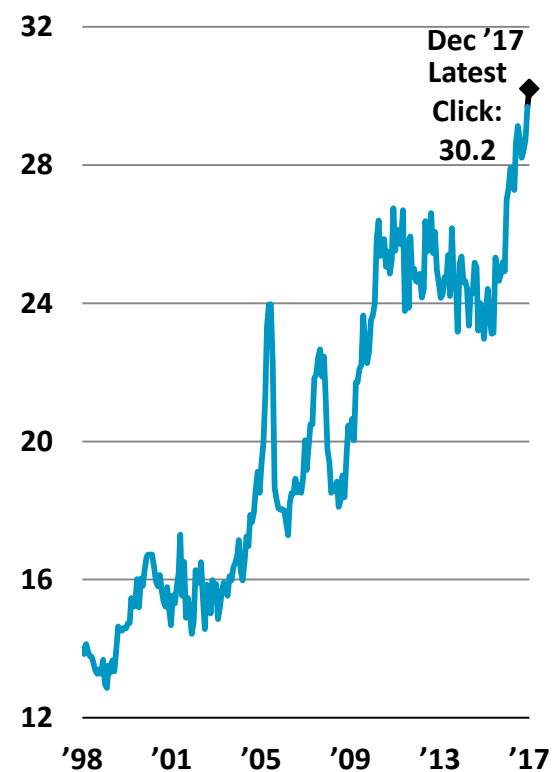
### Eurozone Investor Current Conditions (SENTIX)



### Germany Real MFG Orders (3 Mo. Avg. Oct: 121.1)



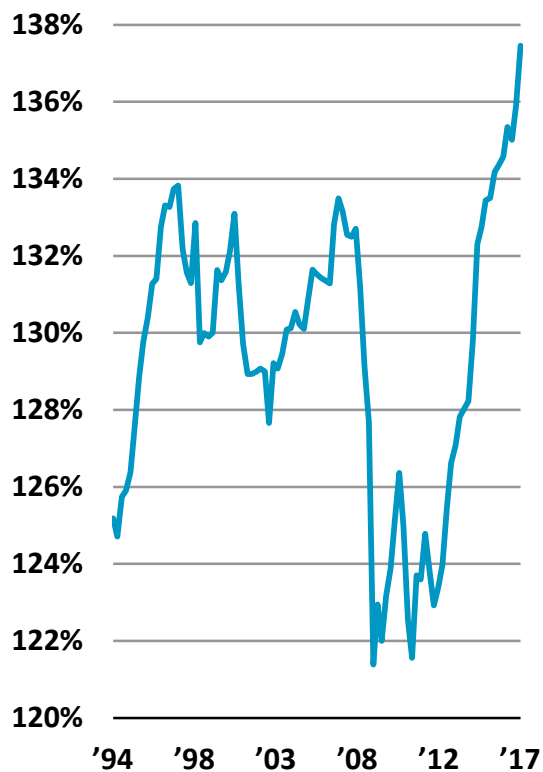
### U.K Goods Exports (3 Mo. Avg. Oct: 29.5)



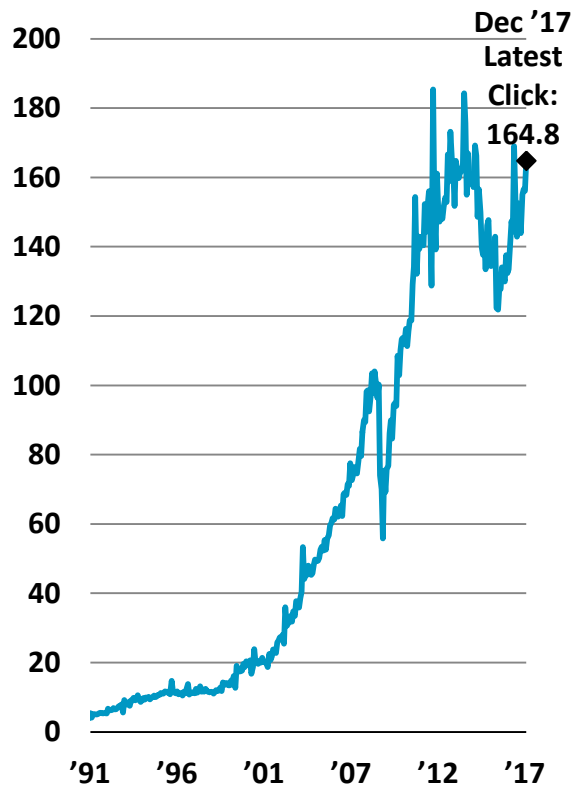
Source: Evercore ISI, (December2017)

