
CHINA'S VISION OF VICTORY

Jeremy Schwartz — Global Chief Investment Officer
10/20/2020

Last week's Behind the Markets episode featured Dr. Jonathan Ward, founder of the Atlas Consulting Group and an expert on China. Dr. Ward authored the book *China's Vision of Victory* and has been consulting with U.S. policy experts on China's ambitions and strategic goals.

Dr. Ward studied China and India relations at Oxford University and spent 10 years in Asia before returning to Washington, DC, to consult with the Department of Defense and Fortune 500 companies on how to think about the long-term U.S.-China strategy.

Dr. Ward published Chinese Communist Party (CCP) documents that outline China's goals of a great rejuvenation. Ward believes China feels humiliated by foreign empires, but they desire to regain global supremacy and, in their view, their rightful place in dominating the international system. China's CCP wants to have the world's leading economy and top military and be the leading technological superpower. He also contends that China looks at the U.S. as the main obstacle to realizing their ambitions.

Increasingly, there is a view that China represents an adversarial relationship for the United States. Dr. Ward sees China being explicit in building out military power, and just recently, President Xi Jinping was talking to its marines about preparing for war. There were recent border skirmishes with India that signaled the first use of Chinese troops in the 21st century, but in the 20th century, China went to war with the USSR, India and Vietnam, and against the United Nations and United States in the Korean Peninsula.

Ultimately, Ward sees China trying to consolidate a new trading system with the Belt and Road Initiative, while expanding their manufacturing and industrial output via the "Made in China 2025" strategic plan.

Ward sees a civil-military fusion in China that ultimately connects all companies to military ambitions, and this is one of the reasons he believes it is dangerous to be investing in China. Ward points to logistic companies and technology companies being converted into military uses and says that investors are funding the buildup of a hostile power.

Ward thinks the bottom line is that the U.S. has to sanction China to cut down its ability to wield geopolitical power and that the next arrow in our quiver will be access to funding cut off by the [Treasury](#). What President Trump did with trade was just the start of tensions that may escalate further.

This was a really important conversation on the key relationships and risks for Chinese investments specifically and emerging market allocations more broadly.

This will be a topic we come back to on our podcast. You can listen to the full conversation below.

Behind the Markets on Wharton Business Radio · Behind The Markets Podcast: Jonathan Ward

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

IMPORTANT INFORMATION

U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.

There are risks involved with investing, including possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, currency, fixed income and alternative investments include additional risks. Please see prospectus for discussion of risks.

Past performance is not indicative of future results. This material contains the opinions of the author, which are subject to change, and should not to be considered or interpreted as a recommendation to participate in any particular trading strategy, or deemed to be an offer or sale of any investment product and it should not be relied on as such. There is no guarantee that any strategies discussed will work under all market conditions. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This material should not be relied upon as research or investment advice regarding any security in particular. The user of this information assumes the entire risk of any use made of the information provided herein. Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax or legal advice. Investors seeking tax or legal advice should consult their tax or legal advisor. Unless expressly stated otherwise the opinions, interpretations or findings expressed herein do not necessarily represent the views of WisdomTree or any of its affiliates.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or component of any financial instruments or products or indexes. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each entity involved in compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties. With respect to this information, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including loss profits) or any other damages (www.msci.com)

Jonathan Steinberg, Jeremy Schwartz, Rick Harper, Christopher Gannatti, Bradley Krom, Tripp Zimmerman, Michael Barrer, Anita Rausch, Kevin Flanagan, Brendan Loftus, Joseph Tenaglia, Jeff Weniger, Matt Wagner, Alejandro Saltiel, Ryan Krystopowicz, Jianing Wu, and Brian Manby are registered representatives of Foreside Fund Services, LLC.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

You cannot invest directly in an index.

DEFINITIONS

Treasury : Debt obligation issued by the U.S. government with payments of principal and interest backed by the full faith and credit of the U.S. government.