

# Piguet Galland & you.

## Thematic certificate - Asian Prosperity



According to the OECD, Asia is set to deliver sustainable growth over the long term, and the continent's middle class should expand at a pace of 5% per year. With our actively managed Asian Prosperity Certificate, we aim to tap into the increasing purchasing power of Asia's households.



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### Equity Certificate

- Asian Prosperity
- ISIN CH0383110886

### Features

- Currency: USD
- Legal form: open-ended
- Issuer: BCV
- Management fee: 1%
- Number of stocks: ~ 40
- Management type: active
- Dividends: reinvested
- Investment manager: Ed Yau, CFA

### Asia: a region offering sustainable growth

Asia already accounts for 40% of the world's middle class, a figure that – according to the OECD – should rise to 60% in a few years' time. There's real potential for a rise in demand in this corner of the world, and it's not hard to see why certain retailers are opening so many points of sale in these countries. LVMH, for instance, now has more than a third of its shops in Asia, in anticipation of rising levels of wealth.

This expansion should lead to higher spending on goods and services, opening up numerous investment opportunities.

### The Asian miracle or mirage?

The Asian "miracle" has been mentioned many times before, but financial market excesses have often left overzealous investors with a bitter taste in their mouths. So what's changed? Why now?

- In the 1960s, companies began to look for ways to cut costs and started moving production to Asia. The know-how acquired through this technology transfer has helped to drive growth.
- Wealth is now distributed more evenly, and the significant decline in poverty has been key to achieving sustainable growth.
- The region's education systems are world class, which will help to ensure that the uptrend continues.

### Which companies stand to benefit from all of this?

By analysing these factors, we were able to identify several themes that are positioned to gain from this trend. Here are some examples:

1. Consumer discretionary
  - Cosmetics / luxury goods
  - Sports / ski equipment
2. Tourism
  - Hospitality
  - Duty-free, Airports / Airlines
3. Entertainment
  - Film / game production
  - E-Sport
4. Healthcare
  - Private hospitals
  - Pharma / drug producers
5. Education
  - Private schools
  - Online / offline tutoring network

### How to invest in this theme?

Our Asian Prosperity Equity Certificate is the ideal way to invest in these companies, offering the following advantages:

- **Actively managed:** Our analysts can quickly change the certificate's composition based on the companies' share prices and fundamentals.
- **Diversified:** The certificate invests in around 40 companies; small caps companies are avoided in order to keep a lid on volatility.
- **Liquidity:** Quotes for the certificate will be available daily.