# Asia

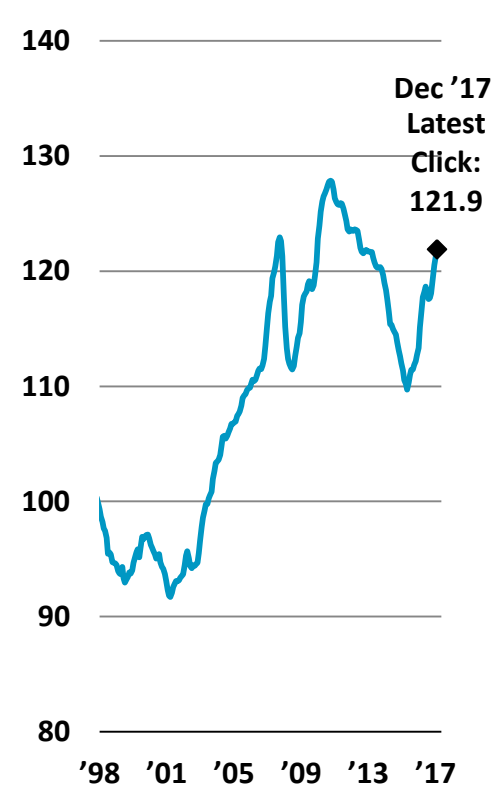
**Japan Nominal GDP**  
(3Q 2017: 137.5)



**China Imports**  
(3 Mo. Avg. Nov: 159.2)

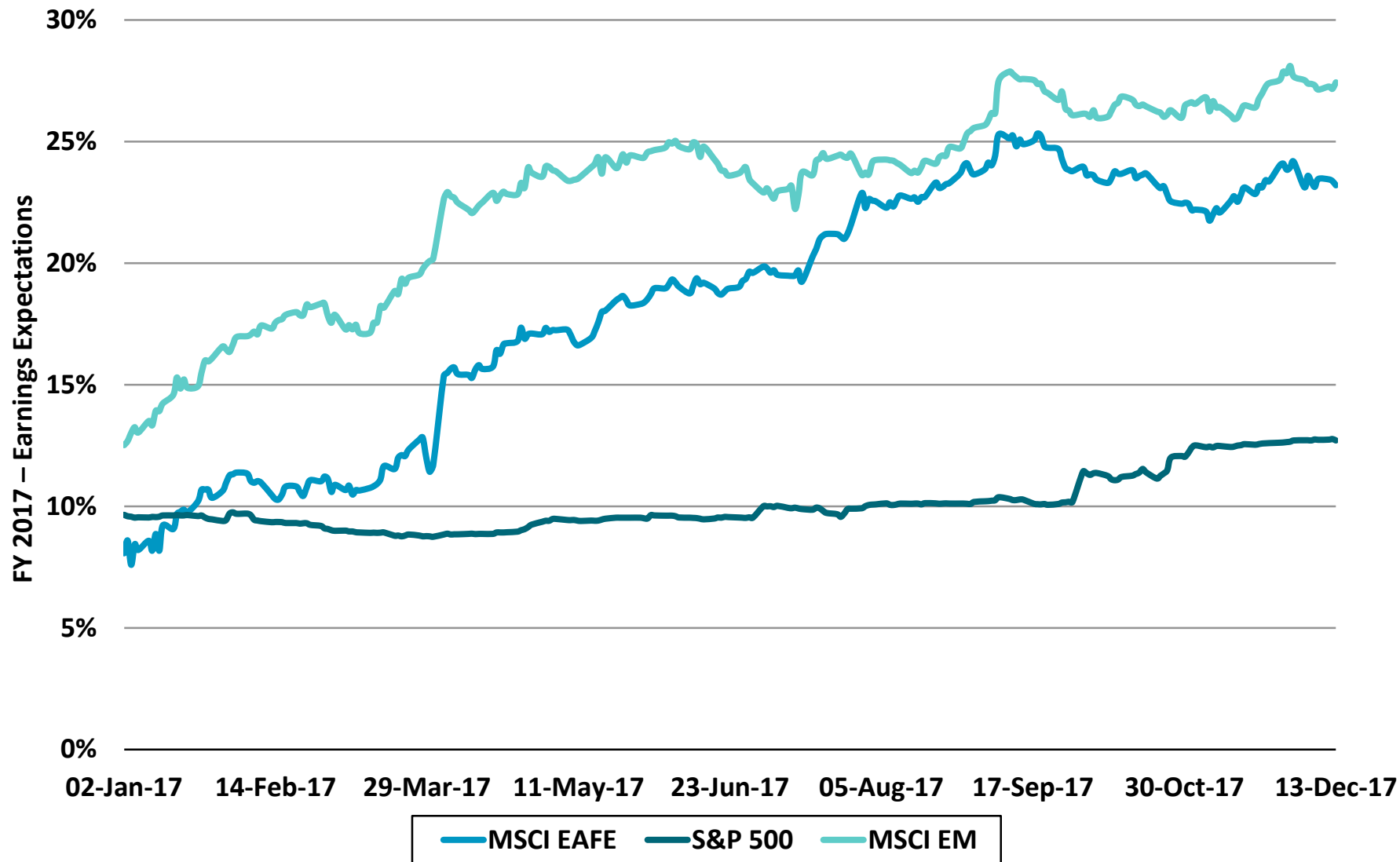


**China PPI**  
(Nov: 121.9)



Source: Evercore ISI, (December2017).

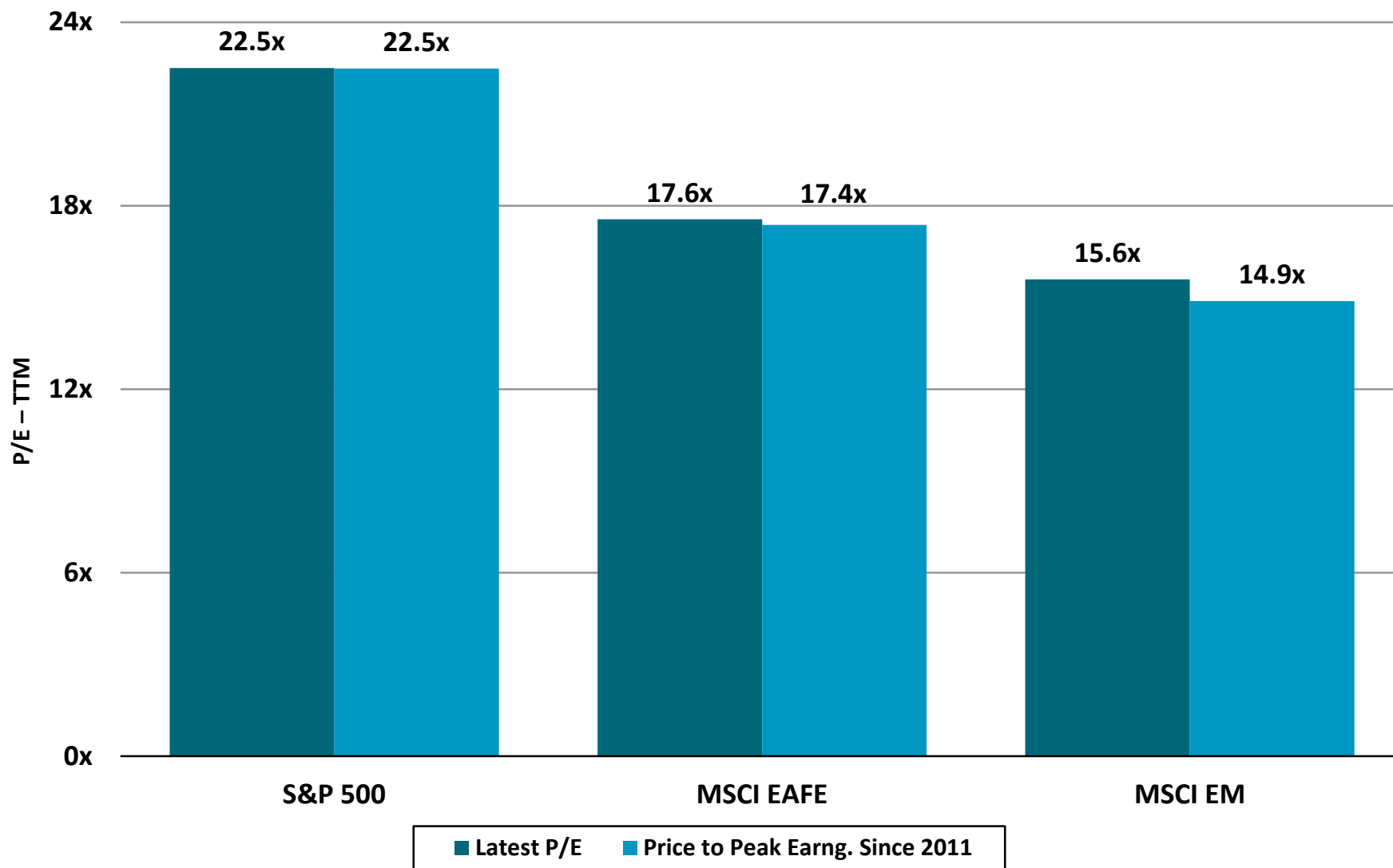
# Analyst Estimates of 2017 Earnings Growth



Source: Monticello Associates (December 2017).



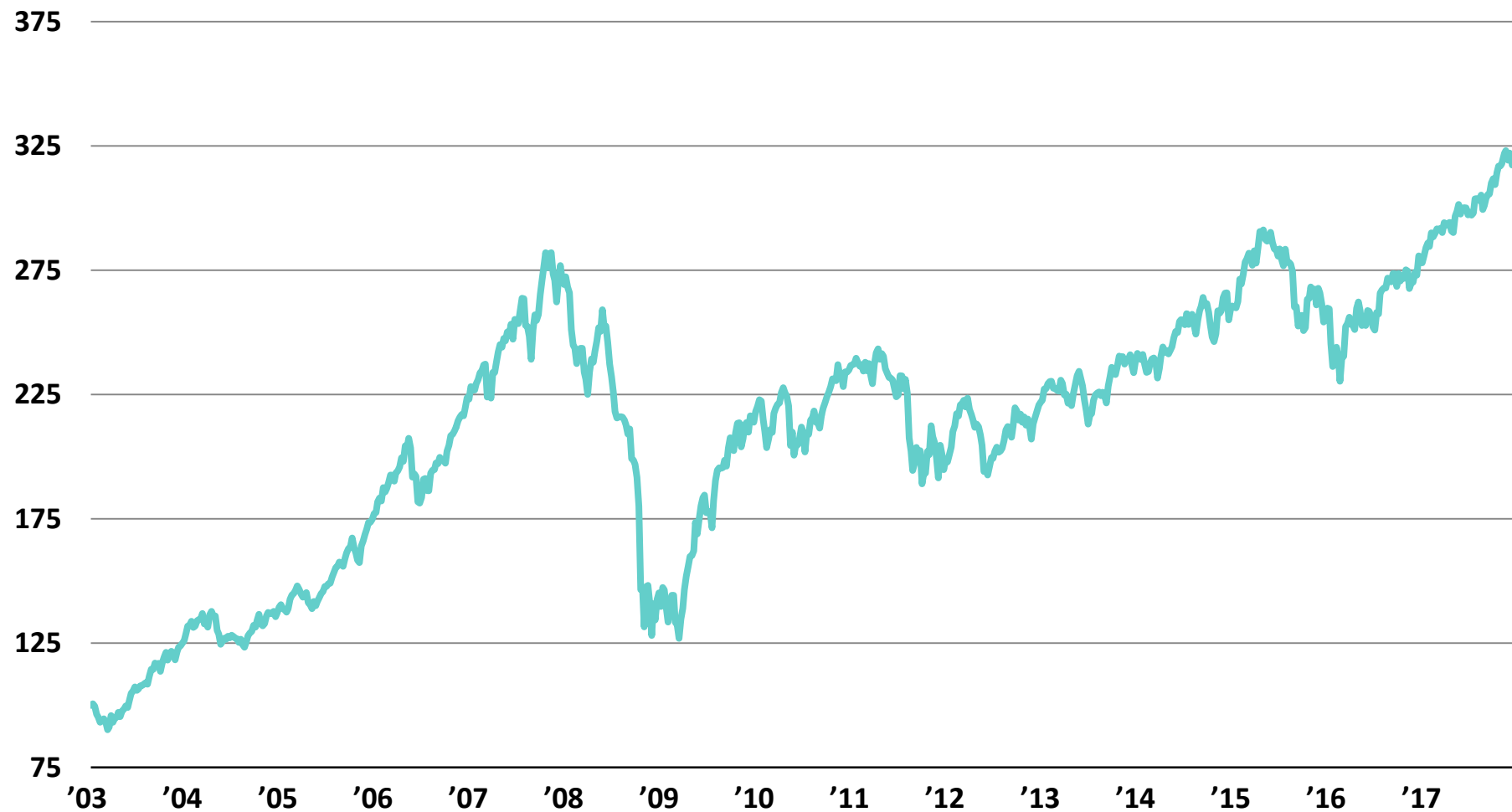
# Price to Peak Multiples since Financial Crisis



Source: Monticello Associates (December 2017).

# Top 20 Global Indices by Market Cap – Equally Weighted

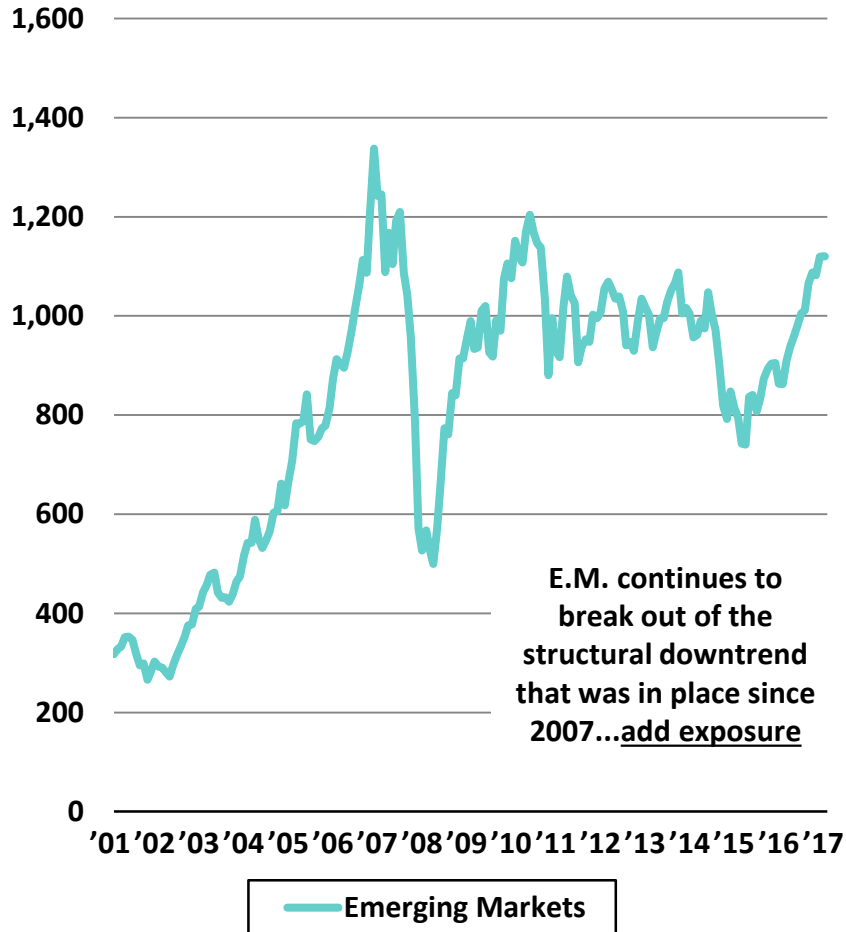
(Indexed to 100 on 12/31/02)



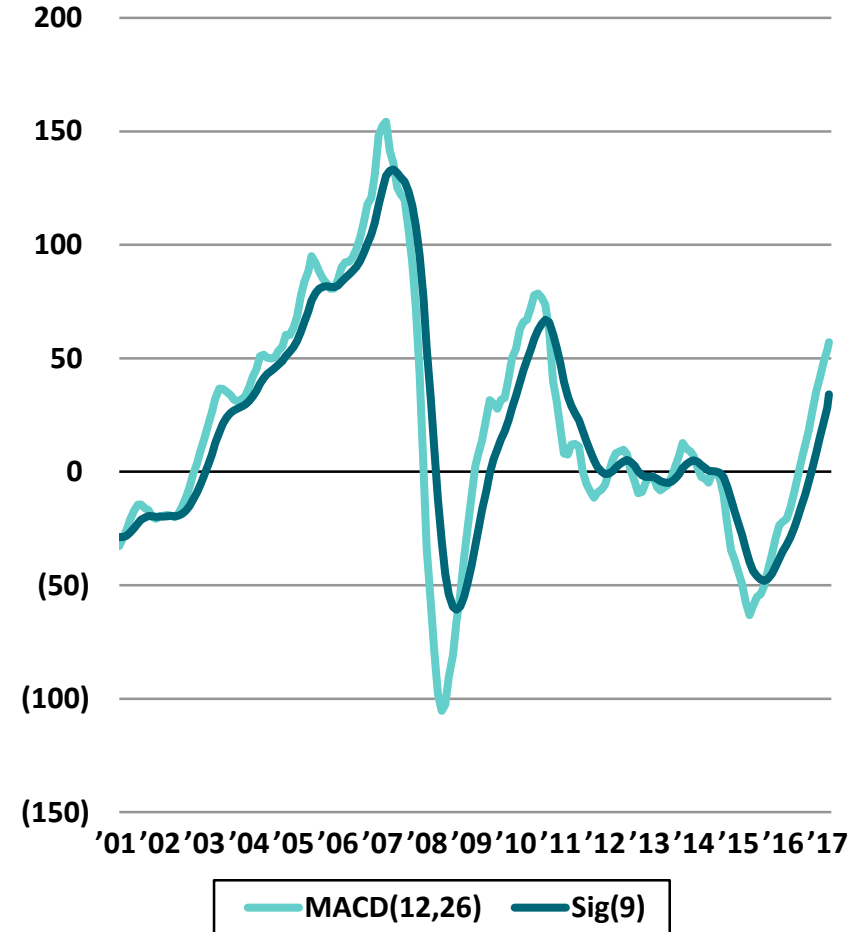
Source: Strategas Research Partners (December 2017).

# Emerging Markets

## Emerging Markets Monthly



## Monthly Momentum Indicator



Source: Strategas Research Partners (December 2017).

# The Continuing Recovery in Japan

# Evercore ISI Japan Forecast

	2017		2018	
	1H	2H	1H	2H
Real GDP *	2.2%	2.0%	2.0%	2.0%
Nominal GDP *	1.8%	2.7%	3.0%	3.3%
CPI YoY % **	0.3%	0.8%	1.0%	1.3%
Core Core CPI Y/Y % **	-0.2%	0.2%	0.5%	1.0%
Yen/\$ **	112	114	118	120

\* Q/Q & A.R.

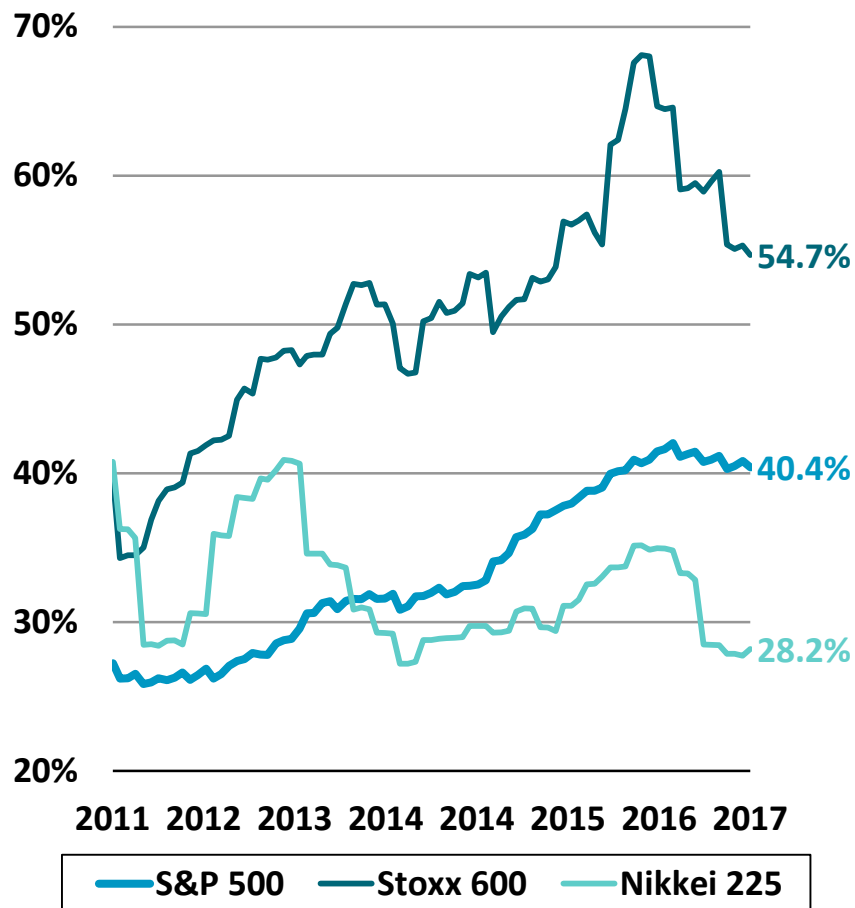
\*\* End of period.

Source: Evercore ISI (December2017).

# Good Value in Japan

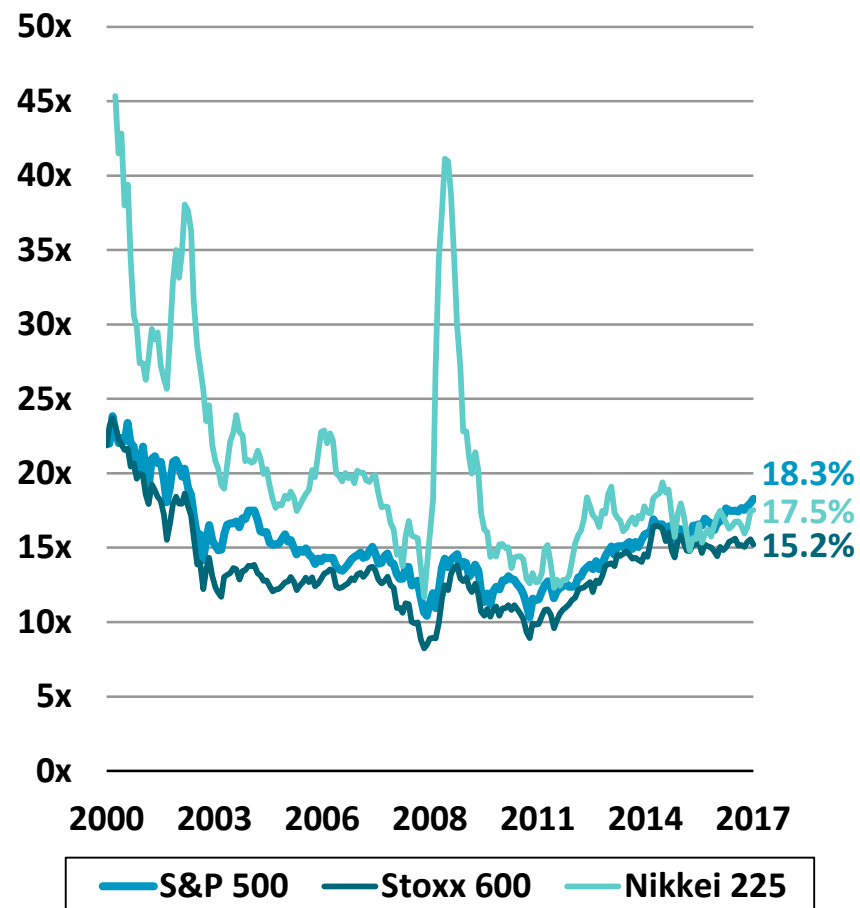
## Dividend Payout Ratio

(S&P 500 vs. Stoxx 600 vs. Nikkei 225)



## NTM P/E

(S&P 500 vs. Stoxx 600 vs. Nikkei 225)



Source: Strategas Research Partners (December 2017).

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# Appendix – Life's Lessons



# Life's Lessons

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**Here are some of the lessons I have learned in my first 80 years. I hope to continue to practice them in the next 80**

1. Concentrate on finding a big idea that will make an impact on the people you want to influence. The Ten Surprises, which I started doing in 1986, has been a defining product. People all over the world are aware of it and identify me with it. What they seem to like about it is that I put myself at risk by going on record with these events which I believe are probable and hold myself accountable at year-end. If you want to be successful and live a long, stimulating life, keep yourself at risk intellectually all the time.
2. Network intensely. Luck plays a big role in life, and there is no better way to increase your luck than by knowing as many people as possible. Nurture your network by sending articles, books and emails to people to show you're thinking about them. Write op-eds and thought pieces for major publications. Organize discussion groups to bring your thoughtful friends together.
3. When you meet someone new, treat that person as a friend. Assume he or she is a winner and will become a positive force in your life. Most people wait for others to prove their value. Give them the benefit of the doubt from the start. Occasionally you will be disappointed, but your network will broaden rapidly if you follow this path.
4. Read all the time. Don't just do it because you're curious about something, read actively. Have a point of view before you start a book or article and see if what you think is confirmed or refuted by the author. If you do that, you will read faster and comprehend more.
5. Get enough sleep. Seven hours will do until you're sixty, eight from sixty to seventy, nine thereafter, which might include eight hours at night and a one-hour afternoon nap.
6. Evolve. Try to think of your life in phases so you can avoid a burn-out. Do the numbers crunching in the early phase of your career. Try developing concepts later on. Stay at risk throughout the process.

## Life's Lessons (Cont'd)

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7. Travel extensively. Try to get everywhere before you wear out. Attempt to meet local interesting people where you travel and keep in contact with them throughout your life. See them when you return to a place.
8. When meeting someone new, try to find out what formative experience occurred in their lives before they were seventeen. It is my belief that some important event in everyone's youth has an influence on everything that occurs afterwards.
9. On philanthropy my approach is to try to relieve pain rather than spread joy. Music, theatre and art museums have many affluent supporters, give the best parties and can add to your social luster in a community. They don't need you. Social service, hospitals and educational institutions can make the world a better place and help the disadvantaged make their way toward the American dream.
10. Younger people are naturally insecure and tend to overplay their accomplishments. Most people don't become comfortable with who they are until they're in their 40's. By that time they can underplay their achievements and become a nicer, more likeable person. Try to get to that point as soon as you can.
11. Take the time to give those who work for you a pat on the back when they do good work. Most people are so focused on the next challenge that they fail to thank the people who support them. It is important to do this. It motivates and inspires people and encourages them to perform at a higher level.
12. When someone extends a kindness to you write them a handwritten note, not an e-mail. Handwritten notes make an impact and are not quickly forgotten.
13. At the beginning of every year think of ways you can do your job better than you have ever done it before. Write them down and look at what you have set out for yourself when the year is over.
14. The hard way is always the right way. Never take shortcuts, except when driving home from the Hamptons. Short-cuts can be construed as sloppiness, a career killer.

## Life's Lessons (Cont'd)

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15. Don't try to be better than your competitors, try to be different. There is always going to be someone smarter than you, but there may not be someone who is more imaginative.
16. When seeking a career as you come out of school or making a job change, always take the job that looks like it will be the most enjoyable. If it pays the most, you're lucky. If it doesn't, take it anyway, I took a severe pay cut to take each of the two best jobs I've ever had, and they both turned out to be exceptionally rewarding financially.
17. There is a perfect job out there for everyone. Most people never find it. Keep looking. The goal of life is to be a happy person and the right job is essential to that.
18. When your children are grown or if you have no children, always find someone younger to mentor. It is very satisfying to help someone steer through life's obstacles, and you'll be surprised at how much you will learn in the process.
19. Every year try doing something you have never done before that is totally out of your comfort zone. It could be running a marathon, attending a conference that interests you on an off-beat subject that will be populated by people very different from your usual circle of associates and friends or traveling to an obscure destination alone. This will add to the essential process of self-discovery.
20. Never retire. If you work forever, you can live forever. I know there is an abundance of biological evidence against this theory, but I'm going with it anyway.