



Piguet Galland & you.

Thematic certificate :

Women Empowerment Equity Certificate

Empowering women is an imperative for the global economy – various academic studies have shown that increasing the economic participation of women can lead to considerable gains.

Our Women Empowerment certificate aims to tap into this trend and the investment opportunities it brings.

Equity Certificate

- Women Empowerment
- ISIN: CH0519640715

Specifications

- Currency: USD
- Legal form: Open-ended
- Issuer: Banque Cantonale Vaudoise (BCV)
- Subscription deadline: 12pm on 6 February 2020
- Number of stocks: ~30
- Management type: Active
- Universe: Global Equities
- Dividends: Reinvested
- Manager: Christina Carlsten



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In many countries, addressing gender inequalities has only very recently become a priority. But governments now seem to be realising that female empowerment is not only a moral imperative but an economic one too.

Unlocking women's full economic potential

According to a study by McKinsey, narrowing the gender gap will add between 11% and 26% to global annual GDP by 2025. The upper end of this range is roughly equivalent to the size of the combined US and Chinese economies today. Two key trends should help to close this gap: the growth in environmental, social and governance (ESG) investments, and a shift in attitudes among younger generations.

Addressing labour shortages

The world's population is ageing faster than ever before. One of the best ways of offsetting the resulting decline in the working population is to increase women's participation in the labour force. In Japan, where this situation is particularly problematic, the government has already put in place measures to increase the role played by women in the domestic economy. It has, for instance, brought in generous parental leave policies, consequently women's labour force participation rate is now higher in Japan than in the USA and Europe.

A greater social good, and a positive financial impact

Various academic studies – including one by the IMF – have shown that there is a very high correlation between a company's financial performance and the competitive advantage that a proactive gender parity policy brings. Although the causal link is hard to prove, these studies suggest that putting women in key positions within senior management and on boards of directors can drive up revenues, improve a company's operational performance and enhance profitability. Men and women tend to manage risk and workplace dynamics differently, so a more even gender balance can lead to greater innovation, enhanced creativity and more effective decision-making. These companies tend to outperform on the stock markets as well.

The new president of the European Central Bank, Christine Lagarde, has said that a higher proportion of female managers within banks and their supervisory authorities could bring greater stability to the sector, since women take a different approach to risk. Including more women may actually result in higher capital ratios and fewer bad loans.

Women are the most powerful consumers in the world, and their impact on the economy is increasing every year

Women drive around 70% of all consumer purchasing decisions, so one of the key economic benefits of greater labour force participation is increased purchasing power among women and, by extension, households. This can have a positive impact on a number of sectors, including consumer goods, residential construction and leisure. And reducing the gender pay gap would boost things further: a study by Citigroup has shown that eliminating the pay gap would inject USD 100 billion into the US economy each year.

High-potential clients for the financial services industry

Giving women greater access to financial services would also help to boost economic growth and reduce inequalities. There's a lot of work to be done here – women own 32% of financial assets worldwide yet they often have quite limited access to financial services. Although they are highly influential consumers, they are one of the most poorly served groups in the finance sector, which means that both women and the financial industry are currently losing out.

Unlocking the potential of this investment theme

Our Women Empowerment certificate will focus on companies that recognise this potential and that have put in place initiatives to tap into this trend, since these companies will have a clear advantage in terms of future growth. The certificate will invest in two types of companies: those that work to improve female representation, and those driving women's empowerment.

The certificate is not designed for women only – it is for anyone seeking out investments that will deliver both financial and social rewards. Investing in companies that promote women is a unique opportunity to bring about change and improve the well-being of the global community.