

Dundee's Goodman touts gold as post-recessionary investment

BY SUSAN KIRWIN

Ned Goodman, founder and chairman of Dundee Wealth, has never been more optimistic about the future. The recession is over and the world's population is exploding, but there aren't enough resources for everyone. So if you're interested in making money, Goodman says, invest in basic resources.

"We are watching a time similar to the post-World War Two growth period in North America, Europe and Japan," Goodman said at a recent Toronto CFA Society/Goodman Institute luncheon in Toronto.

Among Goodman's predictions are that commodities, energy and agricultural products will be in great demand, with 3 billion people worldwide striving to join the mid-

products will eliminate any inflationary negativity, Goodman said.

"Inflation, believe it or not, has probably diminished 90 per cent of the value of the U.S. dollar over the last 100 years," Goodman said. "And the last 10 per cent is what we are looking at ahead of us."

Goodman ran down the problems we will encounter in the new post-financial crisis world. The U.S. dollar especially, is vulnerable to an inflation explosion that will become more apparent as the U.S. injects more money into its economy from the nearly US\$800-billion bailout package. And Goodman said the government's shift away from free trade, its stimulus spending and its intervening in business is creating a completely new setting — one in which gold will

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dle class. And he says it doesn't matter what the United States' balance sheet looks like; thanks to globalization, the developing world is still developing.

"And it's all happening when the world is least prepared to deliver more of these basic materials," Goodman said.

Goodman labelled himself an "almost 100 per cent resource investor," saying that in his more than four-decade career, "I cannot imagine another time as exciting as I live through right now."

An era filled with opportunity to create wealth is emerging similar to that of the late '70s and early '80s, he said.

"It's a time of action, not tears. As survivors, we have more choices, experience, better tools and less competition for new ideas and great challenges," Goodman said.

Portfolios will only do better by investing in assets that are in high demand but short supply — the ones needed to accommodate the growing middle class.

Investing in companies developing these

play an increasingly important role.

"This new environment makes gold the go-to asset for a new global reserve currency," Goodman said. "I have no idea how it's going to happen but gold is 5,000, 6,000 years old as a currency that's trusted on a worldwide basis."

As the U.S. piles on more debt and the Federal Reserve takes in more toxic assets, it will only add to the debasement of the dollar, he said. All of this will help support the gold price.

"The bull market for gold has now been running for ten years and it has more to go," Goodman said.

A seasoned investor, Goodman is optimistic about the coming years.

"As far as the financial crisis goes, I've lived through many in my forty-five years in the investment profession. And they all come about for differing reasons and only have one thing in common," he said. "They end. And we are looking at the end of this crisis